Offering Period: A period of two days

On Tuesday, 3 Jumada al-Ula 1446H (corresponding to 5 November 2024G).

until the end of Offering on Wednesday, 4 Jumada al-Ula 1446H (corresponding to 6 November 2024G).

Tamkeen Human Resources Company Prospectus

Tamkeen Human Resources Company (hereinafter referred to as the "**Company**" or the "**Issuer**") is a Saudi closed joint stock company incorporated pursuant to Ministerial Resolution No 240/Q dated 23 Ramadan 1439H (corresponding to 7 June 2018G) and registered under Commercial Registration No 1010451749 dated 23 Ramadan 1439H (corresponding to 7 June 2018G) issued in Riyadh, Kingdom of Saudi Arabia (the "**Kingdom**"). The Company's registered office is located at Northern Ring Road, An Nafal District, P.O. Box 4143, Riyadh 12333, Kingdom of Saudi Arabia. As of the date of this Prospectus, the share capital of the Company is two hundred and sixty-five million Saudi Arabian Riyals (SAR 265,000,000), divided into twenty-six million five hundred thousand (26,500,000) ordinary shares, with a fully paid nominal value of ten Saudi Arabian Riyals (SAR 10) per share (the "**Shares**").

Tamkeen Human Resources Company was established as a joint stock company pursuant to Ministerial Resolution No 240/Q dated 23 Ramadan 1439H (corresponding to 7 June 2018G) and pursuant to Commercial Registration No 1010451749 dated 23 Ramadan 1439H (corresponding to 7 June 2018G), with a capital of one hundred million Saudi Arabian Riyals (SAR 100,000,000) divided into ten million (10,000,000) ordinary shares with a fully paid nominal value of ten Saudi Arabian Riyals (SAR 10) per Share. Tasheel Real Estate Company holds 58.5 per cent. of the Shares, Abdulrahman Ali Abdullah Al Gubaisi holds 15 per cent. of the Shares, Fares Saleh Mutlaq Al Henaki holds 10 per cent. of the Shares, Saleh Mohammed Saleh Al Hajaj holds 10 per cent. of the Shares and Saif Mohammed Saif Al Sharikh holds 2.5 per cent. of the Shares, while Abdulrahman Abdulkareem Saleh Abalkhail and Abdulsalam Obaidullah Salem Alhusayn each hold two per cent. of the Shares. On 6 Muharram 1442H (corresponding to 25 August 2020G), Tasheel Real Estate Company transferred three hundred thousand (300,000) Shares to Abdullah Ahmed Sultan Al Shehri in exchange for cash consideration of three million Saudi Arabian Riyals (SAR 3,000,000). Furthermore, on 24 Rabi' al-Thani 1442H (corresponding to 9 December 2020G), Tasheel Real Estate Company transferred: (i) two million eight hundred and seventy-five thousand (2,875,000) Shares to Abdullah Sulaiman Abdulrahman Al Ngeer in exchange for cash consideration of twenty-eight million, seven hundred and fifty thousand Saudi Arabian Riyals (SAR 28,750,000); and (ii) two million six hundred and seventy-five thousand (2,675,000) Shares to Mohammad Sulaiman Abdulrahman Al Ngeer in exchange for cash consideration of twenty-six million, seven hundred and fifty thousand Saudi Arabian Riyals (SAR 26,750,000). On 12 Jumada al-Ula 1442H (corresponding to 27 December 2020G): (a) Abdulsalam Obaidullah Salem Alhusayn transferred two hundred thousand (200,000) Shares to Abdullah Sulaiman Abdulrahman Al Ngeer in exchange for cash consideration of two million Saudi Arabian Riyals (SAR 2,000,000); (b) Abdulrahman Abdulkareem Saleh Abalkhail transferred two hundred thousand (200,000) shares to Abdullah Sulaiman Abdulrahman Al Ngeer in exchange for cash consideration of two million Saudi Arabian Riyals (SAR 2,000,000); and (c) Abdullah Sulaiman Abdulrahman Al Ngeer transferred one hundred thousand (100,000) Shares to Ziad Mohammed Makki Saleh Al Tunisi in exchange for cash consideration of one million Saudi Arabian Riyals (SAR 1,000,000). On 20 Rajab 1443H (corresponding to 21 February 2022G): (a) Abdulrahman Ali Abdullah Al Gubaisi transferred one million five hundred thousand (1,500,000) Shares to Dr Sulaiman Al Habib Medical Services Group Company in exchange for cash consideration of seventy-five million Saudi Arabian Riyals (SAR 75,000,000); and (b) Fares Saleh Mutlaq Al Henaki transferred one million (1,000,000) Shares to Dr Sulaiman Al Habib Medical Services Group Company in exchange for cash consideration of fifty million Saudi Arabian Riyals (SAR 50,000,000). On 26 Ramadan 1443H (corresponding to 28 April 2022G): (a) Abdullah Sulaiman Abdulrahman Al Ngeer transferred: (i) one million (1,000,000) Shares to Fares Saleh Mutlaq Al Henaki in exchange for cash consideration of fifty million Saudi Arabian Riyals (SAR 50,000,000); and (ii) ninety-three thousand seven hundred and fifty (93,750) Shares to Abdulrahman Ali Abdullah Al Gubaisi in exchange for cash consideration of four million, six hundred eighty-seven thousand and five hundred Saudi Arabian Riyals (SAR 4,687,500); (b) Mohammad Sulaiman Abdulrahman Al Ngeer transferred nine hundred and sixty-eight thousand seven hundred and fifty (968,750) Shares to Abdulrahman Ali Abdullah Al Gubaisi in exchange for cash consideration of forty-eight million, four hundred thirty-seven thousand and five hundred Saudi Arabian Riyals (SAR 48,437,500); and (c) Saif Mohammed Saif Al Sharikh transferred sixty-two thousand five hundred (62,500) Shares to Abdulrahman Ali Abdullah Al Gubaisi in exchange for cash consideration of three million, one hundred twenty-five thousand Saudi Arabian Riyals (SAR 3,125,000). Pursuant to the General Assembly's Resolution dated 3 Thul-Hijjah 1444H (corresponding to 21 June 2023G), the capital of the Company was increased from one hundred million Saudi Arabian Riyals (SAR 100,000,000) to two hundred million Saudi Arabian Riyals (SAR 200,000,000) divided into twenty million (20,000,000) ordinary Shares with a fully paid nominal value of ten Saudi Arabian Riyals (SAR 10) per Share through the capitalisation of one hundred million Saudi Arabian Riyals (SAR 100,000,000) from retained earnings. On 13 Jumada al-Akhirah 1445H (corresponding to 26 December 2023G): (a) Abdullah Sulaiman Abdulrahman Al Ngeer transferred three million four hundred and twelve thousand five hundred (3,412,500) Shares to Tasheel Real Estate Company; and (b) Mohammad Sulaiman Abdulrahman Al Ngeer transferred three million four hundred and twelve thousand five hundred (3,412,500) Shares to Tasheel Real Estate Company, without any consideration for either transfer, given Tasheel Real Estate Company is jointly owned by them. Pursuant to the General Assembly's Resolution dated 25 Sha'ban 1445H (corresponding to 6 March 2024G), the capital of the Company was increased from two hundred million Saudi Arabian Riyals (SAR 200,000,000) to two hundred sixty-five million Saudi Arabian Riyals (SAR 265,000,000), divided into twenty-six million five hundred thousand (26,500,000) ordinary Shares, with a fully paid nominal value of ten Saudi Arabian Riyals (SAR 10) per Share through the capitalisation of fifty-one million and twenty-three thousand six hundred and eighty-nine Saudi Arabian Riyals (SAR 51,023,689) from retained earnings and the capitalisation of thirteen million nine hundred and seventy-six thousand three hundred and eleven Saudi Arabian Riyals (SAR 13,976,311) from statutory reserve. On 25 Thul-Qi'dah 1445H (corresponding to 2 June 2024G), Abdulrahman Ali Abdullah Al Gubaisi transferred nine hundred and ninety-three thousand seven hundred and fifty (993,750) Shares to Saleh Hamad Ali Al Bhaiji in exchange for cash consideration of nine million, nine hundred thirty-seven thousand and five hundred Saudi Arabian Riyals (SAR 9,937,500) (for further details, see Section 4.4 (*Evolution of Capital*)).

As of the date of this Prospectus, the Company's share capital is two hundred and sixty-five million Saudi Arabian Riyals (SAR 265,000,000), divided into twenty-six million, five hundred thousand (26,500,000) ordinary Shares, with a fully paid nominal value of ten Saudi Arabian Riyals (SAR 10) per Share.

The initial public offering of the Company's Shares (the "**Offering**") will consist of seven million nine hundred and fifty thousand (7,950,000) ordinary Shares (collectively, the "**Offer Shares**" and each an "**Offer Share**)". The Offering price will be [•] Saudi Arabian Riyals (SAR [•]) per Offer Share (the "**Offer Price**"), with each Offer Share carrying a fully paid nominal value of ten Saudi Arabian Riyals (SAR 10) per Offer Share. The Offer Shares represent thirty per cent. (30%) of the issued share capital of the Company.

The Offering shall be restricted to the following two groups of investors (collectively, the "**Investors**"):

Tranche (A) Participating Parties: Comprising the parties entitled to participate in the book-building process as specified under the Book-Building Instructions (as defined in Section 1 (*Definitions and Abbreviations*)), issued by the Capital Market Authority (the "**CMA**"), including investment funds, qualified foreign companies and institutions, GCC (as defined in Section 1 (*Definitions and Abbreviations*)) corporate investors, and other foreign investors under (SWAP) agreements (collectively referred to as the "**Participating Parties**" and each a "**Participating Party**") (for further details, see Section 1 (*Definitions and Abbreviations*)). The number of Offer Shares to be provisionally allocated to the Participating Entities is seven million nine hundred and fifty thousand (7,950,000) Offer Shares, representing one hundred per cent. (100%) of the Offer Shares. The final allocation will be made after the end of the Individual Subscribers' subscription (as defined in Tranche (B) below), using the discretionary allocation mechanism by the Financial Advisor (as defined in Section 1 (*Definitions and Abbreviations*)) in coordination with the Company. As a result, some of the Participating Entities may not be allocated any Offer Shares. The Financial Advisor shall have the right, if there is sufficient demand by Individual Subscribers and in coordination with the Company, to reduce the number of Offer Shares allocated to Participating Entities to six million three hundred and sixty thousand (6,360,000) Offer Shares, representing eighty per cent. (80%) of the Offer Shares.

Tranche (B) Individual Subscribers: Comprising Saudi Arabian natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi person who can subscribe for her own benefit or in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor Saudi Arabian children, as well as any non-Saudi natural persons resident in the Kingdom or GCC natural persons, in each case who have an investment account and an active portfolio with a Receiving Agent and the right to open an investment account with a Capital Market Institution (the "**Individual Subscribers**" and each an "**Individual Subscriber**", and any such Individual Subscriber participating in the Offering together with the Participating Entities, the "**Subscribers**"). A subscription for Offer Shares made by a person in the name of his divorced wife shall be deemed invalid and the applicant shall be subject to the sanctions prescribed by law. If a duplicate subscription is made, the second subscription will be considered void and only the first subscription will be accepted. A maximum of one million five hundred and ninety thousand (1,590,000) Offer Shares, representing twenty per cent. (20%) of the total Offer Shares, shall be allocated to Individual Subscribers. If the Individual Subscribers do not subscribe in full to the Offer Shares allocated to them, the Financial Advisor may in coordination with the Company reduce the number of Offer Shares allocated to Individual Subscribers in proportion to the number of Offer Shares subscribed by them.

Prior to the Offering, the Company's current shareholders whose names appear on page (xii) own all the Shares of the Company. Upon completion of the Offering, the current Shareholders will own seventy per cent. (70%) of the Shares and will consequently retain a controlling interest in the Company. After deducting the Offering expenses from the Offering proceeds (the "**Offering Proceeds**"), the resulting net Offering Proceeds (the "**Net Offering Proceeds**") will be paid to the Selling Shareholders (those are all the current shareholders of the Company except for Fares Saleh Mutlaq Al Henaki and Abdullah Sulaiman Abdulrahman Al Ngeer) (the "**Selling Shareholders**") on a pro-rata basis according to the number of Shares owned by each Selling Shareholder. The Company will not receive any part of the Net Offering Proceeds (for further details, see Section 8 (*Use of Proceeds*)). The Offering is fully underwritten by the Underwriter (for further details, see Section 12 (*Underwriting*)). Substantial Shareholders will be subject to a lock-up period, during which they will be prohibited from selling their Shares for a period of six (6) months starting from the date of commencement of trading of the Company's Shares on the Saudi Exchange ("**Tadawul**" or the "**Exchange**") (the "**Lock-up Period**"). Following the end of the Lock-up Period, Substantial Shareholders may dispose of their Shares, noting that the Company has six substantial Shareholders (i.e., those who own five per cent. (5%) or more of the Company's share capital prior to the Offering), namely Tasheel Real Estate Company (which owns 34.13 per cent. of the Shares), Dr Sulaiman Al Habib Medical Services Group Company (which owns 25 per cent. of the Shares), Fares Saleh Mutlaq Al Henaki (who owns 10 per cent. of the Shares), Saleh Mohammed Saleh Al Hajaj (who owns 10 per cent. of the Shares) and Abdulrahman Ali Abdullah Al Gubaisi (who owns 7.5 per cent. of the Shares) (hereinafter referred to as the "**Substantial Shareholders**"). Table 2 (*The Substantial Shareholders and Their Ownership in the Company Pre- and Post-Offering*) sets out their holding the Company's capital pre- and post-Offering. Following the end of the Lock-up Period, the Substantial Shareholders may dispose of their Shares.

The Offering for Individual Subscribers will commence on Tuesday, 3 Jumada al-Ula 1446H (corresponding to 5 November 2024G) until the end of Offering on Wednesday, 4 Jumada al-Ula 1446H (corresponding to 6 November 2024G) for a period of two days (the "**Offering Period**"). Subscription to the Offer Shares by the Individual Subscribers can be made through the websites and platforms of the Receiving Agents (the "**Receiving Agents**") listed on page (viii), or any of the Receiving Agents' branches that offer any or all such services to their clients (for further details, see Section 16 (*Subscription Terms and Conditions*)). Participating Entities can bid for the Offer Shares through the Bookrunner within the book-building period before the Shares are offered to the Individual Subscribers.

Each Individual Subscriber who subscribes to the Offer Shares must apply for a minimum of ten (10) Offer Shares. The maximum number of Offer Shares that can be subscribed to is two hundred and fifty thousand (250,000) Offer Shares. The minimum number of allocated Offer Shares will be ten (10) Offer Shares per Individual Subscriber, and the balance of the Offer Shares, if any, will be allocated pro rata based on the number of Offer Shares applied for by each Individual Subscriber. If the number of Individual Subscribers exceeds one hundred and fifty-nine thousand (159,000), the Company will not guarantee the minimum allocation. The Offer Shares will be allocated at the discretion of the Financial Advisor in coordination with the Company. Excess subscription monies, if any, will be refunded to the Individual Subscribers without any charge or withholding by the relevant Receiving Agents. The final allocation shall be announced no later than 9 Jumada al-Ula 1446H (corresponding to 11 November 2024G) and any excess subscription monies will be refunded no later than 11 Jumada al-Ula 1446H (corresponding to 13 November 2024G) (for further details, see "*Key Dates and Subscription Procedures*" on page (xvi) and Section 16 (*Subscription Terms and Conditions*)).

The Company has one class of ordinary Shares. Each Share entitles its holder to one vote, and each shareholder (a "**Shareholder**") has the right to attend and vote at the Company's general assembly meetings (the "**General Assembly**") and each Shareholder is entitled to delegate another individual as their proxy through voting. No Shareholder benefits from any preferential voting rights. The Offer Shares will entitle their holders to receive dividends declared by the Company starting on the date of this Prospectus (the "**Prospectus**") and for the subsequent financial years (for further details, see Section 7 (*Dividend Distribution Policy*)).

Prior to the Initial Public Offering, there has been no public market for the Shares in the Kingdom or elsewhere. The Company has submitted an application for the registration and offer of the Shares to the CMA, and an application for listing of the Shares on the Exchange. This Prospectus has been approved and all required documents have been submitted to the relevant authorities. All requirements have been met and all relevant regulatory and corporate approvals for the Offering have been obtained. It is expected that trading in the Shares will commence on the Exchange shortly after the final allocation of the Offer Shares and the satisfaction of necessary conditions and procedures (for further details, see "*Key Dates and Subscription Procedures*" on page (xvi)). Saudi natural persons, non-Saudi natural persons holding valid residence permits in the Kingdom, companies, banks and investment funds established in the Kingdom or in countries of the Cooperation Council for the Arab States of the Gulf (the "**GCC**"), as well as GCC natural persons, will be permitted to trade in the Shares after their trading starts on the Exchange. Moreover, Qualified Foreign Investors and Strategic Foreign Investors will be permitted to trade in the Shares in accordance with the Rules for Foreign Investment in Securities (all as defined in Section 1 (*Definitions and Abbreviations*)). Furthermore, non-GCC natural persons who are not residents in the Kingdom and non-GCC institutions incorporated outside the Kingdom will be permitted to make indirect investments to acquire an economic interest in the Shares by entering into a swap agreement with a capital market institution licenced by the CMA to acquire, hold and trade the Shares on the Exchange on behalf of a Foreign Investor (the "**Capital Market Institution**"). Under such swap agreements, the Capital Market Institution will be the registered legal owner of such Shares. Moreover, other Foreign Investors which are clients of a Capital Market Institution authorised by the CMA to conduct managing activities will be permitted to trade in the Shares in accordance with the Rules for Foreign Investment in Securities, provided that the Capital Market Institution has been appointed on conditions that enable it to make all investment decisions on the client behalf without obtaining prior approval from the client.

Investment in the Offer Shares involves certain risks and uncertainties. For a discussion of the factors to be carefully considered before determining whether to subscribe for the Offer Shares, the "*Important Notice*" section on page (i) and Section 2 (*Risk Factors*) of this Prospectus should be considered.

This Prospectus includes information provided as part of the application for the registration and offer of securities in compliance with the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority in the Kingdom of Saudi Arabia (the "CMA") and the application for the listing of securities in compliance with the requirements of the Listing Rules of the Saudi Exchange. The Directors, whose names appear in Prospectus, collectively and individually, accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading. The CMA and the Exchange do not take any responsibility for the contents of this Prospectus, do not make any representations as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus.

This Prospectus is an unofficial English translation of the official Arabic Prospectus and is provided for information purposes only. The Arabic Prospectus published on the CMA's website (www.cma.org.sa) remains the only official, legally binding version and shall prevail in the event of any conflict between the two language versions.

Financial Advisor, Lead Manager, Bookrunner and Underwriter

Receiving Agents

This Prospectus is dated 1 Rabi' al-Awwal 1446H (corresponding to 4 September 2024G).

This Red Herring prospectus will be made available to Participating Parties participating in the Book-building process, and does not include the Offer Price. The final version of this Prospectus which will include the Offer Price shall be published after the completion of the Book-building process and the determination of the Offer Price.


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Tamkeen Human Resource Co.
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Important Notice

This Prospectus contains detailed and accurate information related to the Company and the Offer Shares. When submitting an application for the Offer Shares, institutional and individual investors will be treated as applying solely on the basis of the information contained in this Prospectus, which is available at the websites of the Company (www.tamkeenhr.com), the CMA (www.cma.org.sa), the Exchange (www.saudiexchange.sa), or the Financial Advisor (www.BSFCapital.sa).

With respect to the Offering of shares for public subscription, Saudi Fransi Capital has been appointed by the Company as the financial advisor (the "**Financial Advisor**"), the lead manager (the "**Lead Manager**"), the underwriter and the bookrunner (the "**Bookrunner**") (for further details, see Section 12 (*Underwriting*)).

This Prospectus includes information that has been presented in accordance with the Rules on the Offer of Securities and Continuing Obligations issued by the CMA and the Listing Rules of the Exchange. The Directors, whose names appear on page (iv), collectively and individually, accept full responsibility for the accuracy of the information contained in this Prospectus, and they affirm that according to their knowledge and belief, and after undertaking all possible reasonable enquiries, there are no other facts the omissions of which would make any statement contained herein misleading.

While the Company has made all reasonable enquiries as to the accuracy of the information contained in this Prospectus as of the date hereof, a substantial portion of the information in this Prospectus relevant to the markets and industry in which the Company operates is derived from external sources. While neither the Company, the Selling Shareholders, the Financial Advisor nor any of the Company's other advisors, whose names appear on pages (vi) to (vii) of this Prospectus (together with the Financial Advisor, the "**Advisors**"), have any reason to believe that any of the market and industry information is materially inaccurate, neither the Company, the Selling Shareholders nor any of the Advisors have independently verified such information, and no representation or assurance is made with respect to the accuracy or completeness of any of this information.

The information contained in this Prospectus as of the date hereof is subject to change. In particular, the actual financial position of the Company and the value of the Offer Shares may be adversely affected by future developments, such as inflation, interest rates, taxation or other economic, political and other factors over which the Company has no control (for further details, see Section 2 (*Risk Factors*)). Neither the delivery of this Prospectus nor any oral, written or printed information in relation to the Offer Shares is intended to be, or should be construed as, or relied upon in any way, as a promise, affirmation or representation as to future earnings, results or events.

This Prospectus is not to be regarded as a recommendation on the part of the Company, the Directors, the Selling Shareholders, the Receiving Agents or the Advisors to participate in the Offering. Moreover, the information provided in this Prospectus is of a general nature and has been prepared without taking into account individual investment objectives, the financial situation or particular investment needs of the persons who intend to invest in the Offer Shares. Prior to making an investment decision, each recipient of this Prospectus is responsible for obtaining independent professional advice from a CMA-licenced financial advisor in relation to the Offering and must rely on its own examination of the Company and the appropriateness of both the investment opportunity and the information herein with regard to the recipient's individual objectives, financial situation and needs, including the merits and risks involved in investing in the Offer Shares. An investment in the Offer Shares may be appropriate for some investors but not others, and prospective investors should not rely on another party's decision on whether to invest as a basis for their own examination of the investment opportunity and such investor's individual circumstances.

The Offering is directed at, and may be accepted only by:

Tranche (A): Participating Parties comprising the parties entitled to participate in the Book-Building process as specified under the Book-Building Instructions, including investment funds, companies, Qualified Foreign Investors, GCC Corporate Investors and certain other Foreign Investors pursuant to swap agreements (for further details, see Section 1 (*Definitions and Abbreviations*)).

Tranche (B): Individual Subscribers comprising Saudi Arabian natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi person who can subscribe for her own benefit or in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor Saudi Arabian children, as well as any non-Saudi natural persons resident in the Kingdom or GCC natural persons, in each case who have an investment account and an active portfolio with a Receiving Agent and the right to open an investment account with a Capital Market Institution. A subscription for Offer Shares made by a person in the name of his divorced wife shall be deemed invalid and the applicant shall be subject to the sanctions prescribed by law. If a duplicate subscription is made, the second subscription will be considered void and only the first subscription will be accepted. For further details, see Section 16 (*Subscription Terms and Conditions*).

The distribution of this Prospectus and the sale of the Offer Shares in any country other than the Kingdom are expressly prohibited, except for sales to certain GCC investors, Qualified Foreign Investors, and/or certain other Foreign Investors through swap agreements subject to the relevant laws and directives in this regard. The Offering does not constitute an offer to sell or solicitation of an offer to buy securities in any jurisdiction in which such offer or solicitation would be unlawful or prohibited. The recipients of this Prospectus must inform themselves of any legal restrictions relevant to the Offering and the sale of Offer Shares and observe all such restrictions. Both eligible Individual Subscribers and Participating Entities should read this Prospectus in full and seek advice from their attorneys, financial advisors, and any professional advisors regarding statutory, tax, regulatory, and economic considerations related to their investment in the Offer Shares, and they will personally bear the fees associated with that advice derived from their attorneys, accountants, and other advisors regarding all matters related to investment in the Offer Shares. There is no guarantee that any profits will be realised from an investment in the Offer Shares.

Market and Industry Data

Unless otherwise stated, the market, economic and industry data in this Prospectus constitute the Company's estimates, using underlying data from independent third parties. Statistics, data and other information related to markets, market sizes, market shares, market positions and other industry data pertaining to the Company's business and markets in this Prospectus are based on published and publicly available data obtained from multiple independent third-party sources.

In particular, unless otherwise stated, the information in Section 3 (*Market Overview Section*) is derived from the market report (the "**Market Report**") prepared by Euromonitor International Limited (the "**Market Consultant**") exclusively for the Company. The Market Consultant is an independent third-party provider of consulting services related to strategic market research. For further details about the Market Consultant, visit its website (www.euromonitor.com).

The Market Consultant prepared the Market Report in an independent and objective manner, and it has taken adequate care to ensure its accuracy and completeness. the research was conducted with an overall industry perspective, and it may not necessarily reflect the performance of individual companies in the industry.

Neither the Market Consultant, nor any of its subsidiaries, affiliates, partners, shareholders, directors, managers or their relatives, own any shares or any interest of any kind in the Company or its subsidiaries. As of the date of this Prospectus, the Market Consultant has given, and not withdrawn, its written consent to the use of its name, logo, statement and the market information and data supplied by it to the Company in the manner and format set out in this Prospectus.

The information provided in Section 3 (*Market Overview Section*) by the Market Consultant is based on primary and secondary information available internally or in the public domain and should be read in conjunction with the same. Quantitative market information was sourced from interviews by way of primary research, and therefore, the information is subject to change due to possible changes in the business and industry climate. Market estimates and assumptions are based on varying levels of quantitative and qualitative analyses, and actual results and future events could differ materially from such estimates, predictions or statements.

In its role as market consultant, the Market Consultant is only providing market research; the information provided by it from public data sources is not to be construed as investment, legal or any other type of advice about the Company.

Whilst the Directors believe that the information and data contained in Section 3 (*Market Overview Section*), including those derived from public sources or provided by the Market Consultant, are reliable, such information and data have not been independently verified by the Company, the Directors, the Advisors or the Selling Shareholders.

Financial and Statistical Information

The Group's audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G and the reviewed interim consolidated financial statements for the three-month period ended 31 March 2024G were prepared in accordance with International Financial Reporting Standards ("**IFRS**") as endorsed in the Kingdom and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("**SOCPA**"). The audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G and the interim consolidated financial statements for the three-month period ended 31 March 2024G and the reviewed interim consolidated financial statements for the six-month period ended 30 June 2024G were reviewed by Baker Tilly MKM & Co. Company (the "**Auditor**"). Such financial statements are included in Section 19 (*Financial Statements and Auditor's Report*). The Company prepares its financial statements in Saudi Arabian Riyals.

The financial and statistical information contained in this Prospectus is rounded off to the nearest integer or for the first decimal point, where applicable. Accordingly, where numbers have been rounded up or down, there may be minor differences between the figures set out in this Prospectus and the reviewed financial statements, and certain financial amounts presented in this Prospectus may not correspond to the financial information included elsewhere in this Prospectus or may not add up.

Unless otherwise expressly provided in this Prospectus, any references to "year" or "years" include references to Gregorian years.

Forecasts and Forward-Looking Statements

Forecasts set forth in this Prospectus have been prepared on the basis of assumptions based on the Company's information according to its market experience, as well as on publicly available market information. Since future operating conditions may differ from the assumptions used, no affirmation, representation, or warranty is made with respect to the accuracy or completeness of any of these forecasts. The Company confirms, to the best of its reasonable knowledge, that the statements were prepared with the necessary due diligence.

Certain statements in this Prospectus constitute, or may be deemed to constitute, "forward-looking statements". Such statements can generally be identified by their use of forward-looking words and terms, such as "intends", "plans", "estimates", "believes", "expects", "anticipates", "may", "will", "should", "expected", "would be" or the negative thereof or other variations of such terms or comparable terminology. These forward-looking statements reflect the views of the Company as of the date of this Prospectus with respect to future events but are not a guarantee of future performance. Many factors could cause the actual results, performance or achievements of the Company to be significantly different from any future results, performance or achievements that may be expressed or implied. Some of the risks and factors that could have such an effect are described in more detail (for further details, see Section 2 (*Risk Factors*)). Should any of these risks or uncertainties materialise or any underlying assumptions prove to be incorrect or inaccurate, the Company's actual results may vary materially from those described as estimated, believed, expected or planned in this Prospectus.

Subject to the requirements of the Rules on the Offer of Securities and Continuing Obligations, the Company must submit a supplementary prospectus to the CMA if at any time after the publication of this Prospectus and before completion of the Offering it becomes aware of: (i) a significant change in any material information contained in this Prospectus or any document required under the Rules on the Offer of Securities and Continuing Obligations; or (ii) the occurrence of additional significant matters which would have been required to be included in this Prospectus. Except in the aforementioned circumstances, the Company does not intend to update or otherwise revise any industry or market information or forward-looking statements in this Prospectus, whether as a result of new information, future events or otherwise. As a result of the aforementioned and other risks, uncertainties and assumptions, the expectations of future events and circumstances set forth in this Prospectus may not occur as expected by the Company or at all. Consequently, prospective investors should consider and review all forward-looking statements in light of these explanations and should not place undue reliance on them.

Corporate Directory

Company's Board of Directors

The Company is managed by a Board of Directors comprised of nine (9) members in accordance with the Company's Bylaws and appointed by the Company's ordinary general assembly for a period not exceeding three (3) years. The current term of the Board of Directors commenced on 16 Thul-Qi'dah 1444H (corresponding to 5 June 2023G) and will end on 18 Thul-Hijjah 1447H (corresponding to 4 June 2026G).

The following table sets out the details of the Board of Directors:

Table 1: Company's Board of Directors

Name	Position	Nationality	Membership Status	Direct Share Ownership[1]		Indirect Share Ownership[1]		Date of Appointment[2]
				Pre-Offering	Post-Offering	Pre-Offering	Post-Offering	
Abdullah Ahmed Sultan Al Shehri	Chairman of the Board of Directors	Saudi	Non-Executive	3.00%	2.10%	-	-	16 Thul-Qi'dah 1444H (corresponding to 5 June 2023G)
Ziad Mohammed Makki Saleh Al Tunisi	Vice Chairman of the Board of Directors	Saudi	Independent	1.00%	0.70%	-	-	16 Thul-Qi'dah 1444H (corresponding to 5 June 2023G)
Abdullah Sulaiman Abdulrahman Al Ngeer[3]	Managing Director	Saudi	Executive	3.75%	3.75%	17.06%	10.63%	16 Thul-Qi'dah 1444H (corresponding to 5 June 2023G)
Fares Saleh Mutlaq Al Henaki	Member of the Board of Directors and CEO	Saudi	Executive	10.00%	10.00%	-	-	16 Thul-Qi'dah 1444H (corresponding to 5 June 2023G)
Saleh Abdulrahman Saleh Al Fadel	Member of the Board of Directors	Saudi	Independent	-	-	-	-	16 Thul-Qi'dah 1444H (corresponding to 5 June 2023G)
Faisal Abdullah Ali Al Nassar	Member of the Board of Directors	Saudi	Non-Executive	-	-	-	-	16 Thul-Qi'dah 1444H (corresponding to 5 June 2023G)
Abdulrahman Ali Abdullah Al Gubaisi	Member of the Board of Directors	Saudi	Non-Executive	7.50%	5.00%	-	-	16 Thul-Qi'dah 1444H (corresponding to 5 June 2023G)
Ahmed Rajeh Abdullah Al Rajeh	Member of the Board of Directors	Saudi	Independent	-	-	-	-	16 Thul-Qi'dah 1444H (corresponding to 5 June 2023G)
Hesham Sulaiman Abdulaziz Al Habib[4]	Member of the Board of Directors	Saudi	Non-Executive	-	-	0.50%	0.35%	16 Thul-Qi'dah 1444H (corresponding to 5 June 2023G)

Source: The Company.

(1) Rounded to the first decimal place.

(2) The dates listed in this table are the dates of appointment to the current positions in the Board of Directors by the General Assembly. Their biographies in Section 5.2.4 (*Biographies of the Directors and the Secretary*) set out the dates of their appointment to the Board of Directors and any other positions.

(3) As of the date of this Prospectus, Abdullah Sulaiman Abdulrahman Al Ngeer owns 50.00 per cent. in Tasheel Real Estate Company which directly owns 34.13 per cent. of the Company. As a result, he indirectly owns approximately 4,521,562 Shares in the Company representing 17.06 per cent. in the Company prior to the Offering.

(4) As of the date of this Prospectus, Hesham Sulaiman Abdulaziz Al Habib owns 2.00 per cent. in Dr Sulaiman Al Habib Medical Services Group Company which directly owns 25.00 per cent. of the Company. As a result, he indirectly owns approximately 132,500 Shares in the Company representing 0.50 per cent. in the Company prior to the Offering.

The Secretary of the Board of Directors is Mohammed Ibrahim Mohammed Al Basha, who was appointed for the current term pursuant to a resolution by the Board of Directors dated 2 Muharram 1445H (corresponding to 20 July 2023G). The Secretary does not own any shares in the Company (for further details, see Section 5.2.4.10 (*Mohammed Ibrahim Mohammed Al Basha, Board Secretary*)).

Company's Registered Address, Representatives, Board Secretary

Company	
Tamkeen Human Resources Company Northern Ring Road, An Nafal District P.O. Box 4143 Riyadh 12333 Kingdom of Saudi Arabia Tel: + 966 920000199 Website: www.tamkeenhr.com E-mail: info@tamkeenhr.com	

Company's Representatives	
Abdullah Sulaiman Abdulrahman Al Ngeer Managing Director Northern Ring Road, An Nafal District P.O. Box 4133 Riyadh 12333 Kingdom of Saudi Arabia Tel: + 966 920000199 Ext: 1000 Website: www.tamkeenhr.com E-mail: alngair@tamkeenhr.com	**Khalid Sulaiman Ali Alromaikhan** Recruitment General Manager Northern Ring Road, An Nafal District P.O. Box 4143 Riyadh 12333 Kingdom of Saudi Arabia Tel: + 966 920000199 Ext: 1003 Website: www.tamkeenhr.com E-mail: ksr@tamkeenhr.com

Secretary of the Board of Directors
Mohammed Ibrahim Mohammed Al Basha Secretary of the Board of Directors Northern Ring Road, An Nafal District P.O. Box 4133 Riyadh 12333 Kingdom of Saudi Arabia Tel: + 966 920000199 Ext: 1037 Website: www.tamkeenhr.com E-mail: malbasha@tamkeenhr.com

Stock Exchange
Saudi Exchange (Tadawul) Tawuniya Towers, Northern Tower King Fahad Road, Al Olaya 6897 Unit No 15 Riyadh 12211-3388 Kingdom of Saudi Arabia Tel: + 966 92 000 1919 Fax: + 966 (11) 218 9133 Website: www.saudiexchange.sa E-mail: csc@saudiexchange.sa

Share Register
Securities Depository Center Company (Edaa) Tawuniya Towers King Fahad Road, Al Olaya 6897 Unit No 11 Riyadh 12211- 3388 Kingdom of Saudi Arabia Tel: + 966 92 002 6000 Website: www.edaa.com.sa E-mail: cc@edaa.com.sa

Advisors

Financial Advisor, Lead Manager, Bookrunner and Underwriter
Saudi Fransi Capital King Fahad Road – 8092 P.O. Box 23454 Riyadh 12313-3735 Kingdom of Saudi Arabia Tel: +966 (11) 282 6666 Fax: +966 (11) 282 6823 Website: www.bsfcapital.sa E-mail: TamkeenHR.IPO@BSFCapital.sa

Legal Advisor to the Issuer
STAT Law Firm Sky Towers, North Tower, 2nd Floor 8899, King Fahd Road, Al Olaya P.O. Box 230020 Riyadh 11321 Kingdom of Saudi Arabia Tel: +966 (11) 272 0003 Fax: +966 (11) 237 0005 Website: www.statlawksa.com E-mail: capitalmarkets@statlawksa.com

Legal Advisor to the Financial Advisor, Lead Manager, Bookrunner and Underwriter
Linklaters Law Firm Building S4 Roshn Front, Airport Road, Airport District Riyadh 13413 Kingdom of Saudi Arabia Tel: +966 (11) 540 4728 Website: www.linklaters.com E-mail: dlprojectforce@linklaters.com

Financial Due Diligence Advisor
PricewaterhouseCoopers Professional Services Kingdom Tower, Twenty-First Floor, King Fahd Road P.O. Box 8282 Riyadh 11482 Kingdom of Saudi Arabia Tel: +966 (11) 211 0400 Fax: +966 (11) 211 0250 Website: www.pwc.com E-mail: info@sa.pwc.com

Market Consultant	
Euromonitor International Limited Company 60-61 Britton Street EC1M 5UX London, United Kingdom Tel: +44 (20) 7251 8024 Fax: +44 (20) 7608 3149 Website: www.euromonitor.com E-mail: mena@euromonitor.com	

Auditor for the Financial Years Ended 31 December 2021G, 2022G and 2023G and the Three-Month Period Ended 31 March 2024G and Six Month Period Ended 30 June 2024G	
Baker Tilly MKM & Co Company Suite No 1 Othman Bin Affan Road P.O Box 300467 Al Taawoun, Riyadh 1276 - 4260 Kingdom of Saudi Arabia Tel: +966 (11) 8351600 Fax: +966 (11) 8351601 Website: www.bakertillyjfc.com E-mail: Saudi@bakertillyjfc.com	

Note: All of the above-mentioned Advisors and Auditor have given and, as of the date of this Prospectus, have not withdrawn their written consent to the inclusion of their respective names, addresses, logos and statements attributed to each of them in the context in which they appear in this Prospectus, and neither they, nor their employees (forming part of the engagement team serving the Company), nor any of their employees' relatives have any shareholding or interest of any kind in the Company or its subsidiaries as of the date of this Prospectus which would impair their independence.

Receiving Agents
Saudi Fransi Capital King Fahad Road – 8092 P.O. Box 23454 Riyadh 12313-3735 Kingdom of Saudi Arabia Tel: +966 (11) 282 6666 Fax: +966 (11) 282 6823 Website: www.bsfcapital.sa E-mail: TamkeenHR.IPO@BSFCapital.sa
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SNB Capital King Saud Street, Al Murabba District - Building No. 7347 P.O. Box 2575, Riyadh 12624 Kingdom of Saudi Arabia Phone: +966 920000232 International Call Center: +966 (11) 4060052 Website: www.alahlicapital.com Email: snbc.cm@alahlicapital.com.sa
Riyad Capital Company 2414 - Al Shahada District, Unit No. 69 P.O. Box 13241, Riyadh 7279 Kingdom of Saudi Arabia Phone: +966 (11) 4865649 Fax: +966 (11) 4865908 Website: www.riyadcapital.com Email: ask@riyadcapital.com
AlBilad Investment Company 3701 King Fahd Road - Al Olaya - 12313 Riyadh Kingdom of Saudi Arabia Phone: +966 (11) 920003636 Fax: +966 (11) 2906299 Website: www.albilad-capital.com Email: investmentbanking@albilad-capital.com
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Derayah Financial Company Al-Takhasusi Street - Prestige Center - Third Floor Riyadh Kingdom of Saudi Arabia Phone: +966 (11) 800299 Fax: +966 (11) 549419 Website: web.derayah.com Email: support@derayah.com
Alinma Investment Company Al Anood Tower 2, King Fahd Road P.O. Box 55560, Riyadh 11544 Kingdom of Saudi Arabia Phone: +966 (11) 599218 Fax: +966 (11) 597218 Website: www.alinmainvestment.com Email: info@alinmainvest.com
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Alkhabeer Capital Madinah Road P.O. Box 128289, Jeddah 21362 Kingdom of Saudi Arabia Phone: +966 (12) 9345612 Fax: +966 (12) 6663685 Website: www.alkhabeer.com Email: info@alkhabeer.com

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Offering Summary

This Offering Summary is intended to provide a brief overview of the information contained in this Prospectus. As such, it does not contain all of the information that may be important to prospective investors. Accordingly, this summary should be read as an introduction to this Prospectus, and prospective investors should read this entire Prospectus in full. Any decision to invest in the Offer Shares by prospective investors should be based on a consideration of this Prospectus as a whole.

In particular, it is important to carefully consider the "*Important Notice*" section on page (i) and Section 2 (*Risk Factors*) prior to making any investment decision with respect to the Offer Shares.

Company Name, Description and Establishment Information	Tamkeen Human Resources Company (hereinafter referred to as the "**Company**" or "**Issuer**") is a Saudi closed joint stock company established pursuant to the Ministerial Resolution No 240/Q dated 23 Ramadan 1439H (corresponding to 7 June 2018G), registered under Commercial Register No 1010451749 dated 23 Ramadan 1439H (corresponding to 7 June 2018G), issued in the city of Riyadh in the Kingdom of Saudi Arabia, with a capital of one hundred million Saudi Arabian Riyals (SAR 100,000,000), divided into ten million (10,000,000) ordinary shares with a nominal value of ten Saudi Arabian Riyals (SAR 10) per share. Tasheel Real Estate Company holds 58.5 per cent. of the Shares, Abdulrahman Ali Abdullah Al Gubaisi holds 15 per cent. of the Shares, Fares Saleh Mutlaq Al Henaki holds 10 per cent. of the Shares, Saleh Mohammed Saleh Al Hajaj holds 10 per cent. of the Shares and Saif Mohammed Saif Al Sharikh holds 2.5 per cent. of the Shares, while Abdulrahman Abdulkareem Saleh Abalkhail and Abdulsalam Obaidullah Salem Alhusayn each hold two per cent. of the Shares. On 6 Muharram 1442H (corresponding to 25 August 2020G), Tasheel Real Estate Company transferred three hundred thousand (300,000) Shares to Abdullah Ahmed Sultan Al Shehri in exchange for cash consideration of three million Saudi Arabian Riyals (SAR 3,000,000). Furthermore, on 24 Rabi' al-Thani 1442H (corresponding to 9 December 2020G), Tasheel Real Estate Company transferred: (i) two million eight hundred and seventy-five thousand (2,875,000) Shares to Abdullah Sulaiman Abdulrahman Al Ngeer in exchange for cash consideration of twenty-eight million, seven hundred and fifty thousand Saudi Arabian Riyals (SAR 28,750,000); and (ii) two million six hundred and seventy-five thousand (2,675,000) Shares to Mohammad Sulaiman Abdulrahman Al Ngeer in exchange for cash consideration of twenty-six million, seven hundred and fifty thousand Saudi Arabian Riyals (SAR 26,750,000). On 12 Jumada al-Ula 1442H (corresponding to 27 December 2020G): (a) Abdulsalam Obaidullah Salem Alhusayn transferred two hundred thousand (200,000) Shares to Abdullah Sulaiman Abdulrahman Al Ngeer in exchange for cash consideration of two million Saudi Arabian Riyals (SAR 2,000,000); (b) Abdulrahman Abdulkareem Saleh Abalkhail transferred two hundred thousand (200,000) shares to Abdullah Sulaiman Abdulrahman Al Ngeer in exchange for cash consideration of two million Saudi Arabian Riyals (SAR 2,000,000); and (c) Abdullah Sulaiman Abdulrahman Al Ngeer transferred one hundred thousand (100,000) Shares to Ziad Mohammed Makki Saleh Al Tunisi in exchange for cash consideration of one million Saudi Arabian Riyals (SAR 1,000,000). On 20 Rajab 1443H (corresponding to 21 February 2022G): (a) Abdulrahman Ali Abdullah Al Gubaisi transferred one million five hundred thousand (1,500,000) Shares to Dr Sulaiman Al Habib Medical Services Group Company in exchange for cash consideration of seventy-five million Saudi Arabian Riyals (SAR 75,000,000); and (b) Fares Saleh Mutlaq Al Henaki transferred one million (1,000,000) Shares to Dr Sulaiman Al Habib Medical Services Group Company in exchange for cash consideration of fifty million Saudi Arabian Riyals (SAR 50,000,000). On 26 Ramadan 1443H (corresponding to 28 April 2022G): (a) Abdullah Sulaiman Abdulrahman Al Ngeer transferred: (i) one million (1,000,000) Shares to Fares Saleh Mutlaq Al Henaki in exchange for cash consideration of fifty million Saudi Arabian Riyals (SAR 50,000,000); and (ii) ninety-three thousand seven hundred and fifty (93,750) Shares to Abdulrahman Ali Abdullah Al Gubaisi in exchange for cash consideration of four million, six hundred eighty-seven thousand and five hundred Saudi Arabian Riyals (SAR 4,687,500); (b) Mohammad Sulaiman Abdulrahman Al Ngeer transferred nine hundred and sixty-eight thousand seven hundred and fifty (968,750) Shares to Abdulrahman Ali Abdullah Al Gubaisi in exchange for cash consideration of forty-eight million, four hundred thirty-seven thousand and five hundred Saudi Arabian Riyals (SAR 48,437,500); and (c) Saif Mohammed Saif Al Sharikh transferred sixty-two thousand five hundred (62,500) Shares to Abdulrahman Ali Abdullah Al Gubaisi in exchange for cash consideration of three million, one hundred twenty-five thousand Saudi Arabian Riyals (SAR 3,125,000). Pursuant to the General Assembly's Resolution dated 3 Thul-Hijjah 1444H (corresponding to 21 June 2023G), the capital of the Company was increased from one hundred million Saudi Arabian Riyals (SAR 100,000,000) to two hundred million Saudi Arabian Riyals (SAR 200,000,000) divided into twenty million (20,000,000) ordinary Shares with a fully paid nominal value of ten Saudi Arabian Riyals (SAR 10) per Share through the capitalisation of one hundred million Saudi Arabian Riyals (SAR 100,000,000) from retained earnings. On 13 Jumada al-Akhirah 1445H (corresponding to 26 December 2023G): (a) Abdullah Sulaiman Abdulrahman Al Ngeer transferred three million four hundred and twelve thousand five hundred (3,412,500) Shares to Tasheel Real Estate Company; and (b) Mohammad Sulaiman Abdulrahman Al Ngeer transferred three million four hundred and twelve thousand five hundred (3,412,500) Shares to Tasheel Real Estate Company, without any consideration for either transfer, given Tasheel Real Estate Company is jointly owned by them. Pursuant to the General Assembly's Resolution dated 25 Sha'ban 1445H (corresponding to 6 March 2024G), the capital of the Company was increased from two hundred million Saudi Arabian Riyals (SAR 200,000,000) to two hundred sixty-five million Saudi Arabian Riyals (SAR 265,000,000), divided into twenty-six million five hundred thousand (26,500,000) ordinary Shares, with a fully paid nominal value of ten Saudi Arabian Riyals (SAR 10) per Share through the capitalisation of fifty-one million and twenty-three thousand six hundred and eighty-nine Saudi Arabian Riyals (SAR 51,023,689) from retained earnings and the capitalisation of thirteen million nine hundred and seventy-six thousand three hundred and eleven Saudi Arabian Riyals (SAR 13,976,311) from statutory reserve. On 25 Thul-Qi'dah 1445H (corresponding to 2 June 2024G), Abdulrahman Ali Abdullah Al Gubaisi transferred nine hundred and ninety-three thousand seven hundred and fifty (993,750) Shares to Saleh Hamad Ali Al Bhaiji in exchange for cash consideration of nine million, nine hundred thirty-seven thousand and five hundred Saudi Arabian Riyals (SAR 9,937,500) (for further details, see Section 4.4 (*Evolution of Capital*)).

Company's Activities

In accordance with the Bylaws, the Company's activities consist of the following:

- activities of employment placement agencies; and
- temporary employment agency activities.

In accordance with its main Commercial Registration certificate, the Company's activities consist of the following:

- mediation in Saudi individual recruitment;
- temporary employment agency activities for home services;
- activities of temporary employment agencies of expatriate workers services; and
- activities of temporary employment agencies of Saudi individuals.

As of the date of this Prospectus, the Company's core activities consist of the following business segments (for further details, see Section 4.8 (*Overview of the Group's Business*)):

- **Corporate Segment:** The Company offers manpower services to a variety of sectors including restaurants, food service, operations, maintenance, contracting, healthcare, retail, technology, and information systems, amongst others. The Group's specialised teams provide continuous support to each sector, from supplying skilled professionals to ensuring swift employment and addressing sector-specific requirements. The Group's extensive client base includes multinational corporations as well as small to medium-sized enterprises, reflecting the Group's adaptability and profound understanding of distinctive operational differences.
- **Individual Segment:** This sector comprises the following two sub-segments:
  - Individual Segment – Contractual: This sub-segment is a testament to the Group's ability to foster long-term relationships with its clients. It predominantly generates revenue through contracts signed with individual customers. The services offered in this sub-segment are critical to the smooth functioning of households and include, without limitation, housekeepers, chefs and private drivers. The Group prides itself on the reliability and proficiency of its workforce, ensuring that every professional dispatched under these contracts meets the highest standards of service delivery. As of the three-month period ended 31 March 2024G, the Group has successfully placed 4,262 manpower resources in the Individual – Contractual Segment.
  - Individual Segment – Hourly Service: The Individual Segment – Hourly Service is a dynamic and flexible solution tailored for customers seeking services on an hourly basis. This sub-segment primarily focuses on providing housemaids and cleaners, addressing the need for quality household assistance without the commitment of a long-term contract. This model offers unparalleled flexibility, allowing customers to avail themselves of professional services as per their specific requirements and schedules. As of the three-month period ended 31 March 2024G, the Group has successfully placed 1,781 manpower resources in the Individual Segment – Hourly Service.

Substantial Shareholders

The number of shares and ownership of the Substantial Shareholders in the Company pre- and post-Offering are provided in the table below:

Table 2: The Substantial Shareholders and Their Ownership in the Company Pre- and Post-Offering

Shareholder	Pre-Offering						Post-Offering					
	Direct Ownership			Indirect Ownership			Direct Ownership			Indirect Ownership		
	Number of Shares	Ownership (%)	Nominal Value (SAR)	Number of Shares	Ownership (%)	Nominal Value (SAR)	Number of Shares	Ownership (%)	Nominal Value (SAR)	Number of Shares	Ownership (%)	Nominal Value (SAR)
Tasheel Real Estate Company	9,043,125	34.13%	90,431,250	-	-	-	5,634,563	21.26%	56,345,630	-	-	-
Dr Sulaiman Al Habib Medical Services Group Company	6,625,000	25.00%	66,250,000	-	-	-	4,637,500	17.50%	46,375,000	-	-	-
Fares Saleh Mutlaq Al Henaki	2,650,000	10.00%	26,500,000	-	-	-	2,650,000	10.00%	26,500,000	-	-	-
Saleh Mohammed Saleh Al Hajaj	2,650,000	10.00%	26,500,000	-	-	-	1,523,750	5.75%	15,237,500	-	-	-
Abdulrahman Ali Abdullah Al Gubaisi	1,987,500	7.50%	19,875,000	-	-	-	1,325,000	5.00%	13,250,000	-	-	-
Abdullah Sulaiman Abdulrahman Al Ngeer [(1)]	993,750	3.75%	9,937,500	4,521,562	17.06%	45,215,620	993,750	3.75%	9,937,500	2,816,950	10.63%	28,169,500
Total	**23,949,375**	**90.38%**	**239,493,750**	**4,521,562**	**17.06%**	**45,215,620**	**16,764,563**	**63.26%**	**167,645,630**	**2,816,950**	**10.63%**	**28,169,500**

Source: The Company.

(1) Abdullah Sulaiman Abdulrahman Al Ngeer owns 50 per cent. of the share capital of Tasheel Real Estate Company, which in turn owns 34.13 per cent. of the Company's share capital pre-Offering. As a result, Abdullah Sulaiman Abdulrahman Al Ngeer indirectly owns approximately 4,521,562 shares, representing 17.06 per cent. of the Company Pre-Offering.

For further information regarding the Shareholders who indirectly own five per cent. or more of the Company's shares, please refer to Table 4.19 (*Details of Shareholders Indirectly Holding Five Per cent. or More of the Shares in the Company as of the Date of this Prospectus*).

Company's Share Capital	Two hundred and sixty-five million Saudi Arabian Riyals (SAR 265,000,000).
Total Number of the Company's Shares	Twenty-six million five hundred thousand (26,500,000) fully paid ordinary Shares.
Nominal Value per Share	Ten Saudi Arabian Riyals (SAR 10) per Share.
Offering	Offering of seven million nine hundred and fifty thousand (7,950,000) ordinary Shares with a fully paid nominal value of ten Saudi Arabian Riyals (SAR 10) per Share, representing thirty per cent. (30%) of the Company's capital and at an Offer Price of SAR [•] per Offer Share.
Total Number of Offer Shares	Seven million nine hundred and fifty thousand (7,950,000) Shares.
Percentage of Offer Shares to the Total Number of Issued Shares	The Offer Shares represent thirty per cent. (30%) of the Company's share capital.
Offer Price	SAR [•] per Offer Share.
Total Value of Offer Shares	SAR [•].
Use of Proceeds	The Net Offering Proceeds amounting to approximately SAR [•] (after deducting the Offering expenses estimated at SAR 25,000,000) will be paid to the Selling Shareholders on a pro rata basis. The Company will not receive any part of the Offering Proceeds (for further details, see Section 8 (*Use of Proceeds*) and Table 5 (*Direct Ownership Structure of the Company Pre- and Post-Offering*)).
Total Number of Shares Underwritten	Seven million nine hundred and fifty thousand (7,950,000) Shares.
Total Offering Amount Underwritten	SAR [•].
Categories of Targeted Investors	Subscription to the Offer Shares is restricted to two groups of Investors, namely: – **Tranche (A) Participating Parties:** This tranche includes parties entitled to participate in the book-building process in accordance with the Book-Building Instructions, including investment funds, companies, Qualified Foreign Investors, GCC Corporate Investors and certain other Foreign Investors pursuant to swap agreements (for further details, see Section 1 (*Definitions and Abbreviations*)); and – **Tranche (B) Individual Subscribers:** This tranche includes Saudi Arabian natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi person who can subscribe for her own benefit or in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor Saudi Arabian children, as well as any non-Saudi natural persons resident in the Kingdom or GCC natural persons, in each case who have an investment account and an active portfolio with a Receiving Agent and the right to open an investment account with a Capital Market Institution. A subscription for Offer Shares made by a person in the name of his divorced wife shall be deemed invalid and the applicant shall be subject to the sanctions prescribed by law. If a duplicate subscription is made, the second subscription will be considered void and only the first subscription will be accepted.
Total Number of Shares Offered for Each Category of Targeted Investors	
The Number of Shares Offered for the Participating Parties	Seven million nine hundred and fifty thousand (7,950,000) Offer Shares, noting that if there is sufficient demand from Individual Subscribers and the Participating Entities subscribe for all of the Offer Shares allocated to them, the Financial Advisor, in coordination with the Company, has the right to reduce the number of Shares allocated to the Participating Entities to six million three hundred and sixty thousand (6,360,000) Shares, representing eighty per cent. (80%) of the Offer Shares.
Number of Offer Shares Available to Individual Subscribers	One million five hundred and ninety thousand (1,590,000) Offer Shares, representing twenty per cent. (20%) of the Offer Shares.
Subscription Method for Each of the Targeted Investors' Categories	
Subscription Method for Participating Parties	Participating Parties as identified in Section 1 (*Definitions and Abbreviations*) may apply for participation in the book-building process by completing a Bidding Participation Application that will be provided by the Bookrunner for the Participating Entities during the book-building process period. After provisional allocation, the Participating Entities shall complete the Subscription Application Forms that will be made available to them by the Bookrunner in accordance with the instructions mentioned in Section 16 (*Subscription Terms and Conditions*).
Subscription Method for Individual Subscribers	Individual Subscribers who intend to subscribe to the Offer Shares shall submit a Subscription Application Form electronically through the Receiving Agents' websites and platforms that provide this service or through any other means provided by the Receiving Agents through which Individual Subscribers will be able to subscribe to the Company's Shares during the Offering Period. For further details, please refer to Section 16 (*Subscription Terms and Conditions*).

Minimum Number of Offer Shares to be Applied for by Each of the Targeted Investors' Categories	
Minimum Number of Offer Shares to be Applied for by Participating Entities	One hundred thousand (100,000) Offer Shares.
Minimum Number of Offer Shares to be Applied for by Individual Subscribers	Ten (10) Offer Shares.
Minimum Subscription Amount for Each of the Targeted Investors' Categories	
Minimum Subscription Amount for Participating Entities	SAR [•].
Minimum Subscription Amount for Individual Subscribers	SAR [•].
Maximum Number of Offer Shares to be Applied for by Each of the Targeted Investors' Categories	
Maximum Number of Offer Shares to be Applied for by Participating Entities	One million three hundred and twenty-four thousand nine hundred and ninety-nine (1,324,999) Offer Shares and, in respect of public funds only, the maximum number of Offer Shares for each participating public fund is subject to the restrictions included in the Book-Building Instructions.
Maximum Number of Offer Shares to be Applied for by Individual Subscribers	Two hundred and fifty thousand (250,000) Offer Shares.
Maximum Subscription Amount for Each of the Targeted Investors' Categories	
Maximum Subscription Amount for Participating Entities	SAR [•].
Maximum Subscription Amount for Individual Subscribers	SAR [•].
Allocation and Refund of Excess Subscription Monies Method for Each of the Targeted Investors' Categories	
Allocation of Offer Shares to Participating Entities	The final allocation of the Offer Shares to Participating Entities shall be made through the Bookrunner after the completion of the Individual Subscribers' subscription process as the Financial Advisor deems appropriate in coordination with the Company, using the discretionary allocation mechanism. The number of Offer Shares to be provisionally allocated to Participating Entities is seven million nine hundred and fifty thousand (7,950,000) Offer Shares, representing 100 per cent. of the Offer Shares. If there is sufficient demand by Individual Subscribers for the Offer Shares, the Financial Advisor, in coordination with the Issuer, shall have the right to reduce the number of Offer Shares allocated to Participating Entities to six million three hundred and sixty thousand (6,360,000) Offer Shares as a minimum, representing eighty per cent. (80%) of the Offer Shares. Initially, two million three hundred and eighty-five thousand (2,385,000) Offer Shares will be allocated, representing thirty per cent. (30%) of the total number of Offer Shares. If there is sufficient demand by Individual Subscribers for the Offer Shares, the Financial Advisor, in coordination with the Company, shall have the right to reduce the number of Offer Shares allocated to Participating Entities one million nine hundred and eight thousand (1,908,000) Offer Shares as a minimum, representing twenty-four per cent. (24%) of the total Offer Shares after completing the Individual Subscription process.
Allocation of Offer Shares to Individual Subscribers	A maximum of one million five hundred and ninety thousand (1,590,000) Offer Shares, equivalent to twenty per cent. (20%) of the total Offer Shares, will be allocated to Individual Subscribers. Allocation of the Offer Shares to Individual Subscribers is expected to be completed no later than 9 Jumada al-Ula 1446H (corresponding to 11 November 2024G). The minimum allocation per Individual Subscriber is ten (10) Offer Shares, and the maximum allocation per Individual Subscriber is two hundred and fifty thousand (250,000) Offer Shares, with remaining Offer Shares, if any, being allocated pro rata based on the number of Offer Shares applied for by that Individual Subscriber to the total Offer Shares. If the number of Individual Subscribers exceeds one hundred and fifty-nine thousand (159,000), the Company will not guarantee the minimum allocation of ten (10) Offer Shares for each Individual Subscriber. In this case, the Offer Shares will be allocated as deemed appropriate by the Financial Advisor, in coordination with the Company (for further details, please refer to Section 16.4.2 (*Allocation of Offer Shares to Individual Subscribers*) of this Prospectus).
Refund of Excess Subscription Monies	Excess subscription monies, if any, will be refunded to Subscribers without withholding any charge or commission by the Lead Manager or the Receiving Agents, as applicable. The final allocation will be announced no later than Monday, 9 Jumada al-Ula 1446H (corresponding to 11 November 2024G) and refund of excess subscription monies will be made no later than on Tuesday, 11 Jumada al-Ula 1446H (corresponding to 13 November 2024G). For further details, see "*Key Dates and Subscription Procedures*" on page (xvi) and Section 16 (*Subscription Terms and Conditions*).

Offering Period	The Offering period will commence on Sunday, Tuesday, 3 Jumada al-Ula 1446H (corresponding to 5 November 2024G) until the end of Offering on Wednesday, 4 Jumada al-Ula 1446H (corresponding to 6 November 2024G) and will remain open for two days. For further details, see "*Key Dates and Subscription Procedures*" on page (xvi).
Entitlement to Dividends	The Offer Shares will entitle their holders to receive any dividends declared by the Company starting on the date of this Prospectus and for the subsequent financial years (for further details, see Section 7 (*Dividend Distribution Policy*)).
Voting Rights	The Company has only one class of Shares. None of the Shares carry any preferential voting right. Each Share entitles its holder to one vote and each Shareholder has the right to attend and vote at the meetings of the General Assembly. A Shareholder has the right to delegate another natural person, but not a Director of the Company, to attend the General Assembly meetings (for further details, see Section 11.13 (*Bylaws*) and Section 11.14 (*Share Description*)).
Restrictions on the Shares (Lock-up Period)	The Substantial Shareholders are subject to a Lock-up Period of six (6) months from the date on which trading of the Offer Shares commences on the Exchange. They may not dispose of any of their Shares during such period. Following the end of the Lock-up Period, the Substantial Shareholders may dispose of their Shares (for further details regarding Substantial Shareholders, see Table 2 (*The Substantial Shareholders and Their Ownership in the Company Pre- and Post-Offering*)).
Listing of Shares	Prior to the Offering, the Shares have not been listed in the Kingdom or elsewhere. An application has been made by the Company to the CMA for the registration and offer of the Shares in accordance with the Rules on the Offer of Securities and Continuing Obligations. The Company has also submitted an application to the Exchange for listing its Shares on the Exchange in accordance with the Listing Rules. All of the relevant approvals required to conduct the Offering have been granted. All supporting documents requested by CMA and Tadawul have been met. It is expected that trading in the Shares will commence on the Exchange after the final allocation of the Offer Shares (for further details, see "*Key Dates and Subscription Procedures*" on page (xvi)).
Risk Factors	There are certain risks related to the investment in the Offer Shares. These risks can be categorised into: (i) risks related to the activities and operations of the Group; (ii) risks related to the market, industry and regulatory environment; and (iii) risks related to the Offer Shares. These risks are described in Section 2 (*Risk Factors*) and should be considered carefully prior to making any investment decision in relation to the Offer Shares.
Offering Expenses	The Selling Shareholders will bear all of the Offering expenses and costs estimated at around SAR 25,000,000. These expenses and costs will be deducted from the Offering Proceeds and include the fees of the Financial Advisor, the Lead Manager, the Bookrunner, the Underwriter, the Legal Advisors, the Financial Due Diligence Advisor, the Auditor, the Receiving Agents, the Market Consultant and the Exchange, as well as marketing, printing and distribution fees and other costs and expenses related to the Offering.
Underwriter	**Saudi Fransi Capital** King Fahad Road – 8092 P.O. Box 23454 Riyadh 12313-3735 Kingdom of Saudi Arabia Tel: +966 (11) 282 6666 Fax: +966 (11) 282 6823 Website: www.bsfCapital.sa E-mail: TamkeenHR.IPO@BSFCapital.sa

Note: The "*Important Notice*" section on page (i) and Section 2 (*Risk Factors*) should be read thoroughly prior to making an investment decision with respect to the Offer Shares under this Prospectus.

Key Dates and Subscription Procedures

Table 3: Expected Offering Timetable

Event	Date
Bidding and Book-Building Period for Participating Entities	Commencing on Sunday, 10 Rabi' al-Thai 1446H (corresponding to 13 October 2024G), until the end of Thursday, 14 Rabi' al-Thai 1446H (corresponding to 17 October 2024G).
Deadline for Submission of Subscription Application Forms Based on the Number of the Offer Shares Provisionally Allocated for the Participating Entities	On Sunday, 24 Rabi' al-Thani 1446H (corresponding to 27 October 2024G).
Subscription Period for Individuals	For a period of two days on Tuesday, 3 Jumada al-Ula 1446H (corresponding to 5 November 2024G) until the end of Offering on Wednesday, 4 Jumada al-Ula 1446H (corresponding to 6 November 2024G).
Deadline for Payment of the Subscription Amount by Participating Entities Based on their Provisionally Allocated Offer Shares	On Tuesday, 26 Rabi al-Thani 1446H (corresponding to 29 October 2024G).
Deadline for Submission of Subscription Application Forms and Payment of the Subscription Amount by Individual Subscribers	On Wednesday, 4 Jumada al-Ula 1446H (corresponding to 6 November 2024G).
Announcement of the Final Allocation of the Offer Shares	On Monday, 9 Jumada al-Ula 1446H (corresponding to 11 November 2024G).
Refund of Excess Subscription Monies (if any)	On Wednesday, 11 Jumada al-Ula 1446H (corresponding to 13 November 2024G).
Expected Commencement Date for Trading the Shares on the Exchange	Trading of the Company's Shares on the Exchange is expected to start after the completion of all of the relevant legal requirements and procedures. The trading commencement date of the Shares will be announced in local newspapers and Tadawul's website (www.saudiexchange.sa).

Note: The above timetable and the dates therein are indicative and subject to change. The actual dates will be communicated on the websites of Tadawul (www.saudiexchange.sa), the Financial Advisor (www.BSFCapital.sa), and the Company (www.tamkeenhr.com).

How to Apply for the Offer Shares

Subscription to the Offer Shares is restricted to the following two groups of Investors:

- **Tranche (A): Participating Parties** comprising the parties entitled to participate in the book-building process as specified under the Book-Building Instructions, including investment funds, companies, Qualified Foreign Investors, GCC Corporate Investors and certain other Foreign Investors pursuant to swap agreements (for further details, see Section 1 (*Definitions and Abbreviations*) and Section 16 (*Subscription Terms and Conditions*)).
- **Tranche (B): Individual Subscribers** comprising Saudi Arabian natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi person who can subscribe for her own benefit or in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor Saudi Arabian children, as well as any non-Saudi natural persons resident in the Kingdom or GCC natural persons, in each case who have an investment account and an active portfolio with a Receiving Agent and the right to open an investment account with a Capital Market Institution. A subscription for Offer Shares made by a person in the name of his divorced wife shall be deemed invalid and the applicant shall be subject to the sanctions prescribed by law. If a duplicate subscription is made, the second subscription will be considered void and only the first subscription will be accepted.

1. Participating Parties

Participating Parties may apply for participation in the book-building process by completing the Bidding Participation Application that will be provided by the Bookrunner during the book-building process period and obtaining the Subscription Application Forms from the Bookrunner after provisional allocation. After obtaining the approval of the CMA, the Bookrunner shall offer the Offer Shares to the Participating Parties only during the bookbuilding period. Subscriptions by the Participating Entities shall commence during the Offering Period, which also includes the Individual Subscribers, according to the terms and conditions detailed in the Subscription Application Forms. A signed Subscription Application Form representing a legally binding agreement between the Selling Shareholders and the relevant Participating Entity submitting the same must be submitted to the Bookrunner.

2. Individual Subscribers

Individual Subscribers who intend to subscribe to the Offer Shares shall submit a Subscription Application Form electronically through the Receiving Agents' websites and platforms that provide this service or through any other means provided by the Receiving Agents through which Individual Subscribers will be able to subscribe to the Company's Shares during the Offering Period, provided that:

1. the Individual Subscriber has an investment account and an active portfolio at a Receiving Agent which offers such services;
2. there have been no changes in the personal information or data of the Individual Subscriber since his subscription in a recent initial public offering; and
3. Individual Subscribers who are not Saudi or GCC natural persons have an active portfolio at one of the Receiving Agents through which the subscription is desired.

Subscription Application Forms must be filled out by each individual applicant according to the instructions in Section 16 (*Subscription Terms and Conditions*). An applicant must complete all of the relevant sections in the Subscription Application Form. The Company reserves the right to reject any subscription, in part or in whole, if any of the subscription terms and conditions are not met. After being submitted, the Subscription Application Form cannot be amended or withdrawn. If the Subscription Application Form is submitted twice, the second submission shall be considered null and void, and only the first submission shall be considered. Upon submission, the Subscription Application Form shall be considered a legally binding agreement by the relevant Subscriber and the Selling Shareholders (for further details, see Section 16 (*Subscription Terms and Conditions*)).

Excess subscription monies, if any, will be refunded to the Individual Subscriber's investment account held with the Receiving Agent from which the subscription amount was debited in the first place, without withholding any charge or commission by the Lead Manager or the Receiving Agents. Excess subscription monies shall not be refunded in cash or to third-party accounts.

For further details regarding subscription by Individual Subscribers and the Participating Entities, see Section 16 (*Subscription Terms and Conditions*).

Summary of Key Information

This summary of key information is intended to give an overview of the information contained in this Prospectus. However, it does not contain all of the information that may be important to prospective investors. Accordingly, this summary should be treated as an introduction to this Prospectus, and persons wishing to subscribe for the Offer Shares are advised to read the entire Prospectus in full to ensure that any decision to invest in the Offer Shares by prospective investors is based on the consideration of this Prospectus as a whole. In particular, it is important for an investor to carefully consider the "*Important Notice*" section on page (i) and Section 2 (*Risk Factors*) prior to making an investment decision with respect to the Offer Shares and should not base his decision solely on this summary.

Overview of the Group

The Group's Core Activities

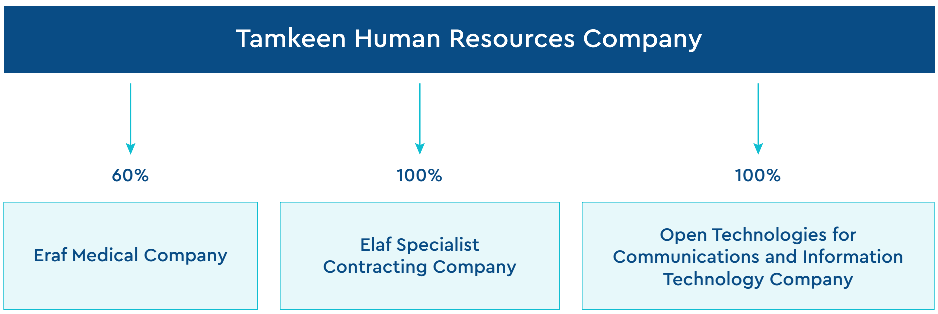
The Group's core activities consist of the following business segments (for further details, see Section 4.8 (*Overview of the Group's Business*)):

- **Corporate Segment:** The Group offers manpower services to a variety of sectors including restaurants, food service, operations, maintenance, contracting, healthcare, retail, technology, and information systems, amongst others. The Group's specialised teams provide continuous support to each sector, from supplying skilled professionals to ensuring swift employment and addressing sector-specific requirements. The Group's extensive client base includes multinational corporations as well as small to medium-sized enterprises, reflecting the Group's adaptability and profound understanding of distinctive operational differences.
- **Individual Segment:** This segment comprises of the following two sub-segments:
  - **Individual Segment – Contractual**: This sub-segment is a testament to the Group's ability to foster long-term relationships with its clients. It predominantly generates revenue through contracts signed with individual customers. The services offered in this sub-segment are critical to the smooth functioning of households and include, without limitation, housekeepers, chefs and private drivers. The Group prides itself on the reliability and proficiency of its workforce, ensuring that every professional dispatched under these contracts meets the highest standards of service delivery. As of 31 March 2024G, the Group has successfully placed 4,262 manpower resources in the Individual – Contractual Segment.
  - **Individual Segment – Hourly Service**: The Individual Segment – Hourly Service is a dynamic and flexible solution tailored for customers seeking services on an hourly basis. This sub-segment primarily focuses on providing housemaids and cleaners, addressing the need for quality household assistance without the commitment of a long-term contract. This model offers unparalleled flexibility, allowing customers to avail themselves of professional services as per their specific requirements and schedules. As of 31 March 2024G, the Group has successfully placed 1,781 manpower resources in the Individual Segment – Hourly Service.

Ownership Structure

The following chart illustrates the structure of the Group as of the date of this Prospectus:

Exhibit 1: The Structure of the Group as of the Date of this Prospectus



Source: The Company.

Overview of the Company's Subsidiaries

The following table sets out the direct and indirect ownership structure of the Company's Subsidiaries, as well as the Company's shares in the Subsidiaries as of the date of this Prospectus:

Table 4: Direct and Indirect Ownership Structure of the Company's Subsidiaries

Subsidiary	Company's Domicile	Direct Ownership for the Company (%)	Indirect Ownership for the Company (%)	Remaining Ownership
Open Technologies for Communications and Information Technology Company	Kingdom of Saudi Arabia	100%	-	-
Elaf Specialist Contracting Company	Kingdom of Saudi Arabia	100%	-	-
Eraf Medical Company	Kingdom of Saudi Arabia	60%	-	Dr Sulaiman Al Habib Medical Services Group Company

Source: The Company.

Below is an overview of the Subsidiaries:

- Open Technologies for Communications and Information Technology Company is a one-person limited liability company registered in Riyadh under Commercial Registration No. 1010481106 dated 3 Rabi' al-Thani 1440H (corresponding to 10 December 2018G), and its registered office is located at An Nafal District, Northern Ring Road, P.O. Box 4143, Riyadh 12333, Kingdom of Saudi Arabia. As of the date of this Prospectus, Open Technologies for Communication and Information Technology Company's share capital is three hundred thousand Saudi Arabian Riyals (SAR 300,000), divided into thirty thousand (30,000) ordinary shares, with a fully paid nominal value of ten Saudi Arabian Riyals (SAR 10) per share. Open Technologies for Communication and Information's main activities consists of providing human resources services, including providing a long term or permanent human resources in general, software programming activities, activities related to computer consulting expertise, computer facility management, data processing, web hosting, and other related activities. As of the date of this Prospectus, the actual activities of Open Technologies for Communications and Information Technology Company are the provision of specialised human resources services in information technology and programming to companies operating in this field. The total revenue of Open Technologies for Communication and Information Technology Company represented 0.7 per cent., 0.5 per cent., 0.6 per cent. and 1.3 per cent. of the Group's total revenue for the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively.
- Elaf Specialist Contracting Company is a limited liability company registered in Riyadh under Commercial Registration No. 1010766612 dated 23 Ramadan 1439H (corresponding to 7 June 2018G), and its registered office is located at An Nafal District, Northern Ring Road, P.O. Box 4143, Riyadh 12333, Kingdom of Saudi Arabia. As of the date of this Prospectus, Elaf Specialist Contracting Company's share capital is one hundred thousand Saudi Arabian Riyals (SAR 100,000) divided into one hundred (100) ordinary shares, with a fully paid nominal value of one thousand Saudi Arabian Riyals (SAR 1,000) per share. As of the date of this Prospectus, the actual activities of Elaf Specialist Contracting Company are the provision of supervision services for general cleaning of buildings. Elaf Specialist Contracting Company does not have any revenue as of the date of this Prospectus since it has not yet commenced operations as it is still preparing for its launch. To this end, the basic framework for its strategy and the services it provides to target clients are being developed. It is expected that Elaf Specialist Contracting Company will commence operations during the third quarter of 2024G.
- Eraf Medical Company is a limited liability company registered in Riyadh, under Commercial Registration No. 1010866144 dated 14 Sha'ban 1444H (corresponding to 6 March 2023G), and its registered office is located at An Nafal District, Northern Ring Road, P.O. Box 4143, Riyadh 12333, Kingdom of Saudi Arabia. As of the date of this Prospectus, Eraf Medical Company's share capital is four million Saudi Arabian Riyals (SAR 4,000,000), divided into four thousand (4,000) ordinary shares, with a fully nominal value of one thousand Saudi Arabian Riyals (SAR 1,000) per share. Eraf Medical Company's main activities consist of human health activities and social work. As of the date of this Prospectus, the actual activities of Eraf Medical Company are the provision of medical cadres (nurses and nursing assistants) for home medical care services through contractual relationships with clients for set periods of time. Eraf Medical Company does not have any revenue as of the date of this Prospectus as it has not yet commenced operations: the requisite operating licence to conduct its business have yet not been issued as of 15 Thul-Qi'dah 1445H (corresponding to 23 May 2024G). It is expected that Eraf Medical Company will commence business operations during the third quarter of 2024G.

Overview of Current Ownership in the Company

As of the date of this Prospectus, the share capital of the Company is two hundred and sixty-five million Saudi Arabian Riyals (SAR 265,000,000), divided into twenty-six million five hundred thousand (26,500,000) ordinary shares, with a fully paid nominal value of ten Saudi Arabian Riyals (SAR 10) per share. The following table sets out the direct ownership structure of the Company pre- and post-Offering:

Table 5: Direct Ownership Structure of the Company Pre- and Post-Offering

Shareholder	Pre-Offering			Post-Offering		
	Number of Shares	Ownership (%)[1]	Overall Nominal Value (SAR)	Number of Shares	Ownership (%)[1]	Overall Nominal Value (SAR)
Tasheel Real Estate Company	9,043,125	34.13%	90,431,250	5,634,563	21.26%	56,345,630
Dr Sulaiman Al Habib Medical Services Group Company	6,625,000	25.00%	66,250,000	4,637,500	17.50%	46,375,000
Fares Saleh Mutlaq Al Henaki	2,650,000	10.00%	26,500,000	2,650,000	10.00%	26,500,000
Saleh Mohammed Saleh Al Hajaj	2,650,000	10.00%	26,500,000	1,523,750	5.75%	15,237,500
Abdulrahman Ali Abdullah Al Gubaisi	1,987,500	7.50%	19,875,000	1,325,000	5.00%	13,250,000
Abdullah Sulaiman Abdulrahman Al Ngeer[2]	993,750	3.75%	9,937,500	993,750	3.75%	9,937,500
Saleh Hamad Ali Al Bhaiji	993,750	3.75%	9,937,500	695,625	2.63%	6,956,250
Abdullah Ahmed Sultan Al Shehri	795,000	3.00%	7,950,000	556,500	2.10%	5,565,000
Saif Mohammed Saif Al Sharikh	496,875	1.87%	4,968,750	347,812	1.31%	3,478,120
Ziyad Mohammed Makki Saleh Al Tunisi	265,000	1.00%	2,650,000	185,500	0.70%	1,855,000
Public	-	-	-	7,950,000	30.00%	79,500,000
Total	**26,500,000**	**100%**	**265,000,000**	**26,500,000**	**100%**	**265,000,000**

Source: The Company.

(1) Rounded to the first decimal place.

(2) Abdullah Sulaiman Abdulrahman Al Ngeer owns 50 per cent. of the shares of Tasheel Real Estate Company (which in turn directly owns 34.13 per cent. of the Company's Shares). As a result, Abdullah Sulaiman Abdulrahman Al Ngeer indirectly owns 4,521,562 Shares in the Company, which constitutes 17.06 per cent. of the share capital in the Company Pre-Offering.

Vision, Mission and Strategy

Vision

To be the preferred provider of workforce services to both corporate and individual clients, providing exceptional recruitment and outsourcing solutions that build significant value for an integrated ecosystem.

Mission

Stimulate workforce delivery by connecting exceptional talent with valuable public and private opportunities, and creating a mutually beneficial relationship that boosts jobs and enriches the economy.

Strategy

The Group's strategy emphasises three foundational pillars: bolstering the core business to harness its full potential, venturing into profitable and margin-enhancing adjacent businesses and laying the foundation for a future-ready corporate infrastructure. Recognising the global shift in the manpower industry, the Group is geared to lead this transformation. Its commitment to adaptability, innovation and excellence places it as industry front-runner.

Corporate Segment

In the dynamic Kingdom's corporate sector, the Group symbolises innovation and excellence. Key initiatives include:

- **Enhancing Customer Experience and Engagement**: The Group focuses on creating a superior corporate client experience by meticulously matching diverse, skilled talent to organisational needs. It emphasises not only on academic qualifications but also on soft skills and cultural fit. Streamlined onboarding and refined account management processes, facilitated by technology, ensure a seamless transition for clients and talent alike. Supplementary services like accommodation and flexible contracts add value, while customised solutions are strategically priced to enhance service delivery and expand the Group's industry presence;
- **Strategic Expansion and Market Penetration**: The Group actively explores sectors like tourism and hospitality, aligning with the Vision 2030 to expand its market presence. It prioritises collaborative partnerships in key areas influenced by national goals and diversifies recruitment profiles to meet the corporate sector's evolving demands. Venturing into the Saudi recruitment outsourcing market, it adopts various strategies to meet the localisation and high-skilled needs, reinforcing its commitment to contributing to the Kingdom's growth; and
- **Commercial Excellence and Organisational Fortification**: The Group has crafted a best practice commercial model, honed for client segmentation and backed by specialist teams and CRM systems, to enhance customer acquisition and retention. Its strategy to attract and maintain the best industry talent through competitive incentives and development focuses on nurturing a workforce primed for innovation and growth, with a special emphasis on high-calibre sales talent to propel its growth objectives.

Individual Segment

The Group aims to be a leader in the Kingdom's individual services sector. Key initiatives include:

- **Service Differentiation and Tailored Offerings**: In an era marked by individualisation and the demand for personalised services, the Group excels in discerning and anticipating customer and talent needs, leveraging analytics and feedback to align services with market trends. Its drive for service differentiation is evident in its nuanced offerings aimed at exceeding customer expectations. The versatility of its service portfolio, adapting to occupational needs and contract flexibility, is complemented by ongoing innovation, underscoring its agile and client-centric approach;
- **Brand Enhancement and Omni-channel Engagement**: Navigating the complex landscape of brand perception, the Group prioritises a dual approach. Firstly, enhancing brand visibility and positioning is paramount, ensuring the Group's values and strengths resonate clearly with its audience. Secondly, in an era dominated by digital interactions, facilitating a seamless omni-channel experience becomes essential, enabling clients to connect with the Group effortlessly across various channels;
- **Service Quality Enhancement**: Recognising the dynamic nature of the market, the Group upholds service excellence through strategic global recruitment and rigorous training programmes, ensuring a team skilled in cutting-edge trends. Its global partnerships bolster a steady influx of talent, while loyalty initiatives cultivate deep customer relationships, establishing the Group as a reference point for quality and client-first service in a competitive industry;
- **Expanding into Attractive and Margin-Enhancing New Service Segments**: The Group recognises the importance of constant evolution and expansion in an ever-changing market landscape. The Group actively anticipates and shapes customer needs with insightful market analysis, launching new, quality services strategically and enhancing customer relationships through targeted cross-selling and upselling for a comprehensive service experience and industry leadership; and
- **Building Core Capabilities and Creating an Enabling Infrastructure for Success**: The Group's strategic commitment to leadership, operational excellence, and technological innovation, focusing on refining mobile applications, websites, and enhancing internal processes with advanced CRM systems and marketing tools, is underpinned by talent growth and a high-performance culture. The newly established Transformation Office facilitates strategic initiatives, optimising risk management and ensuring the seamless execution of an ambitious vision, solidifying the Group's competitive edge in a dynamic market.

In essence, the Group's strategic framework for both Corporate and Individual Segments underscore its commitment to innovation, adaptability and excellence. It aims to set new benchmarks in the manpower industry, ensuring sustainable growth and value creation for all stakeholders.

Strengths and Competitive Advantages of the Group

The Group has secured its status as a top-tier service provider in the Kingdom's dynamic manpower sector. Its strategic movement through the market terrain and considerable growth over the past three years reflect a robust competitive edge. Diverse services aligned with a profitability model that meets or exceeds benchmarks emphasise the Group's operational excellence and strategic orientation. The Group's strengths and competitive advantages are underpinned by the following key pillars:

- **Impressive Three-Year Growth Trajectory**: The past three years have been pivotal for the Group, marking a phase of accelerated growth and expansion. The Group's substantial growth, characterised by a compound annual growth rate a growth rate at a CAGR of 17.6 per cent., illustrates a notable advancement past many market leaders. This growth is attributed to the synergistic combination of a visionary leadership team and a comprehensive commitment to client satisfaction, evidencing the Group's agility and steadfast pursuit of excellence;
- **Superior Financial Performance**: Financial indicators reflect the Group's operational efficacy and strategic acuity, as it surpasses industry benchmarks. The substantial gross margin recorded at 21.1 per cent. and the net profit margin recorded at 12.0 per cent. for the financial year ended 31 December 2023G, and zero-debt stature underscore the Group's capacity for sustainable growth and value creation for stakeholders, delineating it as a leader in the industry;
- **Relationship with Leading Recruitment Agencies Overseas**: The Group has fostered extensive international networks through partnerships with leading recruitment agencies overseas, enabling access to diverse talent pools and the integration of best practices. These strategic alliances reinforce the Group's adeptness in bridging global expertise with local market demands;
- **Nationwide Branch Presence and Regional Adaptability**: The Group's footprint spans the entire Kingdom, with branches strategically located to serve diverse regional needs. This expansive presence ensures that the Group remains accessible and attuned to regional market specificities. This widespread network demonstrates the Group's commitment to delivering tailored services and upholding its status as a truly national entity, resonating with the Kingdom's growth story;
- **Deep-rooted Corporate Client Relationships Across Various Sectors**: A strong and diverse client base reflects the sustained confidence in the Group's service delivery. Relationships spanning various sectors underline the Group's versatility and its role as a trusted provider in the manpower industry;
- **Leadership Excellence and Industry Expertise**: The Group's trajectory is shaped by its experienced management team, whose industry expertise drives strategic decisions. Their capacity to navigate the market landscape positions the Group for continued advancement and industry leadership;
- **Flexible Manpower Solutions**: The Group's breadth of manpower solutions, from temporary staffing to specialised executive searches, illustrates its adaptability to the complex demands of today's business environment. This diversity ensures that businesses, irrespective of their size or sector, find solutions tailored to their needs. With a focus on versatility, precision, and efficiency, the Group has cemented its reputation as a leading staffing solutions provider;
- **Ownership of Essential Operational Assets**: Direct ownership of operational assets such as branches, housing, and transport fleet marks the Group's operational autonomy, contributing to service excellence and cost efficiency. This strategic advantage provides the Group with a competitive edge in the manpower sector;
- **Diverse Operations Across Corporate and Individual Sectors**: The Group's capacity to serve both corporate giants and individual households with a range of skilled labour positions it as a versatile and strategically flexible entity. Its wide operational scope ensures stability and consistency in service delivery amidst market fluctuations; and
- **Strong Capabilities in the Medical Sector**: The Group has emerged as a key player in the Kingdom's transforming medical sector, catering to diverse staffing needs and staying current with medical sector trends and unique needs. Its partnership with Dr Suliman Al Habib Medical Group, a leading healthcare provider in the Kingdom, significantly enhances the capabilities of its subsidiary, Eraf Medical Company, especially in home healthcare services, blending staffing skills with advanced medical expertise.

Market Overview

The Government's diversification of the Kingdom's GDP is a major driver of the labour force requirement

As per the data provided in the national statistics compiled by GASTAT in 2023G, the Kingdom maintained its position as the largest economy in the MENA region, boasting a GDP of SAR 4.2 trillion (equivalent to USD 1.1 trillion), constituting 67.1 per cent. of the GDP of the entire region. The Kingdom actively pursued economic reforms to enhance private sector participation, diversifying revenues across numerous sectors like technology, healthcare, tourism, construction and retail, aligning with the diversification goal of the Kingdom's Vision 2030. These initiatives resulted in a marked GDP growth of 21.6 per cent. in the period from 2021G to 2022G, with non-oil GDP representing a 31.8 per cent. contribution in 2022G, compared to 41.7 per cent. in 2021G, reflecting an increase in the momentum of investments and reforms. Despite disruptions in the construction, retail and hospitality sectors following the COVID-19 pandemic and the collapse of oil prices in 2020G, the Kingdom's economy is poised to achieve a CAGR of 2.9 per cent. between 2022G and 2030G, reaching a total GDP of SAR 5.2 trillion (equivalent to USD 1.4 trillion). This growth is driven by the Kingdom's Vision 2030, Saudisation efforts and expansions in the construction, medical treatment, IT and retail sectors. To support this growth, the Kingdom of Saudi Arabia expects to create an additional two million job opportunities between 2021G and 2030G. The projected budget surplus from increased hydrocarbon revenues is expected to strengthen the Government's financial position, ensuring stability. Expanding the labour force will require increasing the scope of the manpower services sector to accommodate the growing demand for jobs.

The regulatory changes introduced by the Government demonstrate a deliberate effort to transform the landscape of manpower sourcing, emphasising the importance of local employment and promoting economic growth across various sectors

During 2023G, the Kingdom modernised its human resources legislation and reshaped the landscape of manpower sourcing, focussing on prioritising local recruitment and promoting economic growth. This included mandating manpower companies to allocate a minimum of 30 per cent. of their resources to jobs in the retail sector (as per the National Transformation Program, part of the Kingdom's Vision 2030). These directives, along with the imposition of a cap on the income of each employee in households, aim to encourage local recruitment and standardisation of wage practices. The Ministry of Human Resources and Social Development introduced a three-year plan aimed at promoting Saudisation by categorising companies based on their levels of compliance. According to the Ministry of Human Resources and Social Development, private companies with dedicated project management and procurement roles now have Saudisation targets ranging from 35 per cent. to 100 per cent., with specific deadlines to achieve this change. These initiatives are geared towards creating a more sustainable and inclusive market across all industries in the Kingdom.

The growth of the Total Addressable Market between 2020G and 2022G was driven by a strong economic recovery post-pandemic and a rapid diversification of the economy

In 2023G, the Total Addressable Market for manpower services in the Kingdom reached approximately SAR 22.6 billion (equivalent to USD 6.1 billion), maintaining a steady annual growth rate of 16.4 per cent. between 2020G and 2023G. This growth was fuelled by a robust post-pandemic recovery, rapid economic diversification and substantial investments in infrastructure expansion. The B2B sector took precedence, holding a dominant 69.6 per cent. share of the total addressable services market. This sector specialised in tailored solutions, meeting diverse business needs in industries such as construction, medical care, manufacturing, technology and information systems. Conversely, the B2C sector, constituting 30.4 per cent. of the market, offered flexible and on-demand services to households, categorised as contractual or hourly. These services encompassed cleaning, gardening, moving assistance, culinary support, childcare, home organisation and pet care. Despite substantial market demand, there existed a 46 per cent. gap between demand and the actual supply of outsourced manpower, signifying a significant opportunity for service providers to address the increasing demand for skilled labour in various industries.

The actual manpower services market in the Kingdom of Saudi Arabia displays a notable consolidation, with two key players addressing the requirements of both the Business-to-Business (B2B) and Business-to-Consumer (B2C) domains

In 2022G, Saudi Manpower Solutions Company (SMASCO) emerged as the dominant player in the Target Manpower Market, commanding a substantial 24.1 per cent. market share. Operating extensively across key regions in the Kingdom, SMASCO specialised in providing proficient manpower solutions for diverse B2B sectors, including maintenance & operations, metal & mining, construction, oil & gas, retail, education, agriculture, logistics & transport and hospitality, travel & tourism. Maharah Human Resources Company, holding a 15.3 per cent. market share, demonstrated adaptability by engaging in both corporate B2B and expanding into the B2C segment, showcasing a progressive approach in the evolving market. Al Mawarid Manpower, renowned for its expertise in administrative services such as visa processing and payroll administration, maintained a 8.8 per cent. market share. JawaHR secured the fourth position, holding a 6.4 per cent. market share, with widespread operations across various industries like oil & gas, IT, manufacturing, education, mining, hospitality and construction. With a focus on retail, contracting, maintenance, restaurants and medical care sectors, Tamkeen Human Resources Company ensured operational excellence for its clients, resulting in a 4.0 per cent. growth rate during its first few years of operations.

Tamkeen Human Resources Company is well positioned to sustain its prominence in the B2B and B2C sectors through the delivery of unparalleled solutions and the fulfilment of client requirements

Despite its recent entry into the manpower sourcing industry, Tamkeen Human Resources Company has swiftly gained prominence, holding a 4.0 per cent. share of the market in 2022G. With 17 branches strategically located across the Kingdom, Tamkeen Human Resources Company demonstrates a strong presence, offering accessible services and emphasising community commitment. Notably, in the B2B segment, the Company has exhibited remarkable growth, especially in the contracting, medical care and retail sectors, contributing to a substantial increase in the Company's revenues from construction, medical care and retail. In the B2C segment, both hourly and contractual services have consistently expanded, aligning with evolving preferences for flexible solutions and resulting in a total increase of 12 per cent. in the Company's revenues from such services. The dedication of Tamkeen Human Resources Company to technological innovation positions it as a trailblazer, in line with the Kingdom's vision for digital transformation. Precision in resource procurement and streamlined documentation processes further enhance the Group's reputation, attracting clients seeking reliable manpower solutions. Positioned for strategic expansion, Tamkeen Human Resources Company aims to capitalise on opportunities in the B2C segment, focusing on skill development and a loyalty platform. In the Corporate Services sector, the Company is poised for growth and strategically explores untapped opportunities in admin & support services, manufacturing and transportation & storage. With plans for the Technology and Information Systems Services sector and positioning in the Kingdom's outsourcing services market, Tamkeen Human Resources Company demonstrates readiness to innovate and emerge as an industry leader.

Summary of Financial Information and Key Performance Indicators

The Company's financial information set out below was extracted from the audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G and the reviewed interim consolidated financial statements for the three-month period ended 31 March 2024G, prepared in accordance with IFRS endorsed in the Kingdom and other standards and pronouncements issued by SOCPA. The selected financial information and key performance index ("**KPIs**") of the Company set out below should be read in conjunction with the information provided in Section 2 (*Risk Factors*) and Section 6 (*Management's Discussion and Analysis of Financial Condition and Results of Operations*) of this Prospectus and the Company's audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G and the reviewed interim consolidated financial statements for the three-month period ended 31 March 2024G, which are included in Section 19 (*Financial Statements and Auditor's Report*) and other financial statements contained in other sections of this Prospectus.

Table 6: Summary of the Company's Statement of Profit and Loss and Other Comprehensive Income for the Financial Years Ended 31 December 2021G, 2022G, 2023G and the Three-Month Period Ended 31 March 2024G

Currency: SAR'000	Financial Year Ended 31 December			Three-Month Period Ended 31 March	
	2021G (Audited)	2022G (Audited)	2023G (Audited)	2023G (Unaudited)	2024G (Unaudited)
Comprehensive Income Statement					
Revenues	358,528	426,483	495,831	117,306	145,372
Cost of revenue	(264,843)	(322,514)	(391,262)	(90,474)	(114,841)
Gross profit	**93,685**	**103,969**	**104,569**	**26,832**	**30,531**
Selling and marketing expenses	(4,389)	(8,328)	(7,192)	(1,666)	(755)
General and administrative expenses	(31,432)	(38,279)	(41,605)	(9,642)	(12,084)
Provision for expected credit losses	-	(1,742)	(626)	-	(587)
Operating profit	**57,864**	**55,620**	**55,146**	**15,523**	**17,105**
Other revenue	1,171	5,810	13,719	2,565	3,746
Other expenses	-	-	-	-	-
Financing costs	(782)	(782)	(1,106)	(139)	(144)
Profit before Zakat	**58,254**	**60,648**	**67,759**	**17,950**	**20,708**
Zakat	(4,829)	(5,878)	(8,175)	(2,135)	(2,196)
Net Profit / (loss) for the year	**53,425**	**54,770**	**59,584**	**15,814**	**18,512**
Net Profit for the period returning to:					
Shareholders of the company	53,425	54,770	59,854	15,999	18,571
Non-controlling interests	-	-	(245)	(184)	(58)
Remeasurement of employee defined benefits	525	29	593	-	-
Total comprehensive income / (loss)	**53,949**	**54,799**	**60,422**	**15,814**	**18,512**
Earnings per Share to Shareholders:					
Base and discounted	**5.34**	**5.48**	**2.98**	**0.6**	**0.7**

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G and the reviewed interim consolidated financial statements for the three-month period ended 31 March 2024G.

Table 7: Summary of the Company's Statement of Financial Position as of 31 December 2021G, 2022G, 2023G and 31 March 2024G

Currency: SAR'000	31 December			31 March
	2021G (Audited)	2022G (Audited)	2023G (Audited)	2024G (Unaudited)
Property and equipment	33,940	36,047	44,372	48,875
Right-of-use assets	9,227	9,217	13,037	12,422
Cash margin on letter of guarantee	10,000	10,000	10,000	10,000
Used visas – non-current portion	2,892	2,758	3,622	3,515
Prepaid recruitment expenses – non-current portion	8,605	11,840	3,235	3,195
Total non-current assets	**64,664**	**69,864**	**74,266**	**78,007**
Trade receivables	27,857	36,334	75,731	84,759
Prepayments and other debit balances	51,677	59,158	57,956	54,749
Used visas – current portion	5,239	7,019	8,428	8,978
Available visas	13,688	18,182	16,622	22,984
Due from Related Parties	219	626	875	754
Investment at fair value through profit or loss	50,896	-	-	-
Bank deposits	-	-	-	-
Cash at banks	90,028	183,634	216,625	233,182
Total current assets	**239,604**	**304,953**	**376,237**	**405,406**
Total assets	**304,268**	**374,817**	**450,503**	**483,412**
Equity and liabilities				
Equity				
Share Capital	100,000	100,000	200,000	265,000
Statutory reserve	8,499	13,976	13,976	-
Retained earnings	76,587	125,909	86,331	18,878
Total shareholders' equity	**185,086**	**239,885**	**300,307**	**283,878**
Non-controlling interests	-	-	1,355	1,297
Total equity	**185,086**	**239,885**	**301,662**	**285,174**
Non-current liabilities				
Retained deposits – non-current portion	20,024	9,401	1,884	15,437
Lease liabilities – non-current portion	7,038	6,124	8,407	7,157
Employee defined benefit obligation	8,958	12,453	14,823	15,932
Total non-current liabilities	**36,021**	**27,978**	**25,114**	**38,526**
Trade payables	8,334	8,080	8,913	7,517
Contracts liabilities	20,718	17,348	12,562	17,884
Retained deposits – current potion	5,513	20,447	33,114	22,511
Accrued expenses and other credit balances	41,242	50,218	53,930	67,045
Due to related parties	18	-	-	-
Lease liabilities – current potion	2,005	2,887	4,032	3,474
Dividends payables				35,000
Zakat provision	5,333	7,974	11,175	6,280
Total current liabilities	**83,161**	**106,954**	**123,727**	**159,712**
Total liabilities	**119,182**	**134,932**	**148,841**	**198,238**
Total liabilities and equity	**304,268**	**374,817**	**450,503**	**483,412**

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G and the reviewed interim consolidated financial statements for the three-month period ended 31 March 2024G.

Table 8: Statement of Company's Cash Flows for the Financial Years Ended 31 December 2021G, 2022G, 2023G and the Three-Month Period Ended 31 March 2024G:

Currency: SAR'000	Financial Year Ended 31 December			Three-Month Period Ended 31 March
	2021G (Audited)	2022G (Audited)	2023G (Audited)	2024G (Unaudited)
Operating activities				
Profit for the year before Zakat	58,254	60,648	67,759	20,708
Adjustment for:				
Depreciation	6,256	5,709	5,833	1,221
Amortisation of right-of-use assets	4,603	3,069	4,632	1,180
Amortisation of used visas	7,747	9,757	11,907	2,728
Expected credit losses	-	1,742	626	587
Provision for advance payments to suppliers	-	-	1,255	-
Finance cost	782	177	524	144
Write-off projects under construction	929	-	-	-
Employees' defined benefit obligation	4,728	5,544	6,532	2,199
Adjustments on lease contracts	-	-	(352)	-
Changes in working capital				
Trade receivables	(1,449)	(10,219)	(40,024)	(9,615)
Prepayments and other debit balances	(13,347)	(10,717)	8,553	3,247
Used visas	(29,708)	(34,514)	(41,190)	(19,986)
Available visas	16,054	18,617	28,571	10,452
Retained deposits	7,045	4,311	5,151	2,950
Trade payables	3,004	(254)	833	(1,395)
Due from/to Related Parties	(189)	(424)	1,350	122
Accrued expenses and other credit balances	5,520	8,976	3,712	13,115
Contract liabilities	(4,055)	(3,370)	(4,785)	5,322
Cash generated from operating activities	**66,174**	**59,052**	**60,888**	**32,978**
Zakat paid	(3,259)	(3,237)	(4,974)	(7,090)
End-of-service benefits paid to employees	(1,531)	(2,197)	(4,093)	(1,090)
Net cash generated from operating activities	**61,383**	**53,619**	**51,820**	**24,797**
Investing activities:				
Investment at fair value through profit or loss - net	(565)	50,896	-	-
Purchase of property and equipment	(9,482)	(7,819)	(14,158)	(5,724)
Proceeds from disposal of property and equipment	-	2	-	-
Net cash (used in) generated from investing activities	**(10,047)**	**43,079**	**(14,158)**	**(5,724)**
Financing activities:				
Repayment of lease liabilities	(4,869)	(3,091)	(4,672)	(2,516)
Net cash used in financing activities	**(4,869)**	**(3,091)**	**(4,672)**	**(2,516)**

Currency: SAR'000	Financial Year Ended 31 December			Three-Month Period Ended 31 March
	2021G (Audited)	2022G (Audited)	2023G (Audited)	2024G (Unaudited)
Net changes in cash and cash equivalents	**46,467**	**93,606**	**32,990**	**16,557**
Cash at banks as of 1 January	43,561	90,028	183,634	216,625
Cash at banks as of 31 December	**90,028**	**183,634**	**216,625**	**223,182**
Non-cash transactions:				
Transfer from available visas to used visas	(19,016)	(23,111)	(27,011)	(16,813)
Remeasurement of defined benefit obligation	(525)	29	(593)	-
Lease liabilities	715	3,060	8,543	1,007
Right-of-use assets	(715)	(3,060)	(8,543)	(1,007)
Related parties' transactions	-	-	1,600	-

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G and the reviewed interim consolidated financial statements for the three-month period ended 31 March 2024G.

Table 9: Key Performance Indicators for the Financial Years Ended 31 December 2021G, 2022G and 2023G and the Three-Month Period Ended 31 March 2024G

Currency: SAR'000	Financial Year Ended 31 December			Three-Month Period ended 31 March	
	2021G (Audited)	2022G (Audited)	2023G (Audited)	2023G (Unaudited)	2024G (Unaudited)
Revenue growth rate (%)	N/A	16.3%	17.6%	N/A	23.9%
Selling and marketing expenses as a percentage of revenue (%)	1.2%	2.0%	1.5%	1.4%	0.5%
General and administrative expenses as a percentage of revenue (%)	8.8%	9.0%	8.4%	8.2%	8.3%
Gross profit margin (%)	26.1%	24.4%	21.1%	22.9%	21.0%
Net profit margin (%)	14.9%	12.8%	12.0%	13.5%	12.7%
Return on assets (%)	17.7%	14.6%	13.4%	14.4%	15.9%
Return on equity (%)	29.1%	22.8%	20.0%	22.0%	25.2%
Current ratio (x)	2.9	2.9	3.0	2.8	2.5
Debt to equity ratio (x)	0.6	0.6	0.5	0.5	0.7

Source: Company information.

Summary of Risk Factors

Prior to making an investment decision with respect to the Offer Shares, prospective investors should carefully consider all of the information contained in this Prospectus, particularly the risks stated below, which are described in detail in Section 2 (*Risk Factors*).

Risks Related to the Activities and Operations of the Group

- Risks Related to the Low Profit Margin of the Individual Segment
- Risks Related to the Group's Retention of its Manpower Resources
- Risks Related to Manpower Abscondence and Absenteeism
- Risks Related to the Group's Inability to Obtain the Necessary Work Visas for its Business
- Risks Related to Pricing Restrictions
- Risks Related to the Remaining Value of Existing Contracts
- Risks Related to Manpower Utilisation Rates
- Risks Related to Non-Payment of Salaries for Non-Utilised Manpower Resources
- Risks Related to the Group's Inability to Attract and Retain Clients
- Risks Related to Technological Advances and Their Negative Impact on the Labour Market and the Volume of Demand for Human Capital
- Risks Related to the Group's Reliance on its Top Five Clients in All Sectors
- Risks Related to the Group's Contracts with Key Clients
- Risks Related to the Agreements Concluded by the Group
- Risks Related to the Concentration of Revenue in Top Ten Clients and Clients Operating in the Construction and Operation and Maintenance Sectors
- Risks Related to Default or Insolvency of Clients
- Risks Related to the Group's Reliance on Manpower Resources Recruited from Certain Countries
- Risks Related to the Group's Inability to Maintain its Relationship with Recruitment Agencies
- Risks Related to the Group's Inability to Recruit Qualified Manpower Resources
- Risks Related to Quality of Services and Positive Reputation
- Risk Relating to Manpower Resources Housing
- Risks Related to Transportation of Manpower Resources
- Risks Related to the Group's Reliance on Vehicles for its Business
- Risks Related to Inability to Adequately Maintain the Confidentiality and Integrity of Client and Employee Data
- Risks Related to the Reliance on Information Technology Infrastructure and Cybersecurity Attacks
- Risks Related to the Group's Inability to Expand and Develop
- Risks Related to Credit Card and Debit Card Payments
- Risks Related to Infectious Diseases or any Threats to Public Health
- Risks Related to Related Party Transactions and Agreements
- Risks Related to Engagement of Directors or Senior Executives in Business Competing with the Group's Business
- Risks Related to Dependence on Third Parties, Suppliers and Services Providers
- Risks Related to Adverse Changes in Exchange Rate
- Risks Related to Collection of Receivables
- Risks Related to the Bank Guarantee in Favour of MHRSD
- Risks Related to Reliance on Executive Management and Key Personnel
- Risks Related to Employing and Sponsoring Non-Saudi Employees
- Risks Related to Failure to Secure Adequate Insurance Coverage
- Risks Related to Litigation
- Risks Related to Protection of Intellectual Property Rights
- Risks Related to Potential Zakat Liability and Tax Liabilities
- Risks in Connection with the Use of Accounting Assumptions, Estimates and Judgments and the Corresponding Errors

- Risks Related to the Implementation of a New Enterprise Resource Planning (ERP) Software
- Risks Related to Significant Working Capital Needs
- Risks Related to Potential Liabilities in Connection with Employee's Entitlement

Risks Related to the Market, Industry and Regulatory Environment

- Risks Related to Dynamic Regulatory Environment
- Risks Related to General Economic Conditions and its Impact on the Group's Business
- Risks Related to Political Instability and Security Concerns in the Middle East Region
- Risks Related to the Manpower Industry Being Historically Competitive, Cyclical and Subject to Intense Price Competition
- Risks Related to Changes in the Regulatory Environment
- Risks Related to Changes in Government Policies
- Risks Related to Zakat and Income Tax Calculation Mechanism Change
- Risks Related to Non-Compliance with Value Added Tax Regulations
- Risks Related to the Increase in Government Fees Applicable to Non-Saudi Employees
- Risks Related to Non-Compliance with the Saudisation Requirements
- Risks Related to Licences and Approvals
- Risks Related to Newly Implemented Corporate Governance Rules
- Risks Related to Compliance with the Companies Law, the Implementing Regulations and the Corporate Governance Regulations
- Risks Related to the New Civil Transactions Law and its Implementation

Risks Related to the Offer Shares

- Risks Related to Effective Control by the Current Shareholders after the Offering
- Risks Related to Absence of a Prior Market for the Offer Shares
- Risks Related to Selling a Large Number of Shares on the Exchange
- Risks Related to Issuance of New Shares
- Risks Related to Fluctuation in the Market Price of the Shares
- Risks Related to Distribution of Dividends

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Definitions and Abbreviations

1. Definitions and Abbreviations

Accounting Standards Accepted in the Kingdom (SOCPA)	Accounting standards generally accepted in the Kingdom of Saudi Arabia and approved by the Saudi Organisation for Chartered and Professional Accountants.
Admission	Admission of the Offer Shares to full listing on the Exchange in accordance with the Listing Rules and, where the context requires, an application to the Exchange for listing of securities.
Advisors	Advisors of the Company in relation to the Offering, whose names appear on pages (vi) to (vii) of this Prospectus.
Affiliate	A person who controls another person, or is controlled by that other person, or shares control by a third person. In any of the above, control is direct or indirect.
Audit Committee	The Audit Committee of the Company.
Auditor	Baker Tilly MKM & Co. Company.
Bidding Participation Application	The application submitted by the Participating Entities to the Bookrunner for participation in the book-building process, to be submitted no later than the last day of the book-building process period. This term includes, when applicable, the appended applications when the price range is changed.
Board of Directors or Board	The Board of Directors of the Company.
Book-Building Instructions	The Instructions for Book-Building Process and Allocation Method in Initial Public Offerings, issued pursuant to CMA Board Resolution No 2-94-2016, dated 15 Shawwal 1437H (corresponding to 20 July 2016G), as amended by CMA Board Resolution No 1-301-2022, dated 2 Rabi' al-Awwal 1444H (corresponding to 28 September 2022G).
Bookrunners	Saudi Fransi Capital.
Business Day	Any day (other than Fridays, Saturdays and official holidays) on which the Receiving Agents are open for business in the Kingdom.
Bylaws	The Bylaws of the Company, which are summarised in Section 11.13 (*Bylaws*).
Capital Market Institution	A Person authorised by the CMA to practice securities business.
Chairman	The Chairman of the Board of Directors.
Chief Executive Officer or CEO	The Chief Executive Officer of the Company.
Chief Financial Officer or CFO	The Chief Financial Officer of the Company.
CMA	The Capital Market Authority of the Kingdom.
CML	The Capital Market Law issued under Royal Decree M/30, dated 2 Jumada al-Akhirah 1424H (corresponding to 31 July 2003G), as amended.
Committees	The Audit Committee, the Nomination and Remuneration Committee, and the Executive Committee of the Company.
Companies Law	The Companies Law, issued under Royal Decree No (M/132), dated 1 Thul-Hijjah 1443H (corresponding to 30 June 2022G), as amended.
Company or Issuer	Tamkeen Human Resources Company.
Control	The ability to directly or indirectly influence the acts or decisions of another person, individually or collectively with a relative or affiliate, through any of the following: (a) holding 30 per cent. or more of the voting rights in the Company, or (b) the right to appoint 30 per cent. or more of the administrative staff; and the word "controller" shall be construed accordingly.
Corporate Governance Regulations	The Corporate Governance Regulations, issued pursuant to CMA Board Resolution No 8-16-2017, dated 16 Jumada al-Ula 1438H (corresponding to 13 February 2017G), based on the Companies Law promulgated by Royal Decree No M/3 dated 28 Muharram 1437H (corresponding to 10 November 2015G), and amended pursuant to CMA Board Resolution No 8-5-2023, dated 25 Jumada al-Akhirah 1444H (corresponding to 18 January 2023G).
Directors (and each individually a Director)	The members of the Company's Board of Directors appointed by the General Assembly and whose names appear in Section 5 (*Organisational Structure and Corporate Governance*).
Exchange or Tadawul	The Saudi Exchange (Tadawul).

Executive Management	The Senior Executives of the Company.
Executive Committee	The Executive Committee of the Company.
Extraordinary General Assembly	An Extraordinary General Assembly of the Company's Shareholders convened in accordance with the Bylaws.
Financial Advisor	Saudi Fransi Capital.
Financial Due Diligence Advisor	PricewaterhouseCoopers Professional Services.
Financial Statements	The Company's audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G and the reviewed interim consolidated financial statements for the three-month period ended 31 March 2024G and the accompanying notes thereto that have been prepared in accordance with IFRS endorsed in the Kingdom and other standards and pronouncements issued by SOCPA, and audited/reviewed by the Auditor in accordance with the review reports issued for them. Such statements are included in Section 19 (*Financial Statements and Auditor's Report*).
Financial Year	The Company's financial year starting from 1 January to 31 December of each calendar year.
Foreign Strategic Investor	A foreign legal entity that aims to own a direct percentage in a listed company's shares for a period of not less than two years, for the purpose of contributing in promoting the financial or operational performance of such listed company.
G	The Gregorian calendar.
GASTAT	The General Authority for Statistics, a Government agency in the Kingdom responsible for the implementation of statistical works, including conducting national surveys.
GCC	The Cooperation Council for the Arab States of the Gulf, consisting of the Kingdom of Bahrain, State of Kuwait, Sultanate of Oman, State of Qatar, Kingdom of Saudi Arabia and United Arab Emirates.
GCC Corporate Investors	Any company with the majority of its share capital being owned by GCC natural persons or governments and having the nationality of a GCC State according to the definition mentioned in the Resolution of the Supreme Council of GCC issued in the 15th session and approved by Council of Ministers' Resolution No 16 dated 20 Muharram 1418H (corresponding to 26 May 1997G), as well as GCC funds with the majority of its capital being owned by GCC citizens or governments.
GCC Countries	The Gulf Cooperation Council countries.
GDP	Gross Domestic Product (the broadest quantitative measure of a nation's total economic activity, which represents the monetary value of all goods and services produced within a nation's geographical borders over a specified period of time).
GDP per Capita	GDP per capita is a measure of average income per person in a country (it divides the GDP by the population).
General Assembly	An Extraordinary General Assembly and/or an Ordinary General Assembly of the Company's Shareholders, and "General Assembly" means any General Assembly of the Company.
GOSI	The General Organisation of Social Insurance in the Kingdom.
Government	The Government of the Kingdom (and "Governmental" shall be interpreted accordingly).
Group	The Company and its subsidiaries.
H	The Hijri calendar.
IASB	International Accounting Standards Board.
IFRS	International Financial Reporting Standards issued by the IASB as endorsed in the Kingdom and other standards and pronouncements issued by SOCPA, including the standards and statements approved by SOCPA, which include standards and technical publications related to issues not covered by IFRS, such as Zakat.
Implementing Regulations for Recruitment Rules	The Implementing Regulations for Recruitment Rules issued by the Ministerial Resolution No 70273, dated 11 Rabi' al-Thani 1440H (corresponding to 18 December 2018G), as amended.
Individual Subscribers	Individuals with Saudi Arabian nationality, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi person who can subscribe for her own benefit or in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor children, as well as any non-Saudi natural persons resident in the Kingdom or GCC natural persons, in each case who have n an investment account with a Receiving Agent.
Investment Funds Regulations	The Investment Funds Regulations issued pursuant to CMA Board Resolution No 1-219-2006, dated 3 Thul-Hijjah 1427H (corresponding to 24 December 2006G), based on the Capital Market Law promulgated by Royal Decree No M/30, dated 2 Jumada al-Akhirah 1424H (corresponding to 31 July 2003G), as amended by CMA Board Resolution No 2-22-2021G on 12 Rajab 1442H (corresponding to 24 February 2021G).
Financial Advisor	Saudi Fransi Capital.
Kingdom	Kingdom of Saudi Arabia.

Labour Law	The Saudi Arabian Labour Law issued under Royal Decree No M/51, dated 23 Sha'ban 1426H (corresponding to 27 September 2005G), as amended.
Lead Manager	Saudi Fransi Capital.
Legal Advisor	STAT Law Firm and Linklaters Law Firm.
Listing Rules	The Listing Rules approved by CMA Board Resolution No 3-123-2017, dated 9 Rabi' al-Thani 1439H (corresponding to 27 December 2017G), as amended by CMA Board Resolution No 1-108-2022G dated 23 Rabi' al-Awwal 1444H (corresponding to 19 October 2022G).
Lock-up Period	The six-month period during which the Substantial Shareholders may not dispose of any of their Shares from the date on which trading of the Shares commences on the Exchange.
Main Market	The market in which the registered and offered shares are traded under Part IV of the Rules on the Offer of Securities and Continuing Obligations.
Market Consultant	Euromonitor International Limited.
Market Report	Then independent market report on the manpower market in the Kingdom prepared by the Market Consultant exclusively for the Company.
MHRSD	The Saudi Arabian Ministry of Human Resources and Social Development.
MoC	The Saudi Arabian Ministry of Commerce.
National Transformation Program (NTP)	The programme developed to help realise Saudi Vision 2030 and define the challenges that Government agencies in the economic and development sectors face.
Net Offering Proceeds	The Offering Proceeds net of expenses related to the Offering.
Nominal Value	SAR 10 per Share.
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of the Company.
Offer Price	SAR [•] per Share.
Offer Shares	Seven million nine hundred and fifty thousand (7,950,000) Shares, representing 30 per cent. of the Company's share capital.
Offering	The initial public offering of seven million nine hundred and fifty thousand (7,950,000) ordinary Shares with a fully paid-up nominal value of ten Saudi Arabian Riyals (SAR 10) per Share, representing 30 per cent. of the Company's share capital, and at an Offer Price of SAR [•] per Share.
Offering Period	A period of two days starting on Tuesday, 3 Jumada al-Ula 1446H (corresponding to 5 November 2024G), until the end of Offering on Wednesday, 4 Jumada al-Ula 1446H (corresponding to 6 November 2024G).
Offering Proceeds	The total value of the Shares subscribed for in the Offering.
Ordinary General Assembly	An Ordinary General Assembly of the Company's Shareholders convened in accordance with the Bylaws.
Participating Entities	Entities involved in the book-building process from amongst the Participating Parties.
Participating Parties	In accordance with the Book-Building Instructions, parties entitled to participate in the book-building process, as follows: (1) public and private funds that invest in securities listed on the Exchange, if permissible under the terms and conditions of such funds, in compliance with the provisions and restrictions set forth in the Investment Funds Regulations and the Book-Building Instructions; (2) persons authorised to participate in trading activities as principals, in compliance with the provisions of the Prudential Rules upon submission of a Subscription Application Form; (3) clients of persons authorised by the CMA to conduct management activities in accordance with the provisions and restrictions set forth in the Book-Building Instructions; (4) legal persons allowed to open an investment account in the Kingdom, and an account with the Securities Depository Center, including foreign legal persons who are allowed to invest on the Exchange, in accordance with the Controls on Investment by Listed Companies in Exchange-Listed Securities set forth in CMA Circular No 6/05158, dated 11 Sha'ban 1435H (corresponding to 9 June 2014G), issued pursuant to CMA Board Resolution No 9-28-2014, dated 20 Rajab 1435H (corresponding to 19 May 2014G); (5) Governmental entities, any supranational authority recognised by the CMA, the Exchange, or any other stock exchange recognised by the CMA or the Securities Depository Center; (6) Government-owned companies, whether investing directly or through a portfolio manager; and (7) GCC companies, and GCC funds if permissible under the terms and conditions of such funds.
Person	A natural or a legal person under the laws of the Kingdom.

Prospectus	This document prepared by the Company in relation to the Offering.
Prudential Rules	The Prudential Rules issued pursuant to CMA Board Resolution No 1402012, dated 17 Safar 1434H (corresponding to 30 December 2012G) and amended pursuant to CMA Board Resolution No 1-129-2022, dated 4 Jumada al-Akhirah 1444H (corresponding to 28 December 2022G) as amended.
Public	Persons other than the following: (1) Affiliates of the Issuer; (2) Substantial Shareholders of the Issuer; (3) Directors and Senior Executives of the Issuer; (4) Directors and Senior Executives of the Issuer's Affiliates; (5) Directors and Senior Executives of the Issuer's Substantial Shareholders; (6) any relatives of the persons referred to in paragraphs 1, 2, 3, 4, or 5 above; (7) any company controlled by any person referred to in paragraphs 1, 2, 3, 4, 5 or 6 above; and (8) persons acting in concert, with a collective shareholding of five per cent. or more of the class of shares to be listed.
QFI or Qualified Foreign Investor	A qualified foreign investor who, in accordance with the Rules for Foreign Investment in Securities, is qualified to invest in listed securities.
Receiving Agents	The Receiving Agents whose names appear on page (viii) of this Prospectus.
Related Party	It includes, in this Prospectus, the term "**Related Party**" or "**Related Parties**" in accordance with Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority issued by CMA Board Resolution No 4-11-2004 dated 20 Sha'ban 1425H (corresponding to 4 October 2004G), as amended by CMA Board Resolution No 3-6-2024 dated 5 Rajab 1444H (corresponding to 17 January 2024G) as follows: (1) Affiliates of the Issuer except for wholly owned companies by the Issuer; (2) Substantial Shareholders of the Issuer; (3) Directors and Senior Executives of the Issuer; (4) Directors of an Affiliate of the Issuer; (5) Directors and Senior Executives of the Issuer's Substantial Shareholders; (6) any relatives of the persons described in paragraphs 1, 2, 3, 5 above; and (7) any company controlled by any person described in paragraphs 1, 2, 3, 5 or 6.
Relatives	Husbands, wives and minor children. For the purposes of the Corporate Governance Regulations: (1) fathers, mothers, grandfathers and grandmothers (and their ancestors); (2) children and grandchildren and their descendants; (3) siblings, maternal and paternal half-siblings; and (4) husbands and wives.
Risk Factors	A group of potential risks that should be understood and considered prior to making an investment decision in relation to the Offer Shares.
Rules for Foreign Investment in Securities	The Rules for Foreign Investment in Securities issued pursuant to CMA Board Resolution No 2-26-2023 dated 5 Ramadan 1444H (corresponding to 27 March 2023G).
Rules on the Offer of Securities and Continuing Obligations	The Rules on the Offer of Securities and Continuing Obligations issued by CMA Board Resolution No 3-123-2017 dated 9 Rabi' al-Thani 1439H (corresponding to 27 December 2017G) in accordance with the Capital Market Law promulgated by Royal Decree No M/30 dated 2 Jumada al-Akhirah 1424H (corresponding to 31 July 2003G), and amended by CMA Board Resolution No 8-5-2023, dated 25 Jumada al-Akhirah 1444H (corresponding to 18 January 2023G).
SAR	The Saudi Arabian Riyal, the lawful currency of the Kingdom.
SAIBOR	The Saudi Arabian Interbank Offered Rate.
Saudi Central Bank (SAMA)	Saudi Central Bank.
Saudisation	Nationalisation requirements applicable in the Kingdom in relation to the labour market.
Secretary	The Secretary of the Company's Board of Directors.
Senior Executives	The members of the Company's Executive Management whose names appear in Table 5.6 (*Details of Senior Executives*).
Shareholder	Any holder of Shares in the Company.
Shares	Ordinary shares of the Company, with a fully paid nominal value of ten Saudi Arabian Riyals (SAR 10) per Share in the Company's capital issued from time to time.
SOCPA	The Saudi Organisation for Chartered and Professional Accountants.

Subscriber / Subscribers	The Participating Entities and Individual Subscribers participating in the Offering.
Subscription Application Form	The subscription application form to be used by Participating Entities and Individual Subscribers (as the case may be) to subscribe for the Offer Shares.
Subsidiaries	(1) Open Technologies for Communications and Information Technology Company; (2) Elaf Specialists Contracting Company; and (3) Eraf Medical Company.
Substantial Shareholders	Any Shareholder who owns five per cent. (5%) or more of the Company's share capital prior to the Offering and whose names appear in Table 2 (*The Substantial Shareholders and Their Ownership in the Company Pre- and Post-Offering*)
Swap Agreements (SWAPS)	Non-GCC nationals individuals residing outside the Kingdom and corporations registered outside the GCC countries, with the exception of Qualified Foreign Investors and Foreign Strategic Investors, in accordance with the Rules for Foreign Investment in Securities, to gain the economic benefits of shares by entering into swap agreements (SWAPS) with Capital Market Institutions licenced by the CMA to buy, own and trade in shares listed in the capital markets for the benefit of foreign investors. Under the SWAPS, the Capital Market Institutions will be registered as legal owners of those shares.
Underwriter	Saudi Fransi Capital.
Underwriting Agreement	The Underwriting Agreement entered into between the Company, the Selling Shareholder and the Underwriter in connection with the Offering.
VAT	The Council of Ministers of the Kingdom resolved on 2 Jumada al-Awwal 1438H (corresponding to 30 January 2017G) to approve the Unified GCC Value Added Tax Agreement, which came into effect on 1 January 2018G, as a new tax to be added to the system of taxes and other duties to be applied to specific sectors in the Kingdom and in the other GCC Countries. The amount of value added tax was initially five per cent., but a number of products (such as basic food, and health care and education services) are exempted from such tax. As of 1 July 2020G, VAT was further increased to 15 per cent. by the Ministry of Finance of the Kingdom.
Vision 2030	The National Strategic Economic Program, which aims to reduce dependence on oil and the petrochemical industry, diversify the Saudi economy and develop public services, which was announced by the Saudi Government in 2016G.
ZATCA	The Zakat, Tax and Customs Authority in the Kingdom.

02

Risk Factors

2. Risk Factors

Prior to making an investment decision with respect to the Offer Shares, all prospective investors should carefully consider the following risk factors and the other information contained in this Prospectus. The risks and uncertainties described below are those that the Company currently believes could affect the Company and any investment in the Offer Shares. However, the risks listed below do not necessarily comprise all those affecting the Company or associated with an investment in the Offer Shares. There may be additional risks and uncertainties that the Company is currently not aware of, or that the Company currently believes are immaterial. The occurrence of any such risks and uncertainties may materially and adversely affect the Group's business, financial position, results of operations and prospects. As a result, the price of the Company's Shares may decline, the Company's ability to pay dividends could be impaired and/or investors may lose all or part of their investments.

The Company's Directors also confirm that, to the best of their knowledge and belief, there are no other material risks as of the date of this Prospectus than those mentioned in this Section that may affect investors' decisions to invest in the Offer Shares. All prospective investors willing to subscribe to the Offer Shares should assess the risks related to the Offer Shares and the Offering in general, and the economic and regulatory environment in which the Group operates.

An investment in the Offer Shares is only suitable for investors who are able to evaluate the risks and benefits of such investment and who have sufficient resources to bear any loss resulting from such investment. Prospective investors who have doubts about which actions to take should refer to a financial adviser duly licenced by the CMA for advice about investing in the Offer Shares.

The risks described below are not presented in any assumed order of priority that can reflect their expected impact on the Group.

2.1 Risks Related to the Activities and Operations of the Group

2.1.1 Risks Related to the Low Profit Margin of the Individual Segment

Gross profit margin for the Individual Segment decreased in the financial years ended 31 December 2022G and 2023G, driven by strong price competition. This is in contrast to the particularly high gross profit margin results of the Group in the financial year ended 31 December 2021G, where demand for hourly services increased and prices remained relatively high during the pandemic as a result of clients' reluctance to change their manpower resources and their need to maintain high levels of cleanliness. Consequently, this resulted in an increase in the profitability margin of hourly services, which rose to 24.1 per cent., for the abovementioned period, as well as an increase in the profitability margin of the contractual segment, which rose to 33.8 per cent., in light of the gradual decline in the effects of the pandemic in the financial year 2022G. The market competition increased during the financial years 2022G and 2023G and the three-month period ended 31 March 2024G. As a result, and concurrently with the pricing restrictions imposed by MHRSD during the financial year 2023G (an amount not exceeding SAR 3,150 for Indonesian female cadres, SAR 2,100 for Kenyan and Ugandan female cadres for the contractual segment and SAR 32 for all nationalities and professions for the hourly segment), prices significantly decreased in both the hourly and contractual segments, which led to a decrease in the profitability margin of the contractual segment to 24.4 per cent., 16.0 per cent. and 17.2 per cent. respectively, as well as a decrease in the profitability margin of the hourly segment to 21.1 per cent., 15.1 per cent. and 14.5 per cent. respectively. The percentage of new clients acquired by the Individual Segment in comparison to existing clients represented 70.7 per cent., 74.5 per cent., 69.8 per cent. and 79.9 per cent. in the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively. Accordingly, due to high price competition in the Individual Segment and the pricing restrictions imposed by MHRSD – the impact of which increases as the percentage of new clients increases – the Group may not be able to maintain its clients in the Individual Segment and the historical gross profit margin in the Individual Segment in the future, which would adversely affect the Group's business, financial position, results of operations and prospects. For further details regarding risks related to pricing restrictions, please see Section 2.1.5 (*Risks Related to Pricing Restrictions*).

2.1.2 Risks Related to the Group's Retention of its Manpower Resources

The Group has a relatively low retention rate with respect to its manpower resources, with retention rates of 99.4 per cent., 56.3 per cent., 20.7 per cent. and 53.6 per cent. in the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively. The sharp decline in retention rates for the financial year ended 31 December 2023G is attributed to the fact that most contracts expiring in 2023G were for manpower resources who had completed their initial two-year contract period and subsequently renewed their contracts for a third or fourth year but did not wish to renew for an additional period. Moreover, the Company's recruitment of a large number of manpower resources resulted in an increase in the actual number of active manpower resources from 10,950 as of 31 December 2022G to 13,231 as of 31 December 2023G and 14,182 as of 31 March 2024G. The overall profitability of the Group is influenced by manpower resource retention rates since the Group incurs various expenses when recruiting and hiring such resources, including recruitment and training fees, as well as a non-revenue generating period until manpower resources are hired by clients. Furthermore, if manpower resources leave the Group during the initial contract period, the Group will have to recognise all accrued expenses during the same period, thus affecting its total earnings and profit margin. Conversely, retention of manpower resources beyond the initial contract period, typically around two years, will enable the Group to achieve a higher gross profit margin due to the lower costs of manpower resources during such periods. This is because the Group avoids incurring lump sum (one-time) costs during subsequent contract periods (such as recruitment and training costs). Accordingly, the low retention rate of the Group's manpower resources affects its total earnings and profit margin, and adversely affects the Group's business, financial position, results of operations and prospects.

2.1.3 Risks Related to Manpower Abscondence and Absenteeism

The Company faces the risk of manpower absconding after arriving in the Kingdom. The Company recorded a relatively high abscondence rate of 3.3 per cent., 4.8 per cent., 7.2 per cent. and 1.3 per cent. of its total manpower resources of 8,552, 10,590, 12,620 and 13,723 in the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively. As such, the Group is vulnerable to incurring non-refundable financial expenses, including the recruitment costs incurred by the Company, in addition to certain other operational risks, such as the cost of replacement and the negative impact on its reputation with clients. In its statement of financial position, the Company recognises certain assets which it amortises over the course of two years or the initial contract period with the manpower resource, whichever is shorter. These assets include (1) recruitment fees paid to recruitment agencies (recruitment fees vary from one country to another, with the average fee for external recruitment offices being fifteen thousand Saudi Arabian Riyals (SAR 15,000) for the recruitment of Indonesian manpower resources, five thousand two hundred and fifty Saudi Arabian Riyals (SAR 5,250) for Filipino manpower resources and six thousand Saudi Arabian Riyals (SAR 6,000) for Ugandan, Kenyan, Nepalese and Indian manpower resources), in addition to airline ticket fees to bring workers to the Kingdom, amounting to between two thousand, two hundred Saudi Arabian Riyals (SAR 2,200) and three thousand eight hundred Saudi Arabian Riyals (SAR 3,800); and (2) used visas, at an amount of two thousand Saudi Arabian Riyals (SAR 2,000) per visa, paid for in advance to the competent authority. Such visas are recorded as “available visas” and transferred to “used visas” and amortised over a period of two years or the initial contract period with the manpower resource, whichever is less. If the Group decides that a manpower resource is absent and has absconded, it is required to inform the competent authorities. If a manpower resource is not found within two weeks of the reporting date, the visa is rendered invalid even if the manpower resource is found at a later stage. It should be noted that, in the case of absconding manpower resources, the Group is not awarded prepaid expenses such as recruitment fees and employment visas. Accordingly, an increase in the abscondence rate of manpower resources will increase the costs incurred by the Group and adversely affect its business, financial position, results of operations and prospects.

2.1.4 Risks Related to the Group's Inability to Obtain the Necessary Work Visas for its Business

The Group’s business relies on work visas issued by the MHRSD. These visas are obtained instantly through an electronic portal upon meeting certain conditions, such as adherence to wage protection, holding valid work permits, and the Company’s commitment to providing 30 per cent. of its workforce for the Individual Segment. The number of visas is determined based on a calculation formula through which the Company’s entitlement balance is calculated. This formula contributes to the increase of such balance on an ongoing basis to keep pace with the Company’s business growth. Currently, manpower companies may request any number of visas they require to carry out their operations without being subject to any cap, provided the relevant company is in compliance with the rules and regulations of the MHRSD. However, the MHRSD may, in its sole discretion, decrease the number of work visas issued, or suspend the issuance of work visas, to manpower companies. The Group obtained 8,397, 9,774, 8,134 and 5,582 work visas during the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively. The Group’s inability to obtain the required number of work visas necessary for its business would affect the size of the workforce available to the Group, which would have an adverse effect on its business, financial position, results of operations and prospects.

2.1.5 Risks Related to Pricing Restrictions

The Group is subject to pricing restrictions imposed by the MHRSD, including a ceiling on services provided to the Individual Segment, more specifically its contractual and hourly segments and sponsorship transfer services. In February 2023G, the MHRSD raised the ceiling for the hourly rates of domestic workers in the contractual and hourly sector and sponsorship transfer fees. During the fourth quarter of 2023G, the average hourly rate for the Group’s workforce sector was SAR 22 per hour, while the average for the contract labour sector for Indonesian nationals was SAR 3,150 per month and SAR 1,700 per month for Kenyan and Ugandan nationals. In addition, the MHRSD approved price ceilings on recruitment fees for certain nationalities (SAR 14,700 for Filipino manpower resources, SAR 13,800 to Sri Lankan manpower resources, SAR 11,750 for Bangladeshi manpower resources, SAR 9,000 for Kenyan manpower resources, SAR 8,300 for Ugandan manpower resources and SAR 5,900 for Ethiopian manpower resources (noting that the Indonesian labour recruitment service is not available to individuals)). Although the Group does not recruit manpower resources from local recruitment offices, price ceilings set by the MHRSD could set a target price for external recruitment offices in their dealings with the Group and thus increase the Group’s recruitment costs. Moreover, the Group intends to launch a sub-service within the Individual Segment to provide recruitment services to clients, under which the Group will be required to set a ceiling for its fees in accordance with the price ceilings determined by the MHRSD. Accordingly, if the MHRSD reduces the maximum hourly rates, sponsorship transfer fees or recruitment fees, this would adversely affect the Group’s future revenue and profitability, which would in turn adversely affect the Group’s business, financial position, results of operations and prospects.

Furthermore, the agreements concluded by the MHRSD with the government of the Philippines set a minimum wage of SAR 1,500 per month for Filipino manpower, which is the starting wage paid by the Group to Filipino manpower resources. Moreover, the starting wage paid by the Group to Indonesian manpower resources is SAR 1,200 per month, although there is currently no minimum wage for Indonesian manpower resources. With approximately 2,417 manpower resources from Indonesia and almost 1,118 manpower resources from the Philippines within the Individual Segment at the Company as of 31 March 2024G, any changes or increases in the minimum wage requirements for Indonesian or Filipino manpower resources would have a direct adverse effect on the Group’s total profit from the Individual Segment, particularly in light of the pricing restrictions imposed in the Kingdom, which would in turn affect the Group’s business, financial position, results of operations and prospects.

2.1.6 Risks Related to the Remaining Value of Existing Contracts

Due to the nature of the Company’s activities, the value of the Company’s existing contracts is determined differently from other sectors, whereby the total number of employees required to perform long-term service contracts is calculated. As of 31 December 2021G, 2022G and 2023G and 31 March 2024G, the backlog (the number of contracted vacancies based on manpower supply requests from various clients, representing the number of employees required to be provided by the Group to its clients) stood at 743, 2,945, 1,070 and 2,682 job vacancies, respectively, allocated to clients based on contracts concluded with them. This represents 17.8 per cent., 20.1 per cent. 19.4 per cent. and 19.7 per cent. of the average number of billable manpower resources for the Corporate Segment for the same periods.

However, there are risks related to the allocation of manpower resources for non-executed contracts, since the recruitment and actual use of the 2,682 employees as of 31 March 2024G is subject to fluctuations in client demands and operational capabilities. For example, actual revenue depends on the effective utilisation of these resources across various sectors, and any discrepancy in such utilisation may affect prospective revenues.

Moreover, the remaining value of these contracts, while indicative of future revenues, does not guarantee profits. Certain factors may affect the actual generated revenue (such as contract reviews, early termination and related penalties, or failure by clients to fulfil the contract terms).

In light of these factors, the value of existing contracts should not be used solely as an indicator of future revenue. The Group's future revenue growth and profitability will depend on its ability to adapt to changes in contract terms and client demands as well as effectively managing the utilisation of employees. If the Group's revenue from these contracts falls below expectation, this could adversely affect its business, financial position, results of operations and prospects.

2.1.7 Risks Related to Manpower Utilisation Rates

The Company calculates and monitors the manpower resource utilisation rate in the Individual Segment on a monthly basis, based on the manpower resources deployed during such month and not on the total manpower resources available to the Group, since the Company's Enterprise Resource Planning (ERP) system does not allow for this. As such, the Company calculates the utilisation rate by dividing the number of days manpower resources are actually engaged by the total number of working days in the month. The average number of days utilised was 28.2, 27.2, 28.1 and 28.2 days per month for each worker for the financial years ended 31 December 2021G, 2022G, and 2023G and the three-month period ended 31 March 2024G, respectively, with a manpower resource utilisation rate within the Individual Segment - Contractual of 92.7 per cent., 89.2 per cent., 92.3 per cent. and 88.9 per cent. for the same periods. The average number of hours utilised per worker was 167.6, 169.3, 169.3 and 163.9 hours per month for the Individual Segment – Hourly Services sub-segment for the same periods, with a utilisation rate of 80.8 per cent., 82.2 per cent., 79.9 per cent. and 79.0 per cent. for the same periods. The Group's method of calculating utilisation rates does not represent an accurate reflection of actual utilisation during the period covered by this Prospectus as it only accounts for manpower resources distributed in a given month and estimates the utilisation rates for such resources in both the Individual Segment – Contractual and Individual Segment - Hourly Service sub-segments. Accordingly, if the Group were to consider the total manpower resources available to it when calculating the utilisation rates, these rates would be lower in comparison to current rates. The number of non-utilised manpower resources in the contractual segment was 254, 500, 393 and 467 male and female workers in the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively, while the number of non-utilised manpower resources in the Individual Segment – Hourly Services sub-segment was 88, 126, 262 and 374 workers for the same periods. The average number of manpower resources available in the contractual segment was 3,476, 4,628, 5,092 and 4,203 workers in the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, while the average available manpower resources in the Individual Segment – Hourly Services sub-segment was 459, 705, 1,304 and 1,781 for the same periods. Furthermore, the difference between the current utilisation rates and the actual rates may increase, which would have an adverse effect on the Group's business, financial position, results of operations and prospects. Moreover, the Group does not pay the salaries of non-utilised manpower resources in the contractual sector, which exposes it to several other potential risks (for further details regarding such risks, please refer to Section 2.1.8 (*Risks Related to Non-Payment of Salaries for Non-Utilised Manpower Resources*)).

2.1.8 Risks Related to Non-Payment of Salaries for Non-Utilised Manpower Resources

As of 31 March 2024G, the Group accrued SAR 5.3 million in salary entitlements for certain manpower resources within the Individual Segment whose salaries have not been paid due to them not being employed by a client (non-utilised manpower resources), since the Group – particularly in relation to the Individual Segment – Contractual sub-segment – does not pay the salaries of non-utilised manpower resources during any given month. These practices followed by the Group could trigger a multitude of legal and regulatory risks, potentially tarnishing the Group's reputation or even prompting embassies to ban the Group from recruiting manpower resources from their respective countries. Moreover, fines may be imposed on the Group, as determined by MHRSD in proportion to the number of manpower resources who have not received their full salaries, which in turn would have a material adverse effect on the Group's business, financial position, results of operations and prospects.

2.1.9 Risks Related to the Group's Inability to Attract and Retain Clients

The Group's revenues depend entirely on payments made by its clients for its supply of manpower services. Accordingly, the Group may face a decline in revenues due to several factors, including changes in general economic conditions, market maturity or saturation, an increase in service fees due to inflation, value added tax, other Government taxes or fees, in addition to changes in the general Saudisation policies, and direct or indirect competition in the manpower industry. If the Group is unable to attract and retain clients, this would have an adverse effect on the Group's business, financial condition, results of operations and prospects.

2.1.10 Risks Related to Technological Advances and Their Negative Impact on the Labour Market and the Volume of Demand for Human Capital

The Group's success is directly dependent on its clients' need and demand for a highly qualified workforce. The replacement of humans by machines, robotics, machine learning, artificial intelligence and other technological advances to carry out actions and operations that were, or remains, dependent on the human element will continue now and into the future, using advanced technologies outside the scope of the business and control of the Group. The manpower industry continues to be impacted by significant technological changes enabling companies to offer services competitive to those of the Group, as was previously the case. Such technological changes may: (i) reduce demand for the Group's services; (ii) enable the development of competitive services; or (iii) enable the Group's current clients to reduce or bypass the use of the Group's services, particularly for limited-skill job categories. The effort to gain technological expertise and develop new technologies in the

Group's business may require it to incur significant expenses. If the Group is not successful in anticipating or responding to these changes or if demand for its services is reduced due to advanced technologies, this would have an adverse effect on the Group's business, financial position, results of operations and prospects.

2.1.11 Risks Related to the Group's Reliance on its Top Five Clients in All Sectors

Revenues generated from the Group's top five restaurant and food sector clients amounted to SAR 47.9 million, SAR 50.8 million, SAR 28.6 million and SAR 6.1 million, respectively, representing 13.4 per cent., 11.9 per cent., 5.8 per cent. and 4.2 per cent. of the Group's total revenue for the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively. Revenues generated from the Group's top five retail clients amounted to SAR 19.8 million, SAR 23.2 million, SAR 27.5 million and SAR 6.3 million, respectively, representing 5.5 per cent., 5.4 per cent., 5.5 per cent. and 4.3 per cent. of the Group's total revenue for the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively. Revenues generated from the Group's top five healthcare clients amounted to SAR 18.3 million, SAR 22.9 million, SAR 28.8 million and SAR 8.5 million, respectively, representing 5.1 per cent., 5.4 per cent., 5.8 per cent. and 5.8 per cent. of the Group's total revenue for the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively. Revenues generated from the Group's top five operations and maintenance and contracting clients amounted to SAR 60.4 million, SAR 41.2 million, SAR 103.9 million and SAR 52.8 million, respectively, representing 16.8 per cent., 9.7 per cent., 21.0 per cent. and 36.3 per cent. of the Group's total revenue for the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively. Revenues generated from the Group's technology and information systems segment amounted to SAR 2.5 million, SAR 2.0 million, SAR 2.9 million and SAR 1.8 million, respectively, representing 0.7 per cent., 0.5 per cent., 0.6 per cent. and 1.3 per cent. of the Group's total revenue for the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively. (For further information about the Group's top five clients, see Table 4.32 (*The Group's Top Five Clients from the Corporate Segment in Terms of Total Revenue in the Financial Years Ended 31 December 2021G, 2022G and 2023G and the Three-Month Period Ended 31 March 2024G*).) The Group may be exposed to increased risks arising from major clients not renewing their contracts, which are typically two years in length. Accordingly, there is no assurance these major clients will remain clients of the Group. In addition, some of the Group's clients operate in industries that have experienced adverse business and financial conditions during different phases of the economic cycle. The deterioration of the financial condition or business prospects of those clients could reduce their staffing needs and result in a significant decline in the revenues and earnings that the Group generates from them. This in turn would have an adverse effect on the Group's business, financial condition, results of operations and prospects.

2.1.12 Risks Related to the Group's Contracts with Key Clients

The Group's contracts with its key corporate clients are generally for a term of two years (for further information about these contracts, see Section 11.5 (*Material Agreements*)). In the event that one of the parties fails to meet its contractual obligations, the affected party may terminate the relevant contract and request the other party to pay compensation in the form of damages. In addition, the Group may not be able to renew its contracts with key corporate clients upon their expiration for various reasons, or it may be able to renew its contracts but on terms that are not favourable to the Group. If the Group fails to maintain its relationships with its corporate clients in general, and key corporate clients in particular, the Group may lose a significant portion of its revenues, which may not be compensated through other client accounts which, in turn, would have an adverse effect on the Group's business, financial condition, results of operations and prospects. Moreover, any such contractual non-compliance could also result in the Group being excluded from participating in Government contracts or contracts with major corporate entities.

2.1.13 Risks Related to the Agreements Concluded by the Group

All of the agreements concluded by the Group for the purpose of providing services to its corporate clients include provisions allowing clients to request manpower services according to their needs. Under such agreements, the Group's clients often have little obligation to request its manpower services, if any. The Group may hire employees permanently to meet anticipated demand for its services under these agreements without requiring clients having to make actual requests for such services. If the Group sees a significant decline in the manpower services orders under its framework service agreements with corporate clients or its existing framework service agreements with corporate clients expire or lapse and the Group is unable to replace them with similar agreements, the Group's business, financial position, results of operations or prospects would be materially adversely affected.

2.1.14 Risks Related to the Concentration of Revenue in Top Ten Clients and Clients Operating in the Construction and Operation and Maintenance Sectors

The Group's revenues from its top ten corporate clients amounted to SAR 126.4 million, SAR 111.5 million, SAR 151.4 million and SAR 64.8 million, respectively, representing an average of 32.9 per cent., 48.2 per cent., 54.6 per cent. and 67.0 per cent. of the total revenue of the Corporate Segment and 35.3 per cent., 26.1 per cent., 30.5 per cent. and 44.6 per cent. of the Group's total revenue in the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively. The Group's revenue generated from clients operating in the construction, operation, and maintenance sectors represented 17.9 per cent., 13.0 per cent., 24.3 per cent. and 39.7 per cent. of the Group's total revenue for the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively. The Group's key client operates in the construction, operation and maintenance sectors, representing 13.6 per cent. of the Group's total revenue for the financial year ended 31 December 2021G, prior to the decrease of this percentage to 7.0 per cent., 3.8 per cent. and 2.2 per cent. of the Group's total revenue for the financial years ended 31 December 2022G and 2023G and the three-month period ended 31 March 2024G, respectively. The client issued visas to recruit workers under its own sponsorship, which resulted in reduced reliance on the Group in providing manpower. Additionally, the Company acquired a new key client in the construction, operation and maintenance sector during the financial year ended 31 December 2023G and the three-month period ended 31 March 2024G, with whom the Company contracted on 4 Thul-Hijjah 1443H (corresponding to 3 July 2022G) for a period of two years starting from the arrival date of manpower resources into the Kingdom. It should be noted that several contracts of varying duration have been entered into with the same client for the provision of manpower services for several of the client's projects. Revenues from such client amounted to SAR 61.1 million and SAR 40.3 million, respectively, for the financial year ended 31 December 2023G and the three-month period ended 31 March 2024G, representing 22.0 per cent. and 41.6 per cent. of the Corporate Segment's total revenue and 12.3 per cent. and 27.7 per cent. of the Group's total revenue for the same periods. It should be noted that the contractual relationship between the Company and its key clients lasts on average for more than three years, with the exception of two key clients that the Company began contracting with in 2022G. The revenue generated from these two clients amounted to 27.4 per cent. and 46.7 per cent., respectively, of the total revenue of the Corporate Segment as of 31 December 2023G and 31 March 2024G. Deterioration in the financial condition or business prospects of the Group's top ten clients or of its clients operating in the construction, operation and maintenance sectors could reduce their staffing needs and result in a decline in the revenues and earnings that the Group generates from such clients, which, in turn, would have an adverse effect on the Group's business, financial condition, results of operations and prospects.

2.1.15 Risks Related to Default or Insolvency of Clients

The Group's revenue consists of the fees paid by clients for services provided by the Group. Some of the Group's clients, including key clients, may face financial and operational challenges in the future due to economic downturns, adverse changes in market conditions or other client-specific factors. Two of the Group's key clients have experienced significant adverse changes in their financial positions, resulting in them breaching their obligations towards the Group, amounting to SAR 0.4 million for the first client and SAR 0.7 million for the second client. The Group has filed a case against the first client and a judgement has been issued in favour of the Group. However, the client has not paid such amount as of the date of this Prospectus. The provision for doubtful debts in relation to this client amounted to SAR 0.4 million. With respect to the second client, the Group has filed a lawsuit against it which is still pending before the Commercial Court. The provision for doubtful debts in relation to this client amounted to SAR 0.7 million. The Group has established a provision for doubtful debts of SAR 3.9 million for all receivables as of 31 March 2024G. Should any of the Group's clients breach their obligations towards the Group, this would have an adverse effect on the Group's ability to collect the related outstanding receivables, which in turn would adversely affect the Group's business, financial position, results of operations and prospects (for further details on receivables, please refer to Section 6.8.4 (*Credit Risk*)).

2.1.16 Risks Related to the Group's Reliance on Manpower Resources Recruited from Certain Countries

The Group's success is substantially dependent on its ability to recruit and retain large numbers of qualified foreign workers who possess the skills and experience necessary to meet the staffing requirements of its clients. As of the date of this Prospectus, the Group relies on foreign manpower resources recruited from 15 different countries in providing its manpower services, with the majority of its manpower resources recruited from 7 countries, namely Indonesia, India, the Philippines, Uganda, Kenya, Nepal and Bangladesh. As of 31 March 2024G, 95.9 per cent. of the Group's foreign manpower resources were recruited from such countries, compared to 97.8 per cent., 98.5 per cent. and 95.8 per cent., as of 31 December 2021G, 2022G and 2023G respectively. Accordingly, the Group's inability to recruit foreign manpower resources from any of the above countries, for any reasons, including but not limited to, deterioration in the diplomatic relationships between the Kingdom and these countries, would adversely affect the Group's ability to recruit and supply manpower resources. This in turn would affect the Group's operations which would have an adverse effect on its business, financial condition, results of operations and prospects.

2.1.17 Risks Related to the Group's Inability to Maintain its Relationship with Recruitment Agencies

The Group recruits foreign manpower resources after search and selection processes via recruitment agencies located in 15 different countries. As of the date of this Prospectus, the Group has entered into contractual relationships with 36 recruitment agencies in a number of countries including Indonesia, India, the Philippines, Uganda, Kenya, Nepal and Bangladesh, for the purpose of recruiting qualified foreign manpower resources across a number of industries. In the event that one of the parties to the agreements with foreign recruitment agencies fails to meet its contractual obligations, the affected party may terminate the relevant contract and request compensation from the other party by requiring them to pay damages. In addition, the Group may not be able to renew its contracts with recruitment agencies upon their expiration, or it may not be able to renew such contracts on terms that are advantageous to the Group. If the Group fails to maintain its relationships with recruitment agencies, the Group may not be able to recruit qualified foreign manpower resources, which would have an adverse effect on the Group's business, financial condition, results of operations and prospects.

2.1.18 Risks Related to the Group's Inability to Recruit Qualified Manpower Resources

The Group's success depends on its ability to attract, recruit and retain manpower resources with the skills and experience necessary to fulfil its clients' needs. The Group intends to increase the volume of its activity in the Kingdom by increasing the number of its workforce. However, qualified manpower may not be available to the Group in sufficient numbers or on employment terms that are acceptable to the Group. Additionally, the Group's clients may seek to recruit manpower resources from diverse backgrounds representing different age groups, geographical regions or skillsets. These needs may change due to business requirements or in response to geopolitical and societal trends. There is a risk that the Group may not be able to identify manpower resources with the required attributes or identify them in a timely manner. If the Group fails to recruit and retain qualified manpower resources who meet the needs of its clients, its reputation, business and financial results could be materially adversely affected.

Furthermore, governments in countries from where the Group recruits its manpower resources may seek to change the work conditions and/or terms of the employment agreements which may result in an increased cost to the Group making it economically unfeasible or unattractive to recruit manpower resources from such countries. It may also reduce the demand from clients for such manpower resources as well. If the Group is unable to attract and retain qualified manpower resources, or recruit foreign manpower resources continuously, this would have an adverse effect on the Group's business, financial condition, results of operations and prospects.

2.1.19 Risks Related to Quality of Services and Positive Reputation

Key clients targeted by the Group may not continue to use the Group's services in the future. Demand for the Group's services depends on several factors, including cost, ease of use, familiarity of use, convenience, timeliness, strategic partnerships, in addition to the reliability and quality of services in general. If the Group is not able to adequately meet clients' needs and expectations, its service offering may be less competitive in the market and its ability to continuously generate revenues could be reduced. Additionally, the Group relies on its reputation in the market to attract and retain clients. The Group's reputation is susceptible to material damage by events such as disputes with clients, mistreatment of manpower resources by the Group or its clients, information technology security system breaches, internal control deficiencies, delivery failures or compliance violations. Additionally, its reputation could be damaged by actions or statements of current or former clients, employees, competitors, vendors, adversaries in legal proceedings, Government regulators, as well as the media. In particular, the rise of social media and online platforms, including online blogs and social media websites have heighted such risks as these platforms allow individuals to access a broad audience of consumers and other interested parties. Negative statements about the Group on, or inappropriate use of, such platforms by the Group's clients or employees could increase its costs, cause damage to its brand, lead to litigation or result in information leakage, including the improper disseminate personally identifiable information of candidates and clients. Moreover, the Group's reputation, brand image and goodwill could be damaged by inaccurate posts or comments about the Group on social networking platforms even if such posts or comments are based on rumours or misunderstandings. Damage to the reputation of the Group could be difficult, expensive and time-consuming to repair and compensation is often difficult to obtain. It could make potential or existing clients reluctant to use the Group for new engagements, resulting in a loss of business and adversely affecting its recruitment and retention efforts, which would have an adverse effect on its business, financial condition, results of operations and prospects.

2.1.20 Risk Relating to Manpower Resources Housing

Pursuant to the Recruitment Rules, the Group is required to secure housing for its manpower resources. 23 out of 27 housing facilities used as housing for the Group's manpower resources are leased from third parties and other properties for the purpose of, including but not limited to, establishing the Company's headquarters and sales branches (for further information about properties owned and leased by the Group, see Section 11.8 (*Real Estate*)). During the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, lease expenses for workforce accommodation amounted to SAR 4.2 million, SAR 5.2 million, SAR 6.5 million and SAR 1.7 million, respectively. Leases for such facilities are limited in duration and the landlord of any of such facilities may revise the terms of the lease or the rent amount, whether during the lease term or at the term of renewal, under the relevant terms and conditions. Any increase in the rent amount would result in additional costs on the Group, which could have an adverse effect on its business, financial condition, results of operations and prospects.

Moreover, the Group's ability to find suitable facilities at reasonable costs depends on a number of factors including, but not limited to, general conditions in the real estate market. Therefore, the Group may not be able to find suitable facilities to meet its housing needs at a reasonable cost or at all, or it may not be able to renew its current leases on reasonable terms or at all. If the Group is unable to secure housing for its manpower resources for any reason, such as the suitability of the size of the housing units for the number of manpower resources per unit or the suitability of the housing units in terms of health and safety requirements, it will be in violation of the Recruitment Rules and subject to fines and penalties imposed by the MHRSD. This would have an adverse effect on the Group's business, financial condition, results of operations and prospects. Fines may be imposed on the Group if an area of at least four square-metres of bedroom space per person is not provided. These fines amount to SAR 2,500 for first-time offences, SAR 5,000 for second-time offences, SAR 7,500 for third-time offences and SAR 10,000 for fourth-time offences. In addition, if the amounts of these violations increase in the future, or if any additional requirements are imposed by the MHRSD on the specifications of housing units, the Group may have to incur additional costs, which will adversely affect its business, financial condition, results of operations and prospects.

Furthermore, the Group's housing facilities are subject to risks of accidents including fire incidents that may result in loss and/or injuries to occupants, furniture and fixtures. Should the Group become liable for such accidents, the damages incurred may not be covered by the Group's insurance policies and this could have an adverse effect on its business, financial condition, results of operations and prospects.

2.1.21 Risks Related to Transportation of Manpower Resources

Foreign manpower resources recruited by the Group generally arrive to the Kingdom by plane and the Group bears all costs related thereto including airfare. Any increase in airfares or any decrease in the number of available flights to and from the Kingdom, whether due to an increase in airline operating costs, decrease in supply or demand for flights to the Kingdom for any reason and/or any other political or economic factors, would affect the Group's ability to recruit foreign manpower resources from their countries in a timely manner and/or at a reasonable cost. This would, in turn, have an adverse effect on the Group's business, financial condition, results of operations and prospects.

2.1.22 Risks Related to the Group's Reliance on Vehicles for its Business

The Group relies significantly on vehicles to carry out its business, as it transports manpower resources to and from clients' places of business and/or residences within the Kingdom using the Group's transportation fleet (for further information about the Group's transportation fleet, see Section 4.8.5.4 (*Transportation Fleet*)). As such, the Group incurs expenses to operate its transport fleet, including vehicle insurance and expenses for the transportation of manpower resources. The Group's material additions to vehicles amounted to SAR 2.2 million, SAR 3.7 million, SAR 9.6 million and SAR 0.2 million for the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively. Depreciation expenses amounted to SAR 1,9 million, SAR 2,6 million, SAR 3,5 million and SAR 0.7 million for the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively. Comprehensive insurance expenses for the Group's vehicles amounted to SAR 0.2 million, SAR 0.3 million, SAR 0.6 million and SAR 0.2 million, respectively. Maintenance expenses for the Group's transportation fleet amounted to SAR 0.7 million, SAR 1.2 million, SAR 1.8 million and SAR 0.4 million for the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively. If transportation of the Group's manpower resources to its clients is interrupted for any reason or if any of its transportation fleet is involved in any traffic accidents, the Group may not be able to pick-up or drop-off the manpower resources to its clients in a timely manner, which may subject the Group to claims from its clients and/or additional costs. Additionally, the Group may not be able to increase the price of its services to offset any increase in transportation costs including any increase in fuel prices. The occurrence of any of the above events could have an adverse effect on the Group's profitability, business, financial condition, results of operations and prospects.

Furthermore, in the event that the Company decides to sell any of its vehicles at used car showrooms or through an auction, the sale price of the vehicles may be less than the previously estimated residual value. The Company's ability to sell its vehicles in the used vehicle market may be severely limited in the future as a result of a number of factors, including the economic environment, changing vehicle models and regulatory requirements, such as changes in laws and regulations governing the sale of vehicles or vehicle taxes and customs duty costs. A decline in used vehicle prices or a lack of liquidity in the used vehicle market may limit the Company's ability to resell its vehicles without incurring financial losses, which would adversely affect the Company's business, financial condition, results of operations and prospects.

2.1.23 Risks Related to Inability to Adequately Maintain the Confidentiality and Integrity of Client and Employee Data

In its ordinary course of business, the Group collects, transfers and treats client and employee information via the Company's own information systems or those outsourced or assigned to third parties with which the Company contracts to obtain its client and employee data, ID cards numbers, birth dates and other private data. Some of this data is private and may be a target of some external parties, such as individual criminals, organised criminal groups, "cyber hackers" and others. The Group's inability to maintain the confidentiality and integrity of client and employee data may lead to a change in the behaviour of existing or potential clients in a manner that affects the Group's ability to retain its existing clients and attract new ones, which would have a material adverse effect on the Group's business, financial position, results of operations and prospects.

It is worth noting that the Personal Data Protection Law was promulgated under Royal Decree No M/19, dated 9 Safar 1443H (corresponding to 16 September 2021G), which was due to enter into force (i.e., from 17 Safar 1443H (corresponding to 24 September 2021G)). This Law applies to any personal data processing by any means in the Kingdom, whether it relates to the data of a citizen or resident and includes a number of requirements to protect the rights of personal data owners, which the Group must implement. On 19 Sha'ban 1443H (corresponding to 22 March 2022G), the Saudi Data and Artificial Intelligence Authority (SDAIA) announced that the competent authorities have decided to postpone the full enforcement of the Personal Data Protection Law until 25 Sha'ban 1444H (corresponding to 17 March 2023G). As a result, the Group has not assessed the impact of the Personal Data Protection Law on its operations, nor did it take adequate steps to ensure compliance therewith. In the event that the impact of the Personal Data Protection Law and its implementing regulations would be upon application significant, if the Group is required to change its operations to comply with the requirements of the Personal Data Protection Law, or if the Group incurs additional costs to take the necessary steps to ensure compliance therewith, this will adversely affect its business, financial position, results of operations and prospects.

The commitment to changing privacy and security laws may also lead to an increase in the cost due to the necessary changes in the laws and because of imposing new restrictions or controls on the Group's business models and developing new administrative processes. These laws, conditions and regulations may impose further restrictions on the Group's collection of personal data in one or more of its databases, and their disclosure and utilisation. Failure to adhere to the privacy laws, general requirements of the sector, or any security breach that involves theft, loss, or disclosure of personal, sensitive or confidential data without permission may lead to fines, penalties and lawsuits against the Group, which would have a material adverse effect on the Group's business, financial position, results of operations and prospects.

2.1.24 Risks Related to the Reliance on Information Technology Infrastructure and Cybersecurity Attacks

The Group depends heavily on the secure and reliable performance of its information technology systems in its operations and business management, including by its finance and human resources departments. The Group relies on the ability of these systems to manage its business effectively and efficiently, and any potential failure these systems would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's information technology systems may also be exposed to damage resulting from computer viruses, natural disasters, hacking attacks, hardware or software failure, power fluctuations, cyber terrorism, and other similar matters. In addition, a breach of the Group's cybersecurity measures could also lead to the loss, destruction or theft of confidential or proprietary data, which could expose the Group to liability or incur material losses to customers, suppliers or those dealing with the Group.

Cyberattacks and other cyber incidents are occurring with greater frequency and are constantly evolving in terms of their nature and sophistication. The Group's inability to maintain appropriate cybersecurity measures and keep pace with new and evolving threats may leave its systems vulnerable and similar risks exist in relation to external parties who may possess confidential data relating to the Group, such as its information technology support service providers, professional advisors, banks and financial institutions with whom it deals.

Weakness in the Group's information technology systems and its failure to detect and respond to cyber incidents in a timely manner could have a material adverse effect on the Group's business, financial position, results of its operations and prospects.

2.1.25 Risks Related to the Group's Inability to Expand and Develop

The Group's strategy includes plans to expand its services, client base and geographical reach in the Kingdom. However, the Group may not be able to implement such strategies effectively due to a number of factors beyond the Group's control, such as a change in laws and regulation and/or domestic or international economic slowdown. The Group's ability to successfully expand to new markets or in existing markets in which it has a presence, is dependent on a number of factors, including the Group's ability to:

- establish definitive business strategies, goals and objectives;
- respond to trends in the manpower industry in an effective and timely manner;
- engage with current and new clients;
- identify new services and geographical markets, successfully compete in those services and markets and comply with relevant regulatory requirements;
- sustain the adequacy of the Group's financial resources; and/or
- hire, train and assimilate new employees.

Furthermore, new services launched by the Group may be unprofitable if the Group is not able to accurately evaluate all the costs and risks in pricing its services and it may not even be able to recover or regain its initial investment. If the Group delays or fails to implement its strategies effectively, this would have an adverse effect on the Group's business, financial condition, results of operations and prospects.

2.1.26 Risks Related to Credit Card and Debit Card Payments

The Group accepts payments and remittance via credit card and debit card transactions through point-of-sale processing systems. For credit card and debit card payments, the Group pays certain fees to relevant financial institutions, which are subject to increases over time. If the Group encounters problems with its point-of-sale hardware and software or in its ability to process payments through any major credit or debit card payment system, this would impair the Group's ability to collect its fees. The occurrence of any of the above factors would have an adverse effect on the Group's business, financial condition, results of operations and prospects.

2.1.27 Risks Related to Infectious Diseases or any Threats to Public Health

An outbreak of infectious diseases such as Middle East Respiratory Syndrome (MERS), Influenza A (H1N1), Severe Acute Respiratory Syndrome (SARS) and Coronavirus (COVID-19) in the Middle East would have a material adverse effect on the Kingdom's economy and the Group's business. Following the outbreak of Coronavirus (COVID-19), the Saudi Government implemented a multiple measures to curb the spread of the coronavirus, which included imposing temporary restrictions, such as: banning travel, imposing curfews, preventing movement between cities within the Kingdom, preventing activities that do not comply with social distancing rule, suspension of tourist and employment visas, and requirement for people coming to the Kingdom from abroad to quarantine for a specific period of time. This resulted in a decrease in the Group's workforce utilisation rate during the pandemic period by 4.8 per cent. for the financial year ended 31 December 2021G.

The extent to which the Group's operating and financial results are affected by COVID-19 will continue to depend on various factors and consequences beyond the Group's control, such as the continuation of the pandemic, new waves of the coronavirus, new information that may appear regarding the severity of the coronavirus and additional actions by businesses and Governments in response to the pandemic, especially within the geographic locations where the Group operates in the Kingdom and the speed and effectiveness of these responses to combat the virus, including the effectiveness and timeliness of vaccinations. COVID19. The volatile global economic conditions arising from the pandemic has aggravated and will continue to aggravate certain other risk factors included in this Section. The COVID-19 pandemic has subjected the Group's operations and financial performance to a number of risks, including those discussed below, which may also reoccur in the event of any future pandemic:

- operations-related risks: the Group is facing increased operational challenges including a heightened need to protect employee health and safety, office shutdowns, workplace disruptions and restrictions on the movement of people, both at its own offices and at those of its clients and suppliers. In addition, it is facing additional employee health and safety concerns;
- client-related risks: the business of the Group's clients has and will continue to be disrupted, by quarantines, fluctuations in their financial condition and restrictions on employees' ability to work and office closures. Such disruptions have and may continue to restrict the Group's ability to provide services to its clients (or for clients to pay for such services) and have also and may continue to reduce demand for its services;
- employee-related risks: the Group's has experienced disturbance and disruption to its operations resulting from quarantines, self-isolations, or other movement and restrictions on the ability of its employees to perform their jobs which may impact the ability of the Group to deliver its services in a timely manner; and
- liquidity- and funding-related risks: a prolonged period of generating lower revenue could adversely affect the Group's cash flow and liquidity. Conditions in the financial and credit markets may also limit its ability to obtain funding in the future.

The resurgence of the coronavirus or another future disease could further negatively impact the global economy and financial markets. Should this occur, it could have a material adverse effect on the Group's business, financial position, results of operations and prospects.

2.1.28 Risks Related to Related Party Transactions and Agreements

In its ordinary course of business, the Group enters into agreements with certain Related Parties and/or affiliates, including Substantial Shareholders, its wholly owned Subsidiaries and companies where certain Directors are board members and/or senior executives (see Section 11.9 (*Related Party Contracts and Transactions*)). All such transactions are entered into pursuant to written agreements governing the contractual relationship between the parties. All the Group's transactions and agreements with Related Parties are concluded on arm's length terms. As of the date of this Prospectus, all necessary approvals have been obtained for all Related Party transactions and agreements that are currently in place, in which certain Directors have a direct or indirect interest.

Related Party transactions are reflected and recorded in the consolidated financial statements in accordance with IFRS and standards and pronouncements issued by SOCPA, (see Section 19 (*Financial Statements and Auditor's Report*)). The total amount payable to Related Parties by the Company was SAR 0.02 million, SAR zero, SAR zero and SAR zero during the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively, comprising 0.01 per cent., nil per cent., nil per cent. and nil per cent. of the Company's total liabilities in the same periods, respectively. The total amount of receivables from Related Parties to the Company were SAR 0.2, SAR 0.6 million, SAR 0.9 million and SAR 0.8 million during the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively, comprising 0.8 per cent., 1.7 per cent., 1.1 per cent. and 0.9 per cent. of the Company's total receivables in the same periods, respectively. The total value of revenues from transactions with Related Parties amounted to SAR 6.6 million, SAR 7.9 million, SAR 6.5 million and SAR 2.0 million for the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively, comprising 1.8 per cent., 1.8 per cent., 1.3 per cent. and 1.3 per cent. of total revenue of the Company in the same periods, respectively.

If contracts and transactions with Related Parties are not executed in accordance with written agreements, not concluded on arm's length terms, or not approved by the General Assembly (to the extent any Director has a direct or indirect interest), this may have an adverse effect on the Group's business, financial condition, results of operations and prospects.

2.1.29 Risks Related to Engagement of Directors or Senior Executives in Business Competing with the Group's Business

As of the date of this Prospectus, none of the Company's Directors or Senior Executives are participating in activities that compete with the Group, except for Abdullah bin Suleiman Al Ngeer, who owns: (a) 9.5 million shares in Maharah Human Resources Company, representing an ownership percentage of approximately 2.0 per cent.; and (b) 0.66 million shares in Mueen Human Resources Company, representing an ownership percentage of approximately 6.6 per cent. Both Maharah Human Resources Company and Mueen Human Resources Company operate in the field of human resources. The approval of the General Assembly of the Company was obtained for his participation in activities that compete with the Group. However, some Directors may participate in activities that compete with the Group in the future through their membership in other boards or through ownership of businesses that compete with the Group. The Directors and Senior Executives have access to internal information of the Group and may use that information to advance their own interests or in contradiction with the Group's interests and objectives. If the Directors and Senior Executives who have interests conflicting with that of the Group have a negative influence on the Group's decisions, or if they use the information available to them about the Group in a way that harms its interests, this would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

As of the date of this Prospectus, none of the Directors or Senior Executives is party to any agreement, arrangement or understanding that prevents them from competing with the Group. However, to engage in businesses in competition with the Group, the Directors must obtain approval from the General Assembly in accordance with Article 44 of the Corporate Governance Regulations and Article 27 of the Companies Law.

2.1.30 Risks Related to Dependence on Third Parties, Suppliers and Services Providers

The Group relies on third party suppliers and service providers. Among others, the Group obtains and outsources certain support services and processes from third parties for technical services supplementary to its activities, licensing software for operating its systems, travel services for its employees and manpower resources (most of whom are expatriates). The Group's purchases from its top five suppliers, including suppliers of technical (technological) services (such as the Enterprise Resource Planning (ERP) software), software, travel services and external recruitment offices amounted to SAR 28.4 million, SAR 47.8 million, SAR 37.6 million and SAR 7.8 million, respectively, accounting for 34.0 per cent., 45.4 per cent., 38.0 per cent. and 39.2 per cent. of total Group's purchases in the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively. If supply operations from any such third parties are suspended or disrupted, or if there are regulatory restrictions or limits to the purchase and supply processes, the Group may face long waiting times for required services and materials, disruption to the growth of its service offering or it may be required to prioritise certain client contracts or clients to fulfil its contractual obligations. This may have a negative impact on the supply of manpower and time needed to deploy resources to clients or would lead to increased costs associated with expanding and maintaining the Group's manpower and resources, which could have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.31 Risks Related to Adverse Changes in Exchange Rate

The Group's results of operations may be affected by volatility in currency exchange rates and the Group's ability to effectively manage its currency risks. In the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively, 39.2 per cent., 48.0 per cent., 30.1 per cent. and 41.1 per cent. of the Group's purchases of software, equipment and services were in foreign currencies (all of which were in the U.S. dollar). Accordingly, if the Kingdom's policy of pegging the Saudi Arabian Riyal to the USD were to change in the future, the Group may experience an increase in the USD denominated costs of its operations. As the Group has not concluded any hedging agreements to mitigate its currency risk exposure, changes in foreign exchange rates could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.1.32 Risks Related to Collection of Receivables

Total receivables due to the Group that are 365 days past their due date amounted to SAR 1.3 million, SAR 2.8 million, SAR 3.7 million and SAR 4.1 million, for the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively. Total receivables due to the Group that were between 121 to 364 days past their due date amounted to SAR 0.7 million, SAR 1.3 million, SAR 7.8 million and SAR 9.1 million for the same periods, respectively. Total receivables due to the Group that were between 91 to 120 days past their due date amounted to SAR 0.5 million, SAR 2.1 million, SAR 2.9 million and SAR 2.2 million for the same periods, respectively. Total receivables due to the Group that are less than 91 days past due amounted to SAR 26.4 million, SAR 32.8 million, SAR 64.8 million and SAR 73.4 million for the same periods, respectively. Provisions for doubtful debts in relation to such receivables amounted to SAR 1.0 million, SAR 2.7 million, SAR 3.3 million and SAR 3.9 million, respectively, for the same periods. All debtors are from the private sector (for further details on the Group's receivables, please refer to Section 6.8.4 (*Credit Risk*)). Should the Group's clients dispute the amounts invoiced by the Group or should they face any financial difficulties, it may lead to an increase in uncollected invoices and total receivables past their due dates. The clients' ability to perform their obligations under the contracts, including their ability to pay the Group or fulfil any indemnity obligations may also be impacted by economic or industry downturn or other adverse conditions in the manpower industry and the clients' respective industries. Failure to make payments when due, the bankruptcy or insolvency of the Group's clients, especially its major clients, would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.1.33 Risks Related to the Bank Guarantee in Favour of MHRSD

Under the Recruitment Rules, the Company is required to provide the MHRSD with an irrevocable bank guarantee for an amount of SAR 10.0 million in a form required by the MHRSD issued by one of the local banks in the Kingdom. The MHRSD may at any time, in its sole discretion, request to increase the amount of the bank guarantee. The Company has obtained a letter of guarantee from Al Rajhi Bank on 12 Shawwal 1439H (corresponding to 26 June 2018G) which is due to expire on 13 Safar 1451H (corresponding to 25 June 2029G) (for further details on the letter of guarantee issued by Al Rajhi Bank, please refer to Section 11.6 (*Financing Agreements*)). In the event the Company violates the provisions of such letter of guarantee, Al Rajhi Bank may terminate its agreement with the Company and cancel the letter of guarantee which may result in a suspension of the Company's MHRSD licence. This would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

In addition, if the Company violates any provision of the Recruitment Rules (which include provisions related to licensing conditions to practice recruitment activities and provide labour services, provisions related to the internal policies and regulations of licensed companies and the procedures and obligations of providing labour services, in addition to provisions related to the rights of clients), the MHRSD may drawdown under the bank guarantee. In such event, the Company will be required to top-up the bank guarantee within a period not exceeding 30 days to cover for any drawdowns. If the Company fails to top-up the bank guarantee, it may be subject to suspension of services by the MHRSD, which would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.1.34 Risks Related to Reliance on Executive Management and Key Personnel

The Group relies on the efforts, diligence, skill, network of business contacts and close supervision of its Executive Management team and other key personnel for the implementation of its strategy and its day-to-day operations such as corporate client relationship managers and head of sales, for research and development operations, marketing, sales, services and general and administrative functions, as well as on mission-critical individual contributors. It is expected that the operating complexity of the Group's business and the responsibility of its Executive Management will continue to increase in the future. Further, there is a significant competition in the Kingdom to attracting appropriately qualified personnel with the relevant expertise. If one or more members of the Group's Executive Management team or key personnel were to resign, the loss of such personnel could result in, among other things, a disruption in organisational focus, poor execution of operations, a failure or delay in achieving some or all of its business strategies and this may divert management resources. In addition, as it expands its scope of operations, its future success will depend in part on its ability to attract, retain and motivate qualified personnel. The loss of services of an Executive Management member or key employee could prevent or delay the implementation and completion of its strategic objectives and divert the management's attention to seek qualified replacements. This could adversely affect the Group's ability to manage its business effectively. Moreover, any member of the Executive Management, as well as any of the key employees, may resign at any time. If the Group loses the ability to hire and retain key executives and employees with high levels of skills in the relevant domains, this would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Demand for executives and management personnel is traditionally high and could exceed supply, specifically skilled executives with experience in managing public joint stock companies, particularly in the manpower industry. Accordingly, the Group may need to invest significant financial and human resources to attract and retain new employees and it may not realise returns on these investments. The subsidiary Open Technologies for Communications and Information Technology Company has concluded an employment contract with its General Manager stating that 10% of its net profits for the first year (2024G), 8% for the second year (2025G), 6% for the third year (2026G), 4% for the fourth year (2027G) and 2% for the fifth year (2028G) shall be paid to him if specific and definite targets are achieved (for example, targets related to the development of the subsidiary and recruiting qualified employees, targets related to services and instruments of the subsidiary, such as obtaining a customer relationship management (CRM) programme, and financial targets related to adhering to the specified budget and maintaining the average customers sales margin between 10%-15%, in addition to targets related to the subsidiary's marketing). If these profits are paid to him, this will lead to a decrease in the Company's revenues from its subsidiary, which in turn will lead to a decrease in its profits during the stated years.

Moreover, the demand for manpower services may cause shortages in qualified personnel globally, leading to higher wages and preventing the Group from attracting qualified individuals in a cost-efficient manner. Many of the companies which compete with the Group to attract experienced personnel benefit from greater resources compared to the Group.

The Group also relies on certain non-Saudi employees to provide technical and management expertise in its operations. Any changes in local laws and regulations which adversely impact expatriates may cause an outflux of expatriate workers who opt to work in other countries, enhancing the difficulty in retaining necessary non-Saudi employees, thereby disrupting the operations of the Group. The Group pays the required Government fees for work and residency permits required by non-Saudi employees and, in some cases, their dependents. If such fees were to be increased in the future, the Group may be forced to bear the increased costs to retain the requisite non-Saudi employees for their technical and management expertise, resulting in an increase in the Group's costs and expenses, adversely affecting its business, financial condition, results of operations and prospects.

While the Group's contracts with its clients are regularly reviewed, there can be no assurance that all, or any, potential increases in employee costs as a result of labour shortage, wage inflation or increased Government fees can be passed onto the Group's clients. If such costs are not effectively passed onto its clients, the Group may experience increased costs or be unable to retain an adequate number of skilled personnel, which would adversely affect its business, financial condition, results of operations and prospects.

2.1.35 Risks Related to Employing and Sponsoring Non-Saudi Employees

MHRSD has officially announced the launch of the "Improving Contractual Relationships" initiative, which encompasses a number of policies and controls, including the replacement of the kafala (sponsorship) system with an employment contract system between the employer and expatriate worker, effective as of 14 March 2021G. Under this initiative, the Kingdom strives to improve and promote the efficiency of the work environment, enhance the flexibility, effectiveness and competitiveness of the labour market and raise its attractiveness in line with international best practices and activate contractual reference in the employment relationship between employers and employees based on a documented employment contract between them through the contract documentation programme. The job mobility service also allows the expatriate workers to switch to another job upon the expiry of his/her employment contract without the employer's consent. Furthermore, the initiative also defines the mechanisms of mobility during the term of the contract, provided that the notice period and applicable controls are adhered to. The exit and return service allows the expatriate workers to travel outside the Kingdom upon submitting an application, while notifying the employer electronically. The final exit service enables the expatriate workers to leave the Kingdom upon the expiry of the contract, while notifying the employer electronically, without the employer's consent. There is also the option to leave the Kingdom where the worker bears all the consequences of the termination of the contract. All these services are already available through "Absher" and MHRSD's "Qiwa" platform. As a result, the Group may be adversely affected if a large number of employees decide to switch to other companies and then the Group will not be able to prevent them except to the extent permitted under their employment contracts. The Group may face difficulties in finding new employees to replace them. Should the Group lose a large number of its employees due to employees switching to other companies and if it were unable to hire new employees to replace them, this would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.1.36 Risks Related to Failure to Secure Adequate Insurance Coverage

The Group maintains different insurance policies for the purpose of covering its operations, including motor comprehensive insurance, as well as medical insurance for its employees. As of the date of this Prospectus, all of the Group's insurance policies are valid (for further information on insurance policies, see Section 11.7 (*Insurance Policies*)). However, no assurance can be given that any of the Group's existing insurance policies will be sufficient to cover losses arising from certain events or that it will be renewed on equivalent, commercially reasonable terms or at all. In addition, the Group's insurance policies include exceptions or limitations to coverage, under which certain types of loss, damage and liability are not covered by the insurance. In these cases, it could incur losses that have an adverse effect on its business and results of operations. In addition, the Group's failure to renew its existing levels of coverage on commercially acceptable terms, or at all, or the absence or unavailability of, adequate insurance for the various areas of its business, would have an adverse effect on the Group's business, financial condition, results of operations and prospects.

The occurrence of an uninsured or uninsurable loss could result in the loss of all or part of the capital invested in any operation that is damaged or destroyed as well as any unrecoverable costs incurred to rectify such damage. The Group may also be required to pay compensation to third parties for such damage. Additionally, the Group may continue to be liable for any debt or mortgage, indebtedness or other financial obligations related to the relevant operation or asset. The occurrence of any such event could have a material adverse effect on the Group's business, financial position, results of operations and prospects (for further details on insurance policies, see Section 11.7 (*Insurance Policies*)).

2.1.37 Risks Related to Litigation

The Group may become involved in lawsuits and regulatory actions in the ordinary course of its business with various parties including clients, employees, regulatory authorities or landlords. As of the date of this Prospectus, the Company has more than 14,302 foreign manpower resources for its manpower services operations, making it more prone labour claims and disputes, either as a defendant or as a plaintiff. Any unfavourable outcome in such litigation and regulatory proceedings could have an adverse effect on the Group's business, financial condition, results of operations and prospects.

Regardless of the outcome of any litigation or regulatory proceedings, these proceedings could result in substantial costs to the Group and may require devotion of substantial resources to defend such claims, which would have an adverse effect on the Group's business, financial condition, results of operations and prospects.

As of the date of this Prospectus, there are approximately 92 ongoing disputes between the Company (as plaintiff) and a number of previous clients from the Individual Segment and the Corporate Segment, with an estimated value of SAR 14.6 million. These cases have been recorded in the Company's accounts as accounts receivable as of 31 March 2024G. The majority of these cases relate to collection claims which occur in the normal course of the Group's business. The Company has set aside provisions of SAR 3.9 million for such claims. Furthermore, there are approximately two ongoing lawsuits between the Company (as plaintiff) and multiple parties, with a total value of SAR 115,300, as well as three labour lawsuits against the Company with an estimated value of SAR 18,472 and eight labour lawsuits filed by the Company with an estimated value of SAR 198,820. The Company has not set aside any provisions for these claims. For further information on the Group's litigation, see Section 11.12 (*Litigation*). The Company may have to set aside a provision for these cases amounting to SAR 10.7 million in the coming periods, which would adversely affect its profitability. Furthermore, the Company cannot accurately predict the cost of lawsuits that may be brought against it or the final outcome of those lawsuits. Consequently, any adverse outcomes in such lawsuits may adversely affect the Company and its results of operations.

2.1.38 Risks Related to Protection of Intellectual Property Rights

As of the date of this Prospectus, the trademarks which the Group depends on to conduct its related business are registered with the Saudi Authority for Intellectual Property. The Company has also applied for the registration of trademarks for its Subsidiaries, Open Technologies for Communication and Information Technology and Elaf Specialist Contracting Company, which are still under consideration (for further information on the Group's trademarks, please refer to Section 11.11.1 (*Trademarks*)). It is also difficult to control unauthorised use and other violations of the Group's intellectual property rights. If the Group fails to successfully protect its intellectual property rights for any reason, or if any third party misuses the Group's intellectual property or damages its reputation, the value of the Group's trademark may be harmed. Any damage to the Group's reputation could result in lower demand for its services, which could have an adverse effect on its business, results of operations, financial position and prospects.

In addition, the Group may be required from time to time to renew the registration of trademarks, register new trademarks or initiate litigation to protect its rights to its trademarks and other intellectual property. Third parties may also assert that the Group has infringed or otherwise violated their intellectual property right, which could lead to litigation against the Group. Outcomes of litigation to confirm the Group's rights with respect to its intellectual properties are uncertain and could result in substantial costs and allocation of financial resources to cover the expenses of such litigation, which would negatively affect the Group's income and profitability regardless of whether the Group is able to successfully enforce or defend its intellectual property rights. The occurrence of any of the above would have a material adverse effect on the Group's business, financial position, results of operations and prospects.

2.1.39 Risks Related to Potential Zakat Liability and Tax Liabilities

The Group submitted all its Zakat returns, settled Zakat charges payable and obtained certificates from ZATCA for all years up to 31 December 2023G. It has received Zakat assessments for 2018G to 2021G, with a total difference amounting to SAR 1.6 million. The Company paid SAR 0.57 million and filed a claim. As of 22 Ramadan 1445H (corresponding to 1 April 2024G), ZATCA accepted the Company's objection in part and reduced the amount to SAR 1.4 million. However, the Group has filed an objection with the General Secretariat of Zakat, Tax and Customs Committees by registering three lawsuits for 2019G to 2021G which are still under consideration by the Settlement Committee. The Company maintains a Zakat provision of SAR 1.4 million against this initial assessment for 2019G to 2021G, which is equal to the amount requested by ZATCA. Additionally, the Company has settled its Zakat status until 2018G, while the remaining years are still under review by ZATCA. Accordingly, if the final Zakat or tax outcome is different from the amounts recorded by the Group for the years in which the Company did not receive final Zakat assessments from ZATCA, such differences will impact the Zakat and tax provision and have an adverse effect on the Group's projected net income and retained earnings. The Group created a provision of SAR 2.1 million for potential Zakat liability for 2019G to 2022G, but there is no assurance that such provision will be sufficient to cover any such potential Zakat liability.

In addition, the Company did not include within its Zakat base for 2022G available-for-sale assets that met the Zakat eligibility criteria of completing one full year of ownership. According to the relevant Zakat regulations in effect in the Kingdom, Zakat-liable companies must include credit balances (including receivables and accrued liabilities). Therefore, additional liabilities of SAR 0.7 million may arise if ZATCA challenges the Company's calculation of its Zakat base.

The Selling Shareholders provided an undertaking dated 23 Thul-Qi'dah 1445H (corresponding to 30 May 2024G) to bear any future additional amounts imposed by ZATCA on the Company in relation to previous years and up to Admission. Should ZATCA issue Zakat assessments on the Company and require it to pay additional Zakat amounts for the years for which the Company did not receive the final assessment and should the Selling Shareholders default on their undertaking to pay such additional amounts, it would have a material adverse effect on the Company's business, financial position, results of operations and prospects.

2.1.40 Risks in Connection with the Use of Accounting Assumptions, Estimates and Judgments and the Corresponding Errors

In connection with the preparation of its financial statements, the Group uses certain accounting assumptions, estimates and judgments related to complex accounting matters, varying interpretations of which could significantly affect the Group's financial results. Generally accepted accounting principles and related accounting pronouncements, implementation guidelines and interpretations with regard to a wide range of matters that are relevant to the Group's business, including but not limited to, revenue recognition, intangible assets, taxes and litigation, or impairment on receivables are highly complex and involve many subjective assumptions, estimates and judgments by the Group, creating room for errors. For example, revenue from manpower services is recognised over time and a point in time depending on when the performance obligations are satisfied as per the agreements with clients. This is dependent on an assessment of the respective agreements to assess whether the criteria to measure progress of revenue as per IFRS 15 "Revenue from Contracts with Customers" is met. Similarly, the Group's allowance for expected credit loss on accounts receivable are based on management's estimate of the lifetime expected credit losses to be incurred, which is estimated by taking into account credit loss experience, ageing of accounts receivable, clients' repayment history, clients' financial position and an assessment of both the current and forward looking factors specific to the debtors and the economic environment, all of which involves a significant degree of judgment and complexity. Also, in testing for impairments, management applies one or more valuation techniques to estimate the fair value of the reporting units, individual assets or groups of individual assets, as required under the circumstances. These valuation techniques rely on assumptions and other factors, such as estimated future cash flows, the discount rates used to determine the present value of associated cash flows and comparable assumptions in the market. Changes in the underlying assumptions, estimates or judgments, as well as the corresponding errors, could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

2.1.41 Risks Related to the Implementation of a New Enterprise Resource Planning (ERP) Software

The Group is currently updating its existing ERP software (Microsoft Dynamics AX 2012), which currently has modules covering human resources monitoring, accounts payable and accounts receivable, as well as the Individual Segment Unit. The Group is implementing the Microsoft Dynamics 365 software and is currently in the user acceptance testing (UAT) phase of the project, which will add various functions, including, but not limited to, visa management, cash and banking, and investor relations in both the Corporate and Individual Segments. It is expected that the new ERP software will be rolled out at the beginning of 2024G. The Group's failure to adapt to the new accounting system it has adopted could affect the accuracy of financial and operational reporting. This may hinder the clarity of the Group's financial statements to readers.

2.1.42 Risks Related to Significant Working Capital Needs

The Group requires significant amounts of working capital to operate its business. The Group derives working capital for its operations primarily through cash generated by its operating activities. The working capital of the Group amounted to SAR 156.4 million, SAR 198.0 million, SAR 252.5 million and SAR 245.7 million as of 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, with a trading ratio of 2.9 times, 2.9 times, 3.0 times and 2.5 times, for the same periods, respectively. If the Group experiences a significant and sustained drop in operating profits, or if there are unanticipated reductions in cash inflows or increases in cash outlays, it may be subject to cash shortfalls. If such a shortfall were to occur for even a brief period of time, it may have a significant adverse effect on its business. In particular, the Group is using working capital to pay expenses relating to its temporary workers and to satisfy its workers' compensation liabilities. As a result, the Group must maintain sufficient cash availability to pay temporary workers and fund related liabilities prior to receiving payment from its clients. Moreover, if its working capital needs increase in the future, the Group may be forced to seek additional sources of capital, which may not be available on commercially reasonable terms or at all. The occurrence of the above would have a material adverse effect on the Group's business, financial position, results of operations or prospects.

2.1.43 Risks Related to Potential Liabilities in Connection with Employee's Entitlement

The Group has potential liabilities relating to employees' entitlements which represent employees' benefits, leave and travel tickets allowances that are borne by some clients on behalf of the Group in accordance with the terms of the contract entered into with them upon the expiry of the workers' contracts. These liabilities have been recorded in the statement of financial position. Such balances amounted to SAR 25.0 million, SAR 35.1 million, SAR 38.6 and SAR 43.1 million as of 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively. The responsibility for settling the workers' dues upon the expiry of their work contracts lies with the Group. The Group did not make any provisions for such potential liabilities because under the applicable accounting rules a provision cannot be established unless there is a claim expected to result in an outflow of cash. If the clients of the Group fail to reimburse it for such amounts pursuant to their contractual obligations, it would have a material adverse effect on Group's business, financial position, results of operations and prospects. The Group may also be exposed to other risks as a result of capital expenditures contracted for (but not incurred) by the Group, which amounted to SAR 5.2 million as of 31 March 2024G, as well as the bank guarantee submitted to the MHRSD (for more information about the risks related to the bank guarantee submitted to the MHRSD, please see Section 2.1.33 (*Risks Related to the Bank Guarantee in Favour of MHRSD*)).

2.2 Risks Related to the Market, Industry and Regulatory Environment

2.2.1 Risks Related to Dynamic Regulatory Environment

The Company was established in June 2018G and since its inception, it has been operating in a fast-changing regulatory environment as it is subject to continuous reforms in line with regulatory developments in the manpower industry. Accordingly, any inability to respond to such developments in the manpower industry will affect the ability of the Group to conduct its business. For instance, in 2023G, additional requirements to improve the quality of manpower companies were issued by the MHRSD. These requirements include, but are not limited to, ensuring that the average proportion of domestic workers does not fall below 30 per cent. of the total workforce of the Company. Additionally, the monthly provision of domestic workers' services should not be less than 25 per cent. of the total available domestic workforce for providing such services. Moreover, the proportion of domestic workers available by hourly services should be no less than 10 per cent. of the total available domestic workforce providing domestic worker services. The MHRSD restricted the ability of all licenced manpower companies, including the Company, to obtain new work visas for corporate clients until they complied with all such requirements. Accordingly, the inability of the Company to promptly deal with significant changes in the regulation of manpower companies or relevant licensing requirements will add additional operational cost for the Group, which would have an adverse effect on the Group's business, financial condition, results of operations and prospects.

2.2.2 Risks Related to General Economic Conditions and its Impact on the Group's Business

General economic conditions may have a material adverse effect on the Group's business, results of operations, financial condition and prospects. Declines in consumer confidence and consumer spending, changes in unemployment, significant inflationary or deflationary changes or disruptive regulatory or geopolitical events, including the ongoing conflict in Ukraine, could contribute to increased volatility and diminished outlook for the economy, including the market for manpower services, leading to demand and cost pressures that could negatively and adversely impact the Group's business, results of operations, financial condition and prospects. The Saudi economy may be adversely affected by tightening global economic conditions and external shocks, including financial market volatility, trade disruptions and trade policies characterised by economic isolation or threats thereof. In particular, a global shift in policies, including towards protectionism, with lower global growth due to reduced trade, migration and cross-border investment flows, could slow non-oil growth in the Kingdom. These conditions could affect all of the Group's business segments. Examples of such conditions could include:

- a general or prolonged decline in, or shocks to, regional or broader macro-economies;

- regulatory changes that could impact the markets in which the Group operates; and
- deflationary economic pressures, which could hinder the Group's ability to operate profitably in view of the challenges inherent in making corresponding deflationary adjustments to its cost structure.

Spending by the Group's client base can also be impacted by the conditions in capital markets, as a result of the general level of commercial activity and economic conditions. Limitations on the availability of capital or higher cost of capital may cause companies to make additional reductions to their spending on human capital, recruitment or labour, even if a country's economy experience positive growth. Any such cuts in spending will limit demand for manpower, as well as discretionary spending on supply of manpower services, which may result in a reduction in the demand for the Group's services, the rates the Group can charge and the utilisation of its manpower resources.

It is difficult for the Group to forecast future demand for its services due to the inherent difficulty in forecasting the direction and strength of economic cycles, and the size of the staffing requirements of its clients in the short term, even after periods of uncertainty and volatility have passed. This situation can be exacerbated by uncertain and volatile economic conditions, which may cause some clients to reduce or defer projects for which they utilise the Group's services, thereby negatively affecting demand for them. Accordingly, the Group may not be able to determine the optimal level of personnel and the optimal investment size necessary to profitably operate its business or take advantage of growth opportunities when it is difficult to accurately forecast future demand.

Furthermore, the Group's profitability is also sensitive to reduction in demand for its services. When demand drops or remains low, its profitability is negatively impacted because the Group may not be able to reduce its operating expenses as quickly. Additionally, during periods of uncertainty, there may be a decrease in the prices companies pay to suppliers, or they may become unable to settle their obligations. If the Group's clients become unable to pay amounts that they owe or pay them slowly, then the Group's cash flow and profitability may suffer, which in turn would have an adverse effect on the Group's business, financial condition, results of operations and prospects.

The nature of these types of risks makes them unpredictable and difficult to plan for or otherwise mitigate, compounding their potential impact on the Group's business, results of operations, financial condition and prospects.

2.2.3 Risks Related to Political Instability and Security Concerns in the Middle East Region

The Group's assets, operations and client base are situated in the Kingdom. The wider Middle East region is subject to several geopolitical and security risks that may impact the geographies in which the Group operates. Moreover, as the political, economic and social environments in the Middle East region remain subject to continuing developments, investments in the Middle East region are characterised by uncertainty. Any unexpected changes in the political, social, economic or other conditions in the Middle East region may have a material adverse effect on the markets in which the Group operates, its ability to retain and attract clients in such regions and investments that the Group has made and may make in the future, which in turn would have a material adverse effect on the Group's business, financial position, results of operations and prospects.

2.2.4 Risks Related to the Manpower Industry Being Historically Competitive, Cyclical and Subject to Intense Price Competition

The Group competes with other human resource services providers, recruitment companies and offices in the Kingdom. If the Group is unable to anticipate, identify and capitalise on emerging trends in the manpower industry by developing, marketing and delivering good quality, well-priced and competitive offering of manpower services, it may not be successful in attracting and retaining clients. Should this occur, the Group's revenues could materially decline over time. In addition, consolidation or amalgamation of competitors via mergers, acquisitions or joint ventures could make it more challenging for the Group to maintain business with, or obtain additional contracts from, certain clients.

Competitors may attempt to copy the Group's business model, or parts thereof, which could erode its market share and brand recognition and impair its growth and profitability. Other manpower companies, including international companies, may attempt to enter the Group's markets by providing better services, lowering prices, creating lower price alternatives, or introducing new methods for payments. Furthermore, due to the increasing number of low-cost human resources alternatives, the Group may face increased competition if it increases its fees. Accordingly, this competition will limit the Group's ability to retain existing clients and its ability to attract new clients, which in each case would have an adverse effect on its business, financial condition, results of operations and prospects.

Competition for supply of manpower services is predominantly global, as recruitment of manpower and labour are generally involve employing expatriates for work to be performed in the Kingdom. Costs connected with relocating manpower for such purposes are sometimes substantial and are generally borne by the Group upfront, prior to charging them back the relevant client, as applicable. In addition, the Group may enter into hourly arrangements or more flexible manpower contracts based on client preferences and requests or in response to market conditions, such as changes and developments in household demographics and the COVID-19 pandemic, which would reduce the revenues the Group could earn from such contracts or arrangements, compared to long term contracts. If the Group is unable to compete successfully, the revenue and profitability of the Group may suffer.

The manpower industry has also historically been cyclical, with periods of high demand, limited supply and high margins and periods of low demand, excess supply and low margins. When conditions in the global economy deteriorate, or economic activity slows, many companies resort to cutting back on human resource programmes, which negatively affects the Group's financial condition and results of operations. The Group also experiences more competitive pricing pressure during periods of economic decline as low demand and excess supply intensify competition in the manpower industry and may result in some manpower resources being underutilised or earning substantially lower revenues, or even no revenue (for periods of non-activity) for longer periods of time. Such periods may persist for extended periods of time. For example, 6.1 per cent. of the Group's manpower resources were not utilised as of 31 March 2024G, compared to 4.2 per cent., 6.3 per cent. and 5.5 per cent., respectively, as of 31 December 2021G, 2022G and 2023G. Moreover, intense competition may result in price reductions and lower gross margins. Any period of low or declining economic activity may also result in consolidation among potential clients (resulting in a reduction in the number of independent players focused on activities with higher marginal cost of production and the concentration of larger-scale operators capable of exploiting potential collaborations and synergies) and among competitors (in manpower services). Any of these trends could result in the Group operating in a more competitive environment, which could have a material adverse effect on the Group's business, financial position, results of operations and prospects.

2.2.5 Risks Related to Changes in the Regulatory Environment

The Group and its operations are subject to a wide range of laws and regulations, including those relating to labour (including Saudisation), recruitment, secondment of employees, tax and Zakat and health and safety. The compliance costs associated with these laws and regulations are substantial and possible future laws and regulations and changes to existing laws and regulations could result in additional compliance expense, potentially increased capital expenditure and restrictions on, or suspensions of, certain of the Group's operations. Further, if any of these laws, regulations (including any change to value added tax) or licensing requirements were to change, or were breached, violated or incorrectly implemented by the Group's management or employees, the operating costs of the Group would increase and it may be subject to fines or penalties, or may suffer reputational harm, which would reduce the Group's competitive position and demand for its services, which would in turn have an adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's business is primarily subject to the supervision and regulations of the Labour Law issued pursuant to Royal Decree No M/51 dated 23 Sha'ban 1426H (corresponding to 27 September 2005G), as amended and its Implementing Regulations issued by MHRSD, including the Rules of Recruitment Activities and Provision of Labour Services (the "Recruitment Rules") appended thereto, issued pursuant to Ministerial Resolution number 70273 dated 11 Rabi' al-Thani 1440H (corresponding to 18 December 2018G), as amended, in addition to other regulations, rules, procedures and circulars issued by the MHRSD from time to time. Pursuant to the Recruitment Rules, a licence from the MHRSD is required for all activities that include sourcing of foreign manpower resources to third parties as intermediary and sourcing of manpower resources for individuals and/or public and private entities. The Company currently holds a licence from the MHRSD under number A/36, which is valid for ten years and expires on 19 Shawwal 1449H (corresponding to 15 March 2028G) (for further information about the licences obtained by the Group, see Section 11.4 (*Government Consents, Licences and Certificates*)). If the Group is unable to renew its MHRSD licence upon expiry, or if the MHRSD suspends any of the Group's licensed activities, this would result in the complete or partial suspension of the Group's business and would have an adverse effect on the Group's business, financial condition, results of operations and prospects.

In addition, the Company's failure to comply with any of the requirements imposed under the Recruitment Rules and/or the MHRSD's circulars including conditions of the Wage Protection Programme (which evaluates employer's compliance with respect to timely wage payment) may result in imposition by the MHRSD of fines and penalties on the Group, including the suspension of the Group's business or suspension of services for the Group. Should this occur, this would have an adverse effect on the Group's business, financial condition, results of operations and prospects.

Additionally, new laws and regulations may limit the size and growth of the manpower services markets, as they may also include additional regulations that:

- prohibit or restrict the types of manpower services that the Group currently provides;
- require new or additional benefits to be paid to the Group's employees and manpower resources;
- require the Group to obtain additional licensing to provide manpower services; and/or
- increase costs or taxes (such as value added tax) for the providers of manpower services.

Furthermore, while there are no minimum wage requirements for manpower resources in the Kingdom at present, a large portion of the Group's manpower resources are unskilled or semi-skilled manpower resources. If any future minimum wage requirements are prescribed by Governmental authorities, it is not clear whether the Group would be in compliance with such requirements, the length of time it would take the Group to be compliant with such requirements and whether or not clients would be able to absorb the increase in wages.

New laws and regulations, lack of understanding by the Group of existing laws and regulations or the change in their interpretation or application by the relevant authorities may materially affect the Group's business and operations or increase its administrative, legal and operational expenditure, forcing it to alter its commercial practices, legal organisation, ownership structure and corporate governance of subsidiaries or, more generally, reduce or limit its revenue in the future. The requirements to be met, as well as the technology and length of time available to meet those requirements, continue to develop and change. The Group may be subject to fines, penalties and/or closure of its facilities and suspension of its employees, if it does not comply with those laws and regulations or its permits and/or licensing requirements, which may change from time to time. As a result, the Group may be unable to pursue activities, it may face increased costs, which it may not be able to directly recover from clients, it may harm its reputation, it could be delayed or prevented from meeting clients demand or implement its growth plan and more generally it may lead to the Group losing its competitive position and/or decrease demand for the Group's manpower services. Any of the above factors would have a material adverse effect on the Group's business, financial position, results of operations and prospects.

Moreover, the Law of Printed Materials and Publication, Electronic Publishing Regulations and other laws and regulations governing the use of the social medial platforms used by the Group as marketing tools rapidly evolve and accordingly, the failure by the Group, its employees or third parties acting at its direction to abide by applicable laws and regulations in the use of these platforms could have an adverse effect on the Group's ability to use such platforms in addition to receiving penalties. This could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.2.6 Risks Related to Changes in Government Policies

The Group's business is dependent on Saudisation and other general policies adopted by the Government. If the Government changes its Saudisation policies to further restrict certain industries to Saudi nationals only, demand for the Group's manpower services will decline. For example, manpower services offered to a number of clients have declined in the retail industry due to changing Saudisation requirements in the industry. Additionally, changes in other Government policies may result in decline in demand for the Company's services. For example in 2017G, a Royal Decree was issued allowing women in the Kingdom to drive became effective on 10 Shawwal 1439H (corresponding to 24 June 2018G). Such change in policy resulted in a decline in demand for private drivers by the Group's clients. Any change in Government policies, including change in Saudisation policies, may result in decline for some of the Company's manpower services and subsequently impact its revenues, which would have an adverse effect on the Group's business, financial condition, results of operations and prospects.

2.2.7 Risks Related to Zakat and Income Tax Calculation Mechanism Change

The ZATCA issued Circular No 6768/16/1438 on 5 Rabi' al-Awwal 1438H (corresponding to 5 December 2016G) requiring Saudi companies listed on the Exchange to calculate income and Zakat on the basis of the nationality of shareholders and actual ownership of Saudi and GCC citizens and other nationals as described in the "Tadawulaty" platform at the end of the year. Prior to issuance of this Circular, companies listed on the Exchange were generally subject to payment of Zakat or tax on the basis of the ownership of their founders in accordance with their articles of association. The effect of listed shares in determining the base of Zakat was not taken into account. This Circular was to be applied in the financial year ended 31 December 2016G and subsequent years. However, the ZATCA issued its Letter No 12097/16/1438 on 19 Rabi' al-Thani 1438H (corresponding to 17 January 2017G), postponing the application of the Circular for the financial year ended 31 December 2017G and the coming years. Until the ZATCA issues guidelines regarding the mechanics and the procedures for implementing the Circular, the implementation of such Circular in practice, including the final requirements to be met, remains under consideration, in particular the rules subjecting all non-GCC residents who are shareholders in Saudi listed companies to income tax and applying withholding tax to dividend distributions to non-resident shareholders, regardless of their nationality. The Company has not assessed the financial impact of this Circular, nor did it take adequate steps to ensure compliance therewith. If the financial impact of this Circular, upon application, is significant, or if the Company incurs additional costs to take the necessary steps to ensure compliance therewith, this will adversely affect its business, the results of operations, financial position and prospects.

2.2.8 Risks Related to Non-Compliance with Value Added Tax Regulations

Given the relatively recent implementation of VAT, it is possible that violations or mistakes in its application would be made by the Executive Management or the Group's employees. This may increase the operating costs and expenses that will be borne by the Group, expose the Group to fines or penalties, or lead to damage to its reputation.

Furthermore, if the Group is unable to increase its prices to match any future increase in VAT, the Group's profit margins will be adversely affected. If the Group increases prices as a result of the increase in value-added tax, demand for its services may decline. The Group is also subject to VAT in other countries in which it operates and therefore has similar VAT risks in those countries. The occurrence of any of the above-mentioned risks will have a material adverse effect on the Group's business, financial position, results of operations and prospects.

2.2.9 Risks Related to the Increase in Government Fees Applicable to Non-Saudi Employees

The Government has approved several resolutions intended to implement comprehensive reforms in the Saudi labour market, with additional fees being imposed on each non-Saudi employee working for Saudi entities and companies as of 1 January 2018G and on the residence permit issuance and renewal fees of non-Saudi employee families. Such annual fees have increased gradually from SAR 2,400 in 2017G to SAR 4,800 in 2018G and up to SAR 9,600 in 2020G for each employee. As a result, the Government fees paid by the Group for its non-Saudi employees were SAR 38.3 million, SAR 41.8 million, SAR 45.5 million and SAR 16.0 million for the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively. As any further increase in residence permit issuance and renewal fees will increase the cost of living, non-Saudi employees may seek employment opportunities in other countries with a lower cost of living. In such cases, it may be difficult for the Group to retain its non-Saudi employees and in case it is unable to replace them by properly qualified Saudi employees, the Group may be forced to incur additional Government fees related to issuance and renewal of residence permits for non-Saudi employees and their family members. This could have a material adverse effect on the Group's operations, financial position, cash flows, results of operations and prospects. See also Section 5.9 (*Employees*) for a discussion of the achieved Saudisation by the Group.

2.2.10 Risks Related to Non-Compliance with the Saudisation Requirements

Compliance with Saudisation requirements is a Saudi regulatory requirement, under which all companies in the Kingdom, including the Company and its Subsidiaries, are required to employ and maintain a certain ratio of Saudi personnel among their staff. The percentage of Saudi workers varies on the basis of each company's activities. As of 31 March 2024G, the Company was classified within the high platinum range, with the number of employees reaching 125 employees (with a Saudisation rate of 87.2 per cent.). However, the Company in fact has 270 employees. The reason for the difference in the total number of employees is that the Company issues work permits specifically for its foreign administrative staff. According to the Saudi labour law, every non-Saudi worker must perform the job specified in their residency permit. This means that the Company will be subject to certain penalties and fines if it does not register its actual employees with GOSI. Penalties for establishments violating this include a fine of ten thousand Saudi Arabian Riyals (SAR 10,000) per each violating worker for first-time offenders and these penalties increase if the violation is repeated. Accordingly, a fine of one million, four hundred fifty thousand Saudi Arabian Riyals (SAR 1,450,000) may be imposed on the Company.

Additionally, in case of non-compliance with the applicable Saudisation requirements, the Group would be subject to penalties by Governmental entities, such as suspension of work visa requests and of transfers of sponsorship for non-Saudi employees, exclusion from Government loans and participation in Government tenders. As a result, the Group may not be able to continue to recruit or maintain the required percentage of

Saudisation. In addition, the Group may not be able to recruit the required number of Saudi nationals under favourable conditions. In particular, the Group relies on several qualified non-Saudi employees with relevant industry-specific experience in running the operations of the Group, including, without limitation, Chief Financial Officer and Chief Information Officer. Any changes in local regulations which adversely impact expatriates may cause departures of these expatriate employees from the Kingdom and may result in a possible disruption in the Group's operations. Moreover, the Group is sensitive to the costs of total salaries and related benefits, which amounted to SAR 18.9 million, SAR 23.6 million, SAR 25.3 million and SAR 8.3 million for the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively, representing approximately 60.2 per cent., 61.7 per cent., 60.7 per cent. and 68.4 per cent. of general and administrative costs for the same periods. There may be a significant increase in costs of salaries if the Group hired a larger number of Saudi employees. The occurrence of any of the above would have a material adverse effect on the Group's business, financial position, results of operations and prospects.

2.2.11 Risks Related to Licences and Approvals

The Group is subject to a number of laws and regulations that require it to obtain the necessary licences and permits from the competent regulatory authorities in the Kingdom to practice its commercial activities. This includes each of its branches in the Kingdom to obtain licences, certificates, permits and approvals from the MHRSD to provide manpower and from the competent municipalities and civil defence. The process of obtaining these licences, certificates, permits and approvals is often time-consuming, and most are subject to conditions that require them to be terminated or suspended if the licensee does not comply with certain requirements. As of the date of this Prospectus, the Group has two municipal licences and two civil defence licences that have not been issued for the sales branches located in Al Taawun and Al Rawdah districts in Riyadh. The Company may be subject to violations and penalties if it continues to operate these branches without obtaining these two civil defence licences, and a penalty of SAR 5,000 may be imposed along with the immediate closure of the branches if the two municipal licences are not obtained (for further details see Section 11.4 (*Government Consents, Licences and Certificates*)).

In addition, the competent authority may not agree to renew or amend the scope of the licence, certificate or permit and may impose conditions that will negatively impact the Group's performance if it agrees to renew or amend the scope of the licence, certificate or permit. The Group's inability to maintain or obtain the relevant licences, permits and approvals may result in the suspension of its business, which will adversely affect the Group's business, financial condition, results of operations and prospects.

2.2.12 Risks Related to Newly Implemented Corporate Governance Rules

The Company was incorporated as a joint stock company as of 22 Ramadan 1439H (corresponding to 7 June 2018G) and the Board of Directors approved the Company's Internal Corporate Governance Manual on 18 Rabi' al-Thani 1445H (corresponding to 2 November 2023G). Such manual includes, without limitation, rules and procedures related to corporate governance derived from the Corporate Governance Regulations issued by CMA. The Company's success in proper implementation of corporate governance will depend on the understanding of such rules and their proper implementation by the Board of Directors, its Committees and Senior Executives, as well as proper training of the Board and its Committees' members on corporate governance rules and procedures, independence requirements, rules related to conflict of interests and Related Party transactions. Failure to comply with the corporate governance rules, particularly the mandatory provisions of the Corporate Governance Regulations issued by CMA, would subject the Company to regulatory penalties, which would have a material adverse effect on the Company's reputation, operations, financial position, results of operations and prospects.

2.2.13 Risks Related to Compliance with the Companies Law, the Implementing Regulations and the Corporate Governance Regulations

In its management and operations, the Company is subject to the provisions of the Companies Law, which came into force on 25 Rajab 1437H (corresponding to 2 May 2016G). On 16 Muharram 1438H (corresponding to 17 October 2016G), the CMA Board issued the Regulatory Rules and Procedures pursuant to the Companies Law relating to Listed Joint Stock Companies. Additionally, on 16 Jumada al-Ula 1438H (corresponding to 13 February 2017G), the CMA Board issued the Corporate Governance Regulations, the various provisions of which became effective on 22 April 2017G, except for certain specific provisions that entered into force on 31 December 2017G, that were further amended on 24 Muharram 1444H (corresponding to 22 August 2022G). The Companies Law and the Corporate Governance Regulations impose certain procedures for the requirements to be met. In addition, the Companies Law introduced stricter penalties for non-compliance with its mandatory provisions and rules. Accordingly, the Company could also be subject to stricter penalties in the event of non-compliance with such mandatory provisions and rules. Additionally, the Company did not hold its General Assembly meeting within the statutory period for the financial years ended 31 December 2018G, 2019G and 2020G. Consequently, the Ministry of Commerce imposed a fine of twenty thousand Saudi Arabian Riyals (SAR 20,000) on the Company for violating the Companies Law, which the Company subsequently paid. In the event that the Company fails to comply with the Companies Law again, this will have a material adverse effect on the Company's business, financial position, results of operations and prospects. Moreover, on 1 Thul-Hijjah 1443H (corresponding to 30 June 2022G), the Companies Law was amended pursuant to Royal Decree No M/132 and was entered into force on 26 Jumada al-Akhirah 1444H (corresponding to 19 January 2023G). This contained further new requirements which may have a material impact on the Group and its future activities. Such new requirements include the obligation to formally register all corporations, including unincorporated joint ventures, the regulation and codification of share option arrangements, and the imposition of certain prerequisites for distribution of dividends. The Company has not yet assessed the impact of the newly drafted Companies Law on its operations. If such impact is material or if the Company incurs additional costs to take the necessary steps to ensure compliance, this would have a material adverse effect on its business, financial position, results of operations and prospects.

2.2.14 Risks Related to the New Civil Transactions Law and its Implementation

The new Civil Transactions Law was issued pursuant to Royal Decree No M/191 dated 29 Thul-Qi'dah 1444H (corresponding to 19 June 2023G) and entered into force on 3 Jumada al-Akhirah 1445H (corresponding to 16 December 2023G). The Civil Transactions Law represents a pivotal development in the Kingdom's legal system, as it represents one of the largest legislative reforms in the Kingdom's modern history. This legislation creates a comprehensive codification of the rules applicable to the Group's operations and activities, as it includes new provisions relating to contractual damages, compensation for contractual breaches (which include loss of profits and compensation for moral damages), damages arising from tortious acts, limitation periods for specific claims, etc. Moreover, the Civil Transactions Law is intended to be applied retroactively, except in cases where one of the parties concerned invokes a provision or legal principle that contradicts its provisions and/or where the judgment is related to a time limitation preventing the hearing of the lawsuit, which started prior to the implementation of the law. As of the date of this Prospectus, the Company has not conducted any assessment regarding the impact of the newly drafted Civil Transactions Law and the scope of its retroactive application on its operations. If the impact is material, or if the Company incurs additional costs to carry out the necessary measures to ensure compliance, this may have a material adverse effect on the Group's business, financial position, results of operations and prospects.

2.3 Risks Related to the Offer Shares

2.3.1 Risks Related to Effective Control by the Current Shareholders after the Offering

Following the Offering, the Current Shareholders will own 70 per cent. of the Company's Shares. As a result, the Current Shareholders will have the ability to significantly influence the Company's business through their ability to control decisions and actions that require Shareholders' approval, including, without limitation, the election of directors, significant corporate transactions, dividend distributions and capital adjustments. In cases where the interests of the Current Shareholders conflict with the interests of minority Shareholders (including the Subscribers), the minority Shareholders may be disadvantaged and the Current Shareholders may otherwise exercise its control over the Company in a manner that will have a material adverse effect on the Company's business, financial position, results of operations and prospects.

2.3.2 Risks Related to Absence of a Prior Market for the Offer Shares

Currently, there is no public market for the Company's Shares and there is no guarantee or confirmation that an active and liquid market for the Shares after the Offering will exist and continue. If an active and liquid market is not developed, the price of the Shares could be adversely affected, leading to a complete or partial loss of Subscribers' funds in the Company, which will adversely and substantially affect expected returns for Subscribers.

2.3.3 Risks Related to Selling a Large Number of Shares on the Exchange

Sales of a substantial number of the Shares on the Exchange following the completion of the Offering, or the perception that these sales will occur, could adversely affect the market price of the Shares. Upon the successful completion of the Offering, the Substantial Shareholders will be subject to the Lock-up Period following the Offering, during which each Substantial Shareholder may not dispose of any Shares. However, the sale of a substantial number of Shares by the Substantial Shareholders following the Lock-up Period, or the perception that such sales will occur, could have an adverse effect on the price of the Company's Shares on the Exchange.

2.3.4 Risks Related to Issuance of New Shares

If the Company decides to raise additional capital by issuing new Shares, the newly issued Shares will adversely affect the Share price in the market or dilute the Current Shareholders' ownership percentage in the Company, if they do not subscribe to such newly issued Shares.

2.3.5 Risks Related to Fluctuation in the Market Price of the Shares

The Offer Price has been determined based upon several factors, including the past performance of the Group, the prospects for the Group's businesses, the sector in which it operates, the markets in which it competes and an assessment of the Group's management, operations and financial results. The Subscribers may not be able to sell their Shares after the Offering at the Offer Price or at a higher price. The Company's Share price may be highly volatile and may not be stable due to several factors, including the following:

- negative variations in the Group's operating performance and improved performance of its competitors;
- the impact of the COVID-19 pandemic on the Group's management, employees, partners, clients and operating results;
- actual or anticipated fluctuations in its quarterly or annual operating results;
- publication of negative research reports by securities analysts about the Group or its competitors or the manpower industry;
- the public's negative reaction to the Group's press releases and other public announcements;
- resignation or retirement of key personnel;
- negative important and strategic decisions by the Group or its competitors and negative changes in business strategy;
- changes in the regulatory environment affecting the Group or the manpower industry;
- changes in adopted accounting rules and policies;
- terrorist acts, acts of war or widespread civil unrest;

- natural and other disasters;
- litigation and Government investigations; and
- changes in general market and economic conditions.

The occurrence of any of these risks or other factors could cause the market price of the Shares to decline significantly.

The stock markets witness from time-to-time extreme price and volume fluctuations. Periodic and constant market fluctuations could result in extreme volatility in the price of the Shares, which could cause a decline in the value of the Shares and higher price volatility if the trading volume of the Shares is low, which will have an adverse effect on the Subscribers' investments in the Company's Shares.

2.3.6 Risks Related to Distribution of Dividends

Future distribution of dividends will depend on, inter alia, future earnings, financial position, cash flows, working capital requirements, capital expenditures and distributable reserves of the Company. Moreover, the Company may not be able to pay dividends, the Board of Directors may not recommend and the Shareholders may not approve, the payment of dividends. Dividend distribution may also be subject to restrictions related to dividends stipulated in any credit facilities or financing agreements that the Group may enter into in the future. The Company may incur expenses or liabilities that would reduce or eliminate the cash available for the dividend distribution. If the Company does not pay dividends on the Shares, the Shareholders may not receive any return on investment in the Shares, unless they sell the Shares at a price higher than the price at the time of purchase. For further details regarding the dividend policy of the Company, see Section 7 (*Dividend Distribution Policy*).

03

Market Overview Section

3. Market Overview Section

Introduction

Tamkeen Human Resources Company ("The Company") has commissioned Euromonitor International Limited, an independent provider of strategic market research, to prepare a market study assessing the Manpower Services Sector in Saudi Arabia. The information below is based on an independent market study prepared by Euromonitor International Limited, which has granted its written consent to the use of its name, logo, statement, market information and data provided by it to the Company in the form contained in this Prospectus on the date of publication and such consent has not been withdrawn as of the date of this Prospectus.

Euromonitor International Limited does not itself, nor do any of its employees or relatives, have shares or interests of any kind in the Company or any of its Subsidiaries. Estimates and prospects set out in this Industry and Market Data section have been prepared based on market research study prepared by Euromonitor International Limited, which includes research estimates based on various official published sources such trade opinion surveys conducted by Euromonitor International Limited with a sample of key players in the KSA.

Therefore, Euromonitor International believes that it used suitable sources of information and methodologies for this study but due to the nature of the techniques and methodologies used in market research does not guarantee nor pledge as to the accuracy or completeness of such information. References to Euromonitor International Limited should not be considered as the opinion of Euromonitor International Limited as to the value of any security or the advisability of investing in The Company. The Company's Directors have no reason to believe that such information is false or misleading or that any material fact has been omitted that would render such information false or misleading. The information prepared by Euromonitor International Limited and set out in this Industry and Market Data section has not been independently verified by The Company or any other party and neither they nor Euromonitor International Limited give any representations as to its accuracy and the information should not be relied upon in making, or refraining from making, any investment decision.

Research methodology

All data, analysis and research estimates in this section are based on research work conducted between September 2023G and November 2023G, including: (i) Desk research to collect publicly available secondary sources of data, including statistics on macroeconomic indicators, demographics from entities such as General Authority for Statistics (GASTAT), Saudi Central Bank, Euromonitor International's internal database (Passport), and trade press on companies and third party reports; and (ii) Trade survey analysis of the opinions and perspectives of a sample of leading Manpower Services companies (iii) Cross-checks and analysis of all sources to build an industry consensus on the market size and historic trends. It is noted that Tamkeen Human Resources Company provided their audited revenues for the period, 2020G to 2022G which was used to estimate their shares. Share for Tamkeen Human Resources Company is calculated using the company's audited revenues data over the total market size as estimated by Euromonitor International in this MDD section. Definitions of what Euromonitor's market size indicates have been clearly mentioned in data tables provided in sections 4 this MDD report.

Forecasting bases and assumptions

Euromonitor International based the Euromonitor International Report on the following assumptions: (i) the social, economic, and political environment is expected to remain stable in Saudi Arabia during 2023G-2030G; (ii) there will be no external shock, such as financial crisis that affects the demand and supply of the sector during the same period; (iii) key drivers that tend to influence growth/demand during 2020G-2022G and 2022G-2030G, include growing GDP, disposable income, public and private expenditure within overall Manpower Services sector in Saudi Arabia.

3.1 Macroeconomic and Demographic Overview

The Government of Saudi Arabia is diversifying its GDP, with all efforts driving the need for manpower

As per the data provided in the national statistics compiled by GASTAT in 2023G, Saudi Arabia remained the largest economy in the Middle East and North Africa (MENA) region, with a GDP of SAR 4.2 trillion (USD 1.1 trillion), constituting 67.1 per cent. of the entire region in 2022G. The country focused on economic reforms to boost private sector involvement and diversify revenue sources beyond oil. Sectors such as technology, healthcare, tourism, construction, and retail were prioritized to achieve the goals set by Vision 2030. These efforts led to a 21.6 per cent. increase in total GDP between 2021G and 2022G, with non-oil GDP contributing 31.8 per cent. in 2022G, compared to 41.7 per cent. in 2021G. This shift was driven by increased investments and accelerated reforms aimed at economic diversification. The decline followed disruptions in construction, retail and hospitality, partially caused by the COVID-19 pandemic and the 2020G oil price collapse. The ration of non-oil exports, including re-exports, to imports also increased in December 2023G, reaching 43.8 per cent., compared to 36.4 per cent. in December 2022G, as a result of a 12.0 per cent. increase in non-oil exports, compared to a 7.1 per cent. decrease in imports during this period.

Saudi Arabia's Vision 2030 framework had focused on implementing structural fiscal reforms, adjusting energy pricing, and expanding non-oil revenue streams. A key objective has been export diversification, with non-oil exports as a percentage of non-oil GDP projected to increase from 14 per cent. in 2019G to 50 per cent. by 2023G. In 2022G, the Kingdom's non-oil exports, including re-exports, grew by 13.7 per cent. reaching SAR 315.7 billion (USD 84.2 billion), up from SAR 277.5 billion (USD 74.0 billion) in 2021G. Non-oil exports, excluding re-exports, recorded a 14.8 per cent. rise in 2022G compared to the previous year. Saudi Arabia has strategically allocated resources to key sectors such as education, technology, healthcare, and tourism, while actively engaging in trade negotiations to open new investment avenues for Saudi businesses.

Governmental initiatives are transforming the economic landscape of Saudi Arabia, fostering an environment that is attractive to both domestic and international investments, and generating a wide range of employment opportunities in various sectors

Saudi Arabia's Vision 2030 places a significant emphasis on developing the country's labour market, aiming to secure employment for its citizens and boost manpower service providers. The Human Capital Development Program focuses on improving education and increasing employment opportunities for graduates. Efforts to diversify the labour force include empowering women, with more than 37 per cent. participation rate achieved in 2022G (based on the data provided by GASTAT on national employment rates in 2023G). The National Industrial Development and Logistics Program (NIDLP), with a budget exceeding SAR 1.3 trillion (USD 347 billion), has created 1.3 million jobs by 2022G and contributed to a 16 per cent. increase in the non-oil GDP. The National Transformation Program (NTP) launched in 2016G has driven IT market growth, focusing on economic diversification and new job opportunities. Furthermore, Saudi Arabia's Privatization Program aims to strengthen the private sector, inviting investments in key sectors like healthcare, education, and infrastructure. These initiatives signify a shift towards a more diverse and vibrant economy, fostering economic development and job creation.

The Saudi Arabian healthcare, information technology, and tourism industries provide numerous opportunities for manpower services

In the industrial sector, Saudi Arabia's emphasis on diversification led to the establishment of industrial zones and innovation centres, attracting foreign investment and encouraging local enterprises. Public-private partnerships have fostered innovation, creating approximately 193,000 new industrial jobs since the introduction of Vision 2030 in 2016G. The Kingdom's investment of SAR 495 billion (USD 132 billion) in manufacturing in 2023G reflects its commitment to industrial growth.

Saudi Arabia's healthcare sector has experienced substantial growth in response to Vision 2030 agenda, resulting in a surge in demand for medical professionals. The Government's investments in healthcare infrastructure, including hospitals and clinics, have created employment opportunities, with the number of healthcare professionals per 10,000 population increasing from 138 to 145.6 between 2020G-2022G (as per the National Transformation Program, part of Vision 2030). Additionally, advancements in medical technology necessitate a skilled workforce, leading to the establishment of specialized training institutes. Furthermore, the rise of medical tourism has boosted the demand for services like interpreters and administrative support, catering to international patients.

Tourism has become a key economic driver in Saudi Arabia, with initiatives like the Saudi Seasons and new e-visa policies attracting both domestic and international visitors. In addition to the expansion of the tourism sector, the successful hosting of one million pilgrims for religious visits in 2022G marked a significant achievement, contributing notably to the growth of the retail trade sector.

Additionally, the adoption of e-governance is a prominent IT trend, aligning with Vision 2030's goal of enhancing Government services. The Kingdom's expansion of online services, including e-learning and job searches, demonstrates its commitment to providing high-quality services through streamlined processes and diversified communication channels. The growing focus on cloud computing and technology adoption, accelerated by the COVID-19 pandemic, positions Saudi Arabia as a regional IT hub, attracting top talent and driving innovation in the labour market. International staffing industry trends, such as data-driven recruiting and AI technology, are gradually being embraced, reflecting the Kingdom's openness to global practices.

The construction industry plays a pivotal role in shaping the country's infrastructure, creating jobs and fostering economic progress

In Saudi Arabia, infrastructure investments have played a pivotal role in shaping the nation's economy. Key sectors like construction, retail and medical facilities have driven the country's development, with significant projects such as Neom, the Red Sea Project, and Qiddiya transforming urban and rural landscapes. Despite pandemic-related setbacks, the construction industry remains a robust pillar of the economy, contributing 6 per cent. (as stated by the Saudi Contractors Authority in 2023G) to the GDP and employing 2.5 million individuals in 2022G (based on the data provided by GASTAT for national employment rates in 2023G). Ambitious urban projects, collectively referred to as giga cities, have propelled the sector's growth, ushering in sustainable architecture and innovation.

Saudi Arabia's emergence as a tourism hub involves strategic investments in the entertainment sector. This tourism surge has led to a hotel industry boom, with the number of hotels reaching 8,385 in 2022G, and a flourishing food service sector catering to diverse culinary preferences, stimulating growth in retail and restaurants and food sectors. additionally, various initiatives have been launched to enhance Hajj and Umrah services, including expansions around the Two Holy Mosques and improving access to historical and religious sites.

This expansion has not only generated employment opportunities in hospitality but also spurred associated industries like interior design and catering. The influx of tourists has increased demand for skilled workers in hospitality, transportation and entertainment, leading to training and development initiatives, enhancing the local workforce's skill set. These developments signify the Kingdom's progress as a vibrant economic and cultural destination.

Government efforts to advance the labour market and related strategy for the manpower sourcing market are centered on Saudization and SME support

Saudization, initiated in 2011G to boost Saudi employment in the private sector, has significantly impacted Saudi Arabia's economy. The program increased private sector Saudization rates from 10 per cent. in 2011G to 26 per cent. in 2022G (based on the data provided by GASTAT for national employment rates in 2023G). An expanded "Nitaqat" program, launched in 2011G, aimed to align local employees with Saudization ratios, creating over 340,000 jobs by 2024G. Government efforts to support Small and Medium-Sized Enterprises (SMEs) also enhance job creation, with operational SMEs rising from 447,000 in 2015G to approximately 614,000 in 2020G due to targeted policy interventions. These initiatives reflect the Kingdom's commitment to fostering local employment and economic growth.

The manpower services industry has been greatly impacted by Saudi Arabia's policies and initiatives, which demonstrate the Kingdom's dedication to a safe and fair workplace for both local and foreign workers

Saudi Arabia has implemented impactful policies and initiatives in the manpower services industry. The Ajeer program, launched by the Ministry of Labour and Social Development, simplifies the process of hiring temporary foreign employees and grants licenses to businesses operating within holy sites during the Hajj season. This program enhances transparency by allowing certified Hajj organizations to post job opportunities, providing a platform for job seekers to apply.

Additionally, efforts to improve the contractual relationship between employers and employees include stringent regulations governing employment contracts. These regulations ensure fairness, ethical recruitment and protection of workers' rights. In 2023G, Saudi Arabia introduced a new law enforcing stricter workforce regulations, penalizing violations such as improper employment of foreign workers, on-site accidents, hiring minors, passport withholding and delayed wage payments. This comprehensive approach demonstrates the Kingdom's commitment to creating a safe and equitable working environment for both its citizens and foreign employees.

Consumer demand and spending power boost retail, hospitality, healthcare and entertainment, causing a cascading effect in personnel demand

The significant rise in disposable income per capita in Saudi Arabia, from SAR 39,741 (USD 10,598) in 2018G to SAR 45,954 (USD 12,254) in 2022G, has fuelled a surge in consumerism, impacting various economic sectors like retail, hospitality, healthcare, and entertainment. This heightened consumer demand has led to increased demand for manpower services, including recruitment agencies, training centres, and HR consulting firms. Businesses in these industries are seeking more skilled and unskilled labourers to meet the needs of their clients, creating a growing market for manpower services.

Saudi Arabia's economy is anticipated to experience a robust recovery during the forecast due to uninterrupted initiatives in economic diversification, socioeconomic stabilization and industrialization

The Saudi Arabian economy is expected for a steady growth, with a CAGR of 2.9 per cent. between 2022G and 2030G, reaching SAR 5.2 trillion (USD 1.4 trillion). This growth is attributed to initiatives such as Vision 2030, Saudization and expansion in construction, medical, IT, and retail sectors. The anticipated rise in hydrocarbon revenues is expected to create a budget surplus, enhancing the nation's financial stability, and acting as a buffer against future fluctuations. To support that, Saudi Arabia anticipates the creation of an additional two million employment between 2021G and 2030G. Disposable income per capita is projected to increase at a CAGR of 4.7 per cent., reaching SAR 66,173 (USD 17,646) in 2030G, accompanied by a decline in inflation, stimulating consumer spending. The growing labour force participation will drive manpower sector expansion, necessitating increased job placement efforts.

The following table shows the key macro-economic indicators in Saudi Arabia (2020G-2030G):

Table 3.1: Key macroeconomic indicators in Saudi Arabia – 2020G-2030G

Category	Data Type	2020G	2021G	2022G	2023G	2030G	CAGR % 2020G-2023G	CAGR % 2023G-2030G
GDP	SAR billion	2,8	3,3	4,2	4,2	5,2	16.0%	3.0%
GDP per Capita	SAR	87,268	105,807	129,154	130,159	145,661	14.3%	1.6%
Real GDP Growth	%	(4.3)	43.9	8.7	2.3%	2.6%	-	-
Disposable Income per Capita	SAR	38,463	44,718	45,910	49,138	66,173	8.5%	4.3%
Inflation	%	3.4	3.0	2.5	2.6	2.0	-	-
Unemployment	%	7.7	6.6	5.6	5.9	5.8	-	-
Total Consumer Expenditure	**SAR million**	**1,3**	**1,3**	**1,5**	**1,6**	**2,1**	**7.7%**	**4.3%**

Source: Euromonitor International estimates from United Nations (UN), World Bank (WB), International Monetary Fund (IMF), General Authority for Statistics (GASTAT), SAMA and Euromonitor's Economies and Consumers database.

Demographic changes, Increased per capita spend and rising urbanisation are creating growth opportunities for manpower service companies

Between 2020G and 2022G, Saudi Arabia's population grew from 31.5 million to 32.2 million, with Saudi citizens constituting 58 per cent. of the population in 2022G, up from 57 per cent. in 2020G. The nation's youth, with 30 per cent. under 18 years old in 2022G, makes it predominantly young, while seniors (aged 65 and above) account for 2.7 per cent.

In terms of population demographics, the expatriate segment is expected to grow modestly, after a slight decline from 2020G to 2022G, at a CAGR of (0.7 per cent.), and is projected to grow modestly at a CAGR of 0.6 per cent. from 2022G to 2030G. On the other hand, the local population showed strong growth at a CAGR of 2.2 per cent. from 2020G to 2022G and a faster CAGR of 3.7 per cent. from 2022G to 2030G, in line with Saudization efforts. The urban population in major cities, accounting for 84.7 per cent. of the total population in 2022G, grew at a CAGR of 1.9 per cent, reaching 27.3 million. By 2030, the population is projected to reach between 50 and 60 million, with expatriates expected to comprise half of this figure. Key projects such as the Line and Neom are designed to accommodate millions of residents and visitors, with Riyadh being the main focus. Riyadh's population reached 8.6 million in 2022G, according to GASTAT in 2023G, and 4.7 per cent. of households reported an annual income of SAR 560,000 or more.

The growing presence of women in the workforce has not only marked a significant societal shift but has also brought about a noticeable increase in the demand for household assistance. As more women pursue careers and contribute to the labor market, the dynamics of domestic responsibilities have evolved. This shift has created a demand for services that cater to household tasks, acknowledging the need for support in managing daily chores, childcare and other domestic responsibilities. The rise in demand for household assistance reflects a broader trend of adapting to changing social and economic landscapes, as families seek practical solutions to balance professional and domestic responsibilities in today's evolving work environment.

The following table shows the key demographic indicators in Saudi Arabia (2020G-2030G):

Table 3.2: Key demographic indicators in Saudi Arabia – 2020G-2030G

Category	Data Type	2020G	2021G	2022G	2023G	2030G	CAGR 2020G-2023G	CAGR 2023G-2030G
Total Population	'000	31,553	30,784	32,175	32,813	35,050	1.3%	0.9%
Population Aged 0-18	'000	9,626	9,618	9,674	9,839	9,950	0.7%	0.2%
Population Aged 19-64	'000	21,200	20,379	21,639	21,412	23,450	0.3%	1.3%
Population Aged 65+	'000	727	787	862	950	1,650	9.3%	8.2%

Source: Euromonitor International estimates from UN, WB, GASTAT, and Euromonitor's Economies and Consumers database.

3.2 Manpower Services Sector

Rising disposable income per household and substantial public and private investments in construction is likely to drive the overall demand for labour services in the Kingdom.

3.2.1 Regulatory Landscape

In 2023G, Saudi Arabia implemented sweeping changes in human resources regulations, reshaping the manpower sourcing landscape. A key mandate requires HR firms to allocate a minimum of 30 per cent. of their resources to B2C positions, underscoring the Government's commitment to local employment and economic stability. These regulations also introduced a revenue cap per household resource to ensure fairness and standardization in compensation practices.

Concurrently, a three-year plan was initiated to boost the Saudization rate, categorizing businesses into Premium, High Green, Medium Green, Low Green, and Red based on their Saudization efforts. Premium and High Green companies can apply for new block visas, facilitating direct expatriate recruitment, while others face strict regulations and visa acquisition through sponsorship transfers. The 2017G Parallel Nationalization program offers a financial alternative for companies to maintain or advance their Nitiqat classification.

Significant advancements in profession localization were introduced in 2023G, aiming to create 33,000 job openings for Saudis, particularly in aviation and customer service. Saudization plans cover seven key areas, including a 70 per cent. requirement in sales outlets related to security and safety apparatus. Specific positions like branch managers, supervisors, treasurers, customer accountants, and service agents are part of this initiative, necessitating strategic workforce planning for employers to retain foreign employees and ensure business continuity.

Furthermore, private sector companies with three or more project management positions must achieve a Saudization ratio of 35 per cent. by 24/12/2023G (based on the Ministry of Human Resources), increasing to 40 per cent. by 12/12/2024G (based on the Ministry of Human Resources). These companies are also mandated to provide a minimum monthly salary of SAR 6,000 to employees in these professions. Additionally, firms with three or more employees in designated procurement positions must increase Saudization ratios to 50 per cent. by 24/12/2023G (based on the Ministry of Human Resources). Exceptions exist for businesses in postal and freight activities, requiring 100 per cent. Saudization by 26/10/2023G (based on the Ministry of Human Resources).

3.2.2 Manpower Services Sector – Addressable Manpower Services Market Overview

Manpower services, a crucial sector, involve the recruitment and supply of manpower on both permanent and contractual bases. This sector plays a vital role in meeting the workforce requirements of businesses in diverse industries, ensuring access to skilled individuals. Whether for long-term positions or short-term projects, these services efficiently match talent with specific roles, streamlining the recruitment process and saving businesses time and effort.

The strategic policies and initiatives of the Saudi Arabian Government have significantly boosted the economy, leading to an increased demand for skilled workers. Large-scale construction projects, including giga projects, have heightened the need for specialized labour in areas such as construction, transportation, logistics and foodservice. As these sectors expand, the demand for manpower services in Saudi Arabia continues to grow.

3.2.3 Total Addressable Manpower Services Market (Demand)

The Total Addressable Market represents the full potential of the manpower services market in Saudi Arabia, encompassing all sectors. In 2023G, it is estimated to have reached SAR 22,640.4 billion (USD 6,037.3 billion), growing at a consistent CAGR of 16.6 per cent. between 2020G and 2023G due to post-pandemic recovery and economic diversification.

The B2B sector dominates this market, holding 69.6 per cent. of the total share, offering tailored solutions and specialized workforce provisions for diverse industries like construction, medical, manufacturing and technology. The B2C contractual and hourly sector accounts for the remaining 30.4 per cent., providing flexible and on-demand services to households. Household requirements in Saudi Arabia cover cleaning, gardening, moving assistance, cooking, childcare, home organization, and pet care services. The total addressable manpower services sector exceeds the actual manpower sector by 46.2 per cent., indicating a substantial gap between demand and supply. This gap highlights the growing demand for skilled labour across industries and presents a significant opportunity for manpower service providers to address this need.

The **Manufacturing** landscape in Saudi Arabia demonstrated substantial growth with a 34.8 per cent. CAGR, reaching SAR 2,182.4 million (USD 582.0 million) in 2023G. The growth of manufacturing in of Saudi Arabia is driven by Vision 2030's economic diversification plan, emphasizing infrastructure development and attracting foreign investment. The country's strategic location and focus on technology and innovation contribute to its appeal as a manufacturing hub. International partnerships and joint ventures, coupled with local demand and workforce development, underscore the sector's expansion in line with broader economic goals. By 2030G, it's anticipated to reach SAR 3,963.2 million (USD 1,056.8 million).

The **Human Health and Social work** sector experienced double-digit growth, achieving a 21.8 per cent. CAGR from 2020G to 2023G, reaching a value of SAR 776.3 million (USD 207.0 million) in 2023G, contributing to five per cent. of the overall B2B segment in the Addressable manpower services sector. This growth was driven by initiatives promoting gender equality in the medical workforce and Vision 2030's objectives. The sector's expansion was further fueled by the Government's efforts to combat diseases like diabetes, allocating significant budgets for healthcare. Additionally in the case of social work, the Kingdom has instilled social welfare systems to support citizens at various stages of their lives to ensure that they enjoy a decent life. The sector is projected to see growth with a forecasted five per cent. CAGR, reaching SAR 1,091.2 million (USD 291.0 million) by 2030G.

The **Construction** Sector has emerged as a robust driver of economic growth in Saudi Arabia, experiencing a significant CAGR of 20.9 per cent., its value reaching SAR 4,669.0 million (USD 1,082.7 million) in 2023G. This growth is primarily attributed to the ongoing urbanization trends and the ambitious execution of mega projects such as Neom and the Red Sea Project. These initiatives, characterized by substantial infrastructure development, have significantly heightened the demand for skilled workers within the construction sector. As of 2030, the Construction Sector is projected to achieve a value of SAR 7,007.9 million (USD 1,868.5 million), underscoring its continued importance in the country's economic landscape. However, it's essential to acknowledge that the completion of large-scale projects may pose challenges to future labor demand, necessitating strategic workforce planning and continued investment in skill development initiatives to sustain the sector's growth trajectory.

The Information and Communication sector exhibited a 22.6 per cent. CAGR, reaching SAR 230.4 million (USD 61.4 million) in 2023G. This positive trajectory reflects the growing tendency to outsource a significant portion of information and communication services, driving increased demand and contributing to the sector's expansion. Concurrently, Saudi Arabia has been directing considerable efforts toward the integration technology literacy in its educational institutions, resulting in significant progress within the education sector identifying information and communication as a key sector for the near future. This strategic initiative is designed to equip the younger generation with digital skills, nurturing a pool of local talent proficient in IT and technology disciplines. Outsourcing **Information and Communication** is projected to reach SAR 326.5 million (USD 87.1 million) by 2030G, with a projected CAGR of 5.1 per cent.

The **Transportation and Storage** sector showed a 18.9 per cent. CAGR, reaching SAR 453.6 million (USD 121.0 million) in 2023G. The significance of the transportation and storage sector in Saudi Arabia for manpower services lies in its strategic location, robust infrastructure development and pivotal role in economic diversification. With ongoing projects, urbanization and technological advancements, there is a growing demand for skilled manpower in areas such as logistics, supply chain management, and transportation operations, reflecting the sector's integral role in the country's economic growth and global trade connectivity. By 2030G, it is anticipated to reach SAR 619.9 million (USD 165.3 million) with a CAGR of 4.6 per cent.

Despite the quarantine and social distancing measures implementing throughout 2020G and 2021G, the **Accommodation and Food Services** landscape in Saudi Arabia demonstrated substantial growth with a 18.3 per cent. CAGR, reaching SAR 778.4 million (USD 207.6 million) in 2023G. This growth was propelled by Hajj and Umrah and domestic/international tourism, aligning with Vision 2030's goals. This evolving sector has created a pressing demand for a workforce equipped with the essential to help with routine tasks to meet the industry's ever-expanding expanding landscape. By 2030G, it's anticipated to reach SAR 1,114.1 million (USD 297.0 million).

The **Wholesale and Retail** sector achieved a 13.3 per cent. CAGR, reaching SAR 3,536.3 million (USD 943.0 million) in 2022G. With the sector experiencing substantial growth and transformation driven by economic diversification and changing consumer dynamics, there is a heightened demand for qualified personnel to navigate the complexities of retail operations, supply chain management, and customer service. The integration of digital technologies in retail will further necessitate a workforce with expertise in e-commerce. The wholesale trade, integral to the supply chain, requires personnel with expertise in logistics, inventory management and efficient distribution networks. Other driving forces on a landscape level include the upswing in the number of grocery retail establishments, which saw a rise from 41,099 in 2020G to 41,442 in 2022G, consequently intensifying the demand for labour. By 2030G, the Wholesale and Retail Sector is expected to be valued at SAR 5408.8 million (USD 1,442.3 million), growing a CAGR of 6.3 per cent. in the period 2023G-2030G.

The **Admin and Support Services** sector achieved a 7.3 per cent. CAGR, reaching SAR 1,694.0 million (USD 451.7 million) in 2023G. The increasing complexity of business operations, along with the growth of various industries in the Kingdom, has led to a greater demand for administrative and support services. Businesses, particularly those expanding their operations, often seek specialised support in areas such as office management, secretarial services and outsourcing of non-core functions. By 2030G, the sector is expected to be valued at SAR 2,464.3 million (USD 657.1 million), growing a CAGR of 5.5 per cent. in the period 2023G-2030G.

The B2C segment has witnessed transformations, from contractual to hourly help. In 2023G, this segment, encompassing both hourly and contractual help, constituted 30.4 per cent. of the overall market, totaling SAR 6,873.2 million (USD 1,833.0 million).

In 2020G, the B2C segment faced challenges due to restrictions limiting stay-in assistance expenditures, capped at SAR 1,516 (USD 404) per month for 24 months, affecting the demand for contractual live-in help. However, these restrictions were lifted in 2023G, signaling positive industry prospects.

Within the B2C segment, the hourly sector experienced significant growth with a CAGR of 18.7 per cent. from 2020G to 2023G, totaling SAR 1,573.4 million (USD 419.6 million). The demand for hourly services is fueled by an increase in women joining the labour force, creating a need for flexible domestic support. As the trend towards smaller living spaces grows, unable to accommodate live-in assistance, the hourly sector is expected to expand at a dynamic CAGR of 6.0 per cent., reaching a valuation of SAR 2,362.9 million (USD 630.1 million) in 2030G.

The contractual sub-segment of household helpers also demonstrated a robust CAGR of 15.4 per cent. between 2020G and 2023G, reaching SAR 5,299.8 million (USD 1,413.28 million). This growth trajectory is projected to continue, with a CAGR of 5.1 per cent., reaching SAR 7,520.9 million (USD 2,005 million).

Examining the overall B2C Manpower Services Segment new will still witness an impressive outlook of 5.3 per cent. CAGR anticipated from 2023G to 2030G, with the overall segment reaching a value of SAR 9,883.8 million (USD 2,653.7 million). The steady expansion of the contractual segment, combined with the dynamic growth of the hourly sector, underscores the resilience and potential of the B2C Manpower Services Segment in the evolving landscape.

The following table shows the market size of the Total Addressable Manpower Services Sector in Saudi Arabia (2020G-2030G):

Table 3.3: Market Size of Total Addressable Manpower Services Sector in Value (2020G-2030G)

Category	Data type	2020G	2021G	2022G	2023G	2030G	CAGR 2020G-2023G	CAGR 2023G-2030G
Total Potential Market	SAR million	14,325.0	15,300.0	19,988.0	22,640.4	33,615.7	16.4%	5.8%
B2B Manpower Potential Market	SAR million	9,955.0	10,600.0	13,753.0	15,767.2	23,731.8	16.6%	6.0%
Manufacturing	SAR million	890.0	1,100.0	1,705.0	2,182.4	3,963.2	34.8%	8.9%
Human Health & Social work	SAR million	430.0	500.0	675.0	776.3	1,091.2	21.8%	5.0%
Construction	SAR million	2,640.0	2,800.0	4,060.0	4,669.0	7,007.9	20.9%	6.0%
Information & Communication	SAR million	125.0	150.0	192.0	230.4	326.5	22.6%	5.1%
Transportation & Storage	SAR million	270.0	300.0	405.0	453.6	619.9	18.9%	4.6%
Accommodation & Food services	SAR million	470.0	500.0	695.0	778.4	1,114.1	18.3%	5.3%
Wholesale & Retail Trade	SAR million	2,430.0	2,500.0	3,075.0	3,536.3	5,408.8	13.3%	6.3%
Admin & Support Services	SAR million	1,370.0	1,400.0	1,540.0	1,694.0	2,464.3	7.3%	5.5%
Other	SAR million	1,330.0	1,350.0	1,406.0	1,446.9	1,736.0	2.8%	2.6%
B2C Manpower Potential services	SAR million	4,390.0	4,700.0	6,235.5	6,873.2	9,883.8	16.1%	5.3%
Hourly	SAR million	940.0	1,050.0	1,417.5	1,573.4	2,362.9	18.7%	6.0%
Contractual	SAR million	3,450.0	3,650.0	4,818.0	5,299.8	7,520.9	15.4%	5.1%

Euromonitor estimates based on primary and secondary research.

3.3 Competitive Landscape for the Actual Manpower Services Market

The following table shows the market size of the Total Actual Manpower Services Sector in Saudi Arabia (2020G-2022G):

Table 3.4: Market Size of Total Actual Manpower Services Sector in Value (2020G-2022G)

Category	Data type	2020G	2021G	2022G
Manpower Services Sector	SAR million	6,421.6	7,180.0	10,750.0
B2B manpower services	SAR million	4,536.8	5,120.0	7,850.0
B2C manpower services	SAR million	1,884.8	2,060.0	2,900.0

Euromonitor estimates based on primary and secondary research around reported revenues of top players for 2022G

The Total Actual Market (supply) refers to the demand of manpower services in Saudi Arabia currently being serviced by the market players. Covering all sectors that could hire external manpower, this includes construction, wholesale & retail trade, admin & support services, manufacturing, human health & social work, transportation & storage, accommodation & food services, information & communication, in the B2B space, as well household hourly and contractual work in B2C. In Saudi Arabia, the Actual Manpower Market is relatively consolidated, with the top four competitors and TamkeenHR holding a substantial 59.6 per cent. share of total value sales in 2022G.

Saudi Manpower Solution Co. (SMASCO) dominates the market in 2022G, with a 24.1 per cent. share, operating strategically across three key regions and excelling in B2B sectors like construction, aligning with Vision 2030. Despite this dominance, the completion of major construction projects by 2030G may necessitate adjustments in SMASCO's workforce strategy. In the B2C domestic services realm, SMASCO manages Raha, offering a diverse range of services to individual households.

Maharah Human Resource Company secures the second position with an 15.3 per cent. share, reporting significant year-over-year growth in the number of manpower resources, reaching a total of 37,000 in December 2022G. Maharah's adaptability and expansion into the B2C domestic sector, along with the authorization to recruit both Saudi and foreign nationals, showcase its commitment to comprehensive workforce solutions.

Al Mawarid Manpower ranks third with an 8.8 per cent. market share, offering a comprehensive range of services across various industries and expressing global outreach through strategic partnerships. In addition to its extensive outsourcing services, Al Mawarid holds a license for the recruitment and employment of both Saudi and foreign nationals.

JawaHR secures the fifth position with a 6.4 per cent. share in 2022G differentiating itself by tailoring B2B solutions to various industries. JawaHR's adaptability is evident as it extends its services into the B2C market, addressing the unique needs of households, particularly in providing house cleaners. This expansion showcases JawaHR's commitment to delivering quality workforce solutions while addressing evolving sector requirements.

Tamkeen Human Resources Company, positioned fourth with a 4.0 per cent. market share in 2022G, stands out as one of the fastest-growing entities, providing a suite of B2B solutions across diverse industries. Notably, Tamkeen Human Resources Company venture into the B2C market, offering household services, including housekeeping, certified babysitters and Esteqdam service for direct employment from clients' home countries.

The following table shows the value shares of key players in the Total Actual Manpower Services Market in Saudi Arabia (2022G):

Table 3.5: Value Shares (%) of Key Players in the Total Actual Manpower Services Market in Saudi Arabia 2022G

Company	Rank	Market share (value)
Saudi Manpower Solution Co. (SMASCO)	1	24.1%
Maharah Human Resource Company	2	15.3%
Al Mawarid Manpower	3	8.8%
Tamkeen Human Resources Company	4	6.4%
Jawa HR	5	4.0%
Others	-	41.4%

Source: Euromonitor estimates based on primary and secondary research.

3.4 Company Positioning

Tamkeen Human Resources Company is well positioned to sustain its prominence in the B2B and B2C manpower sector through the delivery of unparalleled solutions and the fulfilment of client requirements.

Despite being one of the newest entities in the manpower sourcing industry compared to established market leaders in the industry, Tamkeen Human Resources Company has rapidly gained prominence, securing a significant 4 per cent. share of the manpower market in 2022G. With 17 strategically located branches across Saudi Arabia, Tamkeen Human Resources Company reinforces its strong presence and accessibility within local communities.

In the B2B segment, Tamkeen Human Resources Company has observed noteworthy trends across various industries. The medical sector experienced an impressive 82.2 per cent. increrase from 2020G to 2021G and a continued 45.7 per cent. rise in 2022G, and consequently 44.0 per cent. between 2022G and 2023G indicating sustained demand for medical sector manpower services. The retail sector exhibited a significant 51.4 per cent. increase in 2022G, pointing towards heightened demand within the retail industry, further sustained by a 14.0 per cent. increase in revenues in 2023G. Revenues from the Operations, Maintenance and Contracting Sector have been expanding, with a CAGR of 20.0 per cent. for 2020G-2023G, and a notable jump of 119 per cent. was recorded between 2022G and 2023G. The restaurants and food sector showcased steady growth from 2020G and 2022G, with a CAGR of 11 per cent., reflecting the continuous demand for manpower in the foodservice industry. Overall, the B2B segment demonstrated robust growth, with a total value increase of 77.0 per cent. from 2020G to 2023G.

Tamkeen Human Resources Company's performance in the B2C segment, particularly in hourly and contractual services, indicates positive trends. The hourly services segment experienced consistent strong growth, reflecting the rising demand for on-demand services. The contractual services segment demonstrated steady growth. The B2C segment, showcased consistent growth, with the total value increasing by 50 per cent. from 2020G to 2023G.

Tamkeen Human Resources Company's embrace of technological innovation through an electronic branch, mobile application and website store aligns with Saudi Arabia's vision for digital transformation. This digital integration enhances customer accessibility, reflects adaptability to changing market dynamics and positions Tamkeen Human Resources Company as a trailblazer in contributing to Saudi Arabia's vision for a technologically advanced and diversified economy.

Dedication to precision in resource procurement, streamlined documentation processes and a commitment to client satisfaction through comprehensive manpower sourcing further solidify Tamkeen Human Resources Company reputation for reliability and professionalism. Positioned for expansion, Tamkeen Human Resources Company aims to seize opportunities in the B2C segment, leveraging its strengths through a multifaceted approach that emphasizes brand awareness, service differentiation, omni-channel experience, service quality, employee development, and customer loyalty.

In the Corporate Services segment, Tamkeen Human Resources Company aims for global recognition as a benchmark organization, implementing a robust operating model for commercial excellence. The company's focus on optimizing its current customer base, exploring white spaces in admin & support services, manufacturing, and transportation & storage, and venturing into the Technology and Information Systems Services sector showcases its readiness to evolve with market demands and solidify its position as an industry leader.

04

Business Description

4. Business Description

4.1 Overview

Tamkeen Human Resources Company (hereinafter referred to as the "**Company**" or "**Issuer**") is a Saudi closed joint stock company registered under Commercial Registration No 1010451749 dated 23 Ramadan 1439H (corresponding to 7 June 2018G) and formed pursuant to Ministerial Resolution No 240/Q dated 23 Ramadan 1439H (corresponding to 7 June 2018G). The Company operates in accordance with the licence issued by the Ministry of Human Resources and Social Development No 36/A dated 3 Muharram 1441H (corresponding to 2 September 2019G). The Company's capital is two hundred and sixty-five million Saudi Arabian Riyals (SAR 265,000,000) divided into twenty-six million, five hundred thousand (26,500,000) ordinary Shares with a fully paid nominal value of SAR 10 per Share. The Company's head and registered office are located at Riyadh, Al Nafel District, Northern Ring Road, P.O Box 4143 Riyadh 12333, Kingdom of Saudi Arabia.

According to its Bylaws, the Company's main activities include activities of employment placement agencies and temporary employment agency activities. According to its commercial registration, the Company's activities include mediation in Saudi individuals recruitment, temporary employment agency activities for home services, activities of temporary employment agencies of expatriate workers services and activities of temporary employment agencies of Saudi individuals.

As of the date of this Prospectus, the Company has 3 Subsidiaries, namely Open Technologies for Communications and Information Technology Company a one-person limited liability company, Eraf Medical Company a limited liability company, and Elaf Specialist Contracting Company a limited liability company. For more information on the Subsidiaries, please see Section 4.6 (*Overview of Subsidiaries*).

The Company's core activities consist of the following business segments (for further details, see Section 4.8 (*Overview of the Group's Business*)):

- **Corporate Segment**: The Company offers manpower services to a variety of sectors including restaurants, food service, operations, maintenance, contracting, healthcare, retail, technology and information systems, amongst others. The Group's specialised teams provide continuous support to each sector, from supplying skilled professionals to ensuring swift employment and addressing sector-specific requirements. The Group's extensive client base includes multinational corporations as well as small to medium-sized enterprises, reflecting the Group's adaptability and profound understanding of distinctive operational differences.
- **Individual Segment**: This sector comprises of the following two sub-segments:
  - **Individual Segment** – Contractual: This sub-segment segment is a testament to the Group's ability to foster long-term relationships with its clients. It predominantly generates revenue through contracts signed with individual customers. The services offered in this sub-segment are critical to the smooth functioning of households and include, without limitation, housekeepers, chefs and private drivers. The Group prides itself on the reliability and proficiency of its workforce, ensuring that every professional dispatched under these contracts meets the highest standards of service delivery. As of 31 March 2024G, the Group has successfully placed 4,262 manpower resources in the Individual – Contractual Segment.
  - **Individual Segment** – Hourly Service: The Individual Segment – Hourly Service is a dynamic and flexible solution tailored for customers seeking services on an hourly basis. This sub-segment primarily focuses on providing housemaids and cleaners, addressing the need for quality household assistance without the commitment of a long-term contract. This model offers unparalleled flexibility, allowing customers to avail themselves of professional services as per their specific requirements and schedules. As of 31 March 2024G, the Group has successfully placed 1,781 manpower resources in the Individual Segment – Hourly Service.

As of 31 March 2024G, the Company had a total of 270 employees across the Kingdom (for further details, see Section 5.9 (*Employees*)).

The Company generated revenue of SAR 358.5 million, SAR 426.5 million, SAR 495.8 million and SAR 145.4 million for the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively. The Company's net income reached SAR 53.9 million, SAR 54.8 million, SAR 60.4 million and SAR 18.5 million for the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively. The total value of the Company's assets as of 31 December 2021G, 2022G and 2023G and 31 March 2024G, was SAR 304.3 million, SAR 374.8 million, SAR 450.5 million and SAR 483.4 million. Total liabilities of the Company amounted to SAR 119.2 million, SAR 134.9 million, SAR 148.8 million and SAR 198.2 million as of 31 December 2021G, 2022G and 2023G and 31 March 2024G, respectively. For further detailed discussions regarding the financial performance of the Company, see Section 6 (*Management's Discussion and Analysis of Financial Condition and Results of Operations*).

4.2 Vision, Mission and Strategy

4.2.1 Vision

To be the preferred partner in crafting suitable and effective workforce solutions for both corporate and individual levels. Enabling our clients to evolve and achieve their goals in a rapidly growing and developing economic system.

4.2.2 Mission

To provide workforce solutions with the required competencies within a comprehensive operational model that offers expertise and high quality to achieve excellence for our partners by delivering suitable solutions aimed at enhancing the level of services provided.

4.2.3 Strategy

The Group's strategy is centred on three key pillars - bolstering the core business to harness its full potential, venturing into profitable and margin-enhancing adjacent businesses and laying the foundation for a future-ready corporate infrastructure. This strategy is not an insular design but a reflection of the global shifts in the manpower industry. As businesses globally and within the Kingdom transition from traditional recruitment to a more holistic suite of services, the Group is poised to lead. By deepening client engagements and diversifying its service offerings, the Group remains not only relevant but also indispensable in this dynamic landscape. This commitment to adaptability, innovation and excellence ensures the Group remains one of the leaders in an evolving market. The key strategic pillars of the Company's corporate strategy are as follows:

4.2.3.1 Corporate Segment

The Kingdom's corporate landscape is continually evolving, with businesses striving to adapt and thrive in this dynamic environment. Amidst this backdrop, the Group stands as a hallmark of excellence and innovation, demonstrating a continuous commitment to serving its clients and elevating the standards of the corporate sector.

(a) Enhancing Customer Experience and Engagement

The Group focuses on creating a superior corporate client experience by meticulously matching diverse, skilled talent to organisational needs. Its emphasis is not only on academic qualifications but also on soft skills and cultural fit. Streamlined onboarding and refined account management processes, facilitated by technology, ensure a seamless transition for clients and talent alike. Supplementary services like accommodation and flexible contracts add value, while customised solutions are strategically priced to enhance service delivery and expand the Group's industry presence.

(i) Talent Refinement through Diverse Hiring

In today's interconnected world, the demand for diverse and highly skilled talent is paramount. As a result, the Group has strategically broadened its reach to access varied talent pools, both within the Kingdom and internationally. The recruitment strategies are meticulously designed to not just fill roles but to ensure a holistic match between the talent's capabilities and the organisation's intrinsic needs. This commitment has been further amplified by enhancing the quality of talent through improved and diversified hiring, understanding the necessity to cater to the unique requirements of each corporate client. Emphasis is not placed solely on academic prowess but extends to encompass soft skills, cultural alignment and adaptability, ensuring that each individual contributes distinctively.

(ii) Streamlined Onboarding and Account Management

Recognising the enduring influence of first impressions, the Group ensures that its onboarding process is meticulously crafted to ensure clients and talents experience a seamless transition. By harnessing advanced technological tools and platforms, clients and talents are ushered into the Group's ecosystem seamlessly. The account management processes are constantly refined, drawing from industry best practices and client feedback. This structure ensures clients have a dedicated contact point, streamlining communication and ensuring timely resolution of queries, further reinforcing the Group's image as a partner of choice.

(iii) Offering Supplementary Value Add Services

To adapt to the dynamic corporate environment in the Kingdom, the Group is proactively expanding its service portfolio. Recognising the shifting needs of the corporate sector, the Group provide bespoke services like accommodation, transportation and on-demand labour. These offerings, tailored to the unique demands of each client, are not mere ancillary services but are central to the Group's value proposition, ensuring clients have a one-stop solution for all their needs. The adaptability of providing seasonal contracts further underscores the Group's commitment to flexibility and client-centricity.

(iv) Customised Value Propositions

Recognising the uniqueness of each client, irrespective of their scale or industry footprint, the Group adopts a bespoke approach. Services are strategically priced based on a holistic understanding of the client's strategic objectives and distinct attributes. By personalising its engagement and service methodologies and utilising dedicated account management, consultative services and digital tools, the Group ensures a tailored experience for every client, with the aim of enhancing its market presence across various sectors.

(v) Expansion within Existing Sectors

The Group's strategy is not limited to enhancing existing relationships. Backed by rigorous research and insights into client size, significance and potential, it is actively reaching out to new clients within existing industry sectors. This proactive approach aims to bolster its market share, positioning the Group as an industry leader and partner of choice.

(b) Strategic Expansion and Market Penetration

The Group actively explores sectors like tourism and hospitality, aligning with the Vision 2030 to expand its market presence. It prioritises collaborative partnerships in key areas influenced by national goals and diversifies recruitment profiles to meet the corporate sector's evolving demands. Venturing into the Saudi recruitment outsourcing market, it adopts various strategies to meet the localisation and high-skilled needs, reinforcing its commitment to contributing to the Kingdom's growth.

(i) Exploring New Sectors

The Vision 2030 initiative has opened up a multitude of opportunities across various sectors in the Kingdom. The Group, with its robust research mechanisms and industry networks, is quick to identify these emerging sectors. This strategy involves diving into sectors like tourism and hospitality, heavy industrial, oil and gas, logistics and commerce. By identifying key accounts and understanding specific key success factors, the Group aims to leverage its existing capabilities to penetrate these new accounts, thereby establishing a strong market share within these sectors.

(ii) Fostering Collaborative Partnerships

Understanding the significance of collaborative growth, the Group is keen to forge key corporate client partnerships. This strategy is particularly focused on sectors that are directly influenced by the Vision 2030 initiative, such as contracting, operations, maintenance, industry and supply chains. The aim is to cement these partnerships through long-term joint-venture commercial agreements, ensuring symbiotic growth and success.

(iii) Diversifying Recruitment Profiles

To cater to the evolving needs of the corporate world, the Group is venturing into recruiting and marketing roles that are not only new but also add significant value. These roles span a broad spectrum, from healthcare roles involving doctors and allied medical personnel, and technical roles that include engineers, cybersecurity specialists, IT experts and data analytics specialists. By targeting roles with high growth potential and standardised profiles, the Group is positioning itself as the go-to solution for both existing and new corporate clients.

(iv) Venturing into the Saudi Recruitment Outsourcing Market

The Group is making strategic advances in the Saudi recruitment outsourcing market, commonly referred to as the Saudi Esnad market (recruitment outsourcing market). This entails both direct and indirect strategies. Directly, the Group is bolstering its recruitment, sales and operational capabilities for standardised roles, catering to both medium-skill roles, such as call centre personnel, administrative staff and security personnel, and high-skill roles in areas like IT, cybersecurity, legal support, accounting support and human resources. Indirectly, the Group is leveraging build, acquire, partner or alliance strategies with emerging entities. These collaborative ventures aim to address clients' outsourcing needs within the Saudi Esnad framework, especially in heavily nationalised sectors offering services in areas like call centres, security, human resources, administration, training and accounting. This holistic approach not only broadens the Group's service spectrum but also reaffirms its dedication to the Kingdom's localisation goals.

(v) Vision 2030 – Aligning with National Goals

The Vision 2030 initiative is not just a roadmap for the Kingdom but it also serves as a compass guiding the Group's strategic decisions. Recognising the sectors earmarked for exponential growth, the Group is forging strategic alliances and partnerships. By aligning with the national vision, it ensures that it remains relevant, competitive and in a position to contribute positively to the Kingdom's growth trajectory.

(c) Commercial Excellence and Organisational Fortification

The Group has crafted a best practice commercial model, honed for client segmentation and backed by specialist teams and client relationship management (CRM) systems, to enhance customer acquisition and retention. Its strategy to attract and maintain the best industry talent through competitive incentives and development focuses on nurturing a workforce primed for innovation and growth, with a special emphasis on high-calibre sales talent to propel its growth objectives.

(i) Implementing a Robust Commercial Operating Model

A dynamic market requires a dynamic operating model. The Group has built a best practice commercial operating model that places emphasis on client-size segmentation. Specialist teams have been put in place with a focus on sales development, account management and retention activities. Additionally, there are supportive sales customer-relationship-management processes and systems designed to better reach, acquire, grow and retain corporate customers, ensuring the Group remains proactive and responsive to market changes.

(ii) Attracting and Retaining Industry Talent

People are the Group's most significant asset. It recognises that to stay ahead in the industry, it needs to attract, retain and nurture the best talent. With this in mind, the Group has deployed the right incentives systems structure to attract and retain the most sophisticated calibre sales talent within the industry. By offering competitive incentive structures and focusing on training and skill development, the Group ensures it remains an employer of choice, fostering a culture of innovation and ensuring its workforce remains at the forefront of industry developments.

(iii) Emphasising Sales Talent and Growth Objectives

To achieve its growth objectives, the Group understands the importance of having the right people in its sales teams. By deploying strategic incentive structures, the Group aims to attract the industry's top-tier sales talent, ensuring they are motivated to drive growth and forge lasting relationships with corporate customers.

In conclusion, the Group's strategy for the corporate sector in the Kingdom is a blend of innovation, dedication and foresight. By continuously evolving, adapting and pushing the boundaries of excellence, the Group is poised to redefine the corporate landscape in the Kingdom, ensuring growth, value and sustainability for all its stakeholders.

4.2.3.2 Individual Segment

In the ever-evolving landscape of the Kingdom's individual services sector, the Group stands poised to not just participate but to lead and shape its future. Understanding the intricacies of the market, combined with a commitment to innovation and excellence, the Group is strategically positioning itself to achieve its ambitious goal of ranking among the top five service providers. To achieve this goal, the Group has developed a multifaceted approach and strategies to transform this ambition into reality.

(a) Service Differentiation and Tailored Offerings

In an era marked by individualisation and the demand for personalised services, the Group excels in discerning and anticipating customer and talent needs, leveraging analytics and feedback to align services with market trends. Its drive for service differentiation is evident in its nuanced offerings aimed at exceeding customer expectations. The versatility of its service portfolio, adapting to occupational needs and contract flexibility, is complemented by ongoing innovation, underscoring its agile and client-centric approach.

(i) Comprehensive Understanding of Customer and Talent Needs

The Group's commitment to understanding the evolving needs of its customers is exceptional. Through a blend of advanced analytics, customer interaction forums and continuous feedback loops, the Group ensures that its offerings remain aligned with market demands. This dedication is further enhanced by a commitment to understanding not only the needs of the current customers but also anticipating future trends and preferences.

(ii) Enhancing Service Differentiation

In the rapidly evolving business landscape, carving out a distinct niche becomes paramount. The Group recognises this imperative and is vigorously working on amplifying its service differentiation. This is not just about offering varied services but about understanding the nuances of customer and talent aspirations. Every decision, every offering is rooted in this deep-seated understanding. Whether it is about providing diverse occupational avenues, incorporating flexibility in contract terms or introducing an expansive gamut of services, the Group's overarching goal is to not just meet but to consistently exceed customer expectations. In this journey of service differentiation, it is driven by the aspiration to be recognised not just for the breadth of its offerings but for the depth of its understanding and commitment to client satisfaction.

(iii) Diverse Service Offerings

The versatility of the Group's service portfolio is one of its standout features. Catering to a broad spectrum of needs, the Group ensures that every client, regardless of their unique requirements, finds a solution tailored for them. This spans from providing access to a wide range of occupations to ensuring flexibility in the duration of contracts and accommodating varied payment preferences. But beyond these tangible offerings, there's an underlying commitment to innovation. As market dynamics shift and new trends emerge, the Group remains agile, constantly updating and expanding its suite of services. This proactive approach not only ensures they remain at the cutting edge of industry advancements but also reinforces their commitment to continually enhancing the client experience.

(b) Brand Enhancement and Omni-channel Engagement

Navigating the complex landscape of brand perception, the Group prioritises a dual approach. Firstly, enhancing brand visibility and positioning is paramount, ensuring the Group's values and strengths resonate clearly with its audience. Secondly, in an era dominated by digital interactions, facilitating a seamless omni-channel experience becomes essential, enabling clients to connect with the Group effortlessly across various channels.

(i) Boosting Brand Awareness and Equity

The Group is focused on elevating its brand position from being among the top 5/10 to aspiring for a position within the top 3/5. This is achieved through a robust communication strategy that continually emphasises the Group's capabilities, the quality of talent and the exceptional service quality, convenience and premium customer experience. By leveraging both strategic always-on communication and tactical advertising and promotions, the Group ensures a consistent brand message that resonates with its audience.

(ii) Omni-Channel Experience and Customer Loyalty

In today's digital age, customers expect seamless interactions across various touchpoints. The Group is dedicated to enabling a smooth omni-channel approach, allowing clients to engage and transact across multiple channels, be it physical stores, mobile apps, websites, phone services or social media. This integrated approach ensures a unified and frictionless experience, bolstered by cutting-edge technology and effective customer relationship management. Additionally, the Group's loyalty platform plays a pivotal role in retaining customers. By offering both monetary benefits, such as discounts and cashbacks, and non-monetary benefits, such as priority scheduling and access to new services, the Group ensures a lasting relationship with its clientele.

(c) Service Quality Enhancement

Recognising the dynamic nature of the market, the Group upholds service excellence through strategic global recruitment and rigorous training programmes, ensuring a team skilled in cutting-edge trends. Its global partnerships bolster a steady influx of talent, while loyalty initiatives cultivate deep customer relationships, establishing the Group as a reference point for quality and client-first service in a competitive industry.

(i) Recruitment and Training Excellence

The foundation of exceptional service delivery is a team that embodies excellence. The Group's recruitment strategy is a testament to this understanding. By casting a wider net and diversifying hiring channels, the Group taps into a global talent pool, ensuring the assimilation of diverse perspectives and skills. Partnering with leading recruitment agencies across the globe further cements its commitment to bring on board individuals who resonate with the Group's ethos of excellence. But recruitment is just the beginning. Understanding that the industry is ever-evolving, the Group has invested heavily in training programmes. These initiatives, which blend traditional learning methods with modern, technology-driven techniques, ensure that team members are always abreast of the latest trends, enabling them to provide service that is not just good, but exemplary.

(ii) Leveraging Global Partnerships

The Group's global perspective is a significant asset in its quest for unparalleled service quality. By forging strategic partnerships with high-quality source countries, the Group ensures a consistent pipeline of exceptional talent. These alliances also serve a dual purpose - they enhance the Group's service repertoire and solidify its position as a trusted partner that sources the best talent, guaranteeing clients a service experience that is consistently top-notch.

(iii) Loyalty Initiatives

In the intricate dance of business, retaining existing customers is as pivotal as attracting new ones. With this philosophy, the Group has designed loyalty programmes that go beyond the transactional. More than just discounts or early access to services, these initiatives are about building a community. They aim to make customers feel valued, appreciated and integral to the Group's journey. By recognising and rewarding customer loyalty, the Group fosters deep-rooted relationships, ensuring that its clientele always views it as their first choice.

(d) Expanding into Attractive and Margin-Enhancing New Service Segments

The Group recognises the importance of constant evolution and expansion in an ever-changing market landscape. The Group actively anticipates and shapes customer needs with insightful market analysis, launching new, quality services strategically and enhancing customer relationships through targeted cross-selling and upselling for a comprehensive service experience and industry leadership.

(i) Deep Understanding of Emerging Customer Needs

The Group is committed to developing a deep understanding of customer needs, placing significant emphasis on grasping the intricate and evolving needs of its customer base. This is achieved through rigorous market research and analytics, focusing on discerning the requirements of household services customers. This is not just about identifying gaps in the market but understanding the broader trends, the shifts in consumer behaviour and the emerging patterns. By proactively identifying potential new service markets and grasping their critical success factors, the Group positions itself not just as a reactive entity but as a trendsetter. This proactive approach ensures that they not only address emerging market demands promptly but also leverage a distinctive first-mover advantage, setting the pace for the industry.

(ii) Structured Introduction of New Services

Introducing new services requires a meticulous approach. The Group is dedicated to a structured and streamlined strategy that encompasses design, pricing, marketing and piloting. This ensures that every new service, from its test launch and initial rollout to priority customers, to its national launch across all company locations, meets the highest standards of quality and relevance.

(iii) Enhancing Customer Experience with Cross-Selling and Upselling

The Group understands the value of its existing customers. By cross-selling and upselling new services, it ensures that its customers receive a comprehensive and superior service experience, fostering deeper loyalty and satisfaction.

(e) Building Core Capabilities and Creating an Enabling Infrastructure for Success

The Group's strategic commitment to leadership, operational excellence and technological innovation, focusing on refining mobile applications, websites and enhancing internal processes with advanced CRM systems and marketing tools, is underpinned by talent growth and a high-performance culture. The newly established Business Development Department facilitates strategic initiatives, optimising risk management and ensuring the seamless execution of an ambitious vision, solidifying the Group's competitive edge in a dynamic market.

(i) Strengthening Core Capabilities and Leadership Development

The Group's commitment to leadership and operational excellence is steadfast. Continuous efforts are directed towards developing internal team members and attracting exceptional talent in key areas, such as recruitment, training and development, operations and digital marketing. This ensures that the Group remains poised to navigate future challenges with agility and expertise.

(ii) Technological Evolution and Digital Renaissance

In today's digital age, staying ahead requires embracing technological advancements. The Group prioritises this by deploying the latest technology for digital transformation. This includes refining external interfaces, such as mobile applications and websites, and bolstering internal processes through advanced CRM systems and innovative marketing tools.

(iii) Cultivating a High-Performance Culture

The Group firmly believes in the transformative power of an organisation's culture. It is committed to fostering a high-performance ethos throughout its ranks. The recent inauguration of the new Business Development Department, will spearhead strategic and operational initiatives, ensuring adept risk management and seamless strategy execution. Serving as a hub for various projects, it will provide essential resources, methodologies, tools and continuous support, ensuring the Group's ambitious vision is transformed into reality.

The Group's strategic blueprint for the individual services segment is a testament to its vision, dedication and commitment to excellence. As it charts its course in the Kingdom's dynamic manpower landscape, the Group is poised to redefine industry standards, drive unparalleled growth and consistently deliver exceptional value to its stakeholders.

4.3 Strengths and Competitive Advantages

In the evolving landscape of the Kingdom's manpower industry, the Group has consistently exhibited its commitment to excellence and a deep-seated dedication to its clients. From its inception, it has strategically navigated the manifold opportunities within the corporate and individual sectors, earning a place among the Kingdom's premier service providers. The last three years have marked a period of significant growth, allowing the Group to stand out even amidst seasoned industry competitors. Its diverse range of tailored manpower services underscores its adaptability and responsiveness to the dynamic business needs across various sectors. Based on consistent profitability figures that align with or exceed industry benchmarks, the Group's operational effectiveness and strategic approach are clearly evident. The Company's strengths and competitive advantages are underpinned by the following key pillars:

4.3.1 Impressive Three-Year Growth Trajectory

The last three years have been nothing short of transformative for the Group. In an industry as dynamic as manpower, where ebbs and flows are commonplace, the Group has not merely weathered the fluctuations but has flourished, showcasing a growth rate at a CAGR of 17.6 per cent. This noteworthy expansion has positioned the Group ahead of several established industry and market frontrunners. Central to this success is the Group's visionary leadership which, combined with the unwavering dedication of its workforce, has set the foundation for this accelerated growth. Furthermore, operational finesse and an uncompromising commitment to client satisfaction have played crucial roles in driving this momentum. In essence, the Group's remarkable growth over these years epitomises its resilience, agility and undying commitment to excellence.

4.3.2 Superior Financial Performance

Profitability intertwines with operational efficiency, sharp strategic foresight and the invaluable trust of clients. The Group's financial stature stands as a testament to its relentless commitment to these principles. The Group consistently outpaces industry benchmarks. This is not merely a result of short-term tactics but a culmination of meticulous planning, a deep understanding of market dynamics and a consistent focus on client satisfaction. Moreover, by generating superior profits, the Group not only ensures its own growth and stability but also amplifies the returns and value it provides to its stakeholders. This robust financial health is evidenced by strong figures, including a substantial gross margin reaching 21.1 per cent. and a 12.0 per cent. in net profit margin, for the financial year ended 31 December 2023G, bolstered by the strategic advantage of maintaining zero debt. In sum, the Group's elevated profitability profile serves as an emblem of its industry leadership and operational prowess.

4.3.3 Relationship with Leading Recruitment Agencies Overseas

The Group's success is closely linked to its ability to meet client needs, a capability significantly enhanced by its strategic relationships with leading recruitment agencies overseas. Spanning 15 different countries, the Group has established contracts with 36 recruitment offices as of the date of this Prospectus. By encompassing various cultural and professional backgrounds, the Group ensures its clients have access to top-tier candidates tailored to their unique requirements. This international network speeds up the recruitment process, offering rapid, high-quality solutions. Moreover, the shared expertise from these partnerships allows the Group to adopt and integrate international best practices, reinforcing the Group's position as a bridge between international talent and local market opportunities. In essence, these relationships signify the Group's dedication to global excellence and its capability to connect international talent with local opportunities.

4.3.4 Nationwide Branch Presence and Regional Adaptability

With branches thoughtfully and strategically positioned across the vast expanse of the Kingdom, the Group remains resolute in its commitment to being within convenient reach of its clientele. Whether in bustling urban centres or quieter regions, the Group's presence ensures that its high-quality manpower solutions remain accessible, regardless of geographical barriers. Beyond mere physical accessibility, this extensive branch network empowers the Group to genuinely understand and tap into the diverse and ever-evolving local market dynamics. As a result, the Group can tailor its offerings, ensuring they resonate with the unique needs of each locality. Bolstered by a diversified portfolio of clients in both corporate and individual sectors, it has earned a reputation for its commitment to quality service and forward-thinking strategy, making it a reliable partner for a multitude of clients across the Kingdom. This proactive approach not only fortifies client relationships but also solidifies the Company's reputation as a truly national entity attuned to regional nuances.

4.3.5 Deep-rooted Corporate Client Relationships Across Various Sectors

The Group has systematically built and maintained relationships with a diverse range of clients across multiple sectors and industries. This comprehensive client database encompasses significant enterprises as well as agile small-medium enterprises (SMEs), showcasing the Group's versatility and adaptability in meeting varying client needs. More than just a roster, this database underscores the sustained trust and confidence clients have in the Group's ability to deliver. The depth and breadth of these connections are a testament to the Group's commitment to excellence and its reputation as a dependable service provider in the industry.

4.3.6 Leadership Excellence and Industry Expertise

The Group's enduring success can be attributed to its dedicated personnel, notably the management team. Comprising individuals with vast industry experience, the team's combined expertise forms the backbone of the Group's strategic direction. Their depth of knowledge in the sector ensures that the Group's overarching vision is consistently aligned with practical and forward-thinking strategies. By maintaining a keen understanding of current industry dynamics and potential shifts, the management team adeptly positions the Group for sustained growth. Their pragmatic approach, coupled with their commitment to the Group's objectives, ensures that the organisation remains adaptive, efficient and ahead of industry curves. In essence, this experienced team is instrumental in guiding the Group's trajectory in an evolving business landscape.

4.3.7 Flexible Manpower Solutions

The Group has strategically developed a comprehensive array of manpower services tailored to meet the diverse needs of the modern business landscape. This includes provisions for temporary staffing, contract-based placements, permanent hires and specialised executive searches. Such a diversified service offering ensures that the Group is well-equipped to address the unique and evolving requirements of businesses across different sectors and industries. By facilitating this broad spectrum of manpower solutions, the Group establishes itself as a singular, go-to destination for businesses seeking staffing solutions. Its commitment to versatility ensures adaptability to the multifaceted demands of clients, further enhancing its industry reputation. Moreover, the Group's dedicated teams and deep-seated industry knowledge drive the precision and efficiency of its services. Overall, the Group's emphasis on flexible solutions underscores its mission to deliver consistent, high-quality value to its clientele.

4.3.8 Ownership of Essential Operational Assets

The strategic ownership of branches, housing facilities and a comprehensive transportation fleet stands as a cornerstone of operational excellence within the Group. Such direct ownership is not merely a logistical advantage but it is a fundamental component that underpins the Group's steadfast commitment to superior service quality and swift responsiveness. By directly managing these crucial assets, the Group ensures an enhanced level of support and care for its workforce, which is paramount for their well-being and optimal performance. Furthermore, such direct oversight facilitates a streamlined operation, resulting in significant cost efficiencies. Such infrastructural autonomy is more than a practical asset; it is a distinctive strategic lever that provides the Group with a marked edge in the competitive landscape of the manpower industry in the Kingdom.

4.3.9 Diverse Operations Across Corporate and Individual Sectors

In the rapidly evolving business environment of today, the Group's proficiency in navigating and carving a niche within the white-collar professionals sector, along with its robust operational infrastructure, is essential. At the heart of the Group's sustained success lies its dedication to nurturing a diversified client portfolio encompassing both individual households and large-scale enterprises. The Group supplies a spectrum of skilled labour, from blue-collar workers to white-collar professionals, showcasing a remarkable breadth in service capability and strategic flexibility. Serving such a broad spectrum underscores the Group's profound understanding and ability to tailor solutions to diverse needs.

The strategic diversity of the Group's operations transcends the goal of wide market reach. It acts as a safeguard. By ensuring that its success is not tied to the fortunes of any single sector, the Group shields itself from the ebbs and flows of individual industries, ensuring a consistent operational flow. This comprehensive approach not only bolsters the Group's resilience but also positions it as a reliable partner in the face of volatile market conditions.

4.3.10 Strong Capabilities in the Medical Sector

The Kingdom's medical sector is undergoing a dynamic transformation and the Group has prominently positioned itself as a leading player in the medical manpower resources during this pivotal shift. Through its consistent involvement, it has catered to the staffing demands of a wide array of medical institutions, from specialised clinics to large-scale hospitals, providing a deep understanding of the sector's complex and specific requirements. The Group's adaptive approach ensures that it remains abreast of the latest medical trends, technologies and best practices, positioning it as a trusted partner that understands the unique needs of the Kingdom's medical sector.

A testament to the Group's prowess in the medical sector is its strategic partnership with Dr Suliman Al Habib Medical Services Group Company, a leading healthcare provider. This entity is not just a shareholder but a pivotal business ally, enhancing the capabilities of the Group's Subsidiary, Eraf Medical Company, particularly in revolutionising home healthcare services. Leveraging Dr Suliman Al Habib Medical Services Group Company's advanced medical expertise, the Subsidiary is now better positioned to offer superior healthcare services directly in patients' homes. This alliance not only boosts the Group's market position but also demonstrates its capacity to blend staffing skills with advanced medical expertise.

4.4 Evolution of Capital

The Company was incorporated as a closed joint stock company pursuant to Ministerial Resolution No 240 dated 23 Ramadan 1439H (corresponding to 7 June 2018G) and registered under Commercial Registration No 1010451749 dated 23 Ramadan 1439H (corresponding to 7 June 2018G) with a capital of one hundred million Saudi Arabian Riyals (SAR 100,000,000), divided into ten million (10,000,000) ordinary Shares, with a fully paid nominal value of ten Saudi Arabian Riyal (SAR 10) per Share.

The Shares of the Company upon incorporation were distributed as follows:

Table 4.1: The Shareholders of the Company as of 23 Ramadan 1439H (corresponding to 7 June 2018G)

Shareholder	Number of Shares	Ownership Percentage (%) [1]
Tasheel Real Estate Company	5,850,000	58.5%
Abdulrahman Ali Abdullah Al Gubaisi	1,500,000	15.0%
Fares Saleh Mutlaq Al Henaki	1,000,000	10.0%
Saleh Mohammed Saleh Al Hajaj	1,000,000	10.0%
Saif Mohammed Saif Al Sharikh	250,000	2.5%
Abdulrahman Abdulkareem Saleh Abalkhail	200,000	2.0%
Abdulsalam Obaidullah Salem Alhusayn	200,000	2.0%
Total	**10,000,000**	**100.0%**

Source: The Company.

(1) Rounded to the first decimal place.

On 6 Muharram 1442H (corresponding to 25 August 2020G), a share transfer agreement was signed between the Company's shareholders, whereby Tasheel Real Estate Company transferred three hundred thousand (300,000) Shares to Abdullah Ahmed Sultan Al Shehri in exchange for cash consideration of three million Saudi Arabian Riyals (SAR 3,000,000). The ownership of the Company after the transfer of Shares was as follows:

Table 4.2: The Shareholders of the Company as of 6 Muharram 1442H (corresponding to 25 August 2020G)

Shareholder	Number of Shares	Ownership Percentage [1]
Tasheel Real Estate Company	5,550,000	55.5%
Abdulrahman Ali Abdullah Al Gubaisi	1,500,000	15.0%
Fares Saleh Mutlaq Al Henaki	1,000,000	10.0%
Saleh Mohammed Saleh Al Hajaj	1,000,000	10.0%
Abdullah Ahmed Sultan Al Shehri	300,000	3.0%
Saif Mohammed Saif Al Sharikh	250,000	2.5%
Abdulrahman Abdulkareem Saleh Abalkhail	200,000	2.0%
Abdulsalam Obaidullah Salem Alhusayn	200,000	2.0%
Total	**10,000,000**	**100.0%**

Source: The Company.

(1) Rounded to the first decimal place.

On 24 Rabi' al-Thani 1442H (corresponding to 9 December 2020G), a share transfer agreement was signed between the Company's shareholders, whereby Tasheel Real Estate Company transferred: (i) two million eight hundred and seventy-five thousand (2,875,000) shares to Abdullah Sulaiman Abdulrahman Al Ngeer in exchange for cash consideration of twenty-eight million, seven hundred and fifty thousand Saudi Arabian Riyals (SAR 28,750,000); and (ii) two million six hundred and seventy-five thousand (2,675,000) shares to Mohammad Sulaiman Abdulrahman Al Ngeer in exchange for cash consideration of twenty-six million, seven hundred and fifty thousand Saudi Arabian Riyals (SAR 26,750,000).

The ownership structure of the Company after the transfer of shares was as follows:

Table 4.3: The Shareholders of the Company as of 24 Rabi' al-Thani 1442H (corresponding to 9 December 2020G)

Shareholder	Number of Shares	Ownership Percentage [1]
Abdullah Sulaiman Abdulrahman Al Ngeer	2,875,000	28.75%
Mohammad Sulaiman Abdulrahman Al Ngeer	2,675,000	26.75%
Abdulrahman Ali Abdullah Al Gubaisi	1,500,000	15.00%
Fares Saleh Mutlaq Al Henaki	1,000,000	10.00%
Saleh Mohammed Saleh Al Hajaj	1,000,000	10.00%
Abdullah Ahmed Sultan Al Shehri	300,000	3.00%
Saif Mohammed Saif Al Sharikh	250,000	2.50%
Abdulrahman Abdulkareem Saleh Abalkhail	200,000	2.00%
Abdulsalam Obaidullah Salem Alhusayn	200,000	2.00%
Total	**10,000,000**	**100.00%**

Source: The Company.

(1) Rounded to the first decimal place.

On 12 Jumada al-Ula 1442H (corresponding to 27 December 2020G): (a) Abdulsalam Obaidullah Salem Alhusayn transferred two hundred thousand (200,000) shares to Abdullah Sulaiman Abdulrahman Al Ngeer in exchange for cash consideration of two million Saudi Arabian Riyals (SAR 2,000,000); (b) Abdulrahman Abdulkareem Saleh Abalkhail transferred two hundred thousand (200,000) shares to Abdullah Sulaiman Abdulrahman Al Ngeer in exchange for cash consideration of two million Saudi Arabian Riyals (SAR 2,000,000); and (c) Abdullah Sulaiman Abdulrahman Al Ngeer transferred one hundred thousand (100,000) shares to Ziad Mohammed Makki Saleh Al Tunisi in exchange for cash consideration of one million Saudi Arabian Riyals (SAR 1,000,000).

The ownership of the Company after the transfer of Shares was as follows:

Table 4.4: The Shareholders of the Company as of 12 Jumada al-Ula 1442H (corresponding to 27 December 2020G)

Shareholder	Number of Shares	Ownership Percentage [1]
Abdullah Sulaiman Abdulrahman Al Ngeer	3,175,000	31.75%
Mohammad Sulaiman Abdulrahman Al Ngeer	2,675,000	26.75%
Abdulrahman Ali Abdullah Al Gubaisi	1,500,000	15.00%
Fares Saleh Mutlaq Al Henaki	1,000,000	10.00%
Saleh Mohammed Saleh Al Hajaj	1,000,000	10.00%
Abdullah Ahmed Sultan Al Shehri	300,000	3.00%
Saif Mohammed Saif Al Sharikh	250,000	2.50%
Ziad Mohammed Makki Saleh Al Tunisi	100,000	1.00%
Total	**10,000,000**	**100.00%**

Source: The Company.

(1) Rounded to the first decimal place.

On 20 Rajab 1443H (corresponding to 21 February 2022G), a share transfer agreement was signed between the shareholders of the Company, whereby Abdulrahman Ali Abdullah Al Gubaisi transferred one million five hundred thousand (1,500,000) Shares to Dr Sulaiman Al Habib Medical Services Group Company in exchange for cash consideration of seventy-five million Saudi Arabian Riyals (SAR 75,000,000). Fares Saleh Mutlaq Al Henaki separately signed a waiver agreement with Dr Sulaiman Al Habib Medical Services Group Company, whereby Fares Saleh Mutlaq Al Henaki transferred to Dr Sulaiman Al Habib Medical Services Group Company one million (1,000,000) Shares in exchange for cash consideration of fifty million Saudi Arabian Riyals (SAR 50,000,000).

The ownership of the Company after the transfer of Shares was as follows:

Table 4.5: The Shareholders of the Company as of 20 Rajab 1443H (corresponding to 21 February 2022G)

Shareholder	Number of Shares	Ownership Percentage (%)[1]
Abdullah Sulaiman Abdulrahman Al Ngeer	3,175,000	31.75%
Mohammad Sulaiman Abdulrahman Al Ngeer	2,675,000	26.75%
Dr Sulaiman Al Habib Medical Services Group Company	2,500,000	25.00%
Saleh Mohammed Saleh Al Hajaj	1,000,000	10.00%
Abdullah Ahmed Sultan Al Shehri	300,000	3.00%
Saif Mohammed Saif Al Sharikh	250,000	2.50%
Ziad Mohammed Makki Saleh Al Tunisi	100,000	1.00%
Total	**10,000,000**	**100.00%**

Source: The Company.

(1) Rounded to the first decimal place.

On 26 Ramadan 1443H (corresponding to 28 April 2022G), a share transfer agreement was signed between the Company's shareholders, whereby: (a) Abdullah Sulaiman Abdulrahman Al Ngeer transferred: (i) one million (1,000,000) Shares to Fares Saleh Mutlaq Al Henaki in exchange for cash consideration of fifty million Saudi Arabian Riyals (SAR 50,000,000); (ii) ninety-three thousand seven hundred and fifty (93,750) Shares to Abdulrahman Ali Abdullah Al Gubaisi in exchange for cash consideration of four million, six hundred eighty-seven thousand and five hundred Saudi Arabian Riyals (SAR 4,687,500); (b) Mohammad Sulaiman Abdulrahman Al Ngeer transferred nine hundred and sixty-eight thousand seven hundred and fifty (968,750) Shares to Abdulrahman Ali Abdullah Al Gubaisi in exchange for cash consideration of forty-eight million, four hundred thirty seven thousand and five hundred Saudi Arabian Riyals (SAR 48,437,500); and (c) Saif Mohammed Saif Al Sharikh transferred sixty-two thousand five hundred (62,500) Shares to Abdulrahman Ali Abdullah Al Gubaisi in exchange for cash consideration of three million, one hundred twenty-five thousand Saudi Arabian Riyals (SAR 3,125,000).

The ownership of the Company after the transfer of Shares was as follows:

Table 4.6: The Shareholders of the Company as of 26 Ramadan 1443H (corresponding to 28 April 2022G)

Shareholder	Number of Shares	Ownership Percentage (%) [1]
Dr Sulaiman Al Habib Medical Services Group Company	2,500,000	25.00%
Abdullah Sulaiman Abdulrahman Al Ngeer	2,081,250	20.81%
Mohammad Sulaiman Abdulrahman Al Ngeer	1,706,250	17.06%
Abdulrahman Ali Abdullah Al Gubaisi	1,125,000	11.25%
Fares Saleh Mutlaq Al Henaki	1,000,000	10.00%
Saleh Mohammed Saleh Al Hajaj	1,000,000	10.00%
Abdullah Ahmed Sultan Al Shehri	300,000	3.00%
Saif Mohammed Saif Al Sharikh	187,500	1.88%
Ziad Mohammed Makki Saleh Al Tunisi	100,000	1.00%
Total	**10,000,000**	**100.00%**

Source: The Company.

(1) Rounded to the first decimal place.

Pursuant to the Shareholders' Resolution dated 3 Thul-Hijjah 1444H (corresponding to 21 June 2023G), the capital of the Company was increased from one hundred million Saudi Arabian Riyals (SAR 100,000,000) to two hundred million Saudi Arabian Riyals (SAR 200,000,000), divided into twenty million (20,000,000) Shares, with a nominal value of ten Saudi Arabian Riyals (SAR 10) per Share, through the capitalisation of retained earnings.

The ownership of the Company after the capital increase was as follows:

Table 4.7: The Shareholders of the Company as of 3 Thul-Hijjah 1444H (corresponding to 21 June 2023G)

Shareholder	Number of Shares	Ownership Percentage (%) [1]
Dr Sulaiman Al Habib Medical Services Group Company	5,000,000	25.00%
Abdullah Sulaiman Abdulrahman Al Ngeer	4,162,500	20.81%
Mohammad Sulaiman Abdulrahman Al Ngeer	3,412,500	17.06%
Abdulrahman Ali Abdullah Al Gubaisi	2,250,000	11.25%
Fares Saleh Mutlaq Al Henaki	2,000,000	10.00%
Saleh Mohammed Saleh Al Hajaj	2,000,000	10.00%
Abdullah Ahmed Sultan Al Shehri	600,000	3.00%
Saif Mohammed Saif Al Sharikh	375,000	1.88%
Ziad Mohammed Makki Saleh Al Tunisi	200,000	1.00%
Total	**20,000,000**	**100.00%**

Source: The Company.

[1] Rounded to the first decimal place.

On 13 Jumada al-Akhirah 1445H (corresponding to 26 December 2023G), a share transfer agreement was signed between the Company's shareholders, whereby: (a) Abdullah Sulaiman Abdulrahman Al Ngeer transferred three million four hundred and twelve thousand five hundred (3,412,500) Shares to Tasheel Real Estate Company; and (b) Mohammad Sulaiman Abdulrahman Al Ngeer transferred three million four hundred and twelve thousand five hundred (3,412,500) Shares to Tasheel Real Estate Company, without any consideration for either transfer, since Tasheel Real Estate Company is equally owned by them.

The ownership of the Company after the transfer of Shares was as follows:

Table 4.8: The Shareholders of the Company as of 13 Jumada al-Akhirah 1445H (corresponding to 26 December 2023G)

Shareholder	Number of Shares	Ownership Percentage (%) [1]
Tasheel Real Estate Company	6,825,000	34.13%
Dr Sulaiman Al Habib Medical Services Group Company	5,000,000	25.00%
Abdulrahman Ali Abdullah Al Gubaisi	2,250,000	11.25%
Fares Saleh Mutlaq Al Henaki	2,000,000	10.00%
Saleh Mohammed Saleh Al Hajaj	2,000,000	10.00%
Abdullah Sulaiman Abdulrahman Al Ngeer	750,000	3.75%
Abdullah Ahmed Sultan Al Shehri	600,000	3.00%
Saif Mohammed Saif Al Sharikh	375,000	1.87%
Ziad Mohammed Makki Saleh Al Tunisi	200,000	1.00%
Total	**20,000,000**	**100.00%**

Source: The Company.

[1] Rounded to the first decimal place.

Pursuant to the Shareholders' Resolution dated 25 Sha'ban 1445H (corresponding to 6 March 2024G), the capital of the Company was increased from two hundred million Saudi Arabian Riyals (SAR 200,000,000) to two hundred and sixty-five million Saudi Arabian Riyals (SAR 265,000,000) divided into twenty-six million five hundred thousand (26,500,000) Shares with a nominal value of ten Saudi Arabian Riyals (SAR 10) per Share through the capitalisation of fifty-one million twenty-three thousand six hundred and eighty-nine Saudi Arabian Riyals (SAR 51,023,689) from retained earnings and the capitalisation of thirteen million, nine hundred and seventy-six thousand three hundred and eleven Saudi Arabian Riyals (SAR 13,976,311) from statutory reserve.

The ownership of the Company after the increase in capital was as follows:

Table 4.9: The Shareholders of the Company as of 25 Sha'ban 1445H (corresponding to 6 March 2024G)

Shareholder	Number of Shares	Ownership Percentage (%) [1]
Tasheel Real Estate Company	9,043,125	34.13%
Dr Sulaiman Al Habib Medical Services Group Company	6,625,000	25.00%
Abdulrahman Ali Abdullah Al Gubaisi	2,981,250	11.25%
Fares Saleh Mutlaq Al Henaki	2,650,000	10.00%
Saleh Mohammed Saleh Al Hajaj	2,650,000	10.00%
Abdullah Sulaiman Abdulrahman Al Ngeer	993,750	3.75%
Abdullah Ahmed Sultan Al Shehri	795,000	3.00%
Saif Mohammed Saif Al Sharikh	496,875	1.87%
Ziad Mohammed Makki Saleh Al Tunisi	265,000	1.00%
Total	**26,500,000**	**100.00%**

Source: The Company.

[1] Rounded to the first decimal place.

On 25 Thul-Qi'dah 1445H (corresponding to 2 June 2024G), Abdulrahman Ali Abdullah Al Gubaisi transferred nine hundred and ninety-three thousand seven hundred and fifty (993,750) Shares to the new shareholder, Saleh Hamad Ali Al Bhaiji , in exchange for cash consideration of nine million, nine hundred thirty-seven thousand and five hundred Saudi Arabian Riyals (SAR 9,937,500).

The ownership structure after the transfer of Shares was as follows:

Table 4.10: The Shareholders of the Company as of 25 Thul-Qi'dah 1445H (corresponding to 2 June 2024G)

Shareholder	Number of Shares	Ownership Percentage [1]
Tasheel Real Estate Company	9,043,125	34.13%
Dr Sulaiman Al Habib Medical Services Group Company	6,625,000	25.00%
Fares Saleh Mutlaq Al Henaki	2,650,000	10.00%
Saleh Mohammed Saleh Al Hajaj	2,650,000	10.00%
Abdulrahman Ali Abdullah Al Gubaisi	1,987,500	7.50%
Abdullah Sulaiman Abdulrahman Al Ngeer	993,750	3.75%
Saleh Hamad Ali Al Bhaiji	993,750	3.75%
Abdullah Ahmed Sultan Al Shehri	795,000	3.00%
Saif Mohammed Saif Al Sharikh	496,875	1.87%
Ziad Mohammed Makki Saleh Al Tunisi	265,000	1.00%
Total	**26,500,000**	**100.00%**

Source: The Company.

[1] Rounded to the first decimal place.

4.5 Key Historical Changes

The Company was established in 2018G and obtained a licence from the Ministry of Human Resources and Social Development to practice its activities in the same year, with a capital of one hundred million Saudi Arabian Riyals (SAR 100,000,000). To be one of the largest licensed companies for workforce solutions. Over the past five years, the Company has worked to expand its geographical scope until it was able to provide its services in every city in the Kingdom and cover most of the sectors required in the labour market.

The key historical changes and events are summarised below:

Table 4.11: Key Historical Changes and Events

Date	Change
2018G	– the Company was established as a closed joint stock company with a capital of one hundred million Saudi Arabian Riyals (SAR 100,000,000); – the Company started providing its services through a single branch in Riyadh; – three additional branches were opened, including one in Buraidah; – a call centre was established to effectively handle customer complaints; and – the Company launched a personal interview service through a service provider before being directly contracted by the client.
2019G	– the Company started providing hourly domestic labour services; – the Company launched the electronic contracting service to serve the hourly domestic labour services; – the Company launched a smartphone application to create a seamless experience for its customers; and – the Company opened five additional branches in Al-Rass, Al-Khobar, Dammam, Yanbu and Madinah.
2020G	– the Company acquired the entire share capital of Open Technologies for Communications and Information Technology Company to expand the Company's services in providing experienced and competent human manpower in the field of information technology; and – the Company opened a branch in the city of Khamis Mushait and a branch in the city of Al-Ahsa.
2021G	– the Company expanded its network of operations in the Kingdom by opening branches in Hail, Al-Kharj and Jeddah; – the Company established a centre for domestic worker services to facilitate communication with domestic workers and the resolution of any related problems; – the Company launched a system for contracting residential workers online through the Company's application and website; and – the Company's subsidiary, Elaf Specialist Contracting Company (formerly Seha Medical Services Company), was established.
2022G	– The Company opened a branch in the city of Taif and a branch in the city of Al-Baha.
2023G	– the Company's capital was increased from one hundred million Saudi Arabian Riyals (SAR 100,000,000) to two hundred million Saudi Arabian Riyals (SAR 200,000,000) by capitalisation of retained earnings; – the residential cooking services was launched for the Company's individual customers; – the establishment of Tamkeen Training Academy, an academy which aims to train, develop and support the skills and competencies of the Company's manpower; – a branch of the Company was opened in Tabuk; and – the Company's subsidiary, Eraf Medical Company, was established.
2024G	– The Company's capital was increased from two hundred million Saudi Arabian Riyals (SAR 200,000,000) to two hundred and sixty-five million Saudi Arabian Riyals (SAR 265,000,000) through the capitalisation of fifty-one million, twenty-three thousand six hundred and eighty-nine Saudi Arabian Riyals (SAR 51,023,689) from retained earnings and the capitalisation of thirteen million nine hundred and seventy-six thousand three hundred and eleven Saudi Arabian Riyals (SAR 13,976,311) from statutory reserve.

Source: The Company.

4.6 Overview of Subsidiaries

The Company directly owns three Subsidiaries located inside the Kingdom. The table below shows the details of its ownership in these Subsidiaries as of the date of this Prospectus:

Table 4.12: Direct and Indirect Ownership Structure in Subsidiaries as of the Date of this Prospectus

Name of Subsidiary	Direct Ownership (%)	Indirect Ownership (%)	Remaining Ownership
Open Technologies for Communications and Information Technology Company	100%	-	-
Elaf Specialist Contracting Company	100%	-	-
Eraf Medical Company	60%	-	Dr Sulaiman Al Habib Medical Services Group Company

Source: The Company.

The following table shows a breakdown of each of the Subsidiaries' revenues and their revenue contribution as a percentage of the Group's total revenue:

Table 4.13: Details of the Revenues of Each of the Subsidiaries and their Percentage of Sales in the Group's Total Revenue

Subsidiaries	Total Revenue (SAR'000)				Contribution (%)			
	Financial Year Ended 31 December			Three-Month Period ended 31 March	Financial Year Ended 31 December			Three-Month Period ended 31 March
	2021G	2022G	2023G	2024G	2021G	2022G	2023G	2024G
Open Technologies for Communications and Information Technology Company	2.5	2.0	2.9	1.8	0.7%	0.5%	0.6%	1.3%
Elaf Specialist Contracting Company[(1)]	-	-	-	-	-	-	-	-
Eraf Medical Company[(1)]	-	-	-	-	-	-	-	-
Total	**2.5**	**2.0**	**2.9**	**1.8**	**0.7%**	**0.5%**	**0.6%**	**1.3%**

Source: The Company.

(1) The company has not yet commenced its activities.

The following sections sets out the details of each Subsidiary:

4.6.1 Open Technologies for Communications and Information Technology Company

Open Technologies for Communications and Information Technology Company is a limited liability company registered in Riyadh, Kingdom of Saudi Arabia, under Commercial Registration No 1010481106 dated 3 Rabi' al-Thani 1440H (corresponding to 10 December 2018G). Open Technologies for Communications and Information Technology Company's registered head office is located at Riyadh, P.O. Box 4143, 12333, Riyadh, Kingdom of Saudi Arabia. As of the date of this Prospectus, the share capital of Open Technologies for Communications and Information Technology Company is three hundred thousand Saudi Arabian Riyals (SAR 300,000), divided into thirty thousand (30,000) shares with a fully paid nominal value of ten Saudi Arabian Riyals (SAR 10) per share. The Company acquired the entire share capital of Open Technologies for Communications and Information Technology Company on 29 Rabi' al-Awwal 1441H (corresponding to 26 November 2019G), in exchange for cash considerations of four hundred and fifty thousand Saudi Arabian Riyals (SAR 450,000). The purpose of this acquisition was to expand the Company's services in providing experienced and competent human cadres in the field of information technology.

The following table sets out the ownership structure of Open Technologies for Communications and Information Technology Company as of the date of this Prospectus:

Table 4.14: Ownership Structure of Open Technologies for Communications and Information Technology Company as of the Date of this Prospectus

Shareholders	Shares	Nominal Value per Share (SAR)	Overall Nominal Value (SAR)	Shareholding (%)
Tamkeen Human Resources Company	30,000	10	300,000	100.00%
Total	**30,000**	**-**	**300,000**	**100.00%**

Source: The Company.

The main activities of Open Technologies for Communications and Information Technology Company according to its bylaws, consist of the production and packaging of computer programming activities, computer consulting expertise and computer facility management activities, data processing, website hosting and its related activities and network gateways. As of the date of this Prospectus, the actual activities of Open Technologies for Communications and Information Technology Company are the provision of specialised human resources services in information technology and programming to companies operating in this field.

4.6.2 Elaf Specialist Contracting Company

Elaf Specialist Contracting Company is a limited liability company registered in Riyadh, Kingdom of Saudi Arabia under Commercial Registration No 1010766612 dated 17 Jumada al-Ula 1443H (corresponding to 20 December 2021G). Elaf Specialist Contracting Company's registered head office is located at Riyadh, P.O. Box 4143, 12333, Riyadh, Kingdom of Saudi Arabia. As of the date of this Prospectus, the share capital of Elaf Specialist Contracting Company is one hundred thousand Saudi Arabian Riyals (SAR 100,000), divided into one hundred (100) shares with a fully paid nominal value of one thousand Saudi Arabian Riyals (SAR 1,000) per share.

The following table sets out the ownership structure of Elaf Specialist Contracting Company as of the date of this Prospectus:

Table 4.15: Ownership Structure of Elaf Specialist Contracting Company as of the Date of this Prospectus

Shareholders	Shares	Nominal Value per Share (SAR)	Overall Nominal Value (SAR)	Shareholding (%)
Tamkeen Human Resources Company	100	1,000	100,000	100.00%
Total	**100**	**-**	**100,000**	**100.00%**

Source: The Company.

The main activities of Elaf Specialist Contracting Company, according to its bylaws, consist of integrated activities to support facilities and supervision services for general cleaning of buildings. As of the date of this Prospectus, the actual activities of Elaf Specialist Contracting Company are the provision of general cleaning services for buildings. Elaf Specialist Contracting Company has yet to commence operations as it is still undergoing incorporation. To this end, the basic frameworks for its strategy and the services it provides to target clients are being developed. It is expected that Elaf Specialist Contracting Company will commence business operations during the third quarter of 2024G.

4.6.3 Eraf Medical Company

Eraf Medical Company is a limited liability company registered in Riyadh, Kingdom of Saudi Arabia under Commercial Registration No 1010866144 dated 14 Sha'ban 1444H (corresponding to 6 March 2023G). Eraf Medical Company's registered head office is located at Riyadh, P.O. Box 4143, 12333, Riyadh, Kingdom of Saudi Arabia. As of the date of this Prospectus, the share capital of Eraf Medical Company is four million (SAR 4,000,000), divided into four thousand (4,000) shares with a fully paid nominal value of one thousand Saudi Arabian Riyals (SAR 1,000) per share.

The following table sets out the ownership structure of Eraf Medical Company as of the date of this Prospectus:

Table 4.16: Ownership Structure of Eraf Medical Company as of the Date of this Prospectus

Shareholders	Shares	Nominal Value per Share (SAR)	Overall Nominal Value (SAR)	Shareholding (%)
Tamkeen Human Resources Company	2,400	1,000	2,400,000	60.00%
Dr Sulaiman Al Habib Medical Services Group Company	1,600	1,000	1,600,000	40.00%
Total	**4,000**	**-**	**4,000,000**	**100.00%**

Source: The Company.

The main activities of Eraf Medical Company, according to its bylaws, consist of human health, teamwork activities and other human health. The actual activities of Eraf Medical Company are the provision of medical cadres (nurses and nursing assistants) for home health care services through contractual relationships with clients for set periods of time. Eraf Medical Company has yet to commence operations; its operating licence was recently issued on 15 Thul-Qi'dah 1445H (corresponding to 23 May 2024G). It is expected that Eraf Medical Company will commence business operations during the third quarter of 2024G.

4.7 Current Shareholding Structure

4.7.1 Overview

The Company's current capital is two hundred and sixty-five million Saudi Arabian Riyals (SAR 265,000,000) divided into twenty-six million five hundred thousand (26,500,000) ordinary Shares with a fully paid nominal value of ten Saudi Arabian Riyals (SAR 10) per Share.

The following table sets out the direct ownership and capital structure of the Company before and after the Offering:

Table 4.17: Direct Ownership Structure of the Company Pre- and Post-Offering

Shareholder	Pre-Offering			Post-Offering		
	Number of Shares	Ownership (%) (1)	Nominal Value (SAR)	Number of Shares	Ownership (%) (1)	Nominal Value (SAR)
Tasheel Real Estate Company	9,043,125	34.13%	90,431,250	5,634,563	21.26%	56,345,630
Dr Sulaiman Al Habib Medical Services Group Company	6,625,000	25.00%	66,250,000	4,637,500	17.50%	46,375,000
Fares Saleh Mutlaq Al Henaki	2,650,000	10.00%	26,500,000	2,650,000	10.00%	26,500,000
Saleh Mohammed Saleh Al Hajaj	2,650,000	10.00%	26,500,000	1,523,750	5.75%	15,237,500
Abdulrahman Ali Abdullah Al Gubaisi	1,987,500	7.50%	19,875,000	1,325,000	5.00%	13,250,000
Abdullah Sulaiman Abdulrahman Al Ngeer(2)	993,750	3.75%	9,937,500	993,750	3.75%	9,937,500
Saleh Hamad Ali Al Bhaiji	993,750	3.75%	9,937,500	695,625	2.63%	6,956,250
Abdullah Ahmed Sultan Al Shehri	795,000	3.00%	7,950,000	556,500	2.10%	5,565,000
Saif Mohammed Saif Al Sharikh	496,875	1.87%	4,968,750	347,812	1.31%	3,478,120
Ziad Mohammed Makki Saleh Al Tunisi	265,000	1.00%	2,650,000	185,500	0.70%	1,855,000
Public	-	-	-	7,950,000	30.00%	79,500,000
Total	**26,500,000**	**100.00%**	**265,000,000**	**26,500,000**	**100.00%**	**265,000,000**

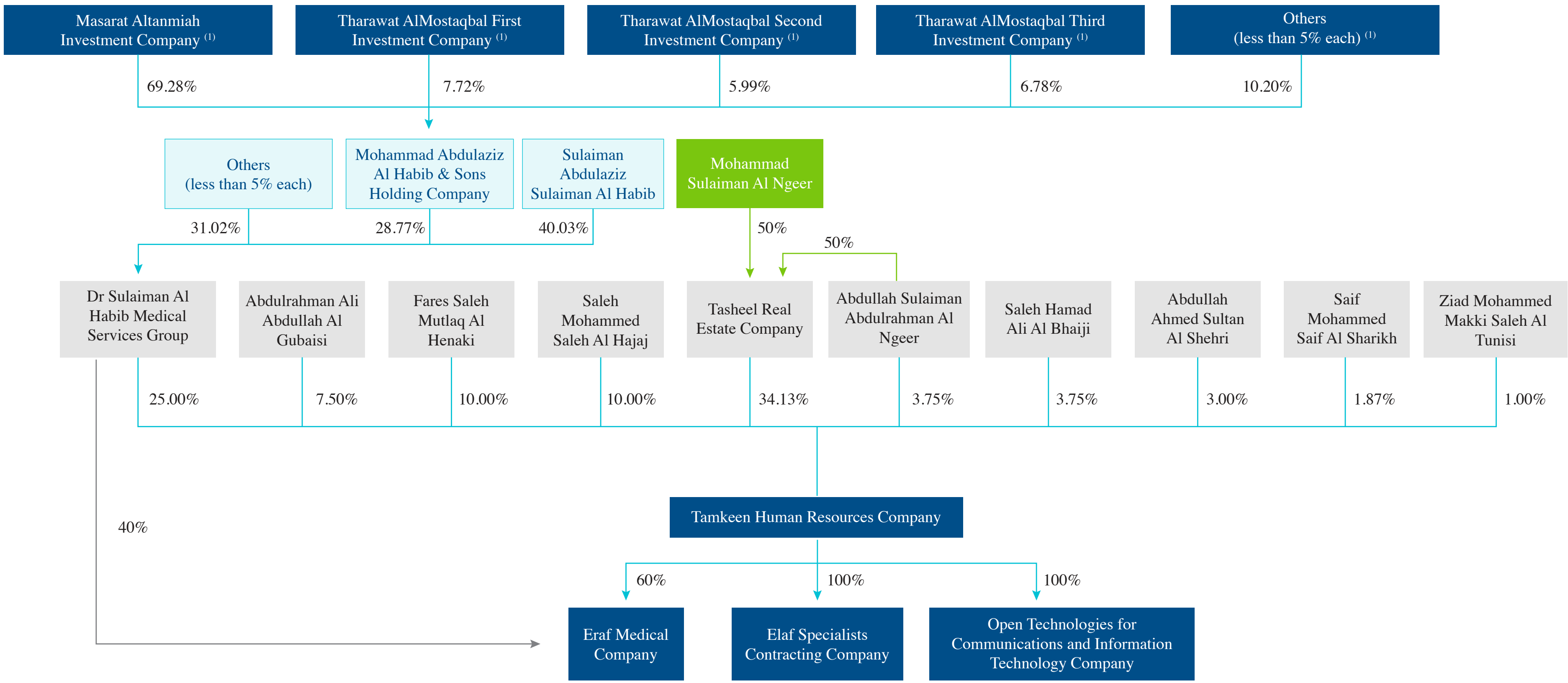
Source: The Company.

(1) Rounded to the first decimal place.

(2) None of the current Shareholders indirectly own any Shares in the Company, with the exception of Abdullah Sulaiman Abdulrahman Al Ngeer, who owns 50.00 per cent. of Tasheel Real Estate Company (which directly owns 34.13 per cent. of the Company). As a result, he indirectly owns approximately 4,521,562 shares in the Company, representing 17.06 per cent. of the Company prior to the Offering.

The following chart shows the Company's ownership structure as of the date of this Prospectus:

Exhibit 4.1: The Company's Ownership Structure as of the Date of this Prospectus



Source: The Company.

Note: (1) For further details on ultimate owners, see "Mohammad Abdulaziz Al Habib & Sons Holding Company" in Section 4.7.2.2 (*Dr Sulaiman Al Habib Medical Services Group Company*).

The following tables sets out the details of Shareholders directly and indirectly holding five per cent. or more of the Shares in the Company as of the date of this Prospectus:

Table 4.18: Details of Shareholders Directly Holding Five Per cent. or More of the Shares in the Company as of the Date of this Prospectus

Shareholder	Pre-Offering			Post-Offering		
	Number of Shares	Ownership (%) (1)	Nominal Value (SAR)	Number of Shares	Ownership (%) (1)	Nominal Value (SAR)
Tasheel Real Estate Company	9,043,125	34.13%	90,431,250	5,634,563	21.26%	56,345,630
Dr Sulaiman Al Habib Medical Services Group Company	6,625,000	25.00%	66,250,000	4,637,500	17.50%	46,375,000
Fares Saleh Mutlaq Al Henaki	2,650,000	10.00%	26,500,000	2,650,000	10.00%	26,500,000
Saleh Mohammed Saleh Al Hajaj	2,650,000	10.00%	26,500,000	1,523,750	5.75%	15,237,500
Abdulrahman Ali Abdullah Al Gubaisi	1,987,500	7.50%	19,875,000	1,325,000	5.00%	13,250,000
Total	**22,955,625**	**86.63%**	**229,556,250**	**15,969,563**	**59.51%**	**159,695,630**

Source: The Company.

(1) Rounded to the first decimal place.

Table 4.19: Details of Shareholders Indirectly Holding Five Per cent. or More of the Shares in the Company as of the Date of this Prospectus

Shareholder	Pre-Offering			Post-Offering		
	No of Shares	Shareholding (%) (1)	Value of Shares (SAR)	No of Shares	Shareholding (%) (1)	Value of Shares (SAR)
Abdullah Sulaiman Abdulrahman Al Ngeer	4,521,562	17.06%	45,215,620	2,816,950	10.63%	28,169,500
Mohammad Sulaiman Abdulrahman Al Ngeer	4,521,563	17.06%	45,215,630	2,816,951	10.63%	28,169,510
Sulaiman Abdulaziz Sulaiman Al Habib	2,651,988	10.01%	26,519,880	1,855,000	7.00%	17,500,000
Mohammad Abdulaziz Al Habib & Sons Holding Company	1,906,013	7.19%	19,060,130	1,332,950	5.03%	14,752,500
Total	**13,601,126**	**51.32%**	**136,011,260**	**8,821,851**	**33.29%**	**88,218,510**

Source: The Company.

(1) Rounded to the first decimal place.

4.7.2 Overview of Corporate Shareholders

This Section sets out the details of Tasheel Real Estate Company which directly holds 34.13 per cent. of the Shares and Dr Sulaiman Al Habib Medical Services Group Company which directly holds 25 per cent. of the Shares as of the date of this Prospectus.

4.7.2.1 Tasheel Real Estate Company

Tasheel Real Estate Company is a Saudi Joint Stock Company registered under Commercial Registration No. 1010450239 dated 7 Ramadan 1439H (corresponding to 22 May 2018G). The company's headquarters and registered office is located at Al Maseef District, Riyadh 12466, Kingdom of Saudi Arabia. The current capital of the company is ten million Saudi Arabian Riyals (SAR 10,000,000) divided into ten million (10,000,000) ordinary shares with a fully paid nominal value of one Saudi Arabian Riyal (SAR 1) per share.

Tasheel Real Estate Company's main activities consist of construction of all types of residential buildings, general construction of non-residential buildings (such as schools, hospitals, hotels, etc.), buying and selling land and real estate, dividing them and off-plan sales activities, management and leasing of owned or rented properties (residential), management and leasing of owned or rented properties (non-residential), management and leasing of self-storage units, residential real estate development using modern construction methods, commercial real estate development using modern construction methods, activities of real estate agents and brokers and property management.

The following table sets out the ownership structure of Tasheel Real Estate Company as of the date of this Prospectus:

Table 4.20: Ownership Structure of Tasheel Real Estate Company as of the Date of this Prospectus

Shareholder	Number of Shares	Nominal value per Share (SAR)	Overall Nominal Value (SAR)	Shareholding (%) (1)
Abdullah Sulaiman Abdulrahman Al Ngeer	5,000,000	1	5,000,000	50.00%
Mohammad Sulaiman Abdulrahman Al Ngeer	5,000,000	1	5,000,000	50.00%
Total	**10,000,000**	**-**	**10,000,000**	**100.00%**

Source: The Company.

(1) The ownership percentages are rounded.

4.7.2.2 Dr Sulaiman Al Habib Medical Services Group Company

Dr Sulaiman Al Habib Medical Services Group is a Saudi public joint stock company incorporated by virtue of Ministerial Resolution No 38/Q dated 26 Safar 1435H (corresponding to 29 December 2013G) and registered under Commercial Registration No. 1010118330 dated 11 Jumada al-Akhirah 1414H (corresponding to 25 November 1993G). The company's headquarters and registered office is located at Al Olaya District, King Fahad Road, P.O. Box 301578, Riyadh 11372, Kingdom of Saudi Arabia. The current capital of the company is three billion five hundred million Saudi Arabian Riyals (SAR 3,500,000,000), divided into three hundred and fifty million (350,000,000) ordinary shares with a fully paid nominal value of ten Saudi Arabian Riyals (SAR 10) per share.

Dr Sulaiman Al Habib Medical Services Group's Company main activities consist of providing health care and medical services.

The following table sets out the ownership structure of Dr Sulaiman Al Habib Medical Services Group Company as of the date of this Prospectus:

Table 4.21: Ownership Structure of Dr Sulaiman Al Habib Medical Services Group Company as of the Date of this Prospectus

Shareholder	Number of Shares	Nominal value per Share (SAR)	Overall Nominal Value (SAR)	Shareholding (%) (1)
Sulaiman Abdulaziz Sulaiman Al Habib	140,105,000	10	1,401,050,000	40.03%
Mohammad Abdulaziz Al Habib & Sons Holding Company	100,695,000	10	1,006,950,000	28.77%
Others (less than 5% each)	109,200,000	10	1,092,000,000	31.02%
Total	**350,000,000**	**-**	**3,500,000,000**	**100.00%**

Source: The Company.

(1) Rounded to the first decimal place.

The following provides an overview of Dr Sulaiman Al Habib Medical Services Group Company Corporate Shareholders as of the date of this Prospectus:

(a) Mohammad Abdulaziz Al Habib & Sons Holding Company

Mohammad Abdulaziz Al Habib & Sons Holding Company is Saudi closed joint stock company registered under the Commercial Registration No 1010245272, dated 23 Safar 1429H (corresponding to 25 November 1993G). The Company's headquarters and registered office is located at Al Rayyan District, Eastern Ring Road, P.O. Box 9261, Riyadh, Kingdom of Saudi Arabia. Its current capital is one billion, three hundred and twenty million Saudi Arabian Riyals (SAR 1,320,000,000) divided into one hundred and thirty-two million (132,000,000) ordinary shares with a fully paid nominal value of ten Saudi Arabian Riyals (SAR 10) per share.

Mohammad Abdulaziz Al Habib & Sons Holding Company main activities consists of managing its subsidiaries.

The following table sets out the ownership structure of Mohammad Abdulaziz Al Habib & Sons Holding Company as of the date of this Prospectus:

Table 4.22: Ownership Structure of Mohammad Abdulaziz Al Habib & Sons Holding Company as of the Date of this Prospectus

Shareholder	Number of Shares	Nominal value per Share (SAR)	Overall Nominal Value (SAR)	Shareholding (%) (1)
Masarat Altanmiah Investment Company	91,451,833	10	914,518,330	69.28%
Tharawat AlMostaqbal First Investment Company	10,194,188	10	101,941,880	7.72%
Tharawat AlMostaqbal Third Investment Company	8,959,001	10	89,590,010	6.78%
Tharawat AlMostaqbal Second Investment Company	7,915,421	10	79,154,210	5.99%
Tharawat AlMostaqbal Fourth Investment Company	5,499,405	10	54,994,050	4.16%

Shareholder	Number of Shares	Nominal value per Share (SAR)	Overall Nominal Value (SAR)	Shareholding (%) (1)
Tharawat AlMostaqbal Investment Company	5,321,161	10	53,211,610	4.03%
Namaa AlMostaqbal Investment Company	2,658,991	10	26,589,910	2.01%
Total	**132,000,000**	**-**	**1,320,000,000**	**100.00%**

Source: The Company.

(1) Rounded to the first decimal place.

The following is an overview of the shareholders of Mohammad Abdulaziz Al Habib & Sons Holding Company as of the date of this Prospectus:

(b) Masarat Altanmiah Investment Company

Masarat Altanmiah Investment Company is a Saudi closed joint stock company registered under Commercial Registration No 1010672313, dated 21 Jumada al-Akhirah 1442H (corresponding to 6 December 2020G). The company's headquarters and registered office is located at Al Rayyan District, Eastern Ring Road, P.O. Box 2683, Riyadh, Kingdom of Saudi Arabia. The current capital of the Company is five hundred thousand Saudi Arabian Riyals (SAR 500,000) divided into fifty thousand (50,000) ordinary shares with a fully paid nominal value of ten Saudi Arabian Riyals (10) per share.

Masarat Altanmiah Investment Company main activities consist, according to its bylaws, of managing and renting owned and rented properties (residential) and managing and renting owned and rented properties (non-residential).

The following table sets out the ownership structure of Masarat Altanmiah Investment Company as of the date of this Prospectus:

Table 4.23: Ownership Structure of Masarat Altanmiah Investment Company as of the Date of this Prospectus

Shareholder	Number of Shares	Nominal value per Share (SAR)	Overall Nominal Value (SAR)	Shareholding (%) (1)
Endowment Certificate No 401209307	49,500	10	495,000	99.00%
Osool Altanmiah Investment Company	500	10	5,000	1.00%
Total	**50,000**	**-**	**500,000**	**100.00%**

Source: The Company.

(1) The ownership percentages are rounded.

(c) Endowment Certificate No 401209307

Endowment Certificate issued from the Personal Statue Court in Riyadh, is an endowment establishment registered under the Endowment Certificate No 401209307 dated 27 Rajab 1440H (corresponding to 3 April 2019G).

(d) Osool Altanmiah Investment Company

Osool Altanmiah Investment Company is a limited liability company registered under the Commercial Registration No. 1010640960 dated 11 Thul-Qi'dah 1441H (corresponding to 1 July 2019G). The company's headquarters and registered office is located at AlRayyan District, Eastern Ring Branch Road, P.O. Box 2683, Riyadh, Kingdom of Saudi Arabia. As of the date of this Prospectus, Osool Altanmiah Investment Company's capital is ten thousand Saudi Arabian Riyals (SAR 10,000) divided into one thousand (1,000) shares with a nominal value of ten Saudi Arabian Riyals (SAR 10) per share.

Osool Altanmiah Investment Company's activities consist, according to its bylaws, of managing and renting owned and rented properties (residential and non-residential) and management of real estate activities for commission.

The following table sets out the ownership structure of Osool Altanmiah Investment Company as of the date of this Prospectus:

Table 4.24: The Ownership Structure of Osool Altanmiah Investment Company as of the Date of this Prospectus

Shareholder	Number of Shares	Nominal value per Share (SAR)	Overall Nominal Value (SAR)	Shareholding (%) (1)
Mohammed AlHabib Endowment	1,000	10	10,000	100.00%
Total	**1,000**	**-**	**10,000**	**100.00%**

Source: The Company.

(1) Rounded to the first decimal place.

(e) Tharawat AlMostaqbal First Investment Company

Tharawat AlMostaqbal First Investment Company is a limited liability company registered under Commercial Registration No. 1010623386 dated 28 Jumada al-Ula 1441H (corresponding to 23 January 2020G). The company's headquarters and registered office is located at AlRayyan District, Eastern Ring Branch Road, P.O. Box 114211, Riyadh, Kingdom of Saudi Arabia. The current capital of the company is eleven million six hundred and seventy-three thousand nine hundred and fifty Saudi Arabian Riyals (SAR 11,673,950) divided into eleven million six hundred and seventy-three thousand nine hundred and fifty (11,673,950) ordinary shares with a fully paid nominal value of one Saudi Arabian Riyal (SAR 1) per share.

Tharawat AlMostaqbal First Investment Company's main activities consist, according to its bylaws, of general construction of non-residential buildings (such as schools, hospitals, hotels, etc.), managing and renting owned and rented properties (residential) and managing and renting owned and rented properties (non-residential).

The following table sets out the ownership structure of Tharawat AlMostaqbal First Investment Company as of the date of this Prospectus:

Table 4.25: Ownership Structure of Tharawat AlMostaqbal First Investment Company as of the Date of this Prospectus

Shareholder	Number of Shares	Nominal value per Share (SAR)	Overall Nominal Value (SAR)	Shareholding (%) [1]
Muneera Abdulrahman AlOuda	1,503,087	1	1,503,087	12.88%
Mohammed Abdulaziz Sulaiman AlHabib	1,490,982	1	1,490,982	12.77%
Saleh Mohammed Abdulaziz AlHabib	1,349,191	1	1,349,191	11.56%
Zaid Mohammed Abdulaziz AlHabib	1,500,848	1	1,500,848	12.86%
Reem Mohammed Abdulaziz AlHabib	840,176	1	840,176	7.20%
Sarah Mohammed Abdulaziz AlHabib	832,398	1	832,398	7.13%
Buthainah Mohammed Abdulaziz AlHabib	796,198	1	796,198	6.82%
Khawlah Mohammed Abdulaziz AlHabib	841,685	1	841,685	7.21%
Alhanouf Mohammed Abdulaziz AlHabib	831,025	1	831,025	7.12%
Albatool Mohammed Abdulaziz AlHabib	847,403	1	847,403	7.26%
Najlaa Mohammed Abdulaziz AlHabib	840,957	1	840,957	7.20%
Total	**11,673,950**	**-**	**11,673,950**	**100.00%**

Source: The Company.

(1) Rounded to the first decimal place.

(f) Tharawat AlMostaqbal Third Investment Company

Tharawat AlMostaqbal Third Investment Company is a limited liability company registered under Commercial Registration No. 1010623388 dated 28 Jumada al-Ula 1441H (corresponding to 23 January 2020G). The company's headquarters and registered office is located at AlRayyan District, Eastern Ring Road Branch, P.O. Box 114211, Riyadh, Kingdom of Saudi Arabia. As of the date of this Prospectus, Tharawat AlMostaqbal Third Investment Company's capital is eight million nine hundred fifty-nine thousand and one Saudi Arabian Riyals (SAR 8,959,001) divided into eight million nine hundred fifty-nine thousand and one (8,959,001) shares with a nominal value of one Saudi Arabian Riyal (SAR 1) per share.

Tharawat AlMostaqbal Third Investment Company main activities consist, according to its bylaws, of own-account investment activities such as by venture capital companies and investment clubs.

The following table sets out the ownership structure of Tharawat AlMostaqbal Third Investment Company as of the date of this Prospectus:

Table 4.26: Ownership Structure of Tharawat AlMostaqbal Third Investment Company as of the Date of this Prospectus

Shareholder	Number of Shares	Nominal value per Share (SAR)	Overall Nominal Value (SAR)	Shareholding (%) [1]
Ruqaia Ali AlAzzaz	1,210,805	1	1,210,805	13.52%
Aljoharah Mohammed Abdulaziz AlHabib	838,396	1	838,396	9.36%
Turki Mohammed Abdulaziz AlHabib	1,669,076	1	1,669,076	18.63%
Faisal Mohammed Abdulaziz AlHabib	1,669,076	1	1,669,076	18.63%
Shaihana Mohammed Abdulaziz AlHabib	823,473	1	823,473	9.19%
Sultanah Mohammed Abdulaziz AlHabib	823,473	1	823,473	9.19%
Fahad Mohammed Abdulaziz AlHabib	1,320,000	1	1,320,000	14.73%
Fahdah Mohammed Abdulaziz AlHabib	604,702	1	604,702	6.75%
Total	**8,959,001**	**-**	**8,959,001**	**100.00%**

Source: The Company.

(1) Rounded to the first decimal place.

(g) Tharawat AlMostaqbal Second Investment Company

Tharawat AlMostaqbal Second Investment Company is a limited liability company registered under Commercial Registration No. 1010623293 dated 27 Jumada al-Ula 1441H (corresponding to 22 January 2020G). The company's headquarters and registered office is located at AlRayyan District, Eastern Ring Road Branch, P.O. Box 114211, Riyadh, Kingdom of Saudi Arabia. As of the date of this Prospectus, Tharawat AlMostaqbal Second Investment Company's capital is eight million seven hundred and sixty-four thousand six hundred and fifty Saudi Arabian Riyals (SAR 8,764,650), divided into eight million, seven hundred and sixty-four thousand six hundred and fifty (8,764,650) shares with a nominal value of one Saudi Arabian Riyal (SAR 1) per share.

Tharawat AlMostaqbal Second Investment Company's main activities consist of general construction of residential buildings, general construction of non-residential buildings (such as schools, hospitals, hotels, etc.), managing and renting owned and rented properties (residential) and managing and renting owned and rented properties (non-residential).

The following table sets out the ownership structure of Tharawat AlMostaqbal Second Investment Company as of the date of this Prospectus:

Table 4.27: Ownership Structure of Tharawat AlMostaqbal Second Investment Company as of the Date of this Prospectus

Shareholder	Number of Shares	Nominal value per Share (SAR)	Overall Nominal Value (SAR)	Shareholding (%) (1)
Fatima Abdulaziz AlTwuaijri	1,463,619	1	1,463,619	16.70%
Abdullah Mohammed Abdulaziz AlHabib	1,473,259	1	1,473,259	16.81%
Hasan Mohammed Abdulaziz AlHabib	1,639,095	1	1,639,095	18.70%
Hajar Mohammed Abdulaziz AlHabib	840,230	1	840,230	9.59%
Salma Mohammed Abdulaziz AlHabib	832,427	1	832,427	9.50%
Saja Mohammed Abdulaziz AlHabib	847,085	1	847,085	9.66%
Salman Mohammed Abdulaziz AlHabib	1,668,935	1	1,668,935	19.04%
Total	**8,764,650**	**-**	**11,673,950**	**100.00%**

Source: The Company.

(1) Rounded to the first decimal place.

(h) Tharawat AlMostaqbal Fourth Investment Company

Tharawat AlMostaqbal Fourth Investment Company is a limited liability company registered under Commercial Registration No. 1010623392 dated 28 Jumada al-Ula 1441H (corresponding to 23 January 2020G). The company's headquarters and registered office is located at AlRayyan District, Eastern Ring Road Branch, P.O. Box 114211, Riyadh, Kingdom of Saudi Arabia. As of the date of this Prospectus, Tharawat AlMostaqbal Fourth Investment Company's capital is five million eight hundred and twenty-nine thousand four hundred and five Saudi Arabian Riyals (SAR 5,829,405), divided into five million eight hundred and twenty-nine thousand four hundred and five (5,829,405) shares with a nominal value of one Saudi Arabian Riyal (SAR 1) per share.

Tharawat AlMostaqbal Fourth Investment Company main activities consist of own-account investment activities, such as by venture capital companies and investment clubs.

The following table sets out the ownership structure of Tharawat AlMostaqbal Fourth Investment Company as of the date of this Prospectus:

Table 4.28: Ownership Structure of Tharawat AlMostaqbal Fourth Investment Company as of the Date of this Prospectus

Shareholder	Number of Shares	Nominal value per Share (SAR)	Overall Nominal Value (SAR)	Shareholding (%) (1)
May Saleh AlYahya	1,320,000	1	1,320,000	22.64%
Khalid Mohammed Abdulaziz AlHabib	1,320,000	1	1,320,000	22.64%
Lulu Mohammed Abdulaziz AlHabib	660,000	1	660,000	11.33%
Bader Mohammed Abdulaziz AlHabib	1,320,000	1	1,320,000	22.64%
Saud Mohammed Abdulaziz AlHabib	1,209,405	1	1,209,405	20.75%
Total	**5,829,405**	**-**	**5,829,405**	**100.00%**

Source: The Company.

(1) Rounded to the first decimal place.

(i) Tharawat AlMostaqbal Investment Company

Tharawat AlMostaqbal Investment Company is a limited liability company registered under Commercial Registration No. 1010329175 dated 27 Rabi' al-Awwal 1433H (corresponding to 19 February 2012G). The Company's headquarters and registered office is located at AlRayyan District, Eastern Ring Road Branch, P.O. Box 114211, Riyadh, Kingdom of Saudi Arabia. As of the date of this Prospectus, Tharawat AlMostaqbal Investment Company's capital is seven million one hundred and thirty-five thousand two hundred and sixty-eight Saudi Arabian Riyals (SAR 7,135,268), divided into seven million one hundred and thirty-five thousand two hundred and sixty-eight (7,135,268) shares with a nominal value of one Saudi Arabian Riyal (SAR 1) per share.

Tharawat AlMostaqbal Investment Company main activities consist of general construction of non-residential buildings (such as schools, hospitals, hotels, etc.), managing and renting owned and rented properties (residential) and managing and renting owned and rented properties (non-residential).

The following table sets out the ownership structure of Tharawat AlMostaqbal Investment Company as of the date of this Prospectus:

Table 4.29: Ownership Structure of Tharawat AlMostaqbal Investment Company as of the Date of this Prospectus

Shareholder	Number of Shares	Nominal value per Share (SAR)	Overall Nominal Value (SAR)	Shareholding (%)
Mohammed Abulaziz Sulaiman AlHabib	7,135,268	1	7,135,268	100.00%
Total	**7,135,268**	**-**	**7,135,268**	**100.00%**

Source: The Company.

(j) Namaa AlMostaqbal Investment Company

Namaa AlMostaqbal Investment Company is a limited liability company registered under Commercial Registration No. 1010746355 dated 22 Safar 1443H (corresponding to 29 September 2021G). The company's headquarters and registered office is located at AlRayyan District, Eastern Ring Road Branch, P.O. Box 114211, Riyadh, Kingdom of Saudi Arabia. As of the date of this Prospectus, Namaa AlMostaqbal Investment Company's capital is ten thousand Saudi Arabian Riyals (SAR 10,000), divided into one hundred (100) shares with a nominal value of one hundred Saudi Arabian Riyals (SAR 100) per share.

Namaa AlMostaqbal Investment Company's main activities consist of own-account investment activities, such as by venture capital companies and investment clubs.

The following table sets out the ownership structure of Namaa AlMostaqbal Investment Company as of the date of this Prospectus:

Table 4.30: Ownership Structure of Namaa AlMostaqbal Investment Company as of the Date of this Prospectus

Shareholder	Number of Shares	Nominal value per Share (SAR)	Overall Nominal Value (SAR)	Shareholding (%)
Mohammed Abdulaziz AlHabib	75	100	7,500	75.00%
Abdullah Mohammed Abdulaziz AlHabib	25	100	2,500	25.00%
Total	**100**	**-**	**10,000**	**100%**

Source: The Company.

4.8 Overview of the Group's Business

The Group excels in providing a comprehensive suite of manpower services, expertly meeting the multifaceted demands of corporate clients and individual customers alike. It specialises in procuring a wide array of international manpower resources, spanning from proficient unskilled workers to seasoned professionals and skilled technicians. This strategic diversity in talent sourcing underpins the Group's commitment to addressing the evolving manpower needs across diverse industry sectors efficiently and effectively.

4.8.1 The Group's Services

The Group is a comprehensive provider of manpower services to a broad spectrum of clients, including both corporate clients and individual customers. This service encompasses the sourcing of manpower resources equipped with the necessary skills to meet specific requirements. The Group is fully responsible for all expenses related to the recruitment process. This responsibility extends to covering the salaries of manpower resources, fees associated with work and residence permits, medical examination, medical insurance and manpower sponsorship costs. Additionally, depending on the contractual agreements with clients, the Group may also bear the costs of airfare.

In the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, the revenue from the Corporate Segment represented 54.9 per cent., 54.2 per cent., 55.9 per cent. and 66.6 per cent., respectively, of the Group's total revenue for the same period. The revenue from the Individual Segment represented 45.1 per cent., 45.8 per cent., 44.1 per cent. and 33.4 per cent., respectively, of the Group's total revenue for the same period.

4.8.1.1 Corporate Segment

The Group specialises in serving the Corporate Segment by providing a spectrum of manpower resources services. This encompasses professional, skilled and unskilled manpower, demonstrating the Group's versatility in meeting diverse labour needs. Typically, the Group deploys manpower resources to its clients for two-year periods, after which the manpower resources return to the Group upon the expiration of the specified term. However, in exceptional cases and subject to resource availability, the Group has the flexibility to deploy manpower resources on a short-term basis. This service caters to clients' seasonal needs, often at negotiated premium fees, demonstrating the Group's agility and responsiveness to fluctuating market demands.

The following table details the main industries that the Group serves within the Corporate Segment, outlining the annual revenues of the Group from each industry and the number of manpower resources deployed therein in the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G:

Table 4.31: The Group's Corporate Revenues by Industry in the Financial Years Ended 31 December 2021G, 2022G and 2023G and the Three-Month Period Ended 31 March 2024G

#	Industry	Financial Year Ended 31 December						Three-Month Period Ended 31 March			
		2021G		2022G		2023G		2023G		2024G	
		Total Revenue (SAR '000)	Monthly Average Number of Utilised Workers	Total Revenue (SAR '000)	Monthly Average Number of Utilised Workers	Total Revenue (SAR '000)	Monthly Average Number of Utilised Workers	Total Revenue (SAR '000)	Monthly Average Number of Utilised Workers	Total Revenue (SAR '000)	Monthly Average Number of Utilised Workers
1	Restaurants and Food Sector	87,866	1,802	111,309	2,171	72,605	1,433	22,4	1,756	13,1	1,043
2	O&M and Contracting Sector	64,347	1,712	55,247	1,377	121,034	2,899	18,6	1,806	57,8	5,394
3	Medical Sector	21,201	245	30,907	344	44,530	494	9,9	450	16,3	652
4	Retail Sector	21,028	415	31,843	644	36,222	695	9,1	746	7,7	572
5	Technology and Information Systems Sector	2,531	9	2,005	7	2,869	8	0,5	6	1,8	19
	Total (1)	**196,973**	**4,183**	**231,311**	**4,543**	**227,260**	**5,529**	**60,5**	**4,764**	**96,8**	**7,646**

Source: The Company.

(1) These numbers have been rounded up to the nearest whole number, thus the total may not match the sum of the items listed in the table.

The above data not only demonstrates the Group's proficiency in catering to a wide array of industries but also underscores its capability to scale manpower resources effectively in response to industry-specific demands. The Group's strategic approach in balancing long-term commitments with the agility to meet short-term, seasonal needs is a testament to its strong position and adaptability in the manpower industry.

(a) Corporate Clients

The Group's corporate client base, encompassing a diverse array of entities from both the public and private sectors, is a testament to its capacity to meet varied manpower needs across different industries. This broad clientele includes multinational corporations and small to medium-sized enterprises, reflecting the Group's versatility and deep understanding of distinct operational nuances. Serving industries from unskilled workers to seasoned professionals and skilled technicians, the Group demonstrates operational excellence and cultural adeptness, positioning it as a leader in bridging talent gaps and enhancing workforce efficiency for a wide range of clients.

(i) Profile of Key Clients

In the Corporate Segment, the Group has identified and cultivated relationships with key client demographics that are integral to its growth and expansion strategy. Understanding the distinct needs and characteristics of these clients is paramount to providing tailored and effective solutions.

Within the "Corporate Customers - General Businesses" segment, the Group caters to a distinct clientele profile, marked by several key demographics:

- **Size and Scale**: These are predominantly large corporations, each with a workforce that exceeds 100 employees. Their substantial size is a testament to their operational scope.
- **Geographical Presence**: These entities are not just large in scale but also firmly established within Saudi Arabia, underscoring a strong presence in the local economy.

- **Service Interest**: Their engagement with the Group is primarily driven by a need for employment services and professional solutions, aimed at enhancing their operational efficiency.
- **Financial Health**: Demonstrating robust financial health, these corporations report significant annual returns, showcasing their stability and the potential for sustainable, long-term partnerships.
- **Recruitment Challenges**: Despite their size and financial stability, these corporations often encounter challenges in managing extensive recruitment processes, feeling overwhelmed by the volume of upcoming recruits. This is where the Group's services become pivotal, providing necessary support and expertise to manage this critical aspect efficiently.

The "Corporate Customers – Medical Sector" segment is distinguished by specific demographics that underline the unique requirements of these clients:

- **Service Provision**: These clients are healthcare institutions, dedicated to offering medical care with an unwavering commitment to quality and reliability. Their services are essential and impactful in the realm of public health.
- **Location**: These hospitals are strategically located in major Saudi Arabian cities, such as Riyadh and Madinah, among other prominent urban centres. This geographical positioning makes them crucial players in the healthcare landscape, ensuring accessibility and prominence.
- **Service Range**: Their operational interest encompasses a broad spectrum of healthcare services, all facilitated by qualified doctors and medical professionals. This diversity in service range highlights their commitment to providing comprehensive medical care.
- **Staffing Requirements**: Constantly striving for excellence in medical care, these institutions are in perpetual search for certified medical professionals. These professionals are not just staff members but key contributors to the institutions' overarching medical expertise and reputation.
- **Patient-Centric Goals**: At the core of their operations is the goal to safeguard patient well-being while also seeking ways to increase productivity and operational efficiency. Their focus remains steadfastly patient-centric, ensuring that every aspect of care contributes to better patient outcomes.

The following table sets out the details of the Group's top five clients from the Corporate Segment in terms of total revenue in the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G:

Table 4.32: The Group's Top Five Clients from the Corporate Segment in Terms of Total Revenue in the Financial Years Ended 31 December 2021G, 2022G and 2023G and the Three-Month Period Ended 31 March 2024G

Client [1]	Client Country	Nature of Client	Nature of Client Purchases	Nature of Relationship	Client Independence	Revenue Value (SAR)	Percentage of Total Revenue
Financial Year Ended 31 December 2021G							
Client 1 [2]	Kingdom of Saudi Arabia	Closed joint stock company	Provision of labour services	Contractual	Independent	48,749,132	13.6%
Client 2	Kingdom of Saudi Arabia	Limited liability company	Provision of labour services	Contractual	Independent	17,945,605	5%
Client 3 [2]	Kingdom of Saudi Arabia	Limited liability company	Provision of labour services	Contractual	Independent	12,198,377	3.4%
Client 4	Kingdom of Saudi Arabia	Closed joint stock company	Provision of labour services	Contractual	Independent	11,604,747	3.2%
Client 5	Kingdom of Saudi Arabia	Limited liability company	Provision of labour services	Contractual	Independent	8,965,761	2.5%
Total						**99,463,621**	**27.7%**
Financial Year Ended 31 December 2022G							
Client 1 [2]	Kingdom of Saudi Arabia	Closed joint stock company	Provision of labour services	Contractual	Independent	29,856,998	7.0%
Client 2	Kingdom of Saudi Arabia	Limited liability company	Provision of labour services	Contractual	Independent	13,549,550	3.2%
Client 4	Kingdom of Saudi Arabia	Closed joint stock company	Provision of labour services	Contractual	Independent	10,324,315	2.4%
Client 6	Kingdom of Saudi Arabia	Limited liability company	Provision of labour services	Contractual	Independent	9,933,357	2.3%
Client 7 [2]	Kingdom of Saudi Arabia	Limited liability company	Provision of labour services	Contractual	Independent	9,530,273	2.2%
Total						**73,194,492**	**17.2%**

Client [1]	Client Country	Nature of Client	Nature of Client Purchases	Nature of Relationship	Client Independence	Revenue Value (SAR)	Percentage of Total Revenue
Financial Year Ended 31 December 2023G							
Client 8 [2]	Kingdom of Saudi Arabia	Foreign limited liability company	Provision of labour services	Contractual	Independent	61,120,003	12.3%
Client 1 [2]	Kingdom of Saudi Arabia	Closed joint stock company	Provision of labour services	Contractual	Independent	18,819,357	3.8%
Client 9 [2]	Kingdom of Saudi Arabia	Mixed limited liability company	Provision of labour services	Contractual	Independent	14,771,198	3.0%
Client 3 [2]	Kingdom of Saudi Arabia	Listed joint stock company	Provision of labour services	Contractual	Independent	11,056,680	2.2%
Client 7 [2]	Kingdom of Saudi Arabia	Limited liability company	Provision of labour services	Contractual	Independent	10,421,340	2.1%
Total						**116,188,578**	**23.4%**
Three-Month Period Ended 31 March 2024G							
Client 8 [2]	Kingdom of Saudi Arabia	Foreign limited liability company	Provision of labour services	Contractual	Independent	40,264,206	27.7%
Client 9 [2]	Kingdom of Saudi Arabia	Mixed limited liability company	Provision of labour services	Contractual	Independent	4,916,298	3.4%
Client 10	Kingdom of Saudi Arabia	Limited liability company	Provision of labour services	Contractual	Independent	3,398,366	2.3%
Client 1 [2]	Kingdom of Saudi Arabia	Closed joint stock company	Provision of labour services	Contractual	Independent	3,172,686	2.2%
Client 11	Kingdom of Saudi Arabia	Closed joint stock company	Provision of labour services	Contractual	Independent	2,728,545	1.9%
Total						**54,480,101**	**37.5%**

Source: The Company.

(1) The names of Group's clients have not been disclosed, due to the sensitive nature of that information and to uphold the confidentiality obligation provided in the agreements.

(2) For further details on the contract concluded, please refer to Section 11.5 (*Material Agreements*).

(ii) Market Segmentation and Targeting

The Group's market segmentation and targeting strategy is integral to its operational success. By recognising that distinct industries have unique demands, the Group has fine-tuned its approach to cater specifically to these diverse needs. Segmenting the market allows the Group to ensure that its services are precisely tailored to the requirements of each industry it serves. The Group provides the required manpower to its clients for a specified period, with the manpower resources remaining under the Company's sponsorship while being employed by its clients. This strategic focus enables the Group to offer specialised solutions that address the specific challenges and expectations of its clients in sectors such as Restaurants and Food, O&M and Contracting, Medical, Retail, Technology and Information Systems and other industries. Specialised teams provide dedicated support to each sector, from sourcing highly skilled professionals to ensuring rapid recruitment and addressing industry-specific needs. This precise targeting not only differentiates the Group from its competitors but also establishes it as a trusted partner in the growth and success of businesses across the Kingdom, particularly in the following sectors:

- **Restaurants and Food Sector**: The Group has developed a keen understanding of the culinary and food service industry. It offers tailored manpower solutions to address the unique operational and customer service demands of restaurants and food businesses. From sourcing skilled chefs to efficient waitstaff, the Group ensures that clients in this sector are equipped with a workforce that can enhance dining experiences and maintain high standards of food quality.
- **O&M and Contracting Sector:** Specialising in O&M and contracting, the Group provides essential manpower solutions that ensure operational continuity and efficiency. The focus is on sourcing personnel with the technical expertise and operational acumen necessary for the smooth functioning of O&M and contracting projects.
- **Medical Sector**: Recognising the critical nature of healthcare services, the Group contributes significantly by sourcing dedicated medical professionals. From nurses to support staff, the Group's global partnerships facilitate the provision of skilled manpower, ensuring that healthcare institutions can offer uninterrupted and quality care, especially during staffing shortages.
- **Retail Sector**: The Group extends its expertise to the retail sector, appreciating the pivotal role of customer experience and service. It provides tailored manpower solutions to meet the dynamic and customer-centric nature of the retail industry, equipping businesses with skilled professionals who enhance customer engagement and drive sales.

- **Technology and Information Systems Sector**: In the rapidly evolving tech and information systems sector, the Group offers specialised manpower solutions. By sourcing IT professionals, developers and systems analysts, the Group helps businesses stay at the forefront of technological innovation and maintain competitive edge.
- **Other**: The Group's capabilities extend beyond these specific sectors. It caters to various other sectors, including industrial and hospitality sectors, demonstrating its adaptability and commitment to providing customised manpower solutions. Whether it's logistics, finance, or any other field, the Group's comprehensive approach ensures that clients across diverse sectors receive effective and specialised support.

The Group's sector-specific expertise highlights its commitment to delivering excellence and fostering growth across a wide spectrum of industries. This diversified approach ensures that clients in each sector receive manpower solutions that are not only efficient but also tailored to their specific industry needs.

(iii) Client Acquisition Strategy

The Group's approach to acquiring corporate clients involves a specialised sales and business development team, whose expertise lies in forging strong connections with a broad range of clients, both new and established. This team is proficient in discerning and accommodating the unique requirements of each client, thereby offering tailored resources that resonate with their specific industry challenges and goals.

At the heart of their strategy is a deep commitment to understanding the nuances of various sectors, such as retail, healthcare, construction, the HORECA sector, technology and information systems sector, as well as logistics and more. By doing so, the Group ensures that its solutions are not just comprehensive but also highly relevant and effective.

This client-centric methodology extends beyond the initial sale, focusing on the entire lifecycle of the client relationship. It emphasises dedicated teams that manage and nurture these relationships, guaranteeing that clients receive consistent support and service excellence. This all-encompassing engagement model aims not just for client satisfaction, but for the establishment of enduring partnerships that evolve with the business landscape. Through such enduring engagements, the Group solidifies its position as a trusted partner in the Kingdom's corporate clients.

(iv) Client Retention Initiatives

The Group rigorously evaluates and oversees an array of strategic, operational and client-centric indicators to ensure continuous improvement and sustained growth. This comprehensive monitoring framework includes an analysis of the number of corporate client accounts, alongside revenue and gross profit metrics. Furthermore, the Group pays close attention to conversion rates, segment-specific resource allocation and overall client metrics.

In addition to these fundamental indicators, the Group places a high emphasis on more nuanced operational metrics. This includes monitoring corporate client and employee satisfaction levels, which are pivotal for long-term success. Retention rates, both of clients and employees, are carefully tracked to gauge loyalty and satisfaction. The Group also evaluates brand health, using it as a barometer for market positioning and reputation. This multi-faceted approach to measurement and monitoring ensures the Group maintains a comprehensive view of its performance, allowing it to make informed strategic decisions and continuously elevate the quality of its services.

(b) Corporate Manpower Resources Recruitment Process in the Kingdom

At the heart of the Group's operational philosophy lies a thorough and intricately designed process that spans contracting, selection and recruitment, arrival and post-arrival procedures, deployment and comprehensive post-deployment support. Each stage of this process is a mirror to the Group's relentless commitment to adhering to legal standards, precise and thoughtful selection of candidates and their smooth assimilation into the Saudi work environment.

Commencing from the nuanced stages of contract negotiation and progressing through the intricate phases of recruitment and selection, the Group ensures a careful coordination of every step. This meticulous approach extends to the thoughtful onboarding and integration of manpower resources, guaranteeing not only exceptional service quality but also the general welfare and job satisfaction of its employees.

This all-encompassing strategy is emblematic of the Group's dedication to setting benchmarks in service excellence, nurturing reliable and deep-rooted client relationships, and establishing a nurturing and prosperous environment for its workforce. It is a manifestation of the Group's vision to be more than just an employer or service provider; it strives to be a cornerstone in the community, contributing actively to the Kingdom's socio-economic fabric.

(i) Contracting

Embedded within the fabric of the Group's operations is an exacting legal infrastructure, ensuring firm commitment to compliance and the highest legal standards. At the forefront of this framework is the Group's Legal Department, instrumental in ensuring that all business proceedings align harmoniously with the labour regulations, regulatory mandates and industry best practices within the Kingdom.

This department is adept in managing the intricacies of contract renewals and terminations with precision, ensuring each step aligns with legal requirements and serves the Group's best interests. Engaging in comprehensive negotiations and thoroughly drafting agreement terms, the team ensures every contract encapsulates the Group's dedication to legal prudence and client fulfilment. The contracts, whether they involve corporate entities or individual clients, are meticulously crafted, detailing clear provisions regarding duration and encompassing well-defined termination clauses, thereby safeguarding the Group's rights and fostering robust, trust-based relationships.

Legal Frameworks and Compliance

The Legal Department of the Group diligently oversees and maintains strict compliance with labour laws, regulatory standards and industry benchmarks within the Kingdom. This vigilant approach ensures the Group's operations are not just legally sound but also ethically grounded.

Contract Renewals and Terminations

The Group emphasises efficient management of contract renewals and terminations. This process entails timely evaluations of contractual performance, discerning the necessity for renewals and abiding by termination clauses where applicable.

Negotiation and Agreement Procedures

The Group's legal experts are actively involved in negotiations and the formulation of agreements with new clients. This process involves in-depth reviews of contracts, negotiation of terms and the establishment of financial safeguards as delineated in the agreements.

Contract Duration and Termination Clauses

The Group's contracts, irrespective of whether they are with corporate clients or individuals, explicitly state their duration. They also incorporate well-defined termination clauses, stipulating the conditions and procedures for contract terminations, thus protecting the Group's interests and rights.

(ii) Selection and Recruitment

At the heart of the Group's operational philosophy is an advanced and comprehensive approach to selection and recruitment, integral to upholding its reputation for excellence. The Group prides itself on an intricate framework for candidate selection, tailored to meet and exceed the expectations of its clients. This framework, a blend of innovative screening methods, nuanced skills assessments and stringent background checks, ensures the selection of candidates who are not only qualified but perfectly attuned to the clients' distinct requirements.

Screening and Interview Protocols

The Group's selection strategy revolves around a highly refined screening and interview process. This process goes beyond traditional metrics, exploring the depths of a candidate's alignment with the specific needs of the clients. It involves an in-depth understanding of the Group's culture and values, which candidates are rigorously briefed on. This comprehensive strategy guarantees that candidates are not just filling a role but are a genuine extension of the client's vision and values, ensuring a symbiotic relationship between talent and client.

Skills Assessment Techniques

In the domain of skills assessment, the Group adopts a multi-dimensional approach. It assesses not just the technical prowess of candidates but also their soft skills, ensuring a rounded view of their capabilities. The Group's cutting-edge matching algorithms play a crucial role in the assessment process, precisely aligning candidate profiles with the precise demands of the job. This approach guarantees that every placement is not just a role filled, but a strategic fit, enhancing both job performance and satisfaction.

Background Verification Processes

The integrity of candidates is of paramount importance to the Group. Therefore, it has instituted an exhaustive background verification protocol. This protocol encompasses not just standard checks but also a deep dive into each candidate's professional history, criminal records and educational qualifications. These checks are not mere formalities; they are integral to ensuring that the individuals representing the Group and its clients embody trustworthiness and reliability.

Through these refined processes, the Group remains dedicated to maintaining its high standards and adapting to the dynamic requirements of its corporate clients. Its methodical selection and recruitment procedures are a testament to its commitment to excellence and integrity in a rapidly evolving business environment.

(iii) Arrival and Post-Arrival

In the intricate realm of international recruitment, the Group exemplifies a gold standard approach, ensuring that every aspect of arrival and post-arrival processes is executed with precision and empathy. This approach underlines the Group's resolute commitment to facilitating a smooth and enriching journey for its overseas workforce, from the moment they are selected until they are fully integrated into their new roles in the Kingdom.

Visas

The Group maintains a dynamic inventory of visas, consistently liaising with the MHRSD to ensure an adequate quota that aligns with its ever-evolving needs. As of 31 March 2024G, the Group had a robust availability of 8,485 visas within the Corporate Segment. The strategic allocation of these visas is based on an analytical synthesis of macroeconomic data, marketing forecasts and Government policies, with a keen eye on Saudisation requirements. This data-driven approach enables the Group to efficiently allocate additional visas, ensuring they precisely meet the requirements of its diverse client base. Each visa request, thoroughly vetted by the manpower resources department and sanctioned by the sales and operations department, is an exemplar of the Group's commitment to a seamless client experience.

Once a service contract is entered into with a client, the Group reviews the details of the manpower resources (number, professions and gender) against its visa inventory. If the Group has the required number of visas in its inventory, it will apply to reserve them for its clients in accordance with their needs after providing the nationalities of the manpower resources requested through the Company's ERP system. If the Group does not have the required number of visas in its inventory, it submits a request to the MHRSD for the allocation of additional visas based on the clients' needs and pays the visa fee of SAR 2,000 per visa (as of 31 March 2024G). The request for reservation through the MHRSD system is approved by the Ministry of Interior. The maximum number of visa applications is subject to certain limitations, such as meeting certain KPIs.

Afterwards, the Group selects manpower resources for each client and obtains client approvals on the selected manpower resources, which typically takes an average of 30 days to arrive in the Kingdom.

Immigration Assistance

Upon arrival, the Group's overseas workforce embarks on a comprehensive acclimatisation process. This includes rigorous medical examinations, orientation sessions and practical training, all designed to ensure a smooth transition. In the event of a positive medical result, the Group ensures immediate repatriation, emphasising its commitment to health and safety. This thorough process is indicative of the Group's dedication to not only fulfilling the professional needs of its clients but also ensuring the welfare of its workforce.

Onboarding Sessions and Workshops

Upon arrival, the Group's Transportation Department receives the workers from the airport and facilitates their medical examination, a prerequisite for Iqama issuance. The workers are then transferred to the Group's housing facilities, where they reside until the completion of arrival documentation processes. These processes include registration with Absher, cash advance issuance, provision of health insurance, bank account registration and a comprehensive company briefing, including workshops to ensure alignment with operational culture and expectation and to create a supportive and inclusive environment for its international recruits. By ensuring that all necessary documentation and orientations are thoroughly managed, the Group not only complies with legal requirements but also ensures a smooth integration of the workforce into their new roles. Following these procedures, the Group notifies the client that the worker is ready for transfer to their respective facility, fully prepared to commence their duties.

(iv) Deployment

The Group's deployment process is a testament to its commitment to excellence, ensuring that every worker's transition into their role is seamless and well-orchestrated. This phase of integration is designed to align workers with roles that perfectly match their skills and the clients' needs, while also ensuring their well-being and readiness for the tasks ahead.

Job Matching and Allocation

The Group adopts a nuanced, sector-specific approach for job matching and allocation in the Corporate Segment, ensuring the deployment of workforce solutions that align with client needs. This tailored process is particularly important in sectors requiring specialised skills, such as nursing, guaranteeing an optimal match between manpower resources and client requirements.

The Group assigns a dedicated Key Account Manager for each corporate client, serving as an essential link between the client and the Group's services. These managers are responsible for streamlining and standardising processes, ensuring client demands are met with professionalism and in a timely manner. Concurrently, the Group's Business Development Committee oversees and refines business development processes across departments to align with the dynamic operational landscape.

For medical professionals, the Group's licensing officer verifies qualifications for Dataflow and Saudi Commission for Health Specialties licences, ensuring compliance with professional standards. Partnered agencies provide regular candidate status updates, keeping clients informed throughout the recruitment process.

This comprehensive approach ensures corporate clients receive a workforce that is not only skilled and qualified but also perfectly suited to their industry's specific demands, enhancing operational efficiency and contributing to overall business success.

Role-specific Training and Orientation

In the Corporate Segment, a structured competency development programme is essential for ensuring that the workforce meets the demanding standards of the business environment in Saudi Arabia. The Group initiates this training with a comprehensive assessment of each employee's skills and knowledge relative to their designated roles. The training regimen then follows a dual-track approach.

Firstly, there is a theoretical component, where, if necessary, employees undergo a series of workshops and seminars to understand the corporate culture, legal requirements and operational protocols specific to the Saudi market. This includes familiarisation with the Kingdom's Vision 2030 and the nuances of working within its ambitious framework.

Secondly, practical, role-specific training is provided, where employees engage in simulations and case studies and are paired with mentors for on-the-job training. These activities are tailored to address the strategic, analytical and technical aspects of their roles, focusing on developing problem-solving abilities, technical proficiencies and managerial acumen.

Throughout the programme, progress is monitored and feedback is given to ensure that each employee can meet the precise demands of their corporate roles. The aim is to cultivate a workforce that is not only proficient in their tasks but also embodies the professional attitudes required to excel in the Kingdom's corporate sector.

(v) Post-Deployment Support

The Group's post-deployment support system is a comprehensive framework designed to ensure the well-being and professional development of its manpower resources. This system encompasses a range of components, from payroll management and performance monitoring to feedback mechanisms and employee welfare programmes, all of which are crucial to maintaining a motivated and high-performing workforce.

Payroll Protection

The Group diligently oversees payroll management, ensuring that all manpower resources are compensated timely and accurately. Payroll disbursements are conducted at the end of each month, following the receipt of daily timesheets from clients that detail attendance and departure times. In line with the terms agreed upon with clients, invoiced amounts are typically settled within 30 days. Subsequently, the Group ensures that salaries are transferred to manpower resources within five days of the following month. Adhering to a clear policy established on 21 December 1439H (corresponding to 1 September 2018G), the Group diligently manages salaries, entitlements and benefits, aligning with the policies of the MHRSD and the Wage Protection Program. This commitment to timely and fair compensation reflects the Group's adherence to regulatory standards and its dedication to worker satisfaction.

Performance Monitoring

Performance monitoring is a key aspect of the Group's post-deployment support. Feedback from clients serves as a primary tool for assessing worker performance, allowing the Group to gauge client satisfaction and the quality of service provided. Each worker receives a comprehensive monthly evaluation, with an average score reflecting their overall performance. Should a worker's performance fall below the requisite standard, corrective measures are implemented, including potential suspension and enrolment in remedial training sessions. This rigorous monitoring ensures continuous improvement and alignment with client expectations.

Feedback Mechanisms

Recognising the importance of acknowledging and rewarding excellence, the Group has instituted a feedback mechanism that rewards high-performing workers. Monetary and non-monetary incentives, such as certificates, are granted based on occupancy rates and performance evaluations. These rewards are distributed on a monthly, semi-annual and annual basis, fostering a culture of recognition and motivation.

Employee Welfare Programmes

The Group's employee welfare programme places a high priority on the well-being of its workforce, implementing a comprehensive monthly check-in system with clients to ensure continuous feedback regarding the treatment of workers. This proactive approach fosters a supportive work environment and enables the Group to address any concerns promptly and effectively. In addition to these measures, the Group is dedicated to maintaining safe and superior living standards for its workforce. It ensures that all accommodations meet the highest standards of comfort, security and hygiene. This commitment reflects the Group's recognition of the importance of a healthy and secure living environment in supporting the overall well-being and productivity of its workforce.

(c) Pricing Strategy

In a dynamic and highly competitive market, the Group's pricing strategy serves as a pivotal component of its business model, purposefully structured to ensure a harmonious balance between competitiveness and adaptability. At the forefront of this strategy lies an ongoing competitive analysis, a process that ensures the Group's pricing not only remains competitive but also aligns with current industry standards.

(i) Competitive Analysis

The Group rigorously analyses the pricing structures of its primary competitors — Saudi Manpower Solutions Company (SMASCO), Almawarid Manpower Company and Maharah Human Resources Company — especially in the Corporate Segment where competition is fierce for low and medium-skilled workers across industries such as oil and mining, construction, food and retail. This continuous assessment allows the Group to not only stay competitive but also adapt to the prevailing market norms and industry dynamics.

(ii) Value Proposition

Understanding the varied needs and financial constraints of clients, the Group's pricing model is carefully crafted to deliver premium services at a competitive cost. The specifics of profit margins are strategically considered to meet client needs while supporting the Group's growth. This approach to value proposition involves acquiring new customers by tailoring go-to-market strategies, including pricing, to suit the distinct requirements of different service market segments.

(iii) Flexible Pricing Models

Recognising the ever-changing business environment, the Group offers a range of flexible pricing models, each tailored to meet the evolving needs of clients, thereby ensuring cost-effective and customised solutions. These pricing approaches include:

- **Market Approach**: Pricing is determined based on competition and demand cycles, ensuring that the Group remains responsive to market fluctuations and client expectations.
- **Cost-Plus Approach**: In this model, the Group adds a margin to the cost of the services. The formula used is Price = Cost + Profit Margin. This method takes into account various factors influencing the pricing, such as worker salaries — which are determined by their profession, skills and competencies — as well as allowances, Government fees, recruitment costs and job-specific risks. The size of the client also plays a crucial role in determining the final price.

By employing a strategic mix of competitive pricing, value-driven propositions and adaptable pricing models, the Group reinforces its standing as a trusted partner in the corporate sector. This comprehensive approach to pricing, marked by transparency and economic viability, underscores the Group's commitment to delivering unparalleled service standards while catering to the diverse needs of its clientele.

4.8.1.2 Individual Segment Services

The Individual Segment services offered by the Group are a key part of its operations, catering to the diverse needs of individual customers through a broad spectrum of personalised manpower resources. This segment not only emphasises the provision of essential household services but also underscores the Group's commitment to delivering professionalism and quality in every engagement. It is composed of the following two sub-segments:

- **Individual Segment – Contractual**: This sub-segment segment is a testament to the Group's ability to foster long-term relationships with its clients. It predominantly generates revenue through contracts signed with individual customers. The services offered in this sub-segment are critical to the smooth functioning of households and include, without limitation, housekeepers, chefs and private drivers. The Group prides itself on the reliability and proficiency of its workforce, ensuring that every professional dispatched under these contracts meets the highest standards of service delivery. As of 31 March 2024G, the Group has successfully placed 4,262 manpower resources in the Individual – Contractual Segment, a figure that not only showcases the breadth of its offerings but also its ability to cater to a wide array of customer needs.
- **Individual Segment – Hourly Service**: The Individual Segment – Hourly Service is a dynamic and flexible solution tailored for customers seeking services on an hourly basis. This sub-segment primarily focuses on providing housemaids and cleaners, addressing the need for quality household assistance without the commitment of a long-term contract. This model offers unparalleled flexibility, allowing customers to avail themselves of professional services as per their specific requirements and schedules. As of 31 March 2024G, the Group has successfully placed 1,781 manpower resources in the Individual Segment – Hourly Service. This not only underscores the Group's capability to fulfil diverse customer demands but also its agility in adapting to the evolving preferences of individual clients.

In the above sub-segments, the Group places an emphasis on ensuring that all personnel, whether they are housekeepers, drivers, cooks, possess the necessary qualifications and credentials. This emphasis on quality and professionalism is a defining characteristic of the Group's Individual Segment services, reflecting its firm commitment to excellence and customer satisfaction.

In the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, the revenue generated from the Individual Segment – Contractual accounted for 37.5 per cent., 36.6 per cent., 31.8 per cent. and 20.6 per cent., respectively, of the Group's total revenue for the corresponding periods. Concurrently, the revenue from the Individual Segment – Hourly Service represented 7.5 per cent., 9.2 per cent., 12.3 per cent. and 12.8 per cent., respectively, of the Group's aggregate revenue during the same periods.

(a) Individual Customers

The Group's individual customers encompass a diverse array of private individuals, each with unique requirements for manpower services. In the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, the Group extended its services to 43,149, 72,383, 115,327 and 47,770 individual customers, respectively, within the Individual Segment. The steady growth in the number of customers served reflects the Group's resolute dedication to understanding and fulfilling the multifaceted and dynamic needs of its individual clientele. Understanding different customer groups is essential for tailoring services and maximising profits.

(i) Customer Profiles in the Hourly Segment:

Customer profiles in the Hourly Segment can be divided into four distinct customer profiles, each with unique characteristics and strategies for engagement.

- **Meteors**: They are customers who like fleeting meteors bring in high profits but do not stick around for long. They make occasional high-value use of services but lack consistency. The ultimate aim is to transform these fleeting customers into regulars by enhancing their service experience. The strategy involves using targeted promotions and creating personalised experiences.
- **Nomads**: These customers have sporadic interactions with the service and minimal impact on profits. The strategy is to serve them efficiently and seek ways to better align the service offerings with their needs, thereby gradually increasing their engagement and value.
- **Regulars**: They are loyal customers but with modest transaction amounts. They frequently use the services but spend conservatively. By fostering this relationship through rewards and loyalty incentives, there's an opportunity to gently encourage an increase in their spending while maintaining their loyalty.

- **Champions**: They are the ideal customers. They not only bring in high profits but are also consistent in their use of services. These customers deserve the red-carpet treatment. Prioritising their needs, offering premium service options and maintaining regular, personalised engagement is essential. The focus is on retaining them and deepening the relationship.

Each customer type in the Hourly Segment requires a different approach. From maximising short-term gains with Meteors to nurturing long-term relationships with Champions, understanding these profiles is key to a successful business strategy.

(ii) Customer Profiles in the Contractual Segment

Navigating through the Contractual Segment requires a nuanced understanding of the demographics and tailored strategies for effective engagement. Key demographics aspects of household customers from the contractual segment that determine the use the contractual services offering are as follows:

- **Family Structure**: This includes both extended families and nuclear families, each with its own dynamics and requirements.
- **Family Size**: These families typically have up to ten members, encompassing a range of needs and preferences within the household.
- **Location**: They are residents of major cities in the Kingdom, such as Riyadh and Madinah, indicating their integration into urban lifestyles.
- **Age Range**: The adult family members, responsible for decision-making, are aged 20 and above.
- **Service Interest**: Their primary interest lies in hiring domestic labour services. This could range from housekeeping to cooking and even childcare services.
- **Financial Standing**: These families have stable incomes and disposable earnings, making them capable of affording paid services.
- **Technology Usage**: They are adept at using the internet, implying that digital platforms are effective channels for service discovery and engagement.

Engagement strategy for the contractual segment includes:

- **Personalised Communication**: Leveraging their active internet use, digital channels should be used for personalised outreach. Tailoring messages to their specific family structure and needs can create a more meaningful connection.
- **Service Customisation**: Providing packages and options that can be customised based on family size and specific domestic requirements will make the services more appealing. Whether it is for a large extended family or a small nuclear one, customisation is key.
- **Trust and Reliability**: When it comes to services that enter the private space of a home, trust and reliability are paramount. The emphasis should be on the safety and credibility of the services offered.
- **Convenience and Accessibility**: Recognising the dynamic and often busy schedules of families, the services should be easily bookable and flexible. The goal is to provide convenience and accessibility that align with their lifestyle.

In summary, the household customers in the family segment present a diverse range of needs and preferences. Understanding their demographics is just the first step. Crafting engagement strategies that resonate with their lifestyles, values and preferences is essential for successful business relationships.

(b) Individual Manpower Resources Recruitment Process in the Kingdom

The Group proficiently handles visa management and recruitment for varied roles, aligning with market and customer demands. Strategic partnerships facilitate candidate sourcing and skill vetting, followed by efficient travel arrangements. Upon arrival, recruits undergo detailed orientation and training, ensuring smooth cultural and professional integration. Deployment is thoroughly tailored, with personalised contracts for contractual or hourly roles, ensuring client satisfaction. Post-deployment support includes timely payroll and a commitment to welfare and compliance, with robust feedback mechanisms in place to maintain service quality and uphold the Group's high standards of excellence in manpower resource management.

(i) Procurement and Management of Visas

The Group efficiently manages an inventory of visas for various individual manpower roles such as housekeepers, cooks and drivers. As of 31 March 2024G, the Group had 3,007 visas for the Individual Segment. This visa inventory is distinct from that of the Corporate Segment.

The Group strategically selects the number, nationalities, professions and gender of the visas, informed by macroeconomic trends, sales forecasts, customer requests via digital platforms and Government policies. The sales and operations team, along with the manpower department, analyse this data to request additional visa allocations from the MHRSD. The request includes specifics about the number, required professions and gender. Once allocated, these visas are available for reservation, aligning with the Group's needs. The maximum number of visa applications is subject to certain limitations, such as meeting certain KPIs.

Periodically, the Group reviews its manpower needs against its visa inventory. If sufficient visas are available, they are reserved for customers through the Group's ERP system. If additional visas are needed, a request is made to the MHRSD and a visa fee of SAR 2,000 per visa is paid. The visa reservation process is approved by the Ministry of Interior. After identifying suitable manpower resources, visa issuance is requested from the MHRSD, usually completed within an average of three days.

(ii) Selection and Recruitment

The Group's approach to selection and recruitment is tailored to meet the specific needs of its two sub-segments:

- **Individual Segment – Contractual**: In this sub-segment, the Group maintains robust partnerships with an array of foreign recruitment agencies, leveraging their local insights and networks to source the most suitable manpower resources. These agencies play a crucial role in the rigorous selection process, where potential candidates are not only assessed for their skills and experience but also for their suitability to adapt to new cultural and working environments. The agencies engage in thorough negotiations to establish fair and competitive employment terms that align with both the Group's standards and the expectations of the candidates. An integral part of this process is the mandatory medical examination that all candidates must undergo, ensuring that they meet the health and safety standards required for international deployment. Once candidates successfully pass these examinations, the agencies promptly update the Group, facilitating the next steps in the recruitment journey.
- **Individual Segment – Hourly Service**: For this sub-segment, the Group adopts a process that mirrors the approach of the Individual Segment – Contractual, but with added layers of scrutiny and engagement. Recognising the unique nature of hourly service, the Group takes a more hands-on approach in the final selection of candidates. After initial shortlisting by foreign recruitment agencies, the Group's operational team steps in to conduct comprehensive interviews. These interviews serve as a platform not only to assess the candidates' competencies and skills but also to gauge their communication abilities, attitude and adaptability. The Group places significant emphasis on these interviews, often utilising advanced video conferencing technology to facilitate seamless interactions or, when necessary, arranging face-to-face meetings through periodic visits by the operational team. This direct involvement in the recruitment process allows the Group to negotiate employment terms that are closely aligned with its operational requirements and service standards, ensuring a high level of service quality for its customers.

Once the selection and recruitment phases are successfully completed and visas are issued, the Group assumes responsibility for organising the travel arrangements of the manpower resources. This includes coordinating flight tickets and ensuring a smooth transition for the individuals from their home countries to their new working environment. The Group's commitment to efficiency and thoroughness in this process is evident in its ability to complete the entire recruitment cycle, from initial selection to arrival, within a timeframe of approximately thirty (30) days. This streamlined and comprehensive approach underscores the Group's dedication to not only meeting but exceeding the expectations and needs of its clients in both the Individual Segment – Contractual and Individual Segment – Hourly Service.

(iii) Arrival and Post-Arrival

Upon arriving to the Kingdom, the Group ensures a warm reception for its manpower resources right at the airport. These individuals are then securely and comfortably transported to the Group's housing facilities. The Group plays a pivotal role in facilitating a smooth transition for them, overseeing all essential arrival processes. This includes guiding them through comprehensive medical examinations, crucial for ascertaining their health status. Additionally, they are assisted in obtaining residence permits (Iqamas) and comprehensive medical insurance, key elements in establishing their legal status and wellbeing in the Kingdom.

As the financial inclusion is a priority, the Group helps them open bank accounts, providing ATM cards for easy access to their finances. Moreover, to ensure they stay connected, SIM cards are distributed.

A mandatory orientation session forms an integral part of their post-arrival process. During this session, manpower resources are thoroughly briefed on the Kingdom's legal requirements, cultural norms and the array of services at their disposal. This orientation is designed to prepare them for their deployment, ensuring they are well-informed and comfortable in their new environment. The Group's comprehensive support system thus ensures a smooth and informed transition for these individuals as they embark on their new roles.

(iv) Training and Skill Development

The Group places a high premium on the continuous training and development of its manpower resources, understanding that skill enhancement is pivotal to both personal growth and service excellence. Intensive training sessions, spanning approximately five days, are carefully designed and conducted. These sessions are tailored to meet the varied needs of the workforce.

The Group has devised a robust training programme that goes beyond basic orientation. After mastering the work fundamentals, these workers are immersed in a unique shadow training programme. This involves shadowing an experienced worker for four visits, providing an invaluable opportunity for practical learning and skill acquisition in real-world scenarios. This immersive experience is tailored to instil confidence and competence, ensuring that workers not only understand their roles but also excel in them. By combining theoretical knowledge with hands-on experience, the Group fosters a workforce that is not just skilled but also adaptable and adept at delivering exceptional service.

For cooks, there's a specialised emphasis on mastering the intricacies of local cuisine. This training delves into the subtleties of flavours, ingredients and culinary techniques that define the regional gastronomy. It is a comprehensive journey through the culinary landscape, ensuring that cooks can confidently and authentically replicate local dishes.

Similarly, housekeepers undergo rigorous training, focusing on general individual hygiene and safety matters. This training covers a wide array of essential skills, from effective cleaning techniques and the use of cleaning agents to maintaining personal hygiene and adhering to safety protocols. The objective is to equip housekeepers with the knowledge and expertise to maintain impeccable standards of cleanliness and hygiene, crucial in their line of work.

Overall, the Group's training initiative underscores its commitment to not only equipping its manpower resources with the necessary skills but also elevating the quality of service they provide, thereby ensuring customer satisfaction and fostering a culture of professional excellence.

(v) Deployment

The Group stands out for its systematic and customer-centric approach. Whether for the Contractual Segment engagements or Hourly Segment rentals, the Group carefully tailors its services to meet the unique needs of its diverse customer base. This commitment to excellence is evident in the deployment processes for both sub-segments. The following outlines the distinct yet equally thorough methodologies employed by the Group in ensuring that every customer interaction is not just a transaction, but a step towards building a lasting relationship based on trust, reliability and utmost satisfaction.

Individual Segment – Contractual

In this segment, the Group is only servicing family household and not single individuals. Before deployment, a detailed contract is established, delineating roles, responsibilities and expectations. The Group then strategically assigns manpower resources from its extensive system to meet the specific needs of each household. In instances where immediate matching is not feasible, customers are thoughtfully placed on a waitlist, with the assurance of prompt and suitable allocation of resources as they become available.

Individual Segment – Hourly Service

For hourly services, the Group leverages advanced digital platforms and accessible branch networks to facilitate customer requests. Upon receipt of a service request, the Group conducts a thorough verification of the customer to ensure security and compliance. A contract is then executed, encapsulating the terms of service and safeguarding the interests of both parties. Subsequently, manpower resources are scheduled and efficiently transported to the customer's location, ensuring that service delivery is prompt, reliable and seamlessly aligned with the customer's needs.

Through these tailored deployment strategies, the Group ensures that both contractual and hourly services customers receive exceptional service, marked by professionalism, convenience and a commitment to meeting their diverse requirements.

(vi) Post-Deployment Support

The Group's post-deployment support framework is designed to ensure the welfare of its manpower resources while maintaining compliance with regulatory standards and customer satisfaction. This multifaceted approach includes the following aspects:

- **Individual Segment – Contractual** - the Group diligently administers monthly payroll, ensuring timely and accurate salary disbursements. It maintains a robust feedback mechanism to address any customer dissatisfaction, pledging to replace manpower resources within 30 days if required, thereby upholding service quality and customer satisfaction.
- **Individual Segment – Hourly Service** - payroll encompasses not only the monthly salary but also duly calculated overtime, diligently adhering to MHRSD regulations. The Group's commitment to its manpower resources is evident in its rigorous compliance with policies, ensuring timely salary payments and fostering a safe working environment.

Crucially, since 25 December 1440H (corresponding to 1 April 2019G), the Group has implemented a transparent policy governing salaries, entitlements and benefits. This policy precisely outlines the procedures for the prompt payment of wages to both deployed and un-deployed manpower resources in both contractual and Hourly Service segments. It prohibits any violation of MHRSD policies and the Wage Protection Program. As of this Prospectus's date, the Group proudly complies with this policy and all MHRSD requirements, including those of the Wage Protection Program. Furthermore, the Group extends its support to all full-time and part-time deployed manpower resources, providing essential information, services and ensuring a safe work environment, thereby epitomising its commitment to welfare and regulatory compliance.

(c) Pricing Strategy

In the dynamic and competitive landscape of the industry, the Group recognises the pivotal role of an effective pricing strategy. This strategy not only reflects the value of the services offered but also shapes the Group's market position and influences customer perception. Therefore, the Group has carefully developed a comprehensive pricing framework, tailored to balance market demands, cost structures and strategic business objectives. This framework is characterised by its adaptability, precision and alignment with both internal financial goals and external market forces. As a cornerstone of the Group's business operations, this pricing strategy is instrumental in driving growth, ensuring customer satisfaction and maintaining a competitive edge in the market.

(i) Pricing

The Group's pricing is strategically aligned with market dynamics, taking into account competitive positioning and fluctuating demand cycles. This approach enables the Group to remain competitive while adapting to market trends and customer expectations.

(ii) Discounts and Offers

The Group's promotional strategies are tailored based on a variety of factors, reflecting its commitment to customer engagement and market adaptability:

- **Seasonal Discounts**: These are offered to capitalise on seasonal variations in demand, attracting customers during specific times of the year.
- **Demand Cycle**: Pricing promotions are aligned with demand fluctuations, ensuring optimal market penetration and customer retention.
- **Operational Ratio (Utilisation):** Discounts are strategically employed based on the utilisation rates of services, enhancing operational efficiency.

- **Cities and Areas with Low Demand**: Special pricing incentives are offered in regions with lower demand, boosting market presence and service uptake.

The Group maintains a disciplined pricing framework, ensuring that prices do not fall below a predetermined price floor nor exceed the price ceiling set by MHRSD.

As of 31 March 2024G, the pricing for the Individual Segment – Contractual and Individual Segment – Hourly Service in the Kingdom was as follows:

- **Individual Segment – Contractual**: The average secondment service price ranged from SAR 2,607 to SAR 3,150 per month, influenced by the competence and salary of the worker.
- **Individual Segment – Hourly Service**: The average service price varied from SAR 20.8 to SAR 32 per visit, depending on the competence and salary of the worker and the timing of the visit (morning/evening).

4.8.2 Recruitment Agencies

As of 31 March 2024G, the Group's overseas recruitment network spans over 15 countries, efficiently sourcing manpower for its diversified business sectors. As of same date, a substantial 98.6 per cent. of its international manpower was recruited from eight principal nations: Indonesia, the Philippines, Keyna, Uganda, Nepal, Bangladesh, Pakistan and India. This global workforce is curated through an extensive array of over 36 trusted recruitment agencies, which are instrumental in identifying and securing foreign talent across various specialisations for both corporate client and individual customer needs.

Utilising a sophisticated selection process, these agencies conduct comprehensive interviews and evaluations to ensure candidates meet the stringent criteria set forth by the Group. To guarantee consistent quality and professional standards, the Group regularly revises and enhances its list of approved foreign recruitment agencies, guided by a multitude of factors, including client endorsements, historical performance, the calibre of candidates previously recruited, communication efficacy, service quality, operational efficiency and adherence to the regulations of the Kingdom's embassies and consulates abroad.

Moreover, the Group places significant emphasis on direct client feedback, assessing aspects such as candidate experience, the relevance of resumes and the effectiveness of the interview process. Regular on-site assessments are conducted by the Group to confirm the ongoing quality of the recruitment agencies' services and to reinforce robust, collaborative partnerships, ensuring an uninterrupted supply of skilled and adept manpower resources to meet and exceed the dynamic requirements of its clientele.

4.8.3 Suppliers of the Group

The Group obtains support and operations services from external parties. Furthermore, the Group outsources technical services complementary to its activities, software licensing for the operation of its systems and travel services for its employees and manpower, among other services, to third parties. The following table sets out the details of the Group's top five suppliers in terms of total purchase value in the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G:

Table 4.33: Top Five Suppliers of the Group in Terms of Purchase Value in the Financial Years Ended 31 December 2021G, 2022G and 2023G and the Three-Month Period Ended 31 March 2024G

Supplier (1)	Supplier Country	Nature of Supplier	Nature of the Company's Purchases	Nature of Relationship	Supplier Independence	Purchase Value (SAR)	Percentage of Total Revenue
Financial Year Ended 31 December 2021G							
Supplier 1	Kingdom of Saudi Arabia	Public joint stock company	Provision of insurance services	Contractual	Independent	6,972,407	2.6%
Supplier 2	Indonesia	Foreign recruitment agency	Recruitment of labour	Contractual	Independent	6,630,062	2.5%
Supplier 3	Kingdom of Saudi Arabia	Closed joint stock company	Provision of travel services	Contractual	Independent	5,455,158	2.1%
Supplier 4	Kingdom of Saudi Arabia	Natural person	Purchase of a property	Non-contractual	Independent	4,707,500	1.8%
Supplier 5	Indonesia	Foreign recruitment agency	Recruitment of labour	Contractual	Independent	4,639,981	1.8%
Total						**28,405,108**	**10.8%**
Financial Year Ended 31 December 2022G							
Supplier 2 (2)	Indonesia	Foreign recruitment agency	Recruitment of labour	Contractual	Independent	17,582,462	5.5%
Supplier 6 (2)	Indonesia	Foreign recruitment agency	Recruitment of labour	Contractual	Independent	10,531,191	3.3%

Supplier [1]	Supplier Country	Nature of Supplier	Nature of the Company's Purchases	Nature of Relationship	Supplier Independence	Purchase Value (SAR)	Percentage of Total Revenue
Supplier 7	Indonesia	Foreign recruitment agency	Recruitment of labour	Contractual	Independent	8,122,615	2.5%
Supplier 8	Kingdom of Saudi Arabia	Public joint stock company	Provision of insurance services	Contractual	Independent	6,675,927	2.1%
Supplier 3	Kingdom of Saudi Arabia	Closed joint stock company	Provision of travel services	Contractual	Independent	4,834,829	1.5%
Total						**47,747,024**	**14.8%**
Financial Year Ended 31 December 2023G							
Supplier 9 [2]	Kingdom of Saudi Arabia	Closed joint stock company	Purchase of vehicles	Non-contractual	Independent	9,452,690	2.4%
Supplier 2 [2]	Indonesia	Foreign recruitment agency	Recruitment of labour	Contractual	Independent	9,322,229	2.4%
Supplier 6 [2]	Indonesia	Foreign recruitment agency	Recruitment of labour	Contractual	Independent	7,620,766	1.9%
Supplier 10	Kingdom of Saudi Arabia	Public joint stock company	Provision of insurance services	Contractual	Independent	7,269,409	1.9%
Supplier 11	Kingdom of Saudi Arabia	Government company	Provision of IT services	Contractual	Independent	3,956,000	1.0%
Total						**37,621,094**	**9.6%**
Three-Month Period Ended 31 March 2024G							
Supplier 12	Kingdom of Saudi Arabia	Natural person	Purchase of a property	Non-contractual	Independent	3,750,000	3.3%
Supplier 13	Indonesia	Foreign recruitment agency	Recruitment of labour	Contractual	Independent	1,496,250	1.3%
Supplier 14	Kingdom of Saudi Arabia	Closed joint stock company	Rental of a building for labour accommodation	Contractual	Independent	1,334,000	1.2%
Supplier 15	Kingdom of Saudi Arabia	Closed joint stock company	Provision of travel services	Contractual	Independent	675,517	0.6%
Supplier 10	Kingdom of Saudi Arabia	Public joint stock company	Provision of insurance services	Contractual	Independent	581,734	0.5%
Total						**7,837,505**	**6.9%**

Source: The Company.

(1) The names of Group's suppliers have not been disclosed due to the sensitive nature of such information and in order to uphold the confidentiality obligations stipulated in the agreements with the suppliers.

(2) For further details on the contract concluded, please refer to Section 11.5 (*Material Agreements*).

4.8.4 Manpower Resources

As of 31 March 2024G, the Group had 14,182 manpower resources from different countries. This headcount does not include employees working for the Group (270 employees as of 31 March 2024G) and is limited to manpower resources recruited for the purposes of providing manpower resources services to third parties. The following table sets out the details of the Group's manpower resources by nationality as of 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G:

Table 4.34: The Group's Manpower Resources by Nationality as of 31 December 2021G, 2022G and 2023G and the Three-Month Period Ended 31 March 2024G

Nationality	As of 31 December			As of 31 March
	2021G	2022G	2023G	2024G
Indonesia	2,275	3,095	2,543	2,419
Philippines	1,359	1,325	1,867	2,043
India	1,580	1,585	4,603	5,516
Uganda	840	2,188	2,110	2,161
Nepal	665	694	583	495
Bangladesh	405	350	376	435
Kenya	1,743	1,314	645	552
Pakistan	-	216	369	434
Others	249	177	173	141
Total	**9,116**	**10,944**	**13,269**	**14,196**

Source: The Company.

The following table shows the Group's manpower resources by profession as of 31 December 2021G, 2022G and 2023G and as of 31 March 2024G:

Table 4.35: The Group's Manpower Resources by Profession as of 31 December 2021G, 2022G and 2023G and as of 31 March 2024G

Segment and Profession	As of 31 December			As of 31 March
	2021G	2022G	2023G	2024G
Corporate Segment				
Ordinary worker	3,129	2,716	1,978	1,414
Builder	-	343	3,423	4,727
Restaurant worker	483	359	223	194
Nurse	213	289	238	320
Electrician	-	250	226	225
Cleaner	432	473	350	357
Driver	156	137	86	85
Nursing technician	-	21	232	234
Motorcycle driver	-	78	89	84
Hairdresser	22	16	16	19
Chef	22	15	263	335
Nurse assistant	14	13	-	103
Others	86	25	103	62
Corporate Segment Total	4,557	4,735	7,227	8,159
Individual Segment (Contractual and Hourly Service Combined)	4,559	6,209	6,042	6,037
Housemaid	4,538	6,192	6,012	6,011
Private driver	21	17	30	26
Individual Segment Total	4,032	5,274	4,271	6,037
Total	**9,116**	**10,944**	**13,269**	**14,196**

Source: The Company.

4.8.5 Manpower Resources Relations

The Group's approach to manpower resources relations is a testament to its commitment to creating a comprehensive and supportive work environment. At the heart of this endeavour lies the In-house Resources Centre, a testament to the Group's investment in s the wellbeing of its workforce. By centralising support and counselling services, the Group ensures that its workforce receives immediate and effective assistance, reinforcing the internal fabric of the Company. The Group puts a great emphasis on providing medical care for its workforce, encompassing preventive health measures and responsive insurance protocols, alongside detailed wellness programmes that prioritise work-life balance. Housing amenities reflect a dedication to a high quality of life, with tailored accommodations ensuring comfort and convenience for all employees. Additionally, the robust transportation fleet underscores a commitment to safety and reliability, with a comprehensive maintenance schedule through trusted service partnerships. Safety and security protocols complete the framework, demonstrating the Group's emphasis on a secure and supportive environment for every member of its workforce.

4.8.5.1 In-house Resources Centre

The Group upholds a self-sufficient model by maintaining all counselling and support services internally. A fully equipped call centre, staffed by dedicated personnel, operates as the backbone for such services, ensuring that any issues or inquiries are addressed promptly and efficiently. The decision not to outsource these services underscores the Group's commitment to providing immediate and effective support, fostering a responsive and supportive environment for all its manpower resources.

While currently the Group does not offer formal career development programmes, its focus remains on the immediate support and operational training necessary for the roles that its manpower resources fulfil. This streamlined approach is designed to concentrate resources on providing high-quality, immediate services that align with the Group's core operational mandates.

4.8.5.2 Medical Care

The Group proactively champions the health and wellbeing of its workforce through comprehensive health check-ups, insurance plans and wellness programmes. These initiatives are tailored to ensure the vitality and satisfaction of all members of its workforce employee, reflecting the Group's dedication to nurturing a thriving work environment.

(a) Health Check-ups and Insurance

In maintaining the highest standards of health and wellbeing, the Group has instituted a robust protocol for health check-ups and insurance coverage for its manpower resources. Workers are required to notify management at least two hours prior to their shift start if they're facing health issues. This pre-emptive communication enables a more responsive and empathetic management of worker health concerns.

Once notified, accommodation coordinators conduct a preliminary assessment of the worker's condition. Their role is critical—they provide an initial health check and determine the worker's capability for the day's tasks, considering their current health status. This daily evaluation ensures that workers receive the rest or medical attention they need and that work assignments are managed with a full understanding of each worker's capacity.

The accommodation manager oversees the entire process, utilising the information provided by the coordinators to orchestrate clinic visits and any necessary follow-up treatments. This management ensures that workers' health concerns are addressed promptly and effectively, without impacting the operational flow.

All members of the Group's workforce are beneficiaries of Class C medical insurance, a tailored insurance plan designed to meet the specific needs of workers. This coverage underscores the Group's commitment to the welfare of its employees, ensuring access to medical care without undue financial burden.

(b) Wellness Programmes

Recognising the importance of work-life balance, the Group has established wellness programmes that are integral to the cultural fabric of our workforce management. Every Friday, workers enjoy a scheduled day off, a respite from their duties which allows them to engage in personal activities and hobbies of their choice. This weekly pause is more than a break—it is a chance for workers to recharge, foster community ties and pursue leisure activities that contribute to their overall sense of wellbeing and satisfaction.

4.8.5.3 Housing

The Group's residential quarters boast amenities like fully-equipped kitchens, educational programmes, healthcare clinics, transport services and communal dining to enhance employees' living standards. As of 31 March 2024G, the Group had two transitional housing facilities in Riyadh for its Corporate Segment workforce, complemented by comprehensive support services, for those between assignments or concluding their tenure. At the same time, the Individual Segment workforce benefited from 25 housing facilities spread across the Kingdom, all equipped with furnishings, kitchenettes and internet, tailored to their employment type. All the housing facilities are either rented or owned by the Group.

(a) Amenities

The Group's residential facilities provide a spectrum of amenities designed to ensure a comfortable and enriching living experience for the workforce:

- **Fully-Equipped Kitchens**: Modern kitchen appliances and facilities are provided to enable manpower to prepare their meals with ease.

- **Educational and Training Opportunities**: Dedicated areas for educational and vocational training are available, fostering skill development and career progression.
- **Health and Wellness**: On-site clinics offer health screenings and medical care, underscoring the Group's commitment to the well-being of its employees.
- **Transportation Services**: Reliable transport options are provided for a variety of needs, facilitating ease of movement for personal and professional purposes.
- **Communal Dining Areas**: The dining facilities offer nutritious meals and serve as social spaces for residents to relax and interact with one another.

(b) Housing for Various Segments

The housing facilities are designed to cater to the specific needs of the manpower resources across different segments:

(i) Corporate Segment:

As of 31 March 2024G, the Group operated two buildings in Riyadh as transitional housing for 200 individuals from the Corporate Segment. These facilities offer:

- Transitional Accommodations: Fully furnished rooms with internet access, serving as a temporary base for post-arrival procedures and orientation. The facility is also used to provide accommodation to manpower resources who have completed their contracts and await new deployment or are exiting the Kingdom.
- Comprehensive Support Services: A reception, dining hall and orientation spaces are integral to the support provided to those awaiting deployment or contract completion.

During deployment to corporate clients, the workforce is not housed in the Group's housing facilities.

(ii) Individual Segment:

As of 31 March 2024G, the Group operated 26 housing facilities for 6,037 individuals from the Individual Segment spread throughout the Kingdom, including in Riyadh, Madina, Abha, Jeddah, Khobar and Dammam, offering the above-described facilities.

4.8.5.4 Transportation Fleet

The Group's fully owned transportation fleet, featuring minivans and medium-sized buses, is rigorously maintained for manpower transportation services, with a dedicated bus for training. Regular safety and performance checks are conducted to ensure high standards of reliability and operational safety.

(a) Fleet Size and Types of Vehicles

The Group maintains a robust fleet tailored to service the corporate sector, with 182 buses in operation designed to transport personnel across various routes and locations. The fleet comprises minivan, accommodating 11 passengers each, suitable for smaller groups and medium-sized buses with a 30-passenger capacity for larger teams. In addition to the operational vehicles, there is a dedicated bus for driver training, ensuring that all operators are adept at providing safe and efficient transport services. Maintenance needs and upgrades are systematically managed.

(b) Regular Maintenance and Safety Checks

The Group's commitment to safety and reliability is paramount, underlined by established maintenance agreements with renowned country-wide service centres. The fleet is subjected to regular, scheduled checks to maintain optimal performance and safety standards. Comprehensive maintenance services are designed to ensure that every vehicle in the fleet is performing to the highest standards. Regular checks include engine diagnostics, safety equipment assessments and overall vehicle health inspections to minimise downtime and extend the fleet's longevity. Detailed inspections and servicing of vital systems such as brakes, steering, suspension and other mechanical and electrical components, are also conducted to complement the maintenance regime.

Through these strategic partnerships, the Group adheres to the industry benchmarks for safety and maintenance, demonstrating its firm dedication to providing dependable and secure transportation solutions.

4.8.5.5 Safety and Security

The well-being of employees and residents within the Group's facilities is paramount and on-site safety protocols are rigorously implemented to reflect this importance. The overarching goal is to ensure that all accommodations strictly follow civil defence safety measures and the procedures outlined by the municipality. Inspections and licence renewals are regularly conducted, contingent upon the adherence to these comprehensive safety policies and procedures.

(a) Corporate Segment

For the Corporate Segment, the Group has established a robust framework to safeguard the work environment:

- **Civil Compliance**: All corporate accommodations are compliant with civil defence safety measures, including adherence to municipal procedures. This compliance is non-negotiable and forms the backbone of the Group's commitment to safety.

- **Regular Inspections**: Entities like civil defence and municipal authorities conduct regular inspections to ensure ongoing compliance. These inspections are critical to the renewal of operational licences and the continuity of business functions.
- **Crisis Preparedness**: The Corporate Segment has developed crisis management and emergency response plans that are rigorously maintained and updated to align with the latest safety standards and emergency preparedness requirements.

(b) Individual Segment

The safety protocols within the Individual Segment are tailored to address the specific needs and scenarios that residents might encounter:

- **Housing Safety**: Residences comply with all civil defence and municipal safety measures, ensuring a secure living environment for all individuals. Regular oversight by the relevant authorities ensures that safety protocols are consistently applied and updated as necessary.
- **Licensing and Monitoring**: The Group secures and renews licences by demonstrating strict adherence to safety protocols, which are regularly inspected by the authorities to confirm compliance and to safeguard the well-being of residents.
- **Emergency Protocols**: The Individual Segment is protected by crisis management and emergency response plans, which include detailed instructions for various emergency scenarios to ensure rapid and effective responses to any crises that may arise.

In both the Corporate and Individual Segments, the Group not only adheres to but strives to exceed the required standards for safety, embedding it into the culture and everyday practices of all its operations.

4.8.6 Information Technology

In the fast-paced era of digital transformation, the Group has established itself as a forward-thinking leader, harnessing the latest technological innovations to streamline operations and elevate customer experiences. This strategic embrace of technology is showcased through the deployment of state-of-the-art digital tools and platforms, which enable the following enhancements:

- **Customer Relationship Management (CRM) Systems**: State-of-the-art CRM solutions are employed to cultivate deeper relationships with clients by providing a personalised experience, managing interactions more effectively and ensuring that clients receive timely and targeted communication.
- **Clients' Web Portal**: The Group's website is serving as a platform that connects clients with the full spectrum of services. It is a gateway for submitting requests, completing payments and managing essential tasks like timesheet and financial claim submissions, as well as selecting manpower resources. Engineered for ease of use, the website streamlines the client experience, allowing corporate partners to communicate directly with the Group, bypassing traditional bureaucratic hurdles. This digital conduit reflects the Group's dedication to operational efficiency and superior client service, encapsulating a commitment to a hassle-free, direct engagement model.
- **Mobile Application**: The Group's mobile application is a sophisticated platform designed to connect individual customers with a spectrum of manpower services. This app streamlines the selection process, allowing users to conveniently browse and hire skilled professionals suited to their specific requirements. With a few taps, service charges can be processed transparently, assuring a swift, secure financial exchange. The app's efficiency ensures rapid deployment of personnel, critical for maintaining the momentum of personal projects or business operations. Featuring a user-friendly interface, the app is accessible on multiple devices, reinforcing the Group's commitment to innovation, excellence and customer satisfaction in the digital age.
- **Data Analytics**: By leveraging big data analytics, the Group gains actionable insights into market trends and customer behaviour, allowing for data-driven decision-making and predictive analytics to anticipate client needs.
- **Digital Training and Development**: Commitment to continuous learning is realised through digital education platforms, ensuring that the workforce stays abreast of technological advancements and industry best practices, which in turn, enhances service delivery.

Through these technological deployments, the Group not only solidifies its competitive edge but also showcases its dedication to innovation, efficiency and a superior customer experience in an increasingly digital world.

The Group defends its data and IT infrastructure, where continuous investments in advanced system upgrades, resilient infrastructure and stringent security protocols form a resolute defence against data breaches, theft and cyber malfeasance. The Group underscores its resolve to uphold the sanctity of client and employee information. Its cybersecurity endeavours are a testament to a forward-thinking posture, encompassing not just defence mechanisms but proactive threat mitigation—reflecting a deep-seated commitment to the confidentiality, integrity and availability of its digital assets in a world where information security is paramount.

4.8.7 Quality of Services

The Group is at the forefront of customer engagement, employing cutting-edge technology to transform its e-commerce and service delivery. Key initiatives include a sophisticated mobile app and CRM platform for transparent, seamless customer interaction. These tools have significantly boosted satisfaction and loyalty, reflecting in the Group's dynamic feedback and survey systems. Simultaneously, it focuses on expanding market share through dedicated relationship teams and loyalty programmes in the Individual Segment and by establishing a best-practice model for the Corporate Segment, ensuring sustained growth and enhanced client relationships.

4.8.7.1 Feedback Mechanisms

The Group is leveraging technological advancements to enhance its e-commerce and online engagement actively. Recognising the increasing digital savviness of consumers, it has refined customer outreach and service delivery through innovative and user-friendly channels. A notable milestone in this journey has been the launch of a state-of-the-art mobile application, underpinned by a robust customer relationship management (CRM) platform. This integration provides unparalleled transparency, enabling comprehensive oversight of customer interactions, feedback management and personalised loyalty incentives, effectively fostering a more cohesive and rewarding customer experience.

4.8.7.2 Satisfaction Surveys

The Group has enhanced its digital footprint to maximise its e-commerce potential actively. By embracing the growing sophistication of consumer connectivity, the organisation offers superior service through streamlined and accessible touchpoints. This strategy has been materialised through a premier mobile application allied with an advanced CRM system. This synergy allows for seamless monitoring and management of customer relationships, providing a holistic view of transaction histories, feedback loops and loyalty rewards, thereby elevating customer satisfaction and retention.

4.8.7.3 Dedicated Client Relationship Teams

In the realm of Individual Segment, the Group is expanding and consolidating its market presence, working towards an increased market share and a fortified industry standing. It harnesses a sophisticated loyalty platform to cultivate enduring customer relationships through exemplary service, refined relationship management and the amplification of loyalty advantages. This approach delivers additional value, encouraging customers to remain within the Group's ecosystem for extended periods.

For the Corporate Segment, the Group has established an organisation that aligns with global best practices, positioning itself as a comprehensive partner for corporate clientele. It has adopted a commercial excellence model that embodies superior organisational structure, team dynamics, processes, systems and routines. The aim is to enhance client acquisition, retention and development through world-class service delivery and corporate relationship cultivation.

4.8.8 Geographic Locations and Operations

The Group's headquarters are located in Riyadh, the Kingdom, and it has a digital branch and 17 physical branches in major cities across the Kingdom, including Riyadh, Jeddah, Madinah and Abha. No business or assets of the Group exist outside the Kingdom.

The Group strategically selects branch locations by analysing a blend of factors such as demographic density, economic affluence and customer behaviours, drawing insights from customer interactions through its web portal and dedicated mobile app. These branches play a dual role in the Group's service network:

- they serve as retail hubs for individual customers, offering a comprehensive range of services while also functioning as touchpoints for referrals to the corporate sales division, facilitating cross-segment collaboration and business growth; and
- additionally, they offer a suite of post-deployment services that are pivotal for customer retention and satisfaction, such as streamlined contract renewals and a spectrum of client services, ensuring ongoing support and engagement with the Group's clientele.

The following table shows the locations of the Group's branches as of 31 March 2024G:

Table 4.36: Details of the Group's Geographical Presence as of 31 March 2024G

Branch	CR No.	CR Date
Riyadh Province, Kingdom of Saudi Arabia		
Al Taawun District, Al Hussein Bin Ali Street	1010452720 (Sub-register)	19 Shawwal 1439H (corresponding to 3 July 2018G)
Ar Rawdah District, Al Hassan Bin Ali Street		
As Suwaidi District, Hamzah Bin Abd Al Mouttaleb Street		
Al-Kharj, Al Salam District, Abu Dujanah Street		
Eastern Province, Kingdom of Saudi Arabia		
Dammam, Al Waha District, Othman Bin Affan Street	2050126195 (Sub-register)	23 Ramadan 1440H (corresponding to 27 May 2019G)
Al Khobar, Al Dhahran Street, Custodian of the Two Holy Mosques Road		
Al-Ahsa, Al-Ruwaida District, Al-Sitteen Street		
Makkah Province, Kingdom of Saudi Arabia		
Al-Taif, Al Jal District, Shahid Al-Din Street	4032263886 (Sub-register)	20 Rabi' al-Thani 1444H (corresponding to 14 November 2022G)
Jeddah, Al Mohammadiyyah District, Prince Sultan Street		
Al-Qassim Province, Kingdom of Saudi Arabia		
Buraidah, Al-Montazah District, King Abdulaziz Road	1131295467 (Sub-register)	18 Rabi' al-Thani 1440H (corresponding to 25 December 2018G)
Ar-Rass, Al-Hazm District, Al-Jarif Street		

Branch	CR No.	CR Date
Ḥa'il Province, Kingdom of Saudi Arabia		
Alwusayta District, Uqdah Street	3350162794 (Sub-register)	21 Rabi' al-Thani 1444H (corresponding to 15 November 2022G)
Medina Province, Kingdom of Saudi Arabia		
Mahzour District, King Abdullah Branch Road	4650215208 (Sub-register)	3 Rabi' al-Awwal 1441H (corresponding to 31 October 2019G)
Yanbu, Al Bandar District, Omar Ibn Al-Khattab Street		
Asir Province, Kingdom of Saudi Arabia		
Al-Diyafa District, Salah Al-Din Road	5855346739 (Sub-register)	6 Sha'ban 1441H (corresponding to 2 February 2020G)
Tabuk Province, Kingdom of Saudi Arabia		
Al Murooj District, Al Khawarizmi Street	3550151638 (Sub-register)	27 Shawwal 1444H (corresponding to 17 May 2023G)
Al-Bahah Province, Kingdom of Saudi Arabia		
Al Salamah District, King Fahd Road	5800108959 (Sub-register)	21 Rabi' al-Thani 1444H (corresponding to 15 November 2022G)

Source: The Company.

The table below also provides details of the Group's revenues by geographical distribution for the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G:

Table 4.37: Details of the Group's Revenues by Geographical Distribution for the Financial Years Ended 31 December 2021G, 2022G and 2023G and the Three-Month Period Ended 31 March 2024G

Province/Platform	As of 31 December			As of 31 March	
	2021G	2022G	2023G	2023G	2024G
Corporate Segment					
Riyadh Province	99,457	145,379	149,040	38,538	45,360
Eastern Province	68,759	51,145	100,922	14,155	46,975
Makkah Province	9,213	18,157	18,617	4,850	3,780
Al-Qassim Province	18,476	14,439	6,091	2,298	163
Southern region	427	1,024	1,303	383	302
Medina Province	105	533	464	124	99
Others	536	636	824	160	124
Total Corporate Segment	**196,973**	**231,313**	**277,260**	**60,507**	**96,801**
Individual Segment					
Riyadh Province	70,587	60,995	49,746	14,166	14,605
Eastern Province	26,102	25,659	22,860	6,505	4,268
Al-Bahah Province	-	5,667	8,591	2,092	1,895
Al-Qassim Province	20,204	16,558	12,066	3,380	2,630
Makkah Province	5,901	10,550	16,128	4,269	3,969
Medina Province	7,247	7,341	6,382	1,772	1,712
Ha'il Province	47	2,683	3,556	1,035	591
Tabuk Province	-	-	932	-	789
Mobile app and website	20,876	54,020	87,390	20,479	16,099
Total Individual Segment	**161,555**	**195,170**	**218,571**	**56,799**	**48,571**
Total revenues	**358,528**	**426,483**	**495,831**	**117,306**	**145,372**

Source: The Company.

The Group's strategic geographic expansion is driven by a keen grasp of market intricacies and a resolve to provide unparalleled service quality. Its expansion blueprint is designed to secure a competitive advantage in key geographies in the Kingdom, influenced by the following key factors:

In-Depth Market Analysis:

- A cornerstone of the Group's geographic expansion is an in-depth market analysis that probes into areas ripe for business and regions with a pronounced need for its services offering. Harnessing the power of sophisticated analytical tools and empirical data, the Group scrutinises trends, consumer patterns and the competitive business environment to forecast market evolutions and identify prime opportunities for proactive expansion.

Selective Geographic Penetration:

- While the Group does not have the widest geographic presence in the Kingdom from among its competitors, it has adopted a calculated approach to geographical spread, judiciously pinpointing regional hubs that align with market demand and customer accessibility. Expansion follows a strategic sequence, homing in on locales with robust growth trajectories and favourable investment yields. These locations are equipped with scalable operational models, ready to adapt to fluctuating market feedback and ensuring judicious use of resources.

Adaptive Service Diversification:

- The Group is accustomed to the cultural and economic variances across regions, shaping services that align with local expectations and requirements. Its services offering is dynamic, responsive to each region's distinct economic and demographic context. Client feedback from each geography fuels a cycle of service refinement and innovation, ensuring offerings remain pertinent and competitive.
- This strategic expansion not only widens the Group's geographic reach but also enriches its market data, championing a blend of Kingdom-wide reach and local insight. This strategy underpins the Group's commitment to delivering value-driven, bespoke services that cater to the specificities of each geographic market, reinforcing its industry leading status.

4.8.9 Sales and Marketing

The Group supports a unified brand identity across all platforms, implements strategic promotions tied to market trends and harnesses digital marketing for outreach. A Riyadh-centred sales team, supported by regional branches, crafts tailored strategies and fosters client relationships, enhancing service quality. Through targeted marketing efforts, including search engine optimisation and social media, the Group solidifies its market position, ensuring robust growth and a strong competitive edge.

4.8.9.1 Unified Brand Identity

The Group maintains a strong and consistent brand presence across all platforms under the names "Tamkeen", "Tamkeen HR" and "THR". This consistent branding strategy is evident in all official communications and marketing materials, ensuring a cohesive and recognisable brand experience for clients and customers whether they interact through the website, mobile app, social media, or official documents.

4.8.9.2 Strategic Promotional Tactics

Promotions and discounts are not arbitrary but part of a well-thought-out calendar, offering regular incentives aligned with market demands and spontaneous discounts to address specific market shifts and service utilisation. The Group also upholds clear service terms and conditions, providing transparent guidelines on refunds and handling customer inquiries efficiently and equitably.

4.8.9.3 Digital Marketing and Outreach

The Group's marketing strategy for the household segment is diversified and digitally focused. Campaigns are crafted to elevate brand awareness and stimulate service use among new and existing customers. The preference for digital marketing channels ensures expansive reach, meticulous tracking and the ability to fine-tune marketing investments for better returns.

4.8.9.4 Sales Operations and Client Engagement

At the core of the Group's sales infrastructure is a specialised team based in Riyadh, supported by a network of regional branches. This team is entrusted with executing sales strategies, analysing regional sales data, identifying new client opportunities and forecasting market trends. Their insights are pivotal in shaping the sales agendas and fulfilling the business objectives for each sector.

4.8.9.5 Localised Client Relationship Building

Regional branches play a crucial role in fostering close connections with key clients, enabling the Group to effectively adapt to their changing needs and to consistently fulfil service expectations. This client-focused approach is fundamental to the Group's ability to deliver exceptional service quality.

4.8.9.6 Marketing and Market Positioning

The Group's standing in the market is enhanced through comprehensive marketing activities that include search engine optimisation, social media marketing, influencer partnerships, online advertising and collaborative marketing efforts. An annual marketing plan targets specific customer segments, while participation in industry events and exhibitions serves to elevate the Group's profile and credibility.

These strategic components work in concert to reinforce the Group's market leadership and nurture its growth. The clear subheadings reflect the multifaceted approach to marketing, sales and client relationship management that together establish the Group's competitive edge and brand integrity.

4.8.10 Social Responsibility

The Group's approach to corporate social responsibility (CSR) is anchored in a comprehensive and principled commitment to drive positive societal change. This commitment is a cornerstone of the Group's corporate philosophy and is manifest in a comprehensive suite of initiatives:

- **Social Empowerment Programmes**: Central to the Group's CSR endeavours are its social empowerment programmes, designed to unlock human potential and promote societal advancement. These programmes are crafted to empower community members, driving social equity and enhancing the vibrancy of the communities the Group touches.
- **Workforce Development and Diversity**: A testament to its commitment to CSR is the Group's dedication to fostering a workplace environment where diversity is celebrated and employee well-being is paramount. Through ongoing development programmes and a culture that emphasises inclusivity, the Group not only enriches its workforce but also reinforces a culture of high performance and innovation.
- **Contribution to Socioeconomic Progress**: The Group operates with a keen awareness that business activities should concomitantly propel socioeconomic advancement. By fostering an environment that enhances the livelihoods of its employees and their communities, the Group transcends its commercial objectives to become a catalyst for broad-based prosperity.
- **Community Engagement**: The Group's strategy for community engagement is characterised by a deliberate and thoughtful investment in local communities. Through initiatives tailored to local exigencies, the Group ensures that its resources are utilised to mitigate the most critical community challenges. Such engagement is pivotal to building robust and enduring community ties, thus amplifying the Group's societal contributions.
- **Environmental Stewardship**: Environmental stewardship is embedded in the fabric of the Group's operational principles. The Group is a forerunner in instituting eco-efficient operational practices, aiming to curtail its ecological footprint and championing sustainability. The pursuit of environmental excellence not only fortifies the Group's position as an industry exemplar but also serves as a call to action for its peers.

In integrating these CSR initiatives into its business model, the Group does not merely fulfil a moral imperative but also sets a precedent in corporate citizenship. This integrative approach to social responsibility not only strengthens the Group's reputation but also fortifies its social licence to operate, reflecting a deep-rooted commitment to the philosophy of "doing well by doing good".

4.9 Future Plans and Initiatives – Launching Four New Services

In an era marked by dynamic change and evolving needs, the Group is committed to pioneering solutions that address emerging market demands and lifestyle shifts. Its future plans and initiatives are carefully designed to align with these evolving trends, heralding the launch of four innovative services. Each of these offerings is tailored to meet specific societal needs, from healthcare to culinary experiences, reflecting its dedication to enhancing the quality of life and professional support for individuals and families across the Kingdom. These new services, which encompass home health care, white-collar professional services, professional babysitter service and in-house culinarian services, are a testament to the Group's foresight and commitment to being at the forefront of service excellence.

4.9.1 Home Health Care Service

In response to the Kingdom's burgeoning home healthcare market, the Group is poised to introduce, starting in July 2024G, a comprehensive home healthcare service, addressing the escalating demands for high-quality in-home healthcare, particularly for the aging population. This initiative not only responds to demographic shifts but also aligns with a growing preference for personalised medical care within the familiar and comfortable surroundings of one's home.

Capitalising on its robust experience in healthcare service delivery, the Group endeavours to offer exceptional care that is both accessible and compassionate. This service has been meticulously designed to encompass a range of healthcare needs, ensuring that patients receive professional medical attention without compromising on the comfort and convenience of home.

To bolster this ambitious undertaking, the Group has forged, in March 2023G, a strategic collaboration with Dr Sulaiman Al Habib Medical Services Group Company, the Kingdom's preeminent medical services provider. This partnership, materialising through the jointly owned subsidiary Eraf Medical Company, promises to blend expertise and resources, setting a new standard in home healthcare services in the Kingdom. For further details on the subsidiary, see Section 4.6.3 (*Eraf Medical Company*).

4.9.2 Professional Babysitter Service

In response to the evolving societal landscape, marked by shifting family structures and the growing prevalence of dual-income households, the Group recognises the urgent need for dependable childcare solutions. As a result, it is introducing a professional babysitter service, expected to start in January 2025G, meticulously designed to cater to the unique requirements of contemporary Saudi families. This innovative service offers more than just supervision; it provides peace of mind. Its rigorously vetted and thoroughly trained childcare professionals are not only reliable but also equipped with the skills to foster a safe, nurturing and stimulating environment for children. This service stands as a testament to the Group's commitment to supporting families in balancing their professional and personal lives, ensuring their children's well-being and development are in capable hands.

4.9.3 In-House Culinarian Services

In response to the evolving culinary preferences and busy lifestyles of Saudi families, the Group has recently introduced in September 2023G, its innovative in-house culinarian services. This bespoke offering is meticulously designed to cater to the growing appetite for convenient yet customised dining experiences within the comfort of one's home. The Group's professional culinary experts are adept at crafting a wide range of culinary delights, ensuring each meal is not only fresh and wholesome but also aligns perfectly with the unique tastes and dietary requirements of each family. By bringing culinary excellence to your doorstep, the Group is committed to enhancing the overall dining experience, making every meal a memorable occasion for Saudi families.

4.9.4 White-collar Recruitment Service

Aligned with the Kingdom's ambitious Vision 2030 initiatives and its push for economic diversification, the Group is strategically introducing white-collar professional services. This specialised service is designed to address the increasing demand for expert professionals across key fields, such as technology, finance, healthcare and engineering. It is particularly tailored to cater to the needs of high-growth, talent-seeking corporate clients, thus bolstering sectors that stretch well beyond the traditional oil and gas industry. To expedite the deployment and enhance the efficacy of this service, the Group has strategically acquired in 2020G 100 per cent. of the share capital of Open Technologies for Communications and Information Technology Company ("**Open Tech**"). Open Tech's expertise and established networks significantly enhance the Group's capacity to meet the increasing demand for specialised talent. This acquisition represents a pivotal step in extending its service portfolio, providing robust support to industries that are essential to the Kingdom's economic future. For further details on the subsidiary, see Section 4.6.1 (*Open Technologies for Communications and Information Technology Company*).

4.10 Overview of the Company's Departments

The Company has several administrative departments which support its various business activities. Below is a brief description of the activities of the Company's departments:

4.10.1 Finance Department

The key roles and responsibilities of the Finance Department are to support the Group's general objectives by developing financial plans, budgets, projected cash flows, performance indicators and long-term plans, as well as tracking revenue, capital and operational expenditures to ensure the achievement of targets by preparing monthly deviation reports, managing relationships with local banks to build a strong credit history, reviewing all transactions which have a financial impact, managing cash flows, making recommendations regarding investment opportunities, preparing all periodic financial reports and KPIs, identifying financial information and extracting relevant information therefrom, in addition to managing ZATCA-related matters.

4.10.2 IT Department

The IT department is key to the Group's growth and success, as it ensures the security of the Group's information and systems. The IT Department accomplishes this through various functions, including aligning IT resources and infrastructure with the Group's strategic objectives and managing the digital transformation of all software and applications. To this end, it uses cutting-edge digital technologies that help automate all of the Company's operational and financial procedures to achieve customer satisfaction through excellence and flexibility in providing services that fit all client segments. The IT department also aims to develop cybersecurity, thus supporting the provision of a secure information system that complies with electronic systems standards to support decision-making in the provision of quality e-services.

4.10.3 Legal Department

The key responsibilities of the Legal Department include reviewing legal, founding and contractual documents, as well as offering advice to the Company's Board of Directors and Senior Management on legal matters pertaining to the Group. The Legal Department drafts agreements and contracts, represents the Group before judicial bodies and, if required, initiates legal action against third parties and follows up on the same. In addition, the Legal Department offers legal advice to all of the Company's administrative departments and reviews laws, regulations, publications and directives pertaining to the Group's business and oversees the convening of General Assembly meetings and coordinating with the relevant Government agencies.

4.10.4 Human Resources Department

The Human Resources Department is in charge of managing the Group's human capital assets, including attracting eligible cadres who are capable of fulfilling the Group's objectives. The responsibilities of the Human Resources Department also include the professional development of the Company's employees, organising training programmes, conducting performance assessments, establishing safety systems and working to provide a safe and stable work environment. The Human Resources Department also ensures compliance with the laws and regulations of MHRSD.

4.10.5 Marketing and Brand Management Department

The Marketing and Brand Management Department is responsible for achieving the Group's objectives in general by setting the Company's marketing strategies in order to accomplish the Group's goals and plans and, specifically, promoting its strengths to access greater opportunities for the Group. The Marketing and Brand Management Department also collects the information required for the performance of its tasks, enhances the Company's brand and reputation, grows the number of individual and corporate clients and retains them and develops the marketing mix in a suitable manner to achieve the intended goals. This Department also sets the prices of the Group's products and determines the services required in the labour market, with the goal of increasing the Company's profits. Moreover, the Marketing and Brand Management Department manages the Group's brand and promotional materials and ensures the protection of the correct use of the Group's identity, designs and intellectual property rights.

4.10.6 Procurement and Contracts Department

Among the key roles and responsibilities of the Procurement and Contracts Department is planning ahead to ensure all of the Group's requirements are met and supervision thereover to achieve the Group's goals and allow for performance of its functions to the fullest extent. Additionally, this Department supports the Group's in providing integrated services and goods by searching for the most suitable alternatives available through establishing and developing strong procurement strategies that are tailored to the Group's circumstances and requirements.

4.10.7 Government Relations Department

The Government Relations Department works to update and complete all required Government forms, documents and procedures in accordance with the labour rules and regulations. This Department is also tasked with implementing directives related to the confidentiality of information and records and handling them with the utmost professionalism and competence, as well as archiving, classifying and organising documents based on established procedures, in addition to receiving and answering employee inquiries and following up on their transactions. All this is done in coordination with the employees of the relevant external units.

4.10.8 Governance, Risk and Compliance Department

The Governance, Risk and Compliance Department ensures that the Group complies with all applicable laws, regulations and directives issued by the relevant regulatory authorities. This Department further ensures that the decisions of the Group's Management are in compliance with the laws and regulations of the Kingdom. The Governance, Risk and Compliance Department also identifies, analyses, evaluates and addresses corporate risks within a corporate framework, thereby supporting a risk-based decision-making process. In addition, this Department provides assistance and support to the Board of Directors and its Committees in enacting policies and regulations that ensure effective governance of the Company's business and activities.

4.10.9 Internal Audit Department

Among the key responsibilities of the Internal Audit Department is the provision of independent and objective advisory services with the goal of adding value to the Group and enhancing its operations, as well as assisting in the achievement of its objectives through an organised, systematic approach to evaluate and promote the effectiveness of governance, risk management and control processes. The mission of the Internal Audit Department is to enhance, safeguard, advance and maintain the Group's organisational value by providing objective and risk-based assurance.

4.11 Research and Development

As of the date of this prospectus, the Company does not have a research and development policy.

4.12 Business Continuity

During the 12-month period preceding the date of this Prospectus, there has been no suspension or interruption in the Company's business which would affect or have a significant impact on its financial position and no material change in the nature of its business is contemplated.

05

Organisational Structure and Corporate Governance

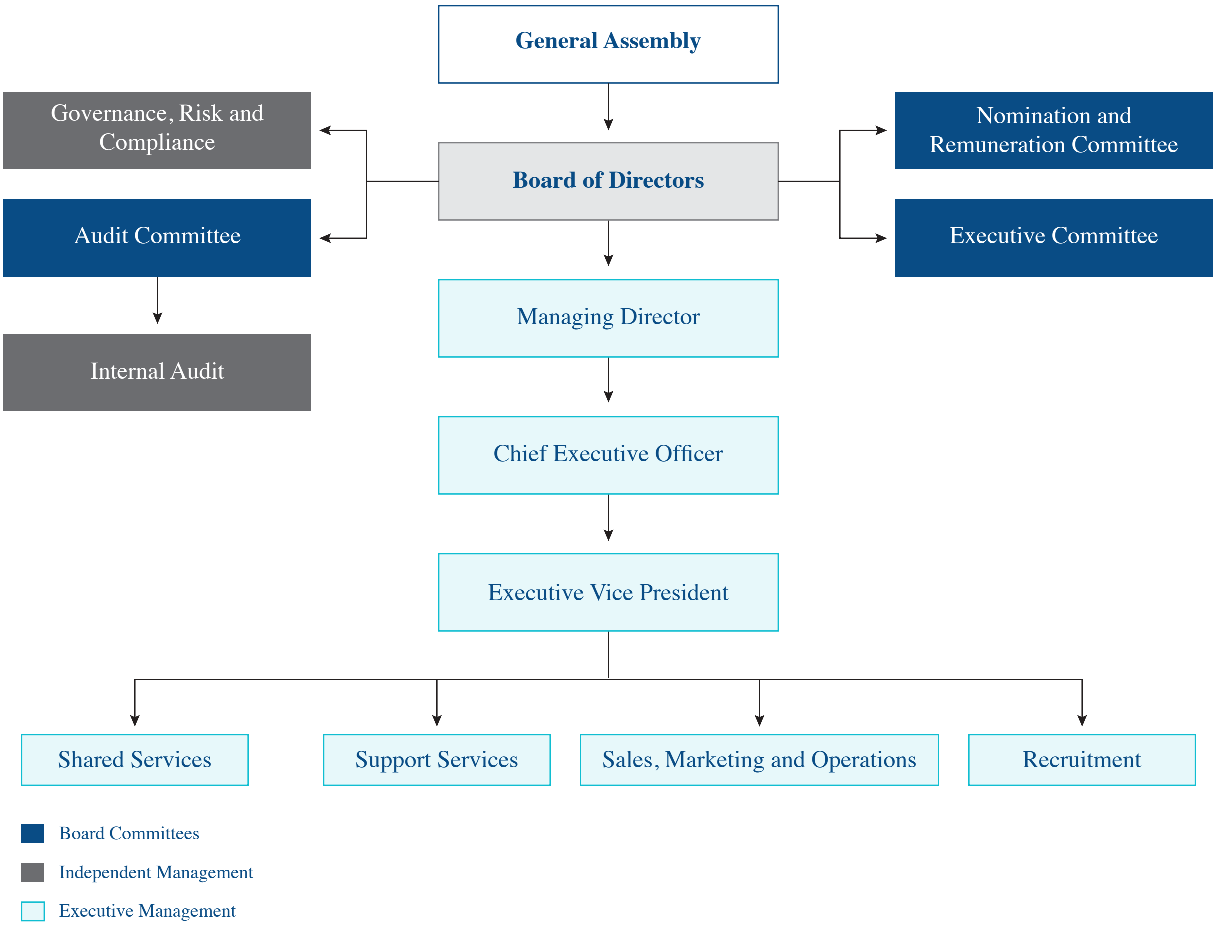
5. Organisational Structure and Corporate Governance

5.1 Organisational Structure

Without prejudice to the General Assemblies' authorities, the Board of Directors has the broadest authorities to manage the Company and has the responsibility to manage the overall direction, supervision and control of the Company. The Board of Directors delegates responsibility for overall day-today management of the Company to the Executive Management of the Company and, in particular, the Chief Executive Officer.

The following chart sets out the organisational structure of the Company:

Exhibit 5.1: Organisational Structure of the Company



Source: The Company.

The following table summarises the direct ownership structure of the Company pre- and post-Offering:

Table 5.1: Direct Ownership Structure of the Company Pre- and Post-Offering

Shareholder	Pre-Offering						Post-Offering					
	Direct Ownership			Indirect Ownership			Direct Ownership			Indirect Ownership		
	Number of Shares	Shareholding (%) [1]	Nominal Value (SAR)	Number of Shares	Shareholding (%) [1]	Nominal Value (SAR)	Number of Shares	Shareholding (%) [1]	Nominal Value (SAR)	Number of Shares	Shareholding (%) [1]	Nominal Value (SAR)
Tasheel Real Estate Company	9,043,125	34.13%	90,431,250	-	-	-	5,634,563	21.26%	56,345,630	-	-	-
Dr Sulaiman Al Habib Medical Services Group Company	6,625,000	25.00%	66,250,000	-	-	-	4,637,500	17.50%	46,375,000	-	-	-
Fares Saleh Mutlaq Al Henaki	2,650,000	10.00%	26,500,000	-	-	-	2,650,000	10.00%	26,500,000	-	-	-
Saleh Mohammed Saleh Al Hajaj	2,650,000	10.00%	26,500,000	-	-	-	1,523,750	5.75%	15,237,500	-	-	-
Abdulrahman Ali Abdullah Al Gubaisi	1,987,500	7.50%	19,875,000	-	-	-	1,325,000	5.00%	13,250,000	-	-	-
Abdullah Sulaiman Abdulrahman Al Ngeer [2]	993,750	3.75%	9,937,500	4,521,562	17.06%	45,215,620	993,750	3.75%	9,937,500	2,816,950	10.63%	28,169,500
Saleh Hamad Ali Al Bhaiji	993,750	3.75%	9,937,500	-	-	-	695,625	2.63%	6,956,250	-	-	-
Abdullah Ahmed Sultan Al Shehri	795,000	3.00%	7,950,000	-	-	-	556,500	2.10%	5,565,000	-	-	-
Saif Mohammed Saif Al Sharikh	496,875	1.87%	4,968,750	-	-	-	347,812	1.31%	3,478,120	-	-	-
Ziad Mohammed Makki Saleh Al Tunisi	265,000	1.00%	2,650,000	-	-	-	185,500	0.70%	1,855,000	-	-	-
Public	-	-	-	-	-	-	7,950,000	30.0%	79,500,000	-	-	-
Total	**26,500,000**	**100%**	**265,000,000**	**4,521,562**	**17.06%**	**45,215,620**	**26,500,000**	**100%**	**265,000,000**	**2,816,950**	**10.63%**	**28,169,500**

Source: The Company.

(1) Rounded to the first decimal place.

(2) Abdullah Sulaiman Abdulrahman Al Ngeer owns 50 per cent. of the shares of Tasheel Real Estate Company, which in turn directly owns 34.13 per cent. of the Company's Shares. As a result, Abdullah Sulaiman Abdulrahman Al Ngeer indirectly owns approximately 4,521,562 Shares, which represent 17.06 per cent. in the Company prior to the Offering.

5.2 Board of Directors and Secretary of the Board of Directors

5.2.1 Composition of the Board of Directors

The Board of Directors consists of nine Directors who are appointed by the General Assembly by means of cumulative vote (for further details, see Section 11.13 (*Bylaws*)). The Companies Law, the Corporate Governance Regulations, the Bylaws and the internal Corporate Governance Manual of the Company determine the duties and responsibilities of the Board of Directors in accordance with the Company's Bylaws. The term of the Directors' membership in the Board of Directors, including the Chairman, shall be for a maximum period of three years for each term as they may be re-elected. The current session of the Board of Directors commenced on 16 Thul-Qi'dah 1444H (corresponding to 5 June 2023G) and will end on 18 Thul-Hijjah 1447H (corresponding 4 June 2026G).

The following table sets out the Directors as of the date of this Prospectus.

Table 5.2: Company's Board of Directors

Name	Position	Nationality	Status	Share Ownership [1]				Date of Appointment [2]
				Direct		Indirect		
				Pre-Offering	Post-Offering	Pre-Offering	Post-Offering	
Abdullah Ahmed Sultan Al Shehri	Chairman	Saudi	Non-Executive	3.00%	2.10%	-	-	16 Thul-Qi'dah 1444H (corresponding to 5 June 2023G)
Ziad Mohammed Makki Saleh Al Tunisi	Vice Chairman	Saudi	Independent	1.00%	0.70%	-	-	16 Thul-Qi'dah 1444H (corresponding to 5 June 2023G)
Abdullah Sulaiman Abdulrahman Al Ngeer [3]	Managing Director	Saudi	Executive	3.75%	3.75%	17.06%	10.63%	16 Thul-Qi'dah 1444H (corresponding to 5 June 2023G)
Fares Saleh Mutlaq Al Henaki	Director and Chief Executive Officer	Saudi	Executive	10.00%	10.00%	-	-	16 Thul-Qi'dah 1444H (corresponding to 5 June 2023G)
Saleh Abdulrahman Saleh Al Fadel	Director	Saudi	Independent	-	-	-	-	16 Thul-Qi'dah 1444H (corresponding to 5 June 2023G)
Faisal Abdullah Ali Al Nassar	Director	Saudi	Non-Executive	-	-	-	-	16 Thul-Qi'dah 1444H (corresponding to 5 June 2023G)
Abdulrahman Ali Abdullah Al Gubaisi	Director	Saudi	Non-Executive	7.50%	5.00%	-	-	16 Thul-Qi'dah 1444H (corresponding to 5 June 2023G)
Ahmed Rajeh Abdullah Al Rajeh	Director	Saudi	Independent	-	-	-	-	16 Thul-Qi'dah 1444H (corresponding to 5 June 2023G)
Hesham Sulaiman Abdulaziz Al Habib [4]	Director	Saudi	Non-Executive	-	-	0.50%	0.35%	16 Thul-Qi'dah 1444H (corresponding to 5 June 2023G)

Source: The Company.

(1) Rounded to the first decimal place.

(2) Dates listed in this table are the dates of appointment to the current positions in the Board of Directors. The respective biographies of the Directors are set out below.

(3) As of the date of this Prospectus, Abdullah Sulaiman Abdulrahman Al Ngeer owns 5,000,000 shares in Tasheel Real Estate Company (representing 50.0 per cent. of its shares), which in turn directly owns 4,250,899 Shares in the Company. As a result, Abdullah Sulaiman Abdulrahman Al Ngeer indirectly owns 4,521,562 Shares, representing 17.06 per cent. of the Company Shares prior to the Offering.

(4) As of the date of this Prospectus, Hesham Sulaiman Abdulaziz Al Habib owns 7,000,000 shares in Dr Sulaiman Al Habib Medical Services Group Company (representing 2.00 per cent. of its shares), which in turn directly owns 6,625,000 shares in the Company. As a result, Hesham Sulaiman Abdulaziz Al Habib indirectly owns 132,500 Shares, representing 0.50 per cent. of the Company Shares prior to the Offering.

The Secretary of the Board of Directors is Mohammed Ibrahim Mohammed Al Basha, who was appointed pursuant to a resolution of the Board of Directors dated 2 Muharram 1445H (corresponding to 20 July 2023G). Mohammed Ibrahim Mohammed Al Basha doesn't own any Shares (for a summary of his biography, see Section 5.2.4.10 (*Mohammed Ibrahim Mohammed Al Basha, Board Secretary*)).

5.2.2 Responsibilities of the Board of Directors

The Company is supervised by a Board of Directors consisting of professional and highly experienced persons. Further to powers set by the General Assembly in the Companies Law and its implementing regulations, as well as the Company's Bylaws, the Board of Directors is vested with full powers to manage the business of the Company and supervise its affairs. The Board of Directors delegates responsibility for overall day-to-day management of the Company to the Company's Executive Management.

Some powers are delegated to the Company's Committees, consisting of the Audit Committee, the Nomination and Remuneration Committee and the Executive Committee (collectively, the "**Committees**"), and a number of administrative departments with responsibility for dealing with a range of operational and business matters (for further details, see Section 4.10 (*Overview of the Company's Departments*)). In addition, the Board of Directors has the power to form any number of committees it considers necessary for effective governance, oversight and operations of the Company or to delegate some of its powers to one or more of the Directors or to third parties. However, despite any delegation, the ultimate responsibility for the Company rests with the Board of Directors.

The responsibilities of the Board of Directors, the Chairman and the Secretary can be summarised as follows:

5.2.2.1 Board of Directors

With due regard to the competencies for the General Assembly, the Board of Directors shall have the widest powers in managing the Company in order to achieve its objectives inside and outside the Kingdom. The powers and responsibilities of the Board of Directors include the following:

- participating in the overall direction and management of the Company;
- acting on behalf of the Company in an agent-like capacity;
- overseeing the Committees in line with the policies and objectives of the Company;
- approving the appointment of the Chief Executive Officer, the Chief Financial Officer and the Head of Internal Audit (based on Audit Committee recommendation);
- laying down a comprehensive strategy for the Company, the main work plans and the policy related to risk management;
- determining the appropriate capital structure of the Company, its strategies and financial objectives and approving its annual budgets;
- supervising the main capital expenditures of the Company and acquisition/disposal of assets;
- determining the performance objectives to be achieved and supervising implementation thereof;
- monitoring the overall performance of the Company;
- reviewing and approving the organisational and functional structures of the Company;
- developing a written policy regulating conflicts of interest and remedy of any possible cases of conflict by the Directors, Executive Management and Shareholders;
- developing written policies regulating the Company's relationship with the Shareholders, including policies in connection with the indemnification of Shareholders and settlement of complaints or disputes between the Company and Shareholders;
- developing policies in connection with maintaining relationships with customers and suppliers and protecting the confidentiality of information in relation thereto;
- establishing a code of conduct for the Executive Management and employees in line with the proper professional and ethical standards;
- developing policies in connection with the Company's social contributions;
- establishing policies and procedures to ensure the Company's compliance with the relevant laws and regulations and the Company's continuous obligation to disclose material information to the Shareholders and other relevant parties;
- proposing policies, standards and procedures in connection with the membership of the Board of Directors and implementation thereof after Shareholders' approval;
- ensuring alignment of strategy with the Company's existing resources, risks, economic and market conditions and growth;
- entering into financial transactions on behalf of the Company;
- ensuring the integrity of the financial and accounting procedures including procedures related to the preparation of the financial reports;
- ensuring the implementation of control procedures appropriate for risk management by forecasting the risks that the Company could encounter and disclosing them with transparency;
- holding a meeting each year to approve the budget for the following year;
- establishing Committees of the Board of Directors with specific mandates, approving its charters and appointing its members;
- evaluating the performance of the Company's Senior Executives in connection with the achievement of strategy; and
- ensuring that a sound system of internal control (supported by the Audit Committee) is established, implemented and maintained at all levels.

5.2.2.2 Chairman

The Chairman shall assume the following responsibilities:

- promoting constructive relationships between the Board of Directors and the Senior Executives and between the executive Directors and the non-executive Directors;
- ensuring that the Board of Directors agenda is focused on the Company's strategy, performance, value creation for Shareholders and accountability at all levels;
- promoting a culture in the boardroom that supports constructive criticism and alternative views on issues under consideration and encourages discussion and voting on these issues;
- ensuring that both the Directors and the Shareholders receive adequate and timely information through the appropriate means;
- delegating tasks to individual Directors and following up on their progress; and
- ensuring that the Directors disclose their business and conflict of interest in any matter discussed in Board of Directors meetings.

5.2.2.3 Managing Director

The responsibilities of the Managing Director include the following:

- representing the Company before external parties, such as investors, clients and Government entities;
- implementing Board resolutions precisely and effectively and converting them into actionable plans;
- providing the necessary guidance to the Company's Senior Management and supervising and evaluating its performance periodically;
- collaborating with the Board of Directors in drawing up strategic plans that determine the Company's long-term strategy and contribute to the achievement of its future goals;
- protecting and representing the interests of Shareholders, as well as striving to increase their profits and achieve the best return on their investments;
- creating initiatives to foster a culture of innovation and collaboration across all business areas; and
- developing and implementing a strategy that drives growth and profitability.

5.2.2.4 Secretary

The responsibilities of the Secretary include the following:

- managing all the administrative, technical and logistics relating to the affairs of the Board of Directors and the General Assembly meetings;
- managing and coordinating the meeting agendas of the Board of Directors and the Committees;
- attending the meetings of the Board of Directors;
- preparing visual presentations, preparing and distributing minutes of meetings, archiving all data, information and records relating to the Board of Directors and the Committees and monitoring the implementation of resolutions of the Board of Directors and the Committees;
- ensuring the flow of information within the Board of Directors and between the Board of Directors and the Executive Management;
- preparing and maintaining a register of proceedings and resolutions of the Board of Directors and the Committees and safekeeping the Company's official records;
- acting as a liaison officer with the CMA and other official entities and ensuring compliance with the Corporate Governance Regulations and other related regulations;
- with assistance from the Compliance Department, assisting in the modernisation and implementation of the Company's corporate governance;
- assisting the Nomination and Remuneration Committee in preparing and implementing the orientation programme for incoming Directors;
- preparing status reports on the resolutions of the Board of Directors and implementation thereof;
- with assistance from the Compliance Department, ensuring that the procedures, rules and regulations applicable to the Board of Directors are followed by the Directors;
- maintaining and updating the Company's Corporate Governance Manual as per the instructions of the Board of Directors; and
- performing other tasks as delegated by the Board of Directors.

5.2.3 Service Contracts with Directors

Except for the employment contracts entered into by the Company with Abdullah Sulaiman Abdulrahman Al Ngeer in relation to his position as Managing Director and Fares Saleh Mutlaq Al Henaki in relation to his position as Chief Executive Officer, no service or employment contracts have been concluded between the Directors and the Company. For a summary of the employment contracts of Abdullah Sulaiman Abdulrahman Al Ngeer and Fares Saleh Mutlaq Al Henaki, see Section 5.4.4 (*Employment Contracts with the Managing Director, Chief Executive Officer and Chief Financial Officer*).

5.2.4 Biographies of the Directors and the Secretary

The experience, qualifications and the current and other positions of each of the Directors and the Secretary are set out below:

5.2.4.1 Abdullah Ahmed Sultan Al Shehri, Chairman

Nationality:	Saudi.
Age:	60 years.
Position:	Company Chairman.
Capacity:	Non-Executive.
Appointment Date (Current Term):	16 Thul-Qi'dah 1444H (corresponding to 5 June 2023G).
Academic and Professional Qualifications:	– Bachelor's Degree in Accounting, King Abdulaziz University, Jeddah, Kingdom of Saudi Arabia, 1986G; and – Master's Degree in Professional Accounting, Miami University, Florida, United States of America, 1990G.
Current Positions:	– Company Chairman, since 2020G; – Vice Chairman, Executive Committee member and Nomination and Remuneration Committee member, First Milling Company, a public joint stock company, flour products production sector, since 2021G; – Member of the Board of Managers, Accenture Saudi Arabia Limited, a limited liability company, strategic consulting sector, since 2018G; – Partner, Al Khadra Environment Company, a limited liability company, metal recycling sector, since 2018G; – Member of the Board of Directors, Al Sulaiman Group Company, a limited liability company, furniture business sector, since 2019G; and – Member of the Board of Directors, Chairman of the Executive Committee, Nomination and Remuneration Committee and the Audit Committee, Al Mozaini Real Estate Company, a closed joint stock company, real estate development sector, since 2008G.
Key Past Professional Experience:	– Senior Executive Director of the Strategic Investments and Development Portfolio, Al Faisaliah Group Holding Company, a closed joint stock company, investment sector, from 2018G to 2020G; – Chairman of the Investment Committee, International Pharmaceutical Industries, Chemicals and Medical Supplies Company, a Jordanian limited liability company, pharmaceutical sector, from 2014G to 2020G; – Vice Chairman of the Board of Directors and Member of the Executive Committee, Investment Committee and Nominations and Remuneration Committee, Maharah Human Resources Company, a public joint stock company, human resources sector, from 2018G to 2019G; – Vice President of Strategic Investments and Development, Al Faisaliah Group Holding Company, a closed joint stock company, investment sector, from 2013G to 2018G; – Member of the Board of Managers, Alpha Food Services Company, a limited liability company, food and restaurant operation sector, from 2013G to 2017G; – Member of the Board of Managers, Al Safi Danone Company, a limited liability company, dairy products sector, from 2013G to 2017G; – Member of the Board of Directors and Chairman of the Audit Committee, Middle East Financial Investment Company (MEFIC Capital), a closed joint stock company, real estate development sector, from 2013G to 2015G; – Executive Director of Business Development, Al Faisaliah Group Holding Company, a closed joint stock company, investment sector, from 2003G to 2012G; – Member of the Board of Managers, Azadea Group Company, a limited liability company, retail sector, from 2008G to 2010G; – Group Financial Controller, Al Faisaliah Group Holding Company, a closed joint stock company, investment sector, from 1997G to 2002G; and – Deputy General Manager, Samba Financial Group (merged with the National Saudi Bank), a public joint stock company, banking sector, from 1993G to 1997G.

5.2.4.2 Ziad Mohammed Makki Saleh Al Tunisi, Vice Chairman

Nationality:	Saudi.
Age:	55 years.
Position:	Company Vice Chairman.
Capacity:	Independent.
Appointment Date (Current Term):	16 Thul-Qi'dah 1444H (corresponding to 5 June 2023G).
Academic and Professional Qualifications:	– Bachelor's Degree in Business Administration, King Saud University, Riyadh, Kingdom of Saudi Arabia, 1991G; and – Master's Degree in Securities and Investment Banking, University of Reading, Berkshire, United Kingdom, 1996G.
Current Positions:	– Company Director, since 2021G; – Chairman of the Board of Directors, Nuwa Capital Limited, a company established in the DIFC, venture investment sector, since 2020G; – Member of the Board of Directors, Sackville Capital Limited, a British limited liability company, investment sector, since 2020G; – Member of the Board of Managers, AWJ Holding Company, a limited liability company, investment in real estate assets sector, since 2019G; – Member of the Board of Managers, Digital Platform for Information Technology, a limited liability company, information technology sector, since 2019G; – Member of the Board of Directors, Saudi National Bank, a public joint stock company, banking sector, since 2018G; – Member of the Board of Directors, Medina Knowledge Economic City, a public joint stock company, real estate development sector, since 2018G; – Chief Executive Officer, Al Faisaliah Group Holding Company, a closed joint stock company, investment sector, since 2017G; – Chairman of the Board of Directors, Philips Healthcare Saudi Arabia Limited, a limited liability company, venture healthcare sector, since 2016G; – Member of the Board of Directors, Lafana Holding Company, a closed joint stock company, investment sector, since 2015G; – Director, Accenture Saudi Arabia Limited, a limited liability company, management consulting sector, since 2015G; – Chairman of the Board of Directors, Axantia Holding Company, a closed joint stock company, pharmaceutical manufacturing sector, since 2014G; and – Chairman of the Board of Directors, Al Safi Danone Company, a limited liability company, food sector, since 2009G.
Key Past Professional Experience:	– Member of the Board of Directors, Samba Financial Group (merged with the National Saudi Bank), a public joint stock company, banking sector, from 2011G to 2018G; – Executive Vice President, Al Faisaliah Group Holding Company, a closed joint stock company, investment sector, from 2008G to 2017G; – Chief Financial Officer, Al Faisaliah Group Holding Company, a closed joint stock company, investment sector, from 2003G to 2008G; – Investment Manager, Al Faisaliah Group Holding Company, a closed joint stock company, investment sector, from 2003G to 2008G; and – Treasury Manager, Al Faisaliah Group Holding Company, a closed joint stock company, investment sector, from 1998G to 2003G.

5.2.4.3 Abdullah Sulaiman Abdulrahman Al Ngeer, Managing Director

Nationality:	Saudi.
Age:	56 years.
Position:	Company Managing Director.
Capacity:	Executive.
Appointment Date (Current Term):	16 Thul-Qi'dah 1444H (corresponding to 5 June 2023G).
Academic and Professional Qualifications:	High School Diploma, Sabeeh Secondary School, Al Rass, Al Qassim, Kingdom of Saudi Arabia, 1989G.
Current Positions:	– Company Managing Director, since 2021G; – Vice Chairman of the Board of Directors, Tasheel Real Estate Company, a closed joint stock company, real estate development sector, since 2023G; – Member of the Board of Managers, Eraf Medical Company (a subsidiary of the Company), a limited liability company, home medical care sector, since 2023G; and – Member of the Coordinating Council of Human Resources and Recruitment Companies in the Kingdom, an institution operating under the supervision of the Ministry of Human Resources and Social Development, since 2018G.
Key Past Professional Experience:	– Company Executive Committee member, from 2018G to 2022G; – Executive Vice President, Maharah Human Resources Company, a public joint stock company, human resources sector, from 2013G to 2018G; – General Manager, Architectural Experience Company, a limited liability company, general contracting sector, from 2006G to 2012G; and – General Manager, Al Sahel Family Company, a limited liability company, tourism investment sector, from 1995G to 2005G.

5.2.4.4 Fares Saleh Mutlaq Al Henaki, Director

Nationality:	Saudi.
Age:	46 years.
Position:	Company Director.
Capacity:	Executive.
Appointment Date (Current Term):	16 Thul-Qi'dah 1444H (corresponding to 5 June 2023G).
Academic and Professional Qualifications:	– Bachelor's Degree in Business Administration, King Saud University, Riyadh, Kingdom of Saudi Arabia, 2002G; and – Master's Degree in Business Administration, Seattle University, Seattle, Washington D.C., United States of America, 2008G.
Current Positions:	– Company Director, since 2018G; – Company Chief Executive Officer, since 2018G; – Company Executive Committee Chairman, since 2018G; – Member of the National Committee for Recruitment Companies, a committee affiliated with the Federation of Saudi Chambers (being the government agency that sponsors and represents the interests of the Saudi business segments and chambers of commerce in the Kingdom), since 2024G; – Member of the Board of Managers, Eraf Medical Company, a limited liability company, home medical care sector, since 2023G; – Executive Director, Eraf Medical Company, a limited liability company, home medical care sector, since 2023G; and – General Manager, Open Technologies for Communications and Information Technology Company (a subsidiary of the Company), a limited liability company, information technology sector, since 2020G.
Key Past Professional Experience:	N/A.

5.2.4.5 Saleh Abdulrahman Saleh Al Fadel, Director

Nationality:	Saudi.
Age:	39 years.
Position:	Company Director.
Capacity:	Independent.
Appointment Date (Current Term):	16 Thul-Qi'dah 1444H (corresponding to 5 June 2023G).
Academic and Professional Qualifications:	– Bachelor's Degree in Business Administration, King Saud University, Riyadh, Kingdom of Saudi Arabia, 2006G; – Master's Degree in Finance, University of Illinois, Chicago, Illinois, United States of America, 2009G; – Master's Degree in Accounting Sciences, University of Illinois, Chicago, Illinois, United States of America, 2010G; – Certified Public Accountant (CPA), American Institute of Certified Public Accountants, New Hampshire, United States of America, 2010G; – Dealing with Securities (CME-1), Financial Academy, Riyadh, Kingdom of Saudi Arabia, 2013G; – Certified Public Accountant (SOCPA), Saudi Organization for Chartered and Professional Accountants, Riyadh, Kingdom of Saudi Arabia, 2016G; and – Financial Leadership Program, Stanford University, Stanford, California, United States of America, 2018G.
Current Positions:	– Company Director, since 2021G; – Company Audit Committee member, since 2023G; – Member of the Board of Managers and Chairman of the Audit Committee, Advanced Technology and Cybersecurity Company (Sirar by STC), a limited liability company, cyber security services sector, since 2023G; – Chairman of the Audit Committee, Saudi Post (SPL), a Government entity, postal logistics services sector, since 2023G; – Member of the Audit Committee, Saudi Airlines Catering Office (SACC), a public joint stock company, flight catering services sector, since 2022G; – Chief Financial Officer, Savvy Games Group, a closed joint stock company, electronic gaming sector, since 2022G; – Member of the Audit Committee, Bayan Credit Bureau, a closed joint stock company, providing credit information sector, since 2021G; – Member of the Audit Committee, National Financing Support Services Company (NFSSC), a closed joint stock company, Managing financial portfolios sector, since 2020G; – Member of the Audit Committee, Alpha Capital, a closed joint stock company, investment sector, since 2019G; and – Member of the Audit Committee, Saudi Ground Services Company (SGS), a closed joint stock company, ground handling services for the aviation sector, since 2018G.
Key Past Professional Experience:	– Member of the Audit Committee, Saudia Cargo Company, a limited liability company, air freight sector, from 2021G to 2023G; – Executive Assistant Director General for Financial Affairs, Saudi Airlines General Corporation, a Government entity, commercial aviation sector, from 2021G to 2022G; – Member of the Board of Directors, Arabian Oud Company, a closed joint stock company, retail sale of oud and perfumes sector, from 2021G to 2022G; – Member of the Board of Directors, Flyadeal, a closed joint stock company, commercial aviation sector, from 2021G to 2022G; – Member of the Board of Directors, Al Salam Aerospace Industries Company, a limited liability company, aviation sector, from 2021G to 2022G; – Member of the Audit Committee, Astra Industrial Group (AIG), a public joint stock company, pharmaceutical supply sector, from 2019G to 2021G; – Member of the Audit Committee, GDC Middle East, a closed joint stock company, aircraft maintenance sector, from 2019G to 2021G; – Chief Financial Officer, Herfy Food Services Company, a public joint stock company, food and consumer goods sector, from 2015G to 2021G; – Member of the Audit Committee, Abdullatif Alissa Holding Group Company, a limited liability company, vehicle rentals and financing sector, from 2018G to 2021G; – Member of the Board of Directors and Chairman of the Audit Committee, Theeb Car Rental Company, a public joint stock company, vehicle rentals sector, from 2020G to 2021G; – Member of the Audit Committee, Gulf Insurance Group Company (GIG) (formally AXA Cooperative Insurance Company), a public joint stock company, insurance sector, from 2016G to 2021G; – Member of the Audit Committee, Arabian Pipe Company (APC), a public joint stock company, manufacturing industries sector, from 2017G to 2021G;

Key Past Professional Experience:	– Member of the Board of Directors and Chairman of the Audit Committee, King Faisal Specialist Hospital International Holding Company (KFSHI), a closed joint stock company, health services sector, from 2019G to 2020G; – Member of the Board of Directors and Member of the Audit Committee, Best Rent a Car Company, a closed joint stock company, vehicle rentals sector, from 2017G to 2020G; – Member of the Board of Directors and Member of the Audit Committee, Saudi Public Transport Company (SAPTCO), a public joint stock company, transportation sector, from 2016G to 2018G; – Member of the Audit Committee, Riyadh Airports Company, a limited liability company, airports operations sector, from 2017G to 2018G; – Deputy Finance Director, Al Rajhi Capital, a closed joint stock company, financial services sector, from 2014G to 2015G; – Senior Director of Private Equity, Manafa Capital, a limited liability company, securities management sector, from 2013G to 2014G; – Investment Analyst, Saudi Central Bank (SAMA), a Government entity, from 2011G to 2013G; and – Investment Analyst, Goldman Sachs, an American public joint stock company, investment banking sector, from 2012G to 2012G.

5.2.4.6 Faisal Abdullah Ali Al Nassar, Director

Nationality:	Saudi.
Age:	45 years.
Position:	Company Director.
Capacity:	Non-Executive.
Appointment Date (Current Term):	16 Thul-Qi'dah 1444H (corresponding to 5 June 2023G).
Academic and Professional Qualifications:	Bachelor's Degree in Accounting and Information Systems, King Fahd University of Petroleum and Minerals, Dhahran, Kingdom of Saudi Arabia, in 2001G.
Current Positions:	– Company Director, since 2022G; – Chief Executive Officer, Dr Sulaiman Al Habib Medical Services Group Company, a public joint stock company, healthcare services sector, since 2023G; – Manager, East Gate Medical Care Company, a limited liability company, medical care sector, since 2024G; – Manager, Wrass Operation and Maintenance Company (formerly Saudi Serco), a limited liability company, maintenance, cleaning and operation of hospitals and health centres sector, since 2023G; – Manager, Al Hamra Medical Care Company, a limited liability company, medical care sector, since 2023G; – Chairman of the Board of Managers, Al Marakez Al Awwalyah for Health Care Company, a limited liability company, primary health care centres sector, since 2022G; – Chairman of the Board of Managers, Taswyat Management Company, a limited liability company, revenue cycle management sector, since 2022G; – Chairman of the Board of Managers, Sehat Al Olaya Medical Complex Company, a limited liability company, medical care sector, since 2022G; – Chairman of the Board of Managers, Asharq Alawsat Pharmacies Company, a limited liability company, pharmaceutical sector, since 2022G; – Chairman of the Board of Managers, Buraidah Al Takhassusi Hospital for Healthcare Company, a limited liability company, medical care sector, since 2022G; – Chairman of the Board of Managers, Al Rayan Hospital for Healthcare Company, a limited liability company, medical care sector, since 2022G; – Chairman of the Board of Managers, Home Healthcare Company, a limited liability company, medical care sector, since 2022G; – Chairman of the Board of Managers, Al Gharb Al Takhassusi Hospital for Healthcare Company, a limited liability company, medical care sector, since 2022G; – Chairman of the Board of Managers, Al Mokhtabarat Diagnostic Medical Company, a limited liability company, laboratories sector, since 2022G; – Chairman of the Board of Managers, Sehat Al Suwaidi Medical Company, a limited liability company, medical care sector, since 2022G; – Chairman of the Board of Managers, Rawabit Medical Company, a limited liability company, medical services and telemedicine sector, since 2022G;

Current Positions:	– Chairman of the Board of Managers, Sehat Al Sharq Medical Limited Company, a limited liability company, medical care sector, since 2022G; – Chairman of the Board of Managers, Al Wosta Medical Limited Company, a limited liability company, medical care sector, since 2022G; – Chairman of the Board of Managers, Gharb Jeddah Hospital Company, a limited liability company, medical care sector, since 2022G; – Chairman of the Board of Managers, Flow Medical Company, a limited liability company, medical device maintenance sectors, since 2022G; – Chairman of the Board of Managers, Hulool Al Sahaba for IT & Communication Company, a limited liability company, information technology sector, since 2022G; – Member of the Board of Directors and Chairman of the Audit Committee, the Saudi Jordanian Medical and Educational Investment Fund Company, a Jordanian closed joint stock company, investments sector, since 2022G; – Manager, Sehat Al Kharj for Healthcare Company, a limited liability company, medical care sector, since 2022G; – Manager, Bawabat Al Shamal for Healthcare Company, a limited liability company, medical care sector, since 2022G; – Manager, Bawabat Al Gharb for Healthcare Company, a limited liability company, medical care sector, since 2022G; – Manager, International Cloud Solutions Company, a limited liability company, information technology sector, since 2022G; – Manager, Alpha Care Limited, a limited liability company registered in Jebel Ali Free Zone, investments sector, since 2022G; – Manager, Medi Life Limited Company, a limited liability company registered in the Jebel Ali Free Zone, investments sector, since 2022G; – Director and Chairman of the Investment Committee, Al Ramz Real Estate Company, a closed joint stock company, real estate and construction sector, since 2021G; – Director, Al Maalem Al Oula Real Estate Company, a limited liability company, real estate and construction sector, since 2021G; – Member of the Board of Directors, Wthaq Financial Platform Company, a closed joint stock company, investment sector, since 2021G; – Manager, Wrass Real Estate Company, a limited liability company, real estate sector, since 2020G; – Manager, Pharma Choice Pharmacy, a limited liability company, pharmaceutical sector, since 2018G; – Manager, Al Mohammadiyah Hospital for Healthcare Company, a limited liability company, medical care sector, since 2018G; – Manager, Shamal Al Riyadh for Healthcare Company, a limited liability company, medical care sector, since 2018G; – Member of the Board of Managers, Dr Abdulaziz Al Ajaji Dental Clinics Complex Company, a limited liability company, medical care sector, since 2018G; – Manager, Dr Sulaiman Al Habib Hospital Free Zone, a limited liability company, medical care sector, since 2016G; – Member of the Board of Directors, Dr Sulaiman Al Habib Medical Services Group Company, a public joint stock company, medical services sector, since 2015G; – Member of the Executive Committee, Dr Sulaiman Al Habib Medical Services Group Company, a public joint stock company, providing medical services sector, since 2015G; – Member of the Board of Directors, Travezy Investments Pvt Ltd, a Singaporean limited liability company, investment sector, since 2014G; and – Chief Financial Officer, Dr Sulaiman Al Habib Medical Services Group Company, a public joint stock company medical services sector, since 2011G.
Key Past Professional Experience:	– Member of the Audit Committee of the Company, from 2022G to 2024G; – Chairman of the Board of Directors, Branch of Dr Sulaiman Al Habib Medical Services Group Company, a public joint stock company, medical services sector, from 2022G to 2024G; – Acting Chief Executive Officer, Dr Sulaiman Al Habib Medical Services Group Company, a public joint stock company medical services sector, from 2022G to 2023G; – Member of the Board of Managers, Saudi Serco, a limited liability company, maintenance, cleaning and operation of hospitals and health centres sector, from 2014G to 2023G; – Member of the Board of Managers, Antab Al Riyadh for Operation and Maintenance Company, a limited liability company, maintenance, cleaning and operation sector, from 2016G to 2021G; – Member of the Board of Managers, Al Rayan for Maintenance and Operation Company, a limited liability company, maintenance, cleaning and operation sector, from 2016G to 2021G; – Member of the Board of Managers, Al Afia Pharmacies for Medicines Company, a limited liability company, pharmaceuticals sector, from 2016G to 2021G; – Member of the Board of Managers, Al Mustaqbal for Hospitals Development Company, a limited liability company, medical services sector, from 2016G to 2020G; – Member of the Board of Managers, Bone, Joint and Spine Hospital Company, a limited liability company, medical services sector, from 2016G to 2020G;

Key Past Professional Experience:	– Chief Executive Officer of Financial Management and Investment, Roiaa Investment Company (formally ACWA Holding), a closed joint stock company, infrastructure, pipe production, chemicals and mining sector, from 2006G to 2011G; – Member of the Board of Directors, Roiaa Investment Company (formally ACWA Holding), a closed joint stock company, infrastructure, pipe production, chemicals and mining sector, from 2006G to 2011G; – Member of the Executive Committee, Roiaa Investment Company (formally ACWA Holding), a closed joint stock company, infrastructure, pipe production, chemicals and mining sector, from 2006G to 2011G; and – Senior Director of the Corporate and Investment Group, Samba Financial Group (merged with the National Saudi Bank), a public joint stock company, banking sector, from 1999G to 2006G.

5.2.4.7 Abdulrahman Ali Abdullah Al Gubaisi, Director

Nationality:	Saudi.
Age:	54 years.
Position:	Company Director.
Capacity:	Non-Executive.
Appointment Date (Current Term):	16 Thul-Qi'dah 1444H (corresponding to 5 June 2023G).
Academic and Professional Qualifications:	High School Diploma, Riyadh Institute, Riyadh, Kingdom of Saudi Arabia, 1987G.
Current Positions:	– Company Director, since 2018G; – Member of the Board of Directors and Chief Executive Officer, Ibdaa Company for Advertising Media Production, a limited liability company, advertising sector, since 2006G; and – Chief Executive Officer, Al Gubaisi Contracting Establishment, a sole proprietorship, contracting sector, since 1992G.
Key Past Professional Experience:	– Company Executive Committee member, from 2018G to 2022G; and – Member of the Board of Directors and Chief Executive Officer, Tasheel Real Estate Company, a closed joint stock company, real estate development sector, from 2018G to 2022G.

5.2.4.8 Ahmed Rajeh Abdullah Al Rajeh, Director

Nationality:	Saudi.
Age:	54 years.
Position:	Company Director.
Capacity:	Independent.
Appointment Date (Current Term):	16 Thul-Qi'dah 1444H (corresponding to 5 June 2023G).
Academic and Professional Qualifications:	– Bachelor's Degree in Political Science, King Saud University, Riyadh, Kingdom of Saudi Arabia, 1986G; and – Master's Degree in Political Science, University of Missouri, Columbia, Missouri, United States of America, 1991G.
Current Positions:	– Company Director, since 2023G; – Company Nomination and Remuneration Committee Chairman, since 2023G; – Member of the Nomination and Remuneration Committee, Infrastructure Projects Center in Riyadh, a Government entity, since 2023G; – Member of the Nomination and Remuneration Committee, Tadawul Real Estate Company, a closed joint stock company, real estate sector, since 2023G; – Member of Board of Directors and the Nomination and Remuneration Committee, Healthcare Development Holding (HDH), a Government entity, since 2023G; – Member of Board of Directors, Al Jazeera Al Malqa Real Estate Fund Company, a limited liability company, real estate sector, since 2023G; – Member of the Nomination and Remuneration Committee, Al Mozaini Real Estate Company, a closed joint stock company, real estate development sector, since 2023G; – Member of the Nomination and Remuneration Committee, Saudi Red Sea Authority, a Government entity, since 2022G; – Member of the Nomination and Remuneration Committee, Tourism Development Fund, a Government entity, since 2020G; and – Member of the Nomination and Remuneration Committee Diriyah Gate Development Authority, a Government entity, since 2018G.
Key Past Professional Experience:	– Chairman of the Savings and Investment Committee, the Capital Market Authority, a Government entity, from 2021G to 2023G; – Member of the Board of Directors, the Capital Market Authority, a Government entity, from 2019G to 2023G; – Chairman of the Financial Academy Supervising Committee, Capital Market Authority, a Government entity, from 2018G to 2020G; – Chairman of the Human Resources Development Committee and Vice Chairman of the Electronic Transactions Committee, Capital Market Authority, a Government entity, from 2017G to 2023G; – Undersecretary for Institutional Resources, Capital Market Authority, a Government entity, from 2016G to 2017G; – Chairman of the Steering Committee of the Authority's headquarters, the Capital Market Authority, a Government entity, from 2009G to 2023G; – Director General of General Administration, Capital Market Authority, a Government entity, from 2009G to 2016G; – Director of Human Resources Department, Capital Market Authority, a Government entity, from 2005G to 2009G; and – General Manager of Corporate Communications, Saudi Arabian Mining Company (Ma'aden), a public joint stock company, mining sector, from 1999G to 2005G.

5.2.4.9 Hesham Sulaiman Abdulaziz Al Habib, Director

Nationality:	Saudi.
Age:	35 years.
Position:	Company Director.
Capacity:	Non-Executive.
Appointment Date (Current Term):	16 Thul-Qi'dah 1444H (corresponding to 5 June 2023G).
Academic and Professional Qualifications:	Bachelor's Degree in Financial Management, American University, Sharjah, United Arab Emirates, in 2009G.
Current Positions:	– Company Director, since 2022G; – Company Executive Committee member, since 2023G; – Member of the Board of Managers, Taswyat Management Company, a limited liability company, revenue cycle management sector, since 2022G; – Member of the Board of Managers, Sehat Al Olaya Medical Complex Company, a limited liability company, medical care sector, since 2022G; – Member of the Board of Managers, Asharq Alawsat Pharmacies Company, a limited liability company, pharmaceutical sector, since 2022G; – Member of the Board of Managers, Buraidah Al Takhassusi Hospital for Healthcare Company, a limited liability company, medical care sector, since 2022G; – Member of the Board of Managers, Al Rayan Hospital for Healthcare Company, a limited liability company, medical care sector, since 2022G; – Member of the Board of Managers, Home Healthcare Company, a limited liability company, medical care sector, since 2022G; – Member of the Board of Managers, Al Gharb Al Takhassusi Hospital for Healthcare Company, a limited liability company, medical care sector, since 2022G; – Member of the Board of Managers, Al Mokhtabarat Diagnostic Medical Company, a limited liability company, laboratories sector, since 2022G; – Member of the Board of Managers, Sehat Al Suwaidi Medical Company, a limited liability company, medical care sector, since 2022G; – Member of the Board of Managers, Intensive Care Company for Healthcare, a limited liability company, medical care sector, since 2022G; – Member of the Board of Managers, Sehat Al Sharq Medical Limited Company, a limited liability company, medical care sector, since 2022G; – Member of the Board of Managers, Al Wosta Medical Limited Company, a limited liability company, medical care sector, since 2022G; – Member of the Board of Managers, Gharb Jeddah Hospital Company, a limited liability company, medical care sector, since 2022G; – Member of the Board of Managers, Flow Medical Company, a limited liability company, medical devices sectors, since 2022G; – Member of the Board of Directors, branch of Dr Sulaiman Al Habib Medical Services Group Company in Bahrain, a branch of a public joint stock company, providing medical services sector, since 2022G; – Member of the Board of Managers, Dr Abdulaziz Al Ajaji Dental Clinics Complex Company, a limited liability company, providing health services sector, since 2022G; – Chief Business Development Officer, Dr Sulaiman Al Habib Medical Services Group Company, a public joint stock company medical services sector, since 2022G; – Manager, Pharma Choice Pharmacy, a limited liability company, pharmaceutical sector, since 2022G; – Manager, Dr Sulaiman Al Habib Hospital Free Zone, a limited liability company, medical care sector, since 2022G; – Manager, Al Mohammadiyah Hospital for Healthcare Company, a limited liability company, medical care sector, since 2022G; – Manager, Shamal Al Riyadh for Healthcare Company, a limited liability company, medical care sector, since 2022G; – Manager, Sehat Al Kharj for Healthcare Company, a limited liability company, medical care sector, since 2022G; – Manager, Bawabat Al Shamal for Health Care Company, a limited liability company, medical care sector, since 2022G; – Manager, Bawabat Al Gharb for Health Care Company, a limited liability company, medical care sector, since 2022G; – Manager, Alpha Care Limited, a limited liability company, medical care sector, since 2022G; – Member of the Board of Managers, Hulool Al Sahaba for IT & Communication Company, a limited liability company, information technology sector, since 2022G;

Current Positions:	– Manager, Medi Life Limited Company, a limited liability company registered in the Jebel Ali Free Zone, investments sector, since 2022G; – Member of the Board of Managers, Wrass Operation and Maintenance Company (formerly Saudi Serco), a limited liability company, maintenance, cleaning and operation of hospitals and health centres sector, since 2023G; – Member of the Board of Directors, Qimam Al Tabadul for Investment Company, a limited liability company, applications and management of communications and information networks sector, since 2020G; – Member of the Board of Directors, Manazel Al Wosta Real Estate Company, a limited liability company, real estate development for residential buildings sector, since 2020G; – Manager, Wrass Real Estate Company, a limited liability company, real estate sector, since 2020G; – Member of the Board of Directors, Jawaher Al Mustaqbal Real Estate Company, a limited liability company, real estate development for residential buildings sector, since 2019G; – Member of the Board of Directors, Al Masa Al Zarqa Real Estate Company, a limited liability company, real estate development for residential buildings sector, since 2019G; – Member of the Board of Directors and Member of the Nominations and Remuneration Committee, Kingdom Holding Company, a public joint stock company, investment sector, since 2018G; – Member of the Board of Directors, Namara Limited Company, a limited liability company, wholesale and retail sale of electrical tools sector, since 2016G; – Member of the Board of Directors, Soroh Al Marakez Company, a limited liability company, real estate development for residential buildings sector, since 2016G; – Member of the Executive Committee, Dr Sulaiman Al Habib Medical Services Group Company, a public joint stock company, healthcare services sector, since 2015G; – Member of the Board of Directors, Namara Investment Company, a limited liability company, managing subsidiaries sector, since 2014G; – Member of the Board of Directors, Thabat Al Amal Company, a limited liability company, real estate development for residential buildings sector, since 2016G; – Member of the Board of Directors, Dr Sulaiman Al Habib Medical Services Group Company, a public joint stock company, healthcare services sector, since 2011G; and – Member of the Board of Directors, Hamat Holding Company, a limited liability company, managing subsidiaries sector, since 2012G.
Key Past Professional Experience:	– Member of the Board of Directors, Mohammad Abdulaziz Al Habib and Sulaiman Abdulaziz Al Habib for Energy Company, a closed joint stock company, investment sector, from 2019G to 2022G; – Member of the Board of Managers, Saudi Serco, a limited liability company, maintenance, cleaning and operation of hospitals and health centres sector, from 2014G to 2023G; – Vice President for Business Development, Dr Sulaiman Al Habib Medical Services Group Company, a public joint stock company, healthcare services sector, from 2014G to 2022G; and – Director of Business Development, Dr Sulaiman Al Habib Medical Services Group Company, a public joint stock company, healthcare services sector, from 2009G to 2014G.

5.2.4.10 Mohammed Ibrahim Mohammed Al Basha, Board Secretary

Nationality:	Jordanian.
Age:	44 years.
Position:	Company Secretary of the Board of Directors.
Appointment Date (Current Term):	2 Shawwal 1445H (corresponding to 20 July 2022G).
Academic and Professional Qualifications:	– Master's Degree in Accounting, Leeds Metropolitan University, Leeds, United Kingdom, in 2005G; and – Bachelor's degree in Accounting, University of Applied Sciences, Hashemite Kingdom of Jordan, in 2003G.
Current Positions:	– Secretary of the Board of Directors of the Company, since 2020G; – Company Executive Committee member, since 2021G; and – Company Director of Shared Services and Chief Financial Officer, since 2020G.
Key Past Professional Experience:	– Member of the Audit Committee, Mohammed Ali Al Swailem Trading and Contracting Company, a closed joint stock company, contracting sector, from 2021G until 2024G; – Chief Financial Officer, Mohammed Ali Al Swailem Trading and Contracting Company, a closed joint stock company, contracting sector, from 2010G to 2020G; – Director of Budget and Financial Reports, Saudi Printing and Packaging Company, a public joint stock company, printing and packaging sector, from 2009G to 2010G; – Chief Accountant in the Budget and Financial Reporting Department, Al Ard Holding Company, a closed joint stock company, real estate development sector, from 2008G to 2009G; and – Lead Auditor, Ernst & Young, a Jordanian limited liability company, auditing and financial consulting sector, from 2006G until 2008G.

5.3 Committees

The Company has a number of Committees established by the Board of Directors to optimise the management of the Company and to meet relevant regulatory requirements. Each Committee is required to have clear rules identifying their role, powers and responsibilities. Minutes must be prepared for each meeting of each Committee (which are submitted to the Board of Directors for review).

The following is a summary of the structure, responsibilities and current members of each permanent Committee:

5.3.1 Audit Committee

5.3.1.1 Responsibilities of the Audit Committee

The Audit Committee oversees: (i) the integrity, effectiveness and accuracy of the Company's financial statements, reports and internal control system; (ii) the Company's compliance with legal and regulatory requirements and the rules of professional conduct; (iii) the qualifications and independence of the Company's external auditors; (iv) the performance of the Company's internal audit and external auditors; and (v) evaluating and supervising the risk management system in the Company and the relevant procedures in this regard. The Audit Committee Charter was approved pursuant to the resolution of the General Assembly on 18 Rajab 1445H (corresponding to 3 January 2024G). The responsibilities of the Audit Committee further include the following:

(a) Financial Statements and Reports:

- review significant issues related to accounting and reporting matters, including complex or unusual transactions, critical discretionary areas and emerging professional and organisational announcements, and assess their impact on the financial statements;
- review material or unusual issues included in the Company's financial statements and reports, and review issues raised by the Chief Financial Officer (or his/her delegate), compliance officer, or the external auditor;
- review the results of the external audit, along with the management and the external auditor, including any difficulties encountered;
- study the Company's interim and annual financial statements, express an opinion thereon and make recommendations in this regard to the Board prior to their submission to the Board to ensure the validity, integrity and transparency thereof; and consider whether they are complete and consistent with information that the members are aware of and whether they reflect appropriate accounting principles and policies;
- review other sections of the annual report and related organisational files before they are issued and consider the accuracy and completeness of the information;
- review all issues required to be referred to the Committee in light of the generally accepted auditing standards, in cooperation with the management and the external auditor;
- consider the accounting policies followed by the Company, express an opinion thereon and make recommendations to the Board in respect of the same;
- identify how the management develops preliminary financial information and the nature and extent of involvement of the Internal Audit Department and the external auditor;
- provide a technical opinion, at the request of the Board, regarding whether the Board's report and Company's financial statements are fair, balanced and understandable and contain information that enables the Shareholders and investors to assess the Company's financial position, performance, business model and strategy; and
- examine accounting estimates with regard to significant matters contained in the Company's financial statements and reports.

(b) Internal Control:

- consider and review the Company's internal and financial control and risk management systems and the effectiveness thereof, including IT security and controls; and
- understand the scope of the internal audit of financial reports by the Internal Audit Department and obtain reports that include important findings and recommendations, and management's observations and comments.

(c) Internal Audit:

- adopt the internal audit charter;
- review the performance and activities of the Head of the Internal Audit Department, ensure that there are no unjustified restrictions on his/her activities and make recommendations to the Board with respect to his/her appointment, dismissal, annual remuneration and salary;
- oversee and supervise the performance and activities of the Company's Internal Audit Department to verify the availability of the necessary resources and the effectiveness thereof in performing the tasks and duties assigned thereto in accordance with appropriate professional standards;
- approve the annual audit plan and all changes to the plan, and review the performance and activities of the Internal Audit Department compared to the plan set therefor;
- work with the Head of the Internal Audit Department to review the internal audit budget, resource plan, activities and organisational structure for the internal audit duties;

- review the Company's internal audit procedures;
- consider internal audit reports and follow up on the implementation of corrective measures with regard to the observations contained therein; and
- meet separately with the Head of the Internal Audit Department on a regular basis to discuss any matters that the Committee or Internal Audit Department deem necessary to be discussed in private sessions.

(d) External Auditors:

- review the external auditors' proposed audit scope, approach and plan, and provide an opinion thereon, including coordinating audit efforts with internal audit activities;
- recommend to the Board to nominate, dismiss and determine the fees of the external auditor and review the scope of the work thereof and the terms of contract with the same, provided that the recommendation takes into account the independence of the external auditor;
- review the performance of the external auditor, supervise the activities thereof and approve any activity outside the scope of audit work assigned thereto during the performance of the duties thereof;
- study the external auditor's report, observations and reservations on the Company's financial statements and follow up on the relevant actions;
- verify the independence, objectivity and fairness of the external auditor and the effectiveness of auditing, taking into account the relevant rules and standards, and make recommendations to the Board in this regard;
- verify that the external auditor is not providing technical or management services outside the scope of the audit work and make recommendations to the Board in this regard;
- meet separately with the external auditor on a regular basis to discuss any matters that the Committee or Auditor deems necessary to be discussed in private sessions;
- respond to the inquiries of the external auditor; and
- settle any disputes that arise between the management and the external auditor regarding financial reporting.

(e) Compliance:

- verify and monitor the Company's compliance with the applicable laws, regulations, policies and instructions;
- review the effectiveness of the control system, ensure compliance with applicable laws and regulations, the results of investigations conducted by management and follow up on any non-compliance (including taking disciplinary action);
- review reports and results of investigations conducted by competent auditors or supervisors in addition to any remarks given by the external auditor or internal auditors and verify that the Company is taking the required measures in this regard;
- review the process of communicating the rules of professional conduct to the Company's employees and observe the compliance with the same;
- review the contracts and transactions to be entered into by the Company with any related party and make recommendations to the Board in relation to the same;
- ensure that appropriate arrangements are put in place and implemented to allow for the confidential and anonymous submission by the Company's employees of concerns regarding any financial, accounting or auditing matters or any cases of non-compliance through a reasonable mechanism; and
- obtain regular updates from the Company's management and legal advisor regarding compliance issues.

(f) Reporting:

- submit periodic reports to the Board regarding the Committee's activities and issues identified and provide recommendations to the Board that it deems appropriate in any matter within its competencies, as necessary;
- provide an open avenue of communication amongst the Internal Audit Management, the external auditor and the Board;
- provide an annual report to Shareholders describing the Committee's formation, duties and performance of such duties in addition to such other information as may be required by applicable rules, including approving services outside the auditing scope;
- review any other reports on the Committee's responsibilities, issued by the Company;
- prepare an annual written report assessing the adequacy and efficiency of the Company's internal control, financial and risk management systems - including information technology security and controls - and its recommendations in respect thereof, as well as the tasks undertaken by the Committee within its competence. Copies of the report should be made available for collection by the Company's Shareholders at the Company's head office and published on the website of the Company and the Exchange at the time of publishing the invitation to convene the relevant annual General Assembly meeting. A copy of the report should be read out at that meeting; and
- prepare a written report to the Board regarding the Company's internal audit procedures and the Committee's recommendations in this regard.

(g) Miscellaneous:

- perform such other activities relating to the Audit Committee Charter, as requested by the Board;
- institute and oversee special investigations as needed;
- review and assess the adequacy and propriety of the Audit Committee Charter on a yearly basis, provide recommendation to the Board in this regard and guarantee that necessary disclosures are made according to relevant laws and regulations;
- confirm, on a yearly basis, all responsibilities set forth in the Audit Committee Charter are performed; and
- regularly assess the performance of the Committee and every member thereof.

5.3.1.2 Audit Committee Members

The Audit Committee shall be formed by a resolution of the Board of Directors and consist of at least three and no more than five members from among the Shareholders or others; provided that (i) at least one member is an Independent Director; (ii) no Executive Director is a member or Chairman; (iii); one of its members is specialised in finance and accounting; and (iv) a person who worked during the two previous years in the executive or financial management of the Company or who has audited the Company's accounts may not be a member of the Audit Committee. The Audit Committee convenes periodically; provided that at least four meetings are held during the Company's financial year. The internal auditor and the external auditor may call for a meeting with the Audit Committee at any time as may be necessary.

The Audit Committee was formed, and its members were appointed, by the General Assembly resolution dated 3 Thul-Hijjah 1444H (corresponding to 21 June 2023G), for a term of three years. The Audit Committee comprises the following members as of the date of this Prospectus:

Table 5.3: Audit Committee Members

Name	Role	Status
Mohammed Ahmad Abdulmalik Ali	Chairman of the Audit Committee	Member from Outside the Board
Majed Ahmad Lutfi Guwaider	Member of the Audit Committee	Member from Outside the Board
Saleh Abdulrahman Saleh Al Fadel	Member of the Audit Committee	Independent Director

Source: The Company.

5.3.1.3 Biographies of the Members of the Audit Committee

The experience, qualifications and the current and other positions of the members of the Audit Committee are set out below:

(a) Mohammed Ahmad Abdulmalik Ali, Audit Committee Chairman

Nationality:	Saudi.
Age:	50 years.
Position:	Company Audit Committee Chairman.
Appointment Date (Current Term):	16 Thul-Qi'dah 1444H (corresponding to 5 June 2023G).
Academic and Professional Qualifications:	– Bachelor's Degree in Accounting, King Saud University, Riyadh, Kingdom of Saudi Arabia, 1994G; and – Saudi Organization for Chartered and Professional Accountants Fellowship Certificate (SOCPA), Saudi Organization for Chartered and Professional Accountants, Riyadh, Kingdom of Saudi Arabia, in 2013G.
Current Positions:	– Chairman of the Audit Committee and the Nomination and Remuneration Committee of the Company, since 2021G; – Member of the Board of Directors and Chairman of the Audit Committee, Arabian Shield Cooperative Insurance Company, a public joint stock company, insurance sector, since 2019G; and – Director of Shared Services Department, Haboob Cybersecurity Professional Services and Training, a limited liability company, information technology and security sector, since 2020G.
Key Past Professional Experience:	– Director of Financial Management and Accounts, Aja Pharmaceutical Industries, a limited liability company, pharmaceutical manufacturing sector, from 2016G to 2020G; – Director of Financial Management and Accounts, Tatweer Company for Educational Services, a closed joint stock company, educational development sector, from 2015G to 2015G; – Director of Financial Management and Accounts, National Medical Care Company, a public joint stock company, medical services sector, from 2010G to 2015G; and – Assistant Director of Financial Management and Accounts, Saudi Arabian Airlines, a Government company, commercial aviation sector, from 1994G to 2010G.

(b) Majed Ahmad Lutfi Guwaider, Audit Committee Member

Nationality:	Canadian.
Age:	62 years.
Position:	Company Audit Committee Member.
Appointment Date (Current Term):	16 Thul-Qi'dah 1444H (corresponding to 5 June 2023G).
Academic and Professional Qualifications:	– Bachelor's Degree in Accounting, University of Jordan, Amman, Hashemite Kingdom of Jordan, in 1981G; – Jordanian Accounting Fellowship, Jordanian Association of Certified Public Accountants (JACPA), Amman, Hashemite Kingdom of Jordan, in 1989G; and – Certified Public Accountant, University of Illinois, Illinois, United States of America, in 1991G.
Current Positions:	– Member of the Audit Committee of the Company, since 2021G; and – Group Chief Financial Officer, National Gas and Industrialization Company (GASCO), a public joint stock company, gas sector, since 2020G.
Key Past Professional Experience:	– Group Chief Financial Officer, Saudi Chemical Holding Company, a public joint stock company, explosives and pharmaceuticals sector, from 2013G to 2020G; – Group Chief Financial Officer, Saudi Printing and Packaging Company, a public joint stock company, printing and packaging sector, from 2009G to 2013G; – Executive Director, PricewaterhouseCoopers in Saudi Arabia and Canada, a professional company, a limited liability company, auditing and financial consulting sector, from 1995G to 2009G; – Financial Director, Al Kurdi Trading and Contracting Company, a limited liability company, computer room equipment contracting sector, from 1990G to 1995G; – Chief Auditor, Ernst & Young in Jordan, a professional company, a limited liability company, auditing and financial consulting sector, from 1983G to 1990G; and – Auditor, Deloitte & Touche in Jordan, a professional company, a limited liability company, auditing and financial consulting sector, from 1981G to until 1983G.

(c) Saleh Abdulrahman Saleh Al Fadel, Audit Committee Member

See Section 5.2.4.5 (*Saleh Abdulrahman Saleh Al Fadel, Director*) for further details regarding experience, qualifications and the current and previous positions of Saleh Abdulrahman Saleh Al Fadel.

5.3.2 Nomination and Remuneration Committee

5.3.2.1 Responsibilities of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee oversees the nomination of Directors to the Board of Directors and the remuneration of Directors and Senior Executives. The duties and responsibilities of the Nomination and Remuneration Committee are mainly to: (i) lead the process of nominating and evaluating the Directors and Senior Executives; (ii) ensure the effectiveness and soundness of the Company's Board and Executive Management structures and the relevant internal policies and procedures; and (iii) assist the Board in the review and determination (or recommendation, as appropriate) of the remuneration of Directors, members of the committees of the Board, Senior Executives and employees of the Company. The Nomination and Remuneration Committee Charter was approved pursuant to the resolution of the General Assembly on 18 Rajab 1445H (corresponding to 30 January 2024G). The responsibilities of the Nomination and Remuneration Committee further include the following:

(a) Nomination

- prepare, recommend to the Board and oversee policies and criteria in relation to the appointment of Directors and members of the Company's Executive Management (the "**Nomination Policy**");
- ensure that all necessary and appropriate inquiries are made into the backgrounds and qualifications of such candidates before recommending them to the Board for nomination;
- recommend to the Board candidates for nomination (or re-nomination) to the Board in accordance with the applicable law and the Nomination and Remuneration Committee Charter;
- at least annually review, assess and recommend to the Board the skills, qualifications and credentials required for membership in the Board and the Company's Executive Management, including setting the time commitment required for such membership and the job specifications for executive, non-executive and independent Directors and members of the Company's Executive Management;
- verify on an annual basis the independence of each independent Director in accordance with the applicable law and the absence of any conflict of interest, in case a Director also serves as a member of the board of directors of another company;
- periodically review and make recommendations to the Board concerning the succession plans for Directors and Senior Executives, taking into account the challenges and opportunities facing the Company, as well as the skills and expertise required in the future;
- evaluate and recommend to the Board potential candidates for Executive Management positions in the Company and, in particular, assist the Board in selecting, developing and evaluating potential candidates for the position of Chief Executive Officer; and

- develop, and periodically review, procedures for filling vacancies in the Board and the Company's Executive Management and make recommendations to the Board regarding the selection and approval of candidates to fill such vacancies.

(b) Review and Assessment

- regularly review the structure, size, composition, strengths and weaknesses of the Board (including the skills, knowledge and experience) and the Company's Executive Management and make appropriate recommendations to the Board that are compatible with the interests of the Company;
- develop and oversee an orientation programme for new Directors; and
- develop, recommend and oversee an annual self-evaluation process for the Directors and certain Senior Executives of the Company.

(c) Remuneration

- prepare, recommend and oversee the implementation and disclosure of a policy for the remuneration of Directors, Senior Executives and members of the Committees of the Board (the "**Remuneration Policy**"), which shall be presented before the General Assembly for approval;
- prepare an annual report on the remuneration and other payments (in cash or in kind) received by the Directors, Executive Management and members of the Committees, and the basis for the remuneration received with respect to the Remuneration Policy (including a description of any significant departures from the Remuneration Policy) (the "**Annual Report on Remuneration**"), for presentation before the Board for consideration;
- regularly review and assess the effectiveness and appropriateness of the Remuneration Policy and make recommendations to the Board in relation to the same;
- recommend to the Board the form and amount of remuneration to be granted to the Directors, Senior Executives of the Company and members of the Committees, in accordance with the approved Remuneration Policy;
- review and make recommendations to the Board regarding the Company's incentive plans for Directors and employees, including in relation to adopting, amending and terminating such plans;
- prepare and oversee a career progression framework for the Company's employees detailing, among other things, the general range of professional ranks and levels, salary scale, benefits and allowances (in cash or in kind) for the relevant professional rank and level; and
- prepare all disclosures required under the policies of the Company and any laws, regulations, or rules to which the Company is subject, including, at a minimum, disclosures relating to the Remuneration Policy and the Annual Report on Remuneration and disclosures regarding remuneration in the annual report of the Board.

(d) Miscellaneous

- Perform such other related activities as requested by the Board.

5.3.2.2 Nomination and Remuneration Committee Members

The Nomination and Remuneration Committee consists of at least three and no more than five members. Members of the Nomination and Remuneration Committee must not be executive members of the Board of Directors; provided that there shall be at least one Independent Director among them. The Chairman of the Nomination and Remuneration Committee must be an Independent Director. The Nomination and Remuneration Committee shall convene periodically at least once every six months. Additional meetings may be held from time to time at the request of the Board or any of the members.

The Nomination and Remuneration Committee was formed, and its members were appointed, pursuant to the Board of Directors' resolution dated 26 Safar 1442H (corresponding to 13 October 2020G), on 5 Jumada al-Akhirah 1442H (corresponding to 7 February 2021G) and on 4 Muharram 1443H (corresponding to 12 August 2021G), for a term of three years. The Nomination and Remuneration Committee comprises the following members as of the date of this Prospectus:

Table 5.4: Nomination and Remuneration Committee Members

Name	Role	Status
Ahmed Rajeh Abdullah Al Rajeh	Chairman of the Nomination and Remuneration Committee	Independent Director
Abdullah Saad Saeed Al Othman	Member of the Nomination and Remuneration Committee	Member from Outside the Board
Fahad Homoud Saleh Al Furaih	Member of the Nomination and Remuneration Committee	Member from Outside the Board

Source: The Company.

5.3.2.3 Biographies of the Members of the Nomination and Remuneration Committee

The experience, qualifications and the current and other positions of the members of the Nomination and Remuneration Committee are set out below:

(a) Ahmed Rajeh Abdullah Al Rajeh, Chairman of the Nomination and Remuneration Committee

See Section 5.2.4.8 (*Ahmed Rajeh Abdullah Al Rajeh, Director*) for further details regarding experience, qualifications and the current and previous positions of Ahmed Rajeh Abdullah Al Rajeh.

(b) Abdullah Saad Saeed Al Othman, Nomination and Remuneration Committee Member

Nationality:	Saudi.
Age:	44 years.
Position:	Company Nomination and Remuneration Committee Member.
Appointment Date (Current Term):	16 Thul-Qi'dah 1444H (corresponding to 5 June 2023G).
Academic and Professional Qualifications:	– Bachelor's Degree in Management Information Systems, King Fahd University of Petroleum and Minerals, Dhahran, Kingdom of Saudi Arabia, in 2002G; and – Master's Degree in Business Administration, University of Technology, Sydney, Australia, in 2009G.
Current Positions:	– Member of the Nomination and Remuneration Committee of the Company, since 2023G; and – Head of Human Resources, Diriyah Gate Development Authority, a Government entity, since 2021G.
Key Past Professional Experience:	– Executive Director of Human Resources and Government Relations, Dar Al Mustafa Holding Group Company, a limited liability company, real estate and investment sector, from 2019G to 2021G; – Executive Director of Policy and Institutional Development, Sadara Petrochemicals Company, a limited liability company, manufacturing and petrochemical industries sector, from 2013G to 2019G; – Human Resources Education and Development Specialist, King Abdullah University of Science and Technology (KAUST), an international postgraduate research university, from 2010G to 2013G; and – Senior Human Resources Expert, Saudi Telecom Company, a public joint stock company, communications sector, from 2005G to 2010G.

(c) Fahad Homoud Saleh Al Furaih, Nomination and Remuneration Committee Member

Nationality:	Saudi.
Age:	46 years.
Position:	Company Nomination and Remuneration Committee Member.
Academic and Professional Qualifications:	– Bachelor's Degree in English, King Saud University, Riyadh, Kingdom of Saudi Arabia, in 2000G; – Master's Degree in Teaching English to Speakers of Other Languages, Murray State University, Murray, Kentucky, United States of America, in 2004G; and – Master's Degree in Business Administration, University of Hull, Hull, United Kingdom, in 2015G.
Appointment Date (Current Term):	16 Thul-Qi'dah 1444H (corresponding to 5 June 2023G).
Current Positions:	Member of the Nomination and Remuneration Committee of the Company, since 2023G.
Key Past Professional Experience:	– Vice President of Shared Services and Human Resources, BAE Systems, a limited liability company, defence sector, from 2017G to 2022G; – Vice President of Human Resources, Schneider Electric, a limited liability company, energy sector, from 2014G to 2017G; – General Manager of Human Resources, Tawuniya Insurance Company, a public joint stock company, insurance sector, from 2013G to 2014G; – Director of Human Resources, BAE Systems, a limited liability company, defence sector, from 2007G to 2013G; and – Lecturer, Institute of Public Administration, a Government institute, from 2000G to 2007G.

5.3.3 Executive Committee

5.3.3.1 Responsibilities of the Executive Committee

The Executive Committee shall have the right to exercise all the authorities delegated to it by the Board and shall supplement the role of the Board within the set limits in the interim period between meetings of the Board. The exercise of such authorities by the Committee shall not prejudice the authority reserved for the Board. The responsibilities of the Executive Committee further include the following:

(a) Review and Assessment

- Review and provide recommendations on the following matters where applicable:
- annual operating plans, capital expenditure budgets and any material changes to them;
- interim and annual declaration and distribution of dividends;
- changes in the Company's share capital and/or equity;
- approval of the Company's investor relations website framework and content (through which the Company communicates with its shareholders);
- the Company's investment plans and strategies, including expansion into new business sectors or new geographic areas;
- any decision to cease to operate all, or any material part, of the Company's business operations;
- joint-ventures, acquisitions and divestments in line with long term business, financial and operating plans;
- financing agreements and related security arrangements; and
- changes in delegation levels as specified in the Company's authority matrix.

(b) Miscellaneous:

- Perform such other tasks as delegated to it by the Board of Directors from time-to-time.

5.3.3.2 Executive Committee Members

The Executive Committee consists of at least three and no more than five members. The Executive Committee shall convene on a regular basis and as necessary.

The Executive Committee was formed, and its members were appointed, pursuant to the Board of Directors' resolution dated 19 Safar 1445H (corresponding to 4 September 2023G) for a term of three years. The Executive Committee comprises the following members as of the date of this Prospectus:

Table 5.5: Executive Committee Members

Name	Role	Status
Fares Saleh Mutlaq Al Henaki	Chairman of the Executive Committee	Executive Director
Hesham Sulaiman Abdulaziz Al Habib	Member of the Executive Committee	Non-Executive Director
Mohammed Ibrahim Mohammed Al Basha	Member of the Executive Committee	Member from Outside the Board

Source: The Company.

5.3.3.3 Biographies of the Members of the Executive Committee

The experience, qualifications and the current and other positions of the members of the Executive Committee are set out below:

(a) Fares Saleh Mutlaq Al Henaki, Chairman of the Executive Committee

See Section 5.2.4.4 (*Fares Saleh Mutlaq Al Henaki, Director*) for further details regarding experience, qualifications and the current and previous positions of Fares Saleh Mutlaq Al Henaki.

(b) Hesham Sulaiman Abdulaziz Al Habib, Member of the Executive Committee

See Section 5.2.4.9 (*Hesham Sulaiman Abdulaziz Al Habib, Director*) for further details regarding experience, qualifications and the current and previous positions of Hesham Sulaiman Abdulaziz Al Habib.

(c) Mohammed Ibrahim Mohammed Al Basha, Member of the Executive Committee

See Section 5.2.4.10 (*Mohammed Ibrahim Mohammed Al Basha, Board Secretary*) for further details regarding experience, qualifications and the current and previous positions of Mohammed Ibrahim Mohammed Al Basha.

5.4 Executive Management

5.4.1 Overview of Executive Management

The Executive Management of the Company comprises qualified and experienced members with the necessary knowledge and expertise to run the Company's business in line with the objectives and directives of the Board of Directors and the Shareholders. The Company has been successful in recruiting and retaining its Executive Management team, developing qualified employees and promoting them to senior positions in the Company.

5.4.2 Senior Executives of the Company

The following table sets out the Senior Executives members of the Company:

Table 5.6: Details of Senior Executives

Name	Position	Appointment Date	Nationality	Age (Years)	Number of Shares Held Pre-Offering	Number of Shares Held Post-Offering
Fares Saleh Mutlaq Al Henaki	Chief Executive Officer	11 Thul-Qi'dah 1439H (corresponding to 24 July 2018G)	Saudi	46	2,650,000	2,650,000
Ayman Ali Hamad Al Tammami	Executive Vice President	15 Shawwal 1445H (corresponding to 24/04/2024G)	Saudi	44	-	-
Mohammed Ibrahim Mohammed Al Basha	Director of Shared Services and Chief Financial Officer	7 Jumada Al-Ula 1444H (corresponding to 1 December 2020G)	Jordanian	44	-	-
Khaled Sulaiman Ali Al Rumaikhan	Director of Recruitment	17 Shawwal 1439H (corresponding to 1 July 2018G)	Saudi	48	-	-
Abdullah Nasser Shelaiwih Al Hailan	Director of Support Services	10 Ramadan 1441H (corresponding to 3 May 2020G)	Saudi	44	-	-
Mohammed Abdullah Dhifallah Al Awaji	Director of Sales and Operations for the Corporate Sector	24 Shawwal 1439H (corresponding to 8 July 2018G)	Saudi	38	-	-
Yousef Ali Dhifallah Al Awaji	Director of Sales and Operations for the Healthcare Sector	23 Thul-Hijjah 1439H (corresponding to 3 September 2018G)	Saudi	37	-	-
Khalid Reda Taher Al Kharraz	Head of Internal Audit	26 Muharram 1446H (corresponding to 1 August 2024G)	Jordanian	46	-	-
Mohammad Abed Mohammad Nadeem	Director of Human Resources	4 Jumada al-Akhirah 1445H (corresponding to 17 December 2023G)	Saudi	48	-	-

Source: The Company.

5.4.3 Biographies of Senior Executives

The experience, qualifications and the current and other positions of each Senior Executive are set out below:

5.4.3.1 Fares Saleh Mutlaq Al Henaki, Chief Executive Officer

See Section 5.2.4.4 (*Fares Saleh Mutlaq Al Henaki, Director*) for further details regarding experience, qualifications and the current and previous positions of Fares Saleh Mutlaq Al Henaki.

5.4.3.2 Ayman Ali Hamad Al Tammami, Executive Vice President

Nationality:	Saudi.
Age:	44 years.
Position:	Executive Vice President.
Appointment Date:	15 Shawwal 1445H (corresponding to 24 April 2024G).
Academic and professional qualifications:	Bachelor's degree in Information Systems, King Saud University, Riyadh, Kingdom of Saudi Arabia, 2001G.
Current Positions:	– Executive Vice President of the Company since 2024G; and – Director, Saudi Facilities Management Co., a limited liability company, facilities management sector, since 2017G.
Key Past Professional Experience:	– CEO, Saudi Manpower Solutions Company (SMASCO), a public joint stock company, human resources sector, from 2022G to 2024G; – Director of the Business Sector, Saudi Manpower Solutions Company (SMASCO), a public joint stock company, human resources sector, from 2013G to 2022G; – Director of Electronic Services and Marketing, Elm Company, a public joint stock company, information technology sector, from 2011G to 2013G; – Head of Digital Media, Saudi Research and Marketing Group Company (currently the Saudi Research and Media Group (SRMG)), a public joint stock company, research and media sector, from 2010G to 2011G; – Director of Support Services, Saudi Research and Marketing Group Company (currently Saudi Research and Media Group (SRMG)), a public joint stock company, research and media sector, from 2008G to 2010G; – Business Application Manager - Corporate, Almarai, a public joint stock company operating in food production, from 2006G to 2008G; – Application Development and Systems Analyst, Almarai, a public joint stock company, food production sector, from 2005G to 2006G; and – Hardware and Technical Support Engineer, Almarai, a public joint stock company, food production sector, from 2002G to 2004G.

5.4.3.3 Mohammed Ibrahim Mohammed Al Basha, Director of Shared Services and Chief Financial Officer

See Section 5.2.4.10 (*Mohammed Ibrahim Mohammed Al Basha, Board Secretary*) for further details regarding experience, qualifications and the current and previous positions of Mohammed Ibrahim Mohammed Al Basha.

5.4.3.4 Khaled Sulaiman Ali Al Rumaikhan, Director of Recruitment

Nationality:	Saudi.
Age:	48 years.
Position:	Director of Recruitment.
Appointment Date:	17 Shawwal 1439H (corresponding to 1 July 2018G).
Academic and Professional Qualifications:	Diploma in Financial Accounting, Technical and Vocational Training Corporation, Riyadh, Kingdom of Saudi Arabia, in 2001G.
Current Positions:	Director of Recruitment of the Company, since 2018G.
Key Past Professional Experience:	Executive Director of Operations and Sales and Assistant Chief Executive Officer, Maharah Human Resources Company, a public joint stock company, human resources sector, from 2015G to 2018G; Director of the Recruitment and Branches Sector, Maharah Human Resources Company, a public joint stock company, human resources sector, from 2013G to 2015G; General Administrative, Department of Public Education in Riyadh, a Government entity, from 2010G to 2013G; and Warehouse Administrator, Ministry of Municipal, Rural Affairs and Housing, a Government entity, from 1998G to 2003G.

5.4.3.5 Abdullah Nasser Shelaiwih Al Hailan, Director of Support Services

Nationality:	Saudi.
Age:	44 years.
Position:	Company Director of Support Services.
Appointment Date:	10 Ramadan 1441H (corresponding to 3 May 2020G).
Academic and Professional Qualifications:	Bachelor's Degree in Islamic Studies, Imam Mohammad bin Saud Islamic University, Riyadh, Kingdom of Saudi Arabia, in 2002G.
Current Positions:	– Company's Director of Support Services, since 2020G; – Secretary of the Company's Nominations and Remuneration Committee since 2021G; and – Director of Human Resources Department, Open Technologies for Communications and Information Technology Company for Communications and Information Technology (a subsidiary of the Company), a limited liability company, information technology sector, since 2022G.
Key Past Professional Experience:	– Director of Human Resources and Corporate Services Department, Al Ruqaib Group Company, a closed joint stock company, public investments sector, from 2016G to 2019G; – Director of Human Resources and Corporate Services Department, Al Watania for Industries, a closed joint stock company, production of packaging and building materials sector, from 2011G to 2015G; and – Human Resources Director, Saudi Ice Cream Factory Company Limited, a limited liability company, food manufacturing sector, from 2007G to 2010G.

5.4.3.6 Mohammed Abdullah Dhifallah Al Awaji, Director of Sales and Operations for the Corporate Sector

Nationality:	Saudi.
Age:	38 years.
Position:	Company Director of Sales and Operations for the Corporate Sector.
Appointment Date:	24 Shawwal 1439H (corresponding to 8 July 2018G).
Academic and Professional Qualifications:	Bachelor's Degree in Business Administration, King Abdulaziz University, Jeddah, Kingdom of Saudi Arabia, in 2011G.
Current Positions:	Director of Sales and Operations for the Corporate Sector of the Company, since 2018G.
Key Past Professional Experience:	– Director of the Business Sector Department, Maharah Human Resources Company, a public joint stock company, human resources sector, from 2015G to 2018G; – Operations Management Supervisor, Maharah Human Resources Company, a public joint stock company, human resources sector, from 2014G to 2015G; – Information Technology Customer Service Officer, Wipro Arabia Limited, a limited liability company, communications and information technology sector, from 2009G to 2014G; and – Telephone customer service officer, Arab National Bank, a public joint stock company, banking financial services sector, from 2008 to 2009G.

5.4.3.7 Yousef Ali Dhifallah Al Awaji, Director of Sales and Operations for the Healthcare Sector

Nationality:	Saudi.
Age:	37 years.
Position:	Company Director of Sales and Operations for the Healthcare Sector.
Appointment Date:	23 Thul-Hijjah 1439H (corresponding to 3 September 2018G).
Academic and Professional Qualifications:	– Bachelor's Degree in Biology, University of Colorado, Denver, Colorado, United States of America, in 2009G; and – Doctorate's Degree in General Medicine, Caribbean Medical University, Chicago, United States of America, in 2015G.
Current Positions:	– Director of Sales and Operations for the Healthcare Sector of the Company, since 2018G; and – Founding Partner and Member of the Board of Directors, Global Core Careers, an American limited liability company, professional services for business consulting sector, since 2018G.
Key Past Professional Experience:	– Director of the International Recruitment and Agencies Department, Maharah Human Resources Company, a public joint stock company, human resources sector, from 2015G to 2018G; – International Recruitment Supervisor, Maharah Human Resources Company, a public joint stock company, human resources sector, from 2014G to 2015G; – Tissue And Bone Transplantation Technician, Allosaurus Bone and Techno Bank, an American non-profit organisation, biotechnology sector, from 2010G to 2011G; – Insurance Analyst, Enterprise Consulting Solutions, an American limited liability company, medical records systems sector, from 2009G to 2010G; and – Health Information Management Analyst, Parker Adventist Hospital, an American non-profit organisation, providing health services, from 2006G to 2007G.

5.4.3.8 Khalid Reda Taher Al Kharraz, Head of Internal Audit

Nationality:	Jordanian
Age:	46 years.
Position:	Head of Internal Audit.
Appointment Date:	26 Muharram 1446H (corresponding to 1 August 2024G).
Academic and professional qualifications:	– Bachelor's degree in Accounting, University of Jordan, Amman, Hashemite Kingdom of Jordan, 2000G; and – Certified Public Accountant (CPA), National Association of State Boards of Accountancy (NASBA), Pomona, California, United States of America, 2003G.
Current Positions:	Head of Internal Audit at the Company, since 2024G.
Key Past Professional Experience:	– Chief Financial Officer, Tazweed (a company fully owned by National Gas and Industrialization Company (GASCO)), a public joint stock company, wholesale liquid gas sector, from 2023G to 2024G; – Chief Financial Officer, Wafrah for Industry and Development Company, a public joint stock company, food product manufacturing and marketing sector, from 2021G to 2023G; – Executive Director, JPA International, a professional limited liability company, auditing and financial investments sector, from 2019G to 2021G; – General Manager of Internal Audit, Saudi Ground Services Company, a public joint stock company, aviation industry ground handling services sector, from 2015G to 2019G; – Chief Auditor, PricewaterhouseCoopers Public Accountants, a professional limited liability company, auditing and financial consulting sector, from 2009G to 2014G; – Chief Auditor, Ernst & Young Professional Services, a professional company, auditing and financial consulting sector, from 2002G to 2009G; and – Lead Auditor, Arthur Andersen & Co Chartered Accountants, a professional limited liability company, auditing and financial consulting sector, from 2000G to 2002G.

5.4.3.9 Mohammad Abed Mohammad Nadeem, Director of Human Resources

Nationality:	Saudi.
Age:	48 years.
Position:	Company Director of Human Resources.
Appointment Date:	4 Jumada al-Akirah 1445H (corresponding to 17 December 2023G).
Academic and Professional Qualifications:	Bachelor's Degree in Management Information Systems, King Fahad University of Petroleum and Minerals, Dhahran, Kingdom of Saudi Arabia, 2000G.
Current Positions:	Company's Director of Human Resources, since 2023G;
Key Past Professional Experience:	– Executive Director, Qiddiya Investment Company, a closed joint stock company owned by the Public Investment Fund, investment sector, from 2022G to 2023G; – Director of Human Resources and Government Relations, King Abdullah Petroleum Studies and Research Center, a semi-Governmental entity, from 2019G to 2022G; – Executive Director of Human Resources, Human Resources Development Fund, a semi-Governmental entity, from 2014G to 2019G; – Director of Human Resources Development, Mobile Telecommunication Company Saudi Arabia (Zain Saudi Arabia), a public joint stock company, telecommunication sector, in 2014G; – Executive Director of Human Resources, Mobile Telecommunication Company Saudi Arabia (Zain Saudi Arabia), a public joint stock company, telecommunication sector, from 2011G to 2014G; – Rewards Manager, Mobile Telecommunication Company Saudi Arabia (Zain Saudi Arabia), a public joint stock company, telecommunication sector, from 2007G to 2011G; – Head of the Employment Department, King Faisal Specialist Hospital and Research Centre, a Government entity, from 2006G to 2007G; – Chief Local Recruitment Officer, King Faisal Specialist Hospital and Research Centre, a Government entity, in 2006G; – Chief International Recruitment Officer, King Faisal Specialist Hospital and Research Centre, a Government entity, from 2003G to 2006G; and – Recruitment Representative, King Faisal Specialist Hospital and Research Centre, a Government entity, from 2000G to 2003G.

5.4.4 Employment Contracts with the Managing Director, Chief Executive Officer and Chief Financial Officer

The following table shows a summary of the employment contracts with the Managing Director, Chief Executive Officer and Chief Financial Officer:

Table 5.7: Summary of Employment Contracts Concluded with the Company's Managing Director, Chief Executive Officer and Chief Financial Officer

Name	Title	Appointment Date	Date of Contract Conclusion	Term of Contract
Abdullah Sulaiman Abdulrahman Al Ngeer	Managing Director	17 Shawwal 1439H (corresponding to 1 July 2018G)	17 Shawwal 1439H (corresponding to 1 July 2018G), a new contract was concluded on 13 Thul-Hijjah 1444H (corresponding to 1 July 2023G)	Unspecified term.
Fares Saleh Mutlaq Al Henaki	Chief Executive Officer	11 Thul-Qi'dah 1439H (corresponding to 24 July 2018G)	11 Thul-Qi'dah 1439H (corresponding to 24 July 2018G), a new contract was concluded on 25 Thul-Hijjah 1443H (corresponding to 24 July 2022G)	Unspecified term.
Mohammed Ibrahim Mohammed Al Basha	Chief Financial Officer	7 Jumada Al-Ula 1444H (corresponding to 1 December 2020G)	7 Jumada Al-Ula 1444H (corresponding to 1 December 2020G) a new contract was concluded on 07 Jumada Al-Ula 1444H (corresponding to 1 December 2022G)	Two years.

Source: The Company.

The duties and responsibilities of the Chief Executive Officer can be summarised as follows:

- managing the day-to-day affairs and business of the Company;
- managing the strategic affairs, customer relationships, business transformation and digital technology adoption of the Company;
- proposing and developing the Company's short- and long-term strategy and overall commercial objectives, in close consultation with the Board of Directors;
- implementing the resolutions of the Board of Directors and the Committees;
- providing input to the Chairman on the Board of Directors meeting agenda;
- ensuring the provision of accurate and clear information to the Board of Directors in a timely manner; and
- ensuring that all material matters affecting the Company are brought to the attention of the Board of Directors.

The duties and responsibilities of the Chief Financial Officer can be summarised as follows:

- assisting in the formulation of the Company's objectives and lead the Company's financial planning process;
- leading the financial reporting process and strengthening the Company's internal control systems;
- optimising the Company's cash flow, liquidity and working capital facilities; and
- managing the financial forecast and budget processes and supervising the preparation of the Company's financial statements.

5.5 Remuneration of Directors and Senior Executives

The remuneration of Directors shall be determined in accordance with the Company's Bylaws and Remuneration Policy. In addition, attendance and transportation allowances shall be determined by the Board of Directors in accordance with the applicable laws, resolutions and instructions in the Kingdom as passed by the concerned authorities.

The following table sets out the remuneration of the Directors and top five Senior Executives (including the Chief Executive Officer and the Chief Financial Officer) granted by the Company and the Subsidiaries for the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G. Furthermore, neither the Directors, nor Committee Members received any in-kind rewards or benefits.

Table 5.8: Directors and Top Five Senior Executives Remuneration in the Financial Years Ended 31 December 2021G, 2022G and 2023G and the Three-Month Period Ended 31 March 2024G

	Financial Year Ended 31 December			Three-Month Period Ended 31 March 2024G
	2021G	2022G	2023G	
	(SAR)			
Directors	400,000	400,000	400,000	-
Members of the Committees	382,578	285,185	201,333	-
Top Five Senior Executives (including CEO and CFO)	380,000	609,259	765,648	-
Total	**1,162,578**	**1,294,444**	**1,366,981**	**-**

Source: The Company.

5.6 Corporate Governance

The Company's policy is to adopt high standards of corporate governance. The Company's Board of Directors undertakes to comply with the Corporate Governance Regulations issued by the CMA on 16 Jumada al-Ula 1438H (corresponding to 13 February 2017G), as amended on 25 Jumada al-Akhirah 1444H (corresponding to 18 January 2023G).

The Corporate Governance Regulations set out the rules and standards that regulate the management of the Company to ensure compliance with the best corporate governance practices to protect the rights of Shareholders and other stakeholders. The provisions of the Corporate Governance Regulations are mandatory, except for certain provisions that are designated as guiding provisions.

The Company's internal Corporate Governance Manual, which was adopted by the Board of Directors 18 Rabi' al-Thani 1445H (corresponding to 2 November 2023G) includes provisions in relation to the following:

- rights of the Shareholders;
- the Board of Directors (including the Board formation, membership, meetings, working procedures, competencies, duties and powers, development, support, evaluation and remuneration);
- committees;
- management;
- internal control and audit; and
- internal policies.

Further, as of the date of this Prospectus, the Company complies with the mandatory provisions of the Corporate Governance Regulations, except for the following articles:

- Article 8(a) on the Company announcing information about the nominees for the membership in the Board of Directors on the Exchange's website upon the invitation or calling for the General Assembly;
- Article 8(b) on limiting the General Assembly voting to candidates whose information was announced according to Article 8(a);
- Article 13(d) on publishing the invitation to the General Assembly on the websites of the Exchange and Company;
- Article 14(c) on making information related to the General Assembly's agenda available to the Shareholders through the websites of the Exchange and Company;
- Article 15(e) on announcing to the public and notifying the CMA and Exchange of the results of the General Assembly as soon as it ends;
- Article 17(d) on notifying the CMA of the names of the members of the Board of Directors, a description of their memberships, as well as any changes in their memberships;
- Article 19(b) on the Board of Directors annually evaluating the extent of the Board member's independence and ensuring that there are no relationships or circumstances that affect or may affect his/her independence; and
- Article 65 on the Company publishing the Board membership nomination announcement on the websites of the Company and the Exchange to invite those interested in being nominated for Board membership, provided that the nomination period shall remain open for at least a month from the date of the announcement.

The Company is currently not complying with the above requirements of the Corporate Governance Regulations applicable to listed companies because it is not yet a listed company as of the date of this Prospectus. The Directors undertake to comply with such requirements, with effect from Admission, as soon as the approval is issued for the listing of the Shares. In addition, the Directors confirm that the Company is currently complying with all the other provisions of the Corporate Governance Regulations and the Companies Law.

The Company has three Committees (the Audit Committee, the Nomination and Remuneration Committee and the Executive Committee), which are responsible for reviewing the Company's operations within their particular areas of expertise and presenting their findings and recommendations to the Board of Directors (for further details, see Section 5.3 (*Committees*)).

The Board of Directors consists of eight members most of whom are non-executive Directors (including three independent members) in accordance with the Corporate Governance Regulations. The Board of Directors ensures, among other things, that:

- all the Committees have clear competencies and that the roles and responsibilities of each Committee shall be detailed; and
- minutes of all meetings will be prepared, reviewed and signed by the Board of Directors in accordance with the Bylaws.

5.7 Conflicts of Interest

Neither the Company's Bylaws nor the Company's internal regulations and policies grant a Director the power to vote on any contract or transaction in which he/she has a direct or indirect interest. This is in compliance with Article 71 of the Companies Law. The Directors confirm that:

(a) they will comply with the Articles 27 and 71 of the Companies Law and the Articles 42 and 44 of the Corporate Governance Regulations;

(b) they will not vote on General Assembly resolutions that relate to any Related Party transaction or contract in which the Directors have a direct or indirect interest; and

(c) they will not compete with the Company's business without the approval of the Ordinary General Assembly in accordance with the Article 27 of the Companies Law.

As of the date of this Prospectus, none of the Directors, Senior Executives, Board Secretary nor any of their relatives have any direct or indirect interest in the Shares or debt instruments of the Company or the shares or debt instruments in its Subsidiaries or any matter that may in any way affect the business of the Company, except for the following:

Table 5.9: Summary of Interests of the Directors in the Shares of the Company and its Subsidiaries

Director	Interest in	Position	Direct Ownership	Indirect Ownership	Description
Abdullah Ahmed Sultan Al Shehri	Company	Chairman	3.00%	-	As of the date of this Prospectus Abdullah Ahmed Sultan Al Shehri directly owns 3.00% of the Company's Shares.
Ziad Mohammed Makki Saleh Al Tunisi	Company	Vice Chairman	1.00%	-	As of the date of this Prospectus, Ziad Mohammed Makki Saleh Al Tunisi directly owns 1.00% of the Company's Shares.

Director	Interest in	Position	Direct Ownership	Indirect Ownership	Description
Abdullah Sulaiman Abdulrahman Al Ngeer	Company	Managing Director	3.75%	17.06%	As of the date of this Prospectus, Abdullah Sulaiman Abdulrahman Al Ngeer directly owns 3.75% of the Company's Shares. Additionally, he indirectly owns 17.06% of the Company's Shares, through his ownership of 50.00% of the shares of Tasheel Real Estate Company, a company that directly owns 34.13% of the Company's Shares.
Fares Saleh Mutlaq Al Henaki	Company	Director and CEO	10.00%	-	As of the date of this Prospectus, Fares Saleh Mutlaq Al Henaki directly owns 10.00% of the Company's Shares.
Abdulrahman Ali Abdullah Al Gubaisi	Company	Director	7.50%	-	As of the date of this Prospectus, Abdulrahman Ali Abdullah Al Gubaisi directly owns 7.50% of the Company's Shares.
Hesham Sulaiman Abdulaziz Al Habib	Company	Director	-	0.50%	As of the date of this Prospectus, Hesham Sulaiman Abdulaziz Al Habib indirectly owns 0.50% of the Company's Shares, through his ownership of 2.00% of the shares of Dr Sulaiman Al Habib Medical Services Group Company, a company that directly owns 25.00% of the Company's Shares.

Source: The Company.

As of the date of this Prospectus, none of the Directors or Senior Executives is a party to any agreement, arrangement or understanding under which they are subject to any obligation that prevents them from competing with the Company or any similar obligation in relation to the Company's business. To engage in businesses competing with the Company, the Directors must obtain approval from the General Assembly in accordance with Article 44 of the Corporate Governance Regulations and Article 27 of the Companies Law.

The following table provides a summary of the contracts and arrangements in effect or contemplated with any member of the Group in which a Director or Senior Executive or any of their relatives have a direct or indirect interest as of the date of this Prospectus:

Table 5.10: Summary of Contracts and Transactions in which a Director or Senior Executive or any of their Relatives have a Direct or Indirect Interest as of the Date of this Prospectus

Parties	Nature of the Contract or Transaction	Total Value of the Contract/ Transaction (SAR)	Directors with a Direct or Indirect Interest	Date of Approval of Transactions by the General Assembly
The Company (as service provider) and Burger Map Restaurants for Fast Food Company (as customer)	Labour Services Agreement	SAR 2,516,383 for the financial year ended 31 December 2023G and SAR 696,852 for the three-month period ended 31 March 2024G	Director Abdullah Sulaiman Abdulrahman Al Ngeer is a shareholder in Burger Map Restaurants for Fast Food Company.	This agreement has been approved by the Company's Board on 10 Sha'ban 1445H (corresponding to 20 February 2024G) pursuant to the authorisation granted to it by the General Assembly.
The Company (as service provider) and 4Twins Company Ltd (as customer)	Labour Services Agreement	SAR 3,928,999 for the financial year ended 31 December 2023G and SAR 1,261,952 for the three-month period ended 31 March 2024G	Director Abdullah Sulaiman Abdulrahman Al Ngeer is a shareholder in 4Twins Company Ltd.	This agreement has been approved by the Company's Board on 10 Sha'ban 1445H (corresponding to 20 February 2024G) pursuant to the authorisation granted to it by the General Assembly.
The Company (as service provider) and Tasheel Real Estate Company (as customer)	Labour Services Agreement	SAR 32,363 for the financial year ended 31 December 2023G and SAR zero for the three-month period ended 31 March 2024G	Director Abdullah Sulaiman Abdulrahman Al Ngeer is the Chairman of the Board in Tasheel Real Estate Company.	This agreement has been approved by the Company's Board on 10 Sha'ban 1445H (corresponding to 20 February 2024G) pursuant to the authorisation granted to it by the General Assembly.
The Company and Dr Sulaiman Al Habib Medical Services Group Company	Joint Venture Agreement	-	Director Hesham Sulaiman Abdulaziz Al Habib and Director Faisal Abdullah Ali Al Nassar are Members of the Board of Directors in Dr Sulaiman Al Habib Medical Services Group Company.	18 Rajab 1445H (corresponding to 30 January 2024G).

Source: The Company.

The following table provides details of the Directors engagement in any activities competing with the Company's activities as of the date of this Prospectus:

Table 5.11: Details of the Directors Engagement in Any Activities Competing with the Company's Activities as of the Date of this Prospectus

Director	Competing Company	Director's Position in Competing Company		Nature of Competition	Date of Approval of Activities by the General Assembly
		Shareholder/Partner	Director		
Abdullah Sulaiman Abdulrahman Al Ngeer	Maharah Human Resources Company	Yes (direct and indirect ownership).	No	Human Resources Services.	7 Jumada al-Akhirah 1445H (corresponding to 21 November 2023G).
Abdullah Sulaiman Abdulrahman Al Ngeer	Mueen Human Resources Company	Yes (indirect ownership).	No	Human Resources Services.	7 Jumada al-Akhirah 1445H (corresponding to 21 November 2023G).

Source: The Company.

5.8 Bankruptcy/Insolvency

None of the Directors, Senior Executives or the Secretary has at any time been declared bankrupt or been subject to bankruptcy proceedings.

None of the companies in which any of the Directors, Senior Executives or Secretary was employed in a managerial or supervisory capacity, was declared insolvent or bankrupt during the past five years preceding the date of this Prospectus.

5.9 Employees

The Company adopted an employment policy aimed at building and enhancing relations between the Company and its employees. This policy covers all aspects concerning the recruitment process, training, work schedules, health care, social insurance benefits, salaries and other allowances and benefits, including accommodation and transportation allowances and rewards.

5.9.1 Number of Employees

As of 31 March 2024G, the Company was classified within the "platinum" category, with the Saudisation percentage reaching 60.74 per cent. The total number of employees of the Company and its subsidiaries is 270 employees.

The following table shows the number of employees of the Company by business segments as of 31 December 2021G, 2022G and 2023G and as of 31 March 2024G:

Table 5.12: Number of Employees of the Company by Business Department as of 31 December 2021G, 2022G and 2023G and as of 31 March 2024G

	Financial Year Ended 31 December												Three-Month Period Ended 31 March			
	2021G				2022G				2023G				2024G			
	Saudi	Non-Saudi	Total	Saudisation Percentage	Saudi	Non-Saudi	Total	Saudisation Percentage	Saudi	Non-Saudi	Total	Saudisation Percentage	Saudi	Non-Saudi	Total	Saudisation Percentage
Executive Management	2	1	3	66.67%	2	1	3	66.67%	2	1	3	50.0%	2	1	3	66.67%
Internal Audit	0	0	0	0.00%	0	2	2	0.00%	1	2	3	33.33%	1	1	2	50.00%
Shared Services	19	19	38	50.00%	19	18	37	51.35%	17	17	34	50.00%	18	17	35	51.14%
Compliance	1	0	1	100.00%	1	0	1	100.00%	1	0	1	100.00%	1	0	1	100.00%
Support Services	53	77	130	40.76%	49	35	84	58.33%	55	33	88	62.50%	51	35	86	59.30%
Sales, Marketing and Operations	67	51	118	56.77%	89	32	121	73.55%	93	48	141	65.95%	90	48	138	65.21%
International Employment	6	3	9	62.50%	4	2	6	66.66%	1	4	5	20.00%	1	4	5	20.00%
Total	**148**	**151**	**299**	**49.49%**	**164**	**90**	**254**	**64.56%**	**170**	**105**	**275**	**61.81%**	**164**	**106**	**270**	**60.74%**

Source: The Company.

The following table shows the number of employees of the Company and its Subsidiaries as of 31 December 2021G, 2022G and 2023G and as of 31 March 2024G:

Table 5.13: Number of Employees of the Company and its Subsidiaries as of 31 December 2021G, 2022G and 2023G and as of 31 March 2024G

	Financial Year Ended 31 December												Three-Month Period Ended 31 March			
	2021G				2022G				2023G				2024G			
	Saudi	Non-Saudi	Total	Saudisation Percentage	Saudi	Non-Saudi	Total	Saudisation Percentage	Saudi	Non-Saudi	Total	Saudisation Percentage	Saudi	Non-Saudi	Total	Saudisation Percentage
The Company	148	151	299	49.49%	146	90	254	64.56%	170	105	275	61.82%	164	106	270	60.74%
Open Technologies for Communications and Information Technology Company	5	6	11	45.45%	6	6	12	50.00%	4	13	17	23.53%	5	18	23	39.00%
Elaf Specialist Contracting Company	-	-	-	-	-	-	-	-	-	-	-	-	1	2	3	92.00%
Eraf Medical Company	-	-	-	-	-	-	-	-	1	4	5	20.00%	0	4	4	60.00%
Total	**153**	**157**	**310**	**49.35%**	**170**	**96**	**266**	**63.90%**	**175**	**122**	**297**	**58.92%**	**173**	**127**	**300**	**57.70%**

Source: The Company.

5.9.2 Employee Share Schemes

As of the date of this Prospectus, the Company does not have any employee Share schemes or other arrangements involving employees in the share capital of the Company.

06

Management's Discussion and Analysis of Financial Condition and Results of Operations

6. Management's Discussion and Analysis of Financial Condition and Results of Operations

6.1 Introduction

This "Management Discussion and Analysis of Financial Condition and Results of Operations" section includes an analytical review of the operational performance of Tamkeen Human Resources Company, which was established in accordance with regulations in the Kingdom of Saudi Arabia as a closed Saudi joint stock company in Riyadh, Kingdom of Saudi Arabia. The financial statements of the company and its subsidiaries are unified, and the group's main activities are providing integrated services to the local and foreign workforce.

This section has been prepared based on: (1) the audited consolidated financial statements for the fiscal year ended 31 December 2022G, which include the financial statements for the comparison period ended 31 December 2021G; (2) the audited consolidated financial statements for the fiscal year ended 31 December 2023G and (3) the unaudited reviewed interim condensed consolidated financial statements for the three-month period ended 31 March 2024G, which include the financial statements for the comparison period ended 31 March 2023G.

The company's management prepared the financial statements referred to above and were audited in accordance with international auditing standards approved in the Kingdom of Saudi Arabia for the financial years ended 31 December 2021G, 2022G and 2023G, by Baker Tilly MKM & Co., accountants. Legal experts" in accordance with international auditing standards approved in the Kingdom of Saudi Arabia. The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia and other standards and issuances issued by the Saudi Organization for Auditors and Accountants (SOCPA) (collectively referred to as the "**International Financial Reporting Standards approved in the Kingdom of Saudi Arabia**").

Neither Baker Tilly, nor any of its subsidiaries, affiliates, employees, nor any of their relatives own any shares or shares of any kind in the group that might affect its independence as of the date of the independent auditor's report on the audited consolidated financial statements. As of the date of this Prospectus, Baker Tilly has provided its written consent to refer in this Prospectus to its role as Group Auditor for the financial years ended 31 December 2021G, 2022G and 2023G and they have not withdrawn or amended that consent as of the date of issuance of this Prospectus.

All amounts in this section have been rounded to the nearest thousand Saudi riyals unless otherwise stated, and numbers and percentages have been rounded to the nearest decimal place. Therefore, the total of these numbers may differ from what is shown in the tables. Accordingly, all ratios, indicators, annual expenditures and compound annual growth rates are based on rounded numbers.

This section may include statements of a forward-looking nature relating to the future capabilities of the Group, based on management's plans and expectations regarding the Group's growth, results of operations and financial position as well as the risks and uncertainties associated therewith. The Company's actual results may differ materially from the expected results as a result of numerous factors, risks and future events, including those discussed in this section of the Prospectus or elsewhere, in particular Section No. 2 (*Risk Factors*) in This bulletin.

6.2 Directors' Declaration for Financial Information

The Board of Directors approves the following:

1. The members of the Board of Directors acknowledge that the financial information contained in this section has been extracted without material modifications and presented in a format consistent with (1) the audited financial statements for the fiscal year ended 31 December 2022G, which include the financial statements for the comparison period 31 December 2021G; (2) and the audited financial statements for the year The financial statements ended 31 December 2023G, which were prepared in accordance with international standards. The financial reports approved in the Kingdom of Saudi Arabia and other standards and issuances approved by the Saudi Organization for Auditors and Accountants and (3) the unaudited reviewed interim condensed consolidated financial statements for the three-month period ended 31 March 2024G, which include the financial statements for the comparison period ended 31 March 2023G.
2. The members of the Board of Directors acknowledge that the Group has sufficient working capital for at least the twelve-month period following the date of this prospectus.
3. The members of the Board of Directors acknowledge that there have been no fundamental negative changes in the financial or commercial position of the company in the three financial years immediately preceding the date of submitting the application for registration and offering of the securities that are the subject of this bulletin, in addition to the end of the period covered in the auditor's report up to the date of issuance of this bulletin. The members of the Board of Directors also acknowledge that all material facts related to the group and its financial performance have been disclosed in this prospectus, and that there is no other information, documents or facts whose failure to include could make any statement misleading.
4. The members of the Board of Directors acknowledge that the Group does not have any property, including any contractual securities or other assets, the value of which is subject to fluctuations or is difficult to ascertain, which would significantly affect the assessment of its financial position. With the exception of financial instruments at fair value through profit or loss,

which are disclosed in Section 6.9.2 (*Consolidated Statement of Financial Position*) of Section 6 (*Management's Discussion and Analysis of Financial Condition and Results of Operations*) of this prospectus.

5. The members of the Board of Directors acknowledge that the Group has not provided any commissions, discounts, brokerage fees, or any other non-monetary compensation in connection with the issuance or offering of any securities to any of the members of the Board of Directors, the proposed members of the Board of Directors, senior executives, or those conducting the offer or offer. Securities or experts who received any of these payments or benefits during the three years immediately preceding the date of submitting an application to accept and offer securities subject to this prospectus.
6. The members of the Board of Directors acknowledge that the Group does not have any loans or any other liabilities whether covered by a personal guarantee, a non-personal guarantee or a mortgage, including any overdrafts from bank accounts and does not have any secured liabilities, or liabilities under acceptance, acceptance credit, or any hire purchase liabilities.
7. The members of the Board of Directors acknowledge that, except for what is disclosed in Section 6.8 (*The Main Factors Affecting the Group's Performance and Operations*) and Section 2 (*Risk Factors*) of this Prospectus, to the best of their knowledge the Group does not have information about any Governmental, economic, financial, monetary or political policies or any other factors that have materially affected or could significantly affect (directly or indirectly) the Group's operations.
8. The members of the Board of Directors acknowledge that the group has no intention to make any fundamental change in its activity.
9. The members of the Board of Directors acknowledge that the Group's operations have not ceased in a way that affects or has significantly affected its financial position during the last twelve months.
10. The Directors acknowledge that the capital of the Company and its subsidiaries is not subject to any option contracts, except as disclosed in Section 11.5 (*Material Agreements*) of this Prospectus.
11. The Directors acknowledge that the Group has provided comprehensive details in this section of any potential liabilities and has calculated and recorded a provision for the liabilities contained in Management's Discussion and Analysis of Financial Position and Results of Operations. For more information, please see Section 6 (*Management's Discussion and Analysis of Financial Condition and Results of Operations*) of this prospectus.
12. The members of the Board of Directors acknowledge that the group's properties are not subject to any mortgages, rights or encumbrances as of the date of this prospectus.
13. The Directors acknowledge that the Group has provided comprehensive details in this section of all fixed assets and investments, including contractual securities and other assets whose value is volatile or difficult to estimate.
14. The members of the Board of Directors acknowledge that there was no reservation in the auditor's report on the financial statements of the company or its significant subsidiaries for any of the three financial years immediately preceding the date of submitting the application for registration and offering the securities subject to this bulletin.
15. The members of the Board of Directors acknowledge that there has been no material change in the significant accounting policies of the Company or its material subsidiaries during the three financial years immediately preceding the date of submitting the application for registration and offering the securities subject to this prospectus.
16. The members of the Board of Directors acknowledge that there has been no material change in the financial statements issued by the company or its significant subsidiaries during the three financial years immediately preceding the date of submitting the registration application and offering the securities subject to this prospectus.
17. The Directors acknowledge that there have been no material structural changes in the Company or its subsidiaries during the three financial years immediately preceding the date of filing the application for registration and offering of securities subject to this Prospectus, except as disclosed in Section 4 (*Business Description*) and Section 11 (*Legal Information*) of this leaflet.
18. The members of the Board of Directors acknowledge that, other than what is stated in this prospectus, neither the members of the Board of Directors nor any of their relatives have any shares or interest of any kind in the company or any of the subsidiaries, if any.

6.3 Overview of the Group

The Company was established in accordance with the regulations in the Kingdom of Saudi Arabia as a closed joint-stock company in Riyadh, Saudi Arabia. The consolditaed audited financial statementrs include the financialstatements of the company and its subsidiaries.

The main activities of the group mainly include (1) labor recruitment and (2) providing labor services related to domestic workers and workers for the public and private sectors.

The following table shows the subsidiaries included in the consolidated financial statements:

Table 6.1: Subsidiaries of Tamkeen Human Resources Company

Subsidiary company	Legal form	Country of establishment	Legal/actual ownership share			
			As of 31 December 2021G	As of 31 December 2022G	As of 31 December 2023G	As of 31 March 2024G
Open Technologies Company for Communications and Information Technology	A limited liability company	Kingdom of Saudi Arabia	100%	100%	100%	100%
Elaf Specialized Contracting Company	A limited liability company	Kingdom of Saudi Arabia	100%	100%	100%	100%
Eraf Medical Company	A limited liability company	Kingdom of Saudi Arabia	-	-	60%	60%

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G, 2023G and the reviewed consolidated unaudited financial statements for the period ended 31 March 2024G.

6.4 Basis of Preparation and Summary of Significant Accounting Policies

6.4.1 Basis of Measurement

These consolidated financial statements of the group have been prepared on the historical cost basis as shown in the relevant accounting policies and basis of measurement summarised below except for employees defined benefits obligation which has been estimated by an independent actuary and certain assets and liabilities that have been measure at fair value.

6.4.2 Presentation and Functional Currency

The consolidated financial statements are presented in Saudi Riyal ("SAR") which is the presentation and functional currency of the parent company and its subsidiaries. All amounts have been rounded to the nearest Saudi Riyal ("SAR") unless otherwise indicated.

6.4.3 Basis of Consolidated Financial Statements Preparation

The consolidated financial statements of the Group for the year ended 31 December 2023G have been prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

The consolidated financial statements have been prepared on a historical cost basis, except for the Employees' defined benefits obligations. The consolidated financial statements are presented in Saudi Riyal which is the functional currency for the Group, all amounts are rounded to the nearest Saudi Riyal unless otherwise indicated.

6.5 Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Group consolidated financial statements requires management to make judgements, estimates and assumptions that affect the amounts of revenues, expenses, assets, liabilities, accompanying disclosures and disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amounts of assets or liabilities that will be affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties include financial instrument risk management.

6.5.1 Judgements

In the context of applying the Group accounting policies, management has not adopted any judgements that have a material impact on the amounts included in the consolidated financial statements.

6.5.2 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 that may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below. The Group based its assumptions and estimates on the data available when the consolidated financial statements were prepared. However, current conditions and assumptions about future developments may change due to market changes or circumstances arising beyond the Group control. These changes are reflected in the assumptions when they occur.

The Group controls the company when it has the right to variable returns from its involvement in the company and has the ability to affect those returns through its power over the investee. The financial statements of the subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control is lost.

(a) Long-Term Assumptions of Employee's Defined Obligation

Employees defined benefits obligation represent obligations which will be paid in the future upon the termination of employment contracts. Management has to make assumptions about the variables such as discount factor, salary increase rate, mortality rates and employee turnover. The Group management periodically takes advice from actuaries on these assumptions. Changes in key assumptions could materially affect the provision for employees' termination benefits.

(b) Impairment of Trade Receivables

The Group uses a provision matrix to calculate Expected Credit Losses for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type and coverage by guarantees and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. 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 forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

6.6 Changes to the Group Accounting Policies

The accounting policies and calculation methods applied in preparing the consolidated financial statements for the year ended 31 December 2023G are consistent with those followed in preparing the Group's consolidated financial statements for the year ended 31 December 2022G, except for the application of new standards which become effective on 1 January 2023G. The Group has not early adopted any standards, interpretations or adjustments issued but not yet effective.

The Group has applied for the first time some standards and amendments, the nature and impact of which are disclosed below:

- Amendments to IAS 8: Definition of Accounting Estimates.
- Amendments to IAS 1: Disclosure pf Accounting Policies.

These standards and amendments have had no material effect on the Group consolidated financial statements.

6.7 Significant Accounting Policies

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

(a) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2023G.

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if, and only if, the Company directly or indirectly has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure to risks and has rights to obtain variable returns through its relationship with the investee company.
- The ability to use its powers over the investee company to influence its returns.

In general, there is an assumption that majority of voting rights result in control. In support of this assumption, when the Company has less than a majority of voting or similar rights in an investee, the Group considers all relevant facts and circumstances when determining whether it exercises control over an investee, including:

- Contractual arrangement(s) with other voting rights holders in the investee company.
- Rights resulting from other contractual arrangements.
- The Company voting rights and potential voting rights.

The Group re-assesses 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. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the shareholders of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

(b) Business Combination

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 the amount of any non-controlling interests in the acquiree. The excess of the cost of acquisition over the fair value of the Group share of the identifiable net assets acquired 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 general and administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised 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.

The following is a statement sets out the percentage of direct and indirect ownership in the subsidiaries included in these consolidated financial statements:

Table 6.2: Subsidiaries of Tamkeen Human Resources Company

Subsidiary company	Legal form	Country of establishment	Legal/actual ownership share		
			As of 31 December 2021G	As of 31 December 2022G	As of 31 December 2023G
Open Technologies Company for Communications and Information Technology	A limited liability company	Kingdom of Saudi Arabia	100%	100%	100%
Elaf Specialized Contracting Company	A limited liability company	Kingdom of Saudi Arabia	100%	100%	100%
Eraf Medical Company[1]	A limited liability company	Kingdom of Saudi Arabia	-	-	60%

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G.

(1) The Group established Eraf Medical Company on 14 Shaaban 1444 AH (corresponding to 6 March 2023G) with a capital of SAR 4,000,000, where the Group's investment percentage reached 60 per cent. of the capital, amounting to SAR 2,400,000.

(c) Current Verses Non-Current Classification

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

- Expected to be realised or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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 twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

(d) Fair Value Measurement

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 utilise 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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised 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 recognised 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 categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(e) Property and Equipment

Property and equipment are stated at historical cost, net of accumulated depreciation and / or accumulated impairment losses, if any, land and projects under construction are not depreciated. Cost includes the cost of the replaced portion of property and equipment and borrowing costs for long-term construction projects if recognition requirements are met. When significant parts of property and equipment are replaced at certain intervals, the Group recognises those parts as individual assets with a finite useful life and depreciation. All other repair and maintenance costs are recognised in the statement of profit or loss when incurred.

Land and buildings are stated at cost, deducting accumulated depreciation on the buildings and any impairment losses.

Depreciation is calculated using the straight-line method over the estimated useful lives of the properties and equipment. The useful life of the underlying assets is as follows:

Table 6.3: Useful Life of Property and Equipment

Item	Estimated useful life (years)
Buildings	25 years
Vehicles	4 years
Furniture and fixtures	5 years
Computer and office equipment	5 years
Electrical appliances	5 years
Leasehold improvements	3-5 years or lease term, whichever is shorter

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or sold in the future. Any gain or loss arising from 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 profit or loss when the asset is derecognised.

(f) Leases

The determination of whether an arrangement is, or contains, a lease is decided at the inception date. An arrangement is, or contains, a lease if it grants the right to control a particular asset or assets for a period of time in exchange for compensation.

(g) Group as a Lessee

(iii) Right-of-Use Assets

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

(iv) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments include the exercise price of a purchase option reasonably certain to be exercised by the group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

(v) Short-Term Leases and Leases of Low-Value Assets

Short-term leases are leases with a lease term of 12 months or less. Low value assets are items that do not meet the Group capitalisation threshold and are considered to be insignificant for the consolidated statement of financial position for the Group as a whole. Payments for short-term leases and leases of low value assets are recognised on a straight-line basis in the consolidated statement of profit or loss.

(h) Impairment of Consolidated Non-Financial Assets

At the reporting date, the Group assesses whether there is any 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 asset's recoverable amount. The recoverable amount of an asset is the higher of the fair value of the asset or cash generating unit less the cost to sell or the value in use of the asset. It is determined for a single asset unless the asset does not generate cash flows that are largely independent of the flows generated by other assets or groups of assets. When the book value of an asset or cash generating unit exceeds its recoverable value, the value of the asset has declined, and the value of the asset must be reduced to its recoverable amount.

Impairment losses for continuing operations are recognised in profit or loss from continuing operations.

An assessment is made at the financial reporting date to determine whether there is any indication that previously recognised impairment losses for non-financial assets, other than goodwill, have reversed. The reversal of an impairment loss is recognised in profit or loss.

(i) Financial Assets

(i) Initial Recognition and Measurement

Financial assets are classified upon initial recognition and will subsequently be measured at amortised cost, at fair value through other comprehensive income, or at fair value through profit or loss.

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

(ii) Subsequent Measurement

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

(iii) Financial Assets at Amortised Cost

After initial measurement, these financial assets are measured at an amortised value using the effective interest rate method and are subject to impairment. Gains or losses are recognised in the consolidated statement of profit or loss when the asset is derecognised, modifications made to it, or its value impaired.

(iv) Derecognition of Financial Assets

Financial assets are derecognised in the following cases:

- Expiration of the right to receive cash flows from the asset, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

(v) Impairment of Financial Assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 - months (a 12 - month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For accounts receivable and the contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(j) Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statement of financial position consist of cash at banks and on hand and time deposits with maturities of three-months or less that are not exposed to an insignificant risk of changes in value.

(k) Cash Margin on Letters of Guarantee

The amount paid to secure the letters of guarantee is recognised within non-current assets in the consolidated statement of financial position. The letter of guarantee account shall be closed upon redemption of the insurance amount or when the letter of guarantee is used by the other party.

(l) Issued, Available and Visas in Use

Issued Visas

Issued visas represent payments made to government parties against issuance of visas for manpower and are recorded at cost.

Visas in use

Visas in-use that are used in recruitment and transferred from the issued visas are classified within the visas in-use and are amortised in the consolidated statement of profit or loss and other comprehensive income using the straight-line method over a period of two years or the contract term, whichever is shorter. the amount of the visas in-use is impaired in the consolidated statement of profit or loss and other comprehensive income in case of termination of the contract or the existence of an inhibition to the continuation of the service. The visas in use are classified as current and non-current assets.

Available Visas

The available visas represent the unused balance of issued visas as of the date of the consolidated financial statements. The amounts of available visas are transferred to the visas in use at the time of stamping the visa for recruited manpower at the entry boarders of the Kingdom of Saudi Arabia. Available visas are classified as current assets.

(m) Residence and Work Permit Fees

Residence and work permit fees are amortised in the consolidated statement of profit or loss and other comprehensive income over one year in accordance with the validity of those permits.

(n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the 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 recognised as a separate asset and that only when the reimbursement is virtually certain. The expense related to a provision is presented in the consolidated statement of profit or loss net of any reimbursements.

If the impact of time value for the money is material, provisions are discounted using the current pre-tax rate that reflects, when appropriate, the associated risks to that liability. Increment in provision is recognised due to the passage of time as finance costs.

(o) Retained Deposits

Retained deposits represent amounts collected in advance from customers and recruitment agencies as security deposits of employment contracts. These amounts are refunded at the end of the contract after deducting the amounts due to the group or manpower from customers and recruitment agencies. Retained deposits are classified as current and non-current assets.

(p) Trade Receivables

Receivables represent the Group’s right in the unconditional consideration amount (i.e., the maturity of the consideration depends on the passage of time).

(q) Employees' Defined Benefits Obligation

The cost of benefits to employees under defined benefit plans is determined separately for each plan using the planned unit credit method.

Remeasurements, which consist of actuarial gains and losses, are recognised immediately in the consolidated statement of financial position and within retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the consolidated statement of profit or loss in subsequent periods.

(r) Financial Liabilities

(i) Initial Recognition and Measurement

Upon initial recognition, financial liabilities are classified as financial liabilities at fair value through profit or loss, or as loans and payables, or as financial derivatives that are used as hedging instruments in an effective hedge.

All financial liabilities are initially recognised at fair value and, in the case of loans, borrowings and payables, at net of transaction costs associated with.

(ii) Subsequent Measurement

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

(iii) Loans and Advances

After initial recognition, loans and advances are measured at amortised cost using the effective interest rate method. Gains or losses are recognised in the consolidated statement of profit or loss when liabilities are eliminated, as well as through the process of amortising the effective interest rate.

(iv) Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation is paid or cancelled or discharged according to the contract.

(v) Offsetting of Financial Instruments

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

(s) Revenue from Contracts with Customers

The Group recognises revenue from contracts with customers based on a five-step model as defined in IFRS 15 “Revenue from Contracts with Customers”. Revenue from contracts with customers is recognised when control of goods or services is transferred to the customer at a value that reflects the consideration to which the Group expects to be entitled in exchange for this transfer.

The Group recognises revenue when the customer receives and consumes the services provided by the Group over a period of time, i.e. the number of days the services are provided, which is consistent with the requirements of IFRS 15. Revenue is measured on the basis of the consideration specified in the contract concluded with the customer, excluding amounts Collected on behalf of other parties. Contract revenue is recognised based on labour services provided to customers (services representing a performance obligation stipulated in the contract) over the terms of these contracts.

If the customer’s service invoice includes certain different services, the invoice price is distributed proportionally, and service revenue is recognised when performance obligations are met, and the service is provided to the customer. The group provides its services to customers directly and is not considered an agent for any other parties.

Variable consideration

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

Significant financing component

The Group adjusts the promised consideration (if any), in respect of the time value of money if the contract contains a significant financing component.

Progress measurement towards the whole fulfilment of the performance obligation

The performance obligation (the provision of services) is fulfilled over time. The Group applies a single method to measure the fulfilment of the obligation. The group uses the input method as a basis for measuring performance to date.

Contact costs

Contract costs are recognised as expenses unless the Group has reasonable expectations of recovering these costs from the customers. In such cases, the Group amortises these costs on a regular basis, consistent with the transfer of services to customer. The Group recognises contract costs if:

- The costs are directly related to the contract or to a contemplated contract that the Group can specifically identify.
- The costs generate or enhance resources for the group and are used to meet (or continue to meet) future performance obligations.
- It was expected to recover the additional costs in case of not obtaining the contract with the customer.
- It was expected that these costs would not have been incurred in case of not obtaining the contract or if the Group had not specified an expected contract.
- Costs directly related to the contract (or a specified expected contract) include the following:
  1. Direct employment
  2. Direct material
  3. Allocation costs that are directly related to the contract or contract activities,
  4. Costs that are clearly chargeable to the customer under the contract, and
  5. Other costs incurred solely due to the holding a contract.

Principal vs. Agent Considerations

The Group has evaluated its arrangements to determine whether it is acting as principal, recognising revenue on a gross basis, or acting as an agent and recognising revenue on a net basis. In this evaluation, the group considered whether it controls the specific services before they are transferred to the customer. As well as other indicators such as the party primarily responsible for the performance of services, risks of the goods, and the freedom to determine the price. The Group has found that it is acting as principal in all of its revenue arrangements.

Presentation and disclosure requirements

The Group has classified the recognised revenues from contracts with customers into categories that show the extent to which the nature of revenues and cash flows are affected, its value, timing, and uncertainty due to economic factors.

(t) Contract Liabilities

Contract liabilities represent unrealised revenues, which represent amounts collected in advance from customers when signing contracts for the provision of manpower services. These amounts are recognised within the revenues in the Group's consolidated statement of profit or loss and other comprehensive income when realised.

(u) Expenses

All operating expenses are consistently allocated to the cost of revenue, selling and marketing expenses and general and administrative expenses using fixed distribution factors to be determined in proportion to the Group activities.

(v) Zakat

The Group establishes zakat provision in accordance with the regulations of the Zakat, Tax and Customs (ZATCA) in the Kingdom of Saudi Arabia. The provision is charged to the consolidated statement of profit or loss.

Differences that may arise from the final assessments are accounted for when the group finalises its assessments with the Zakat, Tax and Customs Authority.

(w) Value Added Tax

Revenues, expenses, and assets are recognised 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 recognised 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.

(x) Foreign Currency Transactions

Transactions in foreign currencies are translated into Saudi Riyals at the rates of exchange prevailing at the time of the relevant transactions. Assets and liabilities denominated in foreign currencies at the date of the consolidated statement of financial position are translated to Saudi Riyal using the exchange rates prevailing at that date. Realised and unrealised translation differences are recognised in the consolidated statement of profit or loss.

6.8 The Main Factors Affecting the Group's Performance and Operations

6.8.1 Market Risk

Market price risk is the risk that value of a financial instrument will fluctuate as a result of changes in market prices, such as foreign exchange rates and interest rates, which affecting the Group's profit or the value of its financial assets. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

6.8.2 Currency Risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency other than the Group's currency. The Group exposure to foreign currency risk is primarily limited to transactions in US dollars ("USD"). The Group's management believes that their exposure to currency risk associated with USD is limited as the Group currency is pegged to USD. The fluctuation in exchange rates against other currencies is monitored on an going basis.

6.8.3 Interest Rate Risk

Interest rate risk arises from the fluctuation in the fair value or future cash flows of a financial instrument due to changes in market rates. The Group is not currently exposed to significant interest rate risk on its assets and liabilities.

6.8.4 Credit Risk

Credit risk is the inability of one party to a financial instrument to fulfil its obligations, resulting in the other party incurring a financial loss. The Group is exposed to credit risk on trade receivables and bank balances. The carrying value of financial assets represents the maximum exposure to credit risk. The Group does not maintain warranties against these instruments.

The Group manages credit risk in relation to trade receivables by setting credit limits for each customer and monitoring uncollected receivables on an ongoing basis. Receivable balances are monitored so that the Group does not incur material bad debts.

Bank cash balances are maintained with financial institutions with high credit ratings.

The exposure to credit risk on trade receivables by customer type was as follows:

Table 6.4: Trade Receivables

SAR in 000s	31 December 2021G (Audited)	31 December 2022G (Audited)	31 December 2023G (Audited)	31 March 2024G (Reviewed)
Corporate	27,340	37,826	77,355	86,768
Individuals	1,507	1,227	1,721	1,922
Total	**28,846**	**39,053**	**79,076**	**88,691**

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G, 2023G, and the reviewed consolidated unaudited financial statements for the period ended 31 March 2024G.

As of 31 December 2023G, 53.7 per cent. of the total balances of trade receivables belong to three major clients.

Evaluation of expected credit losses for trade receivables:

Management performs an impairment analysis at each reporting date using a specific matrix to calculate the allowance for expected credit losses. Provision ratios are based on days since maturity for groups of different customer segments with similar loss patterns.

The table below presents information about exposure to credit risk and expected credit losses for trade receivables from corporate clients:

The table below summarises the aging of trade receivables from corporate clients as of 31 March 2024G:

Table 6.5: The Aging of Trade Receivables from Corporate Clients as of 31 March 2024G

SAR in 000s	Not past due date	Less than 90 days	91-180 days	181-365 days	More than 365 days	Total
Loss rate	0.4%	0.6%	8.4%	18.2%	90.8%	-
Exposure	33,696	15,604	1,167	265	2,481	53,213
Expected losses	150	100	98	48	2,252	2,648

Source: Management information.

The table below summarises the aging of trade receivables from corporate clients as of 31 December 2023G:

Table 6.6: The Aging of Trade Receivables from Corporate Clients as of 31 December 2023G

SAR in 000s	Not past due date	Less than 90 days	91-180 days	181-365 days	More than 365 days	Total
Loss rate	0.62%	0.86%	31.84%	89.21%	89.21%	-
Exposure	24,377	20,493	1,472	152	1,385	47,880
Expected losses	151	177	469	135	1,236	2,167

Source: Audited consolidated financial statements for the financial year ended 31 December 2023G.

The table below summarises the aging of trade receivables from corporate clients as of 31 December 2022G:

Table 6.7: The Aging of Trade Receivables from Corporate Clients as of 31 December 2022G

SAR in 000s	Not past due date	Less than 90 days	91-180 days	181-365 days	More than 365 days	Total
Loss rate	7.09%	8.55%	33.26%	78.71%	78.71%	-
Exposure	8,356	9,759	237	197	789	19,338
Expected losses	592	834	79	155	621	2,281

Source: Audited consolidated financial statements for the financial year ended 31 December 2022G.

The table below summarises the aging of trade receivables from corporate clients as of 31 December 2021G:

Table 6.8: The Aging of Trade Receivables from Corporate Customers as of 31 December 2021G

SAR in 000s	Not past due date	Less than 90 days	91-180 days	181-365 days	More than 365 days	Total
Loss rate	0.98%	0.94%	41.72%	72.28%	100%	-
Exposure	17,903	8,066	487	147	429	27,032
Expected losses	175	76	203	107	429	989

Source: Audited consolidated financial statements for the financial year ended 31 December 2021G.

The group shows the exposure after deducting all insurances for the service provided, which include (cash insurances or promissory notes). The group also excludes clients against whom lawsuits are filed by the group, and the lawsuits provision is calculated according to the legal opinion.

The table below represents information about exposure to credit risk and expected credit losses for trade receivables from individual customers:

The table below summarises the aging of trade receivables from individual clients as of 31 March 2024G:

Table 6.9: The Aging of Trade Receivables from Individual Clients as of 31 March 2024G

SAR in 000s	Not past due date	Less than 90 days	91-180 days	181-365 days	More than 365 days	Total
Loss rate	1%	2%	3%	100%	100%	-
Exposure*	543	394	188	525	272	1,922
Expected losses	5	8	6	525	272	816

Source: Management information.

The table below summarises the aging of trade receivables from individual clients as of 31 December 2023G:

Table 6.10: The Aging of Trade Receivables from Individual Clients as of 31 December 2023G

SAR in 000s	Not past due date	Less than 90 days	91-180 days	181-365 days	More than 365 days	Total
Loss rate	1%	2%	3%	100%	100%	-
Exposure*	690	71	52	598	310	1,721
Expected losses	7	1	2	598	310	918

Source: Audited consolidated financial statements for the financial year ended 31 December 2023G.

The table below summarises the aging of trade receivables from individual clients as of 31 December 2022G:

Table 6.11: The Aging of Trade Receivables from Individual Clients as of 31 December 2022G

SAR in 000s	Not past due date	Less than 90 days	91-180 days	181-365 days	More than 365 days	Total
Loss rate	1%	1%	1%	6%	91%	-
Exposure*	677	10	22	49	465	1,227
Expected losses	7	0	0	3	427	437

Source: Audited consolidated financial statements for the financial year ended 31 December 2022G.

The table below summarises the aging of trade receivables from individual clients as of 31 December 2021G:

Table 6.12: The Aging of Trade Receivables from Individual Clients as of 31 December 2021G

SAR in 000s	Not past due date	Less than 90 days	91-180 days	181-365 days	More than 365 days	Total
Loss rate	-	-	-	-	-	-
Exposure*	-	-	-	-	-	-
Expected losses	-	-	-	-	-	-

Source: Audited consolidated financial statements for the financial year ended 31 December 2021G.

The table below summarises the expected credit losses for trade receivables and consists of the following:

Table 6.13: The Expected Credit Losses for Trade Receivables

SAR in 000s	31 December 2021G (Audited)	31 December 2022G (Audited)	31 December 2023G (Audited)	31 March 2024G (Reviewed)
Expected credit losses – companies	989	2,281	2,167	2,648
Expected credit losses – individuals	-	437	918	816
Expected credit losses – issues and others	-	1	260	467
Total	**989**	**2,719**	**3,345**	**3,932**

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G, 2023G, and the reviewed consolidated unaudited statements for the period ended 31 March 2024G.

6.8.5 Liquidity Risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet obligations associated with financial instruments. Liquidity risks may result from the inability to sell a financial asset quickly at an amount approximate to its fair value. Liquidity risk is managed by monitoring on a regular basis and ensuring that sufficient funds and banking facilities are available to meet the Group's future obligations. The contractual maturities at the end of the reporting period for financial liabilities are as follows.

The table below summarises contractual obligations at the end of the reporting period for financial commitments and consists of the following:

Table 6.14: Contractual Obligations at the End of the Reporting Period for Financial Commitments, as of 31 March 2024G

SAR in 000s	Book value	Less than a year	More than a year
Retained deposits	37,948	22,511	15,437
Employees defined benefit obligation	15,931	-	15,931
Lease liabilities	10,631	3,474	7,157
Contract liabilities	17,884	17,884	-
Account payables	7,517	7,517	-
Accrued expenses and other accruals	67,045	67,045	-
Zakat provision	6,280	6,280	-
Total	**163,236**	**124,711**	**38,825**

Source: Reviewed consolidated unaudited financial statements for the period ended 31 March 2024G.

The table below summarises contractual obligations at the end of the reporting period for financial commitments and consists of the following:

Table 6.15: Contractual Obligations at the End of the Reporting Period for Financial Commitments, as of 31 December 2023G

SAR in 000s	Book value	Less than a year	More than a year
Retained deposits	34,999	33,115	1,884
Employees defined benefit obligation	14,823	-	14,823
Lease liabilities	12,439	4,032	8,407
Contract liabilities	12,563	12,563	-
Account payables	8,913	8,913	-
Accrued expenses and other accruals	53,930	53,930	-
Zakat provision	11,175	11,175	-
Total	**148,841**	**123,727**	**25,114**

Source: Audited consolidated financial statements for the financial year endied31 December 2023G.

The table below summarises contractual obligations at the end of the reporting period for financial commitments and consists of the following:

Table 6.16: Contractual Obligations at the End of the Reporting Period for Financial Commitments, as of 31 December 2022G

SAR in 000s	Book value	Less than a year	More than a year
Retained deposits	29,848	20,447	9,401
Employees defined benefit obligation	12,453	-	12,453
Lease liabilities	9,012	2,887	6,124
Contract liabilities	17,348	17,348	-
Account payables	8,080	8,080	-
Accrued expenses and other accruals	50,218	50,218	-
Zakat provision	7,974	7,974	-
Total	**134,932**	**106,954**	**27,978**

Source: Audited consolidated financial statements for the financial year ended 31 December 2022G.

The table below summarises contractual obligations at the end of the reporting period for financial commitments and consists of the following:

Table 6.17: Contractual Obligations at the End of the Reporting Period for Financial Commitments, as of 31 December 2021G

SAR in 000s	Book value	Less than a year	More than a year
Retained deposits	25,537	5,513	20,024
Employees defined benefit obligation	8,958	-	8,958
Lease liabilities	9,043	2,005	7,038
Contract liabilities	20,718	20,718	-
Account payables	8,334	8,334	-
Accrued expenses and other accruals	41,242	41,242	-
Zakat provision	5,332	5,332	-
Due to related parties	17	17	-
Total	**119,182**	**82,161**	**36,021**

Source: Audited consolidated financial statements for the financial year ended 31 December 2021G.

6.9 Operating Results for the Financial Years Ended 31 December 2021G, 2022G and 2023G

6.9.1 Consolidated Statement of Comprehensive Income

Statement of Comprehensive Income for the financial years ended 31 December 2021G, 2022G and 2023G.

Table 6.18: Summary of the Consolidated Statement of Comprehensive Income

SAR in 000s	2021G (Audited)	2022G (Audited)	2023G (Audited)	Var. 2021G-2022G	Var. 2022G-2023G	CAGR 2021G-2023G
Revenues from contracts with customers	358,528	426,483	495,831	19.0%	16.3%	17.6%
Cost of revenues	(264,843)	(322,514)	(391,262)	21.8%	21.3%	21.5%
Gross profit	**93,685**	**103,969**	**104,569**	**11.0%**	**0.6%**	**5.6%**
Selling and marketing expenses	(4,389)	(8,328)	(7,192)	89.8%	(13.6%)	28.0%
General and administrative expenses	(31,432)	(38,279)	(41,606)	21.8%	8.7%	15.1%
Expected credit loss	-	(1,742)	(626)	NA	(64.0%)	NA
Operating profit	**57,864**	**55,620**	**55,146**	**(3.9%)**	**(0.9%)**	**(2.4%)**
Other non-operating income	1,171	5,810	13,719	396.0%	136.1%	242.2%
Finance costs	(782)	(782)	(1,106)	0.0%	41.4%	18.9%
Profit before Zakat	**58,254**	**60,648**	**67,759**	**4.1%**	**11.7%**	**7.9%**
Zakat	(4,829)	(5,878)	(8,175)	21.7%	39.1%	30.1%
Net profit for the year	53,425	54,770	59,584	2.5%	8.8%	5.6%
Other comprehensive income items that will not be reclassified to profit or loss:						
Re-measurement of employees' defined benefit obligation	525	29	593	(94.4%)	1935.7%	6.3%
Other comprehensive income for the year	525	29	593	(94.4%)	1935.7%	6.3%
Total comprehensive income for the year	**53,949**	**54,799**	**60,177**	**1.6%**	**9.8%**	**5.6%**
Net profit for the year attributable to:						
Shareholders of the Company	**53,425**	**54,770**	**59,584**	**2.5%**	**8.8%**	**5.6%**
Non-controlling interests	**-**	**-**	**(245)**	**NA**	**NA**	**NA**
Total comprehensive income for the year attributable to:						
Shareholders of the Company	**53,949**	**54,799**	**60,422**	**1.6%**	**10.3%**	**5.8%**
Non-controlling interests	**-**	**-**	**(245)**	**NA**	**NA**	**NA**
As a percentage of total revenue percentage point						
Gross Profit	**26.1%**	**24.4%**	**21.1%**	**(1.8)**	**(3.3)**	**(5.0)**
EBITDA	**19.1%**	**16.5%**	**16.0%**	**(2.6)**	**(0.5)**	**(3.1)**
Net Profit	**14.9%**	**12.8%**	**12.0%**	**(2.1)**	**(0.8)**	**(2.9)**
Key Performance Indicators As a percentage						
Corporate Segment						
Avg. number of deployed resources	4,183	4,543	5,529	363	982	1,345
Avg. monthly revenue per resource (SAR)	3,924	4,240	4,180	8.1%	(1.4%)	3.2%
Avg. number of clients	93	122	119	29	(3)	27

SAR in 000s	2021G (Audited)	2022G (Audited)	2023G (Audited)	Var. 2021G-2022G	Var. 2022G-2023G	CAGR 2021G-2023G
Avg. monthly revenue per client	176,657	157,893	193,889	(10.9%)	22.8%	(4.6%)
Avg. number of resources per client	45	37	46	(8)	9	1
Individual Segment						
Avg. number of deployed resources	4,370	6,047	7,092	1,677	1,045	2,722
Avg. monthly revenue per resource (SAR)	3,081	2,690	2,568	(12.7%)	(4.5%)	(8.7%)
Avg. utilisation rate – Hourly	80.8%	82.2%	79.9%	1.5	(2.4)	(0.9)
Avg. utilisation rate – Packages	92.7%	89.2%	92.3%	(3.6)	3.1	(0.4)
Total						
Avg. number of deployed resources	8,553	10,590	12,620	2,040	2,028	4,068
Average revenue per resource (SAR)	41,918	40,272	39,289	(3.9%)	(2.4%)	(3.2%)

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G, 2023G and management information.

Tamkeen Human Resources Company is a provider of employment services and professional solutions intended to serve medical and manufacturing industries licensed by the Ministry of Human Resources and Social Development.

The Company operates within two main segments, corporate segment (B2B), providing general and specialised manpower across various sectors, namely, (i) food, (ii) operations and maintenance, (iii) medical, (iv) retail, (v) information technology and the individual segment (B2C), serving households mainly with maids, drivers and cooks.

The Company serves its clients through its 17 physical branches spread across the Kingdom, in addition to sales generated from e-commerce channels, namely the Company's website and mobile application.

(a) Revenues from Contracts with Customers

Revenue is classified into two segments, corporate and individuals' segments, with the corporate segment representing an average of c. 55 per cent. across 2021G-2023G period, while the individuals segment represented an average of c. 45% for the same period. Revenue significantly increased from SAR 358.5 million in the financial year 2021G to SAR 495.8 million in the financial year 2023G at a CAGR of 17.6 per cent, driven by revenue growth in both segments.

Corporate segment revenue increased from SAR 197.0 million in the financial year 2021G to SAR 231.3 million in the financial year 2022G, and further to SAR 277.3 million in the financial year 2023G at a CAGR of 18.6 per cent., due to the increase in average monthly revenue per client, driven by market demand for manpower services, particularly in the operations & maintenance and medical sectors. This was a result of an (i) increase in average number of resources deployed from 4,183 to 5,529 resources in addition to (ii) a significant increase in average monthly revenue per resource from SAR 3.9 thousand to SAR 4.2 thousand during the same period.

Revenue from the individuals' segment also reported significant growth from SAR 161.6 million in the financial year 2021G to SAR 218.6 million in the financial year 2023G at a CAGR of 16.3 per cent., primarily driven by the significant increase in average number of resources deployed from 4,370 to 7,092 during 2021G-2023G period. This was mainly attributable to the Company refocusing their resources towards gaining market share by expanding into new regions across the Kingdom, coupled with the gradual reduction of their prices across hourly and monthly packages in this segment. This was in response to the aggressive pricing pressure from competition amidst the pandemic and after lift-off of restrictions during the financial year 2022G, in addition to price ceilings imposed by the MHRSD within the individuals' segment across the Company's service offerings.

(b) Cost of Revenue

Cost of revenue mainly comprised salaries and other benefits, visa and work permit fees, recruitment expenses, air tickets, collectively representing over 84 per cent. of total cost of revenue across the historical period, amongst other expenses. Cost of revenue is directly correlated to the number of resources deployed by the Company, as most expenses under cost of revenue are directly or indirectly related to employee costs.

Cost of revenue increased from SAR 264.8 million in the financial year 2021G to SAR 322.5 million in the financial year 2022G, and further to SAR 391.3 million in the financial year 2023G at a CAGR of 21.5 per cent., trailing revenue growth and was primarily driven by the increase in average number of resources deployed from 8,553 to 12,620 over 2021G-2023G period. Average monthly cost per resource remained relatively stable across the historical period, reported at SAR 1.5 thousand in the financial year 2021G, decreasing slightly to SAR 1.4 thousand in the financial year 2022G, before subsequently increasing to SAR 1.5 thousand in the financial year 2023G.

(c) Gross Profit

Gross profit increased over the period from SAR 93.7 million in the financial year 2021G to SAR 104.6 million in the financial year 2022G driven by the increase in revenue, however, gross margin decreased from 26.1 per cent. in the financial year 2021G to 24.4 per cent. in the financial year 2022G mainly due to cost of sales increasing at a higher rate than revenue growth over the same period. Gross profit increased further to SAR 104.6 million in the financial year 2023G, driven by revenue growth, while gross margin continued to decline, reported at 21.1 per cent. in the financial year 2023G, driven by the continuing decline in gross margin within the individuals' segment.

Gross margin from the corporate segment increased from 21.2 per cent. in the financial year 2021G to 24.9 per cent. in the financial year 2022G, driven by the increase in average monthly gross profit per resource deployed in the food, operations & maintenance and medical sectors, with the normalisation of business operations. Gross margin from the corporate segment increased further to 25.3 per cent. in the financial year 2023G, driven primarily by the increase in average monthly gross profit per resource deployed in the operations & maintenance sector due to new major client wins for which resources were deployed at above the current prevailing rates for existing deployed resources.

Individuals' segment gross margin decreased significantly from 32.1 per cent. in the financial year 2021G to 23.7 per cent. in the financial year 2022G, primarily driven by a decline in average monthly revenue per resource in the individuals' segment, driven by aggressive pricing pressure from competition, while average monthly costs remained relatively stable during the same period.

Individuals' segment gross margin continued to decline, reported at 15.8 per cent. in the financial year 2023G, primarily driven by the decline in profitability within the segment following price ceilings imposed by the MHRSD during the financial year 2023G across the Company's various service offerings within the segment.

(d) Selling and Marketing Expenses ("S&M")

Selling and marketing expenses mainly pertain to advertising expenses incurred by the Company in promoting its individuals' segment services, in addition to travel & transfers of sales staff and relationship managers.

Selling and marketing expenses increased from SAR 4.4 million in the financial year 2021G to SAR 8.3 million in the financial year 2022G, solely due to the increase in advertising expenses as the Company aimed to solidify its market position. This was in line with the Company's strategy to combat the significant increase in market competition during the financial year 2022G with the gradual lift-off of restrictions, coupled with aggressive pricing pressure from competitors in the market.

Selling and marketing expenses further decreased to SAR 7.2 million in the financial year 2023G as the Company decreased its advertising expenses by SAR 1.1 million as the Company reduced its advertising expenses for the packages sub-segment within the individuals' segment following the price ceilings imposed by the MHRSD, in addition to the organic expansion of its customer base as it builds upon its reputation in the market within the individuals' segment service offerings.

(e) General and Administrative Expenses ("G&A")

General and administrative expenses mainly comprised salaries and other benefits, service fees and subscriptions, depreciation and amortisation, bonus provisions, amongst others. G&A increased from SAR 31.4 million in the financial year 2021G to SAR 38.3 million in the financial year 2022G due to an increase in salaries and other benefits by SAR 4.5 million driven by an increase in average headcount by 17 employees coupled with salary adjustments as a result of restructuring project, in addition to an increase in services and subscription fees by SAR 2.1 million primarily pertaining to increases in the Azure usage subscription fee by SAR 1.0 million and Microsoft Dynamic 365 subscription fee by SAR 0.6 million.

General and administrative expenses further increased to SAR 41.6 million in the financial year 2023G primarily due to (i) the increase in salaries and other benefits by SAR 1.8 million with average number of employees increasing from 181 to 217 employees over the 2022G to 2023G period, while monthly salaries decreased from SAR 9.7 thousand in the financial year 2022G to SAR 8.8 thousand per month in the financial year 2023G due to new hires having lower compensation packages than existing staff, (ii) coupled with an increase in bonus provision by SAR 0.5 million in line with the growth in revenue and net profit, (iii) partially offset by the decrease in depreciation and amortisation expenses by SAR 0.4 million over the same period due to fully depreciated assets during the financial year 2023G.

(f) Estimated Credit Loss Provisions

Estimated Credit loss provisions pertain to impairment losses on accounts receivables. The Company relies on an independent and external, local consultancy firm to arrive at its expected credit losses in accordance with IFRS 9, by using a provision matrix for accounts receivable, excluding balances with retained deposits held against them and bank guarantees. The Company reported ECL provisions of nil in the financial year 2021G, SAR 1.7 million in the financial year 2022G and SAR 0.6 million in the financial year 2023G.

(g) Other Non-Operating Income

Other non-operating income pertains to profits from Murabaha term deposits, government support for Saudi employees from the Human Resources Development Fund (HRDF), gains / losses on sale of property and equipment and intangible assets, income from investments, provision reversals, amongst others.

Other non-operating income increased from SAR 1.2 million in the financial year 2021G to SAR 5.8 million in the financial year 2022G, primarily due to a (i) significant increase in profits from Murabaha term deposits by SAR 2.4 million after the Company liquidated its investments carried at fair value through profit or loss and started booking its cash balances in short-term deposits with the increase in market rates on fixed deposits. This was coupled with an (ii) increase in government support for Saudi employees from Human Resources Development Fund (HRDF) by SAR 1.1 million, and (iii) legal provisions reversals by SAR 0.4 million during the financial year 2022G.

Subsequently, other non-operating income increased significantly to SAR 13.7 million in the financial year 2023G primarily due to the increase in profits from Murabaha term deposits by SAR 8.5 million as the Company had higher liquidity invested in short-term deposits coupled with rising interest rates during the financial year 2023G.

(h) Depreciation and Amortisation

Depreciation and amortisation relate to depreciation and amortisation of property and equipment, right of use assets and intangible assets. Depreciation and amortisation remained relatively stable across the period and was reported at SAR 9.3 million in the financial year 2021G, SAR 8.8 million in the financial year 2022G and SAR 10.5 million in the financial year 2023G.

(i) Finance Costs

Finance costs pertain to finance costs on lease liabilities and employee benefit obligations. Finance costs was reported at SAR 0.8 million in the financial year 2021G, SAR 0.8 million in the financial year 2022G and increased to SAR 1.1 million in the financial year 2023G. This increase was driven by the increase in finance costs incurred on employee benefits obligation by SAR 0.3 million.

(j) Zakat

Zakat amounted to SAR 4.8 million in the financial year 2021G, SAR 5.9 million in the financial year 2022G and SAR 8.2 million in the financial year 2023G. During the financial year 2023G, the Company has been subjected to a tax assessment by ZATCA for the financial years 2018G to 2021G, with tax differences identified amounting to SAR 1.6 million. The Company paid SAR 0.6 million of these identified differences and disputed the remaining outstanding amount with ZATCA. The Company has completed its Zakat obligations for the year 2018G, while the remaining years are still under review by the ZATCA.

(k) Net Profit

Net profit was reported at SAR 53.4 million in the financial year 2021G with a net margin of 14.9 per cent., increasing to SAR 54.8 million in the financial year 2022G, with a decrease in net profit margin, reported at 12.8 per cent., driven by revenue growth despite the decrease in gross margin during the 2021G to 2022G period, coupled with an increase in other income by SAR 4.6 million. Net profit subsequently increased to SAR 59.6 million in the financial year 2023G, with net margin decreasing further to 12.0 per cent. in the financial year 2023G, despite the declining gross margin over the 2022G to 2023G period and an increase in general and administrative expenses by SAR 3.3 million, mainly due to the Company investing its available liquidity in short-term deposits, generating significant other income of SAR 13.7 million during the financial year 2023G.

6.9.1.1 Revenue from Contracts with Customers

The table below summarises revenues by sector type for the financial years ended 31 December 2021G, 2022G and 2023G:

Table 6.19: Revenues by Sector Type

SAR in 000s	2021G (Audited)	2022G (Audited)	2023G (Audited)	Var. 2021G-2022G	Var. 2022G-2023G	CAGR 2021G-2023G
Individuals	161,555	195,170	218,571	20.8%	12.0%	16.3%
Restaurants and food	87,866	111,309	72,605	26.7%	(34.8%)	(9.1%)
Contracting, maintenance and operation	64,347	55,247	121,034	(14.2%)	119.1%	37.1%
Medical	21,201	30,907	44,530	45.8%	44.1%	44.9%
Retail	21,028	31,843	36,222	51.4%	13.8%	31.2%
Technology and information systems	2,531	2,005	2,869	(19.7%)	43.1%	6.5%
Total	**358,528**	**426,483**	**495,831**	**19.0%**	**16.3%**	**17.6%**
Key Performance Indicators As a percentage						
Individuals	45.1%	45.8%	44.1%	0.7	(1.7)	(1.0)
Restaurants and food	24.5%	26.1%	14.6%	1.6	(11.5)	(9.9)
Contracting, maintenance and operation	17.9%	13.0%	24.4%	(5.0)	11.5	6.5
Medical	5.9%	7.2%	9.0%	1.3	1.7	3.1
Retail	5.9%	7.5%	7.3%	1.6	(0.2)	1.4
Technology and information systems	0.7%	0.5%	0.6%	(0.2)	0.1	(0.1)

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G, 2023G and management information.

The revenues of the corporate sector primarily depend on customer orders, therefore the main reason for revenue fluctuations is the variation in order values and the number of customers. For the individual sector, revenues change based on customer requests and competitor prices.

On 1 February 2023G, the individual sector experienced a price cap on individual services in the contractual sector and the hourly sector.

(a) Revenue from Corporate Sector

The table below summarises revenues from the corporate sector for the financial years ended 31 December 2021G, 2022G and 2023G:

Table 6.20: Revenues from the Corporate Sector

SAR in 000s	2021G (Audited)	2022G (Audited)	2023G (Audited)	Var. 2021G-2022G	Var. 2022G-2023G	CAGR 2021G-2023G
Restaurants and food	87,866	111,309	72,605	26.7%	(34.8%)	(9.1%)
Contracting, maintenance and operation	64,347	55,247	121,034	(14.2%)	119.1%	37.1%
Medical	21,201	30,907	44,530	45.8%	44.1%	44.9%
Retail	21,028	31,843	36,222	51.4%	13.8%	31.2%
Technology and information systems	2,531	2,005	2,869	(19.7%)	43.1%	7.2%
Total	**196,973**	**231,313**	**277,261**	**17.4%**	**19.9%**	**18.6%**
Key Performance Indicators						
Restaurants and food						
Avg. number of clients	54	66	57	12	(10)	3
Avg. number of resources	1,802	2,171	1,433	369	(738)	(369)
Avg. monthly revenue per resource (SAR)	4,064	4,273	4,222	5.1%	(1.2%)	3.9%
Contracting, maintenance and operation						
Avg. number of clients	16	21	19	5	(2)	4
Avg. number of resources	1,712	1,377	2,899	(335)	1,522	1,187
Avg. monthly revenue per resource (SAR)	3,133	3,343	3,479	6.8%	4.1%	11.0%
Medical						
Avg. number of clients	10	15	20	5	5	10
Avg. number of resources	245	344	494	99	150	249
Avg. monthly revenue per resource (SAR)	7,221	7,485	7,514	3.7%	0.4%	4.1%
Retail						
Avg. number of clients	12	19	22	7	3	10
Avg. number of resources	415	644	695	229	50	280
Avg. monthly revenue per resource (SAR)	4,223	4,119	4,346	(2.5%)	5.5%	2.9%
Technology and information systems						
Avg. number of clients	1	1	1	-	-	-
Avg. number of resources	9	9	8	0	(2)	(4)
Avg. monthly revenue per resource (SAR)	23,009	24,158	31,530	(21.1%)	38.9%	48.7%

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G, 2023G and management information.

Revenues from the corporate sector are classified into five sub-sectors: (1) Restaurants and Food; (2) Contracting, Maintenance and Operation; (3) Retail; (4) Medical and (5) Technology and Information Systems.

(i) Food

Food sector revenue increased from SAR 87.9 m in the financial year 2021G to SAR 111.3 million in the financial year 2022G, in line with the further increase in average number of clients (from 54 in the financial year 2021G to 66 clients in the financial year 2022G), coupled with an increase in average number of resources deployed from 1,802 to 2,171 resources over the 2021G to 2022G period. Average monthly revenue per resource also increased further by 5.1 per cent., reaching SAR 4.3 thousand per resource, as the Company maintained its market position and reputation as being a reliable supplier of manpower services. The Company also showcased its ability to deliver its obligations towards its clients during the COVID-19 pandemic.

Subsequently, food sector revenue decreased significantly by 34.8 per cent. to SAR 72.6 thousand in the financial year 2023G, mainly driven by a decrease in average number of resources deployed from 2,171 resources in the financial year 2022G to 1,433 resources in the financial year 2023G, coupled with a decrease in average number of clients from 66 clients in the financial year 2022G to 57 clients in the financial year 2023G. This was due to various contract cancellations following the lift-off of restrictions post COVID-19, coupled with increased competition within the F&B sector driving clients to resort to cost-cutting measures, affecting the Company's revenue within the sector.

Despite the decrease in the Company's client base and the average number of resources deployed, the Company maintained its average monthly revenue per resource within the food sector, remaining relatively stable between SAR 4.3 thousand and SAR 4.2 thousand over the 2022G to 2023G period.

(ii) Operations and Maintenance

Operations and maintenance (O&M) sector revenue witnessed a significant increase the 2021G-2023G period, increasing from SAR 64.4 million in the financial year 2021G to SAR 121.0 million in the financial year 2023G. O&M includes the contracting sector and the increase in this sector was mainly driven by the increase in major government projects, resulting in major client wins, where the top 3 clients in the operations and maintenance sector covered 34.2 per cent. of the total corporate segment revenues.

Revenues in the operations and maintenance sector decreased from SAR 64.4 million in the financial year 2021G to SAR 55.2 million in the financial year 2022G, despite an increase in the average number of clients from 16 in the financial year 2021G to 21 in the financial year 2022G. This decline is attributed to a reduction in the average number of deployed resources, which decreased from 1,712 in the financial year 2021G to 1,377 in the financial year 2022G, primarily due to the cancellation of contracts for a large number of deployed resources by one of the major clients in this sector. Conversely, the average monthly revenue per resource increased from SAR 3.1 thousand in the financial year 2021G to SAR 3.3 thousand in the financial year 2022G, as the Company managed to deploy resources at higher rates during the same period.

As a result, revenues in the operations and maintenance sector increased by 119.1%, from SAR 55.2 million in the financial year 2022G to SAR 121.0 million in the financial year 2023G. This increase occurred despite a slight decline in the average number of clients from 21 in the financial year 2022G to 20 in the financial year 2023G, primarily driven by the acquisition of two major clients in the operations and maintenance sector. This led to an increase in the average number of deployed resources from 1,377 in the financial year 2022G to 2,988 in the financial year 2023G, with these two clients together accounting for over 60% of the Company's revenues in the operations and maintenance sector during the financial year 2023G. Additionally, there was a gradual increase in the average monthly revenue per resource from SAR 3.3 thousand in the financial year 2022G to SAR 3.5 thousand in the financial year 2023G.

It is worth noting that the Company's revenues in the operations and maintenance sectors are concentrated among clients with higher revenues. One major client had an average of 1,470 deployed resources (50% of the total) in the financial year 2023G, while another major client had an average of 520 deployed resources (18% of the total), and yet another had an average of 350 deployed resources (12% of the total) in the same financial year.

(iii) Retail

Retail sector revenue grew significantly by 51 per cent. from SAR 21.0 million in the financial year 2021G to SAR 31.8 million in the financial year 2022G, mainly driven by the growth in the Company's client base from 12 to 19 clients, coupled with an increase in average number of resources deployed from 415 in the financial year 2021G to 644 resources in the financial year 2022G.

This growth in the retail sector was driven by the removal of the restrictions imposed by the government due to the COVID-19 pandemic in the financial year 2021G, resulting in the growth in market demand for manpower services. The average monthly revenue per resource declined slightly from SAR 4.2 thousand in the financial year 2021G to SAR 4.1 thousand in the financial year 2022G.

Retail sector revenues further increased by 13.8 per cent. to SAR 36.2 million in the financial year 2023G as the sector continues to expand within the kingdom. The Company increased its client base from an average of 19 to 22 clients over the 2022G to 2023G period, and in turn increased its average number of resources deployed from 644 to 695 resources over the same period. The Company was also able to deploy new resources at higher rates than existing resources deployed, resulting in an increase in average monthly revenue per resource from SAR 4.1 thousand in the financial year 2022G to SAR 4.3 thousand in the financial year 2023G.

(iv) Medical

Medical mainly includes nurses, assistant nurses and cleaners. Specialised professions exhibit the highest average revenue per resource, mainly due to the level of education and skillset required from the contracted resource.

Medical revenue increased from SAR 21.2 million in the financial year 2021G to SAR 30.9 million in the financial year 2022G, driven by the increase in average number of resources from 245 in the financial year 2021G to 344 in the financial year 2022G, following the increase in average number of clients from 10 to 15 clients for the 2021G to 2022G period. This drove the increase in average revenue per resource from SAR 7.2 thousand in the financial year 2021G to SAR 7.5 thousand in the financial year 2022G as the sector continued to grow.

Medical revenue continued to increase, reporting a 44.1 per cent. increase to SAR 44.5 million in the financial year 2023G, attributable to the increase in average number of clients from 15 clients in the financial year 2022G to 20 clients in the financial year 2023G, coupled with an increase in average number of resources deployed from 344 to 494 over the 2022G to 2023G period, as the Company expands its client base and garners a reputation within the market.

(v) IT – Open Tech (OpenTech)

IT - Open tech (OpenTech) is mainly related to the revenue of OpenTech which is a fully owned subsidiary by Tamkeen specialised in information technology resources. OpenTech served only 1 client across the historical period, it is a company operating in the communications sector.

OpenTech revenue decreased by 19.7 per cent. from SAR 2.5 million in the financial year 2021G to SAR 2.0 million in the financial year 2022G, despite the increase in the average monthly revenue per resource from SAR 23.0 thousand in the financial year 2021G to SAR 24.2 thousand driven by a slight decrease in resources deployed over the 2021G to 2022G period to the only client in this sector.

OpenTech revenues increased to SAR 2.9 million in the financial year 2023G due to a significant increase in average monthly revenue per resource (+30.5 per cent.) from SAR 24.2 thousand in the financial year 2022G to SAR 31.5 thousand in the financial year 2023G, following the deployment of an executive position resource to the client during the financial year 2023G.

(b) Revenue from Individual Sector

The table below summarises revenues from the corporate sector for the financial years ended 31 December 2021G, 2022G, and 2023G:

Table 6.21: Revenues from the Individual Sector

SAR in 000s	2021G (Audited)	2022G (Audited)	2023G (Audited)	Var. 2021G-2022G	Var. 2022G-2023G	CAGR 2021G-2023G
Individual Package	124,426	140,324	145,485	12.8%	3.7%	8.1%
Hourly Individual	27,018	39,065	60,801	44.6%	55.6%	50.0%
Sponsorship Transfer	10,110	15,782	12,283	56.1%	(22.2%)	10.2%
Total	**161,555**	**195,170**	**218,569**	**20.8%**	**12.0%**	**16.3%**
Key Performance Indicators						
Individual Package						
Avg. number of resources	3,476	4,628	5,092	1,152	464	1,616
Avg. monthly revenue per resource (SAR)	2,983	2,527	2,381	(15.3%)	(5.8%)	(10.7%)
Avg. utilisation rate	92.7%	89.2%	92.3%	(3.6)	3.1	(0.4)
Hourly Individual						
Avg. number of resources	459	705	1,304	247	598	845
Avg. monthly revenue per resource (SAR)	4,910	4,615	3,887	(6.0%)	(15.8%)	(11.0%)
Avg. utilisation rate	80.8%	82.2%	79.9%	1.5	(2.4)	(0.9)
Sponsorship Transfer						
Number of resources	435	713	696	278	(17)	261
Avg. revenue per resource (SAR)	23,242	22,135	17,648	(4.8%)	(20.3%)	(12.9%)

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G, 2023G and management information.

(i) Individual Package

Individual package revenue includes various packages for domestic house workers, house cooks and private chauffeurs. The individual package rates depend on the (i) profession of the resource being deployed (house worker, house cook or private chauffeurs), (ii) the period for which the resource is being deployed (Tamkeen provide packages that vary between 1 month and 24 months), with minor discounts applied to longer term contracts as opposed to shorter term contracts, and iii) the nationality of the resource (with the highest rates are set for the Indonesian resources).

Revenue from the individual package services increased by 12.8 per cent. from SAR 124.4 million in the financial year 2021G to SAR 140.3 million in the financial year 2022G, driven by a significant increase in average number of resources deployed by 1,152 resources during the 2021G to 2022G period. However, average monthly revenue per resource decreased further by 15.3 per cent. from SAR 3.0 thousand in the financial year 2021G to SAR 2.5 thousand in the financial year 2022G, as the Company continued to increase its number of African employees (reaching 55 per cent. of total resources in the financial year 2022G within this sub-segment) to remain competitive as the pricing pressure from competition continued in the financial year 2022G. Utilisation rates saw a slight decline, however, was still maintained at healthy levels, reported at 89.2 per cent. in the financial year 2022G.

Revenue from the individual package services increased further by 3.7 per cent. to SAR 145.5 million in the financial year 2023G, driven by the increase in average number of resources deployed by 464 resources to meet market demand and solidify the Company's position in this segment. Average revenue per resource however continued to decline, decreasing from SAR 2.5 thousand in the financial year 2022G to SAR 2.4 thousand in the financial year 2023G because of price ceilings imposed by the MHRSD in the first quarter of the financial year 2023G and continued pricing pressure from competition in the market.

Average utilisation rates slightly increased to reach 92.3 per cent. in the financial year 2023G, as the Company gradually started shifting unutilised resources in the packages sector to the hourly sector during the second half of the financial year 2023G.

(ii) Hourly Individual

Hourly individual services are mainly related to housekeepers that the Company charges for per visit, with each visit being 4 hours and each resource can make a maximum of 2 visits a day. Resources under the hourly individual services are from Indonesia, Philippines and Uganda.

Hourly individual revenue increased from SAR 27.0 million in the financial year 2021G to SAR 39.1 million in the financial year 2022G due to a significant increase in average number of resources deployed from 459 to 705 resources over the 2021G to 2022G period, as the Company started to focus on growing its hourly individual services sub-segment in anticipation of high market demand, coupled with higher profitability rates achieved in this segment due to the higher average revenue per resource within this sub-segment. Average revenue per resource reported a slight decline from SAR 4.9 thousand in the financial year 2021G to SAR 4.6 thousand in the financial year 2022G, driven by lower market rates due to increased competition within the sub-segment, offset slightly by increased utilisation reported at 82.2 per cent. during the year.

Subsequently, hourly individual revenue increased significantly by 55.6 per cent. to SAR 60.8 million in the financial year 2023G, primarily due to the increase in average number of resources deployed within this sub-segment, increasing from 705 to 1,304 resources over the 2022G to 2023G period. This was driven by the Company's shifted focus towards the hourly sub-segment, as it generates a higher yield per resource as opposed to the packages sub-segment, in addition to being part of the Company's employee retention plan, whereby resources deployed in the packages sub-segment that are nearing the end of their employment contract are offered an opportunity to transfer to the hourly sub-segment to improved retention rates and improve profitability.

However, average monthly revenue per resource decreased from SAR 4.6 thousand in the financial year 2022G to SAR 3.9 thousand in the financial year 2023G mainly due to price ceilings imposed by MHRSD in the financial year 2023G. Moreover, average utilisation rate decreased slightly from 82.2 per cent. in the financial year 2022G to 79.9 per cent. in the financial year 2023G, due to lower utilisation rates reported during the summer season during the year.

(iii) Sponsorship Transfers

Sponsorship transfers are mainly related to revenue generated from the transfer of the resource's sponsorship to the client's sponsorship based on client requests. This revenue sub-segment is considered ancillary to the package services and not part of the Company's main service offerings. According to Management, sponsorship transfers are only accepted to certain key clients based on Management discretion.

Sponsorship transfer revenue is driven by the number of sponsorship transfers and the price at which the Company agrees with the client in transferring the resource. This is usually based on the amount of accrued expenses reported on the Company's balance sheet at the date of the request associated with the resource, for which the Company would charge a higher rate the cumulative expenses to be amortised to maintain a profit margin on the transfer.

Sponsorship transfer revenue increased from SAR 10.1 million in the financial year 2021G to SAR 15.8 million in the financial year 2022G due to the further increase in number of sponsorship transfers from 435 to 713 resources over the 2021G to 2022G period, offset by a slight decrease in average revenue per transfer by 4.8 per cent. to SAR 22.1 thousand in the financial year 2022G.

Subsequently, sponsorship transfer revenue decreased from SAR 15.8 million in the financial year 2022G to SAR 12.3 million in the financial year 2023G primarily due to the decrease in average revenue per transfer from SAR 22.1 thousand in the financial year 2022G to SAR 17.6 thousand in the financial year 2023G due to the price ceilings imposed by MHRSD in the financial year 2023G.

6.9.1.2 Cost of Revenue

The table below summarises the cost of revenues for the financial years ended 31 December 2021G, 2022G and 2023G:

Table 6.22: Cost of Revenue

SAR in 000s	2021G (Audited)	2022G (Audited)	2023G (Audited)	Var. 2021G-2022G	Var. 2022G-2023G	CAGR 2021G-2023G
Salaries and Other Benefits	156,817	182,647	228,765	16.5%	25.2%	20.8%
Visa and licensing fees	44,821	49,385	54,425	10.2%	10.2%	10.2%
Recruitment Expenses	20,521	30,155	38,782	46.9%	28.6%	37.5%
Amortisation of visas in use	7,723	9,744	11,898	26.2%	22.1%	24.1%
Depreciation and amortisation	6,410	6,605	8,729	3.0%	32.2%	16.7%
Tickets	5,620	10,247	8,421	82.3%	(17.8%)	22.4%
Cost of employees' defined benefit obligation	3,622	4,494	5,382	24.1%	19.8%	21.9%
Medical Insurance	3,742	4,690	5,186	25.3%	10.6%	17.7%
Social insurance	2,727	3,413	4,261	25.1%	24.9%	25.0%
Subsistence expenses	1,981	3,287	2,496	66.0%	(24.1%)	12.3%
Bank Charges	1,727	2,582	3,361	49.5%	30.2%	39.5%
Quarantine	1,606	249	0	(84.5%)	(100.0%)	(100.0%)
Subscription fees	1,298	1,302	287	0.3%	(78.0%)	(53.0%)
Maintenance and repairs	1,030	1,985	3,007	92.8%	51.4%	70.9%
Bonus	509	1,323	1,200	159.9%	(9.3%)	53.5%
Labour accommodation rent	895	2,052	1,768	129.4%	(13.8%)	40.6%
External offices Commissions	347	525	446	51.4%	(15.0%)	13.4%
Medical Examination	374	476	496	27.3%	4.2%	15.2%
Government Expenses	282	155	178	(45.2%)	15.2%	(20.5%)
Other	2,791	7,196	12,173	157.8%	69.1%	108.8%
Total	**264,843**	**322,514**	**391,262**	**21.8%**	**21.3%**	**21.5%**
Key Performance Indicators						
Average headcount	8,553	10,590	12,620	2,040	2,028	4,068
Average monthly staff costs	1,528	1,437	1,511	(6.0%)	5.1%	(0.6%)
As a percentage of total cost of revenue percentage point						
Salaries & Employees Benefits	59.2%	56.6%	70.9%	(2.6)	14.3	11.7
Visa & Work Permit Fees	16.9%	15.3%	16.9%	(1.6)	1.6	(0.0)
Recruitment Fees	7.7%	9.4%	12.0%	1.6	2.7	4.3
Amortisation of used visas	2.9%	3.0%	3.7%	0.1	0.7	0.8
Employee defined benefit obligation costs	1.4%	1.4%	1.7%	0.0	0.3	0.3
Medical Insurance	1.4%	1.5%	1.6%	0.0	0.2	0.2
Air Tickets	2.1%	3.2%	2.6%	1.1	(0.6)	0.5
Depreciation and amortisation	2.4%	2.0%	2.7%	(0.4)	0.7	0.3
Other	5.9%	7.6%	9.2%	1.7	1.6	3.3

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G, 2023G and management information.

(a) Salaries and Other Benefits ("Salaries")

Salaries and other benefits relate to remuneration paid to deployed resources and operational staff within the corporate and individual segments.

Salaries and other benefits increased by 16.5 per cent. from SAR 156.8 million in the financial year 2021G to SAR 182.6 million in the financial year 2022G, mainly driven by the increase food and medical sectors costs within the corporate segment, increasing by SAR 7.2 million and SAR 5.4 million, respectively, with a SAR 13.5 million increase in the individuals' segment salaries and other benefits costs.

The increase in food sector salaries was driven by an increase in average number of resources from 1,802 to 2,171 resources over the 2021G to 2022G period, following various client wins and increases in resources deployed to existing clients.

Medical sector salaries costs increased by SAR 5.4 million during the 2021G to 2022G period, primarily due to the increase in average number of resources driven by market demand for medical staff, particularly nurses, coupled with a slight increase in average monthly cost per resource from SAR 4.3 thousand in the financial year 2021G to SAR 4.4 thousand in the financial year 2022G.

Individuals' segment salaries costs increased by SAR 13.5 million over the 2021G to 2022G period and was primarily driven by an increase in average number of resources employed in the packages sub-segment by 1,152 resources, offset slightly by a decrease in average monthly staff cost per resource from SAR 1.2 thousand in the financial year 2021G to SAR 1.0 thousand in the financial year 2022G, driven by the Company's continuous recruitment of African resources with lower monthly salary brackets, resulting in a SAR 9.0 million increase within this sub-segment.

Hourly individuals' sub-segment salaries costs also increased by SAR 4.5 million for the 2021G to 2022G period, driven primarily by the increase in the number of resources employed in this sub-segment from 459 in the financial year 2021G to 705 in the financial year 2022G, partially offset by a slight decrease in average monthly cost per resource from SAR 1.9 thousand in the financial year 2021G to SAR 1.8 thousand in the financial year 2022G, following the Company's increasing its number of resources of African nationalities within this sub-segment during the financial year 2022G.

Salaries and other benefits increased further by 25.2 per cent. from SAR 182.6 million in the financial year 2022G to SAR 228.8 million in the financial year 2023G, mainly driven by the increase in operations & maintenance and medical sectors costs within the corporate segment, increasing by SAR 29.5 million and SAR 9.0 million, respectively, while the individuals' segment salaries costs increased by SAR 20.5 million over the 2022G to 2023G period.

The increase in operations & maintenance sector salaries was driven by the significant increase in average number of resources deployed from 1,377 to 2,899 resources over the 2022G to 2023G period, largely attributed to the execution of two agreements with two major clients over the 2022G to 2023G period, coupled with a 5.0 per cent. increase in average monthly salary per resource within the O&M sector over the 2022G to 2023G period.

Operations & maintenance sector salaries costs significantly increased by 121.0 per cent. from SAR 24.4 million to SAR 53.9 million during the 2022G to 2023G period, following the significant increase in average number of resources deployed by 1,470 resources and by 350 resources to two major clients, coupled with an increase in average monthly salary per resource from SAR 1.5 thousand in the financial year 2022G to SAR 1.6 thousand in the financial year 2023G.

Individuals' segment salaries costs increased by SAR 20.5 million over the 2022G to 2023G period and was driven by an increase in average number of resources employed in both the individual packages and the hourly individual, increasing by 464 and 598 resources, respectively. This was coupled with an increase in average monthly salary per resource by 7.1 per cent. within the hourly individual from SAR 1.8 thousand in the financial year 2022G to SAR 1.9 thousand in the financial year 2023G, driven by a shift in the Company's resources of nationality mix to resources from Indonesia and Philippines, who receive relatively higher remuneration in comparison to resources from African countries.

(b) Visa and Licensing Fees

Visa and licensing fees mainly pertain to expatriate fees which are paid to the government charged on annual basis once the resource arrives to the Kingdom, amounting to SAR 9.6 thousand per resource, in addition to work permit and iqama fees amounting to SAR 100 and SAR 650 per resource paid to the government annually. Expatriate fees are paid only towards resources employed in the corporate segment, as domestic workers are exempt from these fees.

Visa and work permit fees incurred in the corporate segment represented an average of c. 91 per cent. across the 2021G to 2023G period, while the individuals segment represented on average c. 9 per cent. of total visa and work permit fees over the same period.

Visa and work permit fees increased by 10.2 per cent. from SAR 44.8 million in the financial year 2021G to SAR 49.4 million in the financial year 2022G, in line with the increase in the average number of resources deployed within the corporate segment, increasing from 4,183 to 4,543 resources over the 2021G to 2022G period.

Visa and work permit fees increased further by 10.2 per cent. from SAR 49.4 million in the financial year 2022G to SAR 54.4 million in the financial year 2023G, driven by the further increase average number of resources deployed from 4,543 to 5,529 resources over the 2022G to 2023G period.

(c) Recruitment Expenses

Recruitment expenses are incurred upon recruitment of resources and mainly pertain to agency fees and air ticket costs amongst other minor expenses necessary to bring the resource to the Kingdom. These costs are recorded as a prepayment on the Company's balance sheet and then amortised over two years, being the contract period. The Company deals with various foreign agencies in the countries from which it employs its resources, and agency fees can vary by agency and or nationality of the resource being employed.

Recruitment expenses increased by 46.9 per cent. from SAR 20.5 million in the financial year 2021G to SAR 30.2 million in the financial year 2022G, driven by the significant increase in the average number of resources from 8,553 in the financial year 2021G to 10,590 in the financial year 2022G, coupled with an increase in air ticket fees during the 2021G to 2022G, resulting in a higher total recruitment cost to be amortised over the contract period.

Recruitment expenses increased further by 28.6 per cent. from SAR 30.2 million in the financial year 2022G to SAR 38.8 million in the financial year 2023G, driven mainly by the amortisation of recruitment expenses of newly employed resources (an increase in average headcount by 2,028 resources), coupled with the recruitment expenses continuing to be amortised for employees employed over the past two years.

(d) Amortisation of Visas in Use

Visas in use relate solely to visa fees (SAR 2.0 thousand per resource) that are paid to the government for the right to bring a resource into the Kingdom. These costs are recorded as a prepayment on the Company's balance sheet and then amortised over two years, being the contract period.

Visas in use increased from SAR 7.7 million in the financial year 2021G to SAR 9.7 million in the financial year 2022G, primarily driven by a significant increase in headcount from 8,553 in the financial year 2021G to 10,590 in the financial year 2022G. This trend continued, with further increases to SAR 11.9 million in the financial year 2023G, attributable to the rise in the average number of deployed resources to 12,620.

(e) Depreciation and Amortisation

Depreciation and amortisation mainly relate to the Company's fixed assets and right-of-use assets which comprised of motor vehicles, staff accommodation, computers and office equipment, electrical devices, furniture and improvements to leased property.

Depreciation and amortisation increased slightly from SAR 6.4 million in the financial year 2021G to SAR 6.6 million in the financial year 2022G, mainly attributable to the increase in depreciation during the year for motor vehicles from SAR 1.9 million in the financial year 2021G to SAR 2.5 million in the financial year 2022G, following additions to motor vehicles used in transporting resources, coupled with an increase in right-of-use assets relating to new staff accommodation leases as the Company increases its number of resources deployed, particularly in the individuals segment, offset by a decrease of SAR 1.5 million due to fully depreciated leasehold improvements within property and equipment.

Depreciation and amortisation increased further to SAR 8.7 million in the financial year 2023G primarily due to the increase of right-of-use assets amortisation by SAR 3.8 million, which is driven by the increase in number of leased staff accommodations to meet the increase in number of resources from 10,590 to 12,620 resources over the 2022G to 2023G period, coupled with additions made to motor vehicles amounted to SAR 0.9 million during the financial year 2023G as the Company increased its delivery fleet in line with growth in the number of average resources deployed in the individuals' segment from 6,047 in the financial year 2022G to 7,092 resources in the financial year 2023G.

(f) Tickets

Tickets are costs accrued or incurred in relation to tickets purchased for the Company's resources in accordance with their contracts and the labour law within the Kingdom. The Company records accrued expenses on its balance sheet for ticket costs based on average flight costs to the country of origin of its resources and subsequently adjusts its accrued expenses with the actual cost once the ticket is purchased for the resource.

Air ticket costs increased significantly by 82.3 per cent. from SAR 5.6 million in the financial year 2021G to SAR 10.2 million in the financial year 2022G, driven primarily by a general increase in air ticket prices across global destinations with the gradual lift-off of travel restrictions imposed during the COVID-19 pandemic, coupled with an increase in the average number of resources from 8,553 in the financial year 2021G to 10,590 resources in the financial year 2022G.

Air tickets costs subsequently decreased to SAR 8.4 million in the financial year 2023G, despite the increase in average headcount to 12,620 in the financial year 2023G, mainly due to decline in airfare and air ticket prices post COVID-19 over the 2021G to 2022G period, in addition to the Company improving its procurement process of air tickets for its resources, whereby historically the Company was dealing with only one sole travel agent, and over the 2022G to 2023G period the Company contracted with two new travel agencies, and started to procure various quotations from its travel agents before purchasing the air tickets for its employees, and accordingly further reduced air ticket expenses.

(g) Cost of Employees' Defined Benefit Obligation

Cost of employees' defined benefit obligation costs are current service costs associated with the Company's end of service liability obligations in accordance with local labour regulations. The Company engages with an independent actuarial consultant to estimate the end of service liability at each year-end reporting date in accordance IAS 19 – Employee benefits.

Current service costs increased from SAR 3.6 million in the financial year 2021G to SAR 4.5 million in the financial year 2022G, and further to SAR 5.4 million in the financial year 2023G, in line with the increase in average number of deployed resources across the historical period, reported at 8,553 in the financial year 2021G, 10,590 in the financial year 2022G, and further to 12,620 in the financial year 2023G.

(h) Medical Insurance

Medical Insurance costs are mandatory medical insurance that the Company is obliged to provide to all its resources according to labour law within the Kingdom.

Medical insurance continued to increase across the period, from SAR 3.7 million in the financial year 2021G, to SAR 4.7 million in the financial year 2022G, and further to SAR 5.2 million in the financial year 2023G, mainly driven by the increase in average number of resources from 8,553 in the financial year 2021G, 10,590 in the financial year 2022G, and further to 12,620 in the financial year 2023G, coupled with incremental increases in medical insurance premiums over the 2021G-2023G period.

(i) Social Insurance

Social insurance pertains to contributions paid by the Company to the General Organization for Social Insurance, a required by local regulations within the Kingdom. The Company is liable to contributing 11.75 per cent. of Saudi nationals' basic and housing allowances and is also liable to contributing 2 per cent. of non-Saudi employees' basic and housing allowances according to the Social Insurance Law.

Social insurance increased from SAR 2.7 million in the financial year 2021G, to SAR 3.4 million in the financial year 2022G, and further to SAR 4.3 million in the financial year 2023G, primarily driven by the increase in headcount from 8,553 to 10,590, and 12,620 respectively, over the 2021G-2023G period.

(j) Subsistence Expenses

Subsistence expenses pertain to meals provided to resources on a daily basis primarily in the individuals' segment, which were prepared in the Company's own central kitchen.

Subsistence expenses increased from SAR 2.0 million in the financial year 2021G to SAR 3.3 million in the financial year 2022G in line with the increase in average number of resources deployed in the individuals' segment from 4,370 to 6,047 resources over the 2021G to 2022G period within the packages and hourly sub-segments. Subsistence expenses subsequently decreased to SAR 2.5 million in the financial year 2023G, attributed to a in the Company's policy, whereby it shifted from offering cooked meals to an allowance paid out to resources within the hourly sub-segment, resulting in a slight decrease in living allowances over the 2022G to 2023G period.

(k) Bank Charges

Bank charges mainly relate to commissions paid on online transactions conducted on payment gateways, in addition to point-of-sale systems within the Company's branches.

Bank charges increased from SAR 1.7 million in the financial year 2021G to SAR 2.6 million in the financial year 2022G, and to SAR 3.4 million in the financial year 2023G, driven by the increase in number of transactions conducted by the Company's clients in the individuals' segment, in line with the increase in revenue generated within this segment.

(l) Quarantine

Quarantine encompasses all quarantine related expenses such as PCR tests, quarantine hotel accommodations, amongst others.

Quarantine expenses decreased from SAR 1.6 million in the financial year 2021G to SAR 0.2 million in the financial year 2022G, and further decreased to nil in the financial year 2023G, upon the removal of COVID-19 restrictions.

(m) Subscription Fees

Subscription fees mainly pertains to monthly fees paid to Ajeer, a governmental portal that manages the information in relation to outsourced foreign employees within the Kingdom. These expenses were imposed by the government in the financial year 2021G, and are equivalent to SAR 20 per month, per resource for resources deployed in the corporate segment.

Subscription fees remained relatively stable at SAR 1.3 million during the financial year 2021G and the financial year 2022G, and mainly related to the Ajeer subscription fees for corporate segment resources.

Fees and subscriptions decreased from SAR 1.3 million in the financial year 2022G to SAR 0.3 million in the financial year 2023G, due to the reclassification of "Ajeer Cost" to other costs of revenues in the financial year 2023G.

(n) Maintenance and Repairs

Maintenance and repairs costs relate to staff accommodations and administrative buildings, in addition to maintenance expenses on motor vehicles.

Maintenance and repairs increased from SAR 1.0 million in the financial year 2021G, to SAR 2.0 million in the financial year 2022G, before subsequently increasing to SAR 3.0 million in the financial year 2023G, as the Company's staff accommodations start to age and require higher maintenance levels, coupled with increases in the age of motor vehicles as well, incurring higher maintenance costs.

(o) Bonus

Bonus relates to incentives awarded to the sales team and client relationship teams for winning clients, in addition to rewards awarded to employees in branches against sale targets.

Bonuses increased from SAR 0.5 million in the financial year 2021G to SAR 1.3 million in the financial year 2022G, and subsequently decreased slightly to SAR 1.2 million in the financial year 2023G, as the Company activated a new reward process with higher reward levels, after the human resource consultancy assessment conducted in the financial year 2021G.

(p) Labour Accommodation Rent

Labour accommodation rent pertains to fees in relation to accommodations for drivers and other operational staff, rented on an annual basis.

Labour accommodation rent increased from SAR 0.9 million in the financial year 2021G, to SAR 2.1 million in the financial year 2022G as the Company has decided during the financial year 2021G to renew contracts for some rented employee housing for a period of one financial year, thus considering them as operational contracts, which was reflected in an increase in rent expense and a decrease in right-of-use expense. Labour accommodation rent decreased to SAR 1.8 million in the financial year 2023G due to the Company recognising new lease contracts extending beyond one year under right-of-use assets.

(q) External Offices Commission

External offices commission pertains to commissions paid to foreign agencies for timely performance of resource recruitment to incentivise agencies to speed up processes and increase efficiencies. Commissions were reported at SAR 0.3 million in the financial year 2021G, SAR 0.5 million in the financial year 2022G, and SAR 0.4 million in the financial year 2023G.

(r) Medical Examination

Medical examination comprises any medical tests necessary for resources entering the Kingdom and increased from SAR 0.4 million in the financial year 2021G to SAR 0.5 million in the financial year 2022G, due to the Company's continuous increase in newly recruited resources over the 2021G to 2022G period. Medical examinations were also reported at SAR 0.5 million during the financial year 2023G, as the Company continued increasing its average number of resources over the 2022G to 2023G period.

(s) Governmental Expenses

Governmental expenses are ad-hoc expenses paid to various government bodies, primarily pertaining to administrative expenses.

Governmental expenses decreased from SAR 0.3 million in the financial year 2021G to SAR 0.2 million in the financial year 2022G and remained relatively stable at SAR 0.2 million in the financial year 2023G.

(t) Others

Others increased from SAR 2.8 million in the financial year 2021G to SAR 7.2 million in the financial year 2022G, primarily due to an increase in supervision fees by SAR 2.2 million, charged on a per resource basis for resources employed within the corporate segment, in addition to increases across various other operational and resource related costs in line with the increase in average number of resources deployed, such as electricity costs of staff accommodations, uniforms, accommodation fixtures, fuel for motor vehicles used in delivery, amongst others.

Others increased from SAR 7.2 million in the financial year 2022G to SAR 12.2 million in the financial year 2023G. This increase was driven by various factors, such as (i) the reclassification of "Ajeer" costs from fees and subscriptions amounting to SAR 2.4 million, an (ii) increase in vehicle insurance by SAR 0.5 million with the significant additions made to motor vehicles, and (iii) fuel costs by SAR 0.4 million due to the higher number of vehicles and resources deployed within the individuals' segment, and (iii) one-off payment of SAR 0.4 million for temporary accommodation to facilitate the arrival of a significant number of resources deployed to a client during the financial year 2023G, the Company's top revenue generating client during the year, in addition to various additional operational expenses borne in relation to the increase across the Company's deployed resources within both the individuals and corporate segments.

6.9.1.3 Selling and Marketing Expenses

The table below summarises selling and marketing expenses for the financial years ended 31 December 2021G, 2022G and 2023G:

Table 6.23: Selling and Marketing Expenses

SAR in 000s	2021G (Audited)	2022G (Audited)	2023G (Audited)	Var. 2021G-2022G	Var. 2022G-2023G	CAGR 2021G-2023G
Marketing and advertising	3,861	8,328	7,192	115.7%	(13.6%)	110.8%
Travel and transfers	528	-	-	(100.0%)	NA	(100.0%)
Total	**4,389**	**8,328**	**7,192**	**89.8%**	**(13.6%)**	**95.9%**
As a percentage of total cost of revenue percentage point						
Marketing and advertising	1.1%	2.0%	1.5%	0.9	(0.5)	0.4
Travel and transfers	0.1%	0.0%	0.0%	(0.1)	-	(0.1)

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G, 2023G and management information.

Selling and marketing expenses mainly pertain to advertising expenses incurred by the Company in promoting its individuals' segment services, in addition to travel & transfers of sales staff and relationship managers.

Selling and marketing expenses increased from SAR 4.4 million in the financial year 2021G to SAR 8.3 million in the financial year 2022G, solely due to the increase in marketing and advertising expenses as the Company aimed to solidify its market position. This was in line with the Company's strategy to combat the significant increase in market competition during the financial year 2022G with the gradual lift-off of restrictions, coupled with aggressive pricing pressure from competitors in the market.

Selling and marketing expenses decreased to SAR 7.2 million in the financial year 2023G as the Company decreased its marketing advertising expenses by SAR 1.1 million as the Company reduced its marketing and advertising expenses for the packages sub-segment within the individuals' segment following the price ceilings imposed by the MHRSD, in addition to the organic expansion of its customer base as it builds upon its reputation in the market within the individuals' segment service offerings.

6.9.1.4 General and Administrative Expenses

The table below summarises general and administrative expenses for the financial years ended 31 December 2021G, 2022G and 2023G:

Table 6.24: General and Administrative Expenses

SAR in 000s	2021G (Audited)	2022G (Audited)	2023G (Audited)	Var. 2021G-2022G	Var. 2022G-2023G	CAGR 2021G-2023G
Salaries and other Benefits	16,639	21,114	22,946	26.9%	8.7%	17.4%
Depreciation and amortisation	2,857	2,173	1,737	(24.0%)	(20.4%)	(22.2%)
Bonus provision	2,149	1,848	2,343	(14.0%)	26.8%	4.4%
Professional consultations	2,547	1,828	2,057	(28.2%)	7.3%	(12.2%)
Social Insurance	1,189	1,461	1,170	22.9%	(21.1%)	(1.6%)
Cost of employees' defined benefit obligation	1,106	1,049	1,150	(5.1%)	9.6%	2.0%
Subscription fees	940	3,056	2,837	225.0%	(7.2%)	73.7%
Medical insurance	423	822	681	94.5%	(17.1%)	27.0%
Rent	308	100	79	(67.6%)	(13.6%)	(47.1%)
Maintenance and repairs	299	127	134	(57.6%)	6.0%	(33.0%)
Electricity and water	225	76	99	(66.1%)	30.3%	(33.6%)
Stationery and printings	101	140	110	38.1%	(21.7%)	4.0%
Hospitality and cleaning	82	87	109	6.4%	25.3%	15.5%
Amortisation of visas in use	23	13	10	(42.8%)	(27.3%)	(35.5%)
Gifts and donations	-	88	21	NA	(75.5%)	NA
Other	2,543	4,297	6,119	69.0%	31.1%	48.8%
Total	**31,432**	**38,279**	**41,606**	**21.8%**	**8.7%**	**15.1%**
Key Performance Indicators Variance						
Average headcount	164	181	217	17	36	53
Average monthly staff costs	8,455	9,721	8,832	15.0%	(9.1%)	2.2%
As a percentage of total General and administrative expense percentage point						
Salaries & Employees Benefits	52.9%	55.2%	55.2%	2.2	(0.0)	2.2
Service fees and subscriptions	3.0%	8.0%	6.8%	5.0	(1.2)	3.8
Depreciation and amortisation	9.1%	5.7%	4.2%	(3.4)	(1.5)	(4.9)
Bonus provision	6.8%	4.8%	5.6%	(2.0)	0.8	(1.2)
Professional fees	8.1%	4.8%	4.7%	(3.3)	(0.1)	(3.4)
Employee defined benefit obligation costs	3.5%	2.7%	2.8%	(0.8)	0.0	(0.8)
Social Insurance	3.8%	3.8%	2.8%	0.0	(1.0)	(1.0)
Other	12.7%	15.0%	18.0%	2.3	3.0	5.3

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G, 2023G and management information.

(a) Salaries and Employee Benefits

Salaries and employee benefits mainly related to general and administrative employees that are directly involved in running Tamkeen's operations in the headquarters. Salaries and employee benefits increased from SAR 16.6 million in the financial year 2021G to SAR 21.1 million in the financial year 2022G, driven partially by the increase in average headcount from 164 in the financial year 2021G to 181 in the financial year 2022G, coupled with the increase in average monthly staff costs from SAR 8.5 thousand in the financial year 2021G to SAR 9.7 thousand in the financial year 2022G, due to the upward salary adjustments made across various employees within G&A, following a human resources assessment exercise conducted by an external human resources consultancy firm during the 2021G to 2022G period to assess the salary scales, organisational structure, amongst others and accordingly, the Company adjusted its employees' salaries and pay scales within G&A.

Salaries and employee benefits further increased to SAR 22.9 million in the financial year 2023G, driven partially by the increase in average headcount from 181 in the financial year 2022G to 217 in the financial year 2023G, offset by a decrease in average monthly staff costs from SAR 9.7 thousand in the financial year 2022G to SAR 8.8 thousand per month in the financial year 2023G, due to the decrease in average salaries and benefits provided to new employees compared to the Company's employees.

(b) Depreciation and Amortisation

Depreciation and amortisation relate solely to the depreciation of the Company's fixed assets and right-of-use assets used for general and administrative purposes, such as the head office, motor vehicles, computers & office equipment, electrical devices, furniture, amongst others.

Depreciation and amortisation expenses substantially decreased by 24.0 per cent. from SAR 2.9 million in the financial year 2021G to SAR 2.2 million in the financial year 2022G, mainly due to fully depreciated leasehold improvements made to the Company's head office and administrative offices during the 2021G to 2022G period.

Depreciation and amortisation expenses further decreased by 20.4 per cent. to SAR 1.7 million in the financial year 2023G, mainly due to fully depreciated assets for the leased hold improvements within property and equipment.

(c) Bonus Provision

Bonus provision s booked by the Company on a monthly basis, at 3.7 per cent. of net income, in accordance with the Company's historical pay out of bonuses to its general and administrative staff. At period end, the Company adjusts its bonus provision based on the actual expected bonus pay-out accordingly. Bonus provision decreased from SAR 2.1 million in the financial year 2021G to SAR 1.8 million in the financial year 2022G, as the Company paid out lower bonuses, due to salary adjustments made during the financial year 2022G. Bonus provisions increased to SAR 2.3 million in the financial year 2023G, in line with the increase in net profit over the 2022G to 2023G period.

(d) Professional Consultations

Professional consultations pertained to various consulting fees incurred across the various general and administrative functions, such as information technology, legal fees, technical consultancy, audit, strategy, financial and tax consultation fees, amongst others. It is worth noting that the Company had engaged with various professional and consultancy service providers over the historical period, as the Company was incorporated towards the end of 2018G, hence relied on various external parties to improve its various functions accordingly. Professional consultations decreased from SAR 2.5 million in the financial year 2021G to SAR 1.8 million in the financial year 2022G attributable to the decrease in (i) supervision and operation service fees by SAR 1.1 million as these expenses were reclassified to cost of revenue due to their nature, (ii) a decrease in HR consultations costs by SAR 0.4 million as the Company completed their assessment exercise, and (iii) technical consultations by SAR 0.2 million, amongst others.

Professional consultations increased from SAR 1.8 million in the financial year 2022G to SAR 2.1 million in the financial year 2023G, mainly driven by the increase in (i) outsourcing expenses by SAR 1.2 million for resources which the Company does not have present within the country, (ii) supervision and operation service fees by SAR 1.2 million in line with the increase in deployed resources over the 2022G to 2023G period, in addition to profession and consultancy expenses incurred in relation to the Company's contemplated initial public offering.

(e) Social Insurance

Social insurance pertains to contributions paid by the Company to the General Organization for Social Insurance, a required by local regulations within the Kingdom. The Company is liable to contributing 11.75 per cent. of Saudi nationals' basic and housing allowances and is also liable to contributing 2 per cent. of non-Saudi employees' basic and housing allowances according to the Social Insurance Law.

Social insurance fees increased from SAR 1.2 million in the financial year 2021G to SAR 1.5 million in the financial year 2022G in line with the increase in average headcount from 164 to 181 employees in the financial year 2022G, coupled with the upward salary scale adjustments made during the financial year 2022G.

Social insurance fees decreased from SAR 1.5 million in the financial year 2022G to SAR 1.2 million in the financial year 2023G, despite the increase in average headcount, mainly due to changes in the employees' mix whereby the Company pays a lower amount of social insurance fees for non-Saudi employees in comparison to expats.

(f) Costs of Employees' Defined Benefit Obligation

Costs of employees' defined benefit obligation are current service costs associated with general and administrative employees in relation to the Company's end of service liability obligations in accordance with local labour regulations. The Company engages with an independent actuarial consultant to estimate the end of service liability at each year-end reporting date in accordance IAS 19 – Employee benefits.

Employee defined benefit obligation costs decreased from SAR 1.1 million in the financial year 2021G, to SAR 1.0 million in the financial year 2022G before subsequently increasing to SAR 1.2 million in the financial year 2023G.

(g) Subscription Fees

Subscription fees are mainly IT software subscriptions such as Microsoft Office, cloud storage services, amongst others.

Services fees and subscriptions increased from SAR 0.9 million in the financial year 2021G to SAR 3.1 million in the financial year 2022G, mainly attributable to an increase in (i) usage-based cloud services obtained from Azure during the financial year 2022G by SAR 0.9 million, (ii) and an increase in Microsoft Dynamics 365 subscription by SAR 0.6 million, coupled with (iii) software subscriptions in relation to antivirus solutions by SAR 0.2 million as the Company improves its information technology network security.

Services fees and subscriptions decreased to SAR 2.8 million in the financial year 2023G primarily due to the decrease in subscription fees in relation to Microsoft Dynamics 365 subscription and charges.

(h) Medical Insurance

Medical insurance pertains to medical insurance provided to general and administrative employees. Medical insurance increased from SAR 0.4 million in the financial year 2021G to SAR 0.8 million in the financial year 2022G in line with the increase in headcount to 181 employees.

Medical insurance decreased slightly from SAR 0.8 million in the financial year 2022G to SAR 0.7 million in the financial year 2023G, despite the increase in average headcount, mainly due to changes in the employees' mix whereby new employees had lower dependents which the Company covers medical insurance for in comparison to leavers over the 2022G to 2023G period.

(i) Rent

Rent expenses related to the head office and other administrative leased spaces. Rent reduced from SAR 0.3 million in the financial year 2021G to SAR 0.1 million in the financial year 2022G and 2023G due to the Company owning its buildings to house a portion of their administrative offices, as well as almost all its leased office were reported under right of use assets.

(j) Maintenance and Repairs

Maintenance and repairs decreased from SAR 0.3 million in the financial year 2021G to SAR 0.1 million in the financial year 2022G and 2023G returning to normal levels.

(k) Electricity & Water

Electricity & water decreased from SAR 0.2 million in the financial year 2021G to SAR 0.1 million in the financial year 2022G and 2023G driven by reclassification of electricity and water costs associated with cost of revenue during the financial year 2021G.

(l) Stationery and Printings

Stationery and printings comprise of all stationeries, office suppliers, amongst others used by general and administrative staff.

Stationery and printing remained relatively stable at SAR 0.1 million over the period 2021G - 2023G due to lower expenditures borne on stationeries.

(m) Hospitality and Cleaning

Hospitality and cleaning remained relatively stable at SAR 0.1 million over the period under analysis.

(n) Amortisation of Visas in Use

Amortisation of visas in use pertains to continuous amortisation of used visas of foreign employees within G&A.

(o) Gifts and Donations

Gifts and donations increased to SAR 0.1 million in the financial year 2022G due to staff giveaways and gifts distributed during the Company's staff gathering in the financial year 2022G. Further decreased slightly in the financial year 2023G.

(p) Others

Others comprised of board and committee members fees, phone and internet changes, business travel expenses, vehicle insurance, amongst various others.

Others increased from SAR 2.5 million in the financial year 2021G to SAR 4.3 million in the financial year 2022G driven by (i) an increase in business travel expenses by SAR 0.4 million with the return to normal, (ii) increases in phone and internet charges in line with the increase in the Company's operations by SAR 0.2 million, in addition to (iii) the Company starting to participate in conferences and exhibitions by SAR 0.3 million, amongst various others.

Others further increased to SAR 6.1 million in the financial year 2023G, mainly due to (i) an increase IT support services by SAR 0.7 million related to outsourced IT support from Egypt, (ii) an increase in travel per diems by SAR 0.5 million as the Company's salesforce and relationship managers increased their travels to drive business within the corporate segment during the financial year 2023G, in addition to a provision recorded against aged long outstanding advances paid to suppliers amounted to SAR 1.3 million, (iii) SAR 0.6 million in expenses related to the establishing and incorporation of Eraf, Medical Company, one of the Company's subsidiaries, amongst others.

6.9.1.5 Other Non-Operating Income

The table below summarises other non-operating income for the fiscal years ended 31 December 2020G, 2021G and 2022G.

Table 6.25: Other Non-Operating Income

SAR in 000s	2021G (Audited)	2022G (Audited)	2023G (Audited)	Var. 2021G-2022G	Var. 2022G-2023G	CAGR 2021G-2023G
Gains on Murabaha time deposit	-	2,425	10,973	NA	352.5%	NA
Revenue from Investments at fair value through profit or loss	668	484	378	(27.6%)	(21.9%)	(24.8%)
Reversal of legal provision and contingent liabilities	-	423	258	NA	(39.0%)	NA
Loss on write off work in progress	(929)	-	-	(100.0%)	NA	(100.0%)
Cash trade discount	441	(9)	-	(102.1%)	(100.0%)	(100.0%)
Other	991	2,487	2,110	150.9%	(15.2%)	45.9%
Total	**1,171**	**5,810**	**13,719**	**396.0%**	**136.1%**	**242.2%**

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G, 2023G and management information.

(a) Gains on Murabaha Time Deposit

Gains on Murabaha time deposit relates to income on fixed deposits as the Company started investing its available liquidity in short-term deposits with the rise of interest rates in the market during the financial year 2022G. Gains from Murabaha increased from SAR 2.4 million in the financial year 2022G to SAR 11.0 million in the financial year 2023G, in line with the increase in interest rates and the increase in the amounts deposited across the 2022G to 2023G period.

(b) Revenue from Investments at Fair Value Through Profit or Loss

Revenue from Investments at fair value through profit or loss pertains to the income generated on investments in a trade finance portfolio that the Company had placed its available liquidity during the financial year 2020G and the financial year 2021G. The amount decreased from SAR 0.7 million in the financial year 2021G to SAR 0.5 million in the financial year 2022G and further to SAR 0.4 million in the financial year 2023G, as a result of liquidation of these investments as the Company shifted its available liquidity to short-term Murabaha deposits.

(c) Reversal of Legal Provision and Contingent Liabilities

Reversal of legal provision and contingent liabilities amounted to SAR 0.4 million in the financial year 2022G relating to reversal of provisions recorded against employee accruals, for resources which have left the Company. The Company recorded further reversals of SAR 0.3 million in the financial year 2023G relating to a previous provision which the Company had recorded against an impending liability which has been completely settled, hence reversed in the financial year 2023G.

(d) Loss on Write off Work in Progress

Loss on write off work in progress amounted to SAR 0.9 million in the financial year 2021G and related to a loss on disposal of projects under implementation in relation to the implementation of Microsoft Dynamics 365.

(e) Cash Trade Discount

Cash trade discount amounted to nil in the financial year 2023G and is related to discounts on leases accommodations provided by landlords during the COVID-19 pandemic. The balance was reported at SAR 0.4 million in the financial year 2021G and decreased to nil throughout the period.

(f) Others

Others pertained mainly to support from the Human Resources Development Fund and is linked to Saudisation rates of the Company, in addition to reversals of provisions booked under others. Others increased from SAR 1.0 million in the financial year 2021G to SAR 2.5 million in the financial year 2022G driven by a significant increase in support received from the Human Resources Development Fund amounting to SAR 1.1 million, in addition to the reversal of a provision in relation to settled litigation for which the Company had previously recorded a provision in the financial year 2020G amounting to SAR 0.7 million.

Others decreased to SAR 2.1 million in the financial year 2023G, due to a decline in reversals of previously recorded employees' provision during the financial year 2023G, coupled with a slight increase in HRDF support during the year.

6.9.1.6 Finance Cost

The table below summarises financing costs for the financial years ended 31 December 2021G, 2022G and 2023G:

Table 6.26: Finance Costs

SAR in 000s	2021G (Audited)	2022G (Audited)	2023G (Audited)	Var. 2021G-2022G	Var. 2022G-2023G	CAGR 2021G-2023G
Finance costs on lease liability	600	605	582	0.8%	(3.8%)	(1.5%)
Financing costs on employees' defined benefits obligation	182	177	524	(2.5%)	195.5%	69.7%
Total	**782**	**782**	**1,106**	**0.0%**	**41.4%**	**18.9%**

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G, 2023G and management information.

(a) Finance Costs on Lease Liabilities

Financing costs on lease liabilities pertains to lease liabilities in relation to the Company right-of-use assets. Finance costs remained relatively stable for all periods at SAR 0.6 million.

(b) Finance Cost on Employees' Defined Benefits Obligation

Financing cost on employee benefits obligation pertains to the finance costs recorded against end of service benefits liabilities. Finance costs remained stable at SAR 0.2 million throughout the 2021G to 2022G period. Finance costs increased to SAR 0.5 million in the financial year 2023G, as a result of an increase in deployed resources.

6.9.1.7 Other Comprehensive Income

The table below summarises other comprehensive income for the financial years ended 31 December 2021G, 2022G and 2023G:

Table 6.27: Other Comprehensive Income

SAR in 000s	2021G (Audited)	2022G (Audited)	2023G (Audited)	Var. 2021G-2022G	Var. 2022G-2023G	CAGR 2021G-2023G
Net profit for the year	53,425	54,770	59,584	2.5%	8.8%	5.6%
Re-measurement of employees' defined benefit obligation	525	29	593	(94.4%)	1935.7%	6.3%
Other comprehensive income for the year/period	525	29	593	(94.4%)	1935.7%	6.3%
total comprehensive income for the year/period	53,949	54,799	60,177	1.6%	9.8%	5.6%
Total comprehensive income for the year/period attributable to:						
Shareholders of the parent company	53,949	54,799	60,422	1.6%	10.3%	5.8%
Non-controlling interest	-	-	(245)	NA	NA	NA

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G, 2023G and management information.

(a) Net Profit for the Year

Net profit increased from SAR 53.4 million in the financial year 2021G to SAR 54.7 million in the financial year 2022G, in line with a revenue increase of 19.0 per cent. during the same period. However, the net profit margin decreased to 12.8 per cent. in the financial year 2022G.

Net profit increased to SAR 59.6 million in the financial year 2023G, corresponding to a revenue increase of 16.3 per cent. during the same period, while the net profit margin declined from 12.8 per cent. to 12.0 per cent. over the period.

(b) Re-measurement of Employees' Defined Benefit Obligation

The remeasurement of employees' defined benefit obligations decreased by 94.4 per cent., from SAR 525 thousand in the financial year 2021G to SAR 29 thousand in the financial year 2022G. Consequently, the remeasurement of defined benefit employee obligations increased to SAR 593 thousand in the financial year 2023G.

(c) Total Comprehensive Income for the Year

Total comprehensive income for the year increased from SAR 54.0 million in the financial year 2021G to SAR 54.8 million in the financial year 2022G, and further increased to SAR 60.2 million in the financial year 2023G, in line with the increase in revenues.

6.9.2 Consolidated Statement of Financial Position

The table below summarises the consolidated statement of financial position as of 31 December 2021G, 31 December 2022G and 31 December 2023G:

Table 6.28: Summary of the Consolidated Statement of Financial Position

SAR in 000s	31 December 2021G (Audited)	31 December 2022G (Audited)	31 December 2023G (Audited)
Assets			
Non-current assets			
Property and equipment	33,940	36,048	44,372
Right-of-use assets	9,227	9,218	13,037
Cash margin on letter of guarantee	10,000	10,000	10,000
Visa in use - non-current	2,892	2,758	3,622
Prepaid recruitment expenses - non-current	8,605	11,840	3,235
Total non-current assets	**64,664**	**69,864**	**74,266**
Current assets			
Trade receivables	27,857	36,334	75,731
Prepayments and other debit balances	51,677	59,158	57,956
Visas in use - Current	5,239	7,019	8,428
Available visas	13,688	18,182	16,622
Due from related parties	219	626	875
Investments at fair value through profit or loss	50,896	-	-
Bank deposits	-	-	-
Cash at banks	90,028	183,634	216,625
Total current assets	**239,604**	**304,953**	**376,237**
Total assets	**304,268**	**374,817**	**450,503**
Equity and Liabilities			
Equity			
Share capital	100,000	100,000	200,000
Statutory Reserve	8,499	13,976	13,976
Retained Earnings	76,587	125,909	86,331
Equity from shareholders of the parent company	**185,086**	**239,885**	**300,307**
Non-controlling interests	**-**	**-**	**1,355**
Total equity	**185,086**	**239,885**	**301,662**
Liabilities			
Non-current labilities			
Retained deposits non-current	20,024	9,401	1,884
Lease liabilities	7,038	6,124	8,407

SAR in 000s	31 December 2021G (Audited)	31 December 2022G (Audited)	31 December 2023G (Audited)
Employees' defined benefit obligation	8,958	12,453	14,823
Total non-current liabilities	**36,021**	**27,978**	**25,114**
Current Liabilities			
Trade payables	8,334	8,080	8,913
Contract liabilities	20,718	17,348	12,563
Retained deposits - current	5,513	20,447	33,114
Accrued expenses and other credit balances	41,242	50,218	53,930
Due to a related party	18	-	-
Lease liabilities – current	2,005	2,887	4,032
Zakat provision	5,333	7,974	11,175
Total Current Liabilities	**83,161**	**106,954**	**123,727**
Total Liabilities	**119,182**	**134,932**	**148,841**
Total Equity and Liabilities	**304,268**	**374,817**	**450,503**

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G.

The table below summarises the key performance indicators as of 31 December 2021G, 31 December 2022G and 31 December 2023G:

Table 6.29: Key Performance Indicators

SAR in 000s	31 December 2021G	31 December 2022G	31 December 2023G
Days sales outstanding(1)	28	27	41
Days payable outstanding(2)	9	9	8
Return on average assets(3)	19.7%	16.1%	14.4%
Return on average equity(4)	33.8%	25.8%	22.0%

Source: Management information.

(1) The average receivables collection period was calculated using the average (total trade receivables) for the previous and current period / revenues from contracts with customers * 365 days for the financial years ended 31 December 2021G, 2022G and 2023G.

(2) The average receivables period was calculated using the average trade payables for the previous and current period / total direct costs * 365 days for the financial years ended 31 December 2021G, 2022G and 2023G.

(3) The annual return on assets was calculated using (profit / (loss) year / period) / average total assets for the previous and current period 31 December 2021G, 2022G and 2023G.

(4) The annual return on equity was calculated using (profit / (loss) year / period) / average total equity for the previous and current period 31 December 2021G, 2022G and 2023G.

(a) Non-Current Assets

(i) Property and Equipment

Property and equipment amounted to SAR 44.4 million as of 31 December 2023G, mainly comprised of property at 34.7 per cent., motor vehicles at 26.6 per cent., buildings at 17.1 per cent., projects under construction at 13.3 per cent., computers and office equipment at 3.0 per cent., electrical devices at 2.5 per cent., furniture at 1.6 per cent. and improvements to leased property at 1.2 per cent.

The balance subsequently increased from SAR 33.9 million as of 31 December 2021G to SAR 36.0 million as of 31 December 2022G driven by further additions of SAR 7.8 million, mainly relating to motor vehicles by SAR 3.7 million and projects under implementation by SAR 2.9 million, offset by depreciation during the year by SAR 5.7 million.

Property and equipment increased further to SAR 44.4 million as of 31 December 2023G mainly attributable to an increase in additions amounting to SAR 14.2 million mainly within motor vehicles by SAR 9.6 million due to the increase in resources, which led to acquiring additional vehicles for transportation, coupled with additions to properties under implementation by SAR 3.0 million in relation to the Company's ERP system, partially offset by the depreciation during the year by SAR 5.8 million.

(ii) Right-of-Use Assets (RoU)

Right-of-use assets comprises of various leases pertaining to staff accommodation and house the Company's branches as part of the leased buildings. Right-of-use assets relate mainly to the individuals' segment resources, in addition to the Company's head office.

The balance remained stable over the same period, amounting to SAR 9.2 million as of 31 December 2021G and 31 December 2022G, due to additions reported at SAR 3.1 million, offset by amortisation amounting to SAR 3.1 million during the year. Right-of-use assets increased to SAR 13.0 million as of 31 December 2023G mainly driven by additions amounting to SAR 8.5 million, offset by amortisation charges amounting to SAR 4.6 million.

(iii) Cash Margin on Letter of Guarantee

Cash margin on letter of guarantee amounted to SAR 10.0 million as of 31 December 2023G, it remained stable at SAR 10.0 million over the historical period and represents a 100 per cent. cash deposit against a bank guarantee provided by one of the local banks amounting to SAR 10.0 million that is submitted to the MHRSD in return for issuing the recruitment licence for the Company. The letter of guarantee is valid until 25 June 2029G.

(iv) Visa in Use – Non-Current Portion

Visa in use - non-current portion amounted to SAR 3.6 million as of 31 December 2023G, pertains to the non-current portion of visas in use for resources deployed resources which are reclassified from available visas upon the successful entry into the Kingdom. These visas are borne for newly employed resources at SAR 2 thousand per resource and are accrued over the contract period, usually 2 years, upon the visa being utilised, being the entry of the resource to the Kingdom.

The balance decreased from SAR 2.9 million as of 31 December 2021G to SAR 2.8 million as of 31 December 2022G, before increasing to SAR 3.6 million as of 31 December 2023G. This movement is in line with the increases in the number of resources over the historical period, with average number of resources gradually increasing annually from 8,553 in the financial year 2021G to 12,620 in the financial year 2023G, while used visas continued to be amortised over the contract period of the resources.

(v) Prepaid Recruitment Expenses – Non-Current

Prepaid recruitment expenses - non-current portion amounted to SAR 3.2 million as 31 December 2023G, pertains to the non-current portion of prepaid agency fees and air ticket fees for recruitment of resources, these prepayments are subsequently amortised over the contract period or two years (whichever is shorter) once the resource arrives to the Kingdom.

The balance increased from SAR 8.6 million as of 31 December 2021G to SAR 11.8 million as of 31 December 2022G, driven to the increase in average number of resources from 8,553 to 10,590 over the 2021G to 2022G period, coupled with higher agency costs and average air ticket prices incurred during the COVID-19 pandemic in sourcing resources due to the global restrictions and scarcity of resources.

The balance subsequently decreased to SAR 3.2 million as of 31 December 2023G, due to the amortisation of recruitment fees related to retained resources, while the Company continued to increase its number of resources reaching an average of 12,620 resources during the financial year 2023G.

(b) Current Assets

(i) Trade Receivables

Trade receivables amounted to SAR 75.7 million as of 31 December 2023G mainly comprised of receivable balances due from corporate clients representing over 97.8 per cent. of total outstanding receivables, with clients from the individuals segment representing the remaining balance.

Trade receivables increased from SAR 27.9 million as of 31 December 2021G to SAR 36.3 million as of 31 December 2022G as a result of the significant increase in receivables from corporate clients by SAR 10.5 million in line with the increase in corporate segment revenue by a further 17.4 per cent. over the 2021G to 2022G period, partially offset by an ECL provision recorded during the financial year 2022G amounting to SAR 1.7 million.

Trade receivables further increased to SAR 75.7 million as of 31 December 2023G, due to the further increase in trade receivables from corporate clients by SAR 39.5 million as the Company grows its client base and average number of resources deployed across the historical period.

DSO reduced slightly from 28 days in the financial year 2021G to 27 days in the financial year 2022G and subsequently increasing to 41 days in the financial year 2023G.

(ii) Prepayments and Other Debit Balances

Prepayments and other debit balances amounted to SAR 58.0 million as of 31 December 2023G, comprised of (i) prepaid expenses at SAR 21.0 million, (ii) current portion of recruitment expenses paid in advance at SAR 16.8 million, (iii) advance payments to suppliers at SAR 12.8 million, (iv) cash deposits at SAR 3.5 million, (v) staff receivables at SAR 0.7 million, and (vi) other at SAR 3.2 million.

The balance increased from SAR 51.7 million as of 31 December 2021G to SAR 59.2 million as of 31 December 2022G mainly attributable to the increase in recruitment expenses paid in advance by SAR 10.1 million, an increase in advance payments to suppliers by SAR 5.5 million, offset by the decrease in prepaid expenses by SAR 9.4 million primarily related to prepaid expatriate fees as the Company shifted from paying expat fees payable to the MHRSD from an annual payment, to a quarterly payment, significantly reducing the prepaid expat fees balance as of 31 December 2023G.

Prepayments subsequently decreased to SAR 58.0 million as of 31 December 2023G. This is mainly due to the decrease in the current portions of recruitment fees by SAR 8.2 million, offset by the increase in advance payments to suppliers by SAR 5.0 million and an increase in cash deposits by SAR 3.5 million in relation to cash margins for letters of credit taken out to participate in tenders for government contracts.

(iii) Visas in Use – Current

Visas in use – current portion amounted to SAR 8.4 million as of 31 December 2023G, pertains to the current portion of visas in use for resources deployed resources which are reclassified from available visas upon the successful entry into the Kingdom.

The balance increased from SAR 5.2 million as of 31 December 2021G to SAR 7.0 million as of 31 December 2022G, driven by the visas issued and used during the financial year 2022G amounting to SAR 15.1 million in line with the increase in the average number of resources deployed from 8,553 to 10,590 resources over the 2021G to 2022G period.

The balance subsequently increased to SAR 8.4 million as of 31 December 2023G, driven by the visas issued and used during the financial year 2023G amounting to SAR 14.8 million in line with the increase in the average number of resources deployed from 10,590 resources in the financial year 2022G to 12,620 resources in the financial year 2023G.

(iv) Available Visas

Available visas amounted to SAR 16.6 million as of 31 December 2023G. Available visas are held as an inventory of visas that are purchased from the government at SAR 2 thousand per visa, which are issued against specific requirements from the Company, such as nationality, gender, profession. Once visas are approved by the Government, they are valid for a period of 2 years from the date they are issued to the Company and are refunded by the government in case they are not utilised.

The balance increased from SAR 13.7 million as of 31 December 2021G to SAR 18.2 million as of 31 December 2022G, mainly driven by the Company's anticipation of market demand, in addition, it provides the Company a quicker response time to demands in the market if it has these available visas in hand.

Available visas subsequently decreased to SAR 16.6 million as of 31 December 2023G, as the Company increased its utilisation of available visas in line with its business needs. As of 31 December 2023G, the Company had 8,311 available visas in hand across various nationalities and professions. We noted that 1,289 of these visas were expired as of 31 December 2023G, these amounted to SAR 2.6 million of the total balance and will be refunded by the Government accordingly.

(v) Due from Related Parties

Due from related parties amounted to SAR 0.9 million as of 31 December 2023G, balances mainly related to a SAR 0.2 million receivable from Burger Map Restaurants Company, and a SAR 0.6 million receivable from Four Twins Company Ltd. In relation to manpower services provided to these related party entities.

(vi) Investments at Fair Value Through Profit or Loss

Investments at fair value through profit or loss comprised of investments made by the Company in a trade finance portfolio.

The balance decreased from SAR 50.9 million as of 31 December 2021G to nil as of 31 December 2022G and as of 31 December 2023G, as the Company liquidated its position from this investment during the financial year 2022G and shifted to Murabaha fixed term deposits due to the rising interest rates on fixed deposits in the market.

(vii) Cash at Banks

Cash at banks amounted to SAR 216.6 million as of 31 December 2023G, mainly comprised of cash in bank amounting to SAR 16.6 million, short-term deposits amounting to SAR 200.0 million.

Cash increased from SAR 90.0 million as of 31 December 2021G to SAR 183.6 million as of 31 December 2022G, driven by cash flows generated from operating activities during the financial year 2022G amounting to SAR 53.6 million, in addition to the liquidation of the Company's investment in the trade finance portfolio by SAR 50.9 million, offset by additions made to property and equipment by SAR 7.8 million and payment of lease liabilities amounting to SAR 3.7 million.

Cash at banks further increased to SAR 216.6 million as of 31 December 2023G stemming from cash flows generated from operating activities during the financial year 2023G amounting to SAR 51.8 million, offset by additions made to property and equipment amounting to SAR 14.2 million and payment of lease liabilities amounting to SAR 5.6 million.

(c) Equity

(i) Share Capital

Share capital amounted to SAR 200.0 million as of 31 December 2023G and comprises of 20 million shares at SAR 10 per share as of 30 June 2023G, amounting to SAR 200 million. The Company's articles of association were amended based on the extra ordinary general assembly meeting held on 21 June 2023G to increase the Company's capital by transferring SAR 100.0 million from retained earnings so that the total share capital increases to SAR 200.0 million.

(ii) Statutory Reserve

Statutory reserve amounted to SAR 14.0 million as of 31 December 2023G and was created in accordance with the Kingdom's local regulations and the Company's by-laws, whereby, the Company must transfer 10 per cent. of its net income in each year (after covering accumulated losses), until the reserve amounts to 30 per cent. of the capital. Statutory reserve increased from SAR 8.5 million as of 31 December 2021G to SAR 14.0 million as of 31 December 2022G due to transfers made to statutory reserve from reported net income for FY22 and remained stable at SAR 14.0 million as of 31 December 2023G as no transfers were made to statutory reserves following the board of directors' decision on 20 February 2024G to increase its share capital through transfers an amounting to SAR 51.0 million from retained earnings and its statutory reserves in accordance with the new Companies Law.

(iii) Retained Earnings

Retained earnings amounted to SAR 86.3 million as of 31 December 2023G, consists of the accumulated net income after dividends and transfers to reserves are deducted.

Retained earnings continued to increase from SAR 76.6 million as of 31 December 2021G to SAR 125.9 million as of 31 December 2022G, driven by the Company continuously reporting a healthy net profit position and margin across the historical period. Retained earnings subsequently decreased to SAR 86.3 million as of 31 December 2023G in relation to the share capital increase of SAR 100.0 million that was transferred to share capital, offset by current period net profit.

(iv) Non-Controlling Interests

Equity attributable to non-controlling equity amounted to SAR 1.4 million as of 31 December 2023G.

(d) Non-Current Liabilities

(i) Retained Deposits – Non-Current

Retained deposits amounted to SAR 35.0 million as of 31 December 2023G, relate to security deposits held by the Company from its corporate clients against the estimate revenue equivalent to 2 months of contracted resources. This deposit is refunded to the clients after the contract expires or is terminated.

Retained deposits continued to increase across the historical period, reported at SAR 25.5 million at 31 December 2021G, SAR 29.8 million at 31 December 2022G and SAR 35.0 million at 31 December 2023G.

The increase in retained deposits is mainly driven by the increase in revenue within the corporate segment, driven by the continuous increase in average number of clients and resources, from 93 clients and 4,183 resources in the financial year 2021G, to 122 clients and 4,543 resources in the financial year 2022G and remained relatively stable at 119 clients with an increase in average number of resources to 5,529 in the financial year 2023G.

(ii) Lease Liabilities – Non-Current

Lease liabilities related to obligations in relation to the Company's right of use assets, in relation to the Company's head office lease, and branches and staff accommodation leases. The balance remained stable at around SAR 9.0 million as of 31 December 2021G and as of 31 December 2022G due to the additions of SAR 3.0 million, offset by payments amounting to SAR 2.5 million and finance costs amounting to SAR 0.6 million.

Lease liabilities subsequently increased to SAR 12.4 million as of 31 December 2023G due to the additions of SAR 8.5 million, offset by payments amounting to SAR 4.1 million and finance costs amounting to SAR 0.6 million during the financial year 2023G.

Non-current portion of lease liabilities amounted to SAR 7.5 million in the financial year 2021G, SAR 6.1 million in the financial year 2022G and further SAR 8.4 million in the financial year 2023G.

(iii) Employees' Defined Benefit Obligation

Employees' defined benefit obligation amounted to SAR 14.8 million as of 31 December 2023G, liabilities are recorded and adjusted for on an annual basis, based on an independent actuarial assessment carried out annually at the end of each reporting period, while Management records the end of service benefits obligations during the interim period following the same assumptions undertaken by the actuarial assessment during the previous year-end.

Employees' defined benefit obligation increased over the historical period from SAR 9.0 million as of 31 December 2021G to SAR 14.8 million as of 31 December 2023G due to the gradual increase in average number of deployed resources from 8,553 as of 31 December 2021G to 12,620 as of 31 December 2023G, in addition to the increase in staff salaries of general and administrative staff across the historical period.

(e) Current Liabilities

(i) Trade Payables

Trade payables amounted to SAR 8.9 million as of 31 December 2023G, and mainly relate to medical insurance premiums payables amongst other payables to suppliers.

Trade payables decreased slightly from SAR 8.3 million as of 31 December 2021G to SAR 8.1 million as of 31 December 2022G, driven by a settlement of various outstanding payables, offset by a slight increase in medical insurance premium payable by SAR 0.6 million over the 2021G to 2022G period, driven by an increase in the average number of resources deployed from 8,553 to 10,590 over the same period.

The balance subsequently increased from to SAR 8.1 million as of 31 December 2022G to SAR 8.9 million as of 31 December 2023G, driven primarily by an increase in insurance premiums payable for medical insurance and vehicle insurance, by SAR 0.6 million in line with the increase in average number of resources and the increase in the Company's delivery fleet over the 2022G to 2023G period. It is worth noting that the Company renews its medical insurance on an annual basis during December, for which the Company incurs the insurance premium and records a payable accordingly.

(ii) Contract Liabilities

Contract liabilities amounted to SAR 12.6 million as of 31 December 2023G, mainly pertains to unearned revenue within the individuals' segment in relation to advance payments made through the Company's app, website or through the branches.

The balance decreased from SAR 20.7 million as of 31 December 2021G to SAR 17.3 million as of 31 December 2022G, as individuals package continued to shift from three-month contracts to one-month contracts during the financial year 2022G with the gradual lift-off of restrictions imposed during COVID-19.

The balance continued to decrease further to SAR 12.6 million as of 31 December 2023G, partly due to the decreasing rates for the individual package sub-segment revenue following price ceilings imposed by MHRSD during February 2023G, in addition to reversals of long outstanding unclaimed customer deposits during the financial year 2023G.

(iii) Retained Deposits – Current

Retained deposits amounted to SAR 35.0 million as of 31 December 2023G, relate to security deposits held by the Company from its corporate clients against the estimate revenue equivalent to 2 months of contracted resources. This deposit is refunded to the clients after the contract expires or is terminated.

Retained deposits continued to increase across the historical period, reported at SAR 25.5 million as of 31 December 2021G, SAR 29.8 million as of 31 December 2022G and SAR 35.0 million as of 31 December 2023G.

The increase in retained deposits is mainly driven by the increase in revenue within the corporate segment, driven by the continuous increase in average number of clients and resources, from 93 clients and 4,183 resources in the financial year 2021G, to 122 clients and 4,543 resources in the financial year 2022G, and remained relatively stable at 119 clients with an increase in average number of resources to 5,529 in the financial year 2023G.

(iv) Accrued Expenses and Other Credit Balances

Accrued expenses and other credit balances amounted to SAR 53.9 million as of 31 December 2023G, mainly consists of salary and other benefits at SAR 17.5 million, vacations allowances at SAR 13.1 million, air tickets allowances at SAR 10.7 million, VAT payables at SAR 5.7 million, advance payment from clients at SAR 0.6 million, other payables at SAR 4.1 million.

The balance increased from SAR 41.2 million as of 31 December 2021G to SAR 50.2 million as of 31 December 2022G attributable to the increase in salary and other benefits by SAR 2.9 million, air tickets allowances by SAR 3.5 million, vacations allowances by SAR 3.1 million in line with the increase in average headcount from 8,553 to 10,590 over the 2021G to 2022G period, partially offset by a decrease in provision against contingent liabilities by SAR 1.9 million following reaching a settlement on pending litigation.

Accrued expenses and other payables subsequently increased to SAR 53.9 million as of 31 December 2023G mainly driven by an increase in other payables by SAR 2.3 million as well as VAT payables by SAR 1.2 million offset by a decrease in advance payments from clients by SAR 0.5 million.

(v) Lease Liabilities – Current

Lease liabilities related to obligations in relation to the Company's right of use assets, in relation to the Company's head office lease, and branches and staff accommodation leases. The balance remained stable at around SAR 9.0 million as of 31 December 2021G and as of 31 December 2022G.

Lease liabilities subsequently increased to SAR 12.4 million as of 31 December 2023G due to the additions of SAR 8.5 million, offset by payments amounting to SAR 4.1 million and finance costs amounting to SAR 0.6 million during the financial year 2023G.

(vi) Zakat Provision

Zakat provision amounted to SAR 11.2 million as of 31 December 2023G, related to Zakat payable in accordance with the regulations of the Zakat, Tax, and Customs Authority ("ZATCA").

Zakat provision increased from SAR 5.3 million as of 31 December 2021G to SAR 8.0 million as of 31 December 2022G and further to SAR 11.2 million as of 31 December 2023G, in line with the growth in the Company's net asset position across the historical period, hence, increasing the Company's Zakat base accordingly. It is worth noting that during the financial year 2023G, the Company has been subjected to a tax assessment by ZATCA for the financial years 2018G to 2021G, with tax differences identified amounting to SAR 1.6 million. The Company paid SAR 0.6 million and disputed the remaining outstanding amount with ZATCA.

6.9.2.1 Non-Current Assets

The table below summarises non-current assets as of 31 December 2021G, 31 December 2022G and 31 December 2023G:

Table 6.30: Non-Current Assets

SAR in 000s	31 December 2021G (Audited)	31 December 2022G (Audited)	31 December 2023G (Audited)
Property and equipment	33,940	36,048	44,372
Right-of-use assets	9,227	9,218	13,037
Cash margin on letter of guarantee	10,000	10,000	10,000
Visas in use - non-current portion	2,892	2,758	3,622
Prepaid recruitment expenses - non-current portion	8,605	11,840	3,235
Total non-current assets	**64,664**	**69,864**	**74,266**

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G.

Non-current assets mainly consist of property and equipment, right-of-use assets, cash insurance from a letter of guarantee, the non-current portion of the visas used, and the non-current portion of advanced recruitment expenses. Non-current assets constituted a total of 21.3 per cent., 18.6 per cent., and 16.5 per cent. as a percentage of total assets as of 31 December 2021G, 2022G and 2023G, respectively.

(a) Property and Equipment

The table below summarises the net book value of property and equipment as of 31 December 2021G, 31 December 2022G and 31 December 2023G:

Table 6.31: Net Book Value of Property and Equipment

SAR in 000s	31 December 2021G (Audited)	31 December 2022G (Audited)	31 December 2023G (Audited)
Lands	15,412	15,412	15,412
Buildings	7,379	7,946	7,586
Vehicles	4,574	5,735	11,804
Furniture and fixtures	1,236	936	716
Computers and office equipment	1,516	1,519	1,319
Electrical appliances	1,215	1,117	1,089
Leasehold improvements	1,102	487	550
Work in progress	1,507	2,895	5,896
Total	**33,940**	**36,048**	**44,372**

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G.

The table below summarises additions to property and equipment as of as of 31 December 2021G, 31 December 2022G and 31 December 2023G:

Table 6.32: Additions to Property and Equipment

SAR in 000s	31 December 2021G (Audited)	31 December 2022G (Audited)	31 December 2023G (Audited)
Lands	3,227	-	-
Buildings	1,519	-	7
Vehicles	2,160	3,749	9,600
Furniture and fixtures	301	221	307
Computers and office equipment	625	583	432
Electrical appliances	409	381	523
Leasehold improvements	12	-	288
Work in progress	1,229	2,886	3,001
Total	**9,482**	**7,819**	**14,158**

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G.

The table below summarises the accumulated depreciation on property and equipment as of 31 December 2021G, 31 December 2022G and 31 December 2023G:

Table 6.33: Accumulated Depreciation on Property and Equipment

SAR in 000s	31 December 2021G (Audited)	31 December 2022G (Audited)	31 December 2023G (Audited)
Buildings	877	1,235	1,602
Vehicles	5,069	7,657	11,188
Furniture and fixtures	1,236	1,756	2,283
Computers and office equipment	980	1,558	2,190
Electrical appliances	964	1,443	1,994
Leasehold improvements	7,577	8,764	8,989
Total	**16,704**	**22,413**	**28,246**

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G.

Property and equipment amounted to SAR 44.4 million as of 31 December 2023G, whereby it mainly comprised of property at SAR 15.4 million in the form of land owned by the Company, motor vehicles at SAR 11.8 million used in the transportation of resources from and to clients within the individuals' segment, buildings at SAR 7.6 million relating to buildings owned by the Company which is used for staff accommodation, branches, amongst others. The Company also reported SAR 5.9 million as of 31 December 2023G within properties under implementation in relation to a major ERP software update that the Company is undergoing which is expected to be completed by the beginning of the financial year 2024G.

(i) Lands

Lands amounted to SAR 15.4 million as of 31 December 2023G, mainly comprised of lands owned by the Company, the balance remained stable at SAR 15.4 million as of 31 December 2023G. The Company holds lands in different neighbourhoods, including Ta'awon amounting SAR 4.5 million, Rawdha amounting to SAR 4.2 million, Narjis amounting to SAR 3.5 million, and Al Suwaidi amounting to SAR 3.2 million.

(ii) Buildings

Buildings amounted to SAR 7.6 million as of 31 December 2023G, represents buildings constructed for the purpose of branches and accommodations mainly for the individuals' segment. These mainly pertain to buildings built on the lands owned in Ta'awon amounting to SAR 2.7 million, Rawdha amounting to SAR 2.6 million, and Al Suwaidi amounting to SAR 2.3 million.

The balance increased from SAR 7.4 million at 31 December 2021G to SAR 7.9 million as of 31 December 2022G due to further works conducted on the Company's own buildings during the financial year 2022G amounting to SAR 0.9 million.

Buildings subsequently decrease to SAR 7.6 million as of 31 December 2023G, due to depreciation charges during the financial year 2023G period amounting to SAR 0.4 million.

(iii) Vehicles

Vehicles amounted to SAR 11.8 million as of 31 December 2023G, pertains to the vehicles used for the transportation of resources from and to clients' locations.

Motor vehicles continued to increase across the historical period, reported at SAR 4.6 million at 31 December 2021G, SAR 5.7 million at 31 December 2022G, and further to SAR 11.8 million at 31 December 2023G, driven by additions within motor vehicles as the Company significantly expanded its business and operations within the individuals' segment, with additions amounting to SAR 3.7 million in the financial year 2022G, and SAR 9.6 million in the financial year 2023G, as the Company started to replace aged motor vehicles during the financial year 2023G. It is worth noting that the Company depreciates its motor vehicles over 4 years since the date of purchase.

(iv) Furniture and Fixtures

Furniture and fixtures amounted to SAR 0.7 million as of 31 December 2023G, mainly comprised of furniture used in staff accommodations such as chairs, beds, pillows, and wardrobes, amongst others, in addition to furniture placed in the Company's administrative offices and branches, such as tables for meetings, workstations, filing cabinets.

The balance continued to decrease across the historical period, reported at SAR 1.2 million at 31 December 2021G, SAR 0.9 million at 31 December 2022G, and further to SAR 0.7 million as of 31 December 2023G. The continuous decrease in furniture balance was due to depreciation over the reporting period, reported at SAR 0.5 million during the financial year 2022G and the financial year 2023G. While additions across the historical period amounted to SAR 0.2 million during the financial year 2022G and SAR 0.3 million during the financial year 2023G, driven by the increase in average number of resources in the individuals' segment.

(v) Computers and Office Equipment

Computers and office equipment amounted to SAR 1.3 million as of 31 December 2023G, include laptops, monitors, phones, printers, headsets, cameras, amongst others used by the Company for operational and administrative purposes.

The balance remained relatively stable at SAR 1.5 million as of 31 December 2021G and 31 December 2022G, and subsequently decreased to SAR 1.3 million as of 31 December 2023G.

Additions across the historical period amounted to SAR 0.6 million during the financial year 2022G and SAR 0.4 million during the financial year 2023G, as the Company expands its general and administrative staff and increases equipment within its administrative offices as required by the growth in its business. Depreciation was reported at SAR 0.6 million in the financial year 2022G due to the increasing additions over the financial year 2022G and was reported at SAR 0.6 million during the financial year 2023G.

(vi) Electrical Appliances

Electrical appliances amounted to SAR 1.1 million as of 31 December 2023G pertains to devices mainly placed in staff accommodations and offices such as fridges, televisions, air conditioners, washing machines, routers, amongst others. The balance remained stable over the review period at an average of SAR 1.1 million from 31 December 2021G to 31 December 2023G as additions to electrical devices were continually offset by depreciation across the historical period.

(vii)Leasehold Improvements

Leasehold improvements amounted to SAR 0.6 million as of 31 December 2023G represents all improvements to the right-of-use assets which includes the Company's head office, branches and accommodations.

The balance decreased from SAR 1.1 million as of 31 December 2021G to SAR 0.5 million as of 31 December 2022G, this decrease was driven by depreciation charged during the FY22 period amounting to SAR 1.2 million, due to fully depreciated leasehold improvements during the financial year 2022G. The balance increased subsequently to SAR 0.6 million as of 31 December 2023G, driven by additions made during the financial year 2023G, coupled with a lower depreciation charge amounting to SAR 0.2 million due to the fully depreciated assets in the previous year.

It is worth noting that the Company depreciates leasehold improvements over 3-5 years or the term of the contract, whichever is shorter, starting from the date of recognition.

(viii) Work in Progress

Work in progress amounted to SAR 5.9 million as of 31 December 2023G and mainly pertains to the Company's ERP implementation programme, Microsoft Dynamics 365, which the Company expects to be rolled out at the beginning of the next financial year, in addition to leasehold improvements and work in progress during the historical period.

The balance continued to increase across the historical period from SAR 1.5 million at 31 December 2021G to SAR 2.9 million as of 31 December 2022G due to additions made in relation to Microsoft Dynamics 365 implementation programme, coupled with completed works on buildings and leasehold improvements amounting to SAR 1.5 million. The balance increased to SAR 5.9 million as of 31 December 2023G, following further additions to the Company's ERP implementation programme.

(b) Right-of-Use Assets

The table below summarises right-of-use assets as of 31 December 2021G, 31 December 2022G and 31 December 2023G:

Table 6.34: Right-of-Use Assets

SAR in 000s	31 December 2021G (Audited)	31 December 2022G (Audited)	31 December 2023G (Audited)
As of 1 January	**13,829**	**9,227**	**9,218**
Additions	715	3,060	8,542
Disposals	(2,306)	-	(91)
Amortisation	(3,012)	(3,069)	(4,632)
As of 31 December	**9,227**	**9,218**	**13,037**

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G.

Right-of-use assets (RoU) comprises of various leases pertaining to staff accommodation and house the Company's branches as part of the leased buildings. Right-of-use assets relate mainly to the individuals' segment resources, in addition to the Company's head office.

Right-of-use assets remained relatively stable, reported at SAR 9.2 million as of 31 December 2021G and 31 December 2022G, with additions of SAR 3.1 million during the financial year 2022G pertaining to new leases in El Baha amounting to SAR 0.7 million, El Taaf amounting to SAR 1.0 million, El Madina amounting to SAR 0.5 million, Hail amounting to SAR 0.5 million, Riyadh amounting to SAR 0.3 million, and the Eastern province amounting to SAR 0.3 million, all pertaining to new staff accommodations and branches, offset by amortisation of right of use assets during the year in accordance with their lease term by SAR 3.1 million.

Right-of-use assets subsequently increased to SAR 13.0 million as of 31 December 2023G, with additions of SAR 8.5 million during the financial year 2023G pertaining to new leases in Riyadh amounting to SAR 2.9 million, Jeddah amounting to SAR 2.4 million, El Madina amounting to SAR 0.9 million, and Khamis Mushait amounting to SAR 1.3 million, amongst other leases, all pertaining to new staff accommodations and branches, offset by amortisation during the period amounting to SAR 4.6 million.

The major portion of the Company's right-of-use assets as of 31 December 2023G related to (i) the Company's head office lease in Riyadh with a net book value of SAR 4.3 million, on a 10-year lease term, with c. 5 years remaining on the lease, (ii) Staff accommodation and branch in Al Rimal, also in Riyadh, with a net book value of SAR 2.1 million, on a 5-year lease term, with c. 4 years remaining on the lease, (iii) two new separate staff accommodation leases in Jeddah, with a total net book value of SAR 2.2 million, both on 5 year lease terms, with the remaining (iii) SAR 4.4 million relating to various other leases relating to staff accommodations and branches, spread across the Kingdom.

The Company's leases and recognises its right of use assets based on 3-year lease terms for most of its staff accommodations and branches, and accordingly renews these upon expiry or shifts to new accommodations if operating at maximum capacity, based on market demand and Management's plans and projections for that specific area.

(c) Visas in Use – Non-Current Portion

The table below summarises visas in use - non-current portion as of 31 December 2021G, 31 December 2022G and 31 December 2023G:

Table 6.35: Visas in Use

SAR in 000s	31 December 2021G (Audited)	31 December 2022G (Audited)	31 December 2023G (Audited)
Balance at the year beginning	**5,187**	**8,132**	**9,778**
Visas issued during the year	27,520	33,248	34,450
Adjustments to the opening balance	(3)	(87)	(595)
Less: available visas	(13,688)	(18,182)	(16,622)
Visas in use	19,016	23,111	27,011
Amortisation during the year	(7,747)	(9,757)	(11,907)
Returned visas	(3,138)	(3,576)	(3,054)
Balance as of 31 December	**8,132**	**9,778**	**12,050**

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G.

Visas in use amounted to SAR 12.1 million as of 31 December 2023G, and are issued by the government to the Company upon request and are specific to the nationality, profession, sex, and region from which the resources is recruited. The Company pays these visa fees in advance and holds these “available visas “to meet upcoming demand and to increase their number of resources. Once a resource is recruited and arrives to the Kingdom, these prepayments are reclassified from visas available to “visas in use” and amortised over the contract term or the two-year validity period (whichever is shorter).

Visas in use balance continued to increase across the historical period, reported at SAR 8.1 million at 31 December 2021G, SAR 9.8 million at 31 December 2022G, and SAR 12.1 million at 31 December 2023G. These increases were in line with the continuous increase in the Company’s average number of resources deployed, increasing from 8,553 in the financial year 2021G, to 10,590 in the financial year 2022G, and further to 12,620 resources in the financial year 2023G.

(d) Prepaid Recruitment Expenses – Non-Current

The table below summarises prepaid recruitment expenses - non-current portion as of 31 December 2021G, 31 December 2022G and 31 December 2023G:

Table 6.36: Prepaid Recruitment Expenses – Non-Current

SAR in 000s	31 December 2021G (Audited)	31 December 2022G (Audited)	31 December 2023G (Audited)
Balance as of 1 January	**15,106**	**23,465**	**36,800**
Additions during the year/period	28,880	43,490	22,051
Amortisation during the year/period	(20,521)	(30,155)	(38,816)
Balance as of 31 December	**23,465**	**36,800**	**20,035**
Current portion	**14,860**	**24,960**	**16,800**
Non-current portion	**8,605**	**11,840**	**3,235**

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G.

Prepaid recruitment expenses amounted to SAR 23.5 million as of 31 December 2021G, SAR 36.8 million 31 December 2022G, and SAR 20.0 million as of 31 December 2023G. The increase in these expenses is mainly related to the increase in resources deployed during the historical period, in addition to the nationality of clients, as the agency fees and airline tickets recognised as part of the recruitment costs paid in advance vary depending on the country and the agency. It is worth noting that when the resource arrives in the Kingdom, the company amortises the balance over the contract period or two years (whichever is shorter).

The balance increased from SAR 23.5 million as of 31 December 2021G to SAR 36.8 million as of 31 December 2022G following the increase in average number of resources from 8,553 to 10,590 resources over the 2021G to 2022G period, resulting in additional recruitment expenses paid of SAR 43.5 million and amortisation of SAR 30.2 million during the financial year 2022G.

The balance subsequently decreased to SAR 20.0 million as of 31 December 2023G despite the increase in average number of resources from 10,590 to 12,620 resources over the period, due to the shift in the nationality mix of number of resources recruited from Asian nationalities for which agency fees and air tickets are paid at higher rates, to African nationalities for which agency fees and air tickets are paid at relatively lower rates, while retained employees recruitment fees continued to be fully amortised after their initial 2-year contract period. This resulted in additional recruitment expenses paid of SAR 22.1 million and amortisation of SAR 38.8 million during the financial year 2023G.

6.9.2.2 Current Assets

The table below summarises visas in use - non-current portion as of 31 December 2021G, 31 December 2022G and 31 December 2023G:

Table 6.37: Current Assets

SAR in 000s	31 December 2021G (Audited)	31 December 2022G (Audited)	31 December 2023G (Audited)
Trade receivables	27,857	36,334	75,731
Prepayments and other debit balances	51,677	59,158	57,956
Visas in use – current	5,239	7,019	8,428
Available visas	13,688	18,182	16,622
Due from related parties	219	626	875
Investments at fair value through profit or loss	50,896	-	-
Bank deposits	-	-	-
Cash at banks	90,028	183,634	216,625
Total	**239,604**	**304,953**	**376,237**

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G.

Current assets mainly consist of trade receivables, prepayments and other debit balances, the current portion of visas in use, available visas, due from related parties, investments at fair value through profit or loss, deposits with banks, and cash with banks. Current assets represented 78.7 per cent., 81.4 per cent., and 83.5 per cent. as a percentage of total assets as of 31 December 2021G, 31 December 2022G and 31 December 2023G, respectively.

(a) Trade Receivables

The table below summarises trade receivables as of 31 December 2021G, 31 December 2022G and 31 December 2023G:

Table 6.38: Trade Receivables

SAR in 000s	31 December 2021G (Audited)	31 December 2022G (Audited)	31 December 2023G (Audited)
Trade receivables – individuals	1,507	1,227	1,721
Trade receivables – businesses	27,340	37,826	77,355
Expected credit loss provision	(989)	(2,719)	(3,345)
Total	**27,857**	**36,334**	**75,731**
Aging of trade receivables	28	27	41

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G.

(1) The average receivables collection period was calculated using the average (total trade receivables) for the previous and current period / revenues from contracts concluded with customers * 365 days for the financial years ended 31 December 2021G, 2022G and 2023G.

Table 6.39: The Aging of Trade Receivables as of 31 December 2023G

SAR in 000s	> 31 days	31 – 90 days	91-120 days	121 – 365 days	<365 days	Total
Net trade receivables	30,918	33,834	2,861	7,752	3,710	79,076

Source: Audited consolidated financial statements for the financial year ended 31 December 2023G.

Table 6.40: The Aging of Trade Receivables as of 31 December 2022G

SAR in 000s	> 31 days	31 – 90 days	91-120 days	121 – 365 days	<365 days	Total
Net trade receivables	20,878	11,948	2,093	1,316	2,818	39,053

Source: Audited consolidated financial statements for the financial year ended 31 December 2022G.

Table 6.41: The Aging of Trade Receivables as of 31 December 2021G

SAR in 000s	> 31 days	31 – 90 days	91-120 days	121 – 365 days	<365 days	Total
Net trade receivables	18,384	8,012	515	672	1,263	28,846

Source: Audited consolidated financial statements for the financial year ended 31 December 2021G.

Trade receivables amounted to SAR 75.7 million as of 31 December 2023G, mainly relate to revenue generated from corporate clients in the previous month. The Company does not usually provide credit terms to its clients, however, does allow credit terms of between one to two months for key major clients as part of maintaining good relationships with clients.

Gross receivables increased from SAR 28.8 million at 31 December 2021G to SAR 39.1 million as of 31 December 2022G, following the increase in average number of clients from 93 to 122 clients over the 2021G to 2022G period, while the Company held SAR 29.8 million of retained deposits against corporate receivables as of 31 December 2022G, with SAR 7.6 million of outstanding receivables collected during the first quarter of 2023G. Gross receivables continued to increase, reaching SAR 79.1 million as of 31 December 2023G. This increase was driven by the rise in the average number of resources deployed in the financial year 2023G, which reached 5,529 resources, compared to 4,543 resources in the financial year 2022G, mainly attributable to resources deployed to a major client, and represented SAR 32.5 million of total outstanding receivables. As of 31 December 2023G, the Company held SAR 35.0 million of retained deposits against outstanding receivables, with SAR 60.6 million of outstanding receivables collected in the first quarter of 2024G.

The table below summarises the allowance for expected credit losses as of 31 December 2021G, 31 December 2022G and 31 December 2023G:

Table 6.42: Expected Credit Loss Allowance

SAR in 000s	31 December 2021G (Audited)	31 December 2022G (Audited)	31 December 2023G (Audited)
Balance as of 1 January	**989**	**989**	**2,719**
Additions during the year/period	-	1,742	626
Disposals during the year/period	-	(12)	-
Balance as of 31 December	**989**	**2,719**	**3,345**

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G.

ECL provision on trade receivables represents provisions related to doubtful receivables calculated in accordance with IFRS 9. The Company engages an external consultant to conduct the ECL provision assessment on its receivables at each reporting date. The ECL model takes into accounts only receivables balances which are not secured against a retained deposit (exposures at default ("EAD")) or another form of guarantee. The ECL model segments the unsecured gross receivables into aging buckets up to and over a year. A probability of default ("PD") and a loss given default ("LGD") rate are then assigned to each bucket. The unsecured gross receivable amount is multiplied by the possibility of default and the loss given default rate to arrive at the estimated ECL provision. According to the Company's ECL assessment, it did not require to record a provision during the financial year 2021G.

(b) Prepayments and Other Debit Balances

The table below summarises prepayments and other debit balances as of 31 December 2021G, 31 December 2022G and 31 December 2023G:

Table 6.43: Prepayments and Other Debit Balances

SAR in 000s	31 December 2021G (Audited)	31 December 2022G (Audited)	31 December 2023G (Audited)
Prepaid expenses	32,398	22,998	21,041
Prepaid recruitment fees	14,860	24,960	16,800
Advances to suppliers	2,289	7,775	12,786
Cash guarantee	-	-	3,462
Staff receivables	437	870	682
Others	1,691	2,556	3,184
Total	**51,677**	**59,158**	**57,954**

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G.

(i) Prepaid Expenses

Prepaid expenses amounted to SAR 21.0 million as of 31 December 2023G and comprised of (i) prepaid expat fees at SAR 12.8 million that are paid for all non-Saudi resources employed within the corporate sector at SAR 9.6 thousand annually per resource, (ii) prepaid medical insurance premium at SAR 4.9 million, (iii) prepaid iqama fees at SAR 2.5 million that are paid for all non-Saudi resources employed by the Company at SAR 650 annually per resource, (iv) prepaid visa fees which are paid to the MHRSD for visa requests, (v) prepaid rent at SAR 0.9 million, and (vi) prepaid work permit fees paid for all resources at SAR 100 per resource annually.

Prepaid expenses decreased from SAR 32.4 million as of 31 December 2021G to SAR 22.9 million as of 31 December 2022G primarily due to a decrease in prepaid expat fees paid against corporate segment resources by SAR 9.1 million due to the Company changing its prepayments from annual payments of SAR 9.6 thousand per resource, to quarterly payments of SAR 2.4 thousand per resource, as allowed by the MHRSD, to reduce the Company's risk in case of runaways, and to maintain the Company's liquidity.

Prepaid expenses subsequently decreased further to SAR 21.3 million as of 31 December 2023G due to a (i) decrease in prepaid expat fees paid against corporate segment resources by SAR 1.2 million as part of the prepayment made against expat fees that had already been accrued, (ii) decrease in the prepaid iqama fees by SAR 0.2 million, as the Company also switched to paying these expenses quarterly rather than annually, and (iii) a decrease in prepaid work permit fees to nil as these were no longer accrued but rather expensed when incurred during the financial year 2023G due to the low fee amount per resource.

(ii) Prepaid Recruitment Fees

Prepaid recruitment fees amounted to SAR 16.8 million as of 31 December 2023G, pertains to the current portion of prepaid agency fees and air ticket fees for recruitment of resources, these prepayments are subsequently amortised over the contract period or two years (whichever is shorter) once the resource arrives to the Kingdom.

The balance increased from SAR 14.9 million as of 31 December 2021G to SAR 25.0 million as of 31 December 2022G, being the current portion of recruitment expenses incurred on the Company's deployed resources, driven to the increase in average number of resources from 8,553 to 10,590 over the 2021G to 2022G period, coupled with higher agency costs and average air ticket prices incurred during the COVID-19 pandemic in sourcing resources due to the global restrictions and scarcity of resources.

The balance subsequently decreased to SAR 16.8 million as of 31 December 2023G, due to the full amortisation of recruitment fees related to retained resources, while the Company continued to increase its number of resources reaching an average of 12,560 resources during the financial year 2023G.

(iii) Advances to Suppliers

Advances suppliers amounted to SAR 12.8 million as of 31 December 2023G and mainly pertains to advance payments to agents in foreign countries in which the Company deals with to obtain resources.

Foreign agencies require advance payments to initiate the recruitment process, which are agreed upon with the Company. Resources are interviewed by an assigned agent of the Company either virtually or in-person within the country from which the Company is recruiting resources, if required, and subsequently selects qualified resources accordingly. Once the Company completes the recruitment process, and the resource arrives to the Kingdom, these expenses are reclassified as recruitment expenses paid in advance and are amortised over a 2-year period.

The balance increased from SAR 2.3 million as of 31 December 2021G to SAR 7.8 million as of 31 December 2022G as there were restrictions on recruiting resources from Indonesia and Philippines during the COVID-19 pandemic, that were lifted during the financial year 2022G, and the Company recommenced recruitment campaigns from these countries, noting that agency fees for Indonesian resources are relatively higher than other nationalities, driving the increase accordingly.

The balance increased further to SAR 12.8 million as of 31 December 2023G, driven by the Company's continuous recruitment campaigns in Indonesia and Philippines, with major prepayments made to the Company's key agencies in Indonesia as of 31 December 2023G.

(iv) Cash Guarantee

Cash guarantee amounted to SAR 3.5 million as of 31 December 2023G primarily related to cash margins held against letters of guarantee for participation in tenders for government contracts.

(v) Staff Receivables

Staff receivables amounted to SAR 0.7 million as of 31 December 2023G, pertains to short-term salary advances paid to staff, based on staff requests and management discretion. The balance increased from SAR 0.4 million as of 31 December 2021G to SAR 0.9 million as of 31 December 2022G in line with the increase in average number of resources. Staff receivables subsequently decreased to SAR 0.7 million as of 31 December 2023G due to a lower number of advances paid out to staff towards the end of the financial year 2023G.

(vi) Others

Others amounted to SAR 3.2 million as 31 December 2023G, mainly pertains to unearned income on fixed deposits, prepaid licence fees for providing IT services, prepaid vehicles insurance, amongst others. The balance increased from SAR 1.7 million as of 31 December 2021G to SAR 2.6 million as of 31 December 2022G mainly due to a SAR 0.5 million prepayment made to Merwas, a marketing services company.

The balance subsequently increased to SAR 3.2 million as of 31 December 2023G driven by an unearned income balance of SAR 0.7 million recorded against Murabaha fixed term deposits which have not matured yet.

(c) Visas in Use

The table below summarises visas in use as of 31 December 2021G, 31 December 2022G and 31 December 2023G:

Table 6.44: Visas in Use

SAR in 000s	31 December 2021G (Audited)	31 December 2022G (Audited)	31 December 2023G (Audited)
Balance as of 1 January	**5,187**	**8,132**	**9,778**
Visas issued during the year/period	27,520	33,248	34,450
Adjustments to the opening balance	(3)	(87)	(595)
Less: available visas	(13,688)	(18,182)	(16,622)
Visas in use	19,016	23,111	27,011
Amortisation during the year/period	(7,747)	(9,757)	(11,907)
Returned visas	(3,138)	(3,576)	(3,054)

SAR in 000s	31 December 2021G (Audited)	31 December 2022G (Audited)	31 December 2023G (Audited)
Balance as of 31 December	**8,132**	**9,778**	**12,050**
Current portion	**5,239**	**7,019**	**8,428**
Non-current portion	**2,892**	**2,758**	**3,622**

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G.

Visas are issued by the government to a company upon request, and are specific to the nationality, occupation, gender, and region from which the resource is being recruited. The company pays visa fees in advance and registers under "Available Visas" to meet market demand and increase the number of resources according to management plans. When the worker is hired and arrives in the Kingdom, these "available visas" are reclassified to "visas in use" and are amortised over the contract period or two years (whichever is shorter), beginning when the visa is used through the worker's entry into the Kingdom. Please refer to Section 6.9.2.1(c) (*Visas in Use - Non-Current Portion*) for additional details.

(d) Available Visas

The table below summarises available visas as of 31 December 2021G, 31 December 2022G and 31 December 2023G:

Table 6.45: Available Visas

SAR in 000s	31 December 2021G (Audited)	31 December 2022G (Audited)	31 December 2023G (Audited)
Issued visas during the year/period	32,704	41,293	43,633
Transfer to visas in use	(19,016)	(23,111)	(27,011)
Total	**13,688**	**18,182**	**16,622**

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G.

Available visas amounted SAR 16.6 million as of 31 December 2023G, are held as an inventory of visas that are purchased from the government at SAR 2 thousand per visa, which are issued against specific requirements from the Company, such as nationality, sex, profession. Visas once approved by the Government, are valid for a period of two years from the date they are issued to the Company and are refunded by the government in case they are not utilised.

The balance increased from SAR 13.7 million as of 31 December 2021G to SAR 18.2 million as of 31 December 2022G, this increase was mainly driven by the Company's anticipation of market demand, in addition, it provides the Company a quicker response time to demands in the market if it has these available visas in hand.

Available visas decreased to SAR 16.6 million as of 31 December 2023G, with 8,311 available visas in hand across various nationalities and professions. We noted that 1,289 of these visas were expired as of 31 December 2023G, these amounted to SAR 2.6 million of the total balance and will be refunded by the Government accordingly.

(e) Due from Related Parties

The table below summarises Due from related parties as of 31 December 2021G, 31 December 2022G and 31 December 2023G:

Table 6.46: Due from Related Parties

SAR in 000s	Nature of relationship	31 December 2021G (Audited)	31 December 2022G (Audited)	31 December 2023G (Audited)
Fast food burger map restaurants company	Related to shareholder	135	206	247
Four Twins Co., Ltd.	Related to shareholder	76	419	628
Khaled Suleiman Al-Naqir Ready Mix Concrete Factory	Related to shareholder	8	-	-
Total		**219**	**626**	**875**

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G.

Due from related parties amounted to SAR 0.9 million as of 31 December 2023G, increased from a balance of SAR 0.2 million as of 31 December 2021G to SAR 0.6 million as of 31 December 2022G, mainly attributable to manpower resources provided to Burger Map Restaurants Company, and Four Twins Company Ltd. during the financial year 2022G, both of which are companies owned by direct families of one of the Company's shareholders.

The balance subsequently increased to SAR 0.9 million as of 31 December 2023G mainly by the increases in receivables from Burger Map Restaurants Company, and Four Twins Company Ltd. In relation to a slight increase in manpower resources deployed.

(f) Cash at Banks

The table below summarises cash at banks as of 31 December 2021G, 31 December 2022G and 31 December 2023G:

Table 6.47: Cash at Banks

SAR in 000s	31 December 2021G (Audited)	31 December 2022G (Audited)	31 December 2023G (Audited)
Cash at banks	90,028	16,745	16,625
Short term deposits	-	166,890	200,000
Long term deposits	-	-	-
Total	**90,028**	**183,634**	**216,625**

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G.

Cash at banks amounted to SAR 216.6 million as of 31 December 2023G, mainly comprised of cash at bank amounting to SAR 16.6 million and short-term deposits amounting to SAR 200.0 million.

Cash at banks amounted to SAR 90.0 million as of 31 December 2021G, SAR 183.6 million as of 31 December 2022G, and SAR 216.6 million as of 31 December 2023G. Please refer to Section 6.9.2 (*Consolidated Statement of Financial Position*) for additional details.

6.9.2.3 Equity

The table below summarises equity as of 31 December 2021G, 31 December 2022G and 31 December 2023G:

Table 6.48: Equity

SAR in 000s	31 December 2021G (Audited)	31 December 2022G (Audited)	31 December 2023G (Audited)
Share capital	100,000	100,000	200,000
Statutory Reserve	8,499	13,976	13,976
Retained Earnings	76,587	125,909	86,331
Equity related to shareholders in the parent company	185,086	239,885	300,307
Non-controlling interest	-	-	1,355
Total equity	**185,086**	**239,885**	**301,662**

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G.

The balance of total equity amounted to SAR 185.1 million as of 31 December 2021G, SAR 239.9 million as of 31 December 2022G, and SAR 301.7 million as of 31 December 2023G. Equity consists of share capital SAR 200.0 million, statutory reserve of SAR 14.0 million, and retained earnings SAR 86.3 million as of 31 December 2023G.

(a) Share Capital

The table below summarises the share capital as of 31 December 2023G:

Table 6.49: Share Capital

Shareholders	Number of stocks	Share capital
Tasheel Real Estate Company	6,825,000	68,250,000
Dr. Sulaiman Al Habib for Medical Services Group Company	5,000,000	50,000,000
Abdulrahman Ali Abdullah Al Qubaisi	2,250,000	22,500,000
Faris Saleh Mutlq Alhenaki	2,000,000	20,000,000
Saleh Mohammed Saleh Al Hajjaj	2,000,000	20,000,000
Abdullah Suleiman Abdulrahman Al-Nuqair	750,000	7,500,000
Abdullah Ahmed Sultan Al Shehri	600,000	6,000,000
Saif Mohammad Saif Al Sharikh	375,000	3,750,000
Ziad Mohamed Maki Saleh Al Tunsi	200,000	2,000,000
Total	**20,000,000**	**200,000,000**

Source: Audited financial statements for the financial year ended as of 31 December 2023G.

Share capital amounted to SAR 200.0 million as of 31 December 2023G and comprises of 20 million shares at SAR 10 per share as of 31 December 2023G, amounting to SAR 200 million. The Company's articles of association were amended based on the extra ordinary general assembly meeting held on 21 June 2023G to increase the Company's capital by transferring SAR 100.0 million from retained earnings so that the total share capital increases to SAR 200.0 million. See section 6.9.2 (*Consolidated Statement of Financial Position*) for additional details.

(b) Statutory Reserve

Statutory reserve amounted to SAR 8.5 million as of 31 December 2021G, SAR 14.0 million as of 31 December 2022G, and SAR 14.0 million as of 31 December 2023G.

The statutory reserve was established in accordance with the Saudi Companies Law and the company's bylaws, whereby the company is required to transfer 10 per cent. of its net income each year after covering accumulated losses until the reserve reaches 30 per cent. of the total capital. See Section 6.9.2 (*Consolidated Statement of Financial Position*) for additional details.

(c) Retained Earnings

Retained earnings amounted to SAR 76.6 million as of 31 December 2021G, SAR 125.9 million as of 31 December 2022G, and SAR 86.3 million as of 31 December 2023G. It consists of accumulated net income after deducting dividends and transfers to the statutory reserve. See Section 6.9.2 (*Consolidated Statement of Financial Position*) for additional details.

(d) Non-Controlled Equity

Equity attributable to non-controlling interests amounted to SAR 1.4 million as of 31 December 2023G.

6.9.2.4 Non-Current Liabilities

The table below summarises non-current liabilities as of 31 December 2021G, 31 December 2022G and 31 December 2023G:

Table 6.50: Non-Current Liabilities

SAR in 000s	31 December 2021G (Audited)	31 December 2022G (Audited)	31 December 2023G (Audited)
Retained deposits – non-current	20,024	9,401	1,884
Lease liabilities – non-current	7,038	6,124	8,407
Employees' defined benefit obligation	8,958	12,453	14,823
Total	**36,021**	**27,978**	**25,114**

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G.

Non-current liabilities consist mainly of the non-current portion of retained deposits, the non-current portion of lease liabilities, and employees defined benefit obligation. Non-current liabilities constituted 30.2 per cent., 20.7 per cent., and 16.9 per cent. of total liabilities as of 31 December 2021G, 31 December 2022G and 31 December 2023G.

(a) Retained Deposits – Non-Current

The table below summarises Retained deposits as of 31 December 2021G, 31 December 2022G and 31 December 2023G:

Table 6.51: Retained Deposits

SAR in 000s	31 December 2021G (Audited)	31 December 2022G (Audited)	31 December 2023G (Audited)
Deposits from individual customers	1,240	519	-
Deposits from businesses customers	24,297	29,328	34,998
Total	**25,537**	**28,847**	**34,998**
Current portion	**5,513**	**20,447**	**33,114**
Non - current portion	**20,024**	**9,401**	**1,884**

Source: Audited financial statements for the financial years ended 31 December 2020G, 2021G, 2023G.

Retained deposits is mainly relate to security deposits held by the Company from its corporate clients against the estimate revenue equivalent to 2 months of contracted resources. This deposit is refunded to the clients after the contract expires or is terminated. The non-current portion of retained deposits amounted to SAR 20.0 million as of 31 December 2021G, SAR 9.4 million as of 31 December 2022G, and SAR 1.9 million as of 31 December 2023G. See Section 6.9.2 (*Consolidated Statement of Financial Position*) for additional details.

(b) Lease Liabilities – Non-Current

The table below summarises Lease liabilities as of 31 December 2022G, 31 December 2022G, 31 December 2023G:

Table 6.52: Lease Liabilities

SAR in 000s	31 December 2021G (Audited)	31 December 2022G (Audited)	31 December 2023G (Audited)
As of 1 January	13,312	9,043	9,012
Additions during the year/period	715	3,060	8,543
Disposals during the year/period	(2,306)	-	(443)
Finance costs	(600)	(605)	(582)
Payments during the year/period	(2,077)	(2,486)	(4,090)
As of 31 December	**9,043**	**9,012**	**12,440**
Current portion	**2,005**	**2,887**	**8,407**
Non - current portion	**7,038**	**6,124**	**4,032**

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G.

Lease liabilities related to obligations in relation to the Company's right of use assets, in relation to the Company's head office lease, and branches and staff accommodation leases. The balance of the non-current portion of lease liabilities amounted to SAR 7.0 million as of 31 December 2021G, SAR 6.1 million as of 31 December 2022G, and SAR 4.0 million as of 31 December 2023G. See Section 6.9.2 (*Consolidated Statement of Financial Position*) for additional details.

(c) Employees' Defined Benefit Obligation

The table below summarises Lease liabilities as of 31 December 2021G, 31 December 2022G and 31 December 2023G:

Table 6.53: Employee Defined Benefit Obligation

SAR in 000s	31 December 2020G (Audited)	31 December 2021G (Audited)	31 December 2022G (Audited)
As of 1 January	**6,104**	**8,958**	**12,453**
Current service costs	4,728	5,544	6,532
Finance costs	182	177	524
Paid during the year/period	(1,531)	(2,197)	(4,093)
Actuarial re-measurement	(525)	(29)	(593)
As of 31 December	**8,958**	**12,453**	**14,823**

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G.

Employee defined benefit obligation amounted to SAR 14.8 million as of 31 December 2023G, liabilities are recorded and adjusted for on an annual basis, based on an independent actuarial assessment carried out annually at the end of each reporting period, while Management records the end of service benefits obligations during the interim period following the same assumptions undertaken by the actuarial assessment during the previous year-end. EOSB increased over the historical period from SAR 9.0 million as of 31 December 2021G to SAR 14.8 million as of 31 December 2023G due to the gradual increase in average number of deployed resources from 8,553 as of 31 December 2021G to 12,620 as of 31 December 2023G, in addition to the increase in staff salaries of general and administrative staff across the historical period.

6.9.2.5 Current Liabilities

The table below summarises current liabilities as of 31 December 2021G, 31 December 2022G and 31 December 2023G:

Table 6.54: Current Liabilities

SAR in 000s	31 December 2021G (Audited)	31 December 2022G (Audited)	31 December 2023G (Audited)
Trade payables	8,334	8,080	8,913
Contract liabilities	20,718	17,348	12,563
Retained deposits – Current portion	5,513	20,447	33,114
Accrued expenses and other credit balances	41,242	50,218	53,930
Due to related parties	18	-	-
Lease liabilities – Current portion	2,005	2,887	4,032
Zakat provision	5,333	7,974	11,175
Total	**83,161**	**106,954**	**123,727**

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G.

Current liabilities mainly consist of trade payables, contract liabilities, the current portion of retained deposits, accrued expenses and other credit balances, due to related parties, the current portion of lease liabilities and zakat payable. Current liabilities represented 69.8 per cent., 79.3 per cent., and 83.1 per cent. as a percentage of total liabilities as of 31 December 2021G, 31 December 2022G and 31 December 2023G.

(a) Contract Liabilities

The table below summarises Contract liabilities as of 31 December 2021G, 31 December 2022G and 31 December 2023G:

Table 6.55: Contract Liabilities

SAR in 000s	31 December 2021G (Audited)	31 December 2022G (Audited)	31 December 2023G (Audited)
As of 1 January	24,773	20,718	17,348
Additions	220,865	267,382	293,209
Used	(224,920)	(270,752)	(297,994)
As of 31 December	**20,718**	**17,348**	**12,563**

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G.

Contract liabilities amounted to SAR 12.6 million as of 31 December 2023G, mainly pertains to unearned revenue within the individuals' segment in relation to advance payments made through the Company's app, website or through the branches.

The balance decreased from SAR 20.7 million as of 31 December 2021G to SAR 17.3 million as of 31 December 2022G, as individuals package continued to shift from 3-month contracts to 1-month contracts during the financial year 2022G with the gradual lift-off of restrictions imposed during COVID-19.

The balance continued to decrease further to SAR 12.6 million as of 31 December 2023G, partly due to the decreasing rates for the individual package sub-segment revenue following price ceilings imposed by MHRSD during February 2023G, in addition to reversals of long outstanding unclaimed customer deposits during the financial year 2023G.

(b) Retained Deposits – Current Portion

Retained deposits mainly relate to security deposits held by the Company from its corporate clients against the estimate revenue equivalent to 2 months of contracted resources. This deposit is refunded to the clients after the contract expires or is terminated.

The current portion of retained insurance amounted to SAR 5.5 million as of 31 December 2021G, SAR 20.4 million as of 31 December 2022G, and SAR 33.1 million as of 31 December 2023G. See Section 6.9.2 (*Consolidated Statement of Financial Position*) for additional details.

(c) Accrued Expenses and Other Credit Balances

The table below summarises accrued expenses and other credit balances as of 31 December 2021G, 31 December 2022G and 31 December 2023G:

Table 6.56: Accrued Expenses and Other Credit Balances

SAR in 000s	31 December 2021G (Audited)	31 December 2022G (Audited)	31 December 2023G (Audited)
Accrued salaries and other benefits	15,027	17,929	17,545
Accrued vacations	9,162	12,252	13,086
Accrued tickets	6,930	10,445	10,724
Value Added Tax payable	3,399	4,474	5,689
Bonus provision	2,149	2,040	2,231
Advances from customers	1,452	1,055	573
Provision for legal and contingent liabilities	2,167	258	-
Others	956	1,765	4,081
Total	**41,242**	**50,218**	**53,929**

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G.

(i) Accrued Salaries and Other Benefits

Accrued salaries and other benefits amounted to SAR 17.5 million as of 31 December 2023G, balances pertain to month-end salary accruals which are paid in the subsequent month. The balance increased from SAR 15.0 million as of 31 December 2021G to SAR 17.9 million as of 31 December 2022G, mainly due to the increase in average number of deployed resources from 8,553 to 10,590 resources over the 2021G to 2022G period, coupled with the Company recognised an accrual against unpaid salaries to under-utilised resources within the individuals' segment during the financial year 2022G. The balance slightly decreased to SAR 17.5 million as of 31 December 2023G, due to reversals made in relation to accrued unpaid salaries for resources that have left the Company and received their final settlements.

The salary and other benefits accruals include SAR 5.3 million related to unpaid salaries to under-utilised resources within the individuals' segment as of 31 December 2023G.

(ii) Accrued Vacations

Accrued vacations amounted to SAR 13.1 million as of 31 December 2023G, related to accruals recorded against outstanding vacation days of resources based on their total remuneration, as at the period-end reporting date.

The balance increased from SAR 9.2 million as of 31 December 2021G to SAR 12.3 million as of 31 December 2022G in line with the increase in average number of deployed resources, with average number of resources reaching 10,590 resources during the financial year 2022G, in addition to the increase average staff costs with the retention of certain resources particularly in the corporate sector, past their initial 2-year contract period, which the Company awards an increment to accordingly. The balance subsequently increased to SAR 13.1 million as of 31 December 2023G in line with the increase in average number of deployed resources to 12,620 in the financial year 2023G.

(iii) Accrued Tickets

Accrued tickets amounted to SAR 10.7 million as of 31 December 2023G, pertain to air tickets provided to foreign employees on an annual basis, as required by the local labour laws within the Kingdom. The Company accrues for tickets on a monthly basis based on the average ticket costs for each resource based on their country of origin.

The balance increased from SAR 6.9 million as of 31 December 2021G to SAR 10.4 million as of 31 December 2022G with the increase in average number of resources deployed to 10,590 in the financial year 2022G. The amount increased further to SAR 10.7 million as of 31 December 2023G again due to the increase in average number of deployed resources reaching 12,620 in the financial year 2023G.

(iv) Value Added Tax Payable (VAT)

VAT payable amounted to SAR 5.7 million as of 31 December 2023G, relates to net VAT payable to ZATCA on a monthly basis. The balance increased over the review period in line with the increase in revenue across the historical period, reported at SAR 3.4 million as of 31 December 2021G, SAR 4.5 million as of 31 December 2022G, and SAR 5.7 million as of 31 December 2023G.

(v) Bonus Provision

Bonus provision amounted to SAR 2.2 million as of 31 December 2023G, is accrued at 3.7 per cent. of the Company's reported net profit on a monthly basis. Bonus however is paid based on the discretion of the board of directors in the subsequent year, after the audited financial statements are issued.

The balance increased from SAR 2.1 million as of 31 December 2021G to SAR 2.2 million as of 31 December 2023G while net profit has increased over the 2021G-2023G period from SAR 53.4 million in the financial year 2021G, to SAR 54.8 million in the financial year 2022G and SAR 59.6 million in the financial year 2023G.

(vi) Advances from Customers

Advances from customers amounted to SAR 0.6 million as of 31 December 2023G, pertained mainly to clients within the individuals' segment which have paid for individual package services, however, did not yet avail the services. The balance decreased from SAR 1.5 million as of 31 December 2021G to SAR 1.1 million as of 31 December 2022G and further to SAR 0.6 million as of 31 December 2023G. The balance decreased as services were availed by clients, or advances were refunded back to clients.

(vii)Provision for Legal and Contingent Liabilities

Provision for legal and contingent liabilities amounted to nil as of 31 December 2023G, relates to a legal case involving a branch manager who defrauded customers during the financial year 2020G. The manager collected fees from customers for resources per the company's service offerings but intentionally did not record these transactions in the company's ERP systems. This provision was reversed in the financial year 2022G following a settlement with the defrauded clients. The balance decreased from SAR 2.2 million as of 31 December 2021G to SAR 0.3 million as of 31 December 2022G, due to the reversal resulting from the settlement with the defrauded clients. The provision also relates to pending litigation against the company involving individual segment clients. The balance subsequently decreased to nil as of 31 December 2023G due to the reversal of the remaining balance as the litigation has been settled in full.

(viii) Others

Others amounted to SAR 4.1 million as of 31 December 2023G, mainly related to GOSI accruals for the month, accruals relating to commissions payable to staff, services received but not yet invoiced by vendors / suppliers, amongst others.

The balance increased from SAR 1.0 million as of 31 December 2021G to SAR 1.8 million as of 31 December 2022G due to an increase across various accruals relating to marketing services by SAR 0.2 million, government expenses by SAR 0.1 million professional services by SAR 0.1 million, amongst others.

The balance subsequently increased to SAR 4.1 million as of 31 December 2023G mainly attributable to an increase in accrued government fees paid by the Company on behalf of one of its clients by SAR 1.5 million, in addition to an increase in supervision fees accruals by SAR 0.7 million and marketing fees payable relating to social media ads by SAR 0.3 million, amongst others.

(d) Due to Related Parties

The table below summarises due to related parties and other credit balances as of 31 December 2021G, 31 December 2022G and 31 December 2023G:

Table 6.57: Due to Related Parties

SAR in 000s	Nature of relationship	31 December 2021G (Audited)	31 December 2022G (Audited)	31 December 2023G (Audited)
Abdullah Suleiman Abdul Rahman Al-Naqir	Shareholder (MD)	-	-	-
Mohammed and Abdullah Suleiman Al-Naqir Company	Related to shareholder	18	-	-
Total		**18**	**-**	**-**

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G.

Due to related parties amounted to 18 thousand Saudi riyals as of 31 December 2021G. See Section 6.9.2 (*Consolidated Statement of Financial Position*) for additional details.

(e) Lease Liabilities – Current

Lease liabilities related to obligations in relation to the Company's right of use assets, in relation to the Company's head office lease, and branches and staff accommodation leases. The balance is classified between the current portion and the non-current portion based on the rental maturity period.

The balance of the current portion of lease liabilities amounted to SAR 2.0 million as of 31 December 2021G, SAR 2.9 million as of 31 December 2022G, and SAR 4.0 million as of 31 December 2023G. See Section 6.9.2 (*Consolidated Statement of Financial Position*) for additional details.

(f) Zakat Provision

The table below summarises the components of the Zakat pool as of as of 31 December 2021G, 31 December 2022G and 31 December 2023G:

Table 6.58: Components of the Zakat Pool

SAR in 000s	31 December 2021G (Audited)	31 December 2022G (Audited)	31 December 2023G (Audited)
Adjusted profit for the year before zakat	66,190	69,978	76,696
Share capital	100,000	100,000	200,000
Retained earnings	28,032	76,587	25,909
Statutory reserve	3,104	8,499	13,976
Other provisions and adjustments	8,018	8,165	39,263
Lease liabilities	9,043	9,012	12,439
Right-of-use assets	(9,227)	(9,218)	(13,037)
Property and equipment	(33,940)	(36,048)	(44,609)
Advances from customers	-	1,055	573
Zakat provision	-	2,096	3,000
Retained deposits	-	-	-
Contract liabilities	-	-	-
Cash margin on letter of guarantee	-	-	-
Visas in use – non-current	-	-	(3,622)
Total (before amendment)	**171,220**	**230,126**	**310,588**
Amendments to the zakat pool	3,264	4,976	7,268
Zakat pool	**174,484**	**235,103**	**317,856**

Source: Audited financial statements for the financial years ended 31 December 2021G, 2022G and 2023G.

The table below summarises the zakat provision as of 31 December 2021G, 31 December 2022G and 31 December 2023G:

Table 6.59: Zakat Payable

SAR in 000s	31 December 2021G (Audited)	31 December 2022G (Audited)	31 December 2023G (Audited)
As of 1 January	3,764	5,333	7,974
Zakat expense charged for the year/period	4,829	5,878	8,175
Paid during the year/period	(3,259)	(3,237)	(4,974)
As of 31 December	5,333	7,974	11,175

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G.

Zakat payable increased from SAR 5.3 million as of 31 December 2021G to SAR 8.0 million as of 31 December 2022G and further to SAR 11.2 million as of 31 December 2023G, in line with the growth in the Company's net asset position across the historical period, hence, increasing the Company's Zakat base accordingly.

It is worth noting that the company was subject to the zakat assessment for the years between 2018G – 2021G by the Zakat, Tax and Customs Authority (ZATCA). The Authority issued an assessment with a total value of SAR 1.6 million, and therefore all financial years since incorporation are still open tax years.

6.9.3 Consolidated Statement of Cash Flow

The table below summarises the consolidated statement of cash flows for the financial years ended 31 December 2021G, 31 December 2022G and 31 December 2023G:

Table 6.60: Summary of the Consolidated Statement of Cash Flows

SAR in 000s	31 December 2021G (Audited)	31 December 2022G (Audited)	31 December 2023G (Audited)
Cash from operating activities:			
Profit for the year before zakat	58,254	60,648	67,759
Adjustments for:			
Depreciation	6,256	5,709	5,833
Amortisation of right of use	4,603	3,069	4,632
Amortisation of visas in use	7,747	9,757	11,907
Expected credit losses	-	1,742	626
Finance cost	782	177	524
Adjustments to contract liabilities	-	-	(352)
Provision for advances to suppliers	-	-	1,255
Write off work in progress	929	-	-
Employees' defined benefit obligation costs	4,728	5,544	6,532
Changes in working capital:			
Trade receivables	(1,449)	(10,219)	(40,024)
Prepayments and other debit balances	(13,347)	(10,717)	8,553
Visas in use	(29,708)	(34,514)	(41,190)
Available visas	16,054	18,617	28,571
Retained deposits	7,045	4,311	5,151
Trade payables	3,004	(254)	833
Due from/to related parties	(189)	(424)	1,350
Accrued expenses and other credit balances	5,520	8,976	3,712
Unearned revenue	(4,055)	(3,370)	(4,785)
Cash generated from operating activities	**66,174**	**59,052**	**60,888**
Zakat paid	(3,259)	(3,237)	(4,974)
Employees' defined benefit obligation	(1,531)	(2,197)	(4,094)
Net cash generated from operating activities	**61,383**	**53,619**	**51,820**
Cash from investing activities:			
Investments at fair value through profit or loss – net	(565)	50,896	-
Purchase of property and equipment	(9,482)	(7,819)	(14,158)

SAR in 000s	31 December 2021G (Audited)	31 December 2022G (Audited)	31 December 2023G (Audited)
Proceeds from disposal of property and equipment	-	2	-
Net cash generated from (used in)investing activities	**(10,047)**	**43,079**	**(14,158)**
Cash from financing activities:			
Lease liabilities paid	(4,869)	(3,091)	(4,672)
Net cash used in financing activities	**(4,869)**	**(3,091)**	**(4,672)**
Net change in cash and cash equivalent	46,467	93,606	32,990
Cash at banks at 1 January	43,561	90,028	183,634
Cash at banks at 31 December	**90,028**	**183,634**	**216,625**

Source: Audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G.

(a) Cashflow from Operating Activities

Operating cashflow significantly decreased from SAR 61.4 million in the financial year 2021G to SAR 54.2 million in the financial year 2022G despite an increase in profits before zakat from SAR 58.3 million to SAR 60.6 million. During the same period, this was mainly due to a decrease in working capital changes of SAR 10.5 million, as a result of an increase in trade receivables of SAR 8.8 million, in addition to others.

Operating cashflow significantly decreased from SAR 54.2 million in the financial year 2022G to SAR 52.8 million the financial year 2023G. Although EBITDA increased by SAR 9.1 million, it was offset by a decrease in working capital changes of SAR 10.2 million mainly driven by an increase in trade receivables of SAR 29.8 million.

(b) Cashflow from Investing Activities

Cashflow from investment activities increased from flows used in investment activities amounting to SAR 10.0 million in the financial year 2021G to SAR 43.1 million in the financial year 2022G, and this is due to the company's liquidation of investments at the fair value of Through profit or loss, the resulting increase in flows resulting from investment activities amounted to SAR 51.5 million.

Cashflow from investment activities decreased by SAR 43.1 million in the financial year 2022G to SAR 14.2 million in the financial year 2023G, due mainly to flows resulting from the purchase of property and equipment amounting to SAR 14.2 million in the financial year 2023G.

(c) Cashflow from Financing Activities

Cashflow from financing activities relate only to lease obligations relating to the right of use of the leased assets for employee accommodation and administrative offices. Cashflow from financing activities amounted to SAR 4.9 million in the financial year 2021G, SAR 3.7 million in the financial year 2022G, and SAR 5.6 million in the financial year 2023G.

6.9.4 Commitments and Contingent Liabilities

(a) Commitments for Capital Expenditure

Capital expenditures contracted by the company but not incurred as of 31 December 31 2023G amounted to SAR 5.2 million.

(b) Guarantees

The Group had a letter of guarantee in the amount of SAR 10.0 million (matched by a cash guarantee in the amount of SAR 10.0 million) related to the company's licence issued by the Ministry of Human Resources and Social Development during the historical period under review.

The group issued a letter of guarantee during the financial year 2023G in the amount of SAR 3.5 million (matched by a cash guarantee in the amount of SAR 3.5 million).

6.10 Operating Results for the Three-Month Period Ended 31 March 2023G and 2024G

6.10.1 Consolidated Statement of Comprehensive Income

Statement of Comprehensive Income for the three-month period ended 31 March 2023G and 2024G:

Table 6.61: Summary of the Consolidated Statement of Comprehensive Income

SAR in 000s	Three-month period ended 31 March 2023G (Reviewed)	Three-month period ended 31 March 2024G (Reviewed)	Variance
Revenues from contracts with customers	117,306	145,372	23.9%
Cost of revenues	(90,474)	(114,841)	26.9%
Gross profit	**26,832**	**30,531**	**13.8%**
Selling and marketing expenses	(1,666)	(755)	(54.7%)
General and administrative expenses	(9,642)	(12,084)	25.3%
Expected credit loss	-	(587)	NA
Operating profit	**15,523**	**17,105**	**10.1%**
Other non-operating income	2,565	3,746	46.0%
Finance costs	(139)	(144)	3.5%
Profit before Zakat	**17,950**	**20,708**	**15.4%**
Zakat	(2,136)	(2,196)	2.8%
Net profit for the year	**15,814**	**18,512**	**17.1%**
Other comprehensive income items that will not be reclassified to profit or loss:			
Re-measurement of employees' defined benefit obligation	-	-	NA
Other comprehensive income for the year	-	-	NA
Total comprehensive income for the year	15,814	18,512	17.1%
Net profit for the period attributable to:			
Shareholders of the company	**15,999**	**18,571**	**16.1%**
Non-controlling interests	(184)	(58)	(68.5%)
As a percentage of total revenue percentage point			
Gross Profit	22.9%	21.0%	(1.9)
EBITDA	17.4%	16.0%	(1.4)
Net Profit	13.5%	12.7%	(0.7)
Key Performance Indicators As a percentage			
Corporate Segment			
Avg. number of deployed resources	4,764	7,680	2,917
Avg. monthly revenue per resource (SAR)	4,234	4,201	(0.4%)
Avg. number of clients	121	107	(14)
Avg. monthly revenue per client	166,229	301,559	34.7%
Avg. number of resources per client	39	72	33
Individual Segment			
Avg. number of deployed resources	6,637	6,043	(595)

SAR in 000s	Three-month period ended 31 March 2023G (Reviewed)	Three-month period ended 31 March 2024G (Reviewed)	Variance
Avg. monthly revenue per resource (SAR)	2,852	2,679	(3.1%)
Avg. utilisation rate – Hourly	84.1%	79.0%	(5.1)
Avg. utilisation rate – Packages	90.5%	88.9%	(1.6)
Total			
Avg. number of deployed resources	11,401	13,723	2,322
Average revenue per resource (SAR)	3,430	3,531	2.9%

Source: Reviewed consolidated financial statements for the three-month period ended 31 March 2024G and management information.

(a) Revenues from Contracts with Customers

Revenues from contracts with customers are primarily composed of two sectors. Corporate sector revenues account for an average of 60 per cent., while individual sector revenues represent an average of 40 per cent. of total revenues for the three-month periods ended 31 March 2023G and 2024G.

Revenue significantly increased from SAR 117.3 million in the three-month period ended 31 March 2023G to SAR 145.4 million in three-month period ended 31 March 2024G at a CAGR of 23.9 per cent., primarily driven by revenue growth in the corporate segment by 60 per cent. during the same period, this is due to the significant increase in demand for resources, particularly in the sub-sector, operations and maintenance sectors.

Corporate segment revenue increased from SAR 60.5 million in the three-month period ended 31 March 2023G to SAR 96.8 million in the three-month period ended 31 March 2024G, major resource deployments were made to the Company's highest revenue generating client, whereby the Company generated SAR 3.9 million in revenues from the highest revenue generating client during the three-month period ended 31 March 2023G, compared to significant revenues reported of SAR 40.3 million in three-month period ended 31 March 2024G. This was the main driver of the increase in average number of resources deployed from 4,764 to 7,680 resources. Offset by the decline in average number of clients from 121 clients in the three-month period ended 31 March 2023G to 107 clients in the three-month period ended 31 March 2024G, due to the demand decline in the food and retail sectors continued to decline after the end of the pandemic.

Revenue from the individuals' segment however reported a decrease from SAR 56.8 million in the three-month period ended 31 March 2023G to SAR 48.6 million in three-month period ended 31 March 2024G driven by a decrease in average number of resources deployed and sponsorship transfers from 6,637 to 6,043 during the three-month period ended 31 March 2023G to 2024G period, coupled with a decline in average revenue per resource from SAR 2.9 thousand in the three-month period ended 31 March 2023G to SAR 2.7 thousand in the three-month period ended 31 March 2024G, with the continuing competition in this segment, coupled with the price ceilings impact imposed by MHRSD during the three-month period ended 31 March 2023G.

(b) Cost of Revenues

Cost of revenue increased by 26.9 per cent. from SAR 90.5 million in the three-month period ended 31 March 2023G to SAR 114.8 million in the three-month period ended 31 March 2024G, trailing revenue growth, driven by the increase in average number of resources deployed from 11,401 to 13,723 over the three-month period ended 31 March 2023G to 2024G period, coupled with an increase in average monthly cost per resource increased slightly across the historical period from SAR 661 in the three-month period ended 31 March 2023G to SAR 697 in the three-month period ended 31 March 2024G.

(c) Gross Profit

Gross profit increased over the period from SAR 26.8 million in the three-month period ended 31 March 2023G to SAR 30.5 million in the three-month period ended 31 March 2024G driven by the increase in revenue by 23.9 per cent., however, gross margin decreased from 22.9 per cent. in the three-month period ended 31 March 2023G to 21.0 per cent. in the three-month period ended 31 March 2024G, mainly due to cost of sales increasing at a higher rate than revenue growth over the same period.

Gross margin from the corporate segment decreased from 25.1 per cent. in the three-month period ended 31 March 2023G to 22.8 per cent. in the three-month period ended 31 March 2024G, due to the deployment of a large number of resources within the operations & maintenance sector at competitive rates, driving gross margin slightly lower. Individuals' segment gross margin also decreased from 20.5 per cent. in the three-month period ended 31 March 2023G to 17.5 per cent. in the three-month period ended 31 March 2024G, primarily driven by the decrease in average revenue per resource impacted by the price ceilings and the continuing competition within the segment.

(d) Sales and Marketing

Sales and marketing decreased from SAR 1.7 million in the three-month period ended 31 March 2023G to SAR 0.8 million in the three-month period ended 31 March 2024G, as the Company reduced its advertising efforts and campaigns within the packages sub-segment, as it shifts its focus towards the hourly sub-segment, due to the declining market demand and higher impact of price ceilings impacting the packages sub-segment.

(e) General and Administrative Expenses

General and administrative expenses increased from SAR 9.6 million in the three-month period ended 31 March 2023G to SAR 12.1 million in the three-month period ended 31 March 2024G mainly due to an increase in salaries, wages and other staff-related costs, driven by various middle and senior management hires within general and administrative functions over the three-month period ended 31 March 2023G to 2024G period, in addition to salary adjustments made to key staff over the same period. Accordingly, average number of employees increased from 186 in the three-month period ended 31 March 2023G to 201 in the three-month period ended 31 March 2024G, with average monthly staff costs increasing from SAR 10 thousand to SAR 11.9 thousand over the same period.

(f) Estimated Credit Loss Provisions

Estimated Credit loss provisions amounted to nil in the three-month period ended 31 March 2023G and increased to SAR 0.6 million in the three-month period ended 31 March 2024G as the Company performed an assessment of expected credit losses at the end of the period, for which an independent third party was relied upon to conduct the evaluation of expected credit losses for the three-month period ended 31 March 2024G.

(g) Other Income

Other income increased from SAR 2.6 million in the three-month period ended 31 March 2023G to SAR 3.7 million in the three-month period ended 31 March 2024G as the Company generated higher profits from short-term deposits due to the increasing available liquidity and profit rates in the market.

(h) Depreciation and Amortisation

Depreciation and amortisation slightly increased from SAR 2.3 million in the three-month period ended 31 March 2023G and SAR 2.4 million in the three-month period ended 31 March 2024G due to the increasing additions in PPE primarily related to staff accommodations, in line with the increase in number of resources over the three-month period ended 31 March 2023G to 2024G period.

(i) Finance Costs

Finance costs was relatively stable as it was reported at SAR 139 thousand in the three-month period ended 31 March 2023G and SAR 144 thousand in the three-month period ended 31 March 2024G.

(j) Zakat

Zakat expenses increased from SAR 2.1 million in the three-month period ended 31 March 2023G and SAR 2.2 million in the three-month period ended 31 March 2024G in line with the growth in profitability and the Company's Zakat base.

(k) Net Profit for the Period

Net profit increased from SAR 15.8 million in the three-month period ended 31 March 2023G to SAR 18.5 million in the three-month period ended 31 March 2024G. However, the net profit margin declined from 13.5 per cent. in the three-month period ended 31 March 2023G to 12.7 per cent. in the three-month period ended 31 March 2024G. This decrease is partially attributed to a reduction in gross margin during both periods, along with increased general and administrative expenses due to various appointments in middle and upper management, which led to higher personnel costs in general administration. These costs were offset by an increase in income generated from short-term deposits during the same period.

(l) Revenue from Contracts with Customers

The table below summarises revenues by sector type for the three-month period ended 31 March 2023G and 2024G:

Table 6.62: Revenues by Sector Type

SAR in 000s	Three-month period ended 31 March 2023G (Reviewed)	Three-month period ended 31 March 2024G (Reviewed)	Variance
Individuals	56,799	48,571	23.9%
Contracting, maintenance and operation	18,572	57,831	211.4%
Medical	9,909	16,276	64.3%
Restaurants and food	22,441	13,135	(41.5%)
Retail	9,109	7,726	(15.2%)
Technology and information systems	476	1,833	285.4%
Total	**117,306**	**145,372**	**23.9%**

SAR in 000s	Three-month period ended 31 March 2023G (Reviewed)	Three-month period ended 31 March 2024G (Reviewed)	Variance
Key Performance Indicators As a percentage			
Individuals	48.4%	33.4%	(15.0)
Contracting, maintenance and operation	15.8%	39.8%	23.9
Medical	8.4%	11.2%	2.7
Restaurants and food	19.1%	9.0%	(10.1)
Retail	7.8%	5.3%	(2.3)
Technology and information systems	0.4%	1.3%	0.9

Source: Reviewed consolidated financial statements for the three-month period ended 31 March 2024G and management information.

6.10.1.1 Revenue from Corporate Sector

The table below summarises revenues from the corporate sector for the three-month period ended 31 March 2023G and 2024G:

Table 6.63: Revenues from the Corporate Sector

SAR in 000s	Three-month period ended 31 March 2023G (Reviewed)	Three-month period ended 31 March 2024G (Reviewed)	Variance
Restaurants and food	22,441	13,135	(41.5%)
Contracting, maintenance and operation	18,572	57,831	211.4%
Medical	9,909	16,276	64.3%
Retail	9,109	7,726	(15.2%)
Technology and information systems	476	1,833	285.4%
Total	**60,507**	**96,801**	**60.0%**
Key Performance Indicators			
Restaurants and food			
Avg. number of clients	60	44	(16)
Avg. number of resources	1,756	1,043	(713)
Avg. monthly revenue per resource (SAR)	4,260	4,196	(1.5%)
Contracting, maintenance and operation			
Avg. number of clients	20	20	(1)
Avg. number of resources	1,806	5,394	3,588
Avg. monthly revenue per resource (SAR)	3,428	3,574	4.2%
Medical			
Avg. number of clients	18	24	6
Avg. number of resources	450	652	202
Avg. monthly revenue per resource (SAR)	7,346	8,321	13.3%
Retail			
Avg. number of clients	22	19	(3)
Avg. number of resources	746	572	(175)
Avg. monthly revenue per resource (SAR)	4,068	4,505	10.7%
Technology and information systems			
Avg. number of clients	1	1	-
Avg. number of resources	6	19	13
Avg. monthly revenue per resource (SAR)	27,974	32,157	15.0%

Source: Reviewed consolidated financial statements for the three-month period ended 31 March 2024G and management information.

Revenues from the corporate sector are classified into five sub-sectors: (1) Restaurants and Food; (2) Contracting, Maintenance and Operation; (3) Retail; (4) Medical; and (5) Technology and Information Systems.

(a) Food

Food sector revenue decreased significantly by 41.5% from SAR 22.4 million in the three-month period ended 31 March 2023G to SAR 13.1 million in the three-month period ended 31 March 2024G, in line with the decrease in average number of clients from 60 in the three-month period ended 31 March 2023G to 44 clients in the three-month period ended 31 March 2024G, coupled with a decrease in average number of resources deployed from 1,756 to 1,043 resources over the three-month period ended 31 March 2023G to 2024G period. This was due to various contract cancellations following the lift-off of restrictions post COVID-19. The Company however managed to maintain its average monthly revenue per resource, remaining relatively stable at SAR 4.3 thousand in the three-month period ended 31 March 2023G and SAR 4.2 thousand in the three-month period ended 31 March 2024G.

(b) Operations and Maintenance (O&M)

Operations and maintenance (O&M) sector revenue witnessed a significant increase more than tripling over the three-month period ended 31 March 2023G to 2024G period, increasing from SAR 18.6 million in the three-month period ended 31 March 2023G to SAR 57.8 million in the three-month period ended 31 March 2024G. This was driven by major resource deployments made to the Company's top revenue-generating client, solely contributing to additional SAR 36.3 million of period-on-period revenue growth in the O&M sector.

Average number of clients remained relatively stable at 20 clients over the three-month period ended 31 March 2023G to 2024G period, with average monthly revenue per client increasing from SAR 913 thousand in the three-month period ended 31 March 2023G to SAR 2.9 million in the three-month period ended 31 March 2024G per client driven by the increasing concentration within top clients. Average monthly revenue per resource increased from SAR 3.4 thousand in the three-month period ended 31 March 2023G to SAR 3.6 thousand in the three-month period ended 31 March 2024G, whereby the Company was able to deploy new resources at higher rates than existing deployed resources.

(c) Medical

Medical revenue increased significantly from SAR 9.9 million in the three-month period ended 31 March 2023G to SAR 16.3 million in the three-month period ended 31 March 2024G, driven by the increase in average number of resources from 450 in the three-month period ended 31 March 2023G to 652 in the three-month period ended 31 March 2024G, following the continuous increase in average number of clients from 18 to 24 clients for the three-month period ended 31 March 2023G to 2024G period, coupled with the increase in average monthly revenue per resource from SAR 7.3 thousand in the three-month period ended 31 March 2023G to SAR 8.3 thousand in the three-month period ended 31 March 2024G as the sector continued to grow in addition to the Company expanding its client base and garners a reputation within the market.

(d) Retail

Retail sector revenue decreased by 15 per cent. from SAR 9.1 million in the three-month period ended 31 March 2023G to SAR 7.7 million in the three-month period ended 31 March 2024G, mainly driven by the decrease in the Company's client base from 22 to 19 clients, with average number of resources deployed from 746 resources to 572 resources over the three-month period ended 31 March 2023G to 2024G period.

Despite the slowing demand in this sector, the Company continued to deploy resources at higher rates during the three-month period ended 31 March 2024G period, with average monthly revenue per resource reporting an increase from SAR 4.1 thousand in the three-month period ended 31 March 2023G to SAR 4.5 thousand in the three-month period ended 31 March 2024G.

(e) IT – Open Tech (OpenTech)

IT - Open tech (OpenTech) revenue increased by 285 per cent. from SAR 0.5 million in the three-month period ended 31 March 2023G to SAR 1.8 million in the three-month period ended 31 March 2024G, due to the increase in average number of resources deployed from 6 to 19 resources, with the Company continuing to serve only 1 client in this sector. Average monthly revenue per resource increased from SAR 28.0 thousand in the three-month period ended 31 March 2023G to SAR 32.2 thousand in the three-month period ended 31 March 2024G driven by the deployment of more senior resources with higher charge rates over the three-month period ended 31 March 2023G to 2024G period.

6.10.1.2 Revenue from Individual Sector

The table below summarises revenues from the corporate sector for the three-month period ended 31 March 2023G and 2024G:

Table 6.64: Revenues from the Individual Sector

SAR in 000s	Three-month period ended 31 March 2023G (Reviewed)	Three-month period ended 31 March 2024G (Reviewed)	Variance
Individual Package	40,185	29,102	(27.6%)
Hourly Individual	13,340	18,697	40.2%
Sponsorship Transfer	3,274	772	(76.4%)
Total	**56,799**	**48,571**	**(14.5%)**
Key Performance Indicators			
Individual Package			
Avg. number of resources	5,475	4,203	(1,272)
Avg. monthly revenue per resource (SAR)	2,447	2,308	(5.7%)
Avg. utilisation rate	90.5%	88.9%	(1.6)
Hourly Individual			
Avg. number of resources	1,011	1,781	770
Avg. monthly revenue per resource (SAR)	4,400	3,499	(20.5%)
Avg. utilisation rate	84.1%	79.0%	(5.1)
Sponsorship Transfer			
Number of resources	152	59	(93)
Avg. revenue per resource (SAR)	21,537	13,082	(39.3%)

Source: Reviewed consolidated financial statements for the three-month period ended 31 March 2024G and management information.

(a) Individual Package

Individual package revenue decreased by 27.6 per cent. from SAR 40.2 million in the three-month period ended 31 March 2023G to SAR 29.1 million in the three-month period ended 31 March 2024G, driven by a decrease in average number of resources deployed by 1,272 resources during the three-month period ended 31 March 2023G to 2024G period, coupled with a lower average monthly revenue per resource, driving the Company to shift its focus towards the hourly sub-segment, which generates higher revenues per resource comparatively. Average monthly revenue per resource decreased by 5.7 per cent. from SAR 2.4 thousand in the three-month period ended 31 March 2023G to SAR 2.3 thousand in the three-month period ended 31 March 2024G mainly due to price ceilings and high competition within this sub-segment.

(b) Hourly Individual

Hourly individual revenue increased by 40.2 per cent. from SAR 13.3 million in the three-month period ended 31 March 2023G to SAR 18.7 million in the three-month period ended 31 March 2024G due to a significant increase in average number of resources deployed within this sub-segment, increasing from 1,011 to 1,781 resources over the three-month period ended 31 March 2023G to 2024G period. This was driven by the Company's shifted focus to the hourly sub-segment, as it generates a higher yield per resource as opposed to the packages sub-segment, particularly after the price ceilings imposed in the three-month period ended 31 March 2023G period.

However, this sub-segment was also impacted by the price ceilings, with average monthly revenue per resource decreasing from SAR 4.4 thousand in the three-month period ended 31 March 2023G to SAR 3.5 thousand in the three-month period ended 31 March 2024G, coupled with a slight decrease in average utilisation from 84.1 per cent. in the three-month period ended 31 March 2023G to 79.0 per cent. in the three-month period ended 31 March 2024G, further impacting average revenue generated per resource.

(c) Sponsorship Transfers

Sponsorship transfers revenue decreased from SAR 3.3 million in the three-month period ended 31 March 2023G to SAR 0.8 million in the three-month period ended 31 March 2024G due to the decrease in average revenue per transfer from SAR 21.5 thousand in the three-month period ended 31 March 2023G to SAR 13.1 thousand in the three-month period ended 31 March 2024G coupled with the decrease in number of transfers made over the three-month period ended 31 March 2023G to 2024G period.

6.10.1.3 Cost of Revenue

The table below summarises the cost of revenues for the three-month period ended 31 March 2023G and 2024G:

Table 6.65: Cost of Revenue

SAR in 000s	Three-month period ended 31 March 2023G (Reviewed)	Three-month period ended 31 March 2024G (Reviewed)	Variance
Salaries and Other Benefits	51,958	72,288	39.1%
Visa and licensing fees	12,505	18,533	48.2%
Recruitment Expenses	10,849	5,840	(46.2%)
Amortisation of visas in use	2,974	2,725	(8.4%)
Depreciation and amortisation	1,844	2,021	9.6%
Tickets	1,792	3,406	90.1%
Cost of employees' defined benefit obligation	1,039	1,464	40.9%
Medical Insurance	1,068	1,492	39.8%
Social insurance	1,044	1,116	6.9%
Subsistence expenses	530	418	(21.1%)
Bank Charges	934	713	(23.7%)
Subscription fees	261	37	(85.7%)
Maintenance and repairs	559	510	(8.8%)
Bonus	450	255	(43.2%)
Labour accommodation rent	451	494	9.7%
External offices Commissions	245	-	(100.0%)
Medical Examination	129	100	(22.0%)
Government Expenses	37	17	(53.1%)
Other	1,805	3,410	88.9%
Total	**90,474**	**114,841**	**26.9%**
Key Performance Indicators			
Average headcount	11,401	13,723	20.4%
Average monthly staff costs	1,519	1,756	15.6%
As a percentage of total cost of revenue percentage point			
Salaries & Employees Benefits	57.4%	62.9%	5.5
Visa & Work Permit Fees	13.8%	16.1%	2.3
Recruitment Fees	12.0%	5.1%	(6.9)
Amortisation of used visas	3.3%	2.4%	(0.9)
Employee defined benefit obligation costs	1.1%	1.3%	0.1
Medical Insurance	1.2%	1.3%	0.1
Air Tickets	2.0%	3.0%	1.0
Depreciation and amortisation	2.0%	1.8%	(0.3)
Other	7.1%	6.2%	(1.0)

Source: Reviewed consolidated financial statements for the three-month period ended 31 March 2024G and management information.

(a) Salaries and Other Benefits

Salaries and other benefits increased by 39.1 per cent., from SAR 52.0 million in the three-month period ended 31 March 2023G to SAR 72.3 million in the three-month period ended 31 March 2024G. This increase was mainly due to higher costs in the operations & maintenance by SAR 20.0 million and medical sectors by SAR 3.1 million within the corporate segment, in addition to an increase in the individuals' segment salaries costs by SAR 1.0 million during the three-month period ended 31 March 2023G to 2024G period.

Salaries and other benefits increased by 39.1 per cent., from SAR 52.0 million in the three-month period ended 31 March 2023G to SAR

72.3 million during the three-month period ended 31 March 2024G. This increase is attributed to an increase in costs within the operations and maintenance sector within the corporate segment, amounting to SAR 20.0 million, due to a significant increase in the average number of deployed resources in this sector, increasing from 1,806 to 5,394 during the same period, driven by the execution of a contract with a major client. Additionally, there was a 14.3 per cent. increase in the average monthly salary per resource in the operations and maintenance sector during the same period. The increase in resources within this sector was fuelled by winning contracts with key clients and securing existing client contracts, especially with the top three clients in this sector, allowing the company to deploy new resources at higher rates than the current workforce.

However, this increase was offset by a decrease in costs within the food sector of the corporate segment, which decreased by SAR 3.9 million during the three-month period ending 31 March 2023G and 2024G. The food sector previously relied on the company's resources, but with intensified competition in the food and beverage industry, clients have begun implementing cost-cutting measures following the COVID-19 pandemic.

Salaries in the individual sector increased by SAR 1.0 million during the three-month period ending 31 March 2023G and 2024G, due to an increase in the average number of hourly resources from 1,011 in the three-month period ended 31 March 2023G to 1,781 in the three-month period ended 31 March 2024G. This was offset by a decrease in monthly contract costs, which decreased from SAR 17.3 million in the three-month period ended 31 March 2023G to SAR 13.7 million in the three-month period ended 31 March 2024G, in line with a reduction in the average number of resources from 5,475 to 4,203 during the same period. Despite this, the average monthly salary per resource remained stable in both subcategories of hourly services and monthly contracts, at SAR 1.9 million and SAR 1.1 million, respectively.

(b) Visa and Work Permit Fees

Visa and work permit fees increased by 48.2 per cent. from SAR 12.5 million in the three-month period ended 31 March 2023G to SAR 18.5 million in the three-month period ended 31 March 2024G, driven by an increase in average headcount from 11,300 to 13,723 resources over the three-month period ended 31 March 2023G to 2024G period.

(c) Air Tickets

Air tickets increased significantly by 90.1 per cent. from SAR 1.8 million in the three-month period ended 31 March 2023G to SAR 3.4 million in the three-month period ended 31 March 2024G, driven by an increase in average headcount from 11,401 to 13,723 resources over the three-month period ended 31 March 2023G to 2024G period.

(d) Used Visas

Used visas decreased from SAR 3.0 million in the three-month period ended 31 March 2023G to SAR 2.7 million in the three-month period ended 31 March 2024G, primarily driven by driven by the full amortisation of various previously paid used visas.

(e) Medical Insurance

Medical Insurance increased from SAR 1.1 million in the three-month period ended 31 March 2023G, to SAR 1.5 million in the three-month period ended 31 March 2024G, mainly driven by the increase in average headcount from 11,401 in the three-month period ended 31 March 2023G to 13,723 in the three-month period ended 31 March 2024G, coupled with the continuous incremental increases in medical insurance premiums over the period.

(f) Employee Defined Benefit Obligation Costs

Employee defined benefit obligation costs increased from SAR 1.0 million in the three-month period ended 31 March 2023G, to SAR 1.5 million in the three-month period ended 31 March 2024G, in line with the increase in average headcount from 11,401 in the three-month period ended 31 March 2023G to 13,723 in the three-month period ended 31 March 2024G.

(g) Social Insurance

Social insurance increased slightly from SAR 1.0 million in the three-month period ended 31 March 2023G to SAR 1.1 million in the three-month period ended 31 March 2024G due to increase in average headcount.

(h) Bank Charges

Bank charges decreased from SAR 0.9 million in the three-month period ended 31 March 2023G to SAR 0.7 million in the three-month period ended 31 March 2023G in line with the decline in revenue generated from the individuals' segment, which incurs higher transaction costs.

(i) Maintenance and Repairs

Maintenance and repairs slightly decreased from SAR 0.6 million in the three-month period ended 31 March 2023G to SAR 0.5 million in the three-month period ended 31 March 2024G, in line with the decrease in motor vehicles, resulting in lower maintenance and repairs costs over the three-month period ended 31 March 2023G to 2024G period.

(j) Rent

Rent remained stable at SAR 0.5 million over the three-month period ended 31 March 2023G to 2024G period.

(k) Living Allowances

Living allowances decreased from SAR 0.5 million in the three-month period ended 31 March 2023G to SAR 0.3 million in the three-month period ended 31 March 2024G as the company shifted from preparing meals to providing an allowance paid out to resources within the hourly sub-segment.

(l) Rewards

Rewards decreased from SAR 0.5 million in the three-month period ended 31 March 2023G to SAR 0.3 million in the three-month period ended 31 March 2024G.

(m) Medical Examination

Medical examination remained relatively stable at SAR 0.1 million in the three-month period ended 31 March 2023G and the three-month period ended 31 March 2024G.

(n) Fees and Subscriptions

Fees and subscriptions decreased from SAR 0.3 million in the three-month period ended 31 March 2023G to SAR 37 thousand in the three-month period ended 31 March 2024G due to reclassification of fees and subscription fees to other costs in the financial year 2023G.

(o) Social Insurance

Social insurance increased from SAR 1.0 million in the three-month period ended 31 March 2023G, to SAR 1.1 million in the three-month period ended 31 March 2024G primarily driven by the increase in average headcount from 11,401 to 13,723 over the period.

(p) Governmental Expenses

Governmental expenses decreased from SAR 37 thousand in the three-month period ended 31 March 2023G to SAR 17 thousand in the three-month period ended 31 March 2024G.

(q) Agency Commissions

Agency commissions were reported at SAR 0.2 million in the three-month period ended 31 March 2023G and nil in the three-month period ended 31 March 2024G.

(r) Other Expenses

Other expenses increased from SAR 1.8 million in the three-month period ended 31 March 2023G to SAR 3.4 million in the three-month period ended 31 March 2024G, mainly attributable to the increase in: (i) Ajeer subscription fees by SAR 0.4 million, and (ii) an increase in supervision and operation expenses in line with the Company's expanded operations.

6.10.1.4 General and Administrative Expenses

The table below summarises general and administrative expenses for the three-month period ended 31 March 2023G and 2024G:

Table 6.66: General and Administrative Expenses

SAR in 000s	Three-month period ended 31 March 2023G (Reviewed)	Three-month period ended 31 March 2024G (Reviewed)	Variance
Salaries and other Benefits	5,574	7,142	28.1%
Depreciation and amortisation	436	381	(12.7%)
Bonus provision	510	616	20.8%
Professional consultations	496	489	(1.3%)
Social Insurance	285	372	30.3%
Cost of employees' defined benefit obligation	334	735	120.2%
Subscription fees	673	965	43.5%
Medical insurance	166	213	28.1%
ERAF G&A	461	111	(76.0%)
Rent	(287)	41	(114.2%)

SAR in 000s	Three-month period ended 31 March 2023G (Reviewed)	Three-month period ended 31 March 2024G (Reviewed)	Variance
Maintenance and repairs	60	17	(71.0%)
Electricity and water	14	17	25.5%
Stationery and printings	16	75	377.1%
Hospitality and cleaning	23	-	(100.0%)
Amortisation of visas in use	2	4	49.3%
Gifts and donations	-	4	NA
Other	879	903	2.7%
Total	**9,642**	**12,084**	**25.3%**
Key Performance Indicators			
Average headcount	186	201	15
Average monthly staff costs	9,990	11,873	18.8%
As a percentage of total General and administrative expense			
Salaries & Employees Benefits	57.8%	59.1%	1.3
Service fees and subscriptions	7.0%	8.0%	1.0
Depreciation and amortisation	4.5%	3.1%	(1.4)
Bonus provision	5.3%	5.1%	(0.2)
Professional fees	5.1%	4.0%	(1.1)
Employee defined benefit obligation costs	3.5%	6.1%	2.6
Other	16.8%	14.5%	(2.3)

Source: Reviewed consolidated financial statements for the three-month period ended 31 March 2024G and management information.

(a) Salaries and Employee Benefits

Salaries and employee benefits increased from SAR 5.6 million in the three-month period ended 31 March 2023G to SAR 7.1 million in the three-month period ended 31 March 2024G, with average headcount increasing from 186 employees in the three-month period ended 31 March 2023G to 201 employees in the three-month period ended 31 March 2024G, driven by various middle and senior management hires made over the three-month period ended 31 March 2023G to 2024G period, driving average monthly staff costs per employee from SAR 10 thousand in the three-month period ended 31 March 2023G to SAR 11.9 thousand in the three-month period ended 31 March 2024G.

(b) Service Fees and Subscriptions

Service fees and Subscriptions increased from SAR 0.7 million in the three-month period ended 31 March 2023G to SAR 1.0 million in the three-month period ended 31 March 2024G, mainly attributable to the subscription fees incurred in relation to the Microsoft Dynamics 365 ERP system.

(c) Employee Defined Benefit Obligation Costs

Employee defined benefit obligation costs increased from SAR 0.3 million in the three-month period ended 31 March 2023G to SAR 0.7 million in the three-month period ended 31 March 2024G, due to the increase in average headcount from 186 in the three-month period ended 31 March 2023G to 201 in the three-month period ended 31 March 2024G, coupled with the increase in average monthly staff costs.

(d) Bonus Provision

Bonus provision increased slightly from SAR 0.5 million in the three-month period ended 31 March 2023G to SAR 0.6 million in the three-month period ended 31 March 2024G, in line with the increase in average headcount from 186 in the three-month period ended 31 March 2023G to 201 in the three-month period ended 31 March 2024G.

(e) Professional Fees

Professional fees remained relatively stable at SAR 0.5 million in the three-month period ended 31 March 2023G to 2024G.

(f) Depreciation and Amortisation

Depreciation and amortisation remained relatively stable at SAR 0.4 million in the three-month period ended 31 March 2023G to 2024G.

(g) GOSI

GOSI pertains to the General Organization for Social Insurance "GOSI" in Saudi Arabia and its a government agency responsible for administering social insurance benefits to workers.

GOSI increased from SAR 0.3 million in the three-month period ended 31 March 2023G to SAR 0.4 million in the three-month period ended 31 March 2024G, in line with the increase in average headcount from 186 in the three-month period ended 31 March 2023G to 201 in the three-month period ended 31 March 2024G.

(h) Medical Insurance

Medical insurance remained relatively stable at SAR 0.2 million in the three-month period ended 31 March 2023G to 2024G.

(i) ERAF G&A

ERAF G&A pertains to general and administrative expenses related to the Company's subsidiary, ERAF. ERAF G&A expenses decreased from SAR 0.5 million in the three-month period ended 31 March 2023G to SAR 0.1 million in the three-month period ended 31 March 2024G due to set-up costs incurred in the previous period upon incorporation.

(j) Stationery and Printing

Stationery and printing increased from SAR 16 thousand in the three-month period ended 31 March 2023G to SAR 75 thousand in the three-month period ended 31 March 2024G in line with the increase in use of stationeries and office supplies with the increase in average headcount to 201 employees in the three-month period ended 31 March 2024G.

(k) Rent

Rent expense was reported at a negative SAR 0.3 million in the three-month period ended 31 March 2023G due to reclassification of leases to right-of-use assets, resulting in adjustments during the three-month period ended 31 March 2023G. Rent expense subsequently was reported at SAR 41 thousand in the three-month period ended 31 March 2024G.

(l) Maintenance and Repairs

Maintenance and repairs decreased from SAR 60 thousand in the three-month period ended 31 March 2023G to SAR 17 thousand in the three-month period ended 31 March 2024G returning to normal levels.

(m) Electricity & Water

Electricity & water increased slightly from SAR 14 thousand in the three-month period ended 31 March 2023G to SAR 17 thousand in the three-month period ended 31 March 2024G due to an increase in consumption.

(n) Gifts and Donations

Gifts and donations increased from nil in the three-month period ended 31 March 2023G to SAR 4 thousand in the three-month period ended 31 March 2024G due to staff giveaways and gifts distributed during the period.

(o) Used Visas

Used visas increased slightly during the three-month period ended 31 March 2023G to 2024G period amounting to SAR 2 thousand in the three-month period ended 31 March 2023G and SAR 4 thousand in the three-month period ended 31 March 2024G due to the increase in number of resources deployed.

(p) Hospitality and Cleaning

Hospitality and cleaning decreased from SAR 23 thousand in the three-month period ended 31 March 2023G to nil in the three-month period ended 31 March 2024G due to lower cleaning expenses incurred during the three-month period ended 31 March 2024G.

(q) Other

Other remained relatively stable at SAR 0.9 million during the three-month period ended 31 March 2023G to 2024G.

6.10.1.5 Other Comprehensive Income

The table below summarises other comprehensive income for the three-month period ended 31 March 2023G and 2024G:

Table 6.67: Other Comprehensive Income

SAR in 000s	Three-month period ended 31 March 2023G (Reviewed)	Three-month period ended 31 March 2024G (Reviewed)	Variance
Net profit for the year	15,814	18,512	17.1%
Re-measurement of employees' defined benefit obligation	-	-	N/A
Other comprehensive income for the year/period	-	-	N/A
Total comprehensive income for the year/period	15,814	18,512	17.1%
Total comprehensive income for the year/period attributable to:			
Shareholders of the parent company	**15,999**	**18,571**	**16.1%**
Non-controlling interest	**(184)**	**(58)**	**(68.5%)**

Source: Reviewed consolidated financial statements for the three-month period ended 31 March 2024G and management information.

(a) Net Profit for the Year

Net profit increased from SAR 15.8 million in the three-month period ended 31 March 2023G, to SAR 18.5 million in the three-month period ended 31 March 2024G, in line with a 23.9 per cent. increase in revenue during the same period.

(b) Total Comprehensive Income for the Year

Total comprehensive income for the year increased from SAR 15.8 million in the three-month period ended 31 March 2023G, to SAR 18.5 million in the three-month period ended 31 March 2024G, in line with the increase in revenue.

6.10.2 Consolidated Statement of Financial Position

The table below summarises the consolidated statement of financial position as of 31 December 2023G and 31 March 2024G:

Table 6.68: Summary of the Consolidated Statement of Financial Position

SAR in 000s	31 December 2023G (Audited)	31 March 2024G (Reviewed)
Assets		
Non-current assets		
Property and equipment	44,372	48,875
Right-of-use assets	13,037	12,422
Cash margin on letter of guarantee	10,000	10,000
Visa in use - non-current	3,622	3,515
Prepaid recruitment expenses - non-current	3,235	3,195
Total non-current assets	**74,266**	**78,007**
Current assets		
Trade receivables	75,731	84,759
Prepayments and other debit balances	57,956	54,749
Visas in use - Current	8,428	8,978
Available visas	16,622	22,984
Due from related parties	875	754
Cash at banks	216,625	233,182
Total current assets	**376,237**	**405,406**
Total assets	**450,503**	**483,412**
Equity and Liabilities		

SAR in 000s	31 December 2023G (Audited)	31 March 2024G (Reviewed)
Equity		
Share capital	200,000	265,000
Statutory Reserve	13,976	-
Retained Earnings	86,331	18,878
Equity from shareholders of the parent company	**300,307**	**283,878**
Non-controlling interests	**1,355**	**1,297**
Total equity	**301,662**	**285,174**
Liabilities		
Non-current labilities		
Retained deposits non-current	1,884	15,437
Lease liabilities	8,407	7,157
Employees' defined benefit obligation	14,823	15,932
Total non-current liabilities	**25,114**	**38,526**
Current Liabilities		
Trade payables	8,913	7,517
Contract liabilities	12,563	17,884
Retained deposits - current	33,114	22,511
Accrued expenses and other credit balances	53,930	67,045
Lease liabilities – current	4,032	3,474
Accrued dividends	-	35,000
Zakat provision	11,175	6,280
Total Current Liabilities	**123,727**	**159,712**
Total Liabilities	**148,841**	**198,238**
Total Equity and Liabilities	**450,503**	**483,412**

Source: Reviewed consolidated unaudited financial statements for the three-month period ended 31 March 2024G.

The table below summarises the key performance indicators as of 31 December 2023G and 31 March 2024G:

Table 6.69: Key Performance Indicators

SAR in 000s	31 December 2023G	31 March 2024G
Days sales outstanding	41	50
Days payable outstanding	8	7
Return on average assets	14.4%	15.9%
Return on average equity	22.0%	25.2%

Source: Management information.

(1) The average receivables collection period was calculated using the average (total trade receivables) for the previous and current period / revenues from contracts with customers * 365 days for the financial year ended 31 December 2023G * 90 days for the financial period ended 31 March 2024G.

(2) The average receivables period was calculated using the average trade payables for the previous and current period / total direct costs * 365 days for the financial year ended as of 31 December 2023G and * 90 days for the financial period ended 31 March 2024G.

(3) The annual return on assets was calculated using (profit / (loss) year / period) / average total assets for the previous and current period ended 31 December 2023G and as of 31 March 2024G.

(4) The annual return on equity was calculated using (profit / (loss) year / period) / average total equity for the previous and current period ended 31 December 2023G and as of 31 March 2024G.

(a) Non-Current Assets

(i) Property and Equipment

Property and equipment amounted to SAR 48.9 million as of 31 March 2024G mainly comprised of property by 35.8 per cent., motor vehicles by 23.2 per cent., buildings by 19.2 per cent., projects under construction by 3.2 per cent., computers and office equipment by 2.6 per cent., electrical devices by 2.3 per cent., furniture by 1.5 per cent., improvements to leased property by 1.0 per cent. and intangible assets by 11.3 per cent.

Property and equipment increased from SAR 44.4 million as of 31 December 2023G to SAR 48.9 million as of 31 March 2024G, primarily driven by additions totalling SAR 5.8 million, including SAR 2.1 million for property and SAR 1.9 million for buildings, partially offset by depreciation of SAR 1.2 million during the period.

(ii) Right-of-Use Assets (RoU)

Right-of-use assets decreased from SAR 13.0 million as of 31 December 2023G to SAR 12.4 million as of 31 March 2024G, mainly due to amortisation charges of SAR 1.2 million and disposals of SAR 0.4 million, offset by additions of SAR 1.0 million.

(iii) Cash Margin on Letter of Guarantee

The cash margin on letter of guarantee is 100 per cent. against a bank guarantee provided by a local bank, valued at SAR 10 million, related to the guarantee submitted to the Ministry of Human Resources and Social Development for the issuance of the company's recruitment license.

Cash margin on letter of guarantee amounted to SAR 10.0 million as of 31 March 2024G, and the balance remained constant at SAR 10.0 million during the historical period, with no changes to the value of the guarantee as required by the regulations of the Ministry of Human Resources and Social Development for recruitment licenses. The guarantee is valid until June 25, 2029G.

(iv) Visa in Use – Non-Current Portion

Visa in use - non-current portion amounted to SAR 3.5 million as of 31 March 2024G, The balance decreased from SAR 3.6 million as of 31 December 2023G to SAR 3.5 million as of 31 March 2024G due to used visas being amortised during the period, offset by the increase in the number of resources to 13,723 during the three-month period ended 31 March 2024G.

(v) Prepaid Recruitment Expenses – Non-Current

Prepaid recruitment expenses - non-current portion remained stable amounting to SAR 3.2 million as of 31 March 2024G.

(b) Current Assets

(i) Trade Receivables

Trade receivables amounted to SAR 84.8 million as of 31 March 2024G. Trade receivables increased from SAR 75.7 million as of 31 December 2023G to SAR 84.8 million as of 31 March 2024G, mainly driven by the increase in receivables from corporate clients by SAR9.4 million, offset by an ECL provision recorded during the three-month period ended 31 March 2024G amounting to SAR 0.6 million.

It is worth noting that DSO increased from 41 days in FY23 and further to 50 days in the three-month period ended 31 March 2024G.

(ii) Prepayments and Other Debit Balances

Prepayments and other receivables amounted to SAR 54.7 million as of 31 March 2024G, comprising (i) prepaid expenses of SAR 20.6 million, (ii) current portion of recruitment expenses paid in advance of SAR 14.8 million, (iii) advance payments to suppliers of SAR 9.4 million, (iv) staff receivables of SAR 0.8 million, and (v) other receivables of SAR 9.1 million.

Prepayments decreased from SAR 58.0 million as of 31 December 2023G to SAR 54.7 million as of 31 March 2024G, mainly due to decreases in cash deposits by SAR 3.5 million and advances to suppliers by SAR 3.4 million. This decrease was partially offset by an increase in other items by SAR 5.9 million, primarily related to accrued revenue and other prepayments.

(iii) Visas in Use – Current

Visas in use – current portion amounted to SAR 9.0 million as of 31 March 2024G, The balance increased from SAR 8.4 million as of 31 December 2023G to SAR 9.0 million as of 31 March 2024G, mainly due to visas issued and used during the three-month period ended 31 March 2024G amounting to SAR 4.8 million. This is consistent with the increase in the average number of resources deployed, which increased from 11,401 in the three-month period ended 31 March 2023G to 13,723 resources in three-month period ended 31 March 2024G.

(iv) Available Visas

Available visas increased from SAR 16.6 million as of 31 December 2023G to SAR 23.0 million as of 31 March 2024G, aligning with the Company's expectations of higher demand and the consequent need for additional visas.

(v) Due from Related Parties

Due from related parties amounted to SAR 0.8 million as of 31 March 2024G, balances mainly related to a SAR 0.5 million receivable from Burger Map Restaurants Company, and a SAR 0.3 million receivable from Four Twins Company Ltd. In relation to manpower services provided to these related party entities.

(vi) Cash at Banks

Cash at banks amounted to SAR 233.2 million as of 31 March 2024G, mainly comprised of SAR 41.2 million cash in bank and SAR 192.0 million in short-term deposits.

The balance increased to SAR 233.2 million as of 31 March 2024G, driven by cash flows generated from operating activities amounting to SAR 24.8 million during the three-month period ended 31 March 2024G. This increase was partially offset by additions to property and equipment amounting to SAR 5.7 million.

(c) Equity

(i) Share Capital

Share capital amounted to SAR 265.0 million as of 31 March 2024G comprised 26.5 million shares at SAR 10 per share as of 31 March 2024G. Following the extraordinary general assembly meeting held on 6 March 2024G, the Company increased its capital to SAR 265.0 million by transferring SAR 51.0 million from retained earnings and SAR 14.0 million from the statutory reserve.

(ii) Statutory Reserve

Statutory reserve decreased to nil as of 31 March 2024G due to transfers made to share capital.

(iii) Retained Earnings

Retained earnings significantly decreased from SAR 86.3 million as of 31 December 2023G to SAR 18.9 million as of 31 March 2024G, primarily due to the share capital increase of SAR 51.0 million and the distribution of dividends amounting to SAR 35.0 million.

(iv) Non-Controlling Interests

Equity attributable to non-controlling equity amounted to SAR 1.3 million as of 31 March 2024G.

(d) Non-Current Liabilities

(i) Retained Deposits – Non-Current

Retained deposits relate to security deposits held by the Company from its corporate clients against the estimate revenue equivalent to 2 months of contracted resources. This deposit is refunded to the clients after the contract expires or is terminated.

The total balance of retained deposits increased from SAR 35.0 million as of 31 December 2023G to SAR 37.9 million as of 31 March 2024G, driven by an increase in the average number of contracted labour, and consequently the value of contracts and retained deposits. The average number of clients and resources was 121 clients and 4,764 workers during the three-month period ended 31 March 2023G, despite a decrease in the number of clients to 107, the average number of resources increased to 7,680 during the three-month period ended 31 March 2024G.

The balance of the non-current portion of retained deposits amounted to SAR 1.9 million as of 31 December 2023G and increased to SAR 15.4 million as of 31 March 2024G. This increase is due to the significant increase in contracted labour during and after the three-month period ending 31 March 2023G, which necessitated the deposit of guarantees for the duration of contracts from clients. The company retains these deposits as retained deposits against estimated revenues equivalent to two months of contracted labour services.

(ii) Lease Liabilities – Non-Current

Lease liabilities decreased from SAR 12.4 million as of 31 December 2023G to SAR 10.6 million as of 31 March 2024G, due to payments made during the period amounting to SAR 2.5 million mainly related to the Company's head office, and disposals amounting to SAR 0.4 million related to the El Madina accommodation building.

(iii) Employees' Defined Benefit Obligation

Employees' defined benefit obligation increased from SAR 14.8 million as of 31 December 2023G to SAR 15.9 million as of 31 March 2024G due to the gradual increase in average number of deployed resources from 12,620 as of 31 December 2023G to 13,723 as of 31 March 2024G, in addition to the increase in staff salaries of general and administrative staff across the historical period.

(e) Current Liabilities

(i) Trade Payables

Trade payables decreased from SAR 8.9 million as of 31 December 2023G to SAR 7.5 million as of 31 March 2024G, driven by a settlement of various outstanding payables, offset by payables due to the General Directorate of Passports and recruitment agencies.

(ii) Contract Liabilities

Contract liabilities increased from SAR 12.6 million as of 31 December 2023G to SAR 17.9 million as of 31 March 2024G. This increase is due to the effect of the interim reporting date, as it is early in the year and most services have not yet been delivered.

(iii) Retained Deposits – Current

The total balance of retained deposits increased from SAR 35.0 million as of 31 December 2023G to SAR 37.9 million as of 31 March 2024G. The average number of clients and resources was 121 clients and 4,764 workers during the three-month period ending 31 March 2023G, changing to 107 clients and 7,680 resources during the three-month period ending 31 March 2024G.

The balance of the current portion of retained deposits amounted to SAR 33.1 million as of 31 December 2023G and decreased to SAR 22.5 million as of 31 March 2024G.

(iv) Accrued Expenses and Other Credit Balances

Accrued expenses and other credit balances amounted to SAR 67.0 million as of 31 March 2024G, and mainly consists of salary and other benefits at SAR 25.7 million, vacations allowances at SAR 14.5 million, air tickets allowances at SAR 12.6 million, VAT payables at SAR 6.5 million, bonus accruals at SAR 2.8 million, advance payment from clients at SAR 1.9 million, and other payables at SAR 3.1 million.

Accrued expenses and other credit balances increased from SAR 53.9 million as of 31 December 2023G to SAR 67.0 million as of 31 March 2024G, primarily due to increases in salary and other benefits by SAR 8.1 million, air ticket allowances by SAR 1.9 million, vacation allowances by SAR 1.4 million, which align with the increase in average headcount from 11,401 in the three-month period ended 31 March 2023G to 13,723 in the three-month period ended 31 March 2024G. This increase was partially offset by a decrease in other payables amounting to SAR 1.0 million.

(v) Lease Liabilities – Current

Lease liabilities decreased from SAR 12.4 million as of 31 December 2023G to SAR 10.6 million as of 31 March 2024G due to payments amounting to SAR 2.5 million relating the Company's leased head office. In addition to a derecognition of SAR 0.4 million relating to staff accommodation in Madinah Al-Munawarah.

The current portion of lease liabilities amounted to SAR 4.0 million as of 31 December 2023G and SAR 3.5 million as of 31 March 2024G.

(vi) Accrued dividends

Accrued dividends amounted to SAR 35.0 million as of 31 March 2024G and related to dividends declared for the financial year ended 2023G.

(vii)Zakat Provision

Zakat provision decreased from SAR 11.2 million as of 31 December 2023G to SAR 6.3 million as of 31 March 2024G, in line with the decrease in net assets.

6.10.2.1 Non-Current Assets

The table below summarises non-current assets as of 31 December 2023G and 31 March 2024G:

Table 6.70: Non-Current Assets

SAR in 000s	31 December 2023G (Audited)	31 March 2024G (Reviewed)
Property and equipment	44,372	48,875
Right-of-use assets	13,037	12,422
Cash margin on letter of guarantee	10,000	10,000
Visas in use - non-current portion	3,622	3,515
Prepaid recruitment expenses - non-current portion	3,235	3,195
Total non-current assets	**74,266**	**78,007**

Source: Reviewed consolidated unaudited financial statements for the three-month period ended 31 March 2024G.

Non-current assets mainly consist of property and equipment, right-of-use assets, cash margin on letter of guarantee, the non-current portion of visas in use, and the non-current portion of prepaid recruitment expenses. Non-current assets constituted 16.5 per cent. and 16.1 per cent. of total assets as of 31 December 2023G, and 31 March 2024G, respectively.

(a) Property and Equipment

The table below summarises the net book value of property and equipment as of 31 December 2023G and 31 March 2024G:

Table 6.71: Net Book Value of Property and Equipment

SAR in 000s	31 December 2023G (Audited)	31 March 2024G (Management information)
Lands	15,412	17,473
Buildings	7,586	9,396
Vehicles	11,804	11,340
Furniture and fixtures	716	738
Computers and office equipment	1,319	1,255
Electrical appliances	1,089	1,111
Leasehold improvements	550	477
Intangible assets	-	5,536
Work in progress	5,896	1,549
Total	**44,372**	**48,875**

Source: Reviewed consolidated financial statements for the three-month period ended 31 March 2024G and management information.

The table below summarises additions to property and equipment as of 31 December 2023G and 31 March 2024G:

Table 6.72: Additions to Property and Equipment

SAR in 000s	31 December 2023G (Audited)	31 March 2024G (Management information)
Lands	-	2,061
Buildings	7	1,890
Vehicles	9,600	191
Furniture and fixtures	307	102
Computers and office equipment	432	40
Electrical appliances	523	109
Leasehold improvements	288	-
Intangible assets	-	5,679
Work in progress	3,001	(4,347)
Total	**14,158**	**5,724**

Source: Reviewed consolidated financial statements for the three-month period ended 31 March 2024G and management information.

(1) Additions to work in progress are presented net of transfers.

(2) Additions to work in progress are presented net of transfers. The value of transfers from work in progress to intangible assets amounted to 5.7 million Saudi Riyals during the three-month period ended 31 March 2024G and has been included in the additions to property and equipment schedule.

The table below summarises the accumulated depreciation on property and equipment as of 31 December 2023G and 31 March 2024G:

Table 6.73: Accumulated Depreciation on Property and Equipment

SAR in 000s	31 December 2023G (Audited)	31 March 2024G (Management information)
Buildings	1,602	1,682
Vehicles	11,188	11,843
Furniture and fixtures	2,283	2,363
Computers and office equipment	2,190	2,294
Electrical appliances	1.994	2,081
Leasehold improvements	8,989	9,061
Intangible assets	-	143
Total	**28,246**	**29,467**

Source: Reviewed consolidated financial statements for the three-month period ended 31 March 2024G and management information.

(b) Lands

Lands amounted to SAR 17.5 million as of 31 March 2024G, primarily relates to land plots owned by the Company, the balance remained stable at SAR 15.4 million as of 31 December 2023G prior to increasing to SAR 17.5 million as of 31 March 2024G due to the purchase of land in Dhahrat Laban amounting to SAR 2.1 million which will be utlilised to build houses to accommodate the staff. The Company holds lands in different neighbourhoods, including Ta'awon amounting to SAR 4.5 million, Rawdha amounting to SAR 4.2 million, Narjis amounting to SAR 3.5 million, Al Suwaidi amounting to SAR 3.2 million, and Dhahrat Laban amounting to SAR 2.1 million.

(c) Buildings

Buildings amounted to SAR 9.4 million as of 31 March 2024G and represent buildings constructed for the purpose of branches and accommodations mainly for the individuals' segment. These mainly pertain to buildings built on the lands owned in Ta'awon amounting to SAR 2.7 million, Rawdha amounting to SAR 2.5 million, and Al Suwaidi amounting to SAR 2.2 million, and Dhahrat Laban amounting to SAR 1.9 million.

(d) Vehicles

Vehicles slightly decreased from SAR 11.8 million as of 31 December 2023G to SAR 11.3 million as of 31 March 2024G due to depreciation charges during the period amounting to SAR 0.7 million.

(e) Furniture and Fixtures

Furniture and fixtures remained stable at SAR 0.7 million during the historical period as of 31 December 2023G and as of 31 March 2024G, as additions to furniture and fixtures were continually offset by depreciation across the historical period.

(f) Computers and Office Equipment

Computers and office equipment remained stable at SAR 1.3 million during the historical period as of 31 December 2023G and as of 31 March 2024G, as additions to computers and office equipment were continually offset by depreciation across the historical period.

(g) Electrical Appliances

Electrical appliances remained stable at SAR 1.1 million during the historical period as of 31 December 2023G and as of 31 March 2024G, as additions to electrical devices were continually offset by depreciation across the historical period.

(h) Leasehold Improvements

Leasehold improvements slightly decreased from SAR 0.6 million as of 31 December 2023G to SAR 0.5 million as of 31 March 2024G due to depreciation charges during the period amounting to SAR 0.1 million.

(i) Intangible Assets

Intangible assets amounted to SAR 5.5 million as of 31March 2024G mainly pertains to the Company's ERP programme, Microsoft Dynamics 365.

(j) Work in Progress

Work in progress significantly decreased from SAR 5.9 million as of 31 December 2023G to SAR 1.5 million as of 31 March 2024G due to the completion of the ERP implementation programme which has been reclassified to intangible assets.

(k) Right-of-Use Assets

The table below summarises right-of-use assets as of 31 December 2023G and 31 March 2024G:

Table 6.74: Right-of-Use Assets

SAR in 000s	31 December 2023G (Audited)	31 March 2024G (Reviewed)
As of 1 January	**9,218**	**13,037**
Additions	8,542	1,007
Contract adjustments	(91)	-
Disposals	-	(442)
Amortisation	(4,632)	(1,180)
As of 31 December	**13,037**	**12,421**

Source: Reviewed consolidated unaudited financial statements for the three-month period ended 31 March 2024G.

Right-of-use assets decreased from SAR 13.0 million as of 31 December 2023G to SAR 12.4 million as of 31 March 2024G, mainly due to the amortisation of the Company's head office lease by SAR 0.2 million and the disposal of El Madina accommodation amounting to SAR 0.4 million. This decrease was partially offset by additions amounting to SAR 1.0 million for new leases in Yanbu amounting to SAR 0.5 million, Qassim amounting to SAR 0.2 million, and El Madina amounting to SAR 0.4 million.

(l) Visas in Use – Non-Current Portion

The table below summarises visas in use - non-current portion as of 31 December 2023G and 31 March 2024G:

Table 6.75: Visas in Use

SAR in 000s	31 December 2023G (Audited)	31 March 2024G (Reviewed)
Balance at the year beginning	**9,778**	**12,050**
Visas issued during the year	34,450	27,788
Adjustments to the opening balance	(595)	(40)
Less: available visas	(16,622)	(22,984)
Visas in use	27,011	16,814
Amortisation during the year	(11,907)	(2,728)
Returned visas	(3,054)	(1,592)
Balance as of 31 December	**12,050**	**12,493**

Source: Reviewed consolidated unaudited financial statements for the three-month period ended 31 March 2024G.

Non-Current Visas in use increased from SAR 3.6 million as of 31 December 2023G to SAR 3.5 million as of 31 March 2024G. These increases were in line with the continuous increase in the Company's average number of resources deployed, increasing from 12,620 resources in the financial year 2023G to 13,723 in the three-month period ended 31 March 2024G.

6.10.2.2 Current Assets

The table below summarises visas in use - non-current portion as of 31 December 2023G and 31 March 2024G:

Table 6.76: Current Assets

SAR in 000s	31 December 2023G (Audited)	31 March 2024G (Reviewed)
Trade receivables	75,731	84,759
Prepayments and other debit balances	57,956	54,749
Visas in use – current	8,428	8,978
Available visas	16,622	22,984
Due from related parties	875	754
Cash at banks	216,625	233,182
Total	**376,237**	**405,406**

Source: Reviewed consolidated unaudited financial statements for the three-month period ended 31 March 2024G.

Current assets represented 83.5 per cent. and 83.9 per cent. of total assets as of 31 December 2023G and 31 March 2024G, respectively.

(a) Trade Receivables

The table below summarises trade receivables as of 31 December 2023G and 31 March 2024G:

Table 6.77: Trade Receivables

SAR in 000s	31 December 2023G (Audited)	31 March 2024G (Reviewed)
Trade receivables – individuals	1,721	1,922
Trade receivables – businesses	77,355	86,768
Expected credit loss provision	(3,345)	(3,932)
Total	**75,731**	**84,759**
Aging of trade receivables	41	50

Source: Reviewed consolidated unaudited financial statements for the three-month period ended 31 March 2024G.

(1) The average receivables collection period was calculated using the average (total trade receivables) for the previous and current period / revenues from contracts with customers * 365 days for the financial year ended 31 December 2023G * 90 days for the financial period ended 31 March 2024G.

Gross receivables increased from SAR 79.1 million as of 31 December 2023G to SAR 84.8 million as of 31 March 2024G, despite the decrease in average number of clients from 121 clients in the three-month period ended 31 March 2023G to 107 clients in the three-month period ended 31 March 2024G, mainly driven by the increase in average number of deployed resources from 11,401 resources in the three-month period ended 31 March 2023G to 13,723 resources in the three-month period ended 31 March 2024G. It is worth noting that the as of 31 March 2024G, the Company held SAR 37.9 million of retained deposits against outstanding receivables.

(b) Prepayments and Other Debit Balances

The table below summarises prepayments and other debit balances as of 31 December 2023G and 31 March 2024G:

Table 6.78: Prepayments and Other Debit Balances

SAR in 000s	31 December 2023G (Audited)	31 March 2023G (Reviewed)
Prepaid expenses	21,041	20,661
Prepaid recruitment fees	16,800	14,839
Advances to suppliers	12,786	9,382
Cash guarantee	3,462	-
Staff receivables	682	791
Others	3,184	9,075
Total	**57,956**	**54,749**

Source: Reviewed consolidated unaudited financial statements for the three-month period ended 31 March 2024G.

(i) Prepaid Expenses

Prepaid expenses decreased from SAR 21.0 million as of 31 December 2023G to SAR 20.7 million as of 31 March 2024G, and mainly comprised of (i) prepaid expat fees at SAR 14.8 million that are paid for all non-Saudi resources employed within the corporate sector at SAR 9.6 thousand annually per resource, (ii) prepaid medical insurance premium at SAR 3.3 million, (iii) prepaid iqama fees at SAR 1.9 million that are paid for all non-Saudi resources employed by the Company at SAR 650 annually per resource, (iv) prepaid visa fees which are paid to the MHRSD for visa requests, (v) prepaid rent at SAR 0.7 million, and (vi) prepaid work permit fees paid for all resources at SAR 100 per resource annually.

(ii) Prepaid Recruitment Fees

Prepaid recruitment fees decreased from SAR 16.8 million as of 31 December 2023G to SAR 14.8 million as of 31 March 2024G, in line with the amortisation of recruitment fees related to retained resources.

(iii) Advances to Suppliers

Advances suppliers decreased from SAR 12.8 million as of 31 December 2023G to SAR 9.4 million as of 31 March 2024G, as a result of the reclassification to recruitment expenses.

(iv) Cash Guarantee

Cash guarantee amounted to SAR 3.5 million as of 31 December 2023G primarily related to cash margins held against letters of guarantee for participation in tenders for government contracts.

(v) Staff Receivables

Staff receivables increased from SAR 0.7 million as of 31 December 2023G to SAR 0.8 million as of 31 March 2024G, in line with the increase in average number of resources.

(vi) Others

Others increased from SAR 3.2 million as of 31 December 2023G to SAR 9.1 million as of 31 March 2024G, mainly due to accrued revenue from medical resources deployed to Dr. Sulaiman Al-Habib Medical Services Group amounting to SAR 2.5 million and receivables from shareholders in relation to IPO related expenses amounting to SAR 3.5 million.

(c) Visas in Use

The table below summarises visas in use as of 31 December 2023G and 31 March 2024G:

Table 6.79: Visas in Use

SAR in 000s	31 December 2023G (Audited)	31 March 2024G (Reviewed)
Balance as of 1 January	**9,778**	**12,050**
Visas issued during the year/period	34,450	27,788
Adjustments to the opening balance	(595)	(40)
Less: available visas	(16,622)	(22,984)
Visas in use	27,011	16,814
Amortisation during the year/period	(11,907)	(2,728)
Returned visas	(3,054)	(1,592)
Balance as of 31 December	**12,050**	**12,493**
Current portion	**8,428**	**8,978**
Non-current portion	**3,622**	**3,515**

Source: Reviewed consolidated unaudited financial statements for the three-month period ended 31 March 2024G.

(i) Visas in Use – Current Portion

Visas in use amounted to SAR 9.0 million as of 31 March 2024G, increased from SAR 8.4 million as of 31 December 2023G. This increase is primarily due to the issuance and use of visas during the period ended 31 March 2024G, amounting to SAR 4.8 million. This aligns with the increase in the average number of deployed resources, which increased from 11,401 during the three-month period ended 31 December 2023G to 13,723 during the three-month period ended 31 March 2024G.

(ii) Available Visas

The table below summarises available visas as of 31 December 2023G and 31 March 2024G:

Table 6.80: Available Visas

SAR in 000s	31 December 2023G (Audited)	31 March 2024G (Reviewed)
Issued visas during the year/period	43,633	39,798
Transfer to visas in use	(27,011)	(16,814)
Total	**16,622**	**22,984**

Source: Reviewed consolidated unaudited financial statements for the three-month period ended 31 March 2024G.

Available visas increased from 16.6 million as of 31 December 2023G to SAR 23.0 million as of 31 March 2024G, line with the Company's expectations of increased demand and the subsequent need for additional visas.

(d) Due from Related Parties

The table below summarises Due from related parties as of 31 December 2023G and 31 March 2024G:

Table 6.81: Due from Related Parties

SAR in 000s	Nature of relationship	31 December 2023G (Audited)	31 March 2024G (Reviewed)
Fast food burger map restaurants company	Related to shareholder	247	456
Four Twins Co., Ltd.	Related to shareholder	628	298
Total		**875**	**754**

Source: Reviewed consolidated unaudited financial statements for the three-month period ended 31 March 2024G.

Due from related parties decreased from SAR 0.9 million as of 31 December 2023G to SAR 0.8 million as of 31 March 2024G, due to settlements received from Four Twins Company Ltd. amounting to SAR 0.3 million which was offset by additional resources deployed to Burger Map Restaurants Company.

(e) Cash at Banks

The table below summarises cash at banks as of 31 December 2023G and 31 March 2024G:

Table 6.82: Cash at Banks

SAR in 000s	31 December 2023G (Audited)	31 March 2024G (Reviewed)
Cash at banks	16,625	41,182
Short term deposits	200,000	192,000
Total	**216,625**	**233,182**

Source: Reviewed consolidated unaudited financial statements for the three-month period ended 31 March 2024G.

Cash at banks amounted to SAR 233.2 million as of 31 March 2024G, mainly comprised of cash at banks amounting to SAR 41.2 million and short-term deposits amounting to SAR 192.0 million.

6.10.2.3 Equity

The table below summarises equity as of 31 December 2023G and 31 March 2024G:

Table 6.83: Equity

SAR in 000s	31 December 2023G (Audited)	31 March 2024G (Reviewed)
Share capital	200,000	265,000
Statutory Reserve	13,976	-
Retained Earnings	86,331	18,878
Equity related to shareholders in the parent company	**300,307**	**283,878**
Non-controlling interest	1,355	1,297
Total equity	**301,662**	**285,174**

Source: Reviewed consolidated unaudited financial statements for the three-month period ended 31 March 2024G.

(a) Share Capital

The table below summarises the share capital as of 31 March 2024G:

Table 6.84: Share Capital

Shareholders	Number of stocks	Share capital
Tasheel Real Estate Company	9,043,125	90,431,250
Dr. Sulaiman Al Habib for Medical Services Group Company	6,625,000	66,250,000
Abdulrahman Ali Abdullah Al Qubaisi	2,981,250	29,812,500
Faris Saleh Mutlq Alhenaki	2,650,000	26,500,000
Saleh Mohammed Saleh Al Hajjaj	2,650,000	26,500,000
Abdullah Suleiman Abdulrahman Al-Nuqair	993,750	9,937,500
Abdullah Ahmed Sultan Al Shehri	795,000	7,950,000
Saif Mohammad Saif Al Sharikh	496,875	4,968,750
Ziad Mohamed Maki Saleh Al Tunsi	265,000	2,650,000
Total	**26,500,000**	**265,000,000**

Source: Reviewed consolidated unaudited financial statements for the three-month period ended 31 March 2024G.

Share capital amounted to SAR 265.0 million as of 31 March 2024G comprised 26.5 million shares at SAR 10 per share as of 31 March 2024G, amounting to SAR 265.0 million. The Company's articles of association were amended based on the extra ordinary general assembly meeting held on 21 June 2023G to increase the Company's capital by transferring SAR 100.0 million from retained earnings so that the total share capital increases to SAR 200.0 million. Following the extraordinary general assembly meeting held on 6 March 2024G, the Company increased its capital to SAR 265.0 million by transferring SAR 51.0 million from retained earnings and SAR 14.0 million from the statutory reserve.

(b) Statutory Reserve

Statutory reserve decreased to nil as of 31 March 2024G due to transfers made to share capital.

(c) Retained Earnings

Retained earnings amounted to SAR 18.9 million as of 31 March 2024G and comprised of accumulated net profits after distribution of dividends and transfers to share capital. See Section 6.10.2 (*Consolidated Statement of Financial Position*) for additional details.

(d) Non-Controlled Interest

Equity attributable to non-controlling equity amounted to SAR 1.3 million as of 31 March 2024G.

6.10.2.4 Non-Current Liabilities

The table below summarises non-current liabilities as of 31 December 2023G and 31 March 2024G:

Table 6.85: Non-Current Liabilities

SAR in 000s	31 December 2023G (Audited)	31 March 2024G (Reviewed)
Retained deposits – non-current	1,884	15,437
Lease liabilities – non-current	8,407	7,157
Employees' defined benefit obligation	14,823	15,932
Total	**25,114**	**38,526**

Source: Reviewed consolidated unaudited financial statements for the three-month period ended 31 March 2024G.

Non-current liabilities mainly consist of the non-current portion of retained guarantees, the non-current portion of lease liabilities, and employee defined benefit obligations. Non-current liabilities constituted 16.9 per cent. and 19.4 per cent. of total liabilities as of 31 December 2023G and as of 31 March 2024G, respectively.

(a) Lease Liabilities – Non-Current

The table below summarises lease liabilities as of 31 December 2023G and 31 March 2024G:

Table 6.86: Lease Liabilities

SAR in 000s	31 December 2023G (Audited)	31 March 2024G (Reviewed)
As of 1 January	9,012	12,439
Additions during the year/period	8,543	1,007
Disposals during the year/period	-	(442)
Contract adjustment	(443)	-
Finance costs	582	144
Payments during the year/period	(5,254)	(2,516)
As of 31 December	**12,440**	**10,632**
Current portion	**4,032**	**3,474**
Non - current portion	**8,407**	**7,157**

Source: Reviewed consolidated unaudited financial statements for the three-month period ended 31 March 2024G.

Lease liabilities decreased from SAR 12.4 million as of 31 December 2023G, to SAR 10.6 million as at March 2024G, due to payments made during the period amounting to SAR 2.5 million related to the company's headquarters, and derecognitions amounting to SAR 0.4 million related to the employee housing building in El Medina.

The balance of the non-current portion of lease liabilities was SAR 8.4 million as of 31 December 2023G, and SAR 7.2 million as of 31 March 2024G.

(b) Employees' Defined Benefit Obligation

The table below summarises employee defined benefit obligation as of 31 December 2023G and 31 March 2024G:

Table 6.87: Employee Defined Benefit Obligation

SAR in 000s	31 December 2023G (Audited)	31 March 2024G (Reviewed)
As of 1 January	12,453	14,823
Current service costs	6,532	2,199
Finance costs	524	-
Paid during the year/period	(4,093)	(1,090)
Actuarial re-measurement	(593)	-
As of 31 December	**14,823**	**15,932**

Source: Reviewed consolidated unaudited financial statements for the three-month period ended 31 March 2024G.

Employee defined benefit obligations increased during the historical period from SAR 14.8 million as of 31 December 2023G, to SAR 15.9 million as of 31 March 2024G, due to the gradual increase in the average number of employed workers from 12,620 as of 31 December 2023G to 13,723 as of 31 March 2024G, in addition to the increase in salaries of general and administrative employees over the historical period.

6.10.2.5 Current Liabilities

The table below summarises current liabilities as of 31 December 2023G and 31 March 2024G:

Table 6.88: Current Liabilities

SAR in 000s	31 December 2023G (Audited)	31 March 2024G (Reviewed)
Trade payables	8,913	7,517
Contract liabilities	12,563	17,884
Retained deposits – Current portion	33,114	22,511
Accrued expenses and other credit balances	53,930	67,045

SAR in 000s	31 December 2023G (Audited)	31 March 2024G (Reviewed)
Lease liabilities – Current portion	4,032	3,474
Accrued dividends	-	35,000
Zakat provision	11,175	6,280
Total	**123,727**	**159,712**

Source: Reviewed consolidated unaudited financial statements for the three-month period ended 31 March 2024G.

Current liabilities mainly consist of trade payables, contract liabilities, the current portion of retained deposits, accrued expenses and other credit balances, the current portion of lease liabilities, accrued dividends, and accrued zakat. Current liabilities constituted 83.1 per cent. and 80.6 per cent. of total liabilities as of 31 December 2023G and 31 March 2024G, respectively.

(a) Accrued Expenses and Other Credit Balances

The table below summarises accrued expenses and other credit as of 31 December 2023G and 31 March 2024G:

Table 6.89: Accrued Expenses and Other Credit Balances

SAR in 000s	31 December 2023G (Audited)	31 March 2024G (Reviewed)
Accrued salaries and other benefits	17,545	25,686
Accrued vacations	13,086	14,484
Accrued tickets	10,724	12,637
Value Added Tax payable	5,689	6,474
Bonus provision	2,231	2,792
Advances from customers	573	1,916
Provision for legal and contingent liabilities	-	-
Others	4,081	3.056
Total	**53,930**	**67.045**

Source: Reviewed consolidated unaudited financial statements for the three-month period ended 31 March 2024G.

(b) Accrued Salaries and Other Benefits

Accrued salaries and other benefits amounted to SAR 25.7 million as of 31 March 2024G, increased from SAR 17.5 million as of 31 December 2023G. This increase is primarily due to the increase in the average number of deployed resources to 13,723 during the three-month period ended 31 March 2024G.

(c) Accrued Vacations

Accrued vacations amounted to SAR 14.5 million as of 31 March 2024G, increased from SAR 13.1 million as of 31 December 2023G. This increase is primarily due to the increase in the average number of deployed resources to 13,723 during the three-month period ended 31 March 2024G.

(d) Accrued Tickets

Accrued tickets amounted to SAR 12.6 million as of 31 March 2024G, increased from SAR 10.7 million as of 31 December 2023G. This increase is due to the increase in the average number of deployed resources to 13,723 during the three-month period ended 31 March 2024G.

(e) Value Added Tax Payable

Value added tax payable amounted to SAR 6.5 million as of 31 March 2024G increased from SAR 5.7 million as of 31 December 2023G, in line with the increase in revenues during the period.

(f) Bonus Provision

Bonus provision amounted SAR 2.8 million as of 31 March 2024G, increased from SAR 2.2 million as of 31 December 2023G. This increase aligns with the increase in net profit from SAR 15.8 million during the three-month period ended 31 March 2023G, to SAR 18.5 million during the three-month period ended 31 March 2024G.

(g) Advances from Customers

Advances from customers amounted to SAR 0.6 million as of 31 March 2024G, increased from SAR 0.6 million as of 31 December 2023G, due to the effect of the interim period. Service requests made at the beginning of the year have not yet been executed, leading to an increase in the balance.

(h) Provisions for Legal and Potential Liabilities

Provisions for legal and potential liabilities amounted to nil as of 31 March 2024G, due to the reversal of the remaining balance following the full settlement of the legal dispute.

(i) Others

Others amounted to SAR 3.1 million as of 31 March 2024G, decreased from SAR 4.1 million as of 31 December 2023G, due to settlements made with various creditors.

(j) Lease Liabilities – Current

Lease liabilities decreased to SAR 10.6 million as of 31 March 31 2024G, due to payments made during the period amounting to SAR 2.5 million primarily related to the company's headquarters, and disposals amounting to SAR 0.4 million related to the employee housing building in El Medina. The current portion of lease liabilities was SAR 4.0 million as of 31 December 2023G, and SAR 3.5 million as of 31 March 2024G.

(k) Zakat Provision

The table below summarises the components of the Zakat pool as of 31 December 2023G and 31 March 2024G:

Table 6.90: Components of the Zakat Pool

SAR in 000s	31 December 2023G (Audited)	31 March 2024G (Reviewed)
Adjusted profit for the year before zakat	76,696	23,493
Share capital	200,000	265,000
Retained earnings	25,909	307
Statutory reserve	13,976	18,332
Other provisions and adjustments	39,263	-
Lease liabilities	12,439	10,632
Right-of-use assets	(13,037)	(12,422)
Property and equipment	(44,609)	(48,875)
Advances from customers	573	573
Zakat provision	3,000	4,085
Retained deposits	-	15,437
Contract liabilities	-	-
Cash margin on letter of guarantee	-	-
Visas in use – non-current	(3,622)	(3,515)
Total (before amendment)	**310,588**	**273,048**
Amendments to the zakat pool	7,268	7,020
Zakat pool	**317,856**	**280,065**

Source: Reviewed consolidated unaudited financial statements for the three-month period ended 31 March 2024G.

Zakat decreased from SAR 11.2 million as of 31 December 2023G to SAR 6.3 million as of 31 March 2024G, due to a payment of SAR 7.0 million made to the Zakat Authority.

6.10.3 Consolidated Statement of Cash Flow

The table below summarises the consolidated statement of cash flows for the three-month period ended 31 March 2023G and 2024G:

Table 6.91: Summary of the Consolidated Statement of Cash Flows

SAR in 000s	Three-month period ended 31 March 2023G (Reviewed)	Three-month period ended 31 March 2024G (Reviewed)
Cash from operating activities:		
Profit for the year before zakat	17,950	20,708
Adjustments for:		
Depreciation	1,300	1,221
Amortisation of right of use	1,144	1,180
Amortisation of visas in use	2,977	2,728
Expected credit losses	-	587
Finance cost	139	144
Losses on disposal of property and equipment	-	-
Write off work in progress	-	-
Employees' defined benefit obligation costs	1,373	2,199
Changes in working capital:		
Trade receivables	(4,157)	(9,615)
Prepayments and other debit balances	3,619	3,247
Visas in use	(17,127)	(19,986)
Available visas	14,493	10,452
Retained deposits	516	2,950
Trade payables	(2,383)	(1,395)
Due from/to related parties	(151)	122
Accrued expenses and other credit balances	2,969	13,115
Contract liabilities	8,835	5,322
Cash generated from operating activities	**31,496**	**32,978**
Zakat paid	-	(7,090)
Employees' defined benefit obligation	(715)	(1,090)
Net cash generated from operating activities	**30,781**	**24,797**
Cash from investing activities:		
Investments at fair value through profit or loss – net	-	-
Purchase of property and equipment	(4,939)	(5,724)
Proceeds from disposal of property and equipment	-	-
Net cash generated from (used in) investing activities	**(4,939)**	**(5,724)**
Cash from financing activities:		
Lease liabilities paid	(2,355)	(2,516)
Net cash used in financing activities	**(2,355)**	**(2,516)**
Net change in cash and cash equivalent	22,487	16,557
Cash at banks at 1 January	183,634	216,625
Cash at banks at 31 December	**207,121**	**233,625**

Source: Reviewed consolidated financial statements for the three-month period ended 31 March 2024G.

(a) Cash Flows from/ (Used in) Operating Activities

Cash flows from operating activities decreased from SAR 30.8 million for the three-month period ended 31 March 2023G to SAR 24.8 million for the three-month period ended 31 March 2024G, despite an increase in earnings before interest, taxes, depreciation, and amortisation (EBITDA) of SAR 2.9 million. This decrease was primarily due to a decrease in changes in working capital of SAR 2.4 million, which was the result of an increase in trade receivables of SAR 5.5 million, along with zakat payments of SAR 7.1 million, among other factors.

(b) Cash Flows from/(Used in) Investing Activities

Cash flows used in investing activities increased from SAR 4.9 million during the three-month period ended 31 March 2023G to SAR 5.7 million during the three-month period ended 31 March 2024G, due to an increase in capital expenditures of SAR 0.8 million.

(c) Cash Flows from/(Used in) Financing Activities

Cash flows used in financing activities increased from SAR 2.4 million for the three-month period ended 31 March 2023G, to SAR 2.5 million for the three-month period ended 31 March 2024G, in line with the increase in lease liability payments.

6.10.4 Commitments and Contingent Liabilities

As of 31 March 2024G and 31 December 2023G, the Group had a letter of guarantee amount of SAR 10.0 million (matched by cash guarantee of SAR 10.0 million) in relation to the Company's licence issued by the Ministry of Human Resources and Social Development.

6.11 Capitalisation and Indebtedness

Prior to the Offering, the current Shareholders owned the entire issued share capital of the Company. Upon completion of the Offering, they will hold 70 per cent. of the Company's shares.

The following table shows the Group's capitalisation as reflected in the Company's audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G. The following table, including the notes thereto set out in Section 19 (*Financial Statements and Auditor's Report*), should be read in conjunction with the relevant Financial Statements.

Table 6.92: Capitalisation and Indebtedness of the Group

SAR in 000s	Financial Years Ended 31 December		Three-month Period Ended 31 March 2024G	
	2021G (Audited)	2022G (Audited)	2023G (Audited)	2024G (Reviewed)
Long term lease liabilities	7,038	6,124	8,407	7,157
Short term lease liabilities	2,005	2,888	4,032	3,474
Short-Term Loans	-	-	-	-
Long-Term Loans	-	-	-	-
Total Loans	**9,043**	**9,012**	**12,439**	**10,632**
Capital	100,000	100,000	200,000	265,000
Contributed Capital	-	-	-	-
Statutory Reserve	8,499	13,976	13,976	-
Retained Earnings	76,587	125,909	86,331	18,878
Total Shareholders' Equity	**185,086**	**239,885**	**300,307**	**283,878**
Total Capitalisation (Total Loans + Shareholders' Equity)	194,129	248,897	312,746	294,509
Total Loans/Total Capitalisation	**4.9%**	**3.8%**	**4.1%**	**3.7%**

Source: The audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G and the reviewed consolidated financial statements for the three-month period ended 31 March 2024G.

The Directors declare that:

(a) the Company does not have any debt instruments as of the date of this Prospectus;

(b) no Shares of the Company are under option rights; and

(c) subject to any material adverse change in the Company's business, they believe that its existing cash balances and cash flows will be sufficient to meet its anticipated cash needs for working capital and capital expenditures for at least twelve (12) months following the date of this Prospectus.

07

Dividend Distribution Policy

7. Dividend Distribution Policy

Pursuant to Article 107 of the Companies Law, each Shareholder is entitled to the rights attached to each of its Shares, including the right to dispose of them and the right to attend Shareholders' assemblies, participate in its deliberations and vote in its decisions and the right to receive a portion of the dividends that are to be declared. The declaration and distribution of any dividends will be recommended by the Board of Directors before being approved by the Shareholders at a General Assembly meeting. However, there are no guarantees of actual dividend distribution, nor is there any guarantee regarding the amounts that will be paid in any given year. Any decision to do so will depend on, amongst other things, the Company's historic and anticipated earnings and cash flows, financing and capital requirements and market and general economic conditions, the Company's Zakat position and legal and regulatory considerations. Dividend distribution is subject to restrictions set out in the financing agreement entered into with financiers (for further details, see Section 11.6 (*Financing Agreements*)) as well as the limitations contained in the Bylaws.

Pursuant to the Company's Bylaws, annual net profits shall be allocated after deducting all general expenses and other costs, as follows:

- the Ordinary General Assembly may decide to create reserves to serve the Company's interest;
- the Ordinary General Assembly may also deduct amounts from net profits to achieve social purposes for the benefit of the Company's employees or for the establishment of non-profit institutions or to assist any such existing institutions; and
- the Company may distribute interim dividends to the Shareholders from distributable profits after meeting the following requirements:
  - the Ordinary General Assembly authorises the Board to distribute these profits by an Ordinary General Assembly resolution that is renewed annually;
  - the Company has reasonable liquidity and is able to reasonably forecast its profit levels; and
  - the Company has available distributable profits according to the latest financial statements, sufficient to cover the proposed dividends to be distributed, after deducting any amounts already distributed or capitalised subsequent to the date of these statements.

The following is a summary of the dividends that the Company has announced and distributed since the beginning of 2021G:

Table 7.1: Dividends Declared and Distributed in the Years Ended 31 December 2021G, 2022G and 2023G ('SAR'000) and the Three-Month Period Ended 31 March 2024G

SAR'000	Financial Year Ended 31 December			Three-Month Period Ended 31 March
	2021G	2022G	2023G(1)	2024G (1)
Declared Dividends for the Year	-	-	35,000	-
Declared Dividends Throughout the Period	-	-	-	35,000
Paid Dividends Throughout the Year	-	-	-	-
Net Profit for the Year Distributed	-	-	60,422	-
Ratio of Net Income Declared Dividends	-	-	58%	-

Source: The Company.

(1) On 25 Sha'ban 1445H (corresponding to 6 March 2024G), the Company's General Assembly approved the distribution of dividends for the financial year ended 31 December 2023G. The dividends were distributed on 7 Shawwal 1445H (corresponding to 16 April 2024G) and were therefore not included in the audited consolidated financial statements for the financial year ended 31 December 2023G. They were recorded in the financial statements for the three-month period ended 31 March 2024G.

The Offer Shares do not entitle their holders to any dividend announced prior to the date of this Prospectus, as the first entitlement of holder of Offer Shares shall be in dividends announced by the Company from the date of this Prospectus and the subsequent financial years. As of the date of this Prospectus, the Directors undertake that there are no declared or outstanding dividends for the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G with the exception of what has been stated above.

08

Use of Proceeds

8. Use of Proceeds

The total Offering Proceeds are estimated at SAR [•], of which approximately SAR 25,000,000, will be applied towards Offering expenses, which include the fees of the Financial Advisor, the Lead Manager, the Bookrunners, the Underwriter, the Legal Advisors, the Financial Due Diligence Advisor, the Auditor, the Receiving Agents, the Market Consultant and the Exchange, as well as marketing, printing and distribution fees and other costs and expenses related to the Offering.

The Net Offering Proceeds of approximately SAR [•], will be distributed to the Selling Shareholders. The Company will not receive any part of the proceeds from the Offering. The Selling Shareholder will bear all fees, costs and expenses in relation to the Offering.

09

Statements by Experts

9. Statements by Experts

All of the Advisors and Auditor whose names are listed starting on pages (vi) to (vii), have given and, as of the date of this Prospectus, have not withdrawn, their written consent/reports, as appropriate, to the publication of their names, addresses, logos and statements attributed to each of them in this Prospectus, and do not, themselves, nor do their employees forming part of the team serving the Company, or any of their relatives, have any shareholding or interest of any kind in the Company or any of its Subsidiaries as of the date of this Prospectus which would impair their independence.

10

Declarations

10. Declarations

The Directors declare the following:

1. they have not at any time been declared bankrupt or been subject to bankruptcy proceedings;
2. none of the companies in which any of the Directors, Senior Executives or the Secretary were employed, in a managerial or supervisory capacity, was declared bankrupt or insolvent during the past five years;
3. except as specified in Section 11.9 (*Related Party Contracts and Transactions*), they do not, themselves, nor do any of Senior Executives, Secretary, or their relatives or affiliates, have any material interest in any written or verbal contract or arrangement under consideration or expected to be conducted with the Company as of the date of this Prospectus;
4. except as otherwise described in Section 5.2.1 (*Composition of the Board of Directors*) and Section 11.9 (*Related Party Contracts and Transactions*), neither they nor any of Senior Executives, Secretary, nor their relatives, have any shareholding or interest of any kind in the Company nor in any debt instruments of the Company and the Company is prohibited from granting a loan to a Director or guaranteeing a loan entered into by a Director;
5. all transactions with Related Parties described in Section 11.9 (*Related Party Contracts and Transactions*), including the determination of the financial consideration for contracts, have been carried out in a systematic and legal manner and on appropriate and fair commercial principles used in transactions with third parties;
6. no commissions, discounts, brokerages or other non-cash compensation were granted by the Company or its Subsidiaries within the three years immediately preceding the application for the registration and offer of securities in connection with the issue or sale of any securities;
7. there has been no interruption in the Company's or its Subsidiaries' business that may significantly affect or has affected its financial position during the last 12 months;
8. there is no intention to introduce any material changes to the nature of the Company's business;
9. neither the Directors or Chief Executive Officer will vote on General Assembly resolutions that relate to any transaction or contract in which they have a direct or indirect interest;
10. except as otherwise described in Section 4.10 (*Overview of the Company's Departments*), there has been no material adverse change in the financial or trading position of the Company and its Subsidiaries in the four years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G and the six-month period ended 30 June 2024G immediately preceding the date of filing the application for registration and offering of securities that are the subject of this Prospectus and during the period from the end of the period covered in the Auditor's Report to the date of approval of this Prospectus;
11. the Company does not have any employee Share schemes in place for its employees or any other similar arrangement involving the employees in the capital of the Company;
12. the Company does not have any securities (contractual or otherwise) or any assets, the value of which is subject to fluctuation that would adversely and materially affect its financial position;
13. except as disclosed in Section 2 (*Risk Factors*), the Company is not aware of any information regarding any Government, economic, financial, monetary or political policies or any other factors that have materially affected or may materially affect (directly or indirectly) its operations;
14. except as disclosed in Section 2 (*Risk Factors*), the Company is not aware of any seasonal information or business cycles related to its business that would affect the Company and its Subsidiaries and their financial position;
15. the statistical information used in Section 3 (*Market Overview Section*) obtained from third-party sources represents the latest information available from each respective source;
16. except as stated in Section 2 (*Risk Factors*), the Company has insurance policies with sufficient insurance coverage to carry out its activities. The Company and its subsidiaries renews its insurance policies regularly to ensure continued insurance coverage;
17. all contracts and agreements which the Company considers to be material or important or which have an impact on a Subscriber's decision to invest in the Offer Shares have been disclosed. There are no other material agreements or contracts that have not been disclosed;
18. all terms and conditions that may affect the decisions of the Investors to invest in Offer Shares have been disclosed;
19. as of the date of this Prospectus, there are no material Related Party contracts or transactions that have any material impact on the Company's activities, and the Company has no intention of entering into any new agreements with Related Parties, except as specified in Section 11.9 (*Related Party Contracts and Transactions*);
20. the Selling Shareholders will incur all the expenses and costs related to the Offering, and such costs will be deducted from the Offering Proceeds, including the fees of the Financial Advisor, the Lead Manager, the Bookrunner, the Underwriter, the Legal Advisors, the Financial Due Diligence Advisor, the Auditor the Market Consultant, the Receiving Agents and the Exchange, as well as marketing, printing and distribution costs and other expenses related to the Offering;

21. except as stated in Section 2.1.39 (*Risks Related to Potential Zakat Liability and Tax Liabilities*), there is no dispute with ZATCA, or objections thereof. The Selling Shareholders, shall incur any additional claims that may be filed by ZATCA against the Company for the preceding years until the date of listing. The Selling Shareholders' undertakings have been given;
22. they have developed procedures, controls and systems that would enable the Company to meet all of the requirements of the relevant laws and regulations, including the Companies Law, CML and its implementing regulations (including the Rules on the Offer of Securities and Continuing Obligations) and Listing Rules;
23. all of the Company's employees are under its sponsorship;
24. as of the date of this Prospectus, the Shareholders whose names appear in Section 4.7 (*Current Shareholding Structure*) are the legal and beneficial owners, whether direct or indirect owners, of the Shares;
25. all changes in the share capital of the Company are in compliance with the applicable laws and regulations of the Kingdom;
26. except as disclosed in Section 2 (*Risk Factors*), and to the best of their knowledge and belief, there are no other material risks that may affect a prospective investor's decision to invest in the Offer Shares;
27. all the necessary approvals have been obtained for the Company's Shares to be listed on the Exchange and for the Company to become a listed joint stock company as of the date of this Prospectus;
28. except as disclosed in Section 2.2.11 (*Risks Related to Licences and Approvals*) and Section 11.4 (*Government Consents, Licences and Certificates*), as of the date of this Prospectus, the Company has obtained all necessary licences and permits to carry out its business activities;
29. except as disclosed in Section 11.12 (*Litigation*), the Company and its Subsidiaries are not subject to any claims or legal procedures that may have, alone or as a whole, materially affect the business of the Company or its financial position;
30. as of the date of this prospectus, the Company has not issued any debt instruments, nor does it have any term loans or any other outstanding loans or indebtedness (including bank overdrafts, financial liabilities under acceptance, acceptance credits or purchase commitments);
31. the Issuer alone, or in conjunction with its Subsidiaries has working capital sufficient for at least 12 months immediately following the date of this Prospectus;
32. no Shares of the Company are under option;
33. the financial information contained in this Prospectus and the audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G, the reviewed interim consolidated financial statements for the three-month period ended 31 March 2024G and the six-month period ended 30 June 2024G and the accompanying notes thereto have been prepared in compliance with IFRS endorsed in the Kingdom and other standards and pronouncements issued by SOCPA;
34. the financial information appearing in this Prospectus has been extracted from the Company's audited consolidated financial statements and no material amendments have been made thereto;
35. the financial information appearing in Section 6 (*Management's Discussion and Analysis of Financial Condition and Results of Operations*) has been extracted from the Company's audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G and the reviewed interim consolidated financial statements for the three-month period ended 31 March 2024G. Furthermore, the financial information is presented in a manner consistent with the audited annual financial statements of the Company;
36. the Company is capable of preparing the required reports in a timely manner in accordance with the implementing regulations issued by the CMA;
37. all material facts regarding the Company and its financial performance have been disclosed in this Prospectus and there are no other facts the omission of which would make any statement herein misleading;
38. the Directors acknowledge that the Company does not own any other assets outside the Kingdom;
39. the Offering does not violate the relevant laws and regulations of the Kingdom;
40. the Offering does not violate any of the contracts or agreements to which the Company is a party;
41. all material legal information related to the Company has been disclosed in this Prospectus; and
42. the Company's Directors are not subject to any legal proceedings or actions that may, individually or collectively, have a material effect on the Company's and its Subsidiaries' business, or its financial position.

In addition to the above, the Directors confirm that:

1. this Prospectus contains all of the information required to be included under the Rules on the Offer of Securities and Continuing Obligations and no facts that may affect the application for the registration and offer of securities were omitted from this Prospectus;
2. they have submitted, and will submit, to the CMA all of the documents required under the CML and the Rules on the Offer of Securities and Continuing Obligations;
3. the information and data contained in this Prospectus, which were obtained from third parties, including the information sourced from the Market Report prepared by the Market Consultant, are reliable and there is no reason for the Company or its Subsidiaries to believe that such information is materially inaccurate;

4. the Company has prepared its internal control policies on sound principles where it has implemented a written policy regulating and resolving possible conflicts of interest issues, which include the misuse of the Company's assets and misfeasance due to Related Party transactions. The Company has ensured that its operational and financial policies are sound and that control procedures appropriate for risk management are implemented in accordance with Part 5 of the Corporate Governance Regulations. The Directors review the Company's internal controls on an annual basis;
5. the internal control, accounting and information technology systems of the Company are sufficient and adequate;
6. except as disclosed in Section 11.9 (*Related Party Contracts and Transactions*), there are no conflicts of interest related to the Directors with respect to contracts or transactions entered into with the Company;
7. except as disclosed in Section 11.10 (*Conflicts of Interest*), none of the Directors are engaged in any activities similar or competitive with the activities of the Company. The Directors undertake to fulfil this regulatory requirement in the future as per Article 27 of the Companies Law and Chapter 6 of Part 3 of the Corporate Governance Regulations;
8. unless otherwise approved by the General Assembly, a Director may not have a direct or indirect interest in the transactions and contracts entered into by the Company;
9. the Directors shall notify the Board of Directors of any direct or indirect interest they may have in the transactions and contracts entered into by the Company and this notification will be recorded in the minutes of the Board of Directors meeting;
10. all transactions with Related Parties shall be entered into on an arm's-length basis and all works and contracts with Related Parties shall be subject to a vote in meetings of the Board of Directors and, if required by the Companies Law, the General Assembly. Directors may not vote on any decision related to transactions or contracts with the Company in which they have a direct or indirect interest, whether in the Board of Directors or the General Assembly, in accordance with Article 71 of the Companies Law and Chapter 6 of Part 3 of the Corporate Governance Regulations;
11. the Directors and the Chief Executive Officer shall not have the right to vote on decisions related to their fees and remuneration or any contract or proposal in which they have an interest; and
12. neither the Directors nor any Senior Executive shall obtain a loan from the Company and the Company shall not guarantee any loan entered into by a Director.

The Directors undertake to:

1. record all Board of Directors resolutions by means of written minutes of meetings, which shall be signed by the Directors;
2. disclose the details of any Related Party transactions in accordance with the Companies Law, the Corporate Governance Regulations and the Rules on the Offer of Securities and Continuing Obligations;
3. comply with the provisions of Articles 27, 71 and 72 of the Companies Law and Chapter 6 of Part 3 of the Corporate Governance Regulations; and
4. submit the most recent interim financial statements to the CMA, provided that they are included in the preliminary Prospectus prior to the commencement of the Offering of the Company's Shares or in the final Prospectus prior to the listing of the Company's Shares (as applicable), in accordance with the time periods stipulated in Article 81 of the Rules on the Offer of Securities and Continuing Obligations (**Disclosure of Financial Information**), and in accordance with the relevant continuing obligations of listed companies.

11

Legal Information

11. Legal Information

11.1 The Company

Tamkeen Human Resources Company is a closed joint stock company established pursuant to Ministerial Resolution No. 240, dated 23 Ramadan 1439H (corresponding to 7 June 2018G) with Commercial Registration No. 1010451749, dated 23 Ramadan 1439H (corresponding to 7 June 2018G). The Company's registered head office is located at Northern Ring Road, Al Nafel District, P.O. Box 4143, Riyadh 12333, Kingdom of Saudi Arabia. The current share capital of the Company is two hundred and sixty-five million Saudi Arabian Riyals (SAR 265,000,000), divided into twenty-six and five hundred million (26,500,000) ordinary shares, with a fully paid nominal value of ten Saudi Arabian Riyals (SAR 10) per share. According to its main commercial registration certificate, the Company's main activities include temporary employment agencies of expatriate workers services, mediation in Saudi individuals' recruitment, temporary employment agency activities for home services and activities of temporary employment agencies of Saudi individuals.

11.2 Ownership Structure

The following table summarises the shareholding structure of the Company pre-and post-Offering:

Table 11.1: Shareholding Structure of the Company Pre-and Post-Offering

Shareholder	Shareholding (Pre-Offering)			Shareholding (Post-Offering)		
	Number of Shares	Shareholding (%)[1]	Nominal Value (SAR)	Number of Shares	Shareholding (%)[1]	Nominal Value (SAR)
Tasheel Real Estate Company	9,043,125	34.13%	90,431,250	5,634,563	21.26%	56,345,630
Dr Sulaiman Al Habib Medical Services Group Company	6,625,000	25.00%	66,250,000	4,637,500	17.50%	46,375,000
Fares Saleh Mutlaq Al Henaki	2,650,000	10.00%	26,500,000	2,650,000	10.00%	26,500,000
Saleh Mohammed Saleh Al Hajaj	2,650,000	10.00%	26,500,000	1,523,750	5.75%	15,237,500
Abdulrahman Ali Abdullah Al Gubaisi	1,987,500	7.500%	19,875,000	1,325,000	5.00%	13,250,000
Abdullah Sulaiman Abdulrahman Al Ngeer [2]	993,750	3.75%	9,937,500	993,750	3.75%	9,937,500
Saleh Hamad Ali Al Bhaiji	993,750	3.75%	9,937,500	695,625	2.63%	6,956,250
Abdullah Ahmed Sultan Al Shehri	795,000	3.00%	7,950,000	556,500	2.10%	5,565,000
Saif Mohammed Saif Al Sharikh	496,875	1.875%	4,968,750	347,812	1.31%	3,478,120
Ziad Mohammed Makki Saleh Al Tunisi	265,000	1.00%	2,650,000	185,500	0.70%	1,855,000
Public	-	-	-	7,950,000	30.00%	79,500,000
Total	**26,500,000**	**100.00%**	**265,000,000**	**26,500,000**	**100.00%**	**265,000,000**

Source: The Company.

(1) Rounded to the first decimal place.

(2) Abdullah Sulaiman Abdulrahman Al Ngeer holds directly 50.00 per cent. of the shares of Tasheel Real Estate Company (which holds directly 34.13 per cent. of the Company's shares), as a result Abdullah Sulaiman Abdulrahman Al Ngeer owns indirectly 4,521,562 Shares which represents 17.06 per cent. of the Company's total Shares pre-Offering.

For further details regarding the Shareholders and the shareholding structure of the Company, see Section 4.7 (*Current Shareholding Structure*).

11.3 The Subsidiaries

The following table sets out the ownership structure of the Company's three Subsidiaries:

Table 11.2: The Subsidiaries

No	Name of Subsidiary	Country of Incorporation	Direct Ownership (%)	Indirect Ownership (%)	Remaining Ownership
1.	Open Technologies for Communications and Information Technology Company	Kingdom of Saudi Arabia	100.00%	-	-
2.	Elaf Specialised Contracting Company	Kingdom of Saudi Arabia	100.00%	-	-
3.	Eraf Medical Company	Kingdom of Saudi Arabia	60.00%	-	Dr Sulaiman Al Habib Medical Services Group Company

Source: The Company.

For further details regarding the Company's Subsidiaries, see Section 4.6 (*Overview of Subsidiaries*).

11.4 Government Consents, Licences and Certificates

The Company and its Subsidiaries hold several operational and regulatory licences and certificates issued by the relevant competent authorities and which are periodically renewed. The Directors declare that the Company and its Subsidiaries have obtained all of the licences and certificates necessary to execute their operations in order to engage in the relevant activities, except for certain operational licences expired or not obtained, as disclosed in Table 11.5 (*Summary of Operational Licences Obtained by the Company and its Subsidiaries*). The following tables list licences and certificates held by the Company and its Subsidiaries as of the date of this Prospectus:

Table 11.3: Details of Commercial Registration Certificates Obtained by the Company and its Subsidiaries

Company	Location	Type of Entity	Commercial Registration No	Registration Date	Expiration Date
The Company	Riyadh, Kingdom of Saudi Arabia	Main	1010451749	23 Ramadan 1439H (corresponding to 7 June 2018G)	23 Ramadan 1446H (corresponding to 23 March 2025G)
	Riyadh, Kingdom of Saudi Arabia	Branch - Individual Segment	1010452720	19 Shawwal 1439H (corresponding to 3 July 2018G)	19 Shawwal 1446H (corresponding to 17 April 2025G)
	Riyadh, Kingdom of Saudi Arabia	Branch - Corporate Segment	1010452721	19 Shawwal 1439H (corresponding to 3 July 2018G)	19 Shawwal 1446H (corresponding to 17 April 2025G)
	Buraydah, Kingdom of Saudi Arabia	Branch	1131295467	18 Rabi' al-Thani 1440H (corresponding to 25 December 2018G)	18 Rabi' al-Thani 1446H (corresponding to 21 October 2024G)
	Al-Baha, Kingdom of Saudi Arabia	Branch	5800108959	21 Rabi' al-Thani 1444H (corresponding to 15 November 2022G)	21 Rabi' al-Thani 1446H (corresponding to 24 October 2024G)
	Riyadh, Kingdom of Saudi Arabia	Branch – Isnad	1010718065	11 Shawwal 1442H (corresponding to 23 May 2021G)	11 Shawwal 1446H (corresponding to 9 April 2025G)
	Dammam, Kingdom of Saudi Arabia	Branch	2050126195	23 Ramadan 1440H (corresponding to 28 May 2019G)	23 Ramadan 1446H (corresponding to 23 March 2025G)
	Hail, Kingdom of Saudi Arabia	Branch	3350162794	21 Rabi' al-Thani 1444H (corresponding to 15 November 2022G)	21 Rabi' al-Thani 1446H (corresponding to 24 October 2024G)
	Al Madina Al Munawwarah, Kingdom of Saudi Arabia	Branch	4650215208	3 Rabi' al-Awwal 1441H (corresponding to 31 October 2019G)	3 Rabi' al-Awwal 1446H (corresponding to 6 September 2024G)
	Khamis Mushait, Kingdom of Saudi Arabia	Branch	5855346739	8 Jumada al-Akhirah 1441H (corresponding to 2 February 2020G)	8 Jumada al-Akhirah 1446H (corresponding to 9 December 2024G)

Company	Location	Type of Entity	Commercial Registration No	Registration Date	Expiration Date
	Tabuk, Kingdom of Saudi Arabia	Branch	3550151638	27 Shawwal 1444H (corresponding to 17 May 2023G)	27 Shawwal 1446H (corresponding to 25 April 2025G)
	Al-Taif, Kingdom of Saudi Arabia	Branch	4032263886	20 Rabi' al-Thani 1444H (corresponding to 14 November 2022G)	20 Rabi' al-Thani 1446H (corresponding to 23 October 2024G)
Open Technologies for Communications and Information Technology Company	Riyadh, Kingdom of Saudi Arabia	Limited Liability Company	1010481106	3 Rabi' al-Thani 1440H (corresponding to 10 December 2018G)	3 Rabi' al-Thani 1446H (corresponding to 6 October 2024G)
Elaf Specialised Contracting Company	Riyadh, Kingdom of Saudi Arabia	Limited liability company	1010766612	17 Jumada al-Ula 1443H (corresponding to 21 December 2021G)	17 Jumada al-Ula 1448H (corresponding to 28 October 2026G)
Eraf Medical Company	Riyadh, Kingdom of Saudi Arabia	Limited liability company	1010866144	14 Sha'ban 1444H (corresponding to 6 March 2023G)	14 Sha'ban 1449H (corresponding to 11 January 2028G)

Source: The Company.

Table 11.4: Details of Regulatory Licences and Certificates Obtained by the Company and its Subsidiaries

Company	Issuing Authority	Licence Number	Purpose	Issue Date	Expiration Date
The Company	Ministry of Human Resource and Social Development – (Head Office)	20002406000003	Certificate of compliance with Saudisation requirements	25 Thul-Qi'dah 1445H (corresponding to 2 June 2024G)	29 Safar 1446H (corresponding to 2 September 2024G)
	Ministry of Human Resource and Social Development – (Business Sector)	20002407000011	Certificate of compliance with Saudisation requirements	27 Thul-Qi'dah 1445H (corresponding to 3 March 2024G)	30 Rabi' al-Awwal 1446H (corresponding to 3 October 2024G)
	Ministry of Human Resource and Social Development – (Individual Sector)	20002407000020	Certificate of compliance with Saudisation requirements	4 Muharram 1445H (corresponding to 10 July 2024G)	7 Rabi' al-Awwal 1446H (corresponding to 10 October 2024G)
	Ministry of Human Resource and Social Development - (Head Office)	20012407086738	Certificate of wage protection	9 Muharram 1446H (corresponding to 15 July 2024G)	10 Rabi' al-Awwal 1446H (corresponding to 13 September 2024G)
	Ministry of Human Resource and Social Development - (Corporate Sector)	20012407086739	Certificate of wage protection	9 Muharram 1446H (corresponding to 15 July 2024G)	10 Rabi' al-Awwal 1446H (corresponding to 13 September 2024G)
	Ministry of Human Resource and Social Development - (Individual Sector)	20012407086740	Certificate of wage protection	9 Muharram 1446H (corresponding to 15 July 2024G)	10 Rabi' al-Awwal 1446H (corresponding to 13 September 2024G)
	Ministry of Human Resource and Social Development	36/A	Certificate to exercise mediation in Labour Recruitment and Provide Labour	3 Muharram 1441H (corresponding to 2 September 2019G)	19 Shawwal 1449H (corresponding to 15 March 2028G)
	Riyadh Chamber of Commerce and Industry	452137	Chamber of Commerce and Industry membership certificate	28 Ramadan 1439H (corresponding to 12 June 2018G)	23 Ramadan 1446H (corresponding to 23 March 2025G)
	ZATCA	1112018453	Certificate enabling the Company to finalise all processes	26 Shawwal 1445H (corresponding to 5 May 2024G)	2 Thul-Qi'dah 1446H (corresponding to 30 April 2025G)

Company	Issuing Authority	Licence Number	Purpose	Issue Date	Expiration Date
	ZATCA	310237532710003	VAT registration certificate	28 Shawwal 1442H (corresponding to 9 June 2021G)	N/A
	GOSI – (Head Office)	70153040	Certificate of fulfilment of the GOSI obligations	4 Safar 1446H (corresponding to 8 August 2024G)	3 Rabi' al-Awwal 1446H (corresponding to 6 September 2024G)
	GOSI - (Outsourcing)	70153148	Certificate of fulfilment of the GOSI obligations	4 Safar 1446H (corresponding to 8 August 2024G)	3 Rabi' al-Awwal 1446H (corresponding to 6 September 2024G)
	GOSI - (corporate Sector)	70271184	Certificate of fulfilment of the GOSI obligations	7 Safar 1446H (corresponding to 11 August 2024G)	6 Rabi' al-Awwal 1446H (corresponding to 9 September 2024G)
	GOSI - (Individual Sector)	70153049	Certificate of fulfilment of the GOSI obligations	4 Safar 1446H (corresponding to 8 August 2024G)	3 Rabi' al-Awwal 1446H (corresponding to 6 September 2024G)
Open Technologies for Communications and Information Technology Company	Ministry of Human Resources and Social Development	52600493-121608	Certificate of compliance with Saudisation requirements	26 Sha'ban 1445H (corresponding to 7 March 2024G)	4 Jumada al-Ula 1446H (corresponding to 6 November 2024G)
	Ministry of Human Resource and Social Development	79960834-741702	Certificate of wage protection	7 Safar 1446H (corresponding to 11 August 2024G)	8 Rabi' al-Awwal 1446H (corresponding to 11 September 2024G)
	Riyadh Chamber of Commerce and Industry	473652	Chamber of Commerce and Industry membership certificate	3 Rabi' al-Thani 1440H (corresponding to 10 December 2018G)	3 Rabi' al-Thani 1446H (corresponding to 6 October 2024G)
	ZATCA	1022257409	Certificate enabling Open Tech to finalise all processes	27 Shawwal 1445H (corresponding to 6 May 2024G)	2 Thul-Qi'dah 1446H (corresponding to 30 April 2025G)
	ZATCA	310273850500003	VAT registration certificate	28 Shawwal 1442H (corresponding to 9 June 2021G)	N/A
	GOSI	70155160	Certificate of fulfilment of the GOSI obligations	4 Safar 1446H (corresponding to 8 August 2024G)	3 Rabi' al-Awwal 1446H (corresponding to 6 September 2024G)
Elaf Specialised Contracting Company	ZATCA	1022237856	Certificate enabling Elaf to finalise all processes	22 Shawwal 1445H (corresponding to 1 May 2024G)	2 Thul-Qi'dah 1446H (corresponding to 30 April 2025G)
	MHRSD	984042-11360354	Certificate of compliance with Saudisation requirements	7 Thul-Qi'dah 1445H (corresponding to 15 May 2024G)	4 Jumada al-Ula 1446AH (corresponding to 6 November 2024G)
	ZATCA	100231094630388	VAT registration certificate	12 Jumada al-Akhirah 1445H (corresponding to 25 December 2023G)	N/A
	MHRSD	13077748-357922	Certificate of wage protection	7 Safar 1446H (corresponding to 11 August 2024G)	8 Rabi' al-Awwal 1446H (corresponding to 11 September 2024G)

Company	Issuing Authority	Licence Number	Purpose	Issue Date	Expiration Date
	GOSI	70153783	Certificate of fulfilment of the GOSI obligations	4 Safar 1446H (corresponding to 8 August 2024G)	3 Rabi' al-Awwal 1446H (corresponding to 6 September 2024G)
	Ministry of Health	1400046852	Final licence to open a private health facility	15 Thul-Qi'dah 1445H (corresponding to 23 May 2024G)	10 Muharram 1451H (corresponding to 23 May 2029G)
Eraf Medical Company	Ministry of Human Resource and Social Development	59726466-139249	Certificate of compliance with Saudisation requirements	26 Sha'ban 1445H (corresponding to 7 March 2024G)	7 Jumada al-Ula 1446H (corresponding to 9 November 2024G)
Eraf Medical Company	Ministry of Human Resource and Social Development	76621802-322435	Certificate of wage protection	7 Safar 1446H (corresponding to 11 August 2024G)	8 Rabi' al-Awwal 1446H (corresponding to 11 September 2024G)
	Riyadh Chamber of Commerce and Industry	806057	Chamber of Commerce and Industry membership certificate	9 Sha'ban 1444H (corresponding to 1 March 2023G)	9 Sha'ban 1449H (corresponding to 6 January 2028G)
	ZATCA	1022255346	Certificate enabling Eraf Medical to finalise all processes	26 Shawwal 1445H (corresponding to 5 May 2024G)	18 Shawwal 1446H (corresponding to 16 April 2025G)
	ZATCA	100231084184260	VAT registration certificate	8 Muharram 1445H (corresponding to 26 July 2023G)	N/A
	GOSI	70153794	Certificate of fulfilment of the GOSI obligations	4 Safar 1446H (corresponding to 8 August 2024G)	3 Rabi' al-Awwal 1446H (corresponding to 6 September 2024G)

Source: The Company.

Table 11.5: Summary of Operational Licences Obtained by the Company and its Subsidiaries

Company	Issuing Authority	Licence Number	Purpose	Issue Date	Expiration Date
The Company	Riyadh Municipality, Kingdom of Saudi Arabia	41103560058	Engaging in commercial activities	14 Muharram 1446H (corresponding to 20 July 2024G)	14 Muharram 1447H (corresponding to 9 July 2025G)
		440210441951	Engaging in commercial activities	25 Jumada al-Ula 1444H (corresponding to 19 December 2022G)	25 Jumada al-Ula 1446H (corresponding to 27 November 2024G)
		43099682441	Engaging in commercial activities	28 Thul-Hijjah 1443H (corresponding to 27 July 2022G)	28 Thul-Hijjah 1445H (corresponding to 4 July 2024G)
		43089437516	Engaging in commercial activities	19 Ramadan 1443H (corresponding to 20 April 2022G)	19 Ramadan 1446H (corresponding to 19 March 2025G)
	Al-Ahsa Region Municipality, Kingdom of Saudi Arabia	441012163274	Engaging in commercial activities	16 Thul-Qi'dah 1444H (corresponding to 5 June 2023G)	16 Thul-Qi'dah 1446H (corresponding to 14 May 2025G)

Company	Issuing Authority	Licence Number	Purpose	Issue Date	Expiration Date
The Company	Eastern Region Municipality, Kingdom of Saudi Arabia	441012080028	Engaging in commercial activities	1 Thul-Qi'dah 1444H (corresponding to 5 June 2023G)	16 Thul-Qi'dah 1446H (corresponding to 14 May 2025G)
		41073472543	Engaging in commercial activities	18 Safar 1442H (corresponding to 5 October 2020G)	18 Safar 1446H (corresponding to 22 August 2024G)
	Al Baha Municipality, Kingdom of Saudi Arabia	43069131399	Engaging in commercial activities	23 Ramadan 1443H (corresponding to 24 April 2022G)	23 Ramadan 1446H (corresponding to 23 March 2025G)
	Al Taif Municipality, Kingdom of Saudi Arabia	440410909227	Engaging in commercial activities	4 Rajab 1444H (corresponding to 26 January 2023G)	4 Rajab 1446H (corresponding to 4 January 2025G)
	Al Madina Al Munawwarah Municipality, Kingdom of Saudi Arabia	41113602400	Engaging in commercial activities	19 Muharram 1442H (corresponding to 7 September 2020G)	19 Muharram 1447H (corresponding to 14 July 2025G)
		450915235339	Engaging in commercial activities	27 Shawwal 1445H (corresponding to 6 May 2024G)	27 Shawwal 1446H (corresponding to 25 April 2025G)
	Al-Qassim Municipality, Kingdom of Saudi Arabia	40072083066	Engaging in commercial activities	24 Rajab 1440H (corresponding to 31 March 2019G)	24 Rajab 1446H (corresponding to 24 January 2025G)
	Al-Qassim Municipality, Kingdom of Saudi Arabia	41052642409	Engaging in commercial activities	6 Jumada al-Ula 1441H (corresponding to 1 January 2020G)	5 Jumada al-Ula 1446H (corresponding to 7 November 2024G)
	Tabuk Municipality, Kingdom of Saudi Arabia	441112372791	Engaging in commercial activities	7 Muharram 1445H (corresponding to 25 July 2023G)	7 Muharram 1447H (corresponding to 2 July 2025G)
	Jeddah Municipality, Kingdom of Saudi Arabia	441112294457	Engaging in commercial activities	2 Muharram 1445H (corresponding to 20 July 2023G)	2 Muharram 1447H (corresponding to 27 June 2025G)
	Hail Municipality, Kingdom of Saudi Arabia	43058078037	Engaging in commercial activities	10 Thul-Qi'dah 1443H (corresponding to 9 June 2022G)	10 Thul-Qi'dah 1446H (corresponding to 8 May 2025G)
	Assir Municipality, Kingdom of Saudi Arabia	43099595466	Engaging in commercial activities	14 Thul-Qi'dah 1443H (corresponding to 13 June 2022G)	14 Thul-Qi'dah 1446H (corresponding to 12 May 2025G)
	General Directorate of Civil Defence, Kingdom of Saudi Arabia	45-001030610-2	Civil defence licence	8 Jumada al-Ula 1445H (corresponding to 22 November 2023G)	8 Jumada al-Ula 1446H (corresponding to 10 November 2024G)
		2-001014274-45	Civil defence licence	30 Rabi' al-Thani 1445H (corresponding to 24 November 2023G)	30 Rabi' al-Thani 1446H (corresponding to 2 November 2024G)

Company	Issuing Authority	Licence Number	Purpose	Issue Date	Expiration Date
The Company		45-000931337-3	Civil defence licence	20 Muharram 1446H (corresponding to 26 July 2024G)	20 Muharram 1447H (corresponding to 15 July 2025G)
		1-001371344-45	Civil defence licence	27 Shawwal 1445H (corresponding to 6 May 2024G)	27 Shawwal 1446H (corresponding to 25 April 2025G) (1)
		2-001175558-45	Civil defence licence	21 Ramadan 1445H (corresponding to 31 March 2024G)	21 Ramadan 1446H (corresponding to 21 March 2025G)
		3-000861316-45	Civil defence licence	15 Ramadan 1445H (corresponding to 25 March 2024G)	15 Ramadan 1446H (corresponding to 15 March 2025G)
		2-001173176-45	Civil defence licence	17 Thul-Qi'dah 1445H (corresponding to 25 May 2024G)	17 Thul-Qi'dah 1446H (corresponding to 15 May 2025G)
		3-000894526-45	Civil defence licence	10 Ramadan 1445H (corresponding to 20 March 2024G)	10 Ramadan 1446H (corresponding to 10 March 2025G)
		2-001061079-45	Civil defence licence	21 Jumada al-Ula 1445H (corresponding to 5 December 2023G)	21 Jumada al-Ula 1446H (corresponding to 23 November 2024G)
		1-001434113-45	Civil defence licence	11 Thul-Qi'dah 1445H (corresponding to 19 May 2024G)	11 Thul-Qi'dah 1446H (corresponding to 9 May 2025G)
		3-000681939-45	Civil defence licence	7 Rabi' al-Thani 1445H (corresponding to 22 October 2023G)	7 Rabi' al-Thani 1446H (corresponding to 10 October 2024G)
		45-001204633-2	Civil defence licence	8 Muharram 1446H (corresponding to 14 July 2024G)	8 Muharram 1447H (corresponding to 3 July 2025G)
		45-001182150-2	Civil defence licence	12 Muharram 1446H (corresponding to 18 July 2024G)	2 Muharram 1447H (corresponding to 27 June 2025G)
		1-001418883-45	Civil defence licence	26 Shawwal 1445H (corresponding to 5 May 2024G)	26 Shawwal 1446H (corresponding to 24 April 2025G)
		2-001195693-45	Civil defence licence	4 Thul-Hijjah 1445H (corresponding to 10 June 2024G)	4 Thul-Hijjah 1446H (corresponding to 31 May 2025G)
		4-000635033-45	Civil defence licence	25 Sha'ban 1445H (corresponding to 6 March 2024G)	25 Sha'ban 1446H (corresponding to 24 February 2025G)
		1-001439154-45	Civil defence licence	26 Shawwal 1445H (corresponding to 5 May 2024G)	26 Shawwal 1446H (corresponding to 24 April 2025G)
		2-000907395-45	Civil defence licence	17 Rabi' al-Thani 1445H (corresponding to 1 November 2023G)	17 Rabi' al-Thani 1446H (corresponding to 20 October 2024G)
Eraf Medical Company	Riyadh Municipality, Kingdom of Saudi Arabia	441212640913	Engaging in commercial activities	27 Muharram 1445H (corresponding to 14 August 2023G)	27 Muharram 1447H (corresponding to 22 July 2025G)
	General Directorate of Civil Defence, Kingdom of Saudi Arabia	1-001220515-45	Civil defence licence	28 Muharram 1446H (corresponding to 14 August 2023G)	28 Muharram 1447H (corresponding to 23 July 2025G)

Source: The Company.

11.5 Material Agreements

The Company has entered into a number of agreements for the purpose of its business. The following is a summary of those agreements which the Company considers material or important or which may otherwise influence a Subscriber's decision to invest in the Offer Shares. The Company believes that all such agreements, in addition to the key provisions thereunder, have been included in this Section and that there are no other agreements, which are material in the context of the Company's business, that have not been disclosed. As of the date of this Prospectus, the Company has not breached any of the provisions of the material business agreements during the relevant term of such agreements and it is not aware of any event which, with the passing of time, may become a breach or default under any such agreements. These summaries do not purport to describe all of the applicable provisions of such agreements. For further details on the Company's financing agreements, lease agreements and insurance policies, see Section 11.6 (*Financing Agreements*), Section 11.8.2 (*Leases*) and Section 11.7 (*Insurance Policies*). The following table sets out the material agreements (except for financing agreements, lease agreements and insurance policies) entered into by the Company for the purposes of its business:

Table 11.6: Details of Material Agreements

Name of Agreement	Parties [1]	Short Description	Term and Renewal Mechanism	Value	Applicable Law	Disputes
Agreements with Key Customers						
Provision of Labour Services Agreement	The Company (as service provider) and a company in the contracting sector (Client 1)	Providing qualified employees for business sectors to work for the customer.	The agreement was concluded on 23 Jumada al-Akhirah 1440H (corresponding to 28 February 2019G) for a term of two years beginning immediately after the employee enters the Kingdom (the agreement is still ongoing and that is depending on the employee entry into the Kingdom and not the date of concluding the agreement.) The agreement renews automatically for a similar period or periods, unless either party notifies the other party of its intention not to renew at least three months before the expiry of the original period.	SAR 29,856,998 for the financial year ended 31 December 2022G, SAR 18,819,357 for the financial year ended 31 December 2023G and SAR 3,172,686 for the three-month period ended 31 March 2024G.	Laws of the Kingdom	Any dispute arising from the Agreement shall be resolved by amicable means, and if such amicable means fail, the disputes shall be referred to the competent courts in the Kingdom.
Manpower Services Agreement	The Company (as service provider) and a company in the constructions sector (Client 9)	Providing qualified employees for business sectors to work for the customer	The agreement was concluded on 7 Thul-Hijjah 1443H (corresponding to 6 July 2022G) for a term of two years beginning immediately after the employee enters the Kingdom. The agreement renews automatically for a similar period or periods, unless either party notifies the other party of its intention not to renew at least three months before the expiry of the original period.	SAR 1,938,228 for the financial year ended 31 December 2022G, SAR 14,771,198 for the financial year ended 31 December 2023G and SAR 4,916,298 for the three-month period ended 31 March 2024G.	Laws of the Kingdom	Any dispute arising from the Agreement shall be resolved by amicable means, and if such amicable means fail, the disputes shall be referred to the competent court in the Kingdom.
Manpower Services Agreement	The Company (as service provider) and a company in the engineering and constructions sector (Client 8)	Providing qualified employees for business sectors to work for the customer in Al Khobar branch.	The agreement was concluded on 4 Thul Hijja 1443H (corresponding to 3 July 2022G) for a term of two years beginning immediately after the employee enters the Kingdom. The agreement renews automatically for a similar period or periods, unless either party notifies the other party of its intention not to renew at least three (3) before the expiry of the original period.	SAR 155,999 for the financial year ended 31 December 2022G, SAR 37,447,201 for the financial year ended 31 December 2023G and SAR 28,992,126 for the three-month period ended 31 March 2024G.	Laws of the Kingdom	Any dispute arising from the Agreement shall be resolved by amicable means, and if such amicable means fail, the disputes shall be referred to the competent court in the Kingdom.

Name of Agreement	Parties [1]	Short Description	Term and Renewal Mechanism	Value	Applicable Law	Disputes
Manpower Services Agreement	The Company (as service provider) and a company in the engineering and constructions sector (Client 8)	Providing qualified employees for business sectors to work for the customer in Riyadh branch.	The agreement was concluded on 3 Muharram 1444H (corresponding to 1 August 2022G) for a term of two years beginning immediately after the employee enters the Kingdom. The agreement renews automatically for a similar period or periods, unless either party notifies the other party of its intention not to renew at least three (3) months before the expiry of the original period.	SAR 1,249,764 for the financial year ended 31 December 2022G, SAR 11,936,584 for the financial year ended 31 December 2023G and SAR 2,221,374 for the three-month period ended 31 March 2024G.	Laws of the Kingdom	Any dispute arising from the Agreement shall be resolved by amicable means, and if such amicable means fail, the disputes shall be referred to the competent court in the Kingdom.
Manpower Services Agreement	The Company (as service Provider) and a company in the fashion and retail sector (Client 3)	Providing qualified employees for business sectors to work for the customer.	The agreement was concluded on 3 Rabi' al-Awwal 1440H (corresponding to 11 November 2018G) for a term of two years beginning 48 hours after the employee enters the Kingdom. The agreement renews automatically for a similar period or periods, unless either party notifies the other party of its intention not to renew at least three months before the expiry of the original period.	SAR 6,106,654 for the financial year ended 31 December 2022G, SAR 11,056,680 for the financial year ended 31 December 2023G and SAR 2,669,316 for the three-month period ended 31 March 2024G.	Laws of the Kingdom	Any dispute arising from the Agreement shall be resolved by amicable means, and if such amicable means fail, the disputes shall be referred to the competent court in the Kingdom.
Manpower Services Agreement	The Company (as service Provider) and a company in the trading sector (Client 7)	Providing qualified employees for business sectors to work for the customer.	The agreement was concluded on 22 Thul-Hijjah 1441H (corresponding to 19 November 2019G) for a term of two years beginning 48 hours after the employee enters the Kingdom. The agreement renews automatically for a similar period or periods, unless either party notifies the other party of its intention not to renew at least three months before the expiry of the original period.	SAR 9,530,273 in the financial year ended 31 December 2022G, SAR 10,421,340 in the financial year ended 31 December 2023G and SAR 1,870,947 for the three-month period ended 31 March 2024G.	Laws of the Kingdom	Any dispute arising from the Agreement shall be resolved by amicable means, and if such amicable means fail, the disputes shall be referred to the competent court in the Kingdom.
Agreements with Key Suppliers						
Manpower Services Agreement	The Company (as customer) and PT. Farisha Maju Thara (as service provider) (Supplier 2)	Providing employees and finalising all processes inside Indonesia prior coming in the Kingdom.	The agreement is for a term of two years starting from 17 Sha'ban 1445H (corresponding to 27 February 2024G) to 9 Ramadan 1447H (corresponding to 26 February 2026G). The agreement renews automatically for a similar period or periods, upon mutual discussion.	SAR 17,580,584 in the financial year ended 31 December 2022G, SAR 9,322,229 in the financial year ended 31 December 2023G and SAR zero for the three-month period ended 31 March 2024G.	Laws of the Kingdom	Any dispute arising from the Agreement shall be resolved by amicable means, and if such amicable means fail, the disputes shall be referred to the competent court in the Kingdom.
Manpower Services Agreement	The Company (as customer) and Duta Banten Mandiri (as service provider) (Supplier 6)	Providing employees and finalising all processes inside Indonesia prior coming in the Kingdom.	The agreement is for a term of two years starting from 16 Sha'ban 1445H (corresponding to 26 February 2024G) to 8 Ramadan 1447H (corresponding to 25 February 2026G). The agreement renews automatically for a similar period or periods, upon mutual discussion.	SAR 10,531,191 in the financial year ended 31 December 2022G, SAR 7,620,766 in the financial year ended 31 December 2023G and SAR zero for the three-month period ended 31 March 2024G.	Laws of the Kingdom	Any dispute arising from the Agreement shall be resolved by amicable means, and if such amicable means fail, the disputes shall be referred to the competent court in the Kingdom.

Name of Agreement	Parties [1]	Short Description	Term and Renewal Mechanism	Value	Applicable Law	Disputes
Bus Supply	The Company (as customer) and Abdullatif Jameel Co. Ltd Tayota (as service provider) (Supplier 9)	Providing busses for sale to transfer the Company employees.	No agreements is concluded and the supply is based on purchase orders.	SAR zero in the financial year ended 31 December 2022G, SAR 9,452,690 in the financial year ended 31 December 2023G and SAR zero for the three-month period ended 31 March 2024G.	Laws of the Kingdom	-
Shareholders Agreements						
Shareholders agreement	The Shareholders and the Company	Regulate the Company's management affairs (formation of the Board of Directors, quorum, the majority in Shareholders' General Assemblies, as well as matters requiring a certain quorum and majority) and to determine the obligations relating to the transfer of Shares.	The agreement was concluded on 20 Rajab 1443H (corresponding to 21 February 2022G). The agreement shall be terminated if any of the following occur: (1) the shareholding of any of the shareholders reaches 100%, (2) by written agreement of all parties, or (3) upon completion of the Company's initial public offering.	-	Laws of the Kingdom	Any dispute arising from the Agreement shall be settled by the Saudi Center for Commercial Arbitration in accordance with the Arbitration Rules.

Source: The Company.

11.6 Financing Agreements

As of the date of this Prospectus, the Company and its Subsidiaries confirmed that they have not entered into any financing agreements. On 12 Shawwal 1439H (corresponding to 29 June 2018G) Al Rajhi Bank has provided a performance guarantee in favour of the Ministry of Human Resources and Social Development to guarantee the obligations of the Company in its licensing requirements from the Ministry of Human Resources and Social Development to practice its business activities, the guarantee covers ten million Saudi Arabian Riyals (SAR 10,000,000) and shall expire on 13 Safar 1451H (corresponding to 26 June 2029G).

11.7 Insurance Policies

The Company and its Subsidiaries maintain insurance policies covering different types of risks they may be exposed to. These insurance policies have been concluded with several insurers. The following table sets out the key particulars of the insurance policies held by the Company and its Subsidiaries:

Table 11.7: Details of Insurance Policies

Policy No	Types of Insurance Coverage	Insurer	Validity	Maximum Insurance Coverage
P-C01-23-310-004054	Motor Insurance	Walaa Cooperative Insurance Co.	3 Jumada al-Akhirah 1445H (corresponding to 16 December 2023G to 15 Jumada al-Akhirah 1446H (corresponding to 14 December 2024G)	SAR 10,000,000.
DOL-1604685-2023	Directors and Officers Liability Insurance	The Mediterranean and Gulf Cooperative Insurance and Reinsurance Company (Medgulf)	26 Rabi' al-Thani 1445H (corresponding to 10 November 2023G) to 7 Jumada al-Ula 1446H (corresponding to 9 November 2024G)	SAR 37,500,000 any one claim and in aggregate.
P-C01-23-310-004055	Motor Insurance	Walaa Cooperative Insurance Co.	3 Jumada al-Akhirah 1445H (corresponding to 16 December 2023G to 15 Jumada al-Akhirah 1446H (corresponding to 14 December 2024G)	SAR 10,000,000.
MM/5800289	Medical Malpractices Insurance	Arabian Shield for Cooperative Insurance	16 Shawwal 1445H (corresponding to 25 April 2024G) to 27 Shawwal 1446H (corresponding to 25 April 2025G)	SAR 100,000 in the annual aggregate.
MC1/23/800/00768	Health Insurance	Walaa Cooperative Insurance Co.	19 Jumada al-Ula 1445H (corresponding to 3 December 2023G) to 1 Jumada al-Akhirah 1446H (corresponding to 2 December 2024G)	SAR 1,000,000 maximum annual limit.
MC1/23/800/00770	Health Insurance	Walaa Cooperative Insurance Co.	19 Jumada al-Ula 1445H (corresponding to 3 December 2023G) to 1 Jumada al-Akhirah 1446H (corresponding to 2 December 2024G)	SAR 1,000,000 maximum annual limit.
MC1/23/800/00769	Health Insurance	Walaa Cooperative Insurance Co.	19 Jumada al-Ula 1445H (corresponding to 3 December 2023G) to 1 Jumada al-Akhirah 1446H (corresponding to 2 December 2024G)	SAR 1,000,000 maximum annual limit.
MC1/23/800/00767	Health Insurance	Walaa Cooperative Insurance Co.	19 Jumada al-Ula 1445H (corresponding to 3 December 2023G) to 1 Jumada al-Akhirah 1446H (corresponding to 2 December 2024G)	SAR 1,000,000 maximum annual limit.
MC1/24/800/00013	Health Insurance	Walaa Cooperative Insurance Co.	19 Jumada al-Ula 1445H (corresponding to 3 December 2023G) to 1 Jumada al-Akhirah 1446H (corresponding to 2 December 2024G)	SAR 1,000,000 annual limit.
P-C01-23-312-004084	Motor Insurance	Walaa Cooperative Insurance Co.	3 Jumada al-Akhirah 1445H (corresponding to 16 December 2023G to 15 Jumada al-Akhirah 1446H (corresponding to 14 December 2024G)	SAR 10,000,000.

Source: The Company.

11.8 Real Estate

11.8.1 Title Deeds

As of the date of this Prospectus, while the Subsidiaries do not own any real estate, the Company holds the following title deeds, which relate to buildings owned by the Group, with the exception of the land located in the Al Narjis District:

Table 11.8: Details of Title Deeds Owned by the Company

Title Deed Particulars	Location	Description and Purpose	Book Value (SAR) as of 31 March 2024G	Rights of Third Parties/Disputes
Title deed number 310117048525 dated 25 Muharram 1441H (corresponding to 24 September 2019G)	An Narjis District, Riyadh, Kingdom of Saudi Arabia	Plot of land with a total size of 1,750.87 sqm, for the purpose of establishing the Company's head office.	3,500,000	N/A
Title deed number 310118039168 dated 12 Thul-Qi'dah 1439H (corresponding to 25 July 2018G) (1)	Al Taawun District, Riyadh, Kingdom of Saudi Arabia	Plot of land with a total size of 937.5 sqm, and building size of 1,930 sqm, for the purpose of Sales branch and housing for the female manpower resources of individual sector.	8,038,067	N/A
Title deed number 210106059884 dated 20 Rabi' al-Thani 1440H (corresponding to 27 December 2018G) (1)	Ar Rawdah District, Riyadh, Kingdom of Saudi Arabia	Plot of land with a total size of 930 sqm, and building size of 1,955.85 sqm, for the purpose of Sales branch and housing for the female manpower resources of individual and hourly sectors.	7,391,250	N/A
Title deed number 399033000539 dated 19 Rabi' al-Thani 1443H (corresponding to 24 November 2021G)(2)	As Suwaidi District, Riyadh, Kingdom of Saudi Arabia	Plot of land with a total size of 750 sqm, and building size of 918 sqm, for the purpose of Sales branch and housing for the female manpower resources of individual and hourly sectors.	5,671,751	N/A
Title deed number 1241052039300007 dated 5 Muharram 1446H (corresponding to 11 July 2024G).	Laban District, Riyadh, Kingdom of Saudi Arabia	Plot of land with a total size of 749.9 sqm, for the purpose of Sales branch and housing for the female manpower resources of individual and hourly sectors.	3,937,500	N/A

Source: The Company.

(1) The Company has obtained the dormitory licence related to this title deed.

(2) The Company has obtained the commercial and dormitory licences related to this title deed.

11.8.2 Leases

As of the date of this Prospectus, the Company has entered various lease agreements in connection with its business. All of the lease agreements have been registered on the Ejar platform as of the date of this Prospectus. The Board of Directors of the Company declare that there are no material leases on which the Company relies in its operations. Please see Section 2.1.20 (*Risk Relating to Manpower Resources Housing*) for further details regarding risks related to leases.

The following table shows the details of lease agreements entered into by the Company:

Table 11.9: Details of Lease Agreements Entered into by the Company

#	Lessor	Property Location	Size of Leased Premises (sqm)	Rent	Term of Lease/ Renewal Mechanism	Right to Terminate/Post Termination Procedures	Purpose	Subleasing/ Assignment
1	Ibrahim Suliman Mohammed Alsalem	Buraydah, Al-Qassim, Kingdom of Saudi Arabia	242 sqm	SAR 150,000 annually.	Three years starting from 9 Rabi' al-Awwal 1443H (corresponding to 15 October 2021G) to 11 Rabi' al-Thani 1446H (corresponding to 14 October 2024G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement shall be terminated promptly, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date. In the event of the Lessee's insolvency, bankruptcy, or liquidation for any reason whatsoever, this agreement shall be deemed terminated as of the date of the Lessor's acknowledgment thereof, or upon the expiration of the original or any renewed term, whichever is earlier. Such termination shall not prejudice the Lessor's right to demand payment for the period preceding said termination.	Sales Branch	The Lessee may not sublease the real estate units to a third party.
2	Ali Ayed Suliman Algazlan (1)	Ar Ras, Al-Qassim, Kingdom of Saudi Arabia	771.26 sqm	SAR 200,000 annually.	One year starting from 21 Thul-Hijjah 1445H (corresponding to 27 June 2024G) to 1 Muharram 1447H (corresponding to 26 June 2025G). The agreement may be renewed by executing a new agreement between the parties.	If the Lessee fails to pay the rent due thirty (30) or sixty (60) days after the payment deadline granted thereto, the Lessor shall have the right to terminate this contract through the Ejar platform unless both parties agree on another payment deadline. If either of the parties breach any of their obligations arising from this contract and the breaching party fails to perform its obligations or remedy the damage caused thereby within thirty (30) days from the date of its breach of the obligation, the affected party has the right to terminate the contract pursuant to a ruling issued by the competent judicial authority under a notice sent through the Ejar platform. The lease agreement may be terminated when one or more of the following conditions are met: (i) there is proof that the property is on the verge of collapse, as evidenced by a report from the General Directorate of Civil Defense or an accredited Government agency; (ii) if Government decisions require amendments to building codes resulting in the inability to use the property units; (iii) the state acquires the property or part of it, thus rendering it impossible to use the property units; or (iv) in case of a force majeure event.	Housing for the female manpower resources of individual and hourly sectors.	The Lessee may not sublease the real estate units to a third party.

#	Lessor	Property Location	Size of Leased Premises (sqm)	Rent	Term of Lease/ Renewal Mechanism	Right to Terminate/Post Termination Procedures	Purpose	Subleasing/ Assignment
3	Ali Abdullah Abdulaziz Al'oyari	Dammam, Eastern Province, Kingdom of Saudi Arabia	75 sqm	SAR 95,000 annually.	Five years starting from 24 Thul-Qi'dah 2024G (corresponding to 1 June 2024G) to 18 Muharram 1451H (corresponding to 31 May 2029G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated when one or more of the following conditions are met: i) proof that the property is about to collapse, as evidenced by a report from the Civil Defence or authorised Governmental entities; ii) if Governmental decisions necessitate modifications to the building codes, resulting in the inability to use the real estate units; iii) the state acquiring the property or part of it, making it impossible to use the real estate units; or iv) in the case of force majeure.	Sales Branch.	
4	Ahmad Abdulaziz Abdullah Almoqbel [1]	Al Taawoun District, Riyadh, Kingdom of Saudi Arabia	700 sqm	SAR 280,005 annually.	Five years starting from 6 Jumada al-Ula 1441H (corresponding to 1 January 2020G) to 30 Jumada al-Akhirah 1446H (corresponding to 31 December 2024G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, without the need of warning, notice, or judicial rule, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date.	Housing for the female manpower resources of hourly sectors.	The Lessee may not sublease the real estate units to a third party.
5	Al Haj Abdullah Ali Reza Company Ltd.	Al-Khobar, Eastern Province, Kingdom of Saudi Arabia	423 sqm	SAR 174,900 annually.	Two years starting from 22 Ramadan 1445H (corresponding to 1 April 2024G) to 12 Shawwal 1447H (corresponding to 31 March 2026G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date. In the event of the Lessee's insolvency, bankruptcy, or liquidation for any reason whatsoever, this agreement shall be deemed terminated as of the date of the Lessor's acknowledgment thereof, or upon the expiration of the original or any renewed term, whichever is earlier. Such termination shall not prejudice the Lessor's right to demand payment for the period preceding said termination.	Sales Branch.	The Lessee may not sublease the real estate units to a third party.

#	Lessor	Property Location	Size of Leased Premises (sqm)	Rent	Term of Lease/ Renewal Mechanism	Right to Terminate/Post Termination Procedures	Purpose	Subleasing/ Assignment
6	Mofleh Rajaa Faleh Aljohani (1)	Yanbu Al-Bahar, Al-Madinah Al-Munawarah, Kingdom of Saudi Arabia	1,800 sqm	SAR 160,000 annually.	Three years starting from 26 Rabi' al-Awwal 1443H (corresponding to 1 November 2021G) to 28 Rabi' al-Thani 1446H (corresponding to 31 October 2024G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date.	Housing for the female manpower resources of individual and hourly sectors.	The Lessee may not sublease the real estate units to a third party.
7	Khalid Mohammed Ali Alghamdi (1)	Al-Baha, Kingdom of Saudi Arabia	1,168 sqm	SAR 200,000 for the first year and then SAR 150,000 annually for the second and third year.	Three years starting from 28 Jumada al-Ula 1443H (corresponding to 1 January 2022G) to 30 Jumada al-Akhirah 1446H (corresponding to 31 December 2024G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be promptly, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date. In the event of the Lessee's insolvency, bankruptcy, or liquidation for any reason whatsoever, this agreement shall be deemed terminated as of the date of the Lessor's acknowledgment thereof, or upon the expiration of the original or any renewed term, whichever is earlier. Such termination shall not prejudice the Lessor's right to demand payment for the period preceding said termination.	Housing for the female manpower resources of individual and hourly sectors.	The Lessee may not sublease the real estate units to a third party.
8	Mohammed Abdulrahman Suliman Alhussaien	King Adbullah Branch Road, Al-Madinah Al-Munawarah, Kingdom of Saudi Arabia	523 sqm	SAR 200,000 annually.	One year starting from 29 Rabi' al-Thani 1445H (corresponding to 13 November 2023G) to 10 Jumada al-Ula 1446H (corresponding to 12 November 2024G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be promptly, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date. In the event of the Lessee's insolvency, bankruptcy, or liquidation for any reason whatsoever, this agreement shall be deemed terminated as of the date of the Lessor's acknowledgment thereof, or upon the expiration of the original or any renewed term, whichever is earlier. Such termination shall not prejudice the Lessor's right to demand payment for the period preceding said termination.	Sales Branch.	The Lessee may not sublease the real estate units to a third party.

#	Lessor	Property Location	Size of Leased Premises (sqm)	Rent	Term of Lease/ Renewal Mechanism	Right to Terminate/Post Termination Procedures	Purpose	Subleasing/ Assignment
9	Call, Guidance and Enlightening Communities Association in Al-Taif [1]	Al-Taif, Makkah Al-Mukarramah, Kingdom of Saudi Arabia	2,000 sqm	SAR 350,000 annually.	Three years starting from 7 Jumada al-Ula 1444H (corresponding to 1 December 2022G) to 9 Jumada al-Akhirah 1447H (corresponding to 30 November 2025G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date. In the event of the Lessee's insolvency, bankruptcy, or liquidation for any reason whatsoever, this agreement shall be deemed terminated as of the date of the Lessor's acknowledgment thereof, or upon the expiration of the original or any renewed term, whichever is earlier. Such termination shall not prejudice the Lessor's right to demand payment for the period preceding said termination.	Housing for the female manpower resources of individual and hourly sectors.	The Lessee may not sublease the real estate units to a third party.
10	Hisham Ahmad Saleh Aleissa [1]	Al-Ahsa, Eastern Province, Kingdom of Saudi Arabia	1,028 sqm	SAR 150,000 annually.	One year starting from 20 Rajab 1445H (corresponding to 1 February 2024G) to 1 Sha'ban 1446H (corresponding to 31 January 2025G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, without the need of warning, notice, or judicial rule, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date.	Housing for the female manpower resources of individual and hourly sectors.	The Lessee may not sublease the real estate units to a third party.
11	Cooperative Office for Call and Guidance and Education Communities in Taif [1]	Taif, Kingdom of Saudi Arabia	100 sqm	SAR 100,000 annually.	Three years starting from 7 Jumada al-Ula 1444H (corresponding to 1 December 2022G) to 9 Jumada al-Akhirah 1447H (corresponding to 30 November 2025G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date. In the event of the Lessee's insolvency, bankruptcy, or liquidation for any reason whatsoever, this agreement shall be deemed terminated as of the date of the Lessor's acknowledgment thereof, or upon the expiration of the original or any renewed term, whichever is earlier. Such termination shall not prejudice the Lessor's right to demand payment for the period preceding said termination.	Sales Branch.	The Lessee may not sublease the real estate units to a third party.

#	Lessor	Property Location	Size of Leased Premises (sqm)	Rent	Term of Lease/ Renewal Mechanism	Right to Terminate/Post Termination Procedures	Purpose	Subleasing/ Assignment
12	Abdulaziz Mohammed Ali Alomani	Al-Ahsa, Eastern Province, Kingdom of Saudi Arabia	120 sqm	SAR 14,400 annually.	One year starting from 20 Rajab 1445H (corresponding to 1 February 2024G) to 1 Shabaan 1446H (corresponding to 31 January 2025G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date.	Housing for drivers.	The Lessee may not sublease the real estate units to a third party.
13	Qayyim Arabia Limited Company	Riyadh, Kingdom of Saudi Arabia	979 sqm	SAR 580,000 annually.	Five years starting from 8 Jumada al-Akhirah 1444H (corresponding to 1 January 2023G) to 3 Sha'ban 1449H (corresponding to 31 December 2027G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date. In the event of the Lessee's insolvency, bankruptcy, or liquidation for any reason whatsoever, this agreement shall be deemed terminated as of the date of the Lessor's acknowledgment thereof, or upon the expiration of the original or any renewed term, whichever is earlier. Such termination shall not prejudice the Lessor's right to Demand payment for the period preceding said termination.	Housing for the male manpower resources of corporate sectors.	The Lessee may not sublease the real estate units to a third party.
14	Eid Eiyadah Eid Alahmadi	Al-Madinah Al-Munawarah, Al-Madina Al-Munawarah, Kingdom of Saudi Arabia	600 sqm	SAR 100,000 annually.	Two years starting from 8 Jumada al-Akhirah 1444H (corresponding to 1 January 2023G) to 30 Jumada al-Akhirah 1446H (corresponding to 31 December 2024G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, without the need of warning, notice, or judicial rule, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date.	Housing for the female manpower resources of hourly sectors.	The Lessee may not sublease the real estate units to a third party.
15	Tareq Ibrahim Eissa Alsheddi (1)	Khamis Mushait, 'Asir, Kingdom of Saudi Arabia	981 sqm	SAR 300,000 annually for the first year, SAR 318,000 annually for the second year and SAR 337,000 annually for the third year.	Three years starting from 7 Jumada al-Akhirah 1444H (corresponding to 1 January 2023G) to 11 Rajab 1447H (corresponding to 31 December 2025G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date.	Housing for the female manpower resources of individual and hourly sectors.	The Lessee may not sublease the real estate units to a third party.

#	Lessor	Property Location	Size of Leased Premises (sqm)	Rent	Term of Lease/ Renewal Mechanism	Right to Terminate/Post Termination Procedures	Purpose	Subleasing/ Assignment
16	Mohammad Omar Mohammed Balto	Jeddah, Makkah Al-Mukarramah, Kingdom of Saudi Arabia	1,203 sqm	SAR 400,000 annually.	One year starting from 18 Shawwal 1444H (corresponding to 8 May 2023G) to 28 Shawwal 1445H (corresponding to 7 May 2024G). The agreement may be renewed by executing a new agreement between the parties.	If the Lessee fails to pay the rent due thirty (30) or sixty (60) days after the payment deadline granted thereto, the Lessor shall have the right to terminate this contract through the Ejar platform unless both parties agree on another payment deadline. If either of the parties breach any of their obligations arising from this contract and the breaching party fails to perform its obligations or remedy the damage caused thereby within thirty (30) days from the date of its breach of the obligation, the affected party has the right to terminate the contract pursuant to a ruling issued by the competent judicial authority under a notice sent through the Ejar platform. The lease agreement may be terminated when one or more of the following conditions are met: (i) there is proof that the property is on the verge of collapse, as evidenced by a report from the General Directorate of Civil Defense or an accredited Government agency; (ii) if Government decisions require amendments to building codes resulting in the inability to use the property units; (iii) the state acquires the property or part of it, thus rendering it impossible to use the property units; or (iv) in case of a force majeure event.	Housing for the female manpower resources of individual and hourly sectors.	The Lessee may not sublease the real estate units to a third party.
17	Samiah Hassan Ali Jamal	Jeddah, Makkah Al-Mukarramah, Kingdom of Saudi Arabia	100 sqm	SAR 20,600 annually.	One year starting from 17 Rabi' al-Thani 1445H (corresponding to 1 November 2023G) to 28 Rabi' al-Thani 1446H (corresponding to 31 October 2024G). The agreement may be renewed by executing a new agreement between the parties on the Ejar Platform.	The lease agreement may be terminated promptly, if the lessor did not pay within 30 or 60 days after the expiration of the granted payment period, or judicial rule, if the lessor subleased the units or, used the unit for illegal activities. The aggrieved party has the right to terminate the agreement based on a judgment issued by the competent judicial authority, if one of the parties breaches any of their obligations arising from the agreement, and the breaching party does not comply with its obligations, or remove the damage arising from it, within thirty (30) days from the date of its breach of obligation by notice sent through the Ejar platform. The lease agreement may automatically terminate in case of i) proof that the property is about to collapse, as evidenced by a report from the Civil Defence or authorised Governmental entities; ii) if Governmental decisions necessitate modifications to the building codes, resulting in the inability to use the real estate units; iii) the state acquiring the property or part of it, making it impossible to use the real estate units; or iv) in the case of force majeure.	Housing for drivers.	The Lessee may not sublease the real estate units to a third party without prior consent by the lessor.

#	Lessor	Property Location	Size of Leased Premises (sqm)	Rent	Term of Lease/ Renewal Mechanism	Right to Terminate/Post Termination Procedures	Purpose	Subleasing/ Assignment
18	Shahirah Ashraf Mousa Aljohani	Yanbu, Al-Madina Al-Munawarah, Kingdom of Saudi Arabia	235 sqm	SAR 110,000 annually.	Three years starting from 4 Rabi' al-Thani 1444H (corresponding to 29 October 2022G) to 6 Jumada al-Ula 1447H (corresponding to 28 October 2025G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated when one or more of the following conditions are met: i) proof that the property is about to collapse, as evidenced by a report from the Civil Defence or authorised Governmental entities; ii) if Governmental decisions necessitate modifications to the building codes, resulting in the inability to use the real estate units; iii) the state acquiring the property or part of it, making it impossible to use the real estate units; or iv) in the case of force majeure.	Sales Branch.	N/A
19	Eman Mohammed Yahya Mohammed Ibrahim Alfadhli (1)	Al-Madina Al-Munawarah, Kingdom of Saudi Arabia	670 sqm	SAR 220,000 annually.	Three years starting from 24 Ramadan 1444H (corresponding to 15 April 2023G) to 26 Shawwal 1447H (corresponding to 14 April 2026G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date.	Housing for the female manpower resources of individual and hourly sectors.	The Lessee may not sublease the real estate units to a third party.
20	Abdullah Eid Mohammed Alalwani	Yanbu, Al-Madina Al-Munawarah, Kingdom of Saudi Arabia	200 sqm	SAR 15,000 annually.	One year starting from 22 Rabi' al-Thani 1445H (corresponding to 6 November 2023G) to 3 Jumada al-Akhirah 1446H (corresponding to 5 November 2024G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, without the need of warning, notice, or judicial rule, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date.	Housing for drivers.	The Lessee may not sublease the real estate units to a third party.
21	Abdulrahman Ibrahim Abdullah Alsamari	Al-Kharj, Riyadh, Kingdom of Saudi Arabia	825 sqm	SAR 145,000 annually.	One year starting from 20 Rajab 1445H (corresponding to 1 February 2024G) to 1 Shabaan 1446H (corresponding to 31 January 2025G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, without the need of warning, notice, or judicial rule, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date.	Housing for the female manpower resources of individual and hourly sectors.	The Lessee may not sublease the real estate units to a third party.

#	Lessor	Property Location	Size of Leased Premises (sqm)	Rent	Term of Lease/ Renewal Mechanism	Right to Terminate/Post Termination Procedures	Purpose	Subleasing/ Assignment
22	Amal Ali Fahad Alhaza'[1]	Riyadh, Kingdom of Saudi Arabia	480 sqm	SAR 160,000 annually.	Two years starting from 28 Muharram 1445H (corresponding to 15 August 2023G) to 20 Safar 1447H (corresponding to 14 August 2025G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, without the need of warning, notice, or judicial rule, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date.	Housing for the male employees.	The Lessee may not sublease the real estate units to a third party.
23	Abdulrahman Abdullah Turki Aldohayan	Riyadh, Kingdom of Saudi Arabia.	1,365sqm	SAR 1,081,160 annually starting from the first year up until the second year. SAR 1,189,276 annually for the last five years.	Seven years starting from 26 Rabi' al-Awwal 1443H (corresponding to 1 November 2021G) to 13 Jumada al-Akhirah 1450H (corresponding to 31 October 2028G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date. In the event of the Lessee's insolvency, bankruptcy, or liquidation for any reason whatsoever, this agreement shall be deemed terminated as of the date of the Lessor's acknowledgment thereof, or upon the expiration of the original or any renewed term, whichever is earlier. Such termination shall not prejudice the Lessor's right to demand payment for the period preceding said termination.	Head Office.	The Lessee may not sublease the real estate units to a third party.
24	Basmah Suliman Ali Almasnad [1]	Buraydah, Al-Qassim, Kingdom of Saudi Arabia	675 sqm	SAR 160,000 annually.	One year starting from 9 Sha'ban 1444H (corresponding to 1 March 2023G) to 29 Sha'ban 1446H (corresponding to 28 February 2025G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, without the need of warning, notice, or judicial rule, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date.	Housing for the female manpower resources of individual and hourly sectors.	The Lessee may not sublease the real estate units to a third party.

#	Lessor	Property Location	Size of Leased Premises (sqm)	Rent	Term of Lease/ Renewal Mechanism	Right to Terminate/Post Termination Procedures	Purpose	Subleasing/ Assignment
25	Saad Abdullah Saad Alsayari	Riyadh, Kingdom of Saudi Arabia	80 sqm	SAR 20,000 annually.	One year starting from 4 Ramadan 1445H (corresponding to 14 March 2024G) to 13 Ramadan 1446H (corresponding to 13 March 2025G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date. In the event of the Lessee's insolvency, bankruptcy, or liquidation for any reason whatsoever, this agreement shall be deemed terminated as of the date of the Lessor's acknowledgment thereof, or upon the expiration of the original or any renewed term, whichever is earlier. Such termination shall not prejudice the Lessor's right to demand payment for the period preceding said termination.	Housing for drivers.	The Lessee may not sublease the real estate units to a third party.
26	Abdulaziz Abdullah bin Ekrish Real Estate Company	King Salman Ibn Abdulaziz Branch Road, Riyadh, Kingdom of Saudi Arabia	157 sqm	SAR 78,500 annually.	One year starting from 28 Muharram 1445H (corresponding to 15 August 2023G) to 10 Safar 1446H (corresponding to 14 August 2024G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date. In the event of the Lessee's insolvency, bankruptcy, or liquidation for any reason whatsoever, this agreement shall be deemed terminated as of the date of the Lessor's acknowledgment thereof, or upon the expiration of the original or any renewed term, whichever is earlier. Such termination shall not prejudice the Lessor's right to demand payment for the period preceding said termination.	Call Centre Office.	The Lessee may not sublease the real estate units to a third party.
27	Naji Dhbaib Sowiyan AlShalawi	Abu Bakr Al Seddiq Road, Dammam, Kingdom of Saudi Arabia	250 sqm	SAR 25,000 annually.	One year starting from 5 Rabi' al-Thani 1445H (corresponding to 20 October 2023G) to 16 Rabi' al-Thani 1445H (corresponding to 19 October 2024G). The lease term renews automatically for a similar term, unless either party notifies the other of its intention not to renew at least sixty (60) days prior to the end of lease term.	The lease agreement may be terminated promptly, without the need of warning, notice, or judicial rule, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date.	Housing for drivers.	The Lessee may not sublease the real estate units to a third party.

#	Lessor	Property Location	Size of Leased Premises (sqm)	Rent	Term of Lease/ Renewal Mechanism	Right to Terminate/Post Termination Procedures	Purpose	Subleasing/ Assignment
28	Abdullah Ali Naser Kamal	Al-Taif, Kingdom of Saudi Arabia	100 sqm	SAR 13,100 annually.	One year starting from 17 Rabi' al-Thani 1445H (corresponding to 1 November 2023G) to 28 Rabi' al-Thani 1446H (corresponding to 31 October 2024G). The lease term renews automatically for a similar term, unless either party notifies the other of its intention not to renew at least sixty (60) days prior to the end of lease term.	The lease agreement may be terminated promptly, without the need of warning, notice, or judicial rule, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date.	Housing for drivers.	The Lessee may not sublease the real estate units to a third party.
29	Abdulrahman Khalid Ibrahim Almazyad (1)	Riyadh, Kingdom of Saudi Arabia	2,546 sqm	SAR 220,000 annually.	One year starting from 18 Jumada al-Ula 1445H (corresponding to 1 December 2023G) to 28 Jumada al-Ula 1446H (corresponding to 30 November 2024G). The lease term renews automatically for a similar term, unless either party notifies the other of its intention not to renew at least ten (10) days prior to the end of lease term.	The lease agreement may be terminated promptly, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date. In the event of the Lessee's insolvency, bankruptcy, or liquidation for any reason whatsoever, this agreement shall be deemed terminated as of the date of the Lessor's acknowledgment thereof, or upon the expiration of the original or any renewed term, whichever is earlier. Such termination shall not prejudice the Lessor's right to demand payment for the period preceding said termination.	Housing for the female manpower resources of hourly sectors.	The Lessee may not sublease the real estate units to a third party.
30	Abdulaziz Abdullah Abdulaziz Asiri (1)	Riyadh, Kingdom of Saudi Arabia	45 sqm.	SAR 30,000 annually.	One year starting from 29 Sha'ban 1445H (corresponding to 10 March 2023G) to 9 Ramadan 1446H (corresponding to 9 March 2025G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, without the need of warning, notice, or judicial rule, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date.	Housing for drivers.	The Lessee may not sublease the real estate units to a third party.

#	Lessor	Property Location	Size of Leased Premises (sqm)	Rent	Term of Lease/ Renewal Mechanism	Right to Terminate/Post Termination Procedures	Purpose	Subleasing/ Assignment
31	Family Development Charitable Association in Al-Ras	Al-Ras, al-Qassim, Kingdom of Saudi Arabia	564 sqm	SAR 110,000 annually.	Two years starting from 15 Muharram 1445H (corresponding to 2 August 2023G) to 7 Safar 1447H (corresponding to 1 August 2025G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date. In the event of the Lessee's insolvency, bankruptcy, or liquidation for any reason whatsoever, this agreement shall be deemed terminated as of the date of the Lessor's acknowledgment thereof, or upon the expiration of the original or any renewed term, whichever is earlier. Such termination shall not prejudice the Lessor's right to demand payment for the period preceding said termination.	Sales Branch.	The Lessee may not sublease the real estate units to a third party.
32	Ali Ahmad Ali Almajed	Al-Hafouf, Kingdom of Saudi Arabia	200 sqm	SAR 110,200 annually.	One year starting from 8 Ramadan 1445H (corresponding to 18 March 2024G) to 8 Shawwal 1446H (corresponding to 6 April 2025G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date. In the event of the Lessee's insolvency, bankruptcy, or liquidation for any reason whatsoever, this agreement shall be deemed terminated as of the date of the Lessor's acknowledgment thereof, or upon the expiration of the original or any renewed term, whichever is earlier. Such termination shall not prejudice the Lessor's right to demand payment for the period preceding said termination.	Sales Branch.	The Lessee may not sublease the real estate units to a third party.
33	Omar Abdulaziz Omar Al Mohsen	AL-Kharj, Kingdom of Saudi Arabia	120 sqm	SAR 10,000 annually.	One year starting from 1 Shabaan 1445H (corresponding to 11 February 2024G) to 11 Shabaan 1446H (corresponding to 10 February 2025G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, without the need of warning, notice, or judicial rule, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date.	Sales Branch.	The Lessee may not sublease the real estate units to a third party.

#	Lessor	Property Location	Size of Leased Premises (sqm)	Rent	Term of Lease/ Renewal Mechanism	Right to Terminate/Post Termination Procedures	Purpose	Subleasing/ Assignment
34	Ali Abdullah Al Ayerri(1)	Prince Nayef bin Abdelaziz Road, Dammam, Kingdom of Saudi Arabia	1,650 sqm	SAR 315,000 annually.	Five starting from 24 Thul-Qi'dah 1445H (corresponding to 1 June 2024G) to 18 Muharram 1451H (corresponding to 31 May 2029G). The agreement may be renewed by executing a new agreement between the parties.	If the Lessee fails to pay the rent due thirty (30) or sixty (60) days after the payment deadline granted thereto, the Lessor shall have the right to terminate this contract through the Ejar platform unless both parties agree on another payment deadline. If either of the parties breach any of their obligations arising from this contract and the breaching party fails to perform its obligations or remedy the damage caused thereby within thirty (30) days from the date of its breach of the obligation, the affected party has the right to terminate the contract pursuant to a ruling issued by the competent judicial authority under a notice sent through the Ejar platform. The lease agreement may be terminated when one or more of the following conditions are met: (i) there is proof that the property is on the verge of collapse, as evidenced by a report from the General Directorate of Civil Defense or an accredited Government agency; (ii) if Government decisions require amendments to building codes resulting in the inability to use the property units; (iii) the state acquires the property or part of it, thus rendering it impossible to use the property units; or (iv) in case of a force majeure event.	Housing for the female manpower resources of individual and hourly sectors.	The Lessee may not sublease the real estate units to a third party without obtaining the lessor's consent.
35	Obaid Naghmash Attiyaat Allah Al Rajbi(1)	Yanbu, Kingdom of Saudi Arabia	793.5 sqm	SAR 180,000 annually.	Three years starting from 13 Thul-Hijjah 1444H (corresponding to 1 July 2023G) to 15 Muharram 1448H (corresponding to 30 June 2026G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date.	Housing for the female manpower resources of individual and hourly sectors.	The Lessee may not sublease the real estate units to a third party without obtaining the lessor's consent.
36	Hammad Abdullah Sayyar Al Rashedi(1)	Hail, Kingdom of Saudi Arabia	529 sqm	SAR 100,000 annually.	Three years starting from 7 Jumada al-Ula 1444H (corresponding to 1 December 2022G) to 9 Jumada al-Akhirah 1447H (corresponding to 30 November 2025G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date.	Housing for the female manpower resources of individual and hourly sectors.	The Lessee may not sublease the real estate units to a third party without obtaining the lessor's consent.

#	Lessor	Property Location	Size of Leased Premises (sqm)	Rent	Term of Lease/ Renewal Mechanism	Right to Terminate/Post Termination Procedures	Purpose	Subleasing/ Assignment
37	Hammad Abdullah Sayyar Al Rashedi	Hail, Kingdom of Saudi Arabia	100 sqm	SAR 50,000 annually.	Three years starting from 7 Jumada al-Ula 1444H (corresponding to 1 December 2022G) to 9 Jumada al-Akhirah 1447H (corresponding to 30 November 2025G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date.	Sales Branch.	The Lessee may not sublease the real estate units to a third party without obtaining the lessor's consent.
38	Abdulaziz Saad Abdulaziz Al Khathaami [1]	Jeddah, Kingdom of Saudi Arabia	1,080 sqm	SAR 220,000 annually.	Five years starting from 17 Jumada al-Ula 1445H (corresponding to 1 December 2023G) to 13 Rajab 1450H (corresponding to 30 November 2028G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date.	Housing for the female manpower resources of hourly sectors.	The Lessee may not sublease the real estate units to a third party without obtaining the lessor's consent.
39	Khalid Mohammad Ali Al Ghamdi	Al Baha, Kingdom of Saudi Arabia	330 sqm	SAR 100,000 annually for the first year and then SAR 50,000 annually.	Three years starting from 28 Jumada al-Ula 1443H (corresponding to 1 January 2022G) to 30 Jumada al-Akhirah 1446H (corresponding to 31 December 2024G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date.	Sales Branch.	The Lessee may not sublease the real estate units to a third party without obtaining the lessor's consent.
40	Tariq Ibrahim Issa Al Shaddi	Khamis Mushait, Kingdom of Saudi Arabia	100 sqm	SAR 106,000 annually for the first year, SAR 106,000 annually for the second year and SAR 112,360 annually for the third year.	Three years starting from 8 Jumada al-Akhirah 1444H (corresponding to 1 January 2023G) to 11 Rajab 1447H (corresponding to 31 December 2025G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date.	Sales Branch.	The Lessee may not sublease the real estate units to a third party without obtaining the lessor's consent.

#	Lessor	Property Location	Size of Leased Premises (sqm)	Rent	Term of Lease/ Renewal Mechanism	Right to Terminate/Post Termination Procedures	Purpose	Subleasing/ Assignment
41	Abdullah Saad Nasser Al Qahtani	Jeddah, Makkah Al-Mukarramah, Kingdom of Saudi Arabia	210 sqm	SAR 315,000 annually.	Five years starting from 13 Thul-Hijjah 1444H (corresponding to 1 July 2023G) to 7 Safar 1450H (corresponding to 30 June 2028G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date.	Sales Branch.	The Lessee may not sublease the real estate units to a third party without obtaining the lessor's consent.
42	Sulaiman Faleh Hammad Al Blewi (1)	Tabuk, Kingdom of Saudi Arabia	786 sqm	SAR 200,000 annually.	Five years starting from 13 Thul-Hijjah 1444H (corresponding to 1 July 2023G) to 7 Safar 1450H (corresponding to 30 June 2028G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date.	Housing for the female manpower resources of individual and hourly sectors.	The Lessee may not sublease the real estate units to a third party without obtaining the lessor's consent.
43	Sulaiman Faleh Hammad Al Blewi	Tabuk, Kingdom of Saudi Arabia	200 sqm	SAR 100,000 annually.	Five years starting from 13 Thul-Hijjah 1444H (corresponding to 1 July 2023G) to 7 Safar 1450H (corresponding to 30 June 2028G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date.	Sales Branch.	The Lessee may not sublease the real estate units to a third party without obtaining the lessor's consent.
44	Abdulrahman Ibrahim Abdulah Alsamari	Al-Kharj, Kingdom of Saudi Arabia	67 sqm	SAR 35,000 annually.	One year starting from 20 Rajab 1445H (corresponding to 1 February 2024G) to 1 Shabaan 1446H (corresponding to 31 January 2025G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date.	Sales Branch.	The Lessee may not sublease the real estate units to a third party without obtaining the lessor's consent.

#	Lessor	Property Location	Size of Leased Premises (sqm)	Rent	Term of Lease/ Renewal Mechanism	Right to Terminate/Post Termination Procedures	Purpose	Subleasing/ Assignment
45	Abdullah Thafer Saud Al Ahmari [1]	Abha, Kingdom of Saudi Arabia	500 sqm	SAR 150,000 annually.	Three years starting from 15 Muharram 1445H (corresponding to 2 August 2023G) to 18 Safar 1448H (corresponding to 1 August 2026G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date.	Housing for the female manpower resources of hourly sectors.	The Lessee may not sublease the real estate units to a third party without obtaining the lessor's consent.
46	Hesham Ahmad Saleh Al Issa	Al-Ahsa, Eastern Province, Kingdom of Saudi Arabia	25 sqm	SAR 15,000 annually.	One year starting from 20 Rajab 1445H (corresponding to 1 February 2024G) to 1 Sha'ban 1446H (corresponding to 31 January 2025G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date.	Sales Branch.	The Lessee may not sublease the real estate units to a third party without obtaining the lessor's consent.
47	Hamad Nasser Hamad Al Twaijri	Riyadh, Kingdom of Saudi Arabia	400 sqm	SAR 120,000 annually.	One year starting from 10 Safar 1445H (corresponding to 26 August 2023G) to 21 Safar 1446H (corresponding to 25 August 2024G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date.	Staff housing facility.	The Lessee may not sublease the real estate units to a third party without obtaining the lessor's consent.
48	Bader Ahmad Marzouk Issa	Jeddah, Makkah Al-Mukarramah, Kingdom of Saudi Arabia	150 sqm	SAR 29,800 annually.	One year starting from 4 Rabi' al-Awwal 1445H (corresponding to 19 September 2023G) to 15 Rabi' al-Awwal 1446H (corresponding to 18 September 2024G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date.	Housing for drivers.	The Lessee may not sublease the real estate units to a third party without obtaining the lessor's consent.

#	Lessor	Property Location	Size of Leased Premises (sqm)	Rent	Term of Lease/ Renewal Mechanism	Right to Terminate/Post Termination Procedures	Purpose	Subleasing/ Assignment
49	Saleem Saleh Mohammad Al Saleem	Buraydah, Al-Qassim, Kingdom of Saudi Arabia	25 sqm	SAR 7,500 annually.	One year starting from 4 Rabi' al-Thani 1445H (corresponding to 19 October 2023G) to 26 Rabi' al-Thani 1446H (corresponding to 18 October 2024G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date.	Housing for Employees	The Lessee may not sublease the real estate units to a third party without obtaining the lessor's consent.
50	Mohammad Rashed Abu Nayan for Trading and Investment Company LLD	Riyadh, Kingdom of Saudi Arabia	72 sqm	SAR 59,000 annually.	One year starting 18 from Jumada al-Ula 1445H (corresponding to 1 December 2023G) to 14 Rabi' al-Akhirah 1446H (corresponding to 30 November 2024G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement may be terminated promptly, if the Lessor or the Lessee violates any of its obligations under this agreement, after giving a notice to the party in breach by the affected party. The affected party may terminate this agreement if the warned party is not committed to his obligations or remove damaged caused thereby within 15 days of warning date.	Housing for Employee	The Lessee may not sublease the real estate units to a third party without obtaining the lessor's consent.
51	Mohammad Abdullah Saleh Al-Aboudi	Al-Madina Al-Munawarah, Kingdom of Saudi Arabia	120 sqm	SAR 140,000 annually.	1,094 days from 22 Ramadan 1445H (corresponding to 1 April 2024G) to 23 Shawwal 1448H (corresponding to 31 March 2027G). The agreement may be renewed by executing a new agreement between the parties.	If the Lessee fails to pay the due rent thirty (30) or sixty (60) days after the expiration of the payment deadline granted thereto, the Lessor shall have the right to terminate this contract through the Ejar platform unless both parties agree on another payment deadline. If either of the parties breaches any of their obligations arising from this contract and the breaching party fails to perform its obligations or remedy the damage caused thereby within thirty (30) days from the date of its breach of the obligation, the affected party has the right to terminate the contract pursuant to a ruling issued by the competent judicial authority under a notice sent through the Ejar platform. The lease agreement may be terminated when one or more of the following conditions are met: (i) there is proof that the property is on the verge of collapse, as evidenced by a report from the General Directorate of Civil Defence or an accredited Government agency; (ii) if Government decisions require amendments to building codes resulting in the inability to use the property units; (iii) the state acquires the property or part of it, thus rendering it impossible to use the property units; or (iv) in case of a force majeure event.	Commercial residence	The Lessee may not sublease the real estate units to a third party without obtaining the lessor's consent.

#	Lessor	Property Location	Size of Leased Premises (sqm)	Rent	Term of Lease/ Renewal Mechanism	Right to Terminate/Post Termination Procedures	Purpose	Subleasing/ Assignment
52	Ahmed Fadel Ali Al-Ghamdi	Al-Baha, Kingdom of Saudi Arabia	550 sqm	SAR 100,000 annually.	Five years from 9 Thul-Hijjah 1445H (corresponding to 15 June 2024G) to 2 Safar 1451H (corresponding to 14 June 2029G). The agreement may be renewed by executing a new agreement between the parties.	The lease agreement shall be terminated immediately if the Lessor or the Lessee breaches any of their obligations under this agreement, after the affected party has provided notice to the breaching party. The affected party shall have the right to terminate this agreement if the breaching party fails to fulfil its obligations or to remove the damage within fifteen (15) days of receiving a written notice from the affected party. In the event of the Lessee's insolvency, bankruptcy or liquidation for any reason, this agreement shall be deemed terminated as of the date of the Lessor's acknowledgement thereof, or upon the expiration of the original term or any renewed term, whichever is earlier. This termination shall not prejudice the Lessor's right to claim payment for the period prior to the said termination.	Housing for female workers in the hourly sector.	The Lessee may not sublease the real estate units to a third party without obtaining the Lessor's consent.

Source: The Company.

(1) The Company has obtained the dormitory licence related to this lease agreement.

11.9 Related Party Contracts and Transactions

This Section provides a summary for these transactions and agreements transactions and agreements with Related Parties. The Company's Directors declare that none of the contracts with Related Parties described in this Section contains any preferential conditions and all have been carried out in an appropriate commercial manner. The General Assembly approved all transactions and contracts with Related Parties which include an interest of the members of the Board of Directors during its meeting on 25 Sha'ban 1445H (corresponding to 6 March 2024G), in compliance with Article 71 of the Companies Law.

11.9.1 Labour Services Agreement between the Company and 4Twins Company Ltd

The Company (as service provider) has entered into a Labour Services Agreement with 4Twins Company Ltd (as customer) for the purpose of securing qualified workers to provide the required labour services to the customer. This is in consideration of SAR 5,856,944, SAR 3,928,999 and SAR 1,261,952 for the financial years ended 31 December 2022G and 2023G and the three-month period ended 31 March 2024G. The agreement was concluded on 23 Muharram 1440H (corresponding to 3 October 2018G) for a term of two years, automatically renewable for similar terms unless a party notifies the other of its intention of non-renewal at least three months before the expiration date. The agreement is governed by the laws of the Kingdom and any dispute arising from the agreement not resolved amicably within 30 days, will be referred to the competent courts in the city of Riyadh.

4Twins Company Ltd and the Company are related parties pursuant to the Corporate Governance Regulations. Further, the Board Member Abdullah Al Ngeer has an indirect interest in his capacity as a Shareholder in 4Twins Company Ltd. This agreement has been approved by the Company's Board on 10 Sha'ban 1445H (corresponding to 20 February 2024G) pursuant to the issued authorisation granted to it by the General Assembly.

11.9.2 Labour Services Agreement between the Company and Khalid Sulaiman Al Ngeer Factory for Ready-Mix Concrete

The Company (as service provider) has entered into a Labour Services Agreement with Khalid Sulaiman Al Ngeer Factory for Ready-Mix Concrete (as customer) on 11 Thul-Qi'dah 1441H (corresponding to 2 July 2020G) for the purpose of securing human resources of non-Saudi workers qualified to provide the required services to the customer. This is in accordance with the standards and conditions determined by Khalid Sulaiman Al Ngeer Factory for Ready-Mix Concrete based on its choice or the choice of the Company. This is in consideration of SAR 106,085 and SAR 37,643 for the financial years ended 31 December 2021G and 2022G, respectively. No revenue was generated from this contract for the financial year ended 31 December 2023G and the three-month period ended 31 March 2024G due to the contract expiring during 2023G. Pursuant to the terms of the contract, it shall remain valid for a term of two years and shall be automatically renewable for similar terms unless a party notifies the other of its intention of non-renewal at least three months before the expiration date. The agreement is governed by the laws of the Kingdom and any dispute arising from the agreement not resolved amicably within 30 days will be referred to the competent courts in the city of Riyadh.

Khalid Sulaiman Al Ngeer Factory for Ready-Mix Concrete and the Company are related parties pursuant to the Corporate Governance Regulations. Further, the Board Member Abdullah Al Ngeer has an indirect interest in Khalid Sulaiman Al Ngeer Factory for Ready-Mix Concrete. This agreement has been approved by the Company's Board on 10 Sha'ban 1445H (corresponding to 20 February 2024G) pursuant to the issued authorisation granted to it by the General Assembly.

11.9.3 Labour Services Agreement between the Company and Burger Map Restaurants for Fast Food Company

The Company (as service provider) has entered into a Labour Services Agreement with Burger Map Restaurants for Fast Food Company (as customer) for the purpose of securing human resources of non-Saudi workers qualified to provide the required services to the customer. This is in accordance with the standards and conditions determined by Burger Map Restaurants for Fast Food Company based on its choice or the choice of Company. The total revenue generated from this contract was SAR 2,516,383 and SAR 696,852 for the financial year ended 31 December 2023G and the three-month period ended 31 March 2024G. The agreement was concluded on 24 Rajab 1442H (corresponding to 8 March 2021G) for a term of two (2) years and is automatically renewable for a similar term or terms unless one of the parties notifies the other of its intention of non-renewal at least three (3) months before the expiry of the original term. The agreement is governed by the laws of the Kingdom and any dispute arising from the agreement not resolved amicably within 30 days will be referred to the competent courts in the city of Riyadh.

This agreement is considered a Related Party agreement due to the indirect interest of the Board Member Abdullah Sulaiman Abdulrahman Al Ngeer in Burger Map Restaurants for Fast Food Company. This agreement and the aforementioned interest were approved by the Board of Directors on 10 Sha'ban 1445H (corresponding to 20 February 2024G) pursuant to the authorisation granted to it by the Company's General Assembly.

11.9.4 Labour Services Agreement between the Company and Tasheel Real Estate Company

The Company (as service provider) has entered into a Labour Services Agreement with Tasheel Real Estate Company (as customer) for the purpose of securing human resources of non-Saudi workers qualified to provide the required services to the customer. This is in accordance with the standards and conditions determined by Tasheel Real Estate Company based on its choice or the choice of the Company. Total revenue generated from this agreement was SAR 32,363 and SAR zero for the financial year ended 31 December 2023G and the three-month period ended 31 March 2024G. The agreement was concluded on 29 Rajab 1444H (corresponding to 20 February 2023G) for a term of two years, automatically renewable for similar terms unless a party notifies the other of its intention of non-renewal at least three months before the expiration date. The agreement is governed by the laws of the Kingdom and any dispute arising from the agreement not resolved amicably within 30 days, will be referred to the competent courts in the city of Riyadh.

Tasheel Real Estate Company and the Company are related parties pursuant to the Corporate Governance Regulations. Further, the Board Member Abdullah Al Ngeer has a direct interest in his capacity as a Shareholder and Vice Chairman in Tasheel Real Estate Company. This agreement has been approved by the Company's Board on 10 Sha'ban 1445H (corresponding to 20 February 2024G) pursuant to the issued authorisation granted to it by the General Assembly.

11.9.5 Joint Venture Agreement between the Company and Dr Sulaiman Al Habib Medical Services Group Company

The Company has entered into a Joint Venture Agreement with Dr Sulaiman Al Habib Medical Services Group Company for the purpose of establishing a new jointly-owned limited liability company (Eraf Medical Company) to engage in the provision of home health care services in the Kingdom and any other jurisdictions in which the Company has operations as may be determined by the Shareholders from time to time. The agreement was concluded on 6 Rabi' al-Awwal 1444H (corresponding to 2 October 2022G). The total value of the Agreement amounted to SAR 4,000,000, divided as follows between the two parties: SAR 2,400,000 for the Company and SAR 1,600,000 for Dr Sulaiman Al Habib Group, to be paid as share capital for the purpose of establishing Eraf Medical Company. The Agreement shall terminate automatically (i.e., without the need for either party to take steps in order to terminate the contract) either: (1) upon the date which the shareholding of any Shareholder becoming 100 per cent.; or (2) if any of the agreement conditions are not satisfied (namely the non-objection of the General Authority for Competition to the incorporation of Eraf Medical Company, the approval of the Ministry of Commerce of Eraf Medical Company's articles of association and the two parties obtaining the regulatory and institutional approvals for the establishment of Eraf Medical Company, in addition to any other actions required by the laws in force within the Kingdom) or waived on or prior the long-stop date or any such later date as agreed by the Parties, without liability or further obligation on the part of the Parties; (3) voluntary termination upon a written agreement; (4) if any Shareholder ceases to own any shares in Eraf Medical Company, the rights and obligations of such shareholder shall automatically terminate; and (5) upon the completion of an IPO of Eraf Medical Company. The agreement is governed by the laws of the Kingdom.

The agreement concluded with Dr Sulaiman Al Habib Medical Services Group Company contain a confidentiality clause, whereby parties are required to hold the information provided to them in confidence. On 15 Ramadan 1445H (corresponding to 25 March 2024G), the Company obtained Dr Sulaiman Al Habib Medical Services Group Company's prior written consent to disclose contractual arrangements entered into with Dr Sulaiman Al Habib Medical Services Group Company in this Report.

Dr Sulaiman Al Habib Medical Services Group Company and the Company are related parties pursuant to the Corporate Governance Regulations. Further, the Board Members Hesham Sulaiman Al Habib and Faisal Al Nassar has an indirect interest in their capacity as board members and executives in Dr Sulaiman Al Habib Medical Service Group Company. This agreement has been approved by the Company's General Assembly in the meeting dated 18 Rajab 1445H (corresponding to 30 January 2024G).

11.10 Conflicts of Interest

As of the date of this Prospectus, the Directors confirm that they do not have any conflicts of interest in relation to contracts and/or transactions entered into with the Company except as disclosed in Section 11.9 (*Related Party Contracts and Transactions*) and none of them has been engaged in any activities similar to, or competing with, the Company's activities.

11.11 Intellectual Property

11.11.1 Trademarks

The Company and its Subsidiaries has registered a number of trademarks on which they rely as a brand for their businesses. The Company and its Subsidiaries relies on these trademarks to ensure the success of their businesses and support their competitive position in the market. Therefore, if the Company and its Subsidiaries fail to protect their trademarks or any of the businesses are forced to take legal action necessary to protect the same, this may have an adverse effect on their ability to use the trademarks, which would affect their businesses and results of operations (for further details on risks related to the trademarks, see Section 2.1.38 (*Risks Related to Protection of Intellectual Property Rights*)).

All of the Company and its Subsidiaries trademarks are registered under their name. The following table sets out certain key particulars of the Company and its Subsidiaries trademarks:

Table 11.10: Details of Registered Trademarks

Trademark Owner	Country of Registration	Registration Number	Validity/ Expiration Date	Category	Logo
The Company	The Kingdom	1440029333	Ten (10) years commencing on 26 Thul-Qi'dah 1440H (corresponding to 24 October 2019G) until 26 Thul-Qi'dah 1450H (corresponding to 10 April 2029G).	35	
The Company	Kingdom of Saudi Arabia	1445012928	Ten (10) years commencing on 2 Rabi' al-Thani 1445H (corresponding to 17 October 2023G) until 1 Rabi' al-Thani 1455H (corresponding to 28 June 2033G).	35	
The Company	Kingdom of Saudi Arabia	1445012922	Ten (10) years commencing on 2 Rabi' al-Thani 1445H (corresponding to 17 October 2023G) until 1 Rabi' al-Thani 1455H (corresponding to 28 June 2033G).	35	
Eraf Medical Company	The Kingdom	1445011259	Ten (10) years commencing on 11 Rajab 1445H (corresponding to 23 January 2024G) until 19 Rabi' al-Awwal 1455H (corresponding to 17 June 2033G).	44	

Source: The Company.

The Company and its Subsidiaries applied for a registration for a number of its trademarks on which they rely as a brand for their businesses:

Table 11.11: Other Intellectual Property Rights

Company	Country of Registration	Date of Filing/Publication	Class	Logo
The Company	Kingdom of Saudi Arabia	15 Thul-Qi'dah 1445H (corresponding to 23 May 2024G)	35	
The Company	Kingdom of Saudi Arabia	22 Thul-Qi'dah 1445H (corresponding to 30 May 2024G)	35	

Source: The Company.

11.11.2 The Company's Other Intellectual Properties

The Company and its Subsidiaries owns a number of internet domains registered under their names. The following table sets out the details of the internet domains registered under the Company and its Subsidiaries names:

Table 11.12: Details of Internet Domain Names

Company	Internet Domain Name	Expiration Date
The Company	https://tamkeenhr.com	3 Shawwal 1446H (corresponding to 1 April 2025G)
Open Technologies for Communications and Information Technology Company	https://opentech.com.sa	2 Muharram 1447H (corresponding to 27 June 2025G)
Eraf Medical Company	www.eraf.sa	12 Ramadan 1446H (corresponding to 12 March 2025G)

Source: The Company.

11.12 Litigation

As of the date of this Prospectus, the Company is party to a number of lawsuits in the ordinary course of its business. For the purposes of this section, any case or claim is deemed material if its value is equivalent to SAR 20 million or more (which accounts for 5 per cent. or more of the Company's net assets for the financial year ended 31 December 2023G), or if the Company deems it material by its nature and the possibility of it impacting the Company business and/or reputation.

The following table shows a brief summary of outstanding lawsuits by type of claim as of the date of this Prospectus:

Table 11.13: Summary of Outstanding Lawsuits by Type of Claim as of the Date of this Prospectus

Type of Claim	Total Number of Claims	Summary of Claims	Estimated Total Value of Claims	Total Amounts Provisioned as of 31 December 2023G
Non-material ongoing claims and legal proceedings initiated by the Company	92	– 46 ongoing claims with court judgements, all of which are currently being enforced. – 22 ongoing claims related to late payment penalties, of which 16 are still pending. – 12 ongoing claims related to promissory notes being enforced, with 1 claim pending due to the bankruptcy of the defendant. – 2 settlement agreements currently being enforced. – 6 financial claims 4 of which are still pending. – 1 claim recorded in the settlement agreement and currently being enforced. – 2 claims related to the termination of a contract, 1 of which is pending, and a preliminary ruling was issued in favour of the Company on the other. – 2 outstanding claims for an abscondence fine is still pending. – 1 ongoing claim for compensation is pending.	SAR 14.6 million	SAR 3.9 million
Labour cases initiated by the Company	8	– 7 ongoing claims filed with the Labour Court with respect to the remaining term of contracts are still pending. – 1 ongoing claim to be re-filed with the Labour Office in relation to the remaining term of a contract.	SAR 0.2 million	-
Non-material ongoing claims and legal proceedings initiated against the Company	2	– 1 claim related to the refund of a sponsorship transfer fee has been reopened. – 1 ongoing claim related to the refund of the insurance amount received by a client.	SAR 0.1 million	-
Labour cases against the Company	3	– 2 ongoing claims related to employee dues which are still pending. – 1 ongoing claim related to commission is still pending.	SAR 0.02 million	-

Source: The Company.

11.13 Bylaws

11.13.1 Name of the Company

The name of the Company is "Tamkeen Human Resources Company", a closed joint stock company.

11.13.2 Head Office of the Company

The head office of the Company is in the city of Riyadh, Kingdom of Saudi Arabia. The Company, by a Board resolution, may establish branches, offices, or agencies therefor within or outside the Kingdom of Saudi Arabia.

11.13.3 Objects of the Company

The Company's objects are:

- employment agencies activities; and
- temporary employment agencies activities.

The Company carries out its activities in accordance with the applicable regulations and after obtaining the necessary licences from the competent authorities, if any.

11.13.4 Duration of the Company

The term of the Company shall be ninety-nine (99) years commencing from the date of its due registration in the commercial register as a joint stock company. The term of the Company may always be extended by a resolution issued by the Extraordinary General Assembly at least one year prior to the expiration of its term.

11.13.5 Participation

The Company by itself, may establish limited liability, closed joint stock, or simplified joint stock companies. The Company may own shares or stock in other existing companies, or merge therewith; as well as participate with third parties in the establishment of joint stock, simplified joint stock or limited liability companies after fulfilling the requirements set forth by the applicable laws and regulations in this regard. The Company may also dispose of said stock or shares provided that no brokerage activities are warranted upon the disposal of such stock or shares.

11.13.6 Company's Share Capital

The share capital of the Company is two hundred and sixty-five million Saudi Riyals (SAR 265,000,000), divided into twenty-six million, five hundred thousand (26,500,000) ordinary shares with an equal nominal value of ten Saudi Riyals (SAR 10) each, all of which are ordinary Shares. The value of the paid in cash is the amount of two hundred and sixty-five million riyals (265,000,000) and the cash paid from the issued share capital has been deposited with one of the licensed banks.

11.13.7 Capital Subscription

The Shareholders have subscribed to the entire share capital, amounting to two hundred and sixty-five million Saudi Riyals (SAR 265,000,000), which has been fully paid up.

11.13.8 Shareholders' Register

1. The Company shall prepare a register which includes Shareholders' names, nationalities, particulars, places of residence and occupations as well as the number of shares owned by each shareholder, the serial numbers of the shares which they own and the amount paid of their value. The Company may outsource the preparation of the register; said register shall be maintained in the Kingdom.
2. The Company shall provide the Commercial Register with the information referred to in Paragraph 1 of this Article and any amendment thereto within fifteen (15) days from the date of the Company's registration in the Commercial Register or from the date of the amendment, as the case may be.

11.13.9 Trading of Shares

The Company's shares shall be traded upon recording such in the Shareholders' Register and the transfer of ownership of the Share shall not be valid vis-à-vis the Company or third parties until the date on which the transfer of the Share is recorded in the Shareholders' Register.

11.13.10 Unpaid Value of Shares

1. The Shareholder undertakes to pay the value of his/its shares on the dates specified for that purpose. Failure to do so will give the Board of Directors the right, after informing the Shareholder by registered mail or any means of modern technology, of selling the shares at a public auction or the stock exchange - as the case may be - pursuant to the controls set by the competent authority.

2. The Company shall collect the amounts payable thereto, from its sale proceeds, and shall repay the balance to the owner of the shares. If the sale proceeds are not sufficient to satisfy such amounts, then the Company may recover the balance from all Shareholder assets.
3. Rights associated with unpaid shares shall be suspended upon failure to pay their value upon the expiration of the specified deadline, until the sale of such Share or the payment of the due amount in accordance with the provision of Paragraph (1) of this Article. These rights include the entitlement to a share of the net profits to be distributed and the right to attend meetings and vote on decisions made in such meetings. Nevertheless, a defaulting Shareholder may, up to the date of sale of such Shares, pay the outstanding value of such Share plus all expenses incurred by the Company, in which case the shareholder shall have the right to request Dividends to be distributed.
4. The Company shall cancel shares sold pursuant to the provisions of this Article and give the buyer a new Share certificate bearing the same serial numbers as those of the cancelled shares, with an annotation made in the Share Register indicating the sale as well as the new owner's name.

11.13.11 Preferred Shares and Redeemable Shares

The Company's Extraordinary General Assembly may, in accordance with the guidelines set by the competent authority, issue preferred shares and decide to purchase the same or convert ordinary shares into preferred or convert preferred shares into ordinary shares with the exception of cases where the decision to issue shares provides for their automatic transformation into another type or category when certain conditions are met or after a specified period has elapsed. Preferred shares or redeemable shares shall not bestow voting rights in Shareholder General Assembly meetings except in cases excluded by law. The owners shall have the right to receive a greater percentage of the Company's net profits than the holders of ordinary shares after deducting any reserve to be formed in accordance with Article Forty-five (45) of these Bylaws. The Company's Extraordinary General Assembly may issue redeemable shares or decide to purchase them in accordance with the guidelines set by the competent authority.

11.13.12 Issuance of Shares

The Shares shall be nominal and indivisible for the Company and if the Share is owned by several persons, they shall choose one of them to represent them in the use of the rights related thereto and these persons shall be jointly liable for the obligations arising from the ownership of the Share.

11.13.13 Increase of Share Capital

1. The Extraordinary General Assembly may decide to increase the Company's issued capital, provided that the issued capital has been paid in full. The full payment of capital shall not be required if the unpaid portion of said capital relates to shares issued against the conversion of debt instruments or financing Sukuk into shares and the period set for such conversion has not yet expired.
2. In all cases, the Extraordinary General Assembly may, upon increasing the capital of the Company, allocate the issued shares or part thereof to the employees of the Company and/or any or all of its subsidiaries. Shareholders may not exercise their pre-emptive rights on issued shares allocated for employees.
3. A Shareholder who owns a share, as of the date of issuance of the Extraordinary General Assembly's decision approving the increase of the issued capital, shall have a pre-emptive right to subscribe to new shares issued against cash contributions. A Shareholder shall be notified of such right by registered mail sent to the address stated in the Shareholders' Register or by any means of technology. The Shareholder shall also be notified of the capital increase decision, the conditions and method of subscription and the dates on which said subscription begins and ends, subject to the type and class of shares owned thereby.
4. The Extraordinary General Assembly may suspend the pre-emptive rights of Shareholders to subscribe to the capital increase against cash contributions, or may grant pre-emptive rights to non-Shareholders, in relation to capital increases in cases where it deems this to be beneficial to the Company's interests.
5. The shareholder has the right to sell or assign the pre-emptive rights for or without consideration as determined by the implementing regulations of the Companies Law.
6. Subject to the provisions of Paragraph (4) above, newly issued shares shall be distributed to the holders of pre-emptive rights requesting subscription in proportion to the pre-emptive rights they hold against the total pre-emptive rights resulting from the capital increase, provided that the number of newly issued shares they receive does not exceed the number of shares they request, taking into consideration the type and class of the shares they own. The remaining new shares shall be distributed among the holders of the pre-emptive rights who request more than their Share in proportion to the pre-emptive rights they hold against the total pre-emptive rights resulting from the capital increase, provided that the number of newly issued shares they receive does not exceed the number of shares they request. Any remaining shares shall be offered to persons other than the holders.

11.13.14 Decrease of Share Capital

The Extraordinary General Assembly may resolve to reduce the Company's capital, if it exceeds the Company's needs, or if the Company sustains losses. In the latter case only, the Company's capital may be reduced below the limit prescribed under the Companies' Law. The decision to decrease the capital shall not be issued until a statement, prepared by the Board of Directors, is recited at the General Assembly, stating the reasons for such decrease, the Company's obligations and the effect of the decrease on the satisfaction of such obligations. Said statement shall include the report of the Company's auditor. In cases where the General Assembly decision is passed by circulation, the presentation of the statement shall suffice.

If the capital reduction is due to the capital exceeding the Company's needs, then the Company's creditors must be invited to express their objection thereto, if any, to the reduction within the period specified in the Companies Law from the date specified for the Extraordinary General Assembly meeting to issue the reduction decision. A statement, specifying the capital before and after reduction, the date and time of the meeting, and the effective date of the reduction, shall be attached to the invitation provided to the Company's creditors. Should any creditor object and present to the Company evidentiary documents within the time limit set above, then the Company shall pay such debt, if already due, or present a sufficient guarantee of payment, if the debt is due on a later date. The creditor who notified the Company of his objection to the reduction and his debt has not been paid if it is immediate or provide sufficient security to pay it if it is deferred, may apply to the competent judicial authority before the date specified for the extraordinary general assembly to take the reduction decision, and the competent judicial authority in this case may order payment. by debt, by providing sufficient guarantee, or by postponing the convening of the extraordinary general assembly, as the case may be. The reduction shall not be invoked before the creditor who submitted his application on the date stipulated in the Companies Law unless he has paid his debt or obtained sufficient security to pay what has not been dissolved.
The Company shall ensure equality among Shareholders of the same type and class shall be observed upon the decrease of capital.

11.13.15 Company's Management

The Company shall be managed by a Board of Directors composed of nine (9) members, who shall be natural persons, to be appointed by the Ordinary General Assembly for a term not exceeding four (4) years. The venue of Board meetings shall be at the Company's headquarters, or the Board of Directors shall determine the location of its meetings and may hold its meetings through means of technology.

Board meetings shall only be valid if attended by fifty-six per cent. (56%) of the members.

Board resolutions shall be passed by the vote of fifty-one per cent. (51%) of the attending members.

A member of the Board of Directors may delegate another member to attend the Board meetings on his behalf.

11.13.16 Membership Termination

Board membership shall expire upon the expiration of the Board's term, or the expiration of the Board member's term, in accordance with any law or directives applicable in the Kingdom. The Ordinary General Assembly may, at the recommendation of the Board, terminate the membership of Board members that fail to attend three (3) consecutive meetings, or a total of five (5) meetings during their term, without a valid excuse which is satisfactory to the Board.

11.13.17 Termination of Board Term, Resignation of Board Members, or Membership Vacancy

1. Before the expiry of its term, the Board of Directors shall call the Ordinary General Assembly to convene in order to appoint a Board of Directors for a new term. If such appointment does not occur and the term of the then-current Board expires, the then-current Board members shall continue to perform their duties until the appointment of a Board for a new term, provided that the then current Board does not remain in office for a period exceeding that which is prescribed in the Implementing Regulations of the Companies Law.
2. If the Chairman and Board members resign, the Ordinary General Assembly shall convene to appoint a new Board of Directors, and such resignation shall not take effect until the appointment of the new Board, provided that the then current Board does not remain in office for a period exceeding that which is prescribed in the Implementing Regulations of the Companies Law.
3. A Board member may resign from the Board by giving written notice to the Chairman of the Board, but if the resigning member is the Chairman, then the notice shall be given to the other Board members and the Board's Secretary. In both cases, the resignation shall be effective from the date set out in the notice.
4. If the position of a Board member becomes vacant due to his death or resignation, and if the minimum number of members required for the validity of board meetings is not affected by such vacancy, the Board may appoint a qualified person with relevant expertise to temporarily fill the vacancy. Such appointment shall be reported to the Commercial Register (and the CMA if the Company is listed) within fifteen (15) days from the date of such appointment, and it shall be submitted to the Ordinary General Assembly in its first meeting. The appointed member shall complete the term of his predecessor.
5. If the conditions for holding a valid meeting of the Board are not met, due to the number of Board members falling below the minimum number of Board members provided in the Companies Law or these Bylaws, the remaining Board members shall call for convening the Ordinary General Assembly within (60) days to elect the required number of Board members.

11.13.18 Powers of the Board

Subject to the competencies prescribed for the General Assembly, the Board of Directors shall have the widest powers in managing the Company in order to achieve its objectives and may:

- **In relation to commercial registrations**: Main: issuance, renewal and write-off; Sub-Registers: issuance, renewal and write-off;
- **In relation to companies that the Company enters as a partner**: signing corporate contracts, buying shares, liquidating the Company, selling shares, representing the Company in the company in which it is a shareholder;
- **In relation to incorporating companies by the Company's name**: Commercial Registers: issuance, renewal and write-off, registration in the Ministry, representation before the notary public, signing the Company's contract, signing the decisions of the partners;

- **In relation to banking**: opening accounts, opening credits, depositing, withdrawing, issuing checks, updating accounts, extracting account statements, requesting facilities, requesting guarantees, signing loan contracts, signing commercial papers, signing order bonds, submitting any of the requests or services under the jurisdiction of the Communications and Information Technology Commission, and the authority to authorise any person - in accordance with the relevant regulations - to submit any of the requests or services under the jurisdiction of the Communications and Information Technology Commission;
- **In relation to managing properties**: buying, selling and title registration of property and pledging property;
- **In relation to amendment of the contract of companies in which the Company enters as a partner**: Approval of the decisions of the partners: change of legal entity, increase or decrease of the capital, acceptance of the assignment of shares, purchase of shares, entry and exit of partners, signing the partners' decision to merge, amendment to the rest of the terms of the Memorandum of Association, liquidation of the Company, transformation of the Company into an institution;
- **In relation to the judiciary**: representing before courts, appointing arbitrators, appointing lawyers, representing before notaries, using and executing all Ministry of Justice electronic services, delegating and authorising others on executing Ministry of Justice electronic services, signing loan contract agreement and its addendums and all related documents, signing following agreements, signing advisory agreements, signing before the notary in relation to the industrial mortgage regarding pledging on the Company's properties, receiving loans, assigning a loan, requesting a loan waiver, paying the loan, signing documentary credit agreement, signing guarantee of legal capacity, signing transfer of liabilities and loan contract amendment agreement, signing on behalf of the Company and the partners on debt arrangement agreement, issuing, amending and cancelling waiver, converting the branch into an establishment; and
- **In relation to the following other powers**: opening branches for the commercial registrations, signing all documents at the commercial chamber, selling establishment, following up with the Department of Commercial Registration, extracting records, transferring commercial registration, managing records, cancelling records, supervising records, opening subscriptions at the Chamber of Commerce, approving signature at the Chamber of Commerce, cancelling signature at the Chamber of Commerce, entering tenders and receiving forms, following up with the GOSI, following up with the ZATCA, managing the commercial registration, cancelling the commercial registration, following up with the Civil Defence, amending registrations, adding activity, reserving commercial name, renewing the Chamber of Commerce subscription, amending the commercial registration, transferring the commercial registration, issuing replacement for damaged or lost records, issuing replacement for damaged or lost records, registering trademark, waving trademark, waving commercial name, issuing permits, importing boats, cancelling boats permits, renewing licences, amending licences, issuing hunting permits, issuing boat permits, selling the boat, renewing hunting licence, cancelling hunting licence, issuing replacement for damaged or lost boat licence, opening branch for the licence, transferring the licence, incorporating a company, signing on articles of association and amendment addendums, cancelling articles of association and amendment addendums, appointing and removing managers, amending objectives of the Company, liquidating the Company, converting the Company from joint stock company to limited liability company, converting the Company from limited liability company to joint stock company, converting the Company from general partnership to limited liability company, increasing capital, decreasing capital, entry and exit of shareholders, joining established companies, transferring equities, shares and bonds, determining capital, receiving allocation surplus, selling equities and shares and receiving value, assigning equities and shares from capital, selling Company branch, amending a shareholder's nationality in the contract, approving the waiver of equities shares and capital, buying equities and shares and paying cost, closing accounts with the Company's name in banks, opening accounts with the Company's name in banks, signing deals, registering the Company, registering power of attorneys and trademarks, attending general assemblies, opening branches for the Company, opening files for the Company, signing articles of association and amendment addendums in the notary, issuing commercial registrations and renewing it for the Company, subscribing to the Chamber of Commerce, and renewing the membership, following up with the Ministry of Investment and signing before it, following up with the quality management and the Saudi Standards, Metrology and Quality Organisation, following up with the CMA, issuing and renewing licences for the Company, converting the establishment to a Company, converting the Company's branch to establishment, converting the Company's branch to a company, publishing the article of association, the amendment addendums and its abstracts and the bylaws in the official newspaper, following up with the telecommunication companies and the establishment of landlines or mobile phones in the name of the Company, signing the Company's contract with others, amending the Company's name, issuing visas, receiving visas' compensations, updating workers' information, opening main and sub files, renewing and cancelling them, filtering workers and cancelling them, reporting fleeing workers, cancelling workers' fleeing reports, transferring sponsorships, amending professions, transferring the ownership of establishments, liquidating them and cancelling them, following up with the private recruitment agencies, following up with the computer management in the manpower, issuing work permits and renewing them, receiving Saudisation certifications, issuing data statement (print), adding and removing Saudis, recruitment, opening file, activating the Saudi gate, recruiting workers abroad, finalising workers procedures at the GOSI, cancelling visas, refunding visas amounts, amending nationalities, issuing family visits visas, issuing family recruiting visas, following up with the embassy, extending entry and re-entry visas, extending visitors visas, issuing data statement (print), refunding visa fees, amending arrival destination, issuing iqamas, renewing iqamas, issuing exit and re-entry, issuing final exit, issuing replacement for damaged or lost iqamas, finalising deceased labour procedures, transferring information and updating data, settling and waiving workers, following up with the general department of expatriate, issuing labour data statement (print), dropping labour, managing A'maly, transferring labour's sponsorship to the labour, adding a new-born, department of borders affaires, issuing replay scenes, adding dependents, adding children to parents' passports, separating children from parents' passports, cancelling exit and re-entry visas, cancelling final exit visas, issuing lost or damaged travelling visas replacement, issuing visitor visas extension, issuing hajj permits, following up with house maids centre, registering in the electronic service, following up with the Ministry of Environment, Water and Agriculture, following up with the notary or the court to approve title registration, assigning agricultural report, transferring agricultural report, receiving salaries, receiving retirement salaries, receiving indemnity and vacations compensation, transferring the salary, receiving the compensation, issuing salary certificate, receiving dues, opening Shari'ah compliant accounts, opening and settling accounts, withdrawing from accounts, issuing ATM cards, issuing

Shari'ah compliant credit cards, receiving and spending transfers, cashing cheques, issuing certified cheques, issuing cheque books, transferring from accounts, applying for Shari'ah compliant bank loans, depositing in the accounts, resubscribing in safe deposit boxes, opening deposit boxes, subscribing in safe deposit boxes, applying for a loans waiver, reject cheques, updating data, activating accounts, receiving cheques, recovering safe deposit boxes, following up, rescheduling instalments, requesting points of sales, requesting bank credit, requesting bank guarantee, subscribing in joint stock companies, receiving subscription certificates, buying Shari'ah compliant shares, selling Shari'ah compliant shares, receiving shares value, receiving dividends, receiving surplus, opening Shari'ah compliant investment portfolios editing and amending and cancelling orders, subscribing to stocks, buying stocks, selling stocks, recovering investment funds units, transferring shares from the portfolio, subscribing in Shari'ah compliant investment funds units, managing investment portfolios, issuing obligation letter, liquidating portfolios, opening shops, issuing health certifications, dividing agricultural lands into residential, following up with the general administration for urban planning, issuing building and restoration permits, planning lands, issuing a building completion certificate, issuing fencing licences, issuing a demolition permit, signing lease agreement, waving the contract, planning owned property, following up with a Municipality, dividing agricultural lands into residential, supervising the construction, signing contract with construction establishments and contractors, selling and registering the title to the buyer, buying, accepting the title registration and pay it, receiving title deeds, leasing, receiving the rent, signing rent agreements, renewing rent agreements, terminating lease agreements, pledging, mortgage redemption, segmenting and sorting, amending borders, lengths, areas, parts numbers, schemes numbers, title deeds and their numbers and districts' names, selling, accepting mortgage, updating title deeds and uploading it into the comprehensive system, selling Shares from, buying, buying Shares from, renting, amending the owner's name and the ID number, giveaway and title registration, accepting giveaway and title registration, waiving the lack of space, merging title deeds, accepting waiving and title registration, issuing lost replacement for a group of title deeds, issuing damaged replacement for a group of title deeds, selling and title registration for heirs, waiving the Shares of, building proof, issuing a damaged replacement title deed, that is for real estates located in, dividing agricultural lands into residential or industrial, entering into estate contributions, buying estate contributions shares, selling estate contributions shares, waiving a leased land, updating title deeds and uploading it into the comprehensive system, issuing a lost replacement title deed, dividing agricultural lands into residential, building lands, leasing the land, changing the Company's legal entity, converting the Company from a limited partnership company into a limited liability company, dividing shares between heirs and transferring it to their portfolios.

The Board of Directors must obtain the approval of the General Assembly for the sale of Company assets the value of which exceeds fifty per cent. of the value of its total assets, whether the sale is made through one transaction, or more. In such case, the transaction which leads to the sale of more than fifty per cent. of the value of assets shall require the General Assembly's approval. Said percentage shall be calculated from the date the first transaction is concluded within the previous twelve (12) months.

The Board of Directors may also, within its powers, delegate one or more of its Directors or others to carry out certain work.

11.13.19 Remuneration of the Directors

1. The remuneration of the Board of Directors shall consist of a percentage of the net profits, benefits, attendance allowance for meetings, a specific amount, or whichever is determined by the Ordinary General Assembly.
2. The Board of Directors' reports to the Ordinary General Assembly must include a comprehensive statement of all amounts received by Directors during the financial year in the way of remuneration, expenses, and other benefits, as well as all amounts received by the Directors in their capacity as officers or executives of the Company, or in consideration of technical, administrative or advisory services. It must also include the number of sessions of the Board and the number of sessions each Director attended.

11.13.20 Powers of the Chairman, Vice Chairman, Managing Director, and Secretary

The Board of Director shall appoint from among its members in its first meeting a Chairman and it may appoint from among of its members a Managing Director or a Deputy Chairman.

The Board of Directors appoints a Chief Executive Officer from among its members or others.

The Chairman shall have the following authorities:

- **In relation to commercial registrations**: Main: issuance, renewal and write-off; Sub-Registers: issuance, renewal and write-off;
- **In relation to companies that the Company enters as a partner**: signing corporate contracts, buying shares, liquidating the Company, selling shares, representing the Company in the company in which it is a shareholder;
- **In relation to incorporating companies by the Company's name**: Commercial Registers: issuance, renewal and write-off, registration in the Ministry, representation before the notary public, signing the Company's contract, signing the decisions of the partners;
- **In relation to banking**: opening accounts, opening credits, depositing, withdrawing, issuing checks, updating accounts, extracting account statements, requesting facilities, requesting guarantees, signing loan contracts, signing commercial papers, signing order bonds, submitting any of the requests or services under the jurisdiction of the Communications and Information Technology Commission, and the authority to authorise any person - in accordance with the relevant regulations - to submit any of the requests or services under the jurisdiction of the Communications and Information Technology Commission;
- **In relation to managing properties**: buying, selling and title registration of property and pledging property;

- **In relation to amendment of the contract of companies in which the Company enters as a partner**: approval of the decisions of the partners: change of legal entity, increase or decrease of the capital, acceptance of the assignment of shares, purchase of shares, entry and exit of partners, signing the partners' decision to merge, amendment to the rest of the terms of the Memorandum of Association, liquidation of the Company, transformation of the Company into an institution;
- **In relation to the judiciary**: representing before courts, appointing arbitrators, appointing lawyers, representing before notaries, using and executing all Ministry of Justice electronic services, delegating and authorising others on executing Ministry of Justice electronic services, signing loan contract agreement and its addendums and all related documents, signing following agreements, signing advisory agreements, signing before the notary in relation to the industrial mortgage regarding pledging on the Company's properties, receiving loans, assigning a loan, requesting a loan waiver, paying the loan, signing documentary credit agreement, signing guarantee of legal capacity, signing transfer of liabilities and loan contract amendment agreement, signing on behalf of the Company and the partners on debt arrangement agreement, issuing, amending and cancelling waiver, converting the branch into an establishment; and
- **In relation to the following other powers**: opening branches for the commercial registrations, signing all documents at the commercial chamber, selling establishment, following up with the Department of Commercial Registration, extracting records, transferring commercial registration, managing records, cancelling records, supervising records, opening subscriptions at the Chamber of Commerce, approving signature at the Chamber of Commerce, cancelling signature at the Chamber of Commerce, entering tenders and receiving forms, following up with the GOSI, following up with the ZATCA, managing the commercial registration, cancelling the commercial registration, following up with the Civil Defence, amending registrations, adding activity, reserving commercial name, renewing the Chamber of Commerce subscription, amending the commercial registration, transferring the commercial registration, issuing replacement for damaged or lost records, issuing replacement for damaged or lost records, registering trademark, waving trademark, waving commercial name, issuing permits, importing boats, cancelling boats permits, renewing licences, amending licences, issuing hunting permits, issuing boat permits, selling the boat, renewing hunting licence, cancelling hunting licence, issuing replacement for damaged or lost boat licence, opening branch for the licence, transferring the licence, incorporating a company, signing on articles of association and amendment addendums, cancelling articles of association and amendment addendums, appointing and removing managers, amending objectives of the Company, liquidating the Company, converting the Company from joint stock company to limited liability company, converting the Company from limited liability company to joint stock company, converting the Company from general partnership to limited liability company, increasing capital, decreasing capital, entry and exit of shareholders, joining established companies, transferring equities, shares and bonds, determining capital, receiving allocation surplus, selling equities and shares and receiving value, assigning equities and shares from capital, selling Company branch, amending a shareholder's nationality in the contract, approving the waiver of equities shares and capital, buying equities and shares and paying cost, closing accounts with the Company's name in banks, opening accounts with the Company's name in banks, signing deals, registering the Company, registering power of attorneys and trademarks, attending general assemblies, opening branches for the Company, opening files for the Company, signing articles of association and amendment addendums in the notary, issuing commercial registrations and renewing it for the Company, subscribing to the Chamber of Commerce, and renewing the membership, following up with the Ministry of Investment and signing before it, following up with the quality management and the Saudi Standards, Metrology and Quality Organisation, following up with the CMA, issuing and renewing licences for the Company, converting the establishment to a Company, converting the Company's branch to establishment, converting the Company's branch to a company, publishing the article of association, the amendment addendums and its abstracts and the bylaws in the official newspaper, following up with the telecommunication companies and the establishment of landlines or mobile phones in the name of the Company, signing the Company's contract with others, amending the Company's name, issuing visas, receiving visas' compensations, updating workers' information, opening main and sub files, renewing and cancelling them, filtering workers and cancelling them, reporting fleeing workers, cancelling workers' fleeing reports, transferring sponsorships, amending professions, transferring the ownership of establishments, liquidating them and cancelling them, following up with the private recruitment agencies, following up with the computer management in the manpower, issuing work permits and renewing them, receiving Saudisation certifications, issuing data statement (print), adding and removing Saudis, recruitment, opening file, activating the Saudi gate, recruiting workers abroad, finalising workers procedures at the GOSI, cancelling visas, refunding visas amounts, amending nationalities, issuing family visits visas, issuing family recruiting visas, following up with the embassy, extending entry and re-entry visas, extending visitors visas, issuing data statement (print), refunding visa fees, amending arrival destination, issuing iqamas, renewing iqamas, issuing exit and re-entry, issuing final exit, issuing replacement for damaged or lost iqamas, finalising deceased labour procedures, transferring information and updating data, settling and waiving workers, following up with the general department of expatriate, issuing labour data statement (print), dropping labour, managing A'maly, transferring labour's sponsorship to the labour, adding a new-born, department of borders affaires, issuing replay scenes, adding dependents, adding children to parents' passports, separating children from parents' passports, cancelling exit and re-entry visas, cancelling final exit visas, issuing lost or damaged travelling visas replacement, issuing visitor visas extension, issuing hajj permits, following up with house maids centre, registering in the electronic service, following up with the Ministry of Environment, Water and Agriculture, following up with the notary or the court to approve title registration, assigning agricultural report, transferring agricultural report, receiving salaries, receiving retirement salaries, receiving indemnity and vacations compensation, transferring the salary, receiving the compensation, issuing salary certificate, receiving dues, opening Shari'ah compliant accounts, opening and settling accounts, withdrawing from accounts, issuing ATM cards, issuing Shari'ah compliant credit cards, receiving and spending transfers, cashing cheques, issuing certified cheques, issuing cheque books, transferring from accounts, applying for Shari'ah compliant bank loans, depositing in the accounts, resubscribing in safe deposit boxes, opening deposit boxes, subscribing in safe deposit boxes, applying for a loans waiver, reject cheques, updating data, activating accounts, receiving cheques, recovering safe deposit boxes, following up, rescheduling instalments, requesting points of sales, requesting bank credit, requesting bank guarantee, subscribing in joint stock companies, receiving subscription certificates, buying Shari'ah compliant shares, selling Shari'ah compliant shares, receiving shares value,

receiving dividends, receiving surplus, opening Shari'ah compliant investment portfolios editing and amending and cancelling orders, subscribing to stocks, buying stocks, selling stocks, recovering investment funds units, transferring shares from the portfolio, subscribing in Shari'ah compliant investment funds units, managing investment portfolios, issuing obligation letter, liquidating portfolios, opening shops, issuing health certifications, dividing agricultural lands into residential, following up with the general administration for urban planning, issuing building and restoration permits, planning lands, issuing a building completion certificate, issuing fencing licences, issuing a demolition permit, signing lease agreement, waving the contract, planning owned property, following up with a Municipality, dividing agricultural lands into residential, supervising the construction, signing contract with construction establishments and contractors, selling and registering the title to the buyer, buying, accepting the title registration and pay it, receiving title deeds, leasing, receiving the rent, signing rent agreements, renewing rent agreements, terminating lease agreements, pledging, mortgage redemption, segmenting and sorting, amending borders, lengths, areas, parts numbers, schemes numbers, title deeds and their numbers and districts' names, selling, accepting mortgage, updating title deeds and uploading it into the comprehensive system, selling Shares from, buying, buying Shares from, renting, amending the owner's name and the ID number, giveaway and title registration, accepting giveaway and title registration, waiving the lack of space, merging title deeds, accepting waiving and title registration, issuing lost replacement for a group of title deeds, issuing damaged replacement for a group of title deeds, selling and title registration for heirs, waiving the Shares of, building proof, issuing a damaged replacement title deed, that is for real estates located in, dividing agricultural lands into residential or industrial, entering into estate contributions, buying estate contributions shares, selling estate contributions shares, waiving a leased land, updating title deeds and uploading it into the comprehensive system, issuing a lost replacement title deed, dividing agricultural lands into residential, building lands, leasing the land, changing the Company's legal entity, converting the Company from a limited partnership company into a limited liability company, dividing shares between heirs and transferring it to their portfolios.

The Managing Director shall have the following authorities:

- **In relation to commercial registrations**: Main: issuance, renewal and write-off; Sub-Registers: issuance, renewal and write-off;
- **In relation to companies that the Company enters as a partner:** signing corporate contracts, buying shares, liquidating the Company, selling shares, representing the Company in the company in which it is a shareholder;
- **In relation to incorporating companies by the Company's name:** Commercial Registers: issuance, renewal and write-off, registration in the Ministry, representation before the notary public, signing the Company's contract, signing the decisions of the partners;
- **In relation to banking:** opening accounts, opening credits, depositing, withdrawing, issuing checks, updating accounts, extracting account statements, requesting facilities, requesting guarantees, signing loan contracts, signing commercial papers, signing order bonds, submitting any of the requests or services under the jurisdiction of the Communications and Information Technology Commission, and the authority to authorise any person - in accordance with the relevant regulations - to submit any of the requests or services under the jurisdiction of the Communications and Information Technology Commission;
- **In relation to managing properties:** buying, selling and title registration of property and pledging property;
- **In relation to amendment of the contract of companies in which the Company enters as a partner:** Approval of the decisions of the partners: change of legal entity, increase or decrease of the capital, acceptance of the assignment of shares, purchase of shares, entry and exit of partners, signing the partners' decision to merge, amendment to the rest of the terms of the Memorandum of Association, liquidation of the Company, transformation of the Company into an institution;
- **In relation to the judiciary:** representing before courts, appointing arbitrators, appointing lawyers, representing before notaries, using and executing all Ministry of Justice electronic services, delegating and authorising others on executing Ministry of Justice electronic services, signing loan contract agreement and its addendums and all related documents, signing following agreements, signing advisory agreements, signing before the notary in relation to the industrial mortgage regarding pledging on the Company's properties, receiving loans, assigning a loan, requesting a loan waiver, paying the loan, signing documentary credit agreement, signing guarantee of legal capacity, signing transfer of liabilities and loan contract amendment agreement, signing on behalf of the Company and the partners on debt arrangement agreement, issuing, amending and cancelling waiver, converting the branch into an establishment; and
- **In relation to the following other powers:** opening branches for the commercial registrations, signing all documents at the commercial chamber, selling establishment, following up with the Department of Commercial Registration, extracting records, transferring commercial registration, managing records, cancelling records, supervising records, opening subscriptions at the Chamber of Commerce, approving signature at the Chamber of Commerce, cancelling signature at the Chamber of Commerce, entering tenders and receiving forms, following up with the GOSI, following up with the ZATCA, managing the commercial registration, cancelling the commercial registration, following up with the Civil Defence, amending registrations, adding activity, reserving commercial name, renewing the Chamber of Commerce subscription, amending the commercial registration, transferring the commercial registration, issuing replacement for damaged or lost records, issuing replacement for damaged or lost records, registering trademark, waving trademark, waving commercial name, issuing permits, importing boats, cancelling boats permits, renewing licences, amending licences, issuing hunting permits, issuing boat permits, selling the boat, renewing hunting licence, cancelling hunting licence, issuing replacement for damaged or lost boat licence, opening branch for the licence, transferring the licence, incorporating a company, signing on articles of association and amendment addendums, cancelling articles of association and amendment addendums, appointing and removing managers, amending objectives of the Company, liquidating the Company, converting the Company from joint stock company to limited liability company, converting the Company from limited liability company to joint stock company, converting the Company from general partnership to limited liability company, increasing capital, decreasing capital, entry and exit of shareholders, joining established companies, transferring equities, shares and bonds, determining capital, receiving

allocation surplus, selling equities and shares and receiving value, assigning equities and shares from capital, selling Company branch, amending a shareholder's nationality in the contract, approving the waiver of equities shares and capital, buying equities and shares and paying cost, closing accounts with the Company's name in banks, opening accounts with the Company's name in banks, signing deals, registering the Company, registering power of attorneys and trademarks, attending general assemblies, opening branches for the Company, opening files for the Company, signing articles of association and amendment addendums in the notary, issuing commercial registrations and renewing it for the Company, subscribing to the Chamber of Commerce, and renewing the membership, following up with the Ministry of Investment and signing before it, following up with the quality management and the Saudi Standards, Metrology and Quality Organisation, following up with the CMA, issuing and renewing licences for the Company, converting the establishment to a Company, converting the Company's branch to establishment, converting the Company's branch to a company, publishing the article of association, the amendment addendums and its abstracts and the bylaws in the official newspaper, following up with the telecommunication companies and the establishment of landlines or mobile phones in the name of the Company, signing the Company's contract with others, amending the Company's name, issuing visas, receiving visas' compensations, updating workers' information, opening main and sub files, renewing and cancelling them, filtering workers and cancelling them, reporting fleeing workers, cancelling workers' fleeing reports, transferring sponsorships, amending professions, transferring the ownership of establishments, liquidating them and cancelling them, following up with the private recruitment agencies, following up with the computer management in the manpower, issuing work permits and renewing them, receiving Saudisation certifications, issuing data statement (print), adding and removing Saudis, recruitment, opening file, activating the Saudi gate, recruiting workers abroad, finalising workers procedures at the GOSI, cancelling visas, refunding visas amounts, amending nationalities, issuing family visits visas, issuing family recruiting visas, following up with the embassy, extending entry and re-entry visas, extending visitors visas, issuing data statement (print), refunding visa fees, amending arrival destination, issuing iqamas, renewing iqamas, issuing exit and re-entry, issuing final exit, issuing replacement for damaged or lost iqamas, finalising deceased labour procedures, transferring information and updating data, settling and waiving workers, following up with the general department of expatriate, issuing labour data statement (print), dropping labour, managing A'maly, transferring labour's sponsorship to the labour, adding a new-born, department of borders affaires, issuing replay scenes, adding dependents, adding children to parents' passports, separating children from parents' passports, cancelling exit and re-entry visas, cancelling final exit visas, issuing lost or damaged travelling visas replacement, issuing visitor visas extension, issuing hajj permits, following up with house maids centre, registering in the electronic service, following up with the Ministry of Environment, Water and Agriculture, following up with the notary or the court to approve title registration, assigning agricultural report, transferring agricultural report, receiving salaries, receiving retirement salaries, receiving indemnity and vacations compensation, transferring the salary, receiving the compensation, issuing salary certificate, receiving dues, opening Shari'ah compliant accounts, opening and settling accounts, withdrawing from accounts, issuing ATM cards, issuing Shari'ah compliant credit cards, receiving and spending transfers, cashing cheques, issuing certified cheques, issuing cheque books, transferring from accounts, applying for Shari'ah compliant bank loans, depositing in the accounts, resubscribing in safe deposit boxes, opening deposit boxes, subscribing in safe deposit boxes, applying for a loans waiver, reject cheques, updating data, activating accounts, receiving cheques, recovering safe deposit boxes, following up, rescheduling instalments, requesting points of sales, requesting bank credit, requesting bank guarantee, subscribing in joint stock companies, receiving subscription certificates, buying Shari'ah compliant shares, selling Shari'ah compliant shares, receiving shares value, receiving dividends, receiving surplus, opening Shari'ah compliant investment portfolios editing and amending and cancelling orders, subscribing to stocks, buying stocks, selling stocks, recovering investment funds units, transferring shares from the portfolio, subscribing in Shari'ah compliant investment funds units, managing investment portfolios, issuing obligation letter, liquidating portfolios, opening shops, issuing health certifications, dividing agricultural lands into residential, following up with the general administration for urban planning, issuing building and restoration permits, planning lands, issuing a building completion certificate, issuing fencing licences, issuing a demolition permit, signing lease agreement, waving the contract, planning owned property, following up with a Municipality, dividing agricultural lands into residential, supervising the construction, signing contract with construction establishments and contractors, selling and registering the title to the buyer, buying, accepting the title registration and pay it, receiving title deeds, leasing, receiving the rent, signing rent agreements, renewing rent agreements, terminating lease agreements, pledging, mortgage redemption, segmenting and sorting, amending borders, lengths, areas, parts numbers, schemes numbers, title deeds and their numbers and districts' names, selling, accepting mortgage, updating title deeds and uploading it into the comprehensive system, selling Shares from, buying, buying Shares from, renting, amending the owner's name and the ID number, giveaway and title registration, accepting giveaway and title registration, waiving the lack of space, merging title deeds, accepting waiving and title registration, issuing lost replacement for a group of title deeds, issuing damaged replacement for a group of title deeds, selling and title registration for heirs, waiving the Shares of, building proof, issuing a damaged replacement title deed, that is for real estates located in, dividing agricultural lands into residential or industrial, entering into estate contributions, buying estate contributions shares, selling estate contributions shares, waiving a leased land, updating title deeds and uploading it into the comprehensive system, issuing a lost replacement title deed, dividing agricultural lands into residential, building lands, leasing the land, changing the Company's legal entity, converting the Company from a limited partnership company into a limited liability company, dividing shares between heirs and transferring it to their portfolios.

The Board shall appoint a Secretary from the Directors or others.

The Chairman of the Board of Directors may delegate (by a written decision) some of his powers to other members or directly to others to carry out certain work. The Deputy Chairman shall assume the chairman's duties in his absence in case the Board of Directors does have a Deputy Chairman.

11.13.21 Meetings of the Board of Directors

The Board of Directors shall convene at least four (4) times a year at the invitation of its Chairman. The Chairman of the Board of Directors, or his representative, shall invite the Board to meet whenever so requested by a Board member. The invitation shall be in writing and may be delivered by hand or sent by post, fax or any of the means of modern technology such as e-mail. Or text messages, portals, electronic applications or any other means agreed upon by all members of the Council. The invitation shall include the date, time and location of the meeting, a statement of the agenda of the meeting and any relevant documents, and such invitation shall be addressed to each member of the Board at least five (5) days before the date fixed for the meeting, and the invitation may be sent within a period of less than five (5) days if the case calls for an emergency meeting. The minutes of each meeting must be signed by all members.

The Board of Directors may issue resolutions on urgent matters by circulation by presenting such resolutions to each Board member, unless a member submits a written request for a Board meeting to deliberate such resolutions. The resolutions shall be passed by the vote of at least five (5) members, and shall be presented to the Board of Directors at its subsequent meeting for the purpose of recording them in the minutes of such meeting.

11.13.22 Issuing the Board Decisions in Urgent Matters

The Board of Directors may issue resolutions on urgent matters by circulation by presenting such resolutions to each Board member, unless a member submits a written request for a Board meeting to deliberate such resolutions. The resolutions shall be passed by the vote of at least five (5) members and shall be presented to the Board of Directors at its subsequent meeting for the purpose of recording them in the minutes of such meeting.

11.13.23 Deliberations of the Board

1. Board deliberations and resolutions shall be recorded in minutes prepared by the Board's Secretary and signed by the Chairman of the Board, the attending Board members, and the Secretary.
2. Such minutes shall be recorded in a special register signed by the Chairman of the Board and the Secretary.
3. Means of modern technology may be used for signature, to record deliberations and resolutions, and to prepare meeting minutes.

11.13.24 Remuneration of Board Members

The remuneration of a member of the Board of Directors shall consist of a certain amount and/or attendance for meetings or in-kind benefits, and two or more of the above benefits may be combined, and the Ordinary General Assembly shall determine the annual remuneration, allowances and expenses of attending meetings received by the members of the Board of Directors upon the proposal of the Board of Directors, provided that the total remuneration and financial or in-kind benefits received by the member of the Board of Directors shall not exceed the amount of five hundred thousand Saudi Arabian Riyals (SAR 500,000) annually. The member shall also be entitled to a remuneration for the technical, administrative or advisory work assigned to him. The report of the Board of Directors to the Ordinary General Assembly at its annual meeting shall include a comprehensive statement of all remuneration, attendance allowance, expenses allowance and other benefits received or entitled to each member of the Board during the fiscal year, as well as a statement of the number of meetings of the Board and the number of meetings attended by each member.

11.13.25 Board Quorum and Decisions

1. Board meetings shall only be valid if attended by at least five (5) of the members, whether in person or by proxy. A member of the Board of Directors may delegate another member to attend the Board meetings on his behalf, provided that such delegation shall be given in accordance with the following:
   a. A member of the Board of Directors may not be a delegate of more than one Board member in the same meeting.
   b. The delegation shall be made in writing and for a specific scheduled meeting.
   c. The delegated Board member may not vote on resolutions which his principal is prohibited from voting on by law.
2. Board resolutions shall be passed by the vote of majority of attending members, whether in person or by proxy. In case of a tied vote, the Chairman of the Board of Directors, or his representative, shall not have the casting vote. A resolution of the Board of Directors shall take effect from the date of its issuance, unless such resolution specifies another effective date or is contingent upon the fulfilment of certain conditions. Members of the Board can participate in the meetings of the Council through video or any of the means of modern technology such as portals, electronic applications or any other means of communication according to the controls determined by the competent authority, if any, provided that each of the participating members of the Board can hear the other members of the Board participating in the meeting and each member of the Board acknowledges his attendance at the meeting and hear the other members of the Board and any member who does not acknowledge this will not be authorised to speak or vote in the meeting.

11.13.26 Conflicts of Interest

The Director must declare to the Board any personal interest such member may have in the transactions made for the account of the Company. Such declaration shall be noted in the minutes of meeting. The interested Director shall not participate in the deliberation or voting on such resolution.

11.13.27 Shareholders Assemblies

1. Shareholders' General Assembly meetings shall be chaired by the Chairman of the Board of Directors, the Vice-Chairman in the Chairman's absence, or any member designated by the Board of Directors in the absence of both the Chairman and Vice-Chairman. If none of the above is possible, the Shareholders shall vote to designate a Board member or any other person to chair the General Assembly meeting.
2. A Shareholder, irrespective of the number of shares held thereby, shall have the right to attend General Assembly meetings and delegate a person other than a board member to attend such meetings on his/ its behalf.
3. Shareholders shall be allowed to participate in all General Assembly meetings and deliberations and shall have access to the agendas and relevant documents of such meetings via means of modern technology.

11.13.28 Convening Assembly Meetings

1. General Assemblies shall convene at the invitation of the Board of Directors, and the Board of Directors must call for an Ordinary General Assembly to convene within thirty (30) days from the date on which it is requested to do so by the Auditor or by a number of Shareholders representing at least ten per cent. (10%) of the Company's voting shares. The Auditor may also call for the General Assembly to convene if the Board fails to do so within thirty (30) days from the date of the Auditor's request.
2. The request specified in paragraph 1 of this Article must specify the matters on which the shareholders are required to vote.
3. The call for a General Assembly meeting shall be made at least twenty-one (21) days prior to the date set for the meeting, in accordance with the provisions of the Companies Law, after taking the following into consideration:

    a. notifying the Shareholders via registered letters sent to the addresses present in the Shareholders' Register, or the announcement of the call via means of modern technology; and

    b. a copy of the invitation and the meeting's agenda shall be sent to the Commercial Register, and to the CMA (if the Company is listed).

4. The invitation for the General Assembly meeting must contain the following at least:

    a. a statement of the Shareholders who have the right to attend the meeting, and such Shareholders' right to delegate non-Board members to attend, and a statement of the Shareholders' right to deliberate the items listed on the agenda and to raise questions, and the manner of voting;

    b. the place, date, and time of the meeting;

    c. type of assembly (general or special); and

    d. the agenda of the meeting containing the items which the Shareholders are required to vote on.

11.13.29 Quorum of the Ordinary General Assembly

1. An Ordinary General Assembly meeting shall be deemed valid only if attended by Shareholders, or representatives thereof, representing at least half of the Company's voting shares.
2. If the quorum required for the meeting is not satisfied, an invitation shall be sent for a second meeting to be held within (30) days from the date of the first meeting. The second meeting shall be convened in the manner prescribed in Article 91 of the Companies Law, and the second meeting may be held after one hour has passed from the period specified for the first meeting, provided that the invitation for the first meeting allows for convening a second meeting. In all cases, the second meeting shall be deemed valid regardless of the number of voting shares represented therein.

11.13.30 Quorum of the Extraordinary General Assembly

1. An Extraordinary General Assembly meeting shall be deemed valid only if attended by Shareholders, or representatives thereof, representing at least half of the Company's voting shares.
2. If the quorum required for the meeting is not satisfied, an invitation shall be sent for a second meeting to be held within thirty (30) days from the date of the first meeting. The second meeting shall be convened in the manner prescribed in Article 91 of the Companies Law. The second meeting may be held after one hour has passed from the period specified for the first meeting, provided that the invitation for the first meeting allows for convening a second meeting. In all cases, the second meeting shall be valid only if attended by shareholders who represent at least a quarter of the Company's voting shares. If the quorum required for the second meeting is not satisfied, an invitation shall be sent for a third meeting.
3. The third meeting shall be convened in the manner prescribed in Article 91 of the Companies Law. In all cases, the third meeting shall be deemed valid regardless of the number of voting shares represented therein.

11.13.31 Assembly Resolutions

1. Ordinary General Assembly resolutions shall be issued by an absolute majority of voting shares represented therein.
2. Extraordinary General Assembly resolutions shall be issued by a majority of two-thirds of the voting shares represented therein, at least. However, the following matters shall require a majority of three-quarters of voting shares represented therein by extending the Company's term, liquidating or dissolving the Company prior to the expiry of its term, increasing or decreasing the Company's capital, whether the increase is allocated to current Shareholders or to new Shareholders d- Merging the Company or dividing it into two or more companies or merging the Company or dividing it into two or more companies.

11.13.32 Discussion of Agenda

Each Shareholder shall have the right to discuss the items listed in the General Assembly's agenda and to direct questions in respect thereof to the Directors and the external auditors. The Directors or the external auditors shall answer the Shareholders' questions in a manner that does not prejudice the Company's interest. If a Shareholder deems the answer to the question unsatisfactory, then such Shareholder may refer the issue to the General Assembly and its resolution in this regard shall be conclusive.

11.13.33 The Authorities of the Ordinary General Assembly

Except for matters within the competence of the Extraordinary General Assembly, the Ordinary General Assembly shall be concerned with all matters related to the Company, and the Annual Ordinary General Assembly shall convene at least once during the six months following the end of the Company's fiscal year, and other Ordinary General Assemblies may be convened whenever the need arises.

11.13.34 The Authorities of the Extraordinary General Assembly

The Extraordinary General Assembly shall be responsible for the competencies contained in the Companies Law. It may issue decisions on matters originally within the competence of the Ordinary General Assembly, under the same terms and conditions prescribed for the Ordinary General Assembly.

11.13.35 Voting in General Assemblies

At General Assembly meetings, each Shareholder shall have one vote for each Share held thereby, with cumulative voting used in the election of the Board of Directors. Members of the Board of Directors may not vote on General Assembly resolutions relating to transactions and contracts in which they have a direct or indirect interest, or which involve a conflict of interest.

11.13.36 Assembly Meeting Minutes

General Assembly meeting minutes shall be prepared during the General Assembly meeting and shall specify the number of Shareholders present in person or by proxy, the number of shares held thereby in person or by proxy, the number of votes allocated to said shares, the resolutions made, the number of votes in favour or against each resolution, and a comprehensive summary of the discussions held during the meeting. The minutes shall be recorded regularly after each meeting in a special register, signed by the Chairman of the General Assembly, the Secretary, and vote counters.

11.13.37 Appointment, Removal, and Resignation of the Auditor

The Company shall have one or more auditors, licensed to practice in the Kingdom and appointed by the Ordinary General Assembly, who shall determine the remuneration, scope of work, and term thereof. Said auditor may be reappointed, provided that his term does not exceed the legally prescribed duration. The General Assembly may resolve to remove the Auditor without prejudice to his right to compensation for any damage incurred, if justified. The Chairman of the Board of Directors shall inform the competent authority of such removal and the reasons therefor within a period not exceeding five (5) days from the date of the relevant resolution. The Auditor may resign pursuant to a written notice submitted to the Company. His assignment shall terminate from the date of submitting the resignation notice or at a later date as specified therein, without prejudice to the Company's right to compensation for any damage incurred thereby, if justified. The resigning auditor shall, upon submission of the notice, provide the Company and the competent authority with the reasons for his resignation. The Board of Directors shall call for the General Assembly to convene, in order to review said reasons, appoint another auditor and determine the remuneration, term, and scope of work thereof.

11.13.38 Powers of the Auditor

The Auditor shall, at any time, access the Company's books, accounting records, and other supporting documents, and he may request any information and clarifications he deems necessary to verify the Company's assets and liabilities, as well as any other matters falling within his scope of work. The Company's Board of Directors shall enable the Auditor to carry out his assignment. If the Auditor encounters any difficulty in carrying out his assignment, he shall submit a report to this effect to the Board of Directors. If Board of Directors fails to facilitate the Auditor's work, the Auditor shall submit a request thereto to call for a meeting of the General Assembly to review the matter. The Auditor himself may call for such General Assembly meeting if the Board of Directors fails to call for a meeting within thirty (30) days from the date of the Auditor's relevant request.

11.13.39 Financial year

The Company's financial year shall be twelve (12) Gregorian months and shall commence on 1 January and end on 31 December of each year.

11.13.40 Financial Documents

(a) At the end of each fiscal year, the Board of Directors shall prepare the Company's financial statements together with a report on its business and financial position for the ended fiscal year. This report shall include the proposed method for distributing dividends. The Board of Directors shall place such documents at the disposal of the Auditor at least forty-five (45) days prior to the date set for convening the General Assembly.

(b) The Chairman of the Board, the CEO and the CFO shall sign the documents referred to in Paragraph (1) of this Article, with a copy thereof being placed at the Company's head office at the disposal of the Shareholders.

(c) The Chairman of the Board shall provide the Shareholders with the Company's financial statements and Board of Directors' report after signing the same, as well as the Auditor's report, unless they are published through means of modern technology, at least twenty-one (21) days prior to the date set for the General Assembly meeting. The Chairman shall also deposit said documents, in accordance with the Implementing Regulations of the Companies Law.

11.13.41 Entitlement to Dividends

A Shareholder shall be entitled to dividends pursuant to a resolution issued by the General Assembly in that regard. The decision shall indicate eligibility and distribution dates. Shareholders registered in the Shareholders' Register by the end of the eligibility date shall be eligible to receive dividends. The Board of Directors shall execute the General Assembly's resolution regarding the distribution of dividends to Shareholders.

11.13.42 Formation of Reserves

The Ordinary General Assembly may, upon the proposal of the Board of Directors, form optional reserves or additional financial provisions for the Company, and the General Assembly shall decide, upon the proposal of the Board of Directors, the amount, purposes and use of such reserves. The Ordinary General Assembly may, when determining dividends from the net profit, resolve to create reserves to the extent that serves the Company's interest or ensures the distribution of fixed dividends, as feasible, to the Shareholders. The Ordinary General Assembly may allocate amounts from the net profits for social objectives that benefit the Company's employees.

11.13.43 Distribution of Dividends

The General Assembly shall determine the percentage to be distributed to shareholders of the net profits after deducting the reserves -if any- based on a recommendation from the Board of Directors in accordance with the provisions of the regulations in this regard, taking into consideration the provisions of these Bylaws. The Company may also distribute interim dividends to Shareholders of distributable profits after fulfilling the following requirements:

a. the Ordinary General Assembly shall authorise the Board to distribute interim dividends pursuant to a resolution issued annually;

b. has reasonable liquidity and can reasonably predict the level of their profits; and

c. the Company shall have distributable dividends in accordance with the latest financial statements, sufficient to cover the profits proposed to be distributed, after deducting the dividends that have been distributed and capitalised after the date of these statements.

11.13.44 Distribution of Dividends to Preferred Shares

If no dividends were distributed for any financial year, it is not permissible to distribute dividends for the following years except after paying the specified percentage in accordance with what is stipulated in the Companies Law to the owners of preferred shares for this year. If the Company fails to pay the owners of preferred shares the specified percentage of the net profits after deducting reserves, if any, for a period of three consecutive years, the special assembly of the owners of these shares, held in accordance with the provisions of the Companies Law, may decide that they should attend the Company's general assembly meetings and participate in voting until The Company is able to pay all the profits allocated to the owners of these shares for previous years. Each preferred Share has one vote in the General Assembly, and in this case the holder of the preferred Share has the right to vote on all items on the General Assembly's agenda without exception.

11.13.45 Company Losses

If the Company's losses amount to half of its issued capital, the Board of Directors shall, within sixty (60) days from the date of its knowledge thereof, disclose the losses and its recommendations relating thereto, and shall, within one hundred and eighty (180) days from the date of its knowledge thereof, call for an Extraordinary General Assembly meeting to consider the continuation of the Company by taking measures necessary to resolve such losses or the dissolution of the Company.

11.13.46 Dissolution and Winding up of the Company

The Company may be terminated for one of the reasons specified under Article 243 of the Companies Law, upon which, it shall enter liquidation in accordance with the provisions of Part 12 of the Companies Law. If the Company's term expired and its assets are not sufficient to settle its liabilities or if it is insolvent under the Bankruptcy Law, it shall apply to the competent judicial authority to initiate any of the liquidation procedures, in accordance with the Bankruptcy Law.

11.13.47 Disputes

1. The Company has the right to file a claim against members of the Board of Directors for violating the provisions of the Companies Law or these Bylaws, or for their commission of any mistake, negligence, or shortcomings in performing their duties, resulting in damages to the Company. The General Assembly shall resolve to file the claim and appoint someone to represent the Company in pursuing such claim. If the Company is under liquidation, the liquidator shall assume the responsibility of filing the claim. In the event of any liquidation proceedings being initiated against the Company in accordance with the Bankruptcy Law, filing such claim shall be carried out by those authorised by law to represent the Company.
2. One or more Shareholders, representing five per cent. (5%) of the Company's capital, may file a claim on behalf of the Company, if such claim is not filed by the Company, provided that the filing of such claim serves the interests of the Company and is based on valid grounds, and provided that the plaintiff is acting in good faith and is a Shareholder in the Company at the time of filing the claim.
3. In order to file the claim referred to in Paragraph 2 of this Article, the Company's Board members shall be notified of the intent to file the claim at least fourteen (14) days prior to the date of filing such claim.
4. Every Shareholder has the right to file a claim against the members of the Board of Directors if an error committed thereby caused specific damage to the Shareholder in question. A shareholder may not file such claim unless the Company's right to file it is still valid, and the shareholder shall inform the Company of his intent to file the claim.

11.14 Share Description

11.14.1 Ordinary Shares

The Shares shall be nominal Shares and may not be issued at less than their nominal value. However, the Shares may be issued at a value higher than their nominal value, in which case the difference in value shall be added to the statutory reserve, even if such reserve has reached its maximum limit. Each Share shall be indivisible vis-à-vis the Company. In the event that a Share is owned by several persons, they shall select one person from amongst themselves to exercise, on their behalf, the rights pertaining to such Share, and they shall be jointly responsible for the obligations arising from the ownership of such Share.

11.14.2 Repurchase of Shares

According to Article 112 of the Companies Law, a company may buy its shares in accordance with the rules set by the competent authority, provided that the Shares purchased by the Company do not entitle it to votes in the Shareholders' assemblies.

11.14.3 Rights of Ordinary Shareholders

Pursuant to Article 110 of the Companies Law, Shares confer on the Shareholder all rights attached to the Shares, in particular the right to receive a share of the profits to be distributed, to receive a share of the Company's assets surplus upon liquidation, to attend the General Assemblies, to participate in its deliberations, to vote on its resolutions, to dispose of the shares, to request access to the Company's books and documents, to monitor the work of the Board of Directors, to file a claim of responsibility against the Directors, and to challenge the validity of the resolutions of the General Assembly in accordance with the conditions and restrictions contained in the Companies Law and the Bylaws.

Each Shareholder shall have the right to discuss the matters stated in the agenda of the General Assembly and direct related questions to the Directors and the external auditors. The Board of Directors or the external auditors shall answer the questions of the Shareholders to the extent that it does not put the interests of the Company at risk. If a Shareholder is not satisfied with the answer, he/she may refer the issue to the General Assembly whose resolution shall be binding in this regard.

11.14.4 Voting Rights

A General Assembly duly convened shall be deemed to represent all of the Shareholders and shall be held in the city where the Company's Head Office is located. Each Subscriber, regardless of the number of his/her shares, shall have the right to attend the Constituent Assembly, whether in person or by proxy.

Each Shareholder shall have a vote for every Share represented by him/her in the constituent General Assembly, and each Shareholder shall have a vote for every Share represented by him/her in the General Assemblies. The cumulative voting method shall be used in electing the Directors in accordance with the Corporate Governance Regulations issued by the CMA and any amendments thereto made from time to time.

11.14.5 Amendment to the Rights of Shareholders

Shareholders' rights related to receiving a share of the dividends to be distributed, receiving a share of the Company's surplus assets upon liquidation, attending the General Assemblies, participating in its deliberations, voting on its resolutions, disposing of Shares, requesting access to the Company's books and documents, monitoring the work of the Board of Directors, filing a claim of responsibility against the Directors, and challenging the validity of the resolutions of the General Assembly (under the conditions and restrictions set out in the Companies Law and the Bylaws) are granted under the Companies Law and therefore may not be amended.

11.15 Representations Related to Legal Information

The Directors declare the following:

- the issue does not violate the relevant laws and regulations of the Kingdom;
- the issue does not violate any of the contracts or agreements to which the Company is a party;
- all material legal information related to the Company has been disclosed in the Prospectus;
- except as disclosed in Section 11.12 (*Litigation*), the Company and its Subsidiaries are not parties to any existing disputes or legal procedures that may jointly and severally have a material impact on the operations or financial position of the Company or its Subsidiaries; and
- the Company's Directors shall not be subject to any legal proceedings or actions that may, individually or collectively, have a material effect on the business or financial position of the Company or its Subsidiaries.

12

Underwriting

12. Underwriting

The Underwriter, Saudi Fransi Capital, has undertaken to fully underwrite the Offering of seven million nine hundred and fifty thousand (7,950,000) ordinary Shares pursuant to an underwriting agreement (the "Underwriting Agreement") entered into with the Company and the Selling Shareholders, subject to certain conditions. The Underwriter's details are set out below:

12.1 Saudi Fransi Capital

Saudi Fransi Capital
King Fahad Branch Road- 8092
P.O. Box 23454
Riyadh 3735-12313
Kingdom of Saudi Arabia
Tel: +966 (11) 282 6666
Fax: +966 (11) 282 6823
Website: www.bsfcapital.sa
E-mail: TamkeenHR.IPO@BSFCapital.sa

The principal terms of the Underwriting Agreement are set out below:

12.2 Summary of Underwriting Arrangement

Under the terms and subject to the conditions contained in the Underwriting Agreement:

(a) The Selling Shareholders undertakes to the Underwriter that on the first Business Day after allocation of the Offer Shares following the end of the Offering Period, it shall:

1. sell and allocate the Offer Shares to any Individual Subscriber or Participating Entities whose application for Offer Shares has been accepted; and
2. sell and allocate to the Underwriters the Offer Shares that have not been subscribed by the Participating Entities pursuant to the Offering.

(b) The Underwriter undertakes to the Company and the Selling Shareholders that at the date of allocation, it will purchase any Offer Shares that have not been subscribed by the Participating Entities, in accordance with what is mentioned below:

Table 12.1: Underwritten Shares

Underwriter	Number of Offer Shares to be Underwritten	Percentage of Offer Shares Underwritten
Saudi Fransi Capital	7,950,000	100%

Source: The Company.

The Company and the Selling Shareholders have committed to satisfy all of the provisions of the Underwriting Agreement.

12.3 Underwriting Costs

The Selling Shareholders will pay the Underwriter on a proportional basis an underwriting fee based on the total value of the Offering and expenses in connection with the Offering.

13

Expenses

13. Expenses

The Selling Shareholders will be responsible for all costs and expenses associated with the Offering, which are estimated at approximately SAR 25,000,000. This figure includes the fees of the Financial Advisor, the Lead Manager, the Bookrunner, the Underwriter, the Legal Advisors, the Financial Due Diligence Advisor, the Market Consultant, the Receiving Agents and the Exchange, as well as marketing, printing and distribution fees and other costs and expenses related to the Offering. The Offering expenses will be deducted from the Offering Proceeds. The Company will not be responsible for payment of the Offering expenses.

14

Undertakings Following Admission

14. Undertakings Following Admission

Following the Admission, the Company undertakes to:

a. complete Form 8 (related to compliance with the Corporate Governance Regulations) and, in the event that the Company does not comply with any of the requirements of the Corporate Governance Regulations, to present justification for such non-compliance;

b. provide the CMA with the date on which the first General Assembly will be held following Admission so that a representative thereof may attend;

c. submit transactions and contracts in which a Director has a direct or indirect interest for authorisation by the General Assembly (in accordance with the Companies Law and Corporate Governance Regulations), provided that the interested Director is prohibited from voting on the relevant resolution (whether in the Board or the General Assembly) (for further details regarding Related Party contracts and transactions, see Section 11.9 (*Related Party Contracts and Transactions*));

d. comply with all the mandatory provisions of Corporate Governance Regulations immediately upon Admission; and

e. comply with all the mandatory provisions of the Rules on the Offer of Securities and Continuing Obligations and the Listing Rules immediately upon Admission.

Similarly, following the Admission, the Directors undertake to:

a. record all Board of Directors resolutions by means of written minutes of meetings, which shall be signed by the Chairman and the Secretary; and

b. disclose the details of any Related Party transactions in accordance with the Companies Law, the Corporate Governance Regulations and the Rules on the Offer of Securities and Continuing Obligations.

15

Waivers

15. Waivers

The Company has not applied to the CMA for any waivers from any of its regulatory requirements.

16

Subscription Terms and Conditions

16. Subscription Terms and Conditions

The Company has made an application to the CMA for the registration and offer of the Shares under the Rules on the Offer of Securities and Continuing Obligations, and an application for the listing of the Shares on the Exchange in accordance with the Listing Rules.

All Subscribers must carefully read the subscription terms and conditions before completing the Subscription Application Form. Signing the Subscription Application Form and delivering it to the Bookrunner or any Receiving Agent, as applicable, is deemed as the Subscriber's acceptance and approval of the subscription terms and conditions.

16.1 Subscription to Offer Shares

The Offering will consist of seven million, nine hundred and fifty thousand (7,950,000) ordinary Shares with a fully paid nominal value of ten Saudi Arabian Riyals (SAR 10) per Share at an Offer Price of SAR [•] per Offer Share. The Offer Shares represent 30 per cent. of the Company's share capital with a total value of SAR [•]. The CMA has also the right to suspend the Offering if, at any time after its approval of this Prospectus and before the registration of and admission to the listing of the Shares on the Exchange, a material adverse change has occurred in respect of the Company's operations.

The Offering is restricted to the following groups of Investors:

Tranche (A): Participating Parties

Comprising the parties entitled to participate in the book-building process as specified under the Book-Building Instructions, including investment funds, companies, Qualified Foreign Investors, GCC Corporate Investors and certain other Foreign Investors pursuant to swap agreements. Participating Entities will provisionally be allocated seven million, nine hundred and fifty thousand (7,950,000) Offer Shares, representing 100 per cent. of Offer Shares. The final allocation for the Participating Entities will be made upon the expiry of the Individual Subscribers' subscription period, using the discretionary allocation mechanism. As a result, some of the Participating Entities may not be allocated any Offer Shares. If there is sufficient demand by Individual Subscribers, the Financial Advisor, in coordination with the Company, shall have the right to reduce the previously allocated Offer Shares to Participating Entities to six million, three hundred and sixty thousand (6,360,000) Offer Shares, representing eighty per cent. (80%) of the total Offer Shares.

Tranche (B): Individual Subscribers

Comprising Saudi Arabian natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi person who can subscribe for her own benefit or in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor Saudi Arabian children, as well as any non-Saudi natural persons resident in the Kingdom or GCC natural persons, in each case who have an investment account and an active portfolio with a Receiving Agent and the right to open an investment account with a Capital Market Institution. A subscription for Offer Shares made by a person in the name of his divorced wife shall be deemed invalid and the applicant shall be subject to the sanctions prescribed by law. If a duplicate subscription is made, the second subscription will be considered void and only the first subscription will be accepted. A maximum of one million, five hundred and ninety thousand (1,590,000) Offer Shares, representing twenty per cent. (20%) of the total Offer Shares shall be allocated to Individual Subscribers. If the Individual Subscribers do not subscribe in full to the Offer Shares allocated to them, the Financial Advisor, in coordination with the Company, may reduce the number of Offer Shares allocated to Individual Subscribers in proportion to the number of Offer Shares subscribed by them.

16.2 Book-Building and Subscription by Participating Parties

(a) The price range will be determined during the book-building, which will be made available by the Financial Advisor to all Participating Parties, without any restriction.

(b) Each of the Participating Parties must submit a Bidding Participation Application during the book-building period. The Participating Entities may change or cancel their Bidding Participation Application at any time during the book-building period, provided that such change is made by submitting an amended or additional Bidding Participation Application, where applicable, prior to the conclusion of the fixing of the Offer Price, which precedes the commencement of the Offering Period. The number of Offer Shares to be subscribed by each Participating Entity shall neither be less than one hundred thousand (100,000) Offer Shares nor more than one million, three hundred and twenty-four thousand, nine hundred and ninety-nine (1,324,999) Offer Shares, and in relation only to public investment funds, the maximum amount specified for each participating fund is subject to the restrictions contained in the Book-Building Instructions. The number of requested shares shall be subject to allocation. The Bookrunner will inform the Participating Entities of the Offer Price and the number of Offer Shares provisionally allocated to them, using the discretionary allocation mechanism. Subscriptions by the Participating Entities will commence during the Offering Period, which also includes the Individual Subscribers, according to the subscription terms and conditions detailed in the Subscription Application Forms.

(c) After book-building for the Participating Entities is completed, the Bookrunner will announce the coverage percentage for the Participating Entities.

(d) The Financial Advisor and the Company will have the power to determine the Offer Price based on the supply and demand for the Offer Shares, provided that it does not exceed the price set out in the Underwriting Agreement and provided that the Offer Price is in accordance with the tick size applied by Tadawul.

16.3 Subscription by Individual Subscribers

Each Individual Subscriber must subscribe for a minimum of ten (10) Offer Shares and a maximum of two hundred and fifty thousand (250,000) Ordinary Shares. Changes to or withdrawal of the subscription application shall not be permitted once the Subscription Application Form has been submitted.

Individual Subscribers who intend to subscribe to the Offer Shares shall submit a Subscription Application Form electronically through the Receiving Agents' websites and platforms that provide this service or through any other means provided by the Receiving Agents through which Individual Subscribers will be able to subscribe to the Company's Shares during the Offering Period, provided that:

(a) the Individual Subscriber has a bank account at a Receiving Agent, which offers such services;

(b) there have been no changes in the personal information or data of the Individual Subscriber since his/her subscription in a recent initial public offering; and

(c) the Individual Subscribers who are not Saudi or GCC natural persons has an active investment portfolio at one of the Capital Market Institutions affiliated with the Receiving Agent which the subscription is desired through.

A signed Subscription Application Form represents a legally binding agreement between the Selling Shareholders and the relevant Individual Subscriber submitting the application to the Receiving Agents.

Individual Subscribers may obtain a copy of this Prospectus from the websites of the Company (www.tamkeenhr.com), the CMA (www.cma.org.sa) or the Financial Advisor (www.BSFCapital.sa). Following are the Receiving Agents details:

Table 16.1: Receiving Agents

Receiving Agents	
Saudi Fransi Capital King Fahad Road – 8092 P.O. Box 23454 Riyadh 12313-3735 Kingdom of Saudi Arabia Tel: +966 (11) 282 6666 Fax: +966 (11) 282 6823 Website: www.bsfcapital.sa E-mail: TamkeenHR.IPO@BSFCapital.sa	BSF Capital
Al Rajhi Capital Head Office, King Fahd Road, Al Murouj District P.O. Box 5561, Riyadh 12263 Kingdom of Saudi Arabia Phone: +966 92 000 5856 Fax: +966 (11) 460 0625 Website: www.alrajhi-capital.com Email:InvestmentBankingTeam@alrajhi-capital.com	الراجحي المالية alrajhi capital
SNB Capital King Saud Street, Al Murabba District - Building No. 7347 P.O. Box 2575, Riyadh 12624 Kingdom of Saudi Arabia Phone: +966 920000232 International Call Center: +966 (11) 4060052 Website: www.alahlicapital.com Email: snbc.cm@alahlicapital.com.sa	SNB كابيتال

Receiving Agents
Riyad Capital Company 2414 - Al Shahada District, Unit No. 69 P.O. Box 13241, Riyadh 7279 Kingdom of Saudi Arabia Phone: +966 (11) 4865649 Fax: +966 (11) 4865908 Website: www.riyadcapital.com Email: ask@riyadcapital.com
AlBilad Investment Company 3701 King Fahd Road - Al Olaya - 12313 Riyadh Kingdom of Saudi Arabia Phone: +966 (11) 920003636 Fax: +966 (11) 2906299 Website: www.albilad-capital.com Email: investmentbanking@albilad-capital.com
AlJazira Capital Company King Fahd Street, Al Rahmaniya P.O. Box 20438, Riyadh 11455 Kingdom of Saudi Arabia Phone: +966 (11) 2256000 Fax: +966 (11) 2256182 Website: www.aljaziracapital.com.sa Email: contactus@aljaziracapital.com.sa
Alistithmar for Financial Securities and Brokerage Company King Fahd Road Riyadh Kingdom of Saudi Arabia P.O. Box: 6888, Postal Code: 11452 Phone: +966 (11) 2547666 Fax: +966 (11) 4896253 Website: icap.com.sa Email: WebEcare@icap.com.sa
Derayah Financial Company Al-Takhasusi Street - Prestige Center - Third Floor Riyadh Kingdom of Saudi Arabia Phone: +966 (11) 800299 Fax: +966 (11) 549419 Website: web.derayah.com Email: support@derayah.com
Alinma Investment Company Al Anood Tower 2, King Fahd Road P.O. Box 55560, Riyadh 11544 Kingdom of Saudi Arabia Phone: +966 (11) 599218 Fax: +966 (11) 597218 Website: www.alinmainvestment.com Email: info@alinmainvest.com

Receiving Agents
ANB Capital Company King Faisal Street Arab National Bank Financial Building P.O. Box 220009, Riyadh 11311 Kingdom of Saudi Arabia Phone: +966 (11) 250406 Fax: +966 (11) 254406 Website: anbcapital.com.sa Email: investment.banking@anbcapital.com.sa
Yaqeen Capital Al-Wurud District - Al-Olaya Street P.O. Box 884, Riyadh 11421 Kingdom of Saudi Arabia Phone: +966 800 4298888 Fax: +966 (11) 4827205 Website: www.yaqeen.sa Email: addingvalue@yaqeen.sa
Alkhabeer Capital Madinah Road P.O. Box 128289, Jeddah 21362 Kingdom of Saudi Arabia Phone: +966 (12) 9345612 Fax: +966 (12) 6663685 Website: www.alkhabeer.com Email: info@alkhabeer.com
SAB Invest Al-Olaya General Street P.O. Box 1467, Riyadh 11431 Kingdom of Saudi Arabia Phone: 8001242442 Fax: +966 (12) 910216 Website: www.sabinvest.com Email: customercare@sabinvest.com
Sahm Capital Financial Company 5/F, 3.05 building, KAFD, Riyadh 13519, KSA Kingdom of Saudi Arabia Phone: +966 (11) 4145260 Website: www.sahmcapital.com Email: info@sahmcapital.com

The Receiving Agents will commence receiving Subscription Application that offer any or all such services beginning on Tuesday, 3 Jumada al-Ula 1446H (corresponding to 5 November 2024G), until the end of Offering on Wednesday, 4 Jumada al-Ula 1446H (corresponding to 6 November 2024G) for a period of two day. If the information provided in the Subscription Application Form is incomplete or inaccurate, or not stamped by the Receiving Agent, the Subscription Application Form will be considered void. Individual Subscribers do not have the right to claim any compensation for damages incurred due to such cancellation.

Individual Subscribers who intend to subscribe to the Offer Shares shall submit a Subscription Application Form electronically through the Receiving Agents' websites and platforms that provide this service or through any other means provided by the Receiving Agents through which Individual Subscribers will be able to subscribe to the Company's Shares during the Offering Period, and each Individual Subscriber is required to specify the number of Offer Shares applied for in the Subscription Application Form, and the total subscription amount will be equal to the number of Offer Shares applied for multiplied by the Offer Price of SAR [•] per Offer Share.

Subscriptions by Individual Subscribers of less than ten (10) Offer Shares or fractional Shares will not be accepted. Increments are to be made in multiples of such minimum number, while the maximum number of Offer Shares to be applied for is two hundred and fifty thousand (250,000) Offer Shares.

Subscribers must fulfil and complete all subscription requirements described in this Prospectus and agree to all relevant terms and conditions. The Company and the Lead Manager reserve the right to reject any Subscription Application Form in part or in full, in case of failure to meet any of the terms and conditions of the Subscription or failure to follow the necessary instructions. No amendments may be made to the Subscription Application Form and it may not be withdrawn after receipt of it except after the approval of the Lead Manager, as the Subscription Application Form, once completed, represents a legally binding agreement between the Company and the Subscriber.

16.4 Allocation and Refunds

The Lead Manager shall open and operate escrow accounts for the purpose of depositing and keeping the amounts from the Offering that were received from the Participating Entities and the Receiving Agents. Each of the Receiving Agents shall deposit all amounts received from the Subscribers into the escrow accounts mentioned above.

The Lead Manager and Receiving Agents, as applicable, will notify the Subscribers of the final number of Offer Shares allocated together with the amounts to be refunded. Excess subscription monies, if any, will be refunded to the Subscribers in whole without any deductions or fees and will be deposited in the Subscribers' accounts specified in the Subscription Application Forms. The final allocation will be announced no later than 9 Jumada al-Ula 1446H (corresponding to 11 November 2024G) and refunds shall be processed no later than 11 Jumada al-Ula 1446H (corresponding to 13 November 2024G) (for further details, see "*Key Dates and Subscription Procedures*", page (xvi), and Section 16 (*Subscription Terms and Conditions*)).

16.4.1 Allocation of Offer Shares to Participating Entities

After completion of the allocation of the Offer Shares to Individual Subscribers, a final allocation of the Offer Shares to the Participating Entities will be made as the Financial Advisor deems appropriate, in coordination with the Company, using the discretionary allocation mechanism. The number of Offer Shares to be initially allocated to the Participating Entities is seven million, nine hundred and fifty thousand (7,950,000) ordinary Shares, representing 100 per cent. of the Offer Shares. The percentage of Offer Shares allocated to public funds shall be at least 30 per cent. of the total number of Offer Shares, if there is sufficient demand by public funds. The Offer Shares will be allocated to each public fund initially pro rata based on the ratio of what was requested by each public fund to the total number of shares requested by each public fund. If the Individual Subscribers subscribe to the Offer Shares allocated thereto, the Financial Advisor, in coordination with the Company, shall have the right to reduce the number of Offer Shares allocated to the Participating Entities to six million, three hundred and sixty thousand (6,360,000) ordinary Shares, representing eighty per cent. (80%) of the Offer Shares after the completion of the Individual Subscribers' subscription process. Initially, two million, three hundred and eighty-five thousand (2,385,000) Shares will be allocated to public funds, representing thirty per cent. of the total number of Offer Shares, noting that if there is sufficient demand by Individual Subscribers to subscribe to the Offer Shares, the Lead Manager may reduce the number of shares allocated to public funds to one million, nine hundred and eight thousand (1,908,000) Shares as a minimum, representing twenty-four per cent. (24%) of the total number of Offer Shares, after the completion of the Individual Subscribers' subscription process.

16.4.2 Allocation of Offer Shares to Individual Subscribers

There will be an allocation of a maximum of seven hundred and ninety-five thousand (795,000) Offer Shares, representing ten per cent. of the Offer Shares, to Individual Subscribers. The minimum allocation per Individual Subscriber is ten (10) Offer Shares and the maximum allocation per Individual Subscriber is two hundred and fifty thousand (250,000) Offer Shares. The balance of the Offer Shares (if available) will be allocated on a pro-rata basis of the percentage applied for by each Individual Subscriber to the number of Offer Shares applied for by each Individual Subscriber. If the number of Individual Subscribers exceeds one hundred and fifty-nine thousand (159,000), the Company will not guarantee the minimum allocation. The Offer Shares will be allocated at the discretion of the Financial Advisor in coordination with the Company. Excess subscription monies, if any, will be refunded to the Individual Subscribers without any charge or withholding by the Receiving Agents.

16.5 Circumstances Where Trading and Listing May be Suspended or Cancelled

16.5.1 Power to Suspend Trading or Cancel Listing

(a) The CMA may suspend trading in listed securities or cancel the listing at any time as it deems fit, in any of the following circumstances:

1. the CMA considers it necessary for the protection of investors or the maintenance of an orderly market;
2. the issuer fails, in a manner which the CMA considers material, to comply with the CML, its implementing regulations or the Listing Rules;
3. the issuer fails to pay on time any fees due to the CMA or the Exchange or any fines due to the CMA;
4. if it considers that the issuer or its business, the level of its operations or its assets are no longer suitable for the continued listing of its securities on the Exchange;
5. if a reverse takeover announcement does not contain sufficient information about the proposed transaction. If the issuer announces sufficient information regarding the target and the CMA is satisfied, following the issuer's announcement that there will be sufficient information available for the public about the proposed transaction of the reverse takeover, the CMA may decide not to suspend trading at this stage;

6. if information about the proposed transaction of the reverse takeover is leaked and the issuer cannot accurately assess its financial position and the Exchange cannot be informed accordingly;
7. if an application for financial restructuring of the issuer in the event of its accumulated losses reaching 50 per cent. or more of its capital is registered with the court under the Bankruptcy Law;
8. if a request for liquidation procedure or the administrative liquidation of the issuer is registered with the court under the Bankruptcy Law;
9. upon the issuance of a final judgment closing the financial restructuring and initiating the liquidation procedure or the administrative liquidation procedure of the issuer in court under the Bankruptcy Law; or
10. upon issuance of a final judgment initiating the liquidation procedure or the administrative liquidation procedure of the issuer in court under the Bankruptcy Law.

(b) Lifting of the trading suspension under paragraph (a) above is subject to the following:

(i) the issuer adequately addressing the conditions that led to the suspension and the lack of the need to continue the suspension for the protection of investors;
(ii) the lifting of the suspension is unlikely to affect the normal activity of the Exchange;
(iii) the issuer complies with any other conditions that the CMA may require;
(iv) upon the issuance of a final judgment initiating financial restructuring for the issuer under the Bankruptcy Law, unless it was suspended from its activities by the relevant competent authority, if the suspension is made in accordance with paragraph (a)(vii) above; and
(v) upon the issuance of a final judgment rejecting the commencement of liquidation procedure or administrative liquidation of the issuer under the Bankruptcy Law, unless the issuer was suspended from its activities by the relevant competent authority, if the suspension is made in accordance with paragraph (a)(viii) above.

(c) The Exchange shall suspend the trading of securities of the Company in any of the following cases:

(i) if the issuer does not comply with the deadlines for the disclosure of its periodic financial information within the periods specified in accordance with applicable implementing regulations;
(ii) if the external auditor's report on the financial statements of the issuer contains an adverse opinion or an abstention from expressing an opinion;
(iii) if the liquidity requirements in Part 2 of the Listing Rules are not satisfied after listing after the time limit set by the Exchange for the issuer to rectify its conditions, unless the CMA agrees otherwise; or
(iv) upon the issuance of a resolution by an Extraordinary General Assembly of the issuer to reduce its capital for the two trading days following the issuance of such resolution.

(d) The Exchange removes the suspension referred to in subparagraphs (i) and (ii) of paragraph (c) above, after one trading session has passed after the cause of suspension ceases to exist. In case that the issuer's shares are available for trading outside the platform, the Exchange removes the suspension within a period of not more than five trading sessions after the cause of suspension ceases to exist.
(e) The Exchange may at any time propose to CMA to suspend the trading of any listed security or cancel its listing where, in its opinion, it is likely that any of the above circumstances of paragraph (a) above are to occur.
(f) The issuer whose securities are subject to a trading suspension must continue to comply with the Capital Market Law, its implementing regulations and the Listing Rules.
(g) If the listing suspension continues for six (6) months with no appropriate procedure made by the issuer to correct such suspension, the CMA may cancel the listing of the issuer.
(h) Upon the issuer's completion of a reverse takeover, the issuer's shares are de-listed. If the issuer wishes to re-list its shares, it must submit a new application for registration and admission to listing in accordance with the requirements stipulated in the Rules on the Offer of Securities and Continuing Obligations.
(i) This paragraph shall not prejudice the suspension of trading and cancellation of listing resulting from the losses of the issuer pursuant to relevant implementing regulations of the CML and Listing Rules.

16.5.2 Voluntary Cancellation of Listing

(a) After its shares have been listed on the Exchange, an issuer may not cancel the listing of its securities without the prior approval of the CMA. To obtain CMA approval, the issuer must provide the cancellation application to the CMA along with a simultaneous notice to the Exchange. The application must include the following:

(i) specific reasons for the request for cancellation;
(ii) a copy of the disclosure described in paragraph (d) below;
(iii) a copy of the relevant documentation and a copy of all related communication to shareholders if the cancellation is to take place as a result of a takeover or other corporate action by the issuer; and

(iv) the names and contact information of the financial advisor and legal advisor appointed according to the Rules on the Offer of Securities and Continuing Obligations.

(b) The CMA may, at its discretion, approve or reject the cancellation request.

(c) The issuer must obtain the consent of the Extraordinary General Assembly to the cancellation of the listing after obtaining CMA approval.

(d) If the cancellation is made at the issuer's request, it must disclose it to the public as soon as possible. The disclosure must include the reason for the cancellation, the nature of the event resulting in the cancellation and the extent to which it affects the issuer's activities.

16.5.3 Temporary Trading Suspension

(a) An issuer may request from the Exchange a temporary trading suspension of its securities upon the occurrence of an event during trading hours which requires immediate disclosure under the CML, its implementing regulations or the Listing Rules, and where the issuer cannot maintain the confidentiality of this information until the end of the trading period. The Exchange shall suspend trading of the securities of that issuer immediately upon receiving such request.

(b) If trading is temporarily suspended at the issuer's request, the issuer must disclose to the public as soon as possible the reason for the suspension, its anticipated period and the nature of the event that caused it, and the extent to which it affects the issuer's activities.

(c) The CMA may impose a temporary trading suspension without a request from the issuer if it becomes aware of information or circumstances affecting the issuer's activities which the CMA considers would be likely to interrupt the operation of the Exchange or the protection of investors. If its securities are subject to temporary trading suspension, the issuer must continue to comply with the CML, its implementing regulations and Listing Rules.

(d) The Exchange may propose that the CMA exercise its powers in accordance with paragraph (c) above, if it becomes aware of information or circumstances affecting the issuer's activities which would be likely to interrupt the operation of the Exchange or the protection of investors.

(e) A temporary trading suspension will be lifted following the elapse of the period referred to in the disclosure specified in paragraph (b) above in this Section, unless the CMA or the Exchange decide otherwise.

(f) If the listing suspension continues for six (6) months with no appropriate procedure made by the issuer to correct such suspension, CMA may cancel the listing of issuer.

16.5.4 Re-Registering and Listing After Cancellation of Listing

After the cancellation of listing of an issuer's securities, if the issuer wishes to re-list such securities, it must submit new applications in accordance with the procedures set out in the Rules on the Offer of Securities and Continuing Obligations and the Listing Rules.

16.6 Approvals and Decisions under Which the Shares are Offered

The following are the decisions and approvals under which the Offer Shares are publicly offered:

- the Company's Board of Directors' resolution recommending the Offering issued on 10 Sha'ban 1445H (corresponding to 20 February 2024G);
- the Company's General Assembly resolution approving the Offering issued on 25 Sha'ban 1445H (corresponding to 6 March 2024G);
- the conditional approval of Tadawul to list the Shares issued on 24 Thul-Hijjah 1445H (corresponding to 30 June 2024G); and
- the CMA's approval of the Shares Offering and registration issued on 1 Rabi' al-Awwal 1446H (corresponding to 4 September 2024G).

16.7 Lock-up Period

The Substantial Shareholders, namely Tasheel Real Estate Company, Dr Sulaiman Al Habib Medical Services Group Company, Fares Saleh Mutlaq Al Henaki, Saleh Mohammed Saleh Al Hajaj, Mr. Abdulrahman Ali Abdullah Al Gubaisi and Abdullah Sulaiman Abdulrahman Al Ngeer, whose ownership details appear in Table 2 (*The Substantial Shareholders and Their Ownership in the Company Pre- and Post-Offering*), may not dispose of any of their Shares for a period of six (6) months from the date on which trading of the Shares commences on the Exchange. They may dispose of its shares after the expiry of this period without obtaining the prior approval of the CMA.

17

Subscription Acknowledgments and Declarations

17. Subscription Acknowledgments and Declarations

By completing and delivering the Subscription Application Form, each Subscriber:

(a) agrees to subscribe to the number of Offer Shares specified in the Subscription Application Form;

(b) warrants that he/she has read this Prospectus and understood all its content;

(c) accepts the Bylaws and all Offering instructions and terms mentioned in this Prospectus and the Subscription Application Form, and subscribes to the Offer Shares accordingly;

(d) declares that neither himself/herself nor any of his/her family members included in the Subscription Application Form have previously subscribed for any Shares and that the Company has the right to reject any or all duplicate applications;

(e) accepts the number of Offer Shares allocated to him/her (to the maximum of the amount subscribed for) as per the Subscription Application Form;

(f) warrants not to cancel or amend the Subscription Application Form after submitting it to the Receiving Agent or the Bookrunner, as applicable; and

(g) retains his/her right to sue the Company for damages caused directly by incorrect or incomplete information contained in this Prospectus, or by omitting major information that should have been part of this Prospectus and could affect his/her decision to purchase the Shares.

For further details on the allocation process, see Section 16.4 (*Allocation and Refunds*).

17.1 Shares' Record and Trading Arrangements

Securities Depository Centre (Edaa) shall keep a Shareholders' Register in accordance with the regulations governing its operations.

17.2 Saudi Exchange (Tadawul)

In 1990G, full electronic trading in the Kingdom equities was introduced. Tadawul was founded in 2001G as the successor to the Electronic Securities Information System. Trading in shares occurs on the "Tadawul" system through a fully integrated trading system covering the entire trading process from the execution of the trade transaction through its settlement. Trading occurs on each Business Day of the week between 10:00 a.m. and 3:00 p.m. from Sunday to Thursday, during which orders are executed. However, during other than those times, orders can be entered, amended or cancelled from 9:30 a.m. to 10:00 a.m. Such times change during the month of Ramadan and are announced by the Tadawul Management. Transactions take place through the automatic matching of orders. Each valid order is accepted and generated according to the price level. In general, market orders (orders placed at best price) are executed first, followed by limit orders (orders placed at a price limit), provided that, if several orders are generated at the same price, they are executed according to the time of entry. Tadawul distributes a comprehensive range of information through various channels, including in particular the "Tadawul" website and "Tadawul" Information Link, which supplies trading data in real time to information providers such as Reuters. Exchange transactions are settled on a T+2 basis, meaning that Share ownership transfers take two working days after the trade transaction is executed.

Listed companies are required to disclose all material decisions and information that are important for the investors via Tadawul. Surveillance and monitoring are the responsibility of Tadawul as the operator of the market to ensure fair trading and an orderly market.

17.3 Securities Depository Center (Edaa)

The Securities Depository Center Company (Edaa) was established in 2016G as a closed joint stock company in accordance with the previous Saudi Companies Law issued by Royal Decree No M/3 dated 28 Muharram 1437H (corresponding to 10 November 2015G), with a capital of four hundred million (SAR 400,000,000) divided into forty million (40,000,000) shares, with a nominal value of SAR (10) per share, and is fully owned by the Exchange.

The establishment was based on the CMA's approval of Tadawul's Board of Directors request in relation to the conversion of the Securities Depository Center into a joint stock company in accordance with the Capital Market Law issued by Royal Decree No M/30 dated 2 Jumada al-Akhirah 1424H (corresponding to 2 July 2003G).

The activities of Edaa are to conduct businesses related to depositing, registering, transferring, settling and clearing securities, and recording any ownership restrictions on the deposited securities. Further, it deposits and manages the records of the issuers of securities, and organises issuers' general assemblies, including remote voting services (e-Voting), reporting, notifications and information, as well as providing other related services that Edaa may provide in accordance with the CML and its implementing regulations.

17.4 Trading of Company's Shares

Trading of the Shares is expected to commence on the Exchange after the finalisation of the allocation process and the announcement of the start date of trading by Tadawul. Following the Admission, Saudi natural persons, non-Saudi natural persons holding valid residency permits in the Kingdom, GCC natural persons, companies, banks, and investment funds will be permitted to trade in the Offer Shares once they are traded on the Exchange. Moreover, Qualified Foreign Investors and Strategic Foreign Investors will be permitted to trade in the Shares in accordance with the Rules for Foreign Investment in Securities. Foreign Investors will also have the right to invest indirectly to acquire economic benefits in the Shares by entering into swap agreements with Capital Market Institutions. The Capital Market Institutions shall be deemed the legal owners of the Shares under the swap agreements. Moreover, other Foreign Investors which are clients of a Capital Market Institution authorised by the CMA to conduct managing activities will be permitted to trade in the Shares in accordance with the Rules for Foreign Investment in Securities, provided that the Capital Market Institution has been appointed on conditions that enable it to make all investment decisions on the client behalf without obtaining prior approval from the client.

Furthermore, Shares can only be traded after the allocated Offer Shares have been credited to Subscribers' accounts, the Company has been registered in the Main Market and its Shares are listed on the Exchange. Pre-trading in Shares is strictly prohibited and Subscribers entering into any pre-trading activities will be acting at their own risk. The Company and the Shareholders shall have no legal responsibility in connection with pre-trading activities.

17.5 Miscellaneous

The Subscription Application Form and all related terms, conditions, provisions, covenants and undertakings shall be binding upon and inure to the benefit of their parties and their respective successors, permitted assigns, executors, administrators and heirs, provided that neither the Subscription Application Form nor any of the rights, interests or obligations arising pursuant thereto are assigned and delegated by any of the parties to the subscription without the prior written consent of the other party.

These instructions, the conditions and the receipt of any Subscription Application Forms or related contracts shall be governed, construed and enforced in accordance with the laws of the Kingdom.

This Prospectus has been released in both Arabic and English languages and the Arabic version is the only one approved by the CMA. In the event of a discrepancy between the English and the Arabic versions, the Arabic version of this Prospectus shall prevail.

The distribution of this Prospectus and the sale of the Offer Shares in any country other than the Kingdom are expressly prohibited, except for certain GCC investors, Qualified foreign investors and/or certain other Foreign Investors through swap agreements, taking into account the relevant rules and instructions. The Offering does not constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction in which such offer or solicitation would be unlawful. All recipients of this Prospectus must inform themselves of any regulatory restrictions relevant to the Offering and the sale of Offer Shares and to observe all such restrictions.

Subject to the requirements of the Rules on the Offer of Securities and Continuing Obligations and the Listing Rules, the Company must submit a supplementary prospectus to the CMA if at any time after the publication of this Prospectus and before completion of the Offering the Company becomes aware of: (i) a significant change in any material information contained in this Prospectus or any document required under the Rules on the Offer of Securities and Continuing Obligations or the Listing Rules; or (ii) additional significant matters that have become known which would have been required to be included in this Prospectus. Except in the aforementioned circumstances, the Company does not intend to update or otherwise revise any industry or market information or forward-looking statements in this Prospectus, whether as a result of new information, future events or otherwise. As a result of the aforementioned and other risks, uncertainties and assumptions, the expectations of future events and circumstances set forth in this Prospectus may not occur as expected by the Company or may not occur at all. Consequently, prospective investors should consider all forward-looking statements in light of these explanations and should not place undue reliance on them.

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Documents Available for Inspection

18. Documents Available for Inspection

The following documents will be available for inspection at the Company's head office on Northern Ring Road, An Nafal District, P.O. Box 4143, Riyadh 12333, Kingdom of Saudi Arabia, between 9:00 a.m. and 5:00 p.m. from 5 Rabi' al-Thani 1446H (corresponding to 8 October 2024G) until 4 Jumada al-Ula 1446H (corresponding to 6 November 2024G) for a period of not less than 20 days prior to the end of the Offering Period:

- the CMA announcement of the approval of the Offering;
- the conditional approval of Tadawul to list the Company's Shares, dated 24 Thul-Hijjah 1445H (corresponding to 30 June 2024G);
- the Company's Board of Directors' resolution to offer the shares for public subscription, dated 10 Sha'ban 1445H (corresponding to 20 February 2024G);
- the Company General Assembly's approval of the Offering, dated 25 Sha'ban 1445H (corresponding to 6 March 2024G);
- the Company's Bylaws and the amendments made thereto;
- the Company's articles of association;
- the Company's commercial registration certificate;
- the audited consolidated financial statements of the Company for the financial years ended 31 December 2021G, 2022G and 2023G and the reviewed interim consolidated financial statements for the three-month period ended 31 March 2024G and the reviewed interim consolidated financial statements for the six-month period ended 30 June 2024G;
- the Market Report prepared by the Market Consultant;
- all other reports, letters, documents, value and data assessments prepared by any expert, including any part thereof mentioned in this Prospectus;
- contracts and agreements disclosed in Section 11.9 (*Related Party Contracts and Transactions*); and
- letters of consent from:

  (a) the Financial Advisor, Lead Manager, Bookrunner and Underwriter, Saudi Fransi Capital for the inclusion of its name, logo, and statements in this Prospectus;

  (b) the Legal Advisor to the Issuer STAT Law Firm, for the inclusion of its name, logo and statements, in this Prospectus;

  (c) the Legal Advisor to the Financial Advisor, Lead Manager, Bookrunner and Underwriter, Linklaters Law Firm, for the inclusion of its name, logo and statements, in this Prospectus;

  (d) the Professional Due Diligence Advisor PricewaterhouseCoopers Company (Public Accountants) for the inclusion of its name, logo and statements in this Prospectus;

  (e) the Market Consultant Euromonitor International Limited Company for the inclusion of its name, logo and statements, in this Prospectus; and

  (f) the Auditor, Baker Tilly MKM & CO Company for the inclusion herein of its name and logo, along with the audit reports on the financial statements of the Company for the financial years ended 31 December 2021G, 2022G and 2023G and the reviewed interim consolidated financial statements for the three-month period ended 31 March 2024G and the reviewed interim consolidated financial statements for the six-month period ended 30 June 2024G in this Prospectus.

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Financial Statements and Auditor's Report

19. Financial Statements and Auditor's Report

This Section contains the Group's audited consolidated financial statements of the Company for the financial years ended 31 December 2021G, 2022G and 2023G, the reviewed interim consolidated financial statements for the three-month period ended 31 March 2024G and the reviewed interim consolidated financial statements for the six-month period ended 30 June 2024G and the accompanying notes thereto, which have been prepared by the Auditor in accordance with the IFRS and other standards and pronouncements endorsed by SOCPA.

TAMKEEN HUMAN RESOURCES COMPANY

(A SAUDI CLOSED JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

AND INDEPENDENT AUDITOR'S REVIEW REPORT

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2024G

bakertilly

BAKER TILLY MKM & CO.
CERTIFIED PUBLIC ACCOUNTANTS
P O Box 300467, Riyadh 11372
Kingdom of Saudi Arabia
T: +966 (0)11 835 1600
F: +966 (0) 11 835 1601

Independent Auditor's Review Report

To the Shareholders
Tamkeen Human Resources Company
(A Saudi Closed Joint Stock Company)
Riyadh – Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Tamkeen Human Resources Company (the "Company") and its subsidiaries collectively referred to as the ("Group") as of June 30, 2024, and related interim condensed consolidated statements of profit or loss and other comprehensive income for the three and six-month periods then ended, and interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard (IAS 34) "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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

Conclusion

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

Baker Tilly MKM & Co.
Certified Public Accountants

Bader Hatem Al Tamimi
(Certified Accountant: License No. 489)
Riyadh on 21 Rabi' al-Awwal 1446H
Corresponding to September 24, 2024G

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BAKER TILLY
M K M & CO.

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TAMKEEN HUMAN RESOURCES COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024G

	Note	30 June 2024G (Unaudited)	31 December 2023G (Audited)
		(Saudi Riyal)	
ASSETS			
Non-current assets			
Property and equipment	5	**44,022,607**	44,372,395
Right-of-use assets	6	**13,036,721**	13,037,354
Intangible assets	7	**5,393,344**	-
Cash margin on letter of guarantee		**10,000,000**	10,000,000
Used visas – non-current portion	8	**3,615,100**	3,621,757
Prepaid recruitment expenses – non-current portion		**5,173,671**	3,234,813
		81,241,443	74,266,319
Current assets			
Trade receivables, Net	9	**115,085,736**	75,731,057
Prepayments and other Receivables, Net	10	**68,942,756**	57,955,955
Used visas - current portion	8	**10,961,136**	8,427,849
Available visas	11	**14,990,000**	16,622,000
Due from related parties	12	**6,155,946**	875,125
Cash and cash equivalents	13	**190,069,873**	216,624,639
		406,205,447	376,236,625
TOTAL ASSETS		**487,446,890**	450,502,944
EQUITY AND LIABILITIES			
Equity			
Share capital	1	**265,000,000**	200,000,000
Statutory reserve	1	**-**	13,976,311
Retained earnings		**39,669,007**	86,330,859
Equity attributable to the shareholders of the parent Company		**304,669,007**	300,307,170
Non-controlling interests	18	**1,388,862**	1,355,067
Total equity		**306,057,869**	301,662,237
Liabilities			
Non-current liabilities			
Retained deposits - non-current portion		**8,382,539**	1,884,058
Lease liabilities - non-current portion	6	**6,876,086**	8,407,223
Employees' defined benefits obligation	14	**17,671,370**	14,822,720
		32,929,995	25,114,001
Current liabilities			
Trade payables		**11,070,063**	8,912,682
Contract liabilities		**10,932,174**	12,562,588
Retained deposits – current portion		**34,296,542**	33,114,514
Accrued expenses and other accruals	15	**80,059,654**	53,930,020
Lease liabilities – current portion	6	**4,620,380**	4,032,011
Zakat payable	16	**7,480,213**	11,174,891
		148,459,026	123,726,706
TOTAL LIABILITIES		**181,389,021**	148,840,707
TOTAL EQUITY AND LIABILITIES		**487,446,890**	450,502,944

Chief Executive Officer	**Chief Financial Officer**
Fares Saleh Al Henaki	Mohammad Ibrahim Al Basha

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

TAMKEEN HUMAN RESOURCES COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2024G

	Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2024G	2023G	2024G	2023G
		(Saudi Riyal)		(Saudi Riyal)	
Revenue from contracts with customers	19	**166,636,327**	124,802,514	**312,008,287**	242,108,721
Cost of revenue		**(132,448,921)**	(94,534,925)	**(247,290,353)**	(185,009,137)
Gross profit		**34,187,406**	30,267,589	**64,717,934**	57,099,584
Marketing expenses		**(1,626,216)**	(1,517,726)	**(2,381,305)**	(3,183,769)
General and administrative expenses		**(12,542,724)**	(9,482,186)	**(24,626,444)**	(19,124,654)
Expected credit losses provision	9	**(1,065,460)**	-	**(1,651,999)**	-
Operating profit		**18,953,006**	19,267,677	**36,058,186**	34,791,161
Other non-operating income	20	**3,374,621**	3,371,568	**7,121,090**	5,936,968
Finance costs		**(178,714)**	(136,552)	**(322,604)**	(275,532)
Net profit for the period before zakat		**22,148,913**	22,502,693	**42,856,672**	40,452,597
Zakat	16	**(1,265,518)**	(2,164,064)	**(3,461,040)**	(4,299,597)
Net profit for the period		**20,883,395**	20,338,629	**39,395,632**	36,153,000
Net Profit for the period attributable to:					
Shareholders of the parent company		**20,791,246**	20,340,806	**39,361,837**	36,339,672
Non-controlling interests	18	**92,149**	(2,177)	**33,795**	(186,672)
		20,883,395	20,338,629	**39,395,632**	36,153,000
Other comprehensive income:					
Items will not be subsequently reclassified to profit or loss:					
Remeasurement of employees' defined benefits obligation		**-**	-	**-**	-
Other comprehensive income for the period		**-**	-	**-**	-
Total comprehensive income for the period		**20,883,395**	20,338,629	**39,395,632**	36,153,000
Earnings per share attributable to shareholders of the parent:					
Basic and diluted	21	**0.78**	0.77	**1.49**	1.37

Chief Executive Officer	**Chief Financial Officer**
Fares Saleh Al Henaki	Mohammad Ibrahim Al Basha

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

TAMKEEN HUMAN RESOURCES COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024G

	Note	Equity attributable to the shareholders of parent Company				Non-controlling interests	Total equity
		Share capital	Statutory reserve	Retained earnings	Total		
		(Saudi Riyal)					
For the six-month period ended 30 June 2024G							
As of 1 January 2024G		**200,000,000**	**13,976,311**	**86,330,859**	**300,307,170**	**1,355,067**	**301,662,237**
Net profit for the period		**-**	**-**	**39,361,837**	**39,361,837**	**33,795**	**39,395,632**
Other comprehensive income for the period		**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the period		**-**	**-**	**39,361,837**	**39,361,837**	**33,795**	**39,395,632**
Capital increase	1	**65,000,000**	**(13,976,311)**	**(51,023,689)**	**-**	**-**	**-**
Dividends	17	**-**	**-**	**(35,000,000)**	**(35,000,000)**	**-**	**(35,000,000)**
As of 30 June 2024G		**265,000,000**	**-**	**39,669,007**	**304,669,007**	**1,388,862**	**306,057,869**
For the six-month period ended 30 June 2023G							
As of 1 January 2023G		100,000,000	13,976,311	125,908,820	239,885,131	-	239,885,131
Net profit for the period		-	-	36,339,672	36,339,672	(186,672)	36,153,000
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		-	-	36,339,672	36,339,672	(186,672)	36,153,000
Capital increase	1	100,000,000	-	(100,000,000)	-	-	-
Movement of non-controlling interest		-	-	-	-	1,600,000	1,600,000
As of 30 June 2023G		200,000,000	13,976,311	62,248,492	276,224,803	1,413,328	277,638,131

Chief Executive Officer	**Chief Financial Officer**
Fares Saleh Al Henaki	Mohammad Ibrahim Al Basha

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

TAMKEEN HUMAN RESOURCES COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024G

	2024G	2023G
	(Saudi Riyals)	
OPERATING ACTIVITIES		
Profit for the period before zakat	**42,856,672**	40,452,597
Adjustments for non-cash items:		
Depreciation of property and equipment	**2,544,415**	2,722,860
Amortization of intangible assets	**285,644**	-
Amortization of right-of-use assets	**2,641,675**	2,246,484
Amortization of used visas	**5,937,370**	5,998,708
Expected credit losses provision	**1,651,999**	-
Advances to suppliers' provision	**418,664**	-
Finance costs	**322,604**	275,532
Costs of employees' defined benefits obligation	**4,845,340**	2,807,634
Gains from sale of property and equipment	**(81,173)**	-
Changes in working capital:		
Trade receivables	**(41,006,678)**	(7,446,939)
Prepayments and other receivables	**(13,344,323)**	6,561,803
Used visas	**14,853,606**	10,125,702
Available visas	**(21,685,606)**	(18,865,363)
Retained deposits	**7,680,509**	1,549,105
Trade payables	**2,157,381**	(4,433,201)
Due from related parties	**(5,280,821)**	(413,286)
Accrued expenses and other accruals	**26,129,634**	2,020,202
Contract liabilities	**(1,630,414)**	(2,424,051)
Cash generated from operating activities	**29,296,498**	41,177,787
Zakat paid	**(7,155,718)**	(4,401,851)
Employees' defined benefit obligation paid	**(1,996,690)**	(1,671,810)
Net cash generated from operating activities	**20,144,090**	35,104,126
INVESTING ACTIVITIES		
Purchase of property and equipment	**(7,968,042)**	(6,531,718)
Proceeds from sale of property and equipment	**175,600**	-
Net cash used in investing activities	**(7,792,442)**	(6,531,718)
FINANCING ACTIVITIES		
Payments of lease liabilities	**(3,906,414)**	(3,823,522)
Dividends paid	**(35,000,000)**	-
Net cash used in financing activities	**(38,906,414)**	(3,823,522)
Net change in cash and cash equivalent	**(26,554,766)**	24,748,886
Cash and cash equivalent at the period beginning	**216,624,639**	183,634,389
Cash and cash equivalent at the period end	**190,069,873**	208,383,275
Non-cash transactions:		
Capital increase (Note 1)	**65,000,000**	100,000,000
Transfer from projects under construction to intangible assets (Note 5, 7)	**5,678,988**	-
Additions to right-of-use assets and lease liabilities (Note 6)	**3,083,540**	4,966,653
Transferred from available visas to used visas (Notes 8, 11)	**23,317,606**	16,439,363
Transactions with related parties (Note 12)	**-**	1,600,000

Chief Executive Officer	Chief Financial Officer
Fares Saleh Al Henaki	Mohammad Ibrahim Al Basha

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

1. COMPANY'S INFORMATION

Tamkeen Human Resources Company (the "Company") is a Saudi closed joint stock company registered in the Kingdom of Saudi Arabia, under Commercial Registration No. 1010451749 dated on 23 Ramadan 1439H (corresponding to 7 June 2018G).

The Company's main activity is in labour recruitment and providing manpower services in respect of domestic labour, manpower for public and private sectors and local contracting according to the letter of the Ministry of Labor and Social Development No. (184162) dated on 15 Ramadan 1439H.

The Company's headquarter is in Riyadh, Northern Ring Road, Al-Nafl District, P.O. Box 4143, Postal Code 12333.

The Extraordinary General Assembly in its meeting held on 3 Dhu Al-Hijjah 1444H (corresponding to 21 June 2023G) has approved to increase the share capital by capitalizing SR 100,000,000 from the retained earnings, the total capital becomes SR 200,000,000.

The Extraordinary General Assembly decided in its meeting held on Wednesday, 25 Shaaban 1445H, corresponding to 6 March 2024G, to approve the increase of the company's share capital from SR 200 million, divided into 20 million ordinary shares, with a fully paid nominal value of SR 10 per share, to SR 265 million, divided into 26,500,000 ordinary shares, with a fully paid nominal value of SR 10 per share, by capitalizing an amount of SR 51,023,689 from the retained earnings balance in addition to capitalizing an amount of SR 13,976,311 as the balance of the statutory reserve as at the consolidated financial statements for the financial year ended 31 December 2023G.

The company's share capital consists of 26,500,000 shares at SR 10 per share, distributed among shareholders as at 30 June 2024G as follows:

Shareholders	Number of Shares	Contribution %	Value of Shares (Saudi Riyals)
Tasheel Real Estate Company	**9,043,125**	**34.12**	**90,431,250**
Dr. Sulaiman Al Habib For Medical Services Group Company	**6,625,000**	**25.00**	**66,250,000**
Abdulrahman Ali Abdullah Al Qubaisi	**1,987,500**	**7.50**	**19,875,000**
Fares Saleh Mutlaq Al Henaki	**2,650,000**	**10.00**	**26,500,000**
Saleh Mohammed Saleh Al Hajjaj	**2,650,000**	**10.00**	**26,500,000**
Saleh Hamad Ali Al Bhaiji	**993,750**	**3.75**	**9,937,500**
Abdullah Sulaiman Abdulrahman Al Naqeer	**993,750**	**3.75**	**9,937,500**
Abdullah Ahmed Sultan Al Shehri	**795,000**	**3.00**	**7,950,000**
Saif Mohammad Saif Al Sharikh	**496,875**	**1.88**	**4,968,750**
Ziad Mohammad Maki Saleh Al-Tunsi	**265,000**	**1.00**	**265,0000**
Total	**26,500,000**	**100%**	**265,000,000**

The interim condensed consolidated financial statements for the period ended 30 June 2024G include the accounts of the Company and its subsidiaries (collectively referred to as the "Group") as follows:

Subsidiary company	Country of incorporation	Percentage ownership as of	
		30 June 2024G	31 December 2023G
Open Technologies Company for Communications and Information Technology	Kingdom of Saudi Arabia	**100%**	100%
Elaf Specialized Contracting Company (formerly Seha Medical Services Company)	Kingdom of Saudi Arabia	**100%**	100%
Eraf Medical Company	Kingdom of Saudi Arabia	**60%**	60%

2. BASIS OF PREPARATION AND CHANGES IN THE ACCOUNTING POLICIES

2.1 Statement of compliance with Internation Financial Reporting Standards ("IFRS")

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" (''IAS 34'') that is endorsed in the Kingdom of Saudi Arabia, and these interim condensed consolidated financial statements do not include all the information required for the preparation of a complete set of financial statements prepared in accordance with IFRS and shall be read in conjunction with the group's consolidated financial statements for the prior year ended 31 December 2023G.

The interim period is considered as an integral part of the full fiscal year, however, the results of operations for the interim periods may not be a fair indication of the results for the full year's operations.

2.2 General considerations

The accounting policies and methods of computation adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the annual financial statements of the Group for the year ended December 31, 2023G, except for the adoption of the new standards which became effective as at January 1, 2024G. Company has not early-adopted any standards, interpretations, or amendments that have been issued but are not yet effective. Some amendments to International Financial Reporting Standards became effective from January 1, 2024G, and none of those amendments had an impact on the Group's interim condensed consolidated financial statements.

The interim condensed consolidated financial statements have been prepared on the historical cost.

The consolidated financial statements are presented in Saudi Riyal, which is the functional currency for the Group, all amounts are rounded to the nearest Saudi Riyal unless otherwise indicated.

3. USE OF JUDGMENTS AND ESTIMATES

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

The significant estimates made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those used in preparing the consolidated financial statements for the year ended December 31, 2023G.

4. BASIS OF CONSOLIDATION

The interim condensed consolidated financial statements include the financial statements of the Company and its subsidiaries for the period ended June 30, 2024G. As mentioned in Note (1).

The Group reassesses whether it exercises control over an investee when facts and circumstances indicate a change in control elements. Consolidation of a subsidiary begins when control of the subsidiary transfers to the Group and ceases when the Group loses such control. The assets, liabilities, income, and expenses of the acquired subsidiary are included in the interim condensed consolidated financial statements from the date control is transferred to the Group until the Group ceases to exercise such control over the investee.

5. PROPERTY AND EQUIPMENT

The additions during the period amounted to SR 7,968,042 (December 31, 2023G: SR 14,157,872), and the depreciation expense for the period was SR 2,544,415 (June 30, 2023G: SR 2,722,860)

The transfer during the period from projects under construction to intangible assets amounted to SR 5,678,988 (31 December 2023G: Zero)

6. RIGHT OF USE ASSETS AND LEASE LIABILITIES

Right of use assets	30 June 2024G (Saudi Riyals)	31 December 2023G (Saudi Riyals)
At 1 January	**13,037,354**	9,217,649
Additions	**3,083,540**	8,542,948
Disposals	**(442,498)**	-
Adjustments to lease contracts	**-**	(90,751)
Amortization during the period / year	**(2,641,675)**	(4,632,492)
As of period / year end	**13,036,721**	13,037,354

Lease Liabilities	30 June 2024G (Saudi Riyals)	31 December 2023G (Saudi Riyals)
At 1 January	**12,439,234**	9,011,555
Additions	**3,083,540**	8,542,948
Disposals	**(442,498)**	-
Adjustments to lease contracts	**-**	(442,929)
Finance costs	**322,604**	582,118
Paid during the period / year	**(3,906,414)**	(5,254,458)
As of period / year end	**11,496,466**	12,439,234
Less: Current portion	**(4,620,380)**	(4,032,011)
Non-current portion	**6,876,086**	8,407,223

7. INTANGIBLE ASSETS

The amount transferred from projects under construction to intangible assets during the period amounted to SR 5,678,988 (30 June 2023G: Zero), and the amortization expense during the period amounted to SR 285,644 (31 December 2023G: Zero) (Note 5).

8. USED VISAS

The movement of used visas during the period / year is as follows:

	30 June 2024G (Saudi Riyals)	31 December 2023G (Saudi Riyals)
At 1 January	**12,049,606**	9,777,702
Transferred from available visas (Note 11)	**23,317,606**	27,011,100
Amortization during the period / year	**(5,937,370)**	(11,907,494)
Net movement during the period / year	**(14,853,606)**	(12,831,702)
As of period / year end	**14,576,236**	12,049,606
Less: current portion	**(10,961,136)**	(8,427,849)
Non-current portion	**3,615,100**	3,621,757

9. TRADE RECEIVABLES, NET

	30 June 2024G (Saudi Riyals)	31 December 2023G (Saudi Riyals)
Trade receivables - corporate	**117,901,754**	77,355,572
Trade receivables - individuals	**2,181,154**	1,720,658
	120,082,908	79,076,230
Less: expected credit losses provision *	**(4,997,172)**	(3,345,173)
	115,085,736	75,731,057

9. TRADE RECEIVABLES, NET (CONTINUED)

The aging of trade receivables were as follows:

	30 June 2024G	31 December 2023G
	(Saudi Riyals)	(Saudi Riyals)
less than 31 days	**49,327,717**	30,918,170
31 – 90 days	**47,199,900**	33,834,381
91 – 120 days	**7,117,441**	2,861,216
121 – 365 days	**9,279,212**	7,752,128
More than 365 days	**7,158,638**	3,710,335
	120,082,908	79,076,230

* The movement of expected credit losses provision is as follows:

	30 June 2024G	31 December 2023G
	(Saudi Riyals)	(Saudi Riyals)
At 1 January	**3,345,173**	2,718,833
Additions during the period / year	**1,651,999**	626,340
As of period / year end	**4,997,172**	3,345,173

10. PREPAYMENTS AND OTHER RECEIBALES, NET

	30 June 2024G	31 December 2023G
	(Saudi Riyals)	(Saudi Riyals)
Prepaid expenses	**30,595,359**	21,041,172
Prepaid recruitment expenses	**14,925,954**	16,800,437
Advances to suppliers *	**13,586,873**	12,785,991
Expenses paid on behalf of shareholders **	**5,447,277**	-
Staff receivables	**1,042,381**	682,429
Cash deposit	**-**	3,462,361
Others	**3,344,912**	3,183,565
	68,942,756	57,955,955

* Advances to suppliers were as follows:

	30 June 2024G	31 December 2023G
	(Saudi Riyals)	(Saudi Riyals)
Advances to suppliers	**15,260,546**	14,041,000
Advances to suppliers provision	**(1,673,673)**	(1,255,009)
	13,586,873	12,785,991

The movement in advances to suppliers provision was as follows:

	30 June 2024G	31 December 2023G
	(Saudi Riyals)	(Saudi Riyals)
Balance at the period / year beginning	**1,255,009**	-
Charged during the period / year	**418,664**	1,255,009
	1,673,673	1,255,009

** The expenses paid on behalf of the shareholders are related to the initial public offering (IPO) for listing the company's shares on the financial market (Note 12).

11. AVAILABLE VISAS

The available visas represent the unused visa balance up to June 30, 2024G.The available visa amounts are transferred to the used visas upon stamping the visas for the manpower recruited at the border ports of the Kingdom of Saudi Arabia and upon the arrival of manpower to the Kingdom of Saudi Arabia. The movement of available visas is as follows:

	30 June 2024G	31 December 2023G
	(Saudi Riyals)	(Saudi Riyals)
Balance at the period / year beginning	**16,622,000**	18,182,000
Issued visas, net	**21,685,606**	25,451,100
Transfer to used visas (note 8)	**(23,317,606)**	(27,011,100)
As of period / year end	**14,990,000**	16,622,000

12. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Related parties of the Group include major shareholders, board of directors members, senior management, and the entities they own. The benefits paid to the Group's senior management personnel include salaries, cash and non-cash benefits, and contributions to the post-employment defined benefit plan (if any).

The significant transactions with related parties and its amounts were as follows:

Related party	Nature of transaction	For the six-month period ended 30 June	
		2024G	2023G
		(Saudi Riyals)	(Saudi Riyals)
Dr. Sulaiman Al Habib For Medical Services Group Company	Sales	**5,959,857**	-
	Finance	-	1,600,000
Burger Map Fast Food Restaurants Company Four Twins Company Limited	Sales	**1,324,936**	1,189,603
	Sales	**1,261,952**	2,179,965
Tasheel Real Estate Company Limited	Sales	-	10,973

There are also expenses related to the initial public offering (IPO) for listing the company's shares in the financial market paid on behalf of the shareholders (Note 10).

Compensation of senior management personnel

The Group's senior management personnel comprise of top management personnel who have the authority and responsibility for planning, directing, and controlling the activities of the Group. The compensations of senior management personnel are as follows:

Related party	Nature of transaction	For the six-month period ended 30 June	
		2024G	2023G
		(Saudi Riyals)	(Saudi Riyals)
Senior Executive Management	Salaries and bonuses	**2,179,213**	2,121,171
Senior employees' defined benefits obligation	Employees defined benefits	**1,139,341**	707,023

12. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Due from related parties balance consists of the following:

Related party	Nature of relationship	30 June 2024G (Saudi Riyals)	30 June 2023G (Saudi Riyals)
Dr. Sulaiman Al Habib For Medical Services Group Company	Shareholder	**5,959,857**	-
Burger Map Fast Food Restaurants Company	Related to shareholder	**196,089**	246,938
Four Twins Company Limited	Related to shareholder	-	628,187
		6,155,946	875,125

13. CASH AND CASH EQUIVALENTS

	30 June 2024G (Saudi Riyals)	31 December 2023G (Saudi Riyals)
Cash at banks	**20,069,873**	16,624,639
Short term deposits *	**170,000,000**	200,000,000
	190,069,873	216,624,639

* Shot term deposits are matured within 90 days or less.

14. EMPLOYEES' DEFINED BENEFITS OBLIGATION

The movement of the provision for employees' defined benefits obligation is as follows:

	30 June 2024G (Saudi Riyals)	31 December 2023G (Saudi Riyals)
At 1 January	**14,822,720**	12,453,442
Current service costs	**4,845,340**	6,532,073
Finance costs	-	523,721
Paid during the period / year	**(1,996,690)**	(4,093,517)
Actuarial re-measurement	-	(592,999)
As of period / year end	**17,671,370**	14,822,720

15. ACCRUED EXPENSES AND OTHER ACCRUALS

	30 June 2024G (Saudi Riyals)	31 December 2023G (Saudi Riyals)
Accrued salaries and other benefits	**30,490,206**	17,545,332
Accrued vacations	**17,034,233**	13,086,177
Accrued tickets	**14,688,606**	10,724,460
Value added tax payable	**7,164,100**	5,689,422
Advances from customers	**1,413,461**	573,131
Bonus provision	**1,141,193**	2,230,605
Others	**8,127,855**	4,080,893
	80,059,654	53,930,020

16. ZAKAT

Zakat status

The company submitted its zakat returns for the year ended December 31, 2023G, to the Zakat, Tax and Customs Authority ("ZATCA") and obtained the zakat certificate. During 2023G, the company received a zakat assessment for the years 2018G to 2021G totaling SR 1,620,680. The company filed an objection and paid SR 572,400 to ZATCA. ZATCA accepted part of the objection but rejected the remaining items. The company subsequently filed a claim with the General Secretariat of the Zakat and Tax Committees and received a favorable decision from the Department of the Committee for Settlement of Tax Violations and Disputes on August 5, 2024G, winning most of the disputed items. According to this decision, the company has a credit balance of SR 547,769 with ZATCA. The zakat returns for the years ended December 31, 2022G, and 2023G are still under review by ZATCA.

Movement of zakat provision is as follows:

	30 June 2024G	31 December 2023G
	(Saudi Riyals)	(Saudi Riyals)
1 January	**11,174,891**	7,973,989
Charged during the period / year	**3,461,040**	8,175,153
Paid during the period / year	**(7,155,718)**	(4,974,251)
As of period / year end	**7,480,213**	11,174,891

17. DIVIDENDS

The Extraordinary General Assembly decided in its meeting held on Wednesday, 25 Shaaban 1445H, corresponding to March 6, 2024G, to approve the distribution of cash dividends to shareholders for the financial year 2023G in the amount of SR 35 million, at a rate of 1.75 Riyal per share, for the total number of shares amounting to 20 million shares as of 31 December 2023G.

18. NON-CONTROLLING INTERESTS

The following is a summary of the total financial information related to the group's subsidiary (Eraf Medical Company), representing amounts before intercompany eliminations:

	30 June 2024G	31 December 2023G
	(Saudi Riyals)	(Saudi Riyals)
Summary of the financial position statement		
Non-current assets	**114,887**	142,000
Current assets	**4,116,281**	3,292,667
Non-current liabilities	**-**	-
Current liabilities	**759,013**	47,000
Net assets	**3,472,155**	3,387,667
Non-controlling interests	**1,388,862**	1,355,067
Summary of the profit or loss and other comprehensive income statement		
Net Profit (loss) for the period / year	**84,488**	(612,333)
Other comprehensive income	**-**	-
Total comprehensive income (loss) for the period / year	**84,488**	(612,333)
Non-controlling interests	**33,795**	(244,933)
Summary of the cash flow statement		
Cash used in operating activities	**(89,731)**	(574,582)
Cash used in investing activities	**-**	(142,000)
Cash used in financing activities	**-**	4,000,000

19. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue breakdown

In the following tables, revenues were categorized as per the segment, customer and contracts' types, as well as the contracts' terms (revenue timing). Intercompany revenues within the Group have been eliminated upon consolidation of the financial statements.

Segment type	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2024G	2023G	2024G	2023G
	(Saudi Riyals)	(Saudi Riyals)	(Saudi Riyals)	(Saudi Riyals)
Contracting, maintenance and operation	**78,207,153**	24,547,145	**136,037,773**	43,119,341
Individuals	**48,968,091**	59,978,282	**97,539,462**	116,776,992
Medical	**18,294,051**	10,792,090	**34,570,031**	20,701,314
Restaurants and food	**11,975,768**	19,718,302	**25,110,437**	42,159,606
Retail	**7,049,144**	9,400,162	**14,775,528**	18,509,372
Technology and information systems	**2,142,120**	366,533	**3,975,056**	842,096
	166,636,327	124,802,514	**312,008,287**	242,108,721

Customer type	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2024G	2023G	2024G	2023G
	(Saudi Riyals)	(Saudi Riyals)	(Saudi Riyals)	(Saudi Riyals)
Corporate	**117,668,236**	64,824,232	**214,468,825**	125,331,729
Individuals	**48,968,091**	59,978,282	**97,539,462**	116,776,992
	166,636,327	124,802,514	**312,008,287**	242,108,721

Contract term	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2024G	2023G	2024G	2023G
	(Saudi Riyals)	(Saudi Riyals)	(Saudi Riyals)	(Saudi Riyals)
More than one year	**117,507,394**	65,222,876	**214,512,730**	126,277,172
One year or less	**49,128,933**	59,579,638	**97,495,557**	115,831,549
	166,636,327	124,802,514	**312,008,287**	242,108,721

The group applies revenues recognition policy over time; accordingly, all revenues are recognized over the contract period during which the services are rendered.

20. Other non-operating income

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2024G	2023G	2024G	2023G
	(Saudi Riyals)	(Saudi Riyals)	(Saudi Riyals)	(Saudi Riyals)
Gain from Murabaha term deposits	**2,964,907**	2,586,049	**6,187,223**	4,882,520
Trade and cash discount	**-**	257,199	**-**	257,499
Other	**409,714**	528,320	**933,867**	796,949
	3,374,621	3,371,568	**7,121,090**	5,936,968

21. BASIC AND DILUTED EARNINGS PER SHARE RELATED TO THE SHAREHOLDERS OF PARENT COMPANY

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2024G	2023G	2024G	2023G
	(Saudi Riyals)	(Saudi Riyals)	(Saudi Riyals)	(Saudi Riyals)
Net profit for the period	**20,791,246**	20,340,806	**39,361,837**	36,339,672
Weighted average of shares' number (share)	**26,500,000**	26,500,000	**26,500,000**	26,500,000
Earnings per share – basic and diluted	**0.78**	0.77	**1.49**	1.37

There is no dilutive effect on the Company's basic earnings per share.

Basic earnings per share is calculated by dividing the profit for the period attributable to shareholders by the weighted average number of ordinary shares outstanding during the period. The weighted average number of ordinary shares outstanding has been adjusted retrospectively due to the increase in capital through retained earnings and statutory reserve.

22. SEGMENTS REPORTING

The Group engages in mediating in labor recruitment and the providing labor and logistical services to both the public and private sectors. The group is mainly divided into the corporate and individual sectors, and the group has one geographical sector, which is the Kingdom of Saudi Arabia.

The following tables present revenue and profit information for the Group's operating segments for the three-month and six-month periods ended 30 June 2024G and 30 June 2023G:

	For the three-month period ended 30 June 2024G			
	Corporate sector	Individuals sector	Other	Total
	(Saudi Riyals)	(Saudi Riyals)	(Saudi Riyals)	(Saudi Riyals)
Revenue from contracts with customers	**117,668,236**	**48,968,091**	**-**	**166,636,327**
Cost of revenue	**(88,606,231)**	**(43,842,690)**	**-**	**(132,448,921)**
Gross profit	**29,062,005**	**5,125,401**	**-**	**34,187,406**
Marketing expenses	**-**	**(1,395,008)**	**(231,208)**	**(1,626,216)**
General and administrative expenses	**(797,628)**	**(1,504,025)**	**(10,241,071)**	**(12,542,724)**
Expected credit losses	**(888,813)**	**(176,647)**	**-**	**(1,065,460)**
Operating profit (loss)	**27,375,564**	**2,049,721**	**(10,472,279)**	**18,953,006**

22. SEGMENTS REPORTING (CONTINUED)

	For the six-month period ended 30 June 2024G			
	Corporate sector (Saudi Riyals)	Individuals sector (Saudi Riyals)	Other (Saudi Riyals)	Total (Saudi Riyals)
Revenue from contracts with customers	**214,468,825**	**97,539,462**	**-**	**312,008,287**
Cost of revenue	**(163,353,564)**	**(83,936,789)**	**-**	**(247,290,353)**
Gross profit	**51,115,261**	**13,602,673**	**-**	**64,717,934**
Marketing expenses	**-**	**(2,120,212)**	**(261,093)**	**(2,381,305)**
General and administrative expenses	**(2,096,292)**	**(3,108,190)**	**(19,421,962)**	**(24,626,444)**
Expected credit losses	**(1,577,069)**	**(74,930)**	**-**	**(1,651,999)**
Operating profit (loss)	**47,441,900**	**8,299,341**	**(19,683,055)**	**36,058,186**

	For the three-month period ended 30 June 2023G			
	Corporate sector (Saudi Riyals)	Individuals sector (Saudi Riyals)	Other (Saudi Riyals)	Total (Saudi Riyals)
Revenue from contracts with customers	64,824,232	59,978,282	-	124,802,514
Cost of revenue	(47,605,462)	(46,929,463)	-	(94,534,925)
Gross profit	17,218,770	13,048,819	-	30,267,589
Marketing expenses	-	(1,516,421)	(1,305)	(1,517,726)
General and administrative expenses	(694,144)	(1,572,424)	(7,215,618)	(9,482,186)
Operating profit (loss)	16,524,626	9,959,974	(7,216,923)	19,267,677

	For the six-month period ended 30 June 2023G			
	Corporate sector (Saudi Riyals)	Individuals sector (Saudi Riyals)	Other (Saudi Riyals)	Total (Saudi Riyals)
Revenue from contracts with customers	125,331,729	116,776,992	-	242,108,721
Cost of revenue	(92,913,854)	(92,095,283)	-	(185,009,137)
Gross profit	32,417,875	24,681,709	-	57,099,584
Marketing expenses	-	(3,167,501)	(16,268)	(3,183,769)
General and administrative expenses	(1,180,151)	(2,738,689)	(15,205,814)	(19,124,654)
Operating profit (loss)	31,237,724	18,775,519	(15,222,082)	34,791,161

Disclosure on the information related to net book value of properties and Equipment, and total assets and liabilities related to the group's operating segments is not practicable.

23. COMMITMENTS AND CONTINGENT LIABILITIES

Guarantees

As at 30 June 2024G, the group has a letter of guarantee with an amount of SR 10 million (31 December 2023G: SR 10 million) relates to the company's license issued by the Ministry of Human Resources and Social Development.

24. FINANCIAL INSTRUMENTS – FAIR VALUES

As at 30 June 2024G, the group didn't own financial instruments measured at fair value (31 December 2023G: Zero).

25. SIGNIFICANT EVENTS

The Extraordinary General Assembly approved in its meeting held on 25 Shaban 1445H (corresponding to 6 March 2024G), approved the company's initial public offering ("IPO") by offering 7,960,000 shares, representing 30% of the company's capital, for public subscription and submitting an application to register and offer securities with the Saudi Capital Market Authority and a request to list with the Saudi Tadawul Company.

26. SUBSEQUENT EVENTS

The Capital Market Authority announced the issuance of a decision by the Board of the Authority on 1 Rabi' al-Awwal 1446H (corresponding to September 4, 2024G), which includes the approval of the request from "Tamkeen Human Resources Company" to register its shares and offer 7,950,000 shares for public subscription, representing 30% of the company's total shares.

27. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements have been approved for issuance by the Company's Board of Directors on 21 Rabi' al-Awwal 1446H (corresponding to September 24, 2024G).

(A SAUDI CLOSED JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

AND INDEPENDENT AUDITOR'S REVIEW REPORT

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024G

BAKER TILLY MKM & CO.
CERTIFIED PUBLIC ACCOUNTANTS
P O Box 300467, Riyadh 11372
Kingdom of Saudi Arabia
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Independent Auditor's Review Report

To the Shareholders,
Tamkeen Human Resources Company

(A Saudi closed joint stock company)

Riyadh, Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Tamkeen Human Resources Company (the "Company") and its subsidiaries collectively referred to as ("the Group") as at March 31, 2024 and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standards (IAS 34) "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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

Conclusion

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

Baker Tilly MKM & Co.
Certified Public Accountants

Bader Hatem Al Tamimi
(License No. 489)
Riyadh on Dhu al-Hijjah 6, 1445H
Corresponding to June 12, 2024G

TAMKEEN HUMAN RESOURCES COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024G

	Note	March 31, 2024G	December 31, 2023G
		(Unaudited)	(Audited)
		(Saudi Riyals)	
ASSETS			
Non-current assets			
Property and equipment	5	**48,875,239**	44,372,395
Right-of-use assets	6	**12,421,612**	13,037,354
Cash margin on letter of guarantee		**10,000,000**	10,000,000
Used visas – non-current	7	**3,514,708**	3,621,757
Prepaid recruitment expenses – non-current		**3,195,304**	3,234,813
		78,006,863	74,266,319
Current assets			
Trade receivables	8	**84,759,147**	75,731,057
Prepayments and other receivables	9	**54,748,769**	57,955,955
Used visas - Current	7	**8,978,413**	8,427,849
Available visas	10	**22,984,000**	16,622,000
Due from related parties	11	**753,506**	875,125
Cash at banks	12	**233,181,750**	216,624,639
		405,405,585	376,236,625
TOTAL ASSETS		**483,412,448**	450,502,944
EQUITY AND LIABILITIES			
Equity			
Share capital	1	**265,000,000**	200,000,000
Statutory reserve	1	**-**	13,976,311
Retained earnings		**18,877,761**	86,330,859
Total shareholders' equity		**283,877,761**	300,307,170
Non-controlling interests	17	**1,296,713**	1,355,067
Total equity		**285,174,474**	301,662,237
Liabilities			
Non-current liabilities			
Retained deposits non-current		**15,437,241**	1,884,058
Lease liabilities non-current	6	**7,157,122**	8,407,223
Employees' defined benefit obligation	13	**15,931,524**	14,822,720
		38,525,887	25,114,001
Current liabilities			
Trade payables		**7,517,382**	8,912,682
Contract liabilities		**17,884,163**	12,562,588
Retained deposits – current		**22,511,055**	33,114,514
Accrued expenses and other payables	14	**67,044,609**	53,930,020
Lease liabilities – current	6	**3,474,439**	4,032,011
Accrued dividends	16	**35,000,000**	-
Zakat provision	15	**6,280,439**	11,174,891
		159,712,087	123,726,706
Total liabilities		**198,237,974**	148,840,707
TOTAL EQUITY AND LIABILITIES		**483,412,448**	450,502,944

Chief Executive Officer
Faris Saleh Al Hanaki

Chief Financial Officer
Mohammad Ibrahem Al Basha

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

TAMKEEN HUMAN RESOURCES COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHE COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024G

	Note	2024G	2023G
		(Saudi Riyals)	
Revenue from contracts with customers	18	**145,371,960**	117,306,207
Cost of revenue		**(114,841,432)**	(90,474,212)
Gross profit		**30,530,528**	26,831,995
Selling and marketing expenses		**(755,089)**	(1,666,043)
General and administrative expenses		**(12,083,720)**	(9,642,468)
Expected credit losses provision	8	**(586,539)**	-
Operating income		**17,105,180**	15,523,484
Other income non- operating		**3,746,469**	2,565,400
Finance cost		**(143,890)**	(138,980)
Profit for the period before zakat		**20,707,759**	17,949,904
Zakat		**(2,195,522)**	(2,135,533)
Net Profit for the period		**18,512,237**	15,814,371
Net profit for the period attributable to:			
Shareholders of the company		**18,570,591**	15,998,866
Non-controlling interests		**(58,354)**	(184,495)
		18,512,237	15,814,371
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Re-measurement of employees' defined benefit obligation		**-**	-
Other comprehensive income for the period		**-**	-
Total comprehensive income for the period		**18,512,237**	15,814,371
Earnings per share attributable to shareholders of the parent company:			
Basic and diluted	19	**0.70**	0.60

Chief Executive Officer

Faris Saleh Al Hanaki

Chief Financial Officer

Mohammad Ibrahem Al Basha

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

TAMKEEN HUMAN RESOURCES COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024G

	Note	Attributable to the shareholders of the Company				Non-controlling interests	Total equity
		Share capital	Statutory reserve	Retained earnings	Total		
		(Saudi Riyal)					
Balance as of 1 January 2024G		**200,000,000**	**13,976,311**	**86,330,859**	**300,307,170**	**1,355,067**	**301,662,237**
Net profit for the period		**-**	**-**	**18,570,591**	**18,570,591**	**(58,354)**	**18,512,237**
Other comprehensive income for the period		**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the period		**-**	**-**	**18,570,591**	**18,570,591**	**(58,354)**	**18,512,237**
Transfer to share capital	1	**65,000,000**	**(13,976,311)**	**(51,023,689)**	**-**	**-**	**-**
Dividends	16	**-**	**-**	**(35,000,000)**	**(35,000,000)**	**-**	**(35,000,000)**
Balance as of 31 March 2024G		**265,000,000**	**-**	**18,877,761**	**283,877,761**	**1,296,713**	**285,174,474**
Balance as of 1 January 2023G		100,000,000	13,976,311	125,908,820	239,885,131	-	239,885,131
Net profit for the period		-	-	15,998,866	15,998,866	(184,495)	15,814,371
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		-	-	15,998,866	15,998,866	(184,495)	15,814,371
Movement on non-controlling interests		-	-	-	-	1,600,000	1,600,000
Balance as of 31 March 2023G		100,000,000	13,976,311	141,907,686	255,883,997	1,415,505	257,299,502

Chief Executive Officer	**Chief Financial Officer**
Faris Saleh Al Hanaki	Mohammad Ibrahem Al Basha

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

TAMKEEN HUMAN RESOURCES COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024G

	2024G	2023G
	(Saudi Riyals)	
OPERATING ACTIVITIES		
Profit for the period before zakat	**20,707,759**	17,949,904
Adjustments for:		
Depreciation	**1,221,300**	1,299,926
Amortization of right-of-use assets	**1,180,219**	1,144,239
Amortization of used visas	**2,728,485**	2,976,663
Expected credit losses	**586,539**	-
Finance costs	**143,890**	138,980
Costs of employees' defined benefit obligation	**2,199,187**	1,372,682
Changes in working capital:		
Trade receivables	**(9,614,629)**	(4,157,186)
Prepayments and other receivables	**3,246,693**	3,619,052
Used visas	**(19,985,605)**	(17,127,024)
Available visas	**10,451,606**	14,493,363
Retained deposits	**2,949,724**	515,851
Trade payables	**(1,395,300)**	(2,383,165)
Due from related parties	**121,619**	(151,270)
Accrued expenses and other payables	**13,114,589**	2,969,246
Contract liabilities	**5,321,575**	8,834,589
Cash generated from operating activities	**32,977,651**	31,495,850
Zakat paid	**(7,089,974)**	-
Employees' defined benefit obligation paid	**(1,090,383)**	(714,946)
Net cash generated from operating activities	**24,797,294**	30,780,904
INVESTING ACTIVITIES		
Purchase of property and equipment	**(5,724,143)**	(4,939,273)
Net cash used in investing activities	**(5,724,143)**	(4,939,273)
FINANCING ACTIVITIES		
Repayments of lease liabilities	**(2,516,040)**	(2,354,542)
Net cash used in financing activities	**(2,516,040)**	(2,354,542)
Net change in cash at banks	**16,557,111**	23,487,089
Cash at banks at the beginning of the period	**216,624,639**	183,634,389
Cash at banks at the end of the period	**233,181,750**	207,121,478
Non-cash transactions:		
Dividends (Note 16)	**35,000,000**	-
Additions to right of use assets and lease liability	**1,006,975**	4,026,876
Transactions with related parties	**-**	1,600,000

Chief Executive Officer	**Chief Financial Officer**
Faris Saleh Al Hanaki	Mohammad Ibrahem Al Basha

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

1. Company Information

Tamkeen Human Resources Company ("the Company") is a Saudi closed joint stock company registered in the Kingdom of Saudi Arabia, under Commercial Registration No. 1010451749 dated on 23 Ramadan 1439H (corresponding to 7 June 2018G).

The Company's main activity is in labour recruitment and providing manpower services in respect of domestic workers, manpower for public and private sectors and local contracting according to the letter of the Ministry of Labor and Social Development No. (184162) dated on 15 Ramadan 1439H.

The company's headquarter is located in Riyadh, North Ring Road, Al-Nafl District, P.O. Box 4143, Postal Code 12333.

The Extraordinary General Assembly in its meeting held on 3 Dhu al-Hijjah 1444H, corresponding to June 21, 2023G, approved an increase in capital through capital of SR 100 million from retained earnings, the total capital becomes SR 200,000,000.

The Extraordinary General Assembly decided in its meeting held on Wednesday, 25 Shaban 1445H, corresponding to March 6, 2024G, to approve increasing the company's capital from 200 million SR, divided into 20 million ordinary shares, with a fully paid nominal value of 10 SR per share, to 265 million SR divided into 26,500,000 ordinary shares, with a fully paid nominal value of 10 Saudi riyals per share, by capitalizing an amount of 51,023,689 SR from the retained earnings, in addition to capitalize an amount of 13,976,311 SR from the statutory reserve as of the financial statements for the year ended December 31, 2023G.

The company's capital consists of 26,500,000 shares of SR 10 per share. Distributed between shareholders as at March 31 2024G, as follows:

Shareholders	Number of Shares	Contribution %	Value of Shares
	(Saudi Riyals)		
Tasheel Real Estate Company	**9,043,125**	**34.12%**	**90,431,250**
Dr. Sulaiman Al Habib for Medical Services Group Company	**6,625,000**	**25.00%**	**66,250,000**
Abdulrahman Ali Abdullah Al Qubaisi	**2,981,250**	**11.25%**	**29,812,500**
Faris Saleh Mutlq Al Henaki	**2,650,000**	**10.00%**	**26,500,000**
Saleh Mohammed Saleh Al Hajjaj	**2,650,000**	**10.00%**	**26,500,000**
Abdullah Suleiman Abdulrahman Al Nuqair	**993,750**	**3.75%**	**9,937,500**
Abdullah Ahmed Sultan Al Shehri	**795,000**	**3.00%**	**7,950,000**
Saif Mohammad Saif Al Sharikh	**496,875**	**1.88%**	**4,968,750**
Ziad Mohammad Maki Saleh Al Tunsi	**265,000**	**1.00%**	**2,650,000**
Total	**26,500,000**	**100%**	**265,000,000**

The accompanying interim condensed consolidated financial statement for the period includes the activities of the Company and its subsidiaries (collectively referred to as the "Group") as below:

Subsidiary company	Ownership % as at		
	Country of incorporation	31 March 2024G	31 December 2023G
Open Technologies Company for Communications and Information Technology	Kingdom of Saudi Arabia	**100%**	100%
Elaf Specialized Contracting Company (formerly Seha Medical Services Company)	Kingdom of Saudi Arabia	**100%**	100%
Araf Medical Company	Kingdom of Saudi Arabia	**60%**	60%

2. Basis of Preparation and Change in Accounting Policies

2.1 Statement of compliance with International Financial Reporting Standards

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Report" as endorsed in the Kingdom of Saudi Arabia. These interim-condensed consolidated financial statements do not include all the information required to prepare a complete set of financial statements prepared in accordance with International Financial Reporting Standards. These interim condensed consolidated financial statements should be read along with the company's financial statements for the previous year ended on December 31, 2023G.

The interim period is considered an integral part of the full fiscal year, still, the results of the operations for the interim period may not be a fair indication of the results of operations for the full year.

2.2 General Consideration

The Company has not made early application of any other standard, interpretation or amendment issued but is not yet effective. Some amendments to the International Financial Reporting Standards are effective as of January 1, 2024G, and none of those amendments have an impact on the Company's financial statements.

The interim condensed consolidated financial statements have been prepared on the historical cost basis of accounting.

The consolidated financial statements are presented in Saudi Riyal, which is the functional currency for the Group, all amounts are rounded to the nearest Saudi Riyal unless otherwise indicated.

3. Use of Judgments and Estimates

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

The significant estimates made by management in applying the Group's accounting policies and the primary sources of estimation of uncertainty were the same as those that were applied in the financial statements for the year ended December 31, 2023G.

4. Basis of Consolidation

The interim condensed consolidated financial statements include the financial statements of the Company and its subsidiaries for the period ended March 31, 2024G. As mentioned in Note (1).

The Group reassesses whether or not it exercises control over an investee when facts and circumstances indicate that there is a change in the elements of control. Consolidation of a subsidiary begins when control of the subsidiary is transferred to the Group and ceases when the Group loses such control. The assets, liabilities, income and expenses of the acquired subsidiary during the year are included in the interim condensed consolidated financial statements from the date on which control is transferred to the Group until the Group ceases to exercise such control in the investee.

5. Property and equipment

Additions as of March 31, 2024G, amounted to SR 5,724,143 (March 31, 2023G: SR 4,939,273) and depreciation expense during the period amounted to SR 1,221,300 (March 31, 2023G: SR 1,299,926).

6. Right-of-use assets and Lease liabilities

Right of use assets	March 31, 2024G	December 31, 2023G
	Saudi Riyals	Saudi Riyals
As of 1 January	**13,037,354**	9,217,649
Additions	**1,006,975**	8,542,948
Disposals	**(442,498)**	-
Contracts adjustments	-	(90,751)
Depreciation during the period / year	**(1,180,219)**	(4,632,492)
Balance at the end of period / year	**12,421,612**	13,037,354
Lease liabilities		
As of 1 January	**12,439,234**	9,011,555
Additions	**1,006,975**	8,542,948
Disposals	**(442,498)**	-
Contracts adjustments	-	(442,929)
Finance costs	**143,890**	582,118
Paid during the period / year	**(2,516,040)**	(5,254,458)
Balance at the end of the period / year	**10,631,561**	12,439,234
Less: Current portion	**(3,474,439)**	(4,032,011)
Non-Current portion	**7,157,122**	8,407,223

7. Used Visas

The movement on used visas during the period / year is as the following:

	March 31, 2024G	December 31, 2023G
	Saudi Riyals	Saudi Riyals
Balance at the beginning of the period / year	**12,049,606**	9,777,702
Issued visas	**27,788,000**	34,450,000
Adjustments on opening balance	**(40,000)**	(594,602)
Less: Available visas	**(22,984,000)**	(16,622,000)
Used visas (Note 10)	**16,813,606**	27,011,100
Amortization during the period / year	**(2,728,485)**	(11,907,494)
Returned visas	**(1,592,000)**	(3,054,000)
Balance at the end of the period / year	**12,493,121**	12,049,606
Less: Current potion	**(8,978,413)**	(8,427,849)
Non-current portion	**3,514,708**	3,621,757

8. Trade receivables

	March 31, 2024G	December 31, 2023G
	Saudi Riyals	Saudi Riyals
Trade receivables – corporate*	**86,768,420**	77,355,572
Trade receivables - Individual	**1,922,439**	1,720,658
	88,690,859	79,076,230
Less: Expected credit losses provision	**(3,931,712)**	(3,345,173)
	84,759,147	75,731,057

*Aging of trade receivables were as follows:

	March 31, 2024G	December 31, 2023G
	Saudi Riyals	Saudi Riyals
Less than 31 days	**40,411,342**	30,918,170
31 – 90 days	**32,975,369**	33,834,381
91 – 120 days	**2,159,055**	2,861,216
121 – 365 days	**9,088,137**	7,752,128
More than 365 days	**4,056,956**	3,710,335
	88,690,859	79,076,230

**The movement of expected credit losses provision is as follows:

	March 31, 2024G	December 31, 2023G
	Saudi Riyals	Saudi Riyals
1 January	**3,345,173**	2,718,833
Additions during the period / year	**586,539**	626,340
Balance at the end of the period / year	**3,931,712**	3,345,173

9. Prepayments and other receivables

	March 31, 2024G	December 31, 2023G
	Saudi Riyals	Saudi Riyals
Prepaid expenses	**20,660,782**	21,041,172
Prepaid recruitment fees	**14,839,294**	16,800,437
Advances to suppliers*	**9,382,353**	12,785,991
Employee loans	**791,489**	682,429
Cash guarantee	**-**	3,462,361
Others	**9,074,851**	3,183,565
	54,748,769	57,955,955

*The movement of advance to suppliers is as follows:

	March 31, 2024G	December 31, 2023G
	Saudi Riyals	Saudi Riyals
Advances to suppliers	**10,637,362**	14,041,000
Provision of advances to suppliers	**(1,255,009)**	(1,255,009)
	9,382,353	12,785,991

10. Available visas

The available visas represent the balance of unused visas until the date of March 31, 2024G. The amounts of available visas are transferred to the visas used when stamping the visas for the human resources brought in at the border crossings of the Kingdom of Saudi Arabia and the arrival of these human forces in the Kingdom of Saudi Arabia. The movement of available visas is as follows:

	March 31, 2024G	December 31, 2023G
	Saudi Riyals	Saudi Riyals
Issued visas - net	**39,797,606**	43,633,100
Transferee to used visas (note 7)	**(16,813,606)**	(27,011,100)
Balance at the end of the period / year	**22,984,000**	16,622,000

11. Related parties' balances and transactions

Represents related parties to major shareholders of the group, members of the Board of Directors, top management, and the establishments they own, The benefits paid to the Group's senior management employees include salaries, cash, and non-cash benefits, and contributions to the post-employment defined benefit plan.

Significant transactions with related parties and the amounts related to them were as follows:

Related party	Natural of Transaction	Three-month period ended March, 31	
		2024G	2023G
		Saudi Riyals	Saudi Riyals
Fast food burger map restaurants company	Sales	**696,852**	603,567
Four Twins Co., Ltd.	Sales	**1,261,952**	1,224,639

Key managements remunerations and benefits

The Group's Key management personnel include senior management personnel who have authority and responsibility for planning, directing and controlling the Group's activities. The remunerations and benefits of key management is as follows:

Related party	Nature of transaction	Three-month period ended March, 31	
		2024G	2023G
		Saudi Riyals	Saudi Riyals
Senior Executive Management	Salaries and bonuses	**896,550**	905,550
Senior employees' defined benefits obligation	Employment termination benefits	**918,049**	671,679

The balances due from related parties consist of the following:

	Nature of relationship	March 31, 2024G	December 31, 2023G
		Saudi Riyals	Saudi Riyals
Fast food burger map restaurants company	Related to shareholder	**455,785**	246,938
Four Twins Co., Ltd.	Related to shareholder	**297,721**	628,187
		753,506	875,125

12. Cash at banks

	March 31, 2024G	December 31, 2023G
	Saudi Riyals	Saudi Riyals
Cash at banks	**41,181,750**	16,624,639
Short term deposits*	**192,000,000**	200,000,000
	233,181,750	216,624,639

*Short term deposits mature in 90 days or less.

13. Employees' defined benefit obligation

	March 31, 2024G	December 31, 2023G
	Saudi Riyals	Saudi Riyals
January 1,	**14,822,720**	12,453,442
Current service cost	**2,199,187**	6,532,073
Finance costs	**-**	523,721
Paid during the period / year	**(1,090,383)**	(4,093,517)
Actuarial re-measurement	**-**	(592,999)
Balance at the end of the period / year	**15,931,524**	14,822,720

14. Accrued expenses and other payables

	March 31, 2024G	December 31, 2023G
	Saudi Riyals	Saudi Riyals
Accrued salaries and other benefits	**25,686,196**	17,545,332
Accrued vacations	**14,484,372**	13,086,177
Accrued tickets	**12,636,510**	10,724,460
Value Added Tax payable	**6,473,696**	5,689,422
Bonus provision	**2,792,240**	2,230,605
Advances from customers	**1,915,768**	573,131
Others	**3,055,827**	4,080,893
	67,044,609	53,930,020

15. Zakat

Zakat status

The group submitted its zakat returns up to the year ending December 31, 2023G to the Zakat, Tax and Customs Authority and obtained a zakat certificate. During the year 2023G, the company received reports of zakat assessments for the years from 2018G to 2021G, which were summarized in the presence of zakat differences amounting to SR 1,620,681 and they were objected to. While the final letter of attachment has not been issued to date.

Movement in Zakat provision is as follows:

	March 31, 2024G	December 31, 2023G
	Saudi Riyals	Saudi Riyals
Balance on 1 January	**11,174,891**	7,973,989
Zakat expense charged for the period / year	**2,195,522**	8,175,153
Paid during the period / year	**(7,089,974)**	(4,974,251)
	6,280,439	11,174,891

16. Accrued dividends

The Extraordinary General Assembly decided, in its meeting held on Wednesday, 25 Shaban 1445H, corresponding to March 6, 2024G, to approve the distribution of cash dividends to shareholders for the year 2023G in the amount of SR 35 million, at SR 1.75 per share, for the total number of shares amounted to 20 million shares as of December 31, 2023G.

17. Non-controlling interests

The following is a summary of the total financial information related to the group's subsidiary (Eraf Medical Company), and represents the amounts before disposals between the group companies:

	March 31, 2024G	December 31, 2023G
	Saudi Riyals	Saudi Riyals
Summary of the financial position statement		
Non-current assets	**131,298**	142,000
Current assets	**3,279,582**	3,292,667
Non-current liabilities	**-**	-
Current liabilities	**169,097**	47,000
Net assets	**3,241,783**	3,387,667
Non-controlling interests	**1,296,713**	1,355,067
Summary of the profit or loss and other comprehensive income statement		
Revenues	**-**	-
Expenses	**(145,885)**	(612,333)
Loss for the period / year	**(145,885)**	(612,333)
Other comprehensive income	**-**	-
Total comprehensive loss for the period / year	**(145,885)**	(612,333)
Non-controlling interests	**(58,354)**	(244,933)
Summary of the cash flow statement		
Cash used in operating activity	**(145,885)**	(574,582)
Cash used in investing activity	**-**	(142,000)
Cash generated from financing activity	**-**	4,000,000

18. Revenue from contracts with customers

Revenue Details

In the following tables, revenue is broken down by sector, customer and contract type as well as the duration of contracts (revenue timing). Intercompany revenues are eliminated when consolidating the financial statements.

Segment type	Three-month period ended March, 31	
	2024G	2023G
	Saudi Riyals	Saudi Riyals
Contracting, maintenance and operation	**57,830,620**	18,572,196
Individuals	**48,571,371**	56,798,710
Medical	**16,275,980**	9,909,224
Restaurants and food	**13,134,669**	22,441,304
Retail	**7,726,384**	9,109,210
Technology and information systems	**1,832,936**	475,563
	145,371,960	117,306,207

Customer type	Three-month period ended March, 31	
	2024G	2023G
	Saudi Riyals	Saudi Riyals
Corporate	**96,800,589**	60,507,497
Individuals	**48,571,371**	56,798,710
	145,371,960	117,306,207

Revenue Details (Continued)

Contract timing	Three-month period ended March, 31	
	2024G	2023G
	Saudi Riyals	Saudi Riyals
More than one year	**97,005,336**	61,054,296
One year or less	**48,366,624**	56,251,911
	145,371,960	117,306,207

The Group follows a policy of recognizing revenues over time, and accordingly all revenues are recognized over the contract period in which the services are provided.

19. Basic and diluted earnings per share related to parent company

	Three-month period ended March, 31	
	2024G	2023G
	Saudi Riyals	Saudi Riyals
Net profit for the period	**18,570,591**	15,998,866
Weighted average number of ordinary shares (share)	**26,500,000**	26,500,000
Earnings per share – basic and diluted	**0.70**	0.60

There is no diluted effect on the Groups' basic earnings per share.

Basic earnings per share have been calculated by dividing the profit for the period attributable to shareholders by the weighted average number of ordinary shares outstanding during the period.

20. Segment information

The group engages in mediating the recruitment of workers and providing labor and logistical services and support to the public sector and the private sector. The group is mainly divided into the corporate and individual sectors, and the group has one geographical sector, which is the Kingdom of Saudi Arabia.

The following tables display revenue and profit information for the Group's operating segments for the periods ended March 31, 2024G, and 2023G:

	Three-month period ended March, 31 2024G			
	Corporate sector	Individuals sector	Other	Total
	Saudi Riyals	Saudi Riyals	Saudi Riyals	Saudi Riyals
Revenue from contracts with customers	96,800,589	48,571,371	-	145,371,960
Cost of revenue	(74,747,333)	(40,094,099)	-	(114,841,432)
Gross profit	22,053,256	8,477,272	-	30,530,528
Selling and marketing expenses	-	(725,204)	(29,885)	(755,089)
General and administrative expenses	(1,298,664)	(1,604,165)	(9,180,891)	(12,083,720)
Expected credit losses	(688,256)	101,717	-	(586,539)
Operating profit (loss)	**20,066,336**	**6,249,620**	**(9,210,776)**	**17,105,180**

20. Segment information (Continued)

	Three-month period ended March, 31 2023G			
	Corporate sector	Individuals sector	Other	Total
	Saudi Riyals	Saudi Riyals	Saudi Riyals	Saudi Riyals
Revenue from contracts with customers	60,507,497	56,798,710	-	117,306,207
Cost of revenue	(45,308,392)	(45,165,820)	-	(90,474,212)
Gross profit	15,199,105	11,632,890	-	26,831,995
Selling and marketing expenses	-	(1,651,080)	(14,963)	(1,666,043)
General and administrative expenses	(486,007)	(1,166,265)	(7,990,196)	(9,642,468)
Operating profit (loss)	14,713,098	8,815,545	(8,005,159)	15,523,484

Disclosure of information relating to the net book value of property and equipment, total assets and total liabilities relating to the Group's operating segments is unpractical.

21. Commitments and contingent liabilities

Guarantees

As at 31 March 2024G and 31 December 2023G, the Group had a letter of guarantee amount of SR 10 million (matched by a cash guarantee of SR 10 million) in relation to the company's license issued by the Ministry of Human Resources and Social Development.

22. Financial Instruments – Fair value

As at 31 March 2024G, the Group did not have any financial instruments measured at fair value (31 December 2023G: nil).

23. Significant events

In its meeting held on Shaaban 25, 1445 AH (corresponding to March 6, 2024G), the Extraordinary General Assembly approved the company's initial public offering by offering 7,960,000 shares, representing 30% of the company's capital, for public subscription and submitting an application for registration and offering of securities to the Authority. The Saudi financial market and the request for listing with the Saudi Tadawul Company.

24. Approval of interim condensed consolidated financial statements

The interim condensed financial statements were approved by the Company's Board of Directors on 6 Dhu al-Hijjah 1445H (corresponding to June 12, 2024G).

TAMKEEN HUMAN RESOURCES COMPANY

(A SAUDI CLOSED JOINT STOCK COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS

AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023G

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BAKER TILLY MKM & CO.
CERTIFIED PUBLIC ACCOUNTANTS
P O Box 300467, Riyadh 11372
Kingdom of Saudi Arabia
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Independent Auditor's Report

To the Shareholders
Tamkeen Human Resources Company
(A Saudi Closed Joint Stock Company)
Riyadh – Kingdom of Saudi Arabia

Opinion

We have audited the consolidated financial statements of Tamkeen Human Resources Company "the Company" and its subsidiaries (collectively referred to as "group"), which comprise the consolidated statement of financial position as at December 31, 2023, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year ended then, 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 at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA")

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA") 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 International Code of Ethics for Professional Accountants endorsed in the Kingdom of Saudi Arabia (The "code") that is relevant to our audit of the consolidated financial statements, and we have fulfilled our ethical responsibilities in accordance with this code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by SOCPA, and regulation for Companies Laws and the Company's Bylaws, 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., the Board of Directors, are responsible for overseeing the Group's financial reporting process.

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

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

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Independent Auditor's Report (continued)

To the Shareholders
Tamkeen Human Resources Company

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

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We are 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.
- 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, 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.
- Obtaining sufficient appropriate audit evidence regarding the financial information of the establishments or commercial activities within the group, to express an opinion on the consolidated financial statements. We are responsible for directing, supervising, and implementing the group audit process. We remain solely responsible for the 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.

Baker Tilly MKM & Co.
Certified Public Accountants

Bader Hatem Al Tamimi
(Certified Accountant: License No. 489)
Riyadh on Ramadan 2, 1445 H
Corresponding to March 12, 2024 G

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TAMKEEN HUMAN RESOURCES COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023G

	Note	31 December 2023G	31 December 2022G
		(Saudi Riyal)	
ASSETS			
Non-current assets			
Property and equipment	6	**44,372,395**	36,047,893
Right-of-use assets	7	**13,037,354**	9,217,649
Cash margin on letter of guarantee	8	**10,000,000**	10,000,000
Used visas – non-current	9	**3,621,757**	2,758,296
Prepaid recruitment expenses – non-current	10	**3,234,813**	11,840,357
		74,266,319	69,864,195
Current assets			
Trade receivables	15	**75,731,057**	36,333,726
Prepayments and other debit balances	12	**57,955,955**	59,158,178
Used visas - current	9	**8,427,849**	7,019,406
Available visas	13	**16,622,000**	18,182,000
Due from related parties	11	**875,125**	625,556
Cash at banks	16	**216,624,639**	183,634,389
		376,236,625	304,953,255
TOTAL ASSETS		**450,502,944**	374,817,450
EQUITY AND LIABILITIES			
Equity			
Share capital	1	**200,000,000**	100,000,000
Statutory reserve	17	**13,976,311**	13,976,311
Retained earnings		**86,330,859**	125,908,820
Total shareholders' equity		**300,307,170**	239,885,131
Non-controlling interests	31	**1,355,067**	-
Total equity		**301,662,237**	239,885,131
Liabilities			
Non-current liabilities			
Retained deposits non-current	18	**1,884,058**	9,400,778
Lease liabilities non-current	7	**8,407,223**	6,124,173
Employees' defined benefit obligation	19	**14,822,720**	12,453,442
		25,114,001	27,978,393
Current liabilities			
Trade payables		**8,912,682**	8,079,998
Contract liabilities	20	**12,562,588**	17,347,779
Retained deposits – current	18	**33,114,514**	20,446,878
Accrued expenses and other credit balances	21	**53,930,020**	50,217,900
Lease liabilities – current	7	**4,032,011**	2,887,382
Zakat provision	22	**11,174,891**	7,973,989
		123,726,706	106,953,926
TOTAL LIABILITIES		**148,840,707**	134,932,319
TOTAL EQUITY AND LIABILITIES		**450,502,944**	374,817,450

Chief Executive Officer — Fares Saleh Al Henaki

Chief Financial Officer — Mohammad Ibrahim Al Basha

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

TAMKEEN HUMAN RESOURCES COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023G

	Note	2023G	2022G
		(Saudi Riyal)	
Revenue from contracts with customers	23	**495,831,096**	426,482,951
Cost of revenue	24	**(391,261,612)**	(322,514,065)
Gross profit		**104,569,484**	103,968,886
Selling and marketing expenses	25	**(7,191,975)**	(8,328,153)
General and administrative expenses	26	**(41,605,515)**	(38,278,858)
Expected credit losses	15	**(626,340)**	(1,742,241)
Operating profit		**55,145,654**	55,619,634
Other non-operating income	27	**13,719,445**	5,810,350
Finance costs	28	**(1,105,839)**	(782,331)
Profit before zakat		**67,759,260**	60,647,653
Zakat	22	**(8,175,153)**	(5,877,569)
Net profit for the year		**59,584,107**	54,770,084
Other comprehensive income:			
Other comprehensive income that will not be reclassified to profit or loss			
Re-measurement of employees' defined benefit obligation	19	**592,999**	29,130
Other comprehensive income for the year		**592,999**	29,130
Total comprehensive income for the year		**60,177,106**	54,799,214
Net profit for the year attributable to:			
Shareholders of the company		**59,829,040**	54,770,084
Non-controlling interests	31	**(244,933)**	-
		59,584,107	54,770,084
Comprehensive income for the year attributable to:			
Shareholders of the company		**60,422,039**	54,799,214
Non-controlling interests	31	**(244,933)**	-
		60,177,106	54,799,214
Earnings per share attributable to shareholders:			
Basic and diluted	29	**2,99**	2,74

Chief Executive Officer	**Chief Financial Officer**
Fares Saleh Al Henaki	Mohammad Ibrahim Al Basha

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

TAMKEEN HUMAN RESOURCES COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023G

	Share capital	Statutory reserve	Retained earnings	Total shareholders equity	Non-controlling interests	Total equity
	(Saudi Riyal)					
As of 1 January 2023G	**100,000,000**	**13,976,311**	**125,908,820**	**239,885,131**	**-**	**239,885,131**
Profit for the year	**-**	**-**	**59,829,040**	**59,829,040**	**(244,933)**	**59,584,107**
Other comprehensive income for the year	**-**	**-**	**592,999**	**592,999**	**-**	**592,999**
Total comprehensive income for the year	**-**	**-**	**60,422,039**	**60,422,039**	**(244,933)**	**60,177,106**
Non-controlling interests	**-**	**-**	**-**	**-**	**1,600,000**	**1,600,000**
Transfer to share capital	**100,000,000**	**-**	**(100,000,000)**	**-**	**-**	**-**
As at 31 December 2023G	**200,000,000**	**13,976,311**	**86,330,859**	**300,307,170**	**1,355,067**	**301,662,237**
As at 1 January 2022G	100,000,000	8,499,303	76,586,614	185,085,917	-	185,085,917
Profit for the year	-	-	54,770,084	54,770,084	-	54,770,084
Other comprehensive income for the year	-	-	29,130	29,130	-	29,130
Total comprehensive income for the year	-	-	54,799,214	54,799,214	-	54,799,214
Transfer to statutory reserve	-	5,477,008	(5,477,008)	-	-	-
As at 31 December 2022G	100,000,000	13,976,311	125,908,820	239,885,131	-	239,885,131

Chief Executive Officer

Fares Saleh Al Henaki

Chief Financial Officer

Mohammad Ibrahim Al Basha

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

TAMKEEN HUMAN RESOURCES COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023G

	2023G	2022G
	(Saudi Riyals)	
OPERATING ACTIVITIES		
Profit for the year before zakat	**67,759,260**	60,647,653
Adjustments for:		
Depreciation	**5,833,370**	5,709,186
Amortization of right-of-use assets	**4,632,492**	3,068,593
Amortization of used visas	**11,907,494**	9,757,267
Expected credit losses	**626,340**	1,742,241
Provision for advanced payments to suppliers	**1,255,009**	-
Finance costs of employees' defined benefit obligation	**523,721**	177,211
Employees' defined benefit obligation	**6,532,073**	5,543,572
Adjustments on lease contracts	**(352,178)**	-
Changes in working capital:		
Trade receivables	**(40,023,671)**	(10,218,650)
Prepayments and other debit balances	**8,552,758**	(10,717,188)
Used visas	**(41,190,498)**	(34,514,197)
Available visas	**28,571,100**	18,616,969
Retained deposits	**5,150,916**	4,310,886
Trade payables	**832,684**	(253,755)
Due from related parties	**1,350,431**	(423,911)
Accrued expenses and other credit balances	**3,712,120**	8,976,222
Contract liabilities	**(4,785,191)**	(3,369,949)
Cash generated from operating activities	**60,888,230**	59,052,150
Zakat paid	**(4,974,251)**	(3,236,822)
Employees' defined benefit obligation paid	**(4,093,517)**	(2,196,709)
Net cash generated from operating activities	**51,820,462**	53,618,619
INVESTING ACTIVITIES		
Investments at fair value through profit or loss - net	**-**	50,895,503
Purchase of property and equipment	**(14,157,872)**	(7,819,339)
Proceeds from disposal of property and equipment	**-**	2,380
Net cash (used in) generated from investing activities	**(14,157,872)**	43,078,544
FINANCING ACTIVITIES		
Re-payments of lease liabilities	**(4,672,340)**	(3,090,836)
Net cash used in financing activities	**(4,672,340)**	(3,090,836)
Net change in cash and cash equivalent	**32,990,250**	93,606,327
Cash at banks at 1 January	**183,634,389**	90,028,062
Cash at banks at 31 December	**216,624,639**	183,634,389
Non-cash transactions:		
Transfer from available visas to used visas (Note 9)	**(27,011,100)**	(23,110,969)
Re-measurement of employees' defined benefit obligation (note 19)	**(592,999)**	(29,130)
Transactions with related parties	**1,600,000**	-
Lease liabilities (note 7)	**8,542,948**	3,059,666
Right-of-use assets (note 7)	**(8,542,948)**	(3,059,666)

Chief Executive Officer	**Chief Financial Officer**
Fares Saleh Al Henaki	Mohammad Ibrahim Al Basha

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

TAMKEEN HUMAN RESOURCES COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023G

1. ORGANIZATION AND ACTIVITIES

Tamkeen Human Resources Company ("the Company") is a Saudi closed joint stock company registered in the Kingdom of Saudi Arabia, under Commercial Registration No. 1010451749 dated on 23 Ramadan 1439H (corresponding to 7 June 2018G). The company's capital consists of 20,000,000 shares of SR 10 per share.

The Extraordinary General Assembly, in its meeting held on Thul al-Hijjah 3, 1444 H (corresponding to June 21, 2023G), approved an increase in capital by capitalizing 100,000,000 Saudi riyals from retained earnings, bringing the total capital to 200,000,000 Saudi riyals. Distributed among shareholders as follows:

Shareholders	As at 31 December 2023G		
	Number of Shares	Contribution %	Value of Shares
	(Saudi Riyals)		
Tasheel Real Estate Company	**6,825,000**	**34,12**	**68,250,000**
Dr. Sulaiman Al Habib Medical Services Group Company	**5,000,000**	**25,00**	**50,000,000**
Abdulrahman Ali Abdullah Al Qubaisi	**2,250,000**	**11,25**	**22,500,000**
Faris Saleh Mutlq Al Henaki	**2,000,000**	**10,00**	**20,000,000**
Saleh Mohammed Saleh Al Hajjaj	**2,000,000**	**10,00**	**20,000,000**
Abdullah Suleiman Abdulrahman Al Nugair	**750,000**	**3,75**	**7,500,000**
Abdullah Ahmed Sultan Al Shehri	**600,000**	**3,00**	**6,000,000**
Saif Mohammad Saif Al Sharikh	**375,000**	**1,88**	**3,750,000**
Ziad Mohammad Maki Saleh Al Tunsi	**200,000**	**1,00**	**2,000,000**
Total	**20,000,000**	**100%**	**200,000,000**

Shareholders	As at 31 December 2022G		
	Number of Shares	Contribution %	Value of Shares
	(Saudi Riyals)		
Dr. Sulaiman Al Habib Medical Services Group Company	2,500,000	25,00	25,000,000
Abdullah Sulaiman Abdulrahman Al Nugair	2,081,250	20,81	20,812,500
Mohammed Suleiman Abdulrahman Al Nugair	1,706,250	17,06	17,062,500
Abdulrahman Ali Abdullah Al Qubaisi	1,125,000	11,25	11,250,000
Fares Saleh Mutlq Al Henaki	1,000,000	10,00	10,000,000
Saleh Mohammed Saleh Al Hajjaj	1,000,000	10,00	10,000,000
Abdullah Ahmed Sultan Al Shehri	300,000	3,00	3,000,000
Saif Mohammad Saif Al Sharikh	187,500	1,88	1,875,000
Ziad Mohammad Maki Saleh Al Tunsi	100,000	1,00	1,000,000
Total	10,000,000	100%	100,000,000

The Company's main activity is in labour recruitment and providing manpower services in respect of domestic human resources , manpower for public and private sectors and local contracting according to the letter of the Ministry of Labor and Social Development No. (184162) dated on 15 Ramadan 1439H.

The company headquarter is located in Riyadh, North Ring Road, Al-Nafl District, P.O. Box 4143, Postal Code 12333.

1. CORPORATE INFORMATION AND ACTIVITIES (continued)

The accompanying consolidated financial statements include the activities of the Company and its branches listed below, which operate under the following commercial registrations:

	Branch	Commercial registration
1	Tamkeen Human Resources Company - Riyadh - King Fahd Road - Branch	1010452720
2	Tamkeen Human Resources Company - Riyadh - Al-Nafl District – Branch	1010452721
3	Tamkeen Human Resources Company - Riyadh - King Fahd Road - Branch	1010718065
4	Tamkeen Human Resources Company- Buraidah - Al-Montazah District - Branch	1131295467
5	Tamkeen Human Resources Company - Dammam - Othman Bin Affan Road – Branch	2050126195
6	Tamkeen Human Resources Company - Al Khobar - Al Khobar District – Branch	2051224835
7	Tamkeen Human Resources Company - Hail – Oqda Road - Branch	3350162794
8	Tamkeen Human Resources Company - Tabuk - Al-Murooj District - Branch	3550151638
9	Tamkeen Human Resources Company – Al Taif – King Khaled Road - Branch	4032263886
10	Tamkeen Human Resources Company - Madinah - King Abdullah Road – Branch	4650215208
11	Tamkeen Human Resources Company - Yanbu Al Bahr - Omar Bin Al Khattab Road - Branch	4700110174
12	Tamkeen Human Resources Company – Al Baha – King Fahad Road - Branch	5800108959
13	Tamkeen Human Resources Company - Khamis Mushait - Al-Dayfah District - Branch	5855346739

2. BASIS OF CONSOLIDATED FINANCIAL STATEMENTS PRPARATION

The consolidated financial statements of the Group for the year ended 31 December 2023G have been prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA"). The accounting policies that are materially significant adopted by the Group have been set out in note 5.

The consolidated financial statements have been prepared on a historical cost basis, except for the Employees' defined benefits obligations. The consolidated financial statements are presented in Saudi Riyal which is the functional currency for the Group, all amounts are rounded to the nearest Saudi Riyal unless otherwise indicated.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group consolidated financial statements requires management to make judgements, estimates and assumptions that affect the amounts of revenues, expenses, assets, liabilities, accompanying disclosures and disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amounts of assets or liabilities that will be affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties include the following:

- Financial instrument risk management, Note 33

3.1 Judgements

In the context of applying the Group accounting policies, management has not adopted any judgements that have a material impact on the amounts included in the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

3.2 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 that may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below. The Group based its assumptions and estimates on the data available when the consolidated financial statements were prepared. However, current conditions and assumptions about future developments may change due to market changes or circumstances arising beyond the Group control. These changes are reflected in the assumptions when they occur.

The Group controls the company when it has the right to variable returns from its involvement in the company and has the ability to affect those returns through its power over the investee. The financial statements of the subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control is lost.

Long-term assumptions of employee's defined benefit obligation

Employees defined benefits obligation represent obligations which will be paid in the future upon the termination of employment contracts. Management has to make assumptions about the variables such as discount factor, salary increase rate, mortality rates and employee turnover. The Group management periodically takes advice from actuaries on these assumptions. Changes in key assumptions could materially affect the provision for employees' termination benefits.

Impairment of trade receivables

The Group uses a provision matrix to calculate Expected Credit Losses for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type, and coverage by guarantees and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. 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 forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the trade receivables is disclosed in Note 15.

4. CHANGES TO THE GROUP ACCOUNTING POLICIES

The accounting policies and calculation methods applied in preparing the consolidated financial statements for the year ended December 31, 2023G are consistent with those followed in preparing the Group's consolidated financial statements for the year ended December 31, 2022G, except for the application of new standards which become effective on January 1, 2023G. The Group has not early adopted any standards, interpretations or adjustments issued but not yet effective.

The Group has applied for the first time some standards and amendments, the nature and impact of which are disclosed below:

- Amendments to IAS 8: Definition of Accounting Estimates.
- Amendments to IAS 1: Disclosure of Accounting Policies.

These standards and amendments have had no material effect on the Group consolidated financial statements.

5. SIGNIFICANT ACCOUNTING POLICIES

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

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended in December 31, 2023G.

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if, and only if, the Company directly or indirectly has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure to risks and has rights to obtain variable returns through its relationship with the investee company.
- The ability to use its powers over the investee company to influence its returns.

In general, there is an assumption that majority of voting rights result in control. In support of this assumption, when the Company has less than a majority of voting or similar rights in an investee, the Group considers all relevant facts and circumstances when determining whether it exercises control over an investee, including:

- Contractual arrangements with other voting rights holders in the investee company.
- Rights resulting from other contractual arrangements.
- The Company voting rights and potential voting rights.

The Group re-assesses 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. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the shareholders of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Business Combination

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 the amount of any non-controlling interests in the acquiree. The excess of the cost of acquisition over the fair value of the Group share of the identifiable net assets acquired 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 general and administrative expenses.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business Combination (continued)

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.

The following is a statement sets out the percentage of direct and indirect ownership in the subsidiaries included in these consolidated financial statements:

Subsidiary company	Country of incorporation	Ownership %	
		31 December 2023G	31 December 2022G
Open Technologies Company for Communications and Information Technology	Kingdom of Saudi Arabia	**100%**	100%
Elaf Specialized Contracting Company (formerly Seha Medical Services Company)	Kingdom of Saudi Arabia	**100%**	100%
Eraf Medical Company *	Kingdom of Saudi Arabia	**60%**	-

* The group established Eraf Medical Company on Shaaban 14, 1444H (corresponding to March 6, 2023G) with a capital of SR 4,000,000, where the group's investment percentage reached 60% of the capital, amounting to SR 2,400,000.

Current verses non-current classification

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

- Expected to be realized or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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 twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement

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 assets or liabilities.

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

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

A fair value measurement of a non-financial assets 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.

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 fiscal year.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

Property and equipment are stated at historical cost, net of accumulated depreciation and / or accumulated impairment losses, if any, land and projects under construction are not depreciated. Cost includes the cost of the replaced portion of property and equipment and borrowing costs for long-term construction projects if recognition requirements are met. When significant parts of property and equipment are replaced at certain intervals, the Group recognizes those parts as individual assets with a finite useful life and depreciation. All other repair and maintenance costs are recognized in the statement of profit or loss when incurred.

Land and buildings are stated at cost, deducting accumulated depreciation on the buildings and any impairment losses.

Depreciation is calculated using the straight-line method over the estimated useful lives of the properties and equipment. The useful life of the underlying assets is as follows:

Item	Estimated useful life (years)
Buildings	25 Years
Vehicles	4 Years
Furniture and fixtures	5 Years
Computer and office equipment	5 Years
Electrical equipment	5 Years
Leasehold improvements	3 – 5 Years or lease term, whichever is shorter

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or sold in the future. Any gain or loss arising from 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 profit or loss when the asset is derecognized.

The residual value, useful life and methods of depreciation of property and equipment are reviewed at the end of each fiscal year, and adjustment are made on prospective basis if necessary.

Leases

The determination of whether an arrangement is, or contains, a lease is decided at the inception date. An arrangement is, or contains, a lease if it grants the right to control a particular asset or assets for a period of time in exchange for compensation.

Group as a lessee

A. Right-of-use assets

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

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

B. Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

C. Short-term leases and leases of low-value assets

Short-term leases are leases with a lease term of 12 months or less. Low value assets are items that do not meet the Group capitalization threshold and are considered to be insignificant for the consolidated statement of financial position for the Group as a whole. Payments for short-term leases and leases of low value assets are recognized on a straight-line basis in the consolidated statement of profit or loss.

Impairment of consolidated non-financial assets

At the reporting date, the Group assesses whether there is any 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 asset's recoverable amount. The recoverable amount of an asset is the higher of the fair value of the asset or cash generating unit less the cost to sell or the value in use of the asset. It is determined for a single asset unless the asset does not generate cash flows that are largely independent of the flows generated by other assets or groups of assets. When the book value of an asset or cash generating unit exceeds its recoverable value, the value of the asset has declined, and the value of the asset must be reduced to its recoverable amount.

Impairment losses for continuing operations are recognized in profit or loss from continuing operations.

An assessment is made at the financial reporting date to determine whether there is any indication that previously recognized impairment losses for non-financial assets, other than goodwill, have reversed. The reversal of a impairment loss is recognized in profit or loss.

Financial assets

Initial recognition and measurement

Financial assets are classified upon initial recognition and will subsequently be measured at amortized cost, or at fair value through other comprehensive income, or at fair value through profit or loss.

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

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

Subsequent measurement

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

Financial assets at amortized cost

After initial measurement, these financial assets are measured at an amortized value using the effective interest rate method and are subject to impairment. Gains or losses are recognized in the consolidated statement of profit or loss when the asset is derecognized, or modifications made to it, or its value impaired.

Derecognition of financial assets

Financial assets are derecognized in the following cases:

- Expiration of the right to receive cash flows from the asset, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 - months (a 12 - month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For accounts receivable and the contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position consist of cash at banks and on hand and time deposits with maturities of three months or less that are not exposed to an insignificant risk of changes in value.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash margin on Letters of guarantee

The amount paid to secure the letters of guarantee is recognized within non-current assets in the consolidated statement of financial position. The letter of guarantee account shall be closed upon redemption of the insurance amount or when the letter of guarantee is used by the other party.

Issued, Available and used Visas

Issued Visas

Issued visas represent payments made to government parties against issuance of visas for manpower and are recorded at cost.

Used Visas

Used visas that are used in recruitment and transferred from the issued visas are classified within the used visas are amortized in the consolidated statement of profit or loss and other comprehensive income using the straight-line method over a period of two years or the contract term, whichever is shorter. the amount of the used visas is impaired in the consolidated statement of profit or loss and other comprehensive income in case of termination of the contract or the existence of an inhibition to the continuation of the service. The used visas are classified as current and non-current assets.

Available Visas

The available visas represent the unused balance of issued visas as at the date of the consolidated financial statements. The amounts of available visas are transferred to the used visas at the time of stamping the visa for recruited manpower at the entry boarders of the Kingdom of Saudi Arabia. Available visas are classified as current assets.

Residence and work permit fees

Residence and work permit fees are amortized in the consolidated statement of profit or loss and other comprehensive income over one year in accordance with the validity of those permits.

Provisions

General

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the 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 and that only when the reimbursement is virtually certain. The expense related to a provision is presented in the consolidated statement of profit or loss net of any reimbursements.

If the impact of time value for the money is material, provisions are discounted using the current pre-tax rate that reflects, when appropriate, the associated risks to that liability. Increment in provision is recognized due to the passage of time as finance costs.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Retained Deposits

Retained deposits represent amounts collected in advance from customers and recruitment agencies as security deposits of employment contracts. These amounts are refunded at the end of the contract after deducting the amounts due to the group or manpower from customers and recruitment agencies. Retained deposits are classified as current and non-current assets.

Trade receivables

Receivables represent the Group's right in the unconditional consideration amount (i.e., the maturity of the consideration depends on the passage of time). Refer to the accounting policy for financial assets.

Employees' defined benefits obligation

The cost of benefits to employees under defined benefit plans is determined separately for each plan using the planned unit credit method.

Remeasurements, which consist of actuarial gains and losses, are recognized immediately in the consolidated statement of financial position and within retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the consolidated statement of profit or loss in subsequent periods.

Financial liabilities

Initial recognition and measurement

Upon initial recognition, financial liabilities are classified as financial liabilities at fair value through profit or loss, or as loans and payables, or as financial derivatives that are used as hedging instruments in an effective hedge.

All financial liabilities are initially recognized at fair value and, in the case of loans, borrowings and payables, at net of transaction costs associated with.

Subsequent measurement

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

Loans and advances

After initial recognition, loans and advances are measured at amortized cost using the effective interest rate method. Gains or losses are recognized in the consolidated statement of profit or loss when liabilities are eliminated, as well as through the process of amortizing the effective interest rate.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation is paid or cancelled or discharged according to the contract.

Offsetting of financial instruments

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

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue from contracts with customers

The Group recognizes revenue from contracts with customers based on a five-step model as defined in IFRS 15 "Revenue from Contracts with Customers". Revenue from contracts with customers is recognized when control of goods or services is transferred to the customer at a value that reflects the consideration to which the Group expects to be entitled in exchange for this transfer.

The Group recognizes revenue when the customer receives and consumes the services provided by the Group over a period of time, i.e. the number of days the services are provided, which is consistent with the requirements of IFRS 15. Revenue is measured on the basis of the consideration specified in the contract concluded with the customer, excluding amounts Collected on behalf of other parties. Contract revenue is recognized based on labor services provided to customers (services representing a performance obligation stipulated in the contract) over the terms of these contracts.

If the customer's service invoice includes certain different services, the invoice price is distributed proportionally, and service revenue is recognized when performance obligations are met and the service is provided to the customer. The group provides its services to customers directly and is not considered an agent for any other parties.

Variable consideration

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

Significant financing component

The Group adjusts the promised consideration (if any), in respect of the time value of money if the contract contains a significant financing component.

Progress Measurement towards the whole fulfilment of the performance obligation

The performance obligation (the provision of services) is fulfilled over time. The Group applies a single method to measure the fulfillment of the obligation. The group uses the input method as a basis for measuring performance to date.

Contact costs

Contract costs are recognized as expenses unless the Group has reasonable expectations of recovering these costs from the customers. In such cases, the Group amortizes these costs on a regular basis, consistent with the transfer of services to customer. The Group recognizes contract costs if:

- The costs are directly related to the contract or to a contemplated contract that the Group can specifically identify.
- The costs generate or enhance resources for the group and are used to meet (or continue to meet) future performance obligations.
- It was expected to recover the additional costs in case of not obtaining the contract with the customer.
- It was expected that these costs would not have been incurred in case of not obtaining the contract or if the Group had not specified an expected contract.
- Costs directly related to the contract (or a specified expected contract) include the following:
  1. Direct employment
  2. Direct material
  3. Allocation costs that are directly related to the contract or contract activities,
  4. Costs that are clearly chargeable to the customer under the contract, and
  5. Other costs incurred solely due to the holding a contract.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue from contracts with customers (continued)

Principal vs. Agent Considerations

The Group has evaluated its arrangements to determine whether it is acting as principal, recognizing revenue on a gross basis, or acting as an agent and recognizing revenue on a net basis. In this evaluation, the group considered whether it controls the specific services before they are transferred to the customer. As well as other indicators such as the party primarily responsible for the performance of services, risks of the goods, and the freedom to determine the price. The Group has found that it is acting as principal in all of its revenue arrangements.

Presentation and disclosure requirements

The Group has classified the recognized revenues from contracts with customers into categories that show the extent to which the nature of revenues and cash flows are affected, its value, timing, and uncertainty due to economic factors. Refer to note 23 for the detailed revenue disclosure.

Contract liabilities

Contract liabilities represent unrealized revenues, which represent amounts collected in advance from customers when signing contracts for the provision of manpower services. These amounts are recognized within the revenues in the Group's consolidated statement of profit or loss and other comprehensive income when realized.

Expenses

All operating expenses are consistently allocated to the cost of revenue, selling and marketing expenses and general and administrative expenses using fixed distribution factors to be determined in proportion to the Group activities.

Zakat

The Group establishes zakat provision in accordance with the regulations of the Zakat, Tax and Customs (ZATCA) in the Kingdom of Saudi Arabia. The provision is charged to the consolidated statement of profit or loss.

Differences that may arise from the final assessments are accounted for when the group finalizes its assessments with the Zakat, Tax and Customs Authority.

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.

Foreign currency transactions

Transactions in foreign currencies are translated into SR at the rates of exchange prevailing at the time of the relevant transactions. Assets and liabilities denominated in foreign currencies at the date of the consolidated statement of financial position are translated to Saudi Riyal using the exchange rates prevailing at that date. Realized and unrealized translation differences are recognized in the consolidated statement of profit or loss.

6. PROPERTY AND EQUIPMENT

	Lands	Buildings	Vehicles	Furniture and Fixtures	Computer and office equipment	Electrical equipment	Leasehold improvements	Work in progress*	Total
	SR	SR	SR	SR	SR	SR	SR	SR	SR
Cost									
1 January 2022G	15,412,183	8,256,085	9,642,884	2,472,066	2,496,016	2,178,916	8,678,799	1,506,872	50,643,821
Additions	-	-	3,749,239	220,517	582,894	381,164	-	2,885,525	7,819,339
Disposals	-	-	-	-	(2,380)	-	-	-	(2,380)
Transfers	-	925,251	-	-	-	-	571,762	(1,497,013)	-
31 December 2022G	15,412,183	9,181,336	13,392,123	2,692,583	3,076,530	2,560,080	9,250,561	2,895,384	58,460,780
Additions	-	**7,551**	**9,600,012**	**306,704**	**432,032**	**522,584**	**288,348**	**3,000,641**	**14,157,872**
31 December 2023G	**15,412,183**	**9,188,887**	**22,992,135**	**2,999,287**	**3,508,562**	**3,082,664**	**9,538,909**	**5,896,025**	**72,618,652**
Accumulated Depreciation									
1 January 2022G	-	**877,316**	**5,069,119**	**1,236,238**	**980,009**	**964,002**	**7,577,017**	-	**16,703,701**
Charges during the year	-	**358,001**	**2,587,691**	**520,027**	**577,592**	**478,903**	**1,186,972**	-	**5,709,186**
31 December 2022G	-	**1,235,317**	**7,656,810**	**1,756,265**	**1,557,601**	**1,442,905**	**8,763,989**	-	**22,412,887**
Charges during the year	-	**367,404**	**3,530,923**	**527,069**	**632,390**	**551,088**	**224,496**	-	**5,833,370**
31 December 2023G	**15,412,183**	**1,602,721**	**11,187,733**	**2,283,334**	**2,189,991**	**1,993,993**	**8,988,485**	-	**28,246,257**
Net Book Value									
31 December 2023G	**15,412,183**	**7,586,166**	**11,804,402**	**715,953**	**1,318,571**	**1,088,671**	**550,424**	**5,896,025**	**44,372,395**
31 December 2022G	15,412,183	7,946,019	5,735,313	936,318	1,518,929	1,117,175	486,572	2,895,384	36,047,893

The depreciation expense for the year is allocated as follows:

	2023G	2022G
	SR	SR
Cost of revenue	**5,112,246**	4,581,679
General and administrative expenses	**721,124**	1,127,507
	5,833,370	5,709,186

*Work in progress as of December 31, 2023G represents the costs incurred to establish the ERP system.

7. LEASE LIABILITIES

Right of use assets

The carrying amounts of the right-of-use assets and lease liabilities during the year are as follows:

Right of use assets	2023G	2022G
	SR	SR
Cost:		
1 January	**9,217,649**	9,226,576
Additions during the year	**8,542,948**	3,059,666
Adjustments on the contracts	**(90,751)**	-
Amortization during the year	**(4,632,492)**	(3,068,593)
31 December	**13,037,354**	9,217,649

The group rents buildings. The duration of these leases' ranges from 3 to 10 years.

Lease Liabilities	2023G	2022G
	SR	SR
1 January	**9,011,555**	9,042,725
Additions during the year	**8,542,948**	3,059,666
Adjustments on the contracts	**(442,929)**	-
Finance costs (note 28)	**(582,118)**	(605,120)
Payments	**(4,090,222)**	(2,485,716)
31 December	**12,439,234**	9,011,555
Less: Current portion	**(4,032,011)**	(2,887,382)
Non-current portion	**8,407,223**	6,124,173

* The amortization expense during the year is allocated as follows:

	2023G	2022G
	SR	SR
Cost of revenue (note 24)	**3,616,585**	2,023,156
General and administrative expenses (note 26)	**1,015,907**	1,045,437
	4,632,492	3,068,593

8. CASH MARGIN ON LETTER OF GUARANTEE

This amount represents the cash margin on letter of guarantee issued by a local bank at an amount of SR 10 million, in return for issuing a letter of guarantee at an amount of SR 10 million note (32). This letter of guarantee is submitted to the Ministry of Human Resources and Social Development in return for the issuance of the recruitment license for the group and it is valid until 25 June 2029G.

9. USEED VISAS

The movement of used visas is as follows:

	2023G	2022G
	SR	SR
Balance at the year beginning	**9,777,702**	8,131,742
Visas issued (note 13)	**34,450,000**	33,248,000
Adjustments to the opening balance	**(594,602)**	(86,773)
Less: available visas (note 13)	**(16,622,000)**	(18,182,000)
Used visas (note 13)	**27,011,100**	23,110,969
Amortization during the year	**(11,907,494)**	(9,757,267)
Returned visas	**(3,054,000)**	(3,576,000)
Balance at 31 December	**12,049,606**	9,777,702
Less: Current portion	**(8,427,849)**	(7,019,406)
Non-current portion	**3,621,757**	2,758,296

10. PREPAID RECRUITMENT EXPENSES

Recruitment expenses represent the amounts paid to external parties for the purpose of recruiting human resources to the Kingdom of Saudi Arabia and are amortized in the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over a period of two years or the term of the contract, whichever is shorter. The details of recruitment expenses as of 31 December are as follows:

	2023G	2022G
	SR	SR
Balance at the year beginning	**36,800,136**	23,465,035
Additions	**22,051,415**	43,490,334
Amortization during the year	**(38,816,301)**	(30,155,233)
Balance at the year end	**20,035,250**	36,800,136
Less: Current portion (note 12)	**(16,800,437)**	(24,959,779)
Non-current portion	**3,234,813**	11,840,357

11. RELATED PARTY BALANCES AND TRANSACTIONS

Related parties in the group represent major shareholders, board of directors, senior management personnel, and entities that have shares in. Benefits paid to the Group's key management personnel include salaries, non-cash benefits and contributions to the post-employment defined benefit plan.

The significant transactions with related parties and the approximate amounts related to are as follows:

Related party	Nature of transaction	2023G	2022G
		SR	SR
Fast Food Burger Map Restaurants Company	Sales	**2,516,383**	1,985,383
Four Twins Co., Ltd.	Sales	**3,928,999**	5,856,944
Tasheel Real Estate Company Limited	Sales	**32,363**	-
Khaled Suleiman Al Nugair Ready Mix Concrete Factory	Sales	**-**	37,643

Compensation of senior management personnel

The Group's key management personnel are comprised of top management personnel who have the authority and responsibility for planning, directing, and controlling the activities of the Group. The compensation of senior management personnel is as follows:

Related party	Nature of transaction	2023G	2022G
		SR	SR
Senior Executive Management	Salaries and bonuses	**4,114,271**	3,710,100
Senior employees' defined benefits obligation	Employment termination benefits	**778,623**	636,623

Due from related parties is as follows:

Related party	Nature of relationship	2023G	2022G
		SR	SR
Fast Food Burger Map Restaurants Company	Related to shareholder	**246,938**	206,361
Four Twins Co., Ltd.	Related to shareholder	**628,187**	419,195
		875,125	625,556

12. PREPAYMENTS AND OTHER DEBIT BALANCES

	2023G	2022G
	SR	SR
Prepaid expenses	**21,041,172**	22,997,551
Prepaid recruitment fees (note 10)	**16,800,437**	24,959,779
Advances to suppliers *	**12,785,991**	7,774,777
Cash guarantee	**3,462,361**	-
Staff receivables	**682,429**	869,723
Others	**3,183,565**	2,556,348
	57,955,955	59,158,178

* The movement in advance payments to suppliers is as follows:

	2023G	2022G
	SR	SR
Advances to suppliers	**14,041,000**	7,774,777
Provision for advance payments to suppliers	**(1,255,009)**	-
	12,785,991	7,774,777

13. AVAILABLE VISAS

Available visas represent the balance of unused visas as on 31 December. The available visa amounts are transferred to the used visas upon stamping the visas for the manpower recruited at the border ports of the Kingdom of Saudi Arabia and the arrival of manpower to the Kingdom of Saudi Arabia. The movement of available visas is as follows:

	2023G	2022G
	SR	SR
Issued visas during the year, net *	**43,633,100**	41,292,969
Transfer to used visas (note 9)	**(27,011,100)**	(23,110,969)
	16,622,000	18,182,000

* As of 31 December 2023G, the balance of issued visas amounted to SR 34,450,000 (2022G: SR 33,248,000), as the balance of the available visas as on 31 December 2023G amounted to SR 16,622,000 While the value of the visas at the beginning of the year amounted to (2022G: SR 18,182,000), the balance of issued and non-issued visas as at 31 December 2023G amounted to SR 0 (2022G: SR 818,000).

14. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

During year 2023G, the group has sold short term investments represent in various funds, the realized earnings on selling investment for the year ended 31 December 2023G amounted to SR 0 (2022G: SR. 284,259) (note 27).

The group has purchased shares through the initial offerings for some entities listed in the capital market. Gains on sale of shares for the year ended 31 December 2023G amounted to SR 378,122 (2022G: SR. 199,755) (note 27).

15. TRADE RECEIVABLES

The balance of trade receivables includes the balances of three main clients of the group, whose balances represent 53.7% (2022G: 41%) of the total balance of trade receivables as at 31 December 2023G. The revenues generated by these clients for 16.3% (2022G: 10.0%) of the Group's total revenue for the year ended 31 December 2023G.

	2023G	2022G
	SR	SR
Trade receivables - individuals	**1,720,658**	1,226,610
Trade receivables - corporate*	**77,355,572**	37,825,949
	79,076,230	39,052,559
Expected credit loss provision**	**(3,345,173)**	(2,718,833)
	75,731,057	36,333,726

* The aging of trade receivables is as follows:

	2023G	2022G
	SR	SR
less than 31 days	**30,918,170**	20,877,754
From 31 – 90 days	**33,834,381**	11,947,823
From 91 – 120 days	**2,861,216**	2,093,333
From 121 – 365 days	**7,752,128**	1,315,513
More than 365 days	**3,710,335**	2,818,136
	79,076,230	39,052,559

**The movement in the provision for expected credit losses is as follows:

	2023G	2022G
	SR	SR
1 January	**2,718,833**	989,070
Additions during the year	**626,340**	1,742,241
Disposals during the year	**-**	(12,478)
31 December	**3,345,173**	2,718,833

16. CASH AT BANKS

	2023G	2022G
	SR	SR
Cash at banks	**16,624,639**	16,744,768
Short term deposits *	**200,000,000**	166,889,621
	216,624,639	183,634,389

* Shot term deposits matured within 90 days or less.

17. RESERVES

The Company recorded reserves in line with the Company's bylaws. The current statutory reserve balance was formed in previous years in accordance with the companies' law and the company's bylaws.

As at 20 February 2024G the Board of Directors approved to used the current balance of the statutory reserve to increase the share capital.

18. RETAINED DEPOSITS

	2023G	2022G
	SR	SR
Deposits from individual customers	-	519,344
Deposits from corporate customers	**34,998,572**	29,328,312
	34,998,572	29,847,656
Less: current portion	**(33,114,514)**	(20,446,878)
Non-current portion	**1,884,058**	9,400,778

19. EMPLOYEES' DEFINED BENEFITS OBLIGATION

The movement of the provision for termination of employment benefits, which is a defined benefit program, during the year is as follows:

	2023G	2022G
	SR	SR
1 January	**12,453,442**	8,958,498
Current service costs	**6,532,073**	5,543,572
Finance costs (note 28)	**523,721**	177,211
Paid during the year	**(4,093,517)**	(2,196,709)
Actuarial re-measurement	**(592,999)**	(29,130)
31 December	**14,822,720**	12,453,442

19. EMPLOYEES' DEFINED BENEFITS OBLIGATION (continued)

Key actuarial assumptions

The following key actuarial assumptions have been used by the Group to assess the employees' defined benefits obligation:

	2023G	2022G
Discount rate	**4.50%**	4.25%
Expected salary increase rate	**4.25%**	4.25%

Sensitivity analysis of actuarial assumptions

	2023G	2022G
	SR	SR
Evaluation discount rate		
Increase 1%	**13,794,562**	11,855,007
Decrease 1%	**14,889,257**	12,830,067
Expected salary increase rate		
Increase 1%	**14,884,873**	12,825,048
Decrease 1%	**13,788,587**	11,850,653

20. CONTRACT LIABILITIES

Contract liabilities mainly relate to consideration received in advance from customers and unearned revenue, for which revenues are recognized when performance obligations are satisfied.

	2023G	2022G
	SR	SR
1 January	**17,347,779**	20,717,728
Additions	**293,208,948**	267,382,378
Used	**(297,994,139)**	(270,752,327)
31 December	**12,562,588**	17,347,779

21. ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	2023G	2022G
	SR	SR
Accrued salaries and other benefits	**17,545,332**	17,929,181
Accrued vacations	**13,086,177**	12,251,795
Accrued tickets	**10,724,460**	10,444,664
Value Added Tax payable	**5,689,422**	4,474,459
Bonus provision	**2,230,605**	2,040,000
Advances from customers	**573,131**	1,054,600
Provision for legal and contingent liabilities	**-**	258,409
Others	**4,080,893**	1,764,792
	53,930,020	50,217,900

22. ZAKAT PROVISION

Zakat base components

The main zakat base components are as follows:

	2023G	2022G
	SR	SR
Adjusted profit for the year before zakat	**76,696,403**	69,978,340
Share capital	**200,000,000**	100,000,000
Retained earnings	**25,908,820**	76,586,614
Statutory reserve	**13,976,311**	8,499,303
Other provisions and adjustments	**39,262,853**	8,165,133
Lease liabilities	**12,439,234**	9,011,555
Right-of-use assets	**(13,037,354)**	(9,217,649)
Property and equipment	**(44,609,004)**	(36,047,893)
Used visas – non-current	**(3,621,757)**	-
Advances from customers	**573,131**	1,054,600
Zakat provision	**2,999,738**	2,096,420
	310,588,375	230,126,423
Zakat base	**317,856,204**	235,102,776

Some of these amounts have been adjusted to arrive at the zakat base.

Zakat due is calculated at 2.5% of the zakat base or the adjusted net profit for the year, whichever is greater.

Zakat payable movement:

	2023G	2022G
	SR	SR
1 January	**7,973,989**	5,333,242
Zakat expense charged for the year	**8,175,153**	5,877,569
Paid during the year	**(4,974,251)**	(3,236,822)
31 December	**11,174,891**	7,973,989

Zakat status

The company submitted its zakat returns up to the year ended December 31, 2022G to the Zakat, Tax and Customs Authority and obtained a zakat certificate. During the year 2023G, the company received the zakat assessment for the years from 2018G until 2021G in a total amount of SR 1,620,680, and the company submitted its objection and paid the amount of SR 572,400 to the Zakat, Tax and Customs Authority. The company ended its zakat status until 2018G, and the remaining years are still under study by the Zakat, Tax and Customs Authority.

Tamkeen Human Resources Company obtained the approval of the Zakat, Tax and Customs Authority on Shawwal 21, 1442H, corresponding to June 2, 2021G, to submit a unified zakat return for the company and its 100% owned subsidiaries, starting from the year ended as of December 31, 2021G.

23. REVENUE FROM CONTRACTS WITH CUSTOMERS

23.1 23.1 Revenue breakdown

Segment type	2023G	2022G
	SR	SR
Individuals	**218,570,531**	195,170,311
Contracting, operation and maintenance	**121,034,007**	55,247,304
Restaurants and food	**72,604,876**	111,309,428
Medical	**44,530,128**	30,907,382
Retail	**36,222,364**	31,843,409
Technology and information systems	**2,869,190**	2,005,117
	495,831,096	426,482,951

Customer type	2023G	2022G
	SR	SR
Corporate	**277,260,565**	231,312,640
Individuals	**218,570,531**	195,170,311
	495,831,096	426,482,951

Contract type	2023G	2022G
	SR	SR
Corporate sector	**277,260,565**	231,312,640
Individuals – monthly contracts	**157,769,269**	156,105,689
Individuals – hourly service	**60,801,262**	39,064,622
	495,831,096	426,482,951

Contract duration	2023G	2022G
	SR	SR
More than one year	**277,428,977**	231,626,240
One year or less	**218,402,119**	194,856,711
	495,831,096	426,482,951

Contract balances	2023G	2022G
	SR	SR
Account receivables (note 15)	**75,731,057**	36,333,726
Contract liabilities (note 20)	**(12,562,588)**	(17,347,779)

The Group applies a policy of revenue recognition over the time. Accordingly, all revenues are recognized over the contract period in which the services are provided.

24. COST OF REVENUE

	2023G	2022G
	SR	SR
Salaries and other benefits	**228,765,168**	182,647,457
Visa and work permit fees	**54,425,068**	49,384,817
Recruitment expenses	**38,781,583**	30,155,233
Amortization of used visas	**11,897,746**	9,743,853
Depreciation and amortization	**8,728,831**	6,604,835
Air Tickets	**8,421,397**	10,247,425
Cost of employees' defined benefit obligation	**5,382,025**	4,494,137
Medical insurance	**5,185,795**	4,690,339
Social insurance	**` 4,261,336**	3,412,534
Bank charges	**3,360,985**	2,581,903
Maintenance and repairs	**3,006,847**	1,985,459
Subsistence expenses	**2,496,181**	3,287,442
Labour accommodation rent	**1,768,283**	2,052,167
Incentive and bonus	**1,200,113**	1,323,458
Medical examination	**496,469**	476,477
Foreign offices commissions	**445,853**	524,770
Subscription fees	**286,791**	1,301,951
Governmental expenses	**178,416**	154,817
Quarantine	**-**	248,573
Other	**12,172,725**	7,196,418
	391,261,612	322,514,065

25. SELLING AND MARKETING EXPENSES

	2023G	2022G
	SR	SR
Marketing and advertising	**7,191,975**	8,328,153
	7,191,975	8,328,153

26. GENERAL AND ADMINISTRATIVE EXPENSES

	2023G	2022G
	SR	SR
Salaries and other benefits	**22,948,629**	21,114,349
Subscription fees	**2,837,007**	3,055,955
Bonus provision	**2,343,000**	1,848,277
Professional consultations	**2,056,684**	1,827,584
Depreciation and amortization	**1,737,031**	2,172,944
Social insurance	**1,170,324**	1,460,513
Costs of employees' defined benefit obligation	**1,150,048**	1,049,435
Medical insurance	**681,261**	822,049
Maintenance and repairs	**134,462**	126,888
Stationery and printings	**109,568**	139,894
Hospitality and cleaning	**109,181**	87,124
Electricity and water	**99,274**	76,206
Rent	**78,556**	99,741
Gifts and donations	**21,496**	87,900
Amortization of used visas	**9,748**	13,414
Other	**6,119,246**	4,296,585
	41,605,515	38,278,858

27. OTHER NON-OPERATING INCOME

	2023G	2022G
	SR	SR
Gains on Murabaha time deposits	**10,973,048**	2,425,159
Revenue from Investments at fair value through profit or loss (note 14)	**378,122**	484,014
Reversal of legal provision and contingent liabilities	**258,409**	423,465
Other	**2,109,866**	2,477,712
	13,719,445	5,810,350

28. FINANCE COSTS

	2023G	2022G
	SR	SR
Finance costs on lease liability (note 7)	**582,118**	605,120
Finance costs on employees' defined benefits obligation (note 19)	**523,721**	177,211
	1,105,839	782,331

29. EARNINGS PER SHARE

	2023G	2022G
	SR	SR
Net profit for the year – Company Shareholders	**59,829,040**	54,770,084
Number of shares	**20,000,000**	20,000,000
Earnings per share – basic and diluted	**2,99**	2,74

There is no dilutive effect on the basic or diluted earnings per share of the group.

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

30. SEGMENTS REPORTING

The group engages in mediating the recruitment of human resources and providing labor and logistical services and support to the public sector and the private sector. The group is mainly divided into the corporate and individual sectors, and the group has one geographical sector, which is the Kingdom of Saudi Arabia. The following are the financial details of these sectors:

The following tables display revenue and profit information for the Group's operating segments for the years ended December 31, 2023G and 2022G:

	For the year ended in 31 December 2023G			
	Corporate sector	Individuals sector	Other	Total
	SR	SR	SR	SR
Revenue from contracts with customers	**277,260,565**	**218,570,531**	-	**495,831,096**
Cost of revenue	**(207,124,624)**	**(184,136,988)**	-	**(391,261,612)**
Gross profit	**70,135,941**	**34,433,543**		**104,569,484**
Selling and marketing expenses	-	**(7,132,887)**	**(59,088)**	**(7,191,975)**
General and administrative expenses	**(3,578,105)**	**(5,598,769)**	**(32,428,641)**	**(41,605,515)**
Expected credit losses	**10,863**	**(637,203)**	-	**(626,340)**
Operating profit (loss)	**66,839,270**	**20,794,113**	**(32,487,729)**	**55,145,654**

	For the year ended in 31 December 2022G			
	Corporate sector	Individuals sector	Other	Total
	SR	SR	SR	SR
Revenue from contracts with customers	231,312,640	195,170,311	-	426,482,951
Cost of revenue	(173,614,455)	(148,899,610)	-	(322,514,065)
Gross profit	57,698,185	46,270,701	-	103,968,886
Selling and marketing expenses	-	(7,819,409)	(508,744)	(8,328,153)
General and administrative expenses	(2,980,817)	(3,783,440)	(31,514,601)	(38,278,858)
Expected credit losses	(1,461,786)	(280,455)	-	(1,742,241)
Operating profit (loss)	53,255,582	34,387,397	(32,023,345)	55,619,634

31. NON-CONTROLLING INTERESTS

The following is a summary of the total financial information related to the group's subsidiary (Eraf Medical Company), and represents the amounts before disposals between the group companies:

	2023G	2022G
	SR	SR
Summary of the financial position statement		
Non-current assets	**142,000**	-
Current assets	**3,292,667**	-
Non-current liabilities	**-**	-
Current liabilities	**47,000**	-
Net assets	**3,387,667**	-
Non-controlling interests	**1,355,067**	-
Summary of the profit or loss and other comprehensive income statement		
Revenues	**-**	-
Expenses	**(612,333)**	-
Loss for the year	**(612,333)**	-
Other comprehensive income	**-**	-
Total comprehensive loss for the year	**(612,333)**	-
Non-controlling interests	**(244,933)**	-
Summary of the cash flow statement		
Cash used in operating activity	**(574,582)**	-
Cash used in investing activity	**(142,000)**	-
Cash generated from financing activity	**4,000,000**	-

32. COMMITMENT AND CONTINGENT LIABILITES

Commitments for capital expenditure

Capital expenditure contracted by the Group but not incurred as at 31 December 2023G amounted to SR 5,208,200 (2022G: SR 3,792,440).

Guarantees

As at 31 December 2023G and 2022G, the Group had a letter of guarantee amount of SR 10 million (matched by a cash guarantee of SR 10 million) in relation to the company's license issued by the Ministry of Human Resources and Social Development (Note 8).

The Group issued a letter of guarantee during the year ended December 31, 2023G in the amount of SR 3,462,361 (corresponding to a cash guarantee in the amount of SR 3,462,361) (Note 12).

33. FAIR VALUE AND RISK MANAGEMENT OF FINANCIAL INSTRUMENTS

33.1 FAIR VALUE

As at 31 December 2023G, the Group did not have any financial instruments measured at fair value (2022G: nil).

33.2 RISK MANAGEMENT OF FINANCIAL INSTRUMENTS

The Group's activities expose it to multiple financial risks, such as credit risk, liquidity risk, market price risk, currency risk, and interest rate risk.

Credit risk

Credit risk is the inability of one party to a financial instrument to fulfill its obligations, resulting in the other party incurring a financial loss. The Group is exposed to credit risk on trade receivables and bank balances. The carrying value of financial assets represents the maximum exposure to credit risk. The Group does not maintain warranties against these instruments.

The Group manages credit risk in relation to trade receivables by setting credit limits for each customer and monitoring uncollected receivables on an ongoing basis. Receivable balances are monitored so that the Group does not incur material bad debts.

Bank cash balances are maintained with financial institutions with high credit ratings.

33. FAIR VALUE AND RISK MANAGEMENT OF FINANCIAL INSTRUMENTS (continued)

33.2 RISK MANAGEMENT OF FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

The exposure to credit risk on trade receivables by customer type was as follows:

	2023G	2022G
	SR	SR
Companies	**77,355,572**	37,825,949
Individuals	**1,720,658**	1,226,610
	79,076,230	39,052,559

As at December 31, 2023G, 53.7% (2022G: 41%) of the total balances of trade receivables belong to 3 key clients.

Evaluation of expected credit losses for trade receivables:

Management performs an impairment analysis at each reporting date using a specific matrix to calculate the allowance for expected credit losses. Provision ratios are based on days since maturity for groups of different customer segments with similar loss patterns.

The table below presents information about exposure to credit risk and expected credit losses for trade receivables from corporate clients:

As at December 31, 2023G	Number of days since past due date					
	Not past due date	Less than 90 days	90 to 180 days	181 to 365 days	More than 365 days	Total
	SR	SR	SR	SR	SR	SR
Loss rate	**0.62%**	**0.86%**	**31.84%**	**89.21%**	**89.21%**	
Exposure*	**24,376,507**	**20,493,656**	**1,472,408**	**151,840**	**1,385,254**	**47,879,665**
Expected losses	**150,578**	**176,863**	**468,765**	**135,459**	**1,235,804**	**2,167,469**
As at December 31, 2022G						
Loss rate	7.09%	8.55%	33.26%	78.71%	78.71%	
Exposure*	8,356,448	9,759,359	236,674	197,172	788,582	19,338,235
Expected losses	592,159	834,373	78,707	155,204	620,730	2,281,173

* The group shows the exposure after deducting all insurances for the service provided, which include (cash insurances or promissory notes). The group also excludes clients against whom lawsuits are filed by the group, and the lawsuits provision is calculated according to the legal opinion.The table below represents information about exposure to credit risk and expected credit losses for trade receivables from individual customers:

33. FAIR VALUE AND RISK MANAGEMENT OF FINANCIAL INSTRUMENTS (continued)

33.2 RISK MANAGEMENT OF FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

As at December 31, 2023G	Number of days since past due date					
	Not past due date	Less than 90 days	90 to 120 days	120 to 365 days	More than 365 days	Total
	SR	SR	SR	SR	SR	SR
Loss rate	**1%**	**2%**	**3%**	**100%**	**100%**	
Exposure	**689,574**	**71,055**	**52,255**	**597,648**	**310,126**	**1,720,658**
Expected losses	**6,895**	**1,421**	**1,568**	**597,648**	**310,126**	**917,658**
As at December 31, 2022G						
Loss rate	1%	1%	1%	6%	91%	
Exposure	676,681	9,635	22,465	48,830	468,999	1,226,610
Expected losses	6,767	96	225	2,930	426,789	436,807

The expected credit losses shown in note 15 consist of the following:

	2023G	2022G
	SR	SR
Expected credit losses - corporate	**2,167,469**	2,281,173
Expected credit losses - individuals	**917,658**	436,807
Expected credit losses - law suits and other	**260,046**	853
	3,345,173	2,718,833

33. FAIR VALUE AND RISK MANAGEMENT OF FINANCIAL INSTRUMENTS (continued)

33.2 RISK MANAGEMENT OF FINANCIAL INSTRUMENTS (continued)

Liquidity Risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet obligations associated with financial instruments. Liquidity risks may result from the inability to sell a financial asset quickly at an amount approximate to its fair value. Liquidity risk is managed by monitoring on a regular basis and ensuring that sufficient funds and banking facilities are available to meet the Group's future obligations. The contractual maturities at the end of the reporting period for financial liabilities are as follows.

	31 December 2023G		
	Book value	Less than a year	More than a year
	SR	SR	SR
Financial liabilities			
Retained deposits	**34,998,572**	33,114,514	1,884,058
Employees defined benefit obligation	**14,822,720**	-	14,822,720
Lease liabilities	**12,439,234**	4,032,011	8,407,223
Contract liabilities	**12,562,588**	12,562,588	-
Account payables	**8,912,682**	8,912,682	-
Accrued expenses and other accruals	**53,930,020**	53,930,020	-
Zakat provision	**11,174,891**	11,174,891	-
	148,840,707	123,726,706	25,114,001

	31 December 2022G		
	Book value	Less than a year	More than a year
	SR	SR	SR
Financial liabilities			
Retained deposits	**29,847,656**	20,446,878	9,400,778
Employees defined benefit obligation	**12,453,442**	-	12,453,442
Lease liabilities	**9,011,555**	2,887,382	6,124,173
Contract liabilities	**17,347,779**	17,347,779	-
Account payables	**8,079,998**	8,079,998	-
Accrued expenses and other accruals	**50,217,900**	50,217,900	-
Zakat payable	**7,973,989**	7,973,989	-
	134,932,319	106,953,926	27,978,393

33. FAIR VALUE AND RISK MANAGEMENT OF FINANCIAL INSTRUMENTS (continued)

33.2 RISK MANAGEMENT OF FINANCIAL INSTRUMENTS (continued)

Market price Risk

Market price risk is the risk that value of a financial instrument will fluctuate as a result of changes in market prices, such as foreign exchange rates and interest rates, which affecting the Group's profit or the value of its financial assets. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency Risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency other than the Group's currency. The Group exposure to foreign currency risk is primarily limited to transactions in US dollars ("USD"). The Group's management believes that their exposure to currency risk associated with USD is limited as the Group currency is pegged to USD. The fluctuation in exchange rates against other currencies is monitored on an going basis.

Interest rate risk

Interest rate risk arises from the fluctuation in the fair value or future cash flows of a financial instrument due to changes in market rates. The Group is not currently exposed to significant interest rate risk on its assets and liabilities.

34. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The New standards and interpretations issued, but not yet effective up to the date of issuance of the Group's consolidated financial statements are set out below. The Group intends to apply these standards and interpretations, if applicable, when become effective. Its not expected that the new and revised standards and interpretations may have a significant impact on the Group's consolidated financial statements:

- Amendments to IAS 1: current versus non-current financial liabilities classification.
- Amendments to IAS 1: Non-current financial liabilities with covenants.
- Amendments to IFRS 16: lease liabilities on sale and leaseback.
- Amendments to IAS 7 and IFRS 7: supplier financing arrangements.
- Amendments to IAS 21: inability to exchange.

35. SUBSEQUENT EVENTS

The Board of Directors members approved, in the meeting, held on 20 February 2024G, to recommend to the General Assembly the following:

- Raise the company's capital from SR 200 million to became SR 265 million by capitalizing SR 51,023,689 from Retained earnings and amount of SR 31,976,311 from the statutory reserve.
- Dividend distribution on the shareholders for the year ended at 31 December 2023G amount of SR 35,000,000.
- Approval of the company's initial public offering by offering (7,950,000 shares) for public offering, submitting a request for registration and offering of securities with the Saudi Capital Market Authority, and a request to be listed with the Saudi Tadawul Company.

36. APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2023G have been approved for issuance by the Company's Board of Directors on 10 Shaban 1445H (corresponding to 20 February 2024G).

TAMKEEN HUMAN RESOURCES COMPANY

(A SAUDI CLOSED JOINT STOCK COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS

AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022G

BAKER TILLY MKM & CO.
CERTIFIED PUBLIC ACCOUNTANTS
P O Box 300467, Riyadh 11372
Kingdom of Saudi Arabia
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Independent Auditor's Report

To the Shareholders
Tamkeen Human Resources Company
(A Saudi Closed Joint Stock Company)
Riyadh – Kingdom of Saudi Arabia

Report on the Audit of the Consolidated Financial Statements

Opinion
We have audited the consolidated financial statements of Tamkeen Human Resources Company (the "Company"), and its subsidiaries (collectively refer to "the Group"), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss and other 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 at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing ("ISAs") 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 International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants and endorsed in the Kingdom of Saudi Arabia ("IESBA Code"), and we have fulfilled our 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.

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 International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and Regulations for Companies, the Company's Bylaws 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, the Board of Directors, are responsible for overseeing the Group's financial reporting process.

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

Independent Auditor's Report (continued)

To the Shareholders - Tamkeen Human Resources Company

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

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, 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.

Baker Tilly MKM & Co. CPA

Bader Hatem Al Tamimi
(Certified Accountant: License No. 489)
Riyadh on 19 March 2023 AD
Corresponding 27 Shaban 1444 H

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TAMKEEN HUMAN RESOURCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022G
(Saudi Riyals)

	Notes	31 December 2022G	31 December 2021G
ASSETS			
Non-current assets			
Property and equipment	6	**36,047,893**	33,940,120
Right-of-use assets	7	**9,217,649**	9,226,576
Cash margin on letter of guarantee	8	**10,000,000**	10,000,000
Used visas – non-current	9	**2,758,296**	2,892,356
Prepaid recruitment expenses – non-current	10	**11,840,357**	8,604,544
Total non-current assets		**69,864,195**	64,663,596
Current assets			
Trade receivables	15	**36,333,726**	27,857,317
Prepayments and other debit balances	12	**59,158,178**	51,676,803
Used visas - current	9	**7,019,406**	5,239,386
Available visas	13	**18,182,000**	13,688,000
Due from related parties	11	**625,556**	219,358
Investment at fair value through profit or loss	14	**-**	50,895,503
Cash at banks	16	**183,634,389**	90,028,062
Total current assets		**304,953,255**	239,604,429
TOTAL ASSETS		**374,817,450**	304,268,025
EQUITY AND LIABILITIES			
EQUITY			
Share capital	1	**100,000,000**	100,000,000
Statutory reserve	17	**13,976,311**	8,499,303
Retained earnings		**125,908,820**	76,586,614
TOTAL EQUITY		**239,885,131**	185,085,917
LIABILITIES			
Non-current labilities			
Retained deposits – non-current	18	**9,400,778**	20,024,216
Lease liabilities – non-current	7	**6,124,173**	7,037,901
Employees' defined benefits obligation	19	**12,453,442**	8,958,498
Total non-current liabilities		**27,978,393**	36,020,615
Current liabilities			
Trade payables		**8,079,998**	8,333,753
Contract liabilities	20	**17,347,779**	20,717,728
Retained deposits – current	18	**20,446,878**	5,512,554
Accrued expenses and other credit balances	21	**50,217,900**	41,241,679
Due to related parties	11	**-**	17,713
Lease liabilities – current	7	**2,887,382**	2,004,824
Zakat payable	22	**7,973,989**	5,333,242
Total current liabilities		**106,953,926**	83,161,493
TOTAL LIABILITIES		**134,932,319**	119,182,108
TOTAL EQUITY AND LIABILITIES		**374,817,450**	304,268,025

Managing Director	**Head of the Finance Department**
Abdullah Al Nugair	Mohammad Ibrahem Al Basha

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

TAMKEEN HUMAN RESOURCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022G
(Saudi Riyals)

	Notes	2022G	2021G
Revenues from contracts with customers	23	**426,482,951**	358,527,634
Cost of revenues	24	**(322,514,065)**	(264,842,954)
Gross profit		**103,968,886**	93,684,680
Selling and marketing expenses	25	**(8,328,153)**	(4,388,583)
General and administrative expenses	26	**(38,278,858)**	(31,431,602)
Expected credit losses	15	**(1,742,241)**	-
Operating profit		**55,619,634**	57,864,495
Other income	27	**5,810,350**	1,171,462
Finance cost	28	**(782,331)**	(782,179)
Profit before zakat		**60,647,653**	58,253,778
Zakat	22	**(5,877,569)**	(4,828,927)
Net profit for the year		**54,770,084**	53,424,851
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement of employees' defined benefit obligation	19	**29,130**	524,623
Other comprehensive income for the year		**29,130**	524,623
Total comprehensive income for the year		**54,799,214**	53,949,474
Earnings per share attributable to shareholders:			
Basic and diluted	29	**5.48**	5.34

Managing Director	**Head of the Finance Department**
Abdullah Al Nugair	Mohammad Ibrahem Al Basha

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

TAMKEEN HUMAN RESOURCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022G
(Saudi Riyals)

	Share capital	Statutory reserve	Retained earnings	Total equity
As of 1 January 2022G	**100,000,000**	**8,499,303**	**76,586,614**	**185,085,917**
Profit for the year	**-**	**-**	**54,770,084**	**54,770,084**
Other comprehensive income for the year	**-**	**-**	**29,130**	**29,130**
Total comprehensive income for the year	**-**	**-**	**54,799,214**	**54,799,214**
Transfer to statutory reserve	**-**	**5,477,008**	**(5,477,008)**	**-**
As of 31 December 2022G	**100,000,000**	**13,976,311**	**125,908,820**	**239,885,131**
As at 1 January 2021G	100,000,000	3,104,356	28,032,087	131,136,443
Profit for the year	-	-	53,424,851	53,424,851
Other comprehensive income for the year	-	-	524,623	524,623
Total comprehensive income for the year	-	-	53,949,474	53,949,474
Transfer to statutory reserve	-	5,394,947	(5,394,947)	-
As at 31 December 2021G	100,000,000	8,499,303	76,586,614	185,085,917

Managing Director

Abdullah Al Nugair

Head of the Finance Department

Mohammad Ibrahem Al Basha

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

TAMKEEN HUMAN RESOURCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022G
(Saudi Riyals)

	2022G	2021G
OPERATING ACTIVITIES		
Profit for the year before zakat	**60,647,653**	58,253,778
Adjustments for:		
Depreciation	**5,709,186**	6,255,794
Amortization of right of use assets	**3,068,593**	4,602,880
Amortization of used visas	**9,757,267**	7,746,512
Expected credit losses	**1,742,241**	-
Finance cost	**782,331**	782,179
Write off work in progress	**-**	929,242
Employees' defined benefit obligation costs	**5,543,572**	4,728,435
Changes in working capital:		
Trade receivables	**(10,218,650)**	(1,449,491)
Prepayments and other debit balances	**(10,717,188)**	(13,346,872)
Used visas	**(34,514,197)**	(29,707,533)
Available visas	**18,616,969**	16,054,255
Retained deposits	**4,310,886**	7,044,596
Trade payables	**(253,755)**	3,004,240
Due from/to related parties	**(423,911)**	(189,178)
Accrued expenses and other credit balances	**8,976,221**	5,520,318
Unearned revenue	**(3,369,949)**	(4,055,002)
Cash generated from operating activities	**59,657,269**	66,174,153
Zakat paid	**(3,236,822)**	(3,259,398)
Employees' defined benefits obligation	**(2,196,709)**	(1,531,347)
Net cash generated from operating activities	**54,223,738**	61,383,408
INVESTING ACTIVITIES		
Investments at fair value through profit or loss - net	**50,895,503**	(565,257)
Purchase of property and equipment	**(7,819,339)**	(9,481,996)
Proceeds from disposal of property and equipment	**2,380**	-
Net cash generated from (used in) investing activities	**43,078,544**	(10,047,253)
FINANCING ACTIVITIES		
Lease liabilities paid	**(3,695,955)**	(4,869,152)
Net cash used in financing activities	**(3,695,955)**	(4,869,152)
Net change in cash and cash equivalent	**93,606,327**	46,467,003
Cash at banks at 1 January	**90,028,062**	43,561,059
Cash at banks at 31 December	**183,634,389**	90,028,062
Non-cash transactions:		
Transfer from available visas to used visas (Note 9)	**(23,110,969)**	(19,016,255)
Re-measurement of employees' defined benefit obligation (note 19)	**(29,130)**	(524,623)
Lease liabilities (note 7)	**3,059,666**	714,632
Right-of-use assets (note 7)	**(3,059,666)**	(714,632)

Managing Director	**Head of the Finance Department**
Abdullah Al Nugair	Mohammad Ibrahem Al Basha

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

TAMKEEN HUMAN RESOURCE COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022G

1. CORPORATE INFORMATION AND ACTIVITIES

Tamkeen Human Resources Company (the "Company") is a Saudi closed joint stock company registered in the Kingdom of Saudi Arabia, under Commercial Registration No. 1010451749 dated on 23 Ramadan 1439H (corresponding to 7 June 2018G).The company's capital consists of 10,000,000 shares of SR 10 per share. Distributed to shareholders as follows:

Shareholders	As at 31 December 2022G		
	Number of Share	Contribution	Value of Shares SR
Dr. Sulaiman Al Habib Medical Services Group Company	2,500,000	25.00%	25,000,000
Abdullah Sulaiman Abdulrahman Al Nugair	2,081,250	20.81%	20,812,500
Mohammed Suleiman Abdulrahman Al Nugair	1,706,250	17.06%	17,062,500
Abdulrahman Ali Abdullah Al Qubaisi	1,125,000	11.25%	11,250,000
Fares Saleh Metlaq Al Henaki	1,000,000	10.00%	10,000,000
Saleh Mohammad Saleh Al Hajjaj	1,000,000	10.00%	10,000,000
Abdullah Ahmed Sultan Al Kanani	300,000	3.00%	3,000,000
Saif Mohammad Saif Al Sharikh	187,500	1.88%	1,875,000
Ziad Mohammad Maki Saleh Al Tunsi	100,000	1.00%	1,000,000
Total	**10,000,000**	**100%**	**100,000,000**

Shareholders	As at 31 December 2021G		
	Number of Share	Contribution	Value of Shares SR
Abdulrahman Ali Abdullah Al Qubaisi	1,500,000	15.00%	15,000,000
Fares Saleh Metlaq Al Henaki	1,000,000	10.00%	10,000,000
Saleh Mohammad Saleh Al Hajjaj	1,000,000	10.00%	10,000,000
Saif Mohammad Saif Al Sharikh	250,000	2.50%	2,500,000
Abdullah Ahmed Sultan Al Kanani	300,000	3.00%	3,000,000
Abdullah Sulaiman Abdulrahman Al Nugair	3,175,000	31.75%	31,750,000
Mohammed Suleiman Abdulrahman Al Nugair	2,675,000	26.75%	26,750,000
Ziad Mohammad Maki Saleh Al Tunsi	100,000	1.00%	1,000,000
Total	**10,000,000**	**100%**	**100,000,000**

The Company's main activity is in labour recruitment and providing manpower services in respect of domestic workers, manpower for public and private sectors and local contracting according to the letter of the Ministry of Labor and Social Development No. (184162) dated on 15 Ramadan 1439H. The company's headquarter is located in Riyadh, North Ring Road, Al-Nafl District, P.O. Box 4143, Postal Code 12333.

1. CORPORATE INFORMATION AND ACTIVITIES (continued)

The accompanying consolidated financial statements include the activities of the Company and its branches listed below, which operate under the following commercial registrations:

	Branch	Commercial registration
1	Tamkeen Human Resources Company - Buraidah - Al-Montazah District - Branch	1131295467
2	Tamkeen Human Resources Company - Riyadh - King Fahd Road - Branch	1010718065
3	Tamkeen Human Resources Company - Riyadh - King Fahd Road - Branch	1010452720
4	Tamkeen Human Resources Company - Al-Rass - Taiba District - Branch	1132108352
5	Tamkeen Human Resources Company - Dammam - Othman Bin Affan Road – Branch	2050126195
6	Tamkeen Human Resources Company - Riyadh - Al-Nafl District – Branch	1010452721
7	Tamkeen Human Resources Company - Al Khobar - Al Khobar District – Branch	2051224835
8	Tamkeen Human Resources Company - Al-Ahsa - Al-Rawdah District – Branch	2031102928
9	Tamkeen Human Resources Company - Madinah - King Abdullah Road – Branch	4650215208
10	Tamkeen Human Resources Company - Yanbu Al Bahr - Omar Bin Al Khattab Road - Branch	4700110174
11	Tamkeen Human Resources Company - Khamis Mushait - Al-Dayfah District - Branch	5855346739
12	Tamkeen Human Resources Company - Hail – Oqda Road - Branch	3350162794
13	Tamkeen Human Resources Company - Al Taif - King Khaled Road - Branch	4032263886
14	Tamkeen Human Resources Company - Al Baha - King Fahad Road - Branch	5800108959

2. STATEMENT OF COMPLIANCE

The consolidated financial statements include the consolidated statement of financial position, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows, and the notes to the consolidated financial statements. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

3. BASIS OF PREPARATION

Basis of measurement

These consolidated financial statements of the group have been prepared on the historical cost basis as shown in the relevant accounting policies and basis of measurement summarized below except for employees defined benefits obligation which has been estimated by an independent actuary, and certain assets and liabilities that have been measure at fair value.

Presentation and functional currency

The consolidated financial statements are presented in Saudi Riyal ("SR") which is the presentation and functional currency of the parent company and its subsidiaries. All amounts have been rounded to the nearest Saudi Riyal ("SR.") unless otherwise indicated.

Basis of consolidating the financial statements

The consolidated financial statements include the financial statements of the parent company and its subsidiaries at the reporting date.

The group controls the company when it has the right to the variable returns due to its involvement in the company and the ability to affect these returns through its ability to control the investee. The financial information of the subsidiary is included in the consolidated financial statements from the date on which the control commences till the date of which the control is lost.

The control concept becomes clear upon realizing the following three components:

- Investor's power over the investee.
- Exposing the investor to variable returns resulting of its partnership with the investee, or his rights in it and
- Investor's ability to use that power over the investee.

The results of subsidiary acquired during the year are included in the consolidated statement of profit or loss, commencing from the date of transferring the control to the company.

All intercompany transactions and balances of the group subsidiaries are eliminated when consolidating the financial statements, including unrealized profits and losses resulting from intercompany transactions of the group subsidiaries. Where unrealized losses resulting from the sale of assets are excluded upon consolidation, and assets are also tested for impairment from the group's perspective. The amounts recognized in the financial statements of the subsidiaries are adjusted, if necessary, to ensure the consistency with the accounting policies approved by the Group.

Profit or loss and other comprehensive income of the subsidiaries acquired or eliminated during the year are recognized at the purchasing actual date or at the disposal actual date, as appropriate.

3. BASIS OF PREPARATION (continued)

Business Combination

The Group recognizes business combinations using the combination method when control is transferred to the Group. Transferred benefits on combination are measured fair value. It is determined by the net asset value.

The benefits resulting from the combination process do not include the amounts resulting from the settlement of the relationships that were existed prior to the combination process, these amounts are included in the consolidated statement of profit or loss and comprehensive income.

Contingent liabilities are measured at fair value on the date of acquisition if they are classified as equity. Any equity transaction and subsequent recognition of the change in the fair value of the contingent liability is recognized in the consolidated statement of profit or loss and other comprehensive income.

The following is a statement sets out the percentage of direct and indirect ownership in the subsidiaries included in these consolidated financial statements:

Subsidiary company	Country of incorporation	Direct and indirect ownership percentage as at	
		31 December 2022G	31 December 2021G
Open Technologies Company for Communications and Information Technology	Kingdom of Saudi Arabia	100%	100%
Seha for Medical Service Company*	Kingdom of Saudi Arabia	100%	100%

* Seha for Medical Service Company was registered on 21 December 2021G, and did not start any operations up to 31 December 2022G.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements in accordance with International Financial Reporting Standards applicable in the Kingdom of Saudi Arabia requires the use of certain significant estimates and assumptions that affect the amounts of assets and liabilities presented, disclosures of contingent assets and liabilities at the reporting date, and the recognized value of revenues and expenses during the financial reporting period. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. The Group makes estimates and assumptions regarding the future and very rarely do these accounting estimates equal the actual results.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

The areas involving a higher degree of judgment or estimates, or areas of material importance where assumptions and estimates have significant effects on the consolidated financial statements are as follows:

Provision for expected credit losses

The Group uses a provision matrix to calculate ECLs for accounts receivable. The provision rates are based on past-dues receivables to the grouping of various customer segments that have similar loss patterns.

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 are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted for the previous year. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlations between historical observed default rates, forecast economic conditions and ECLs are significant estimates. The ECLs amount 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.

Useful lives or residual value or depreciation method for property and equipment

The Group's management determines the estimated useful life of property and equipment. This estimate is determined after considering the expected usage of the asset or natural wear and tear.

Management annually reviews the useful life or residual value and depreciation method for properties and equipment. Future depreciation is adjusted when management believes that the useful life or residual value or depreciation method differs from those used in previous periods.

Employees' defined benefits obligation

Liabilities relating to defined benefit plans are determined using the projected credit unit method with the actuarial valuations made at the end of the annual reporting. Such method requires to make assumptions about the discount rates, future salary increments rates and mortality rates. Due to the long-term nature of these benefits, these estimates are subject to certain uncertainties. and significant assumptions used to perform the actuarial valuation.

Zakat provision

When the amount of zakat payable is estimated by the group, the management takes into consideration the applicable laws and previous decisions and provisions of Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia.

Impairment of non-financial assets

Recoverable amount for the cash generating units in the group exceeds the carrying amount at a fine difference. The assessment of the recoverable amount of property and equipment in the group is significantly affected by the management's ability to achieve the budget. Budgets include forecasts of revenue, staff costs, and indirect overheads based on current and projected market conditions that have been considered and approved by the Board of Directors, meanwhile the group is able to manage most of the costs.

Legal provision

A provision is made to meet any potential legal obligations based on the legal study prepared by the group's legal advisor, which identifies the risks that may occur in the future, and that study is reviewed periodically.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

Fair value measurement

A number of the Group's accounting policies and disclosures require the measurement of the fair values of financial and non-financial assets and liabilities. The Group has a regulatory framework in place in relation to the measurement of fair values. This includes an assessment team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair value measurement, with reports directly delivered to the CFO. The evaluation team regularly reviews significant unobservable inputs and adjustments to the evaluation.

If information is acquired from a third party, such as broker quotes or pricing services, to measure fair value, then the valuation team assesses the evidence obtained from the third party to ensure that these valuations meet the requirements of IFRS, including the fair value hierarchy in which valuations should be categorized. When measuring the fair value of an asset or a liability, the Group uses observable market data as much as possible.

Fair value is classified within the fair value hierarchy levels, based on the inputs used in the evaluation techniques as follows:

- Level 1 – Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2 – Inputs other than prices included in level 1 that can be identified for the asset or liability, whether directly (prices) or indirectly (derived from prices).
- Level 3 – Assets or liabilities inputs that are not based on the observable market data (unobservable inputs). If the inputs used to measure the fair value of the asset or liability are classified within the fair value hierarchy, then the fair value as a whole is classified in the same fair value hierarchy levels, as it is considered the lowest level of the significant inputs for the measurement as a whole. The group recognizes the transfers between the fair value hierarchy levels at the end of reporting period at which the change occurred.

5. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in these consolidated financial statements for the year ended 31 December 2022G are the same as those applied by the Group in the consolidated financial statements for the year ended 31 December 2021G, except for amendments to IFRS that became effective after January 1, 2022G:

Amendments to IFRS 3 business combination to update the conceptual framework reference.

Amendments to IAS 16 properties, plants and equipment, which prohibit the group to deduct from the property, plants and equipment amounts received on sale of produced items while preparing the asset for the intended use by the group.

Amendments to IAS 37 provisions and contingent liabilities and assets related to the costs that shall be included upon evaluating whether there is an onerous contract.

Annual improvements on IFRS 2018G – 2020G the periodic amendments to IFRS 1, 9, 16 and IAS 41.

The application of the new standards effective from 1 January 2022G did not have a material impact on the Group's consolidated financial statements.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

The following is a summary of significant accounting policies

Property and equipment

Property and equipment are stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. The initial cost includes expenditure that is directly attributable to the delivery of those properties and equipment to the operating site and having them ready to operate.

Expenditures incurred after operating the properties and equipment, such as repairs, maintenance and the whole renovation are included in the consolidated statement of profit or loss and other comprehensive income in the period at which these expenses are incurred. In cases that the expenses are clearly showing an increase in the future economic benefits from using one of the properties and equipment to a limit higher than the performance standard that is basically identified, these expenses are capitalized as an additional cost on the properties and equipment.

If significant and important parts of an item of property and equipment have different useful lives, they are accounted for as separate items (key components) of property and equipment.

Depreciation is calculated using the straight-line method over the estimated useful lives of the properties and equipment. The useful life of the underlying assets is as follows:

Item	Estimated useful life (years)
Buildings	25 Years
Vehicles	4 Years
Furniture and fixtures	5 Years
Computer software and office equipment	5 Years
Electrical equipment	5 Years
Leasehold improvements	3 - 5 Years or the lease term, whichever is shorter

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or sold in the future. Any gain or loss arising from 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 profit or loss when the asset is derecognized.

Residual values, useful lives and methods of depreciation of property and equipment are reviewed at the end of each financial year, and adjusted prospectively, if appropriate.

Work in progress is stated under property and equipment at cost and a provision is made for any impairment in value, if any. Works in progress are classified as properties and equipment upon the completion of these projects. No depreciation is calculated on works in progress.

Right-of-use assets and lease liabilities

A lease is defined as "a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration." To apply this definition, the Group assesses whether a contract meets three main requirements:

- The contract contains an identified asset, which is explicitly specified in the contract or implicitly specified whenever the asset is available to the group.
- The Group has the right to obtain substantially all the economic benefits from the use of the specified asset throughout the period of use, taking into account its rights within the specified scope of the contract; and
- The Group has the right to direct the use of the identified assets during the period of use. The Group assesses whether it has the right to direct through the intended use of the asset.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement and recognition of leases

At the commencement of the lease, the Group recognizes a right-of-use asset and a lease liability in the consolidated statement of financial position. Right-of-use asset is initially measured at cost, which comprising the amount of the initial measurement of lease liability and any initial direct costs that the group incurs, an estimation for any dismantle costs at the end of lease contract and any lease payments made before the commencement date (less any lease incentives received).

The Group depreciates the right-of-use assets on a straight line basis from the commencement of the lease till the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use assets when there are indications of impairment in the value of these assets.

At the commencement date of the lease, the Group measures the lease liability at the present value of the outstanding lease payments at that date and are discounted using the rate of return implicit in the lease if that rate can be readily determined or the Group’s incremental borrowing rate.

Lease payments included in the lease liability consist of fixed payments (including in-substance fixed payments), variable lease payment that are based on an index or a rate, amounts expected to be paid under residual value guarantees and payments that arise if its reasonably certain to exercise that option.

After initial measurement, the obligations will be reduced to reflect the lease payments and increased to reflect the return on the lease. Remeasurement obligation is to reflect any reassessment or adjustments, or if there are any changes in the substance fixed lease payments.

The Group applies the accounting for short-term lease and leases of low-value assets. Instead of recognizing the right of use assets and lease liabilities, payments related to those leases are recognized as expenses in the consolidated statement of profit or loss and other comprehensive income, on straight line basis over the lease term.

Cash and cash equivalents

Cash and cash equivalents consist of items that can be easily converted into cash and which are subject to an insignificant risks of change in value. Cash and cash equivalents in the consolidated statement of financial position consist of cash on hand and balances at banks, which are initially and subsequently recorded at fair value. For the purposes of the statement of cash flows: cash and cash equivalents consist of cash on hand and cash balances held with banks and have a maturity date of 90 days or less, available for use by the group unless otherwise stated.

Financial instruments

Recognition and derecognition

Financial assets and liabilities are recognized when the company becomes a party to the contractual provisions of these instruments. Financial assets and liabilities are initially measured at fair value.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or when the financial assets are transferred and substantially all risks and rewards are transferred. A financial liability is derecognised when it is amortized, settled, cancelled, or expires.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Classification and initial measurement of financial assets

With the exception of trade receivables that do not have a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at the revised fair value of the transaction costs, as applicable.

Financial assets, other than those designated and effective as hedging instruments, are classified in the following categories:

- Amortized cost
- Fair value through profit or loss
- Fair value through other comprehensive income

In the periods presented, the Group does not have any financial assets classified as FVTOCI. Classification of financial assets is determined through the following:

- Group's business model for the financial assets management
- Contractual cash flows characteristics of the financial asset

All income and expenses relating to financial assets recognized in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of receivables, which are presented under selling and marketing expenses.

Subsequent measurement for financial assets

Financial assets at amortized cost

Financial assets are measured at the amortized cost if the assets are in line with the following terms (and have not been classified as financial assets at fair value through profit or loss):

- Are held within business model aims to maintain the financial assets and collect the contractual cash flows.
- Assets' contractual terms that trigger the cash flows are only payments for the asset principle and the return on the outstanding original amount.

After the initial recognition, financial assets are measured at the amortized cost using the actual return method. Impairment is eliminated when the impact is immaterial. Cash and cash equivalent of the group, trade receivables that have been collected in cash and most of other receivables and cash margins deposited at banks are included within this category of the financial instruments.

Financial assets at fair value through profit or loss

Financial assets that are held within different business models other than "held for collection" or "held for collection and sale" are classified at fair value through profits or losses. In addition, regardless of the financial assets of the business model, its contractual cash flows are not only principal amount payments, and the return is determined at fair value through profit or loss.

Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair value of financial assets in this category is determined by reference to active market transactions or by using valuation techniques when there is no active market.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets

The Group assesses future credit losses on a forward-looking basis to determine the impairment of financial assets.

The recognition of credit losses is no longer dependent on first identifying the credit loss event. Instead, the Group considers a broader set of information when assessing credit risk and measuring ECL, including past events, current conditions and reasonable and supportable forecasts that affect the collectability of the instrument's future cash flows.

In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not significantly deteriorated in credit quality since initial recognition or that have low credit risk ("Stage 1") and
- Financial instruments that have significantly deteriorated in credit quality since initial recognition and whose credit risks were not low (Stage 2).

"Stage 3" will cover financial assets that have objective evidence of impairment at the reporting date.

'12-month ECL' is recognized for the first category while 'lifetime ECL' is recognized for the second category.

The measurement of expected credit losses is determined by estimating a weighted average of credit losses over the expected life of the financial instrument.

Trade receivables

The Group uses a simplified approach in accounting for trade receivables, which requires recognition of losses over the expected life from initial recognition of receivables. As for the measurement of expected credit losses, accounts receivable have been grouped based on common credit risk characteristics and number of days due. Expected loss rates are derived from the Group's historical information and are adjusted to reflect the expected future outcome which also includes forward-looking information on macroeconomic factors such as inflation and the rate of GDP growth. Other financial assets, such as prepaid expenses, due from related parties and cash and cash equivalents, have low credit risk and the effect of the expected credit loss model on them is immaterial.

Classification and measurement of financial liabilities

The Group's financial liabilities carried at amortized cost include short-term cash facilities, payables, and other current liabilities. Long-term facilities are allocated under fair value through profit and loss.

Financial liabilities are initially measured at fair value and adjusted, as appropriate, for transaction costs unless the Group designates a financial liability at fair value through profit or loss.

Then, Financial liabilities are measured at the amortized cost using the actual return method, except for the derivatives and the financial liabilities identified at fair value through other comprehensive income, which are subsequently included at fair value within profits and losses recognized in the profit or loss (other than the derived financial instruments that have been identified and its effectiveness as hedging instruments).

All costs related to the return and changes in the fair value of an instrument and that have been reported are included in profit or loss within the finance costs or finance income, as appropriate.

Letters of guarantee deposits

The amount paid to secure the letters of guarantee deposits is recognized within non-current assets in the consolidated statement of financial position. The letter of guarantee deposits account shall be closed upon redemption of the insurance amount or when the letter of guarantee deposits is used by the other party.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Issued, Available and Used visas

Issued visas

Issued visas represent payments made to government parties against issuance of visas for manpower and are recorded at cost.

Used visas

Used visas that are used in recruitment and transferred from the issued visas are classified within the used visas and are amortized in the consolidated statement of profit or loss and other comprehensive income using the straight-line method over a period of two years or the contract term, whichever is shorter. The amount of the used visas is impaired in the consolidated statement of profit or loss and other comprehensive income in case of termination of the contract or the existence of an inhibition to the continuation of the service. The used visas are classified as current and non-current assets.

Available visas

The available visas represent the unused balance of issued visas as at the date of the consolidated financial statements. The amounts of available visas are transferred to the used visas at the time of stamping the visa for recruited manpower at the entry boarders of the Kingdom of Saudi Arabia. Available visas are classified as current assets.

Residence and work permit fees

Residence and work permit fees are amortized in the consolidated statement of profit or loss and other comprehensive income over one year in accordance with the validity of those permits.

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 the 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 and that only when the reimbursement is virtually certain. The expense related to a provision is presented in the consolidated statement of profit or loss net of any reimbursements.

If the impact of time value for the money is material, provisions are discounted using the current pre-tax rate that reflects, when appropriate, the associated risks to that liability. Increment in provision is recognized due to the passage of time as finance costs.

Retained deposits

Retained deposits represent amounts collected in advance from customers and recruitment agencies as security deposits of employment contracts. These amounts are refunded at the end of the contract after deducting the amounts due to the group or manpower from customers and recruitment agencies. Retained deposits are classified as current and non-current assets.

Trade receivables

Receivables represent the Group's right in the unconditional consideration amount (i.e., the maturity of the consideration depends on the passage of time). Refer to the accounting policy for financial assets.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Employees' defined benefits obligation

Employees' end of service benefits

The Group provides end of service benefits to its employees in accordance with the labour law and in accordance with the domestic workers manual in the Kingdom of Saudi Arabia. The entitlement to these benefits is based on the employee's final salary and service life, with the completion of the employee's minimum service period. The expected costs of these benefits are recorded over the period of service, and an annual provision is made based on an actuarial assessment made by an independent actuary in accordance with the requirements of IAS 19 "Employee's Benefits" based on the actuarial methodology of the projected credit unit. The last evaluation was performed on 31 December 2022G. All past service costs are immediately recognized as an expense. All actuarial gains and losses relating to defined benefits obligations are recognized in the consolidated statement of comprehensive income.

Financial Liabilities

Initial recognition and measurement

Upon initial recognition, financial liabilities are classified as financial liabilities at fair value through profit or loss, or as loans and payables, or as financial derivatives that are used as hedging instruments in an effective hedge. All financial liabilities are initially recognized at fair value and, in the case of loans, borrowings and payables, at net of transaction costs associated with.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities included upon initial recognition at fair value through profit or loss. Gains or losses on these liabilities are recognized in the consolidated statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation is paid or cancelled or discharged according to the contract.

Offsetting of Financial Instruments

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

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue is mainly generated by rendering the manpower services to the customers. The Group recognize its revenues based on the following steps:

- Identify the contract with a customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations.
- Recognizing Revenues when performance obligations are satisfied.

The group recognizes revenue upon receipt and consumption of the services rendered to the customer by the group over a period of time, i.e. number of day, which is consistent with the requirements of IFRS 15. Revenues are measured based on the consideration identified in the contract held with the customer, except for the amounts collected on behalf of other parties. Revenues from contract are recognized based on the manpower's services rendered to the customers (representing services of the performance obligation stated in the contract) over the terms of these contracts.

If the customer service invoice includes specific different services, the invoice price is allocated proportionately, and the revenue of the services is realized when the performance obligations are fulfilled, and the service is provided to the customer. The Group provides its services to customers directly and is not considered as an agent for any third parties.

Variable consideration

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

Significant financing component

The Group adjusts the promised consideration (if any), in respect of the time value of money if the contract contains a significant financing component.

Progress Measurement towards the whole fulfilment of the performance obligation

The performance obligation (the provision of services) is fulfilled over time. The Group applies a single method to measure the fulfillment of the obligation. The group uses the input method as a basis for measuring performance to date.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Contract costs

Contract costs are recognized as expenses unless the group has reasonable expectations of recovering these costs from the customers. In such cases, the group amortizes these costs on a regular basis, consistent with the transfer of services to the customer. The Group recognizes contract costs if:

- The costs are directly related to the contract or to a contemplated contract that the Group can specifically identify.
- The costs generate or enhance resources for the group and are used to meet (or continue to meet) future performance obligations.
- It was expected to recover the additional costs in case of not obtaining the contract with the customer.
- It was expected that these costs would not have been incurred in case of not obtaining the contract or if the group had not specified an expected contract.
- Costs directly related to the contract (or a specified expected contract) include the following:
  1. Direct employment,
  2. Direct material,
  3. Allocation costs that are directly related to the contract or contract activities,
  4. Costs that are clearly chargeable to the customer under the contract, and
  5. Other costs incurred solely due to the holding a contract.

Principal vs. Agent Considerations

The Group has evaluated its arrangements to determine whether it is acting as principal, recognizing revenue on a gross basis, or acting as an agent and recognizing revenue on a net basis. In this evaluation, the group considered whether it controls the specific services before they are transferred to the customer. As well as other indicators such as the party primarily responsible for the performance of services, risks of the goods, and the freedom to determine the price. The Group has found that it is acting as principal in all of its revenue arrangements.

Presentation and disclosure requirements

The Group has classified the recognized revenues from contracts with customers into categories that show the extent to which the nature of revenues and cash flows are affected, its value, timing, and uncertainty due to economic factors. Refer to note (23) for the detailed revenue disclosure.

Contract liabilities

Contract liabilities represent unrealized revenues, which represent amounts collected in advance from customers when signing contracts for the provision of manpower services. These amounts are recognized within the revenues in the group's consolidated statement of profit or loss and other comprehensive income when realized.

Expenses

All operating expenses are consistently allocated to the cost of revenue, selling and marketing expenses and general and administrative expenses using fixed distribution factors to be determined in proportion to the group activities.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Zakat

The Group is subject to zakat in accordance with the Regulations of Zakat, Tax, and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia, and the zakat expense is included in consolidated statement of profit or loss and other comprehensive income at the date of the consolidated financial statements. Any differences in Zakat expense are settled in the financial year during which the final assessment is approved, and any differences between Zakat and the final assessment are recognized in the consolidated statement of profit or loss.

Foreign currency transactions

Ttransactions in foreign currencies are translated into Saudi Riyal at the rates of exchange prevailing at the time of the relevant transactions. Assets and liabilities denominated in foreign currencies at the date of the consolidated statement of financial position are translated to Saudi Riyal using the exchange rates prevailing at that date. Realized and unrealized translation differences are recognized in the consolidated statement of profit or loss.

APPLICATION OF THE NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied yet the following new standards, amendments and interpretations that have been issued but are not yet effective:

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IFRS 10 Financial Statements and IAS 28 Investments in Associates and Joint Ventures relating to the treatment of the sale or contribution of assets from the investor to its associate or joint venture.	Effective date deferred indefinitely
Amendments to IAS 1 Presentation of Financial Statements regarding the classification of liabilities.	1 January 2024G
Amendments to IFRS 16 leases related to the treatment of sale transactions and releasing.	1 January 2024G
IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.	1 January 2023G
Disclosing of the accounting policies (amendments to IAS 1 statement of practice 2)	1 January 2023G
Amendment to IAS 8 accounting policies and changes in the accounting estimates and errors – definition of the accounting estimates.	1 January 2023G
Amendments to IAS 12 – income tax – deferred tax related to assets and liabilities arising from signal transaction.	1 January 2023G

Management anticipates that these new standards, interpretations and amendments will be adopted in the group's consolidated financial statements for the period of initial application and adoption of these new standards, interpretations and amendments may have no material impact on the consolidated financial statements of the group in the period of initial application.

6. PROPERTY AND EQUIPMENT

	Lands	Buildings*	Vehicles	Furniture and Fixtures	Computer and office equipment	Electrical equipment	Leasehold improvements	Work in progress	Total
	SR	SR	SR	SR	SR	SR	SR	SR	SR
Cost									
1 January 2021G	12,185,000	6,736,767	7,482,884	2,171,130	1,872,730	1,770,039	8,667,245	1,206,953	42,092,748
Additions	3,227,183	1,519,318	2,160,000	300,936	624,967	408,877	11,554	1,229,161	9,481,996
Disposals	-	-	-	-	(1,681)	-	-	-	(1,681)
Transfers	-	-	-	-	-	-	-	(929,242)	(929,242)
31 December 2021G	15,412,183	8,256,085	9,642,884	2,472,066	2,496,016	2,178,916	8,678,799	1,506,872	50,643,821
Additions	**-**	**-**	**3,749,239**	**220,517**	**582,894**	**381,164**	**-**	**2,885,525**	**7,819,339**
Disposals	**-**	**-**	**-**	**-**	**(2,380)**	**-**	**-**	**-**	**(2,380)**
Transfers	**-**	**925,251**	**-**	**-**	**-**	**-**	**571,762**	**(1,497,013)**	**-**
31 December 2022G	**15,412,183**	**9,181,336**	**13,392,123**	**2,692,583**	**3,076,530**	**2,560,080**	**9,250,561**	**2,895,384**	**58,460,780**
Accumulated Depreciation									
1 January 2021G	-	601,465	3,107,698	767,403	540,302	581,886	4,850,833	-	10,449,587
Depreciation during the year	-	275,851	1,961,421	468,835	441,387	382,116	2,726,184	-	6,255,794
Disposals	-	-	-	-	(1,680)	-	-	-	(1,680)
31 December 2021G	-	877,316	5,069,119	1,236,238	980,009	964,002	7,577,017	-	16,703,701
Depreciation during the year	**-**	**358,001**	**2,587,691**	**520,027**	**577,592**	**478,903**	**1,186,972**	**-**	**5,709,186**
31 December 2022G	**-**	**1,235,317**	**7,656,810**	**1,756,265**	**1,557,601**	**1,442,905**	**8,763,989**	**-**	**22,412,887**
Net Book Value									
31 December 2022G	**15,412,183**	**7,946,019**	**5,735,313**	**936,318**	**1,518,929**	**1,117,175**	**486,572**	**2,895,384**	**36,047,893**
31 December 2021G	15,412,183	7,378,769	4,573,765	1,235,828	1,516,007	1,214,914	1,101,782	1,506,872	33,940,120

6. PROPERTY AND EQUIPMENT (continued)

The depreciation expense for the year is allocated as follows:

	2022G	2021G
	SR	SR
Cost of revenues (note 24)	**4,581,679**	4,376,800
General and administrative expenses (note 26)	**1,127,507**	1,878,994
	5,709,186	6,255,794

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The carrying amounts of the right-of-use assets and lease liabilities during the year are as follows:

Right-of-use assets	2022G	2021G
	SR	SR
Cost:		
1 January	**9,226,576**	13,829,456
Additions	**3,059,666**	714,632
Disposals	**-**	(2,305,927)
Amortization	**(3,068,593)**	(3,011,585)
31 December	**9,217,649**	9,226,576

Lease Liabilities	2022G	2021G
	SR	SR
1 January	**9,042,725**	13,311,468
Additions	**3,059,666**	714,632
Disposals	**-**	(2,305,927)
Finance cost (note 28)	**(605,120)**	(600,409)
Payments	**(2,485,716)**	(2,077,039)
31 December	**9,011,555**	9,042,725
Less: Current portion	**(2,887,382)**	(2,004,824)
Non-current portion	**6,124,173**	7,037,901

* The amortization expense during the year is allocated as follows:

	2022G	2021G
	SR	SR
Cost of revenue (note 24)	**2,023,156**	2,033,141
General and administrative expenses (note 26)	**1,045,437**	978,444
	3,068,593	3,011,585

8. CASH MARGIN ON LETTER OF GUARANTEE

This amount represents the Cash margin on letter of guarantee issued by a local bank at an amount of SR 10 million, in return for issuing a letter of guarantee at an amount of SR 10 million Note (32). This letter of guarantee is submitted to the Ministry of Human Resources and Social Development in return for the issuance of the recruitment license for the group and it is valid until 25 June 2029G.

9. USED VISAS

The movement of used visas during the year is as follows:

	2022G	2021G
	SR	SR
Balance at the year beginning	**8,131,742**	5,186,977
Visas issued during the year (note 13)	**33,248,000**	27,520,000
Adjustments to the opening balance	**(86,773)**	(2,722)
Less: available visas (note 13)	**(18,182,000)**	(13,688,000)
Used visas (note 13)	**23,110,969**	19,016,255
Amortization during the year	**(9,757,267)**	(7,746,513)
Returned visas	**(3,576,000)**	(3,138,000)
Balance at 31 December	**9,777,702**	8,131,742
Less: Current portion	**(7,019,406)**	(5,239,386)
Non-current portion	**2,758,296**	2,892,356

10. PREPAID RECRUITMENT EXPENSES

Recruitment expenses represent the amounts paid to external parties for the purpose of recruiting workers to the Kingdom of Saudi Arabia and are amortized in the consolidated statement of profit or loss and other comprehensive income on a straight-line method over a period of two years or the term of the contract, whichever is shorter. The details of recruitment expenses as of 31 December are as follows:

	2022G	2021G
	SR	SR
Balance at the year beginning	**23,465,035**	15,106,288
Additions	**43,490,334**	28,879,978
Amortization during the year	**(30,155,233)**	(20,521,231)
Balance at the year end	**36,800,136**	23,465,035
Less: Current portion (note 12)	**(24,959,779)**	(14,860,491)
Non-current portion	**11,840,357**	8,604,544

11. RELATED PARTY BALANCES AND TRANSACTIONS

Related parties in the group represent major shareholders, board of directors, senior management personnel, and entities that have shares in. Benefits paid to the Group's key management personnel include salaries, non-cash benefits and contributions to the post-employment defined benefit plan.

The significant transactions with related parties and the approximate amounts related to are as follows:

Related party	Nature of transaction	2022G	2021G
		SR	SR
Burger Map Restaurant Company	Sales	**1,985,383**	951,565
Four Twins Company Limited	Sales	**5,856,944**	5,455,707
Khalid Sulaiman Al Nugair Ready Mix Factory	Sales	**37,643**	106,085
Abdullah Sulaiman Abdulrahman Al Nugair	Expenses paid on behalf/finance	-	8,341
Mohammad and Abdullah Sulaiman Al Nugair Company	Sales	-	33,948
Abdulrahman Ali Al Qubaisi Contracting Company	Sales	-	60,049

Compensation of senior management personnel

The Group's key management personnel are comprised of top management personnel who have the authority and responsibility for planning, directing, and controlling the activities of the Group. The compensation of senior management personnel is as follows:

Related party	Nature of transactions	2022G	2021G
		SR	SR
Senior Executive Management	Salaries and bonuses	**3,710,100**	4,009,600
Senior employees' defined benefits obligation	Employment termination benefits	**636,623**	461,434

Due from related parties is as follows:

Related party	Nature of relationship	2022G	2021G
		SR	SR
Burger Map Restaurant Company	Related to shareholder	**206,361**	135,076
Four Twins Company Limited	Related to shareholder	**419,195**	76,100
Khalid Sulaiman Al Nugair Ready Mix Factory	Related to shareholder	-	8,182
		625,556	219,358

Due to related party is as follows:

Related party	Nature of relationship	2022G	2021G
		SR	SR
Mohammad and Abdullah Sulaiman Al Nugair Company	Related to shareholder	-	17,713
		-	17,713

12. PREPAYMENTS AND OTHER DEBIT BALANCES

	2022G	2021G
	SR	SR
Prepaid expenses	**22,997,551**	32,398,203
Prepaid recruitment fees (note 10)	**24,959,779**	14,860,491
Advances to suppliers	**7,774,777**	2,289,476
Staff receivables	**869,723**	437,166
Others	**2,556,348**	1,691,467
	59,158,178	51,676,803

13. AVAILABLE VISAS

Available visas represent the balance of unused visas as on 31 December. The available visa amounts are transferred to the used visas upon stamping the visas for the manpower recruited at the border ports of the Kingdom of Saudi Arabia and the arrival of manpower to the Kingdom of Saudi Arabia. The movement of available visas is as follows:

	2022G	2021G
	SR	SR
Issued visas during the year, net *	**41,292,969**	32,704,255
Transfer to used visas (note 9)	**(23,110,969)**	(19,016,255)
	18,182,000	13,688,000

* During the year ended 31 December 2022G, the balance of issued visas amounted to SR 33,248,000 (2021G: SR 27,520,000), as the balance of the available visas as on 31 December 2022G amounted to SR 18,182,000. While the value of the visas at the beginning of the year amounted to (2021G: SR 13,688,000), the balance of issued and non-issued visas as at 31 December 2022G amounted to SR 818,000 (2021G: SR 648,000).

14. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

During year 2022G, the group has sold short term investments represent in various funds, the realized earnings on selling investment for the year ended 31 December 2022G amounted to SR 284,259 (2021G: SR 565,257) (note 27).

The group has purchased shares through the initial offerings for some entities listed in the capital market. Gains on sale of shares for the year ended 31 December 2022G amounted to SR 199,755 (2021G: SR 102,897) (note 27).

15. TARDE RECEIVABLES

The balance of trade receivables includes the balances of three main customers of the group, whose balances amounted to 41% (2021G: 44%) of the total balance of trade receivables as at 31 December 2022G. The revenues generated by these clients amounted to 10.0% (2021G: 19,8%) of the Group's total revenue for the year ended 31 December 2022G.

	2022G	2021G
	SR	SR
Trade receivables - individuals	**1,226,610**	1,506,520
Trade receivables – corporate *	**37,825,949**	27,339,867
	39,052,559	28,846,387
Expected credit loss provision**	**(2,718,833)**	(989,070)
	36,333,726	27,857,317

* The aging of trade receivables is as follows:

	2022G	2021G
	SR	SR
less than 31 days	**20,877,754**	18,384,450
From 31 – 90 days	**11,947,823**	8,011,910
From 91 – 120 days	**2,093,333**	514,919
From 121 – 365 days	**1,315,513**	672,207
More than 365 days	**2,818,136**	1,262,901
	39,052,559	28,846,387

**The movement in the provision for expected credit losses is as follows:

	2022G	2021G
	SR	SR
1 January	**989,070**	989,070
Additions during the year	**1,742,241**	-
Disposals during the year	**(12,478)**	-
31 December	**2,718,833**	989,070

16. CASH AT BANKS

	2022G	2021G
	SR	SR
Cash at banks	**16,744,768**	90,028,062
Short term deposit*	**166,889,621**	-
	183,634,389	90,028,062

* Shot term deposits matured within 90 days or less.

17. STATUTORY RESERVE

As required by the Regulations for Companies in Saudi Arabia and bylaws of the company, the group shall transfer 10% of its net profit to the statutory reserve until the reserve equals 30% of capital.

18. RETAINED DEPOSITS

	2022G	2021G
	SR	SR
Deposits from individual customers	**519,344**	1,240,127
Deposits from corporate customers	**29,328,312**	24,296,643
	29,847,656	25,536,770
Less: current portion	**(20,446,878)**	(5,512,554)
Non-current portion	**9,400,778**	20,024,216

19. EMPLOYEES' DEFINED BENEFITS OBLIGATION

The Group is required to pay post-employment benefits to all employees under Saudi labour regulations upon termination of their services. The cost of the employees' defined benefits obligation is measured using the actuarial valuation and the planned credit unit method.

Present value adjustment of the defined employee benefits obligation

	2022G	2021G
	SR	SR
1 January	**8,958,498**	6,104,263
Current service costs	**5,543,572**	4,728,435
Finance cost (note 28)	**177,211**	181,770
Paid during the year	**(2,196,709)**	(1,531,347)
Actuarial re-measurement	**(29,130)**	(524,623)
31 December	**12,453,442**	8,958,498

19. EMPLOYEES' DEFINED BENEFITS OBLIGATION (continued)

Key actuarial assumptions

The following key actuarial assumptions have been used by the Group to assess the employees' defined benefits obligation:

	2022G	2021G
Discount rate	**4.25%**	2%
Expected salary increase rate	**4.25%**	2%

Sensitivity analysis of actuarial assumptions

	2022G	2021G
	SR	SR
Evaluation discount rate		
Increase 1%	**11,855,007**	8,509,441
Decrease 1%	**12,830,067**	9,242,327
Expected salary increase rate		
Increase 1%	**12,825,048**	9,238,462
Decrease 1%	**11,850,653**	8,506,105

Key actuarial assumptions

Sensitivity analyses of employees' benefits have been prepared based on the way that extrapolates the impact on the defined benefits obligation as a result of reasonable changes in the key assumptions occurring at the end of the financial year. Sensitivity analyses are based on the change in the fundamental assumption, assuming all other assumptions are consistent. Sensitivity analyses may not be indicative to the actual change in the defined benefits obligation, and it is unlikely that changes in assumptions will occur in isolation.

20. CONTRACT LIABILITIES

Contract liabilities mainly relate to consideration received in advance from customers and unearned revenue, for which revenues are recognized when performance obligations are satisfied.

	2022G	2021G
	SR	SR
1 January	**20,717,728**	24,772,730
Additions	**267,382,378**	220,865,058
Used	**(270,752,327)**	(224,920,060)
31 December	**17,347,779**	20,717,728

21. ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	2022G	2021G
	SR	SR
Accrued salaries and other benefits	**17,929,181**	15,026,941
Accrued vacations	**12,251,795**	9,162,072
Accrued tickets	**10,444,664**	6,930,275
VAT payable	**4,474,459**	3,399,262
Bonus provision	**2,040,000**	2,149,000
Advances from customers	**1,054,600**	1,451,965
Provision for legal and contingent liabilities	**258,409**	2,166,539
Others	**1,764,792**	955,625
	50,217,900	41,241,679

22. ZAKAT

Zakat base components

The main zakat base components are as follows:

	2022G	2021G
	SR	SR
Adjusted profit for the year before zakat	**69,978,340**	66,189,756
Share capital	**100,000,000**	100,000,000
Retained earnings	**76,586,614**	28,032,087
Statutory reserve	**8,499,303**	3,104,356
Other provisions and adjustments	**8,165,133**	8,018,090
Lease liabilities	**9,011,555**	9,042,725
Right-of-use assets	**(9,217,649)**	(9,226,576)
Property and equipment	**(36,047,893)**	(33,940,120)
Advances from customers	**1,054,600**	-
Zakat provision	**2,096,420**	-
	230,126,423	171,220,318
Zakat base	**235,102,776**	174,483,980

Some of these amounts have been adjusted to arrive at the zakat base.

Zakat due is calculated at 2.5% of the zakat base or the adjusted net profit for the year, whichever is greater.

22. ZAKAT (continued)

Zakat payable

	2022G	2021G
	SR	SR
1 January	**5,333,242**	3,763,713
Zakat expense charged to the year	**5,877,569**	4,828,927
Paid during the year	**(3,236,822)**	(3,259,398)
31 December	**7,973,989**	5,333,242

Zakat status

The group submitted its zakat returns with the Zakat, Tax and Customs Authority ("ZATCA") up to 2021G, and have not received any assessments up to date. Tamkeen Human Resources Company obtained the approval of ZATCA on 21 Shawwal 1442 H, corresponding to 2 June 2021G to submit a consolidated zakat return for the company and its 100% owned subsidiaries as at the year ended 31 December 2021G.

23. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue details

In the following tables, revenue is classified by segment, customer, and contract type, as well as the duration of contracts (timing of revenue). Inter-group income is eliminated upon the consolidation of financial statements.

Segment type	2022G	2021G
	SR	SR
Individuals	**195,170,311**	161,554,551
Restaurants and foods	**111,309,428**	87,866,379
Contracting, maintenance and operation	**55,247,304**	64,346,776
Medical	**30,907,382**	21,200,784
Retail	**31,843,409**	21,028,163
Technology and information systems	**2,005,117**	2,530,981
	426,482,951	358,527,634

Customer type	2022G	2021G
	SR	SR
Corporate	**231,312,640**	196,973,083
Individuals	**195,170,311**	161,554,551
	426,482,951	358,527,634

Contract type	2022G	2021G
	SR	SR
Corporate sector	**231,312,640**	196,973,082
Individuals – monthly contracts	**156,105,689**	134,536,229
Individuals – hourly service	**39,064,622**	27,018,323
	426,482,951	358,527,634

Contract duration	2022G	2021G
	SR	SR
More than one year	**231,626,240**	197,195,583
One year or less	**194,856,711**	161,332,051
	426,482,951	358,527,634

The Group applies a policy of revenue recognition over the time. Accordingly, all revenues are recognized over the contract period in which the services are provided.

TAMKEEN HUMAN RESOURCE COMPANY
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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24. COST OF REVENUE

	2022G	2021G
	SR	SR
Salaries and other benefits	**182,647,457**	156,817,481
Visa and licenses fees	**49,384,817**	44,820,584
Recruitment expenses (note 10)	**30,155,233**	20,521,231
Tickets	**10,247,425**	5,620,120
Amortization of used visas	**9,743,853**	7,723,070
Depreciation and amortization	**6,604,835**	6,409,941
Cost of employees' defined benefits obligation	**4,494,137**	3,622,159
Medical insurance	**4,690,339**	3,741,960
Social insurance	**3,412,534**	2,727,096
Subsistence expenses	**3,287,442**	1,980,822
Bank charges	**2,581,903**	1,726,871
Labour accommodation rent	**2,052,167**	894,698
Maintenance and repairs	**1,985,459**	1,030,020
Bonuses	**1,323,458**	509,129
Subscription fees	**1,301,951**	1,297,641
External offices commissions	**524,770**	346,528
Medical examination	**476,477**	374,275
Quarantine	**248,573**	1,605,665
Governmental expenses	**154,817**	282,332
Other	**7,196,418**	2,791,331
	322,514,065	264,842,954

25. SELLING AND MARKETING EXPENSES

	2022G	2021G
	SR	SR
Marketing and advertising	**8,328,153**	3,860,817
Travel and transportation	**-**	527,766
	8,328,153	4,388,583

26. GENERAL AND ADMINISTRATIVE EXPENSES

	2022G	2021G
	SR	SR
Salaries and other benefits	**21,114,349**	16,639,148
Services and subscription fees	**3,055,955**	940,278
Depreciation and amortization	**2,172,944**	2,857,438
Bonuses provision	**1,848,277**	2,149,000
Professional consultations	**1,827,584**	2,546,822
Social insurance	**1,460,513**	1,188,565
Costs of employees' defined benefits obligation	**1,049,435**	1,106,276
Medical insurance	**822,049**	422,704
Stationery and printings	**139,894**	101,299
Maintenance and repairs	**126,888**	299,398
Rents	**99,741**	307,607
Electricity and water	**76,206**	225,095
Hospitality and cleaning	**87,124**	81,867
Gifts and donations	**87,900**	-
Amortization of used visas	**13,414**	23,443
Others	**4,296,585**	2,542,662
	38,278,858	31,431,602

27. OTHER INCOME

	2022G	2021G
	SR	SR
Gains on murabha time deposit	**2,425,159**	-
Revenue from Investments' at fair value through profit or loss (note 14)	**484,014**	668,154
Reversal of legal provision and contingent liabilities	**423,465**	-
Loss on write off work in progress	**-**	(929,242)
Cash trade discount	**(9,254)**	441,484
Other	**2,486,966**	991,066
	5,810,350	1,171,462

28. FINANCE COST

	2022G	2021G
	SR	SR
Finance cost on lease liabilities (note 7)	**605,120**	600,409
Finance cost on employees' defined benefits obligation (note 19)	**177,211**	181,770
	782,331	782,179

29. EARNINGS PER SHARE

	2022G	2021G
	SR	SR
Net profit for the year	**54,770,084**	53,424,851
Number of shares	**10,000,000**	10,000,000
Earnings per share – basic and diluted	**5.48**	5.34

There is no dilutive effect on the basic or diluted earnings per share of the group.

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

30. FAIR VALUE MEASUREMENT

Fair value is the amount that will be received for an asset or paid to transfer a liability under an orderly transaction between market participants on the measurement date. Within the definition of fair value, it is assumed that the Group will continue to operate as there is no intention or condition to substantially reduce the volume of its operations or to conduct a transaction on adverse terms.

A financial instrument is considered listed in an active market if the quoted prices are readily and regularly available from an exchange dealer, an industry group mediator, pricing services or a regulatory authority, and these prices represent market transactions that actually and regularly occur on commercial basis.

When measuring fair value, the Group uses observable market information whenever possible. Fair values are classified within various levels in the fair value hierarchy based on the inputs used in valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities can be obtained at the measurement date.
- Level 2: Inputs other than quoted prices included in Level 1 that are directly observable for assets or liabilities (such as prices) or indirectly (derived from prices).
- Level 3: Inputs for assets and liabilities not based on observable market information (unobservable inputs).

All financial assets and financial liabilities of the Group are not measured at fair value and are measured at amortized cost.

31. RISK MANAGEMENT OF FINANCIAL INSTRUMENTS

Credit Risk

Credit risk is the inability of one party to a financial instrument to meet its obligations, which causes the other party to incur a financial loss. The Group is exposed to credit risk on its bank balances, trade receivables, and other debit balances as follows:

	2022G	2021G
	SR	SR
Cash at banks	**183,634,389**	90,028,062
Trade receivables	**36,333,726**	27,857,317
Other debit balances	**11,200,848**	4,418,109
	231,168,963	122,303,488

The carrying amount of financial assets represents the maximum credit exposure. The Group manages the credit risks in respect of trade receivables by setting credit limits for each customer and consistently monitors the uncollected receivables. The receivable balances are monitored with the result that the Group's exposure to bad debts is not significant. Bank balances are held with financial institutions with a high credit rating. As at 31 December 2022G, 41% (2021G: 44%) of the total trade receivable balances belong to 3 major customers.

Liquidity Risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet obligations associated with financial instruments. Liquidity risks may result from the inability to sell a financial asset quickly at an amount approximate to its fair value.

Following are the contractual maturities at the end of the reporting period of financial liabilities:

	31 December 2022G		
	Carrying amount	Less than 1 year	More than 1 year
	SR	SR	SR
Financial Liabilities			
Retained deposits	**29,847,656**	20,446,878	9,400,778
Employees' defined benefits obligation	**12,453,442**	-	12,453,442
Lease liabilities	**9,011,555**	2,887,382	6,124,173
Contract liabilities	**17,347,779**	17,347,779	-
Trade payables	**8,079,998**	8,079,998	-
Accrued expenses and other credit balances	**50,217,900**	50,217,900	-
Zakat payable	**7,973,989**	7,973,989	-
	134,932,319	106,953,926	27,978,393

31. RISK MANAGEMENT OF FINANCIAL INSTRUMENTS (continued)

Liquidity Risk (continued)

	31 December 2021G		
	Carrying amount	Less than 1 year	More than 1 year
	SR	SR	SR
Financial Liabilities			
Retained deposits	**25,536,770**	5,512,554	20,024,216
Employees' defined benefits obligation	**8,958,498**	-	8,958,498
Lease liabilities	**9,042,725**	2,004,824	7,037,901
Trade payables	**8,333,753**	8,333,753	-
Contract liabilities	**20,717,728**	20,717,728	-
Accrued expenses and other credit balances	**41,241,679**	41,241,679	-
Zakat payable	**5,333,242**	5,333,242	-
Due to related parties	**17,713**	17,713	-
	119,182,108	83,161,493	36,020,615

Liquidity risks are managed by regularly monitoring and ensure that sufficient funds and credit facilities are available to meet the Group's future commitments.

Market Risk

Market price risk is the risk that value of a financial instrument will fluctuate as a result of changes in market prices, such as foreign exchange rates and interest rates, which affecting the Group's profit or the value of its financial assets. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency Risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency other than the Group's currency. The Group exposure to foreign currency risk is primarily limited to transactions in US dollars ("USD"). The Group's management believes that their exposure to currency risk associated with USD is limited as the Company's currency is pegged to USD. The fluctuation in exchange rates against other currencies is monitored on an going basis.

Interest rate risk

Interest rate risk arises from the fluctuation in the fair value or future cash flows of a financial instrument due to changes in market rates. The Group is not currently exposed to significant interest rate risk on its assets and liabilities.

32. CONTINGENT LIABILITIES

Guarantees

As of 31 December 2022G and December 31, 2021G, the Group had a letter of guarantee at an amount of SR 10 million (corresponding to a cash deposit of SR 10 million) related to the company's license issued by the Ministry of Human Resources and Social Development (note 8).

33. SUBSEQUENT EVENTS

In meeting No. 4 for year 2023G, held on February 26, 2023G, all members of the Board of Directors have approved the recommendation to the extraordinary general assembly to increase the company's share capital to SR 200 million through capitalizing SR 100 million from the retained earnings for the year ended December 31, 2022G.

There were no subsequent events to the date of the statement of financial position require making adjustments or providing disclosures in these consolidated financial statements.

34. APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2022G have been approved for issuance by the Company's Board of Directors on 6 sha'ban 1444 H (corresponding to 26 February 2023G).

TAMKEEN HUMAN RESOURCES COMPANY

(A SAUDI CLOSED JOINT STOCK COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS

AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021G

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Independent Auditor's Report

To the Shareholders
Tamkeen Human Resources Company
(A Saudi Closed Joint Stock Company)
Riyadh – Kingdom of Saudi Arabia

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Tamkeen Human Resources Company (the "Company"), and its subsidiaries (collectively refer to "the Group"), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss and other 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 at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year ended in accordance with International Financial Reporting Standards ("IFRSs") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") 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 International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants and endorsed in the Kingdom of Saudi Arabia ("IESBA Code"), and we have fulfilled our 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.

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 International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and Regulations for Companies, the Company's Bylaws 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., the Board of Directors, are responsible for overseeing the Group's financial reporting process.

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

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

Independent Auditor's Report (Continued)

To the Shareholders - Tamkeen Human Resources Company

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

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional scepticism throughout the audit. We are 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.
- 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, 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.

BAKER TILLY MKM & CO.
Certified Public Accountants

Ayad Obeyan Alseraihi
License No. 405
Riyadh on 11 Ramadan 1442 H
Corresponding 12 April 2022 G

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محاسبون قانونيون
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س.ت: C.R: 1010428101
BAKER TILLY
M K M & CO.

TAMKEEN HUMAN RESOURCES COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021G
(Saudi Riyals)

	Notes	31 December 2021G	31 December 2020G
ASSETS			
Non-current assets			
Property and equipment	6	**33,940,120**	31,643,161
Right-of-use assets	7	**9,226,576**	13,829,456
Cash margin on letter of guarantee	8	**10,000,000**	10,000,000
Used visas – non-current	9	**2,892,356**	632,530
Prepaid recruitment expenses – non-current	10	**8,604,544**	2,438,423
Total non-current assets		**64,663,596**	58,543,570
Current assets			
Trade receivables	15	**27,857,317**	26,407,826
Prepayments and other debit balances	12	**51,676,803**	44,496,052
Used visas - current	9	**5,239,386**	4,554,447
Available visas	13	**13,688,000**	10,726,000
Due from related parties	11	**219,358**	20,808
Investment at fair value through profit or loss	14	**50,895,503**	50,330,246
Cash at banks		**90,028,062**	43,561,059
Total current assets		**239,604,429**	180,096,438
TOTAL ASSETS		**304,268,025**	238,640,008
EQUITY AND LIABILITIES			
EQUITY			
Share capital	1	**100,000,000**	100,000,000
Statutory reserve	16	**8,499,303**	3,104,356
Retained earnings		**76,586,614**	28,032,087
TOTAL EQUITY		**185,085,917**	131,136,443
LIABILITIES			
Non-current liabilities			
Retained deposits – non-current	17	**20,024,216**	3,950,816
Lease liabilities – non-current	7	**7,037,901**	9,886,162
Employees' defined benefits obligations	18	**8,958,498**	6,104,263
Total non-current liabilities		**36,020,615**	19,941,241
Current liabilities			
Trade payables		**8,333,753**	5,329,513
Contract liabilities	19	**20,717,728**	24,772,730
Retained deposits – current	17	**5,512,554**	14,541,358
Accrued expenses and other credit balances	20	**41,241,679**	35,721,362
Due to related parties	11	**17,713**	8,341
Lease liabilities – current	7	**2,004,824**	3,425,307
Zakat payable	21	**5,333,242**	3,763,713
Total current liabilities		**83,161,493**	87,562,324
TOTAL LIABILITIES		**119,182,108**	107,503,565
TOTAL EQUITY AND LIABILITIES		**304,268,025**	238,640,008

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

TAMKEEN HUMAN RESOURCES COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021G
(Saudi Riyals)

	Notes	2021G	2020G
Revenues from contracts with customers	**22**	**358,527,634**	302,440,031
Cost of revenues	**23**	**(264,842,954)**	(223,978,190)
Gross profit		**93,684,680**	78,461,841
Selling and marketing expenses	**24**	**(4,388,583)**	(2,170,722)
General and administrative expenses	**25**	**(31,431,602)**	(32,496,777)
Expected credit losses	**15**	**-**	(989,070)
Operating profit		**57,864,495**	42,805,272
Other income	**26**	**1,171,462**	913,180
Finance costs	**27**	**(782,179)**	(962,323)
Profit before zakat		**58,253,778**	42,756,129
Zakat	**21**	**(4,828,927)**	(3,232,069)
Net profit for the year		**53,424,851**	39,524,060
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement of employees’ defined benefits obligations	**18**	**524,623**	92,884
Other comprehensive income for the year		**524,623**	92,884
Total comprehensive income for the year		**53,949,474**	39,616,944
Earnings per share attributable to shareholders:			
Basic and diluted	**28**	**5.34**	3.95

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

TAMKEEN HUMAN RESOURCES COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021G
(Saudi Riyals)

	Share capital	Statutory reserve	Retained earnings (Accumulated losses)	Total equity
As at 1 January 2020G	100,000,000	-	(8,480,501)	91,519,499
Net profit for the year	-	-	39,524,060	39,524,060
Other comprehensive income for the year	-	-	92,884	92,884
Total comprehensive income for the year	-	-	39,616,944	39,616,944
Transfer to statutory reserve	-	3,104,356	(3,104,356)	-
As at 31 December 2020G	100,000,000	3,104,356	28,032,087	131,136,443
As at 1 January 2021G	100,000,000	3,104,356	28,032,087	131,136,443
Net Profit for the year	-	-	**53,424,851**	**53,424,851**
Other comprehensive income for the year	-	-	**524,623**	**524,623**
Total comprehensive income for the year	-	-	**53,949,474**	**53,949,474**
Transfer to statutory reserve	-	**5,394,947**	**(5,394,947)**	-
As at 31 December 2021G	**100,000,000**	**8,499,303**	**76,586,614**	**185,085,917**

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

TAMKEEN HUMAN RESOURCES COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021G
(Saudi Riyals)

	2021G	2020G
OPERATING ACTIVITIES		
Profit for the year before zakat	**58,253,778**	42,756,129
Adjustments for:		
Depreciation	**6,255,794**	6,147,858
Amortization of right of use assets	**4,602,880**	3,495,629
Amortization of used visas	**7,746,512**	9,339,466
Expected credit losses	**-**	989,070
Finance costs	**782,179**	962,323
Loss from disposal of property and equipment	**-**	414,363
Write off work in progress	**929,242**	-
Costs of employees' defined benefit obligation	**4,728,435**	2,851,914
Changes in working capital:		
Trade receivables	**(1,449,491)**	(6,913,211)
Prepayments and other debit balances	**(13,346,872)**	11,609,708
Used visas	**(29,707,533)**	(18,382,109)
Available visas	**16,054,255**	14,006,443
Retained deposits	**7,044,596**	2,264,988
Trade payables	**3,004,240**	(343,692)
Due from/to related parties	**(189,178)**	(12,503,448)
Accrued expenses and other credit balances	**5,520,318**	16,978,793
Unearned revenue	**(4,055,002)**	10,312,545
Cash generated from operating activities	**66,174,153**	83,986,769
Zakat paid	**(3,259,398)**	(1,580,519)
Employees' defined benefits obligation paid	**(1,531,347)**	(81,639)
Net cash generated from operating activities	**61,383,408**	82,324,611
INVESTING ACTIVITIES		
Investments at fair value through profit or loss	**(565,257)**	(50,330,246)
Purchase of property and equipment	**(9,481,996)**	(2,092,376)
Proceeds from disposal of property and equipment	**-**	99,613
Net cash used in investing activities	**(10,047,253)**	(52,323,009)
FINANCING ACTIVITIES		
Lease liabilities paid	**(4,869,152)**	(4,110,880)
Net cash used in financing activities	**(4,869,152)**	(4,110,880)
Net change in cash and cash equivalent	**46,467,003**	25,890,722
Cash at banks at 1 January	**43,561,059**	17,670,337
Cash at banks at 31 December	**90,028,062**	43,561,059
Non-cash transactions:		
Transfer from available visas to used visas (Note 9)	**(19,016,255)**	(14,650,442)
Re-measurement of employees' defined benefit obligation	**(524,623)**	(92,884)
Lease liabilities	**714,632**	294,111
Right-of-use assets	**(714,632)**	(294,111)

The accompanying notes form an integral part of these consolidated financial statement.

1. CORPORATE INFORMATION AND ACTIVITIES

Tamkeen Human Resources Company (the "Company") is a Saudi closed joint stock company registered in the Kingdom of Saudi Arabia, under Commercial Registration No. 1010451749 dated on 23 Ramadan 1439H (corresponding to 7 June 2018G). The company's capital consists of 10,000,000 shares of SR 10 per share. Distributed to shareholders as follows:

Shareholders	As at 31 December 2021G		
	Number of Share	Contribution	Value of Shares SR
Abdulrahman Ali Abdullah Al Qubaisi	1,500,000	15.00%	15,000,000
Fares Saleh Metlaq Al Henaki	1,000,000	10.00%	10,000,000
Saleh Mohammad Saleh Al Hajjaj	1,000,000	10.00%	10,000,000
Saif Mohammad Saif Al Sharikh	250,000	2.50%	2,500,000
Abdullah Ahmed Sultan Al Kanani	300,000	3.00%	3,000,000
Abdullah Sulaiman Abdulrahman Al Nugair	3,175,000	31.75%	31,750,000
Mohammed Suleiman Abdulrahman Al Nugair	2,675,000	26.75%	26,750,000
Ziad Mohammad Maki Saleh Al Tunsi	100,000	1.00%	1,000,000
Total	10,000,000	100%	100,000,000

The Company's main activity is in labour recruitment and providing manpower services in respect of domestic workers, manpower for public and private sectors and local contracting according to the letter of the Ministry of Labor and Social Development No. (184162) dated on 15 Ramadan 1439H.

The Company's headquarter is located in Riyadh, North Ring Road, Al-Nafl District, P.O. Box 4143, Postal Code 12333.

The accompanying consolidated financial statements include the activities of the Company, and its branches listed below, which operate under the following commercial registrations:

	Branch	Commercial registration
1	Tamkeen Human Resources Company - Buraidah - Al-Montazah District - Branch	1131295467
2	Tamkeen Human Resources Company - Riyadh - King Fahd Road - Branch	1010718065
3	Tamkeen Human Resources Company - Riyadh - King Fahd Road - Branch	1010452720
4	Tamkeen Human Resources Company - Al-Rass - Taiba District - Branch	1132108352
5	Tamkeen Human Resources Company - Dammam - Othman Bin Affan Road – Branch	2050126195
6	Tamkeen Human Resources Company - Riyadh - Al-Nafl District – Branch	1010452721
7	Tamkeen Human Resources Company - Al Khobar - Al Khobar District – Branch	2051224835
8	Tamkeen Human Resources Company - Al-Ahsa - Al-Rawdah District – Branch	2031102928
9	Tamkeen Human Resources Company - Madinah - King Abdullah Road – Branch	4650215208
10	Tamkeen Human Resources Company - Yanbu Al Bahr - Omar Bin Al Khattab Road Branch	4700110174
11	Tamkeen Human Resources Company - Khamis Mushait - Al-Dayfah District - Branch	5855346739

2. STATEMENT OF COMPLIANCE

The consolidated financial statements include the consolidated statement of financial position, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows, and the notes to the consolidated financial statements. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

3. BASIS OF PREPARATION

Basis of measurement

These consolidated financial statements of the Company have been prepared on the historical cost basis as shown in the relevant accounting policies and basis of measurement summarized below except for employees' defined benefits obligation which has been estimated by an independent actuary, and certain assets and liabilities that have been measure at fair value.

Presentation and functional currency

The consolidated financial statements are presented in Saudi Riyal ("SR") which is the presentation and functional currency of the parent company and its subsidiaries. All amounts have been rounded to the nearest Saudi Riyal ("SR.") unless otherwise indicated.

Basis of consolidating the financial statements

The consolidated financial statements include the financial statements of the parent company and its subsidiaries at the reporting date.

The group controls the company when it has the right to the variable returns due to its involvement in the company and the ability to affect these returns through its ability to control the investee. The financial information of the subsidiary is included in the consolidated financial statements from the date on which the control commences till the date of which the control is lost.

The control concept becomes clear upon realizing the following three components:

- Investor's power over the investee.
- Exposing the investor to variable returns resulting in its partnership with the investee, or his rights in it and
- Investor's ability to use that power over the investee.

The results of subsidiary acquired during the year are included in the consolidated statement of profit or loss, commencing from the date of transferring the control to the company.

All intercompany transactions and balances of the group subsidiaries are eliminated when consolidating the financial statements, including unrealized profits and losses resulting from intercompany transactions of the group subsidiaries. Where unrealized losses resulting from the sale of assets are excluded upon consolidation, and assets are also tested for impairment from the group's perspective. The amounts recognized in the financial statements of the subsidiaries are adjusted, if necessary, to ensure the consistency with the accounting policies approved by the Group.

Profit or loss and other comprehensive income of the subsidiaries acquired or eliminated during the year are recognized at the purchasing actual date or at the disposal actual date, as appropriate.

The Group discloses the distribution of the total comprehensive income or loss of subsidiaries between the owners of the parent company and the non-controlling interests based on the ownership interests of each of the owners if the value of those shares is material.

Business Combination

The Group recognizes business combinations using the combination method when control is transferred to the Group. Transferred benefits on combination are measured fair value. It is determined by the net asset value.

The benefits resulting from the combination process do not include the amounts resulting from the settlement of the relationships that existed prior to the combination process, these amounts are included in the consolidated statement of profit or loss and comprehensive income.

Contingent liabilities are measured at fair value on the date of acquisition if they are classified as equity. Any equity transaction and subsequent recognition of the change in the fair value of the contingent liability is recognized in the consolidated statement of profit or loss and other comprehensive income.

3. BASIS OF PREPARATION (continued)

The following is a statement sets out the percentage of direct and indirect ownership in the subsidiaries included in these consolidated financial statements:

Subsidiary company	Country of incorporation	Direct and indirect ownership percentage as at	
		31 December 2021G	31 December 2020G
Open Technologies Company for Communications and Information Technology	Kingdom of Saudi Arabia	100%	100%
Seha for Medical Service Company*	Kingdom of Saudi Arabia	100%	-

* Seha for Medical Service Company was registered on 21 December 2021, and did not start any operations up to 31 December 2021.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements in accordance with International Financial Reporting Standards applicable in the Kingdom of Saudi Arabia requires the use of certain significant estimates and assumptions that affect the amounts of assets and liabilities presented, disclosures of contingent assets and liabilities at the reporting date, and the recognized value of revenues and expenses during the financial reporting period. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. The Group makes estimates and assumptions regarding the future and very rarely do these accounting estimates equal the actual results.

The areas involving a higher degree of judgment or estimates, or areas of material importance where assumptions and estimates have significant effects on the consolidated financial statements are as follows:

Provision for expected credit losses for trade receivables

The Group uses a provision matrix to calculate ECLs for accounts receivable. The provision rates are based on past-dues receivables to the grouping of various customer segments that have similar loss patterns.

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 are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted for the previous year. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlations between historical observed default rates, forecast economic conditions and ECLs are significant estimates. The ECLs amount 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.

Useful lives or residual value or depreciation method for property and equipment

The Group's management determines the estimated useful life of property and equipment. This estimate is determined after considering the expected usage of the asset or natural wear and tear.

Management annually reviews the useful life or residual value and depreciation method for properties and equipment. Future depreciation is adjusted when management believes that the useful life or residual value or depreciation method differs from those used in previous periods.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

Employees' defined benefits obligation

Liabilities relating to defined benefit plans are determined using the projected credit unit method with the actuarial valuations made at the end of the annual reporting. Such method requires to make assumptions about the discount rates, future salary increments rates and mortality rates. Due to the long-term nature of these benefits, these estimates are subject to certain uncertainties. and significant assumptions used to perform the actuarial valuation.

Zakat provision

When the amount of zakat payable is estimated by the group, the management takes into consideration the applicable laws and previous decisions and provisions of Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia.

Impairment of non-financial assets

Recoverable amount for the cash generating units in the group exceeds the carrying amount at a fine difference. The assessment of the recoverable amount of property and equipment in the group is significantly affected by the management's ability to achieve the budget. Budgets include forecasts of revenue, staff costs, and indirect overheads based on current and projected market conditions that have been considered and approved by the Board of Directors, meanwhile the group is able to manage most of the costs.

Legal provision

A provision is made to meet any potential legal obligations based on the legal study prepared by the group's legal advisor, which identifies the risks that may occur in the future, and that study is reviewed periodically.

Fair value measurement

A number of the Group's accounting policies and disclosures require the measurement of the fair values of financial and non-financial assets and liabilities. The Group has a regulatory framework in place in relation to the measurement of fair values. This includes an assessment team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair value measurement, with reports directly delivered to the CFO. The evaluation team regularly reviews significant unobservable inputs and adjustments to the evaluation.

If information is acquired from a third party, such as broker quotes or pricing services, to measure fair value, then the valuation team assesses the evidence obtained from the third party to ensure that these valuations meet the requirements of IFRS, including the fair value hierarchy in which valuations should be categorized. When measuring the fair value of an asset or a liability, the Group uses observable market data as much as possible.

Fair value is classified within the fair value hierarchy levels, based on the inputs used in the evaluation techniques as follows:

- Level 1 – Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2 – Inputs other than prices included in level 1 that can be identified for the asset or liability, whether directly (prices) or indirectly (derived from prices).
- Level 3 – Assets or liabilities inputs that are not based on the observable market data (unobservable inputs). If the inputs used to measure the fair value of the asset or liability are classified within the fair value hierarchy, then the fair value as a whole is classified in the same fair value hierarchy levels, as it is considered the lowest level of the significant inputs for the measurement as a whole. The group recognizes the transfers between the fair value hierarchy levels at the end of reporting period at which the change occurred.

TAMKEEN HUMAN RESOURCES COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021G

5. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in these consolidated financial statements for the year ended 31 December 2021G are the same as those applied by the Group in the consolidated financial statements for the year ended 31 December 2020G, except for amendments to IFRS that became effective after January 1, 2021G:

New standards or adjustments	Effective date
Impact of COVID-19 related to lease concessions - Amendment to IFRS 16	1 June 2021G
Impact of the interest rate reform standard - Stage 2 (Amendment to IFRS 9, IAS 39, IFRS 7,4,16)	1 January 2021G
Impact of COVID-19 related to lease concessions after 30 June 2021G - Amendment to IFRS 16	1 April 2021G

The application of the new standards effective from 1 January 2021G did not have a material impact on the Group's consolidated financial statements.

The following is a summary of significant accounting policies

Property and equipment

Property and equipment are stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. The initial cost includes expenditure that is directly attributable to the delivery of those properties and equipment to the operating site and having them ready to operate.

Expenditures incurred after operating the properties and equipment, such as repairs, maintenance and the whole renovation are included in the consolidated statement of profit or loss and other comprehensive income in the period at which these expenses are incurred. In cases where the expenses clearly show an increase in the future economic benefits from using one of the properties and equipment to a limit higher than the performance standard that is basically identified, these expenses are capitalized as an additional cost on the properties and equipment.

If significant and important parts of an item of property and equipment have different useful lives, they are accounted for as separate items (key components) of property and equipment.

Depreciation is calculated using the straight-line method over the estimated useful lives of the properties and equipment. The useful life of the underlying assets is as follows:

Item	Estimated useful life (years)
Buildings	25 Years
Vehicles	4 Years
Furniture and fixtures	5 Years
Computer and office equipment	5 Years
Electrical equipment	5 Years
Leasehold improvements	3 - 5 Years or the lease term, whichever is shorter

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or sale in the future. Any gain or loss arising from 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 profit or loss when the asset is derecognized.

Residual values, useful lives and methods of depreciation of property and equipment are reviewed at the end of each financial year, and adjusted prospectively, if appropriate.

Work in progress is stated under property and equipment at cost and a provision is made for any impairment in value, if any. Works in progress are classified as properties and equipment upon the completion of these projects. No depreciation is calculated on works in progress.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Right-of-use assets and lease liabilities

- A lease is defined as "a contract, or part of a contract, which conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration." To apply this definition, the Group assesses whether a contract meets three main requirements:
- The contract contains an identified asset, which is explicitly specified in the contract or implicitly specified whenever the asset is available to the group.
- The Group has the right to obtain substantially all the economic benefits from the use of the specified asset throughout the period of use, considering its rights within the specified scope of the contract; and
- The Group has the right to direct the use of the identified assets during the period of use. The Group assesses whether it has the right to direct through the intended use of the asset.

Measurement and recognition of leases

At the commencement of the lease, the Group recognizes a right-of-use asset and a lease liability in the consolidated statement of financial position. Right-of-use asset is initially measured at cost, which comprising the amount of the initial measurement of lease liability and any initial direct costs that the group incurs, an estimation for any dismantle costs at the end of lease contract and any lease payments made before the commencement date (less any lease incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the commencement of the lease till the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use assets when there are indications of impairment in the value of these assets.

At the commencement date of the lease, the Group measures the lease liability at the present value of the outstanding lease payments at that date and are discounted using the rate of return implicit in the lease if that rate can be readily determined or the Group's incremental borrowing rate.

Lease payments included in the lease liability consist of fixed payments (including in-substance fixed payments), variable lease payment that are based on an index or a rate, amounts expected to be paid under residual value guarantees and payments that arise if its reasonably certain to exercise that option.

After initial measurement, the obligations will be reduced to reflect the lease payments and increased to reflect the return on the lease. Remeasurement obligation is to reflect any reassessment or adjustments, or if there are any changes in the substance fixed lease payments.

The Group applies the accounting for short-term lease and leases of low-value assets. Instead of recognizing the right of use assets and lease liabilities, payments related to those leases are recognized as expenses in the consolidated statement of profit or loss and other comprehensive income, on straight line basis over the lease term.

Cash and cash equivalents

Cash and cash equivalents consist of items that can be easily converted into cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents in the consolidated statement of financial position consist of cash on hand and balances at banks, which are initially and subsequently recorded at fair value. For the purposes of the statement of cash flows: cash and cash equivalents consist of cash on hand and cash balances held with banks and have a maturity date of 90 days or less, available for use by the group unless otherwise stated.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Recognition and derecognition

Financial assets and liabilities are recognized when the company becomes a party to the contractual provisions of these instruments. Financial assets and liabilities are initially measured at fair value.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or when the financial assets are transferred and substantially all risks and rewards are transferred. A financial liability is derecognised when it is amortized, settled, cancelled, or expires.

Classification and initial measurement of financial assets

With the exception of trade receivables that do not have a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at the revised fair value of the transaction costs, as applicable.

Financial assets, other than those designated and effective as hedging instruments, are classified in the following categories:

- Amortized cost
- Fair value through profit or loss
- Fair value through other comprehensive income

In the periods presented, the Group does not have any financial assets classified as FVTOCI. Classification of financial assets is determined through the following:

- Group's business model for the financial assets management
- Contractual cash flows characteristics of the financial asset

All income and expenses relating to financial assets recognized in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of receivables, which are presented under selling and marketing expenses.

Subsequent measurement for financial assets

Financial assets at amortized cost

Financial assets are measured at the amortized cost if the assets are in line with the following terms (and have not been classified as financial assets at fair value through profit or loss):

- Are held within business model aims to maintain the financial assets and collect the contractual cash flows.
- Assets' contractual terms that trigger the cash flows are only payments for the asset principle and the return on the outstanding original amount.

After the initial recognition, financial assets are measured at the amortized cost using the actual return method. Impairment is eliminated when the impact is immaterial. Cash and cash equivalent of the group, trade receivables that have been collected in cash and most of other receivables and cash margins deposited at banks are included within this category of the financial instruments.

Financial assets at fair value through profit or loss

Financial assets that are held within different business models other than "held for collection" or "held for collection and sale" are classified at fair value through profits or losses. In addition, regardless of the financial assets of the business model, its contractual cash flows are not only principal amount payments, and the return is determined at fair value through profit or loss.

Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair value of financial assets in this category is determined by reference to active market transactions or by using valuation techniques when there is no active market. Receivables collected are classified under fair value through profit or loss.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets at fair value through other comprehensive income

The Group accounts for financial assets in FVTOCI if the assets meet the following conditions:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gain or loss recognized in other comprehensive income will be reclassified upon derecognition of the asset.

Impairment of financial assets

The Group assesses future credit losses on a forward-looking basis to determine the impairment of financial assets.

The recognition of credit losses is no longer dependent on first identifying the credit loss event. Instead, the Group considers a broader set of information when assessing credit risk and measuring ECL, including past events, current conditions and reasonable and supportable forecasts that affect the collectability of the instrument's future cash flows.

In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not significantly deteriorated in credit quality since initial recognition or that have low credit risk ("Stage 1") and
- Financial instruments that have significantly deteriorated in credit quality since initial recognition and whose credit risks were not low (Stage 2).

"Stage 3" will cover financial assets that have objective evidence of impairment at the reporting date.

'12-month ECL' is recognized for the first category while 'lifetime ECL' is recognized for the second category.

The measurement of expected credit losses is determined by estimating a weighted average of credit losses over the expected life of the financial instrument.

Trade receivables and others

The Group uses a simplified approach in accounting for trade receivables, which requires recognition of losses over the expected life from initial recognition of receivables. As for the measurement of expected credit losses, accounts receivable has been grouped based on common credit risk characteristics and number of days due. Expected loss rates are derived from the Group's historical information and are adjusted to reflect the expected future outcome which also includes forward-looking information on macroeconomic factors such as inflation and the rate of GDP growth.

Other financial assets, such as prepaid expenses, due from related parties and cash and cash equivalents, have low credit risk and the effect of the expected credit loss model on them is immaterial.

Classification and measurement of financial liabilities

The Group's financial liabilities carried at amortized cost include short-term cash facilities, payables, and other current liabilities. Long-term facilities are allocated under fair value through profit and loss.

Financial liabilities are initially measured at fair value and adjusted, as appropriate, for transaction costs unless the Group designates a financial liability at fair value through profit or loss.

Then, Financial liabilities are measured at the amortized cost using the actual return method, except for the derivatives and the financial liabilities identified at fair value through other comprehensive income, which are subsequently included at fair value within profits and losses recognized in the profit or loss (other than the derived financial instruments that have been identified and its effectiveness as hedging instruments).

All costs related to the return and changes in the fair value of an instrument and that have been reported are included in profit or loss within the finance costs or finance income, as appropriate.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Letters of guarantee deposits

The amount paid to secure the letters of guarantee deposits is recognized within non-current assets in the consolidated statement of financial position. The letter of guarantee deposits account shall be closed upon redemption of the insurance amount or when the letter of guarantee deposits is used by the other party.

Issued, Available and Used visas

Issued visas

Issued visas represent payments made to government parties against issuance of visas for manpower and are recorded at cost.

Used visas

Used visas that are used in recruitment and transferred from the issued visas are classified within the used visas and are amortized in the consolidated statement of profit or loss and other comprehensive income using the straight-line method over a period of two years or the contract term, whichever is shorter. The amount of the used visas is impaired in the consolidated statement of profit or loss and other comprehensive income in case of termination of the contract or the existence of an inhibition to the continuation of the service. The used visas are classified as current and non-current assets.

Available visas

The available visas represent the unused balance of issued visas as at the date of the consolidated financial statements. The amounts of available visas are transferred to the used visas at the time of stamping the visa for recruited manpower at the entry boarders of the Kingdom of Saudi Arabia. Available visas are classified as current assets.

Residence and work permit fees

Residence and work permit fees are amortized in the consolidated statement of profit or loss and other comprehensive income over one year in accordance with the validity of those permits.

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 the 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 the provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset and that only when the reimbursement is virtually certain. The expense related to a provision is presented in the consolidated statement of profit or loss net of any reimbursements.

If the impact of time value for the money is material, provisions are discounted using the current pre-tax rate that reflects, when appropriate, the associated risks to that liability. Increment in provision is recognized due to the passage of time as finance costs.

Retained deposits

Retained deposits represent amounts collected in advance from customers and recruitment agencies as security deposits of employment contracts. These amounts are refunded at the end of the contract after deducting the amounts due to the group or manpower from customers and recruitment agencies. Retained deposits are classified as current and non-current assets.

Trade receivables

Receivables represent the Group's right in the unconditional consideration amount (i.e., the maturity of the consideration depends on the passage of time). Refer to the accounting policy for financial assets.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Employees' defined benefits obligation

Employees' end of service benefits

The Group provides end of service benefits to its employees in accordance with the labour law and in accordance with the domestic workers manual in the Kingdom of Saudi Arabia. The entitlement to these benefits is based on the employee's final salary and service life, with the completion of the employee's minimum service period. The expected costs of these benefits are recorded over the period of service, and an annual provision is made based on an actuarial assessment made by an independent actuary in accordance with the requirements of IAS 19 "Employee's Benefits" based on the actuarial methodology of the projected credit unit. The last evaluation was performed on 31 December 2021G.

All past service costs are immediately recognized as expense. All actuarial gains and losses relating to defined benefits obligations are recognized in the consolidated statement of comprehensive income.

Statutory reserve

In accordance with the requirements of the Saudi Companies Law, the Company transfers 10% of its profit for the year to the statutory reserve until this reserve reaches 30% of the share capital. This reserve is not available for distribution as dividends.

Financial liabilities

Initial recognition and measurement

Upon initial recognition, financial liabilities are classified as financial liabilities at fair value through profit or loss, or as loans and payables, or as financial derivatives that are used as hedging instruments in an effective hedge.

All financial liabilities are initially recognized at fair value and, in the case of loans, borrowings and payables, at net of transaction costs associated with.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities included upon initial recognition at fair value through profit or loss. Gains or losses on these liabilities are recognized in the consolidated statement of profit or loss.

Loans and borrowings

After initial recognition, loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation is paid, cancelled, or discharged according to the contract.

Offsetting of Financial Instruments

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

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue is mainly generated by rendering the manpower services to the customers. The Group recognize its revenues based on the following steps:

- Identify the contract with a customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations.
- Recognizing revenues when performance obligations are satisfied.

The group recognizes revenue upon receipt and consumption of the services rendered to the customer by the group over a period of time, i.e. number of days, which is consistent with the requirements of IFRS 15.

Revenues are measured based on the consideration identified in the contract held with the customer, except for the amounts collected on behalf of other parties. Revenues from contract are recognized based on the manpower's services rendered to the customers (representing services of the performance obligation stated in the contract) over the terms of these contracts.

If the customer service invoice includes specific different services, the invoice price is allocated proportionately, and the revenue of the services is realized when the performance obligations are fulfilled, and the service is provided to the customer. The Group provides its services to customers directly and is not considered as an agent for any third parties.

Variable consideration

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

Significant financing component

The Group adjusts the promised consideration (if any), in respect of the time value of money if the contract contains a significant financing component.

Progress Measurement towards the whole fulfilment of the performance obligation

The performance obligation (the provision of services) is fulfilled over time. The Group applies a single method to measure the fulfillment of the obligation. The group uses the input method as a basis for measuring performance to date.

Contract costs

Contract costs are recognized as expenses unless the group has reasonable expectations of recovering these costs from the customers. In such cases, the group amortizes these costs on a regular basis, consistent with the transfer of services to the customer. The Group recognizes contract costs if:

- The costs are directly related to the contract or to a contemplated contract that the Group can specifically identify.
- The costs generate or enhance resources for the group and are used to meet (or continue to meet) future performance obligations.
- It was expected to recover the additional costs in case of not obtaining the contract with the customer.
- It was expected that these costs would not have been incurred in case of not obtaining the contract or if the group had not specified an expected contract.
- Costs directly related to the contract (or a specified expected contract) include the following:
    1. Direct employment,
    2. Direct material,
    3. Allocation costs that are directly related to the contract or contract activities,
    4. Costs that are clearly chargeable to the customer under the contract, and
    5. Other costs incurred solely due to the holding a contract.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Principal vs. Agent Considerations

The Group has evaluated its arrangements to determine whether it is acting as the principal, recognizing revenue on a gross basis, or acting as an agent and recognizing revenue on a net basis. In this evaluation, the group considered whether it controls the specific services before they are transferred to the customer. As well as other indicators such as the party primarily responsible for the performance of services, risks of the goods, and the freedom to determine the price. The Group has found that it is acting as principal in all its revenue arrangements.

Presentation and disclosure requirements

The Group has classified the recognized revenues from contracts with customers into categories that show the extent to which the nature of revenues and cash flows are affected, its value, timing, and uncertainty due to economic factors. Refer to note (22) for the detailed revenue disclosure.

Contract liabilities

Contract liabilities represent unrealized revenues, which represent amounts collected in advance from customers when signing contracts for the provision of manpower services. These amounts are recognized within the revenues in the group's consolidated statement of profit or loss and other comprehensive income when realized.

Expenses

All operating expenses are consistently allocated to the cost of revenue, selling and marketing expenses and general and administrative expenses using fixed distribution factors to be determined in proportion to the group activities.

Zakat

The Group is subject to zakat in accordance with the Regulations of Zakat, Tax, and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia, and the zakat expense is included in consolidated statement of profit or loss and other comprehensive income at the date of the consolidated financial statements. Any differences in Zakat expense are settled in the financial year during which the final assessment is approved, and any differences between Zakat and the final assessment are recognized in the consolidated statement of profit or loss.

Foreign currency transactions

Ttransactions in foreign currencies are translated into Saudi Riyal at the rates of exchange prevailing at the time of the relevant transactions. Assets and liabilities denominated in foreign currencies at the date of the consolidated statement of financial position are translated to Saudi Riyal using the exchange rates prevailing at that date. Realized and unrealized translation differences are recognized in the consolidated statement of profit or loss.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Application of the new and revised international financial reporting standards

The Group has not applied yet the following new standards, amendments and interpretations that have been issued but are not yet effective:

New and revised IFRSs	Effective date
Loss of Contracts - Cost of Completion (Amendments to IAS 37)	1 January 2022G
Annual Improvements to IFRS 2018-2021	1 January 2022G
Property and equipment: revenue before its intended use (Amendments to IAS 16)	1 January 2022G
Conceptual Framework Reference (Amendments to IFRS 3)	1 January 2022G
Classification of current or non-current liabilities (Amendments to IAS 1)	1 January 2023G
IFRS 17 Insurance Contracts and amendments to IFRS 17	1 January 2023G
Accounting Policies Disclosure - (Amendments to IAS 1 and Statement of IFRS Practices 2)	1 January 2023G
Definition of Accounting Estimates (Amendments to IAS 8)	1 January 2023G
Deferred tax assets and liabilities arising from a single transaction (Amendments to IAS 12)	1 January 2023G

Management anticipates that these new standards, interpretations, and amendments will be adopted in the group's consolidated financial statements for the period of initial application and adoption of these new standards, interpretations and amendments may have no material impact on the consolidated financial statements of the group in the period of initial application.

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6. PROPERTY AND EQUIPMENT

	Lands	Buildings*	Vehicles	Furniture and Fixtures	Computer and office equipment	Electrical equipment	Leasehold improvements	Work in progress	Total
	SR	SR	SR	SR	SR	SR	SR	SR	SR
Cost									
1 January 2020G	12,185,000	6,736,767	6,252,884	2,060,724	1,578,282	1,623,103	9,061,228	1,307,670	40,805,658
Additions	-	-	1,230,000	128,698	356,095	189,638	-	187,945	2,092,376
Disposals	-	-	-	(18,292)	(61,647)	(42,702)	(597,645)	(85,000)	(805,286)
Transfers	-	-	-	-	-	-	203,662	(203,662)	-
31 December 2020G	12,185,000	6,736,767	7,482,884	2,171,130	1,872,730	1,770,039	8,667,245	1,206,953	42,092,748
Additions	**3,227,183**	**1,519,318**	**2,160,000**	**300,936**	**624,967**	**408,877**	**11,554**	**1,229,161**	**9,481,996**
Disposals	**-**	**-**	**-**	**-**	**(1,681)**	**-**	**-**	**-**	**(1,681)**
Write-off	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(929,242)**	**(929,242)**
31 December 2021G	**15,412,183**	**8,256,085**	**9,642,884**	**2,472,066**	**2,496,016**	**2,178,916**	**8,678,799**	**1,506,872**	**50,643,821**
Accumulated Depreciation									
1 January 2020G	-	331,994	1,247,722	343,904	206,206	244,357	2,218,856	-	4,593,039
Charge for the year	-	269,471	1,859,976	430,963	346,127	347,268	2,894,053	-	6,147,858
Disposals	-	-	-	(7,464)	(12,031)	(9,739)	(262,076)	-	(291,310)
31 December 2020G	-	601,465	3,107,698	767,403	540,302	581,886	4,850,833	-	10,449,587
Charge for the year	**-**	**275,851**	**1,961,421**	**468,835**	**441,387**	**382,116**	**2,726,184**	**-**	**6,255,794**
Disposals	**-**	**-**	**-**	**-**	**(1,680)**	**-**	**-**	**-**	**(1,680)**
31 December 2021G	**-**	**877,316**	**5,069,119**	**1,236,238**	**980,009**	**964,002**	**7,577,017**	**-**	**16,703,701**
Net Book Value									
31 December 2021G	**15,412,183**	**7,378,769**	**4,573,765**	**1,235,828**	**1,516,007**	**1,214,914**	**1,101,782**	**1,506,872**	**33,940,120**
31 December 2020G	12,185,000	6,135,302	4,375,186	1,403,727	1,332,428	1,188,153	3,816,412	1,206,953	31,643,161

* Buildings represents the value of the buildings used by the group for the purpose of the group's employee's accommodation.

6. PROPERTY AND EQUIPMENT (continued)

The depreciation expense for the year is allocated as follows:

	2021G	2020G
	SR	SR
Cost of revenues (note 23)	**4,376,800**	4,594,303
General and administrative expenses (note 25)	**1,878,994**	1,553,555
	6,255,794	6,147,858

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The carrying amounts of the right-of-use assets and lease liabilities during the year are as follows:

Right-of-use assets	2021G	2020G
	SR	SR
Cost:		
1 January 2021G	**13,829,456**	17,030,974
Additions	**714,632**	294,111
Disposals	**(2,305,927)**	-
Amortization	**(3,011,585)**	(3,495,629)
31 December 2021G	**9,226,576**	13,829,456

Lease Liabilities	2021G	2020G
	SR	SR
1 January 2021	**13,311,468**	16,298,602
Additions	**714,632**	294,111
Disposals	**(2,305,927)**	-
Finance cost (note 27)	**(600,409)**	(829,636)
Payments	**(2,077,039)**	(2,451,608)
31 December 2021G	**9,042,725**	13,311,469
Less: Current portion	**2,004,824**	3,425,307
Non-current portion	**7,037,901**	9,886,162

8. CASH MARGIN ON LETTER OF GUARANTEE

This amount represents the Cash margin on letter of guarantee issued by a local bank at an amount of SR 10 million, in return for issuing a letter of guarantee at an amount of SR 10 million Note (31). This letter of guarantee is submitted to the Ministry of Human Resources and Social Development in return for the issuance of the recruitment license for the group and it is valid until 25 June 2029G.

9. USED VISAS

The movement of used visas during the year is as follows:

	2021G	2020G
	SR	SR
Balance at the year beginning	**5,186,977**	10,794,775
Visas issued during the year (note 13)	**27,520,000**	14,596,000
Adjustments to the opening balance	**(2,722)**	(14,332)
Less: available visas	**(13,688,000)**	(10,726,000)
Used visas (note 13)	**19,016,255**	14,650,443
Amortization during the year	**(7,746,513)**	(9,339,466)
Returned visas	**(3,138,000)**	(124,000)
Balance at 31 December	**8,131,742**	5,186,977
Less: Current portion	**(5,239,386)**	(4,554,447)
Non-current portion	**2,892,356**	632,530

10. PREPAID RECRUITMENT EXPENSES

Recruitment expenses represent the amounts paid to external parties for the purpose of recruiting workers to the Kingdom of Saudi Arabia and are amortized in the consolidated statement of profit or loss and other comprehensive income on a straight-line method over a period of two years or the term of the contract, whichever is shorter. The details of recruitment expenses as of 31 December are as follows:

	2021G	2020G
	SR	SR
Balance at the year beginning	**15,106,288**	29,812,385
Additions	**28,879,978**	13,437,153
Amortization during the year	**(20,521,231)**	(28,143,250)
Balance at the year end	**23,465,035**	15,106,288
Less: Current portion (note 12)	**(14,860,491)**	(12,667,865)
Non-current portion	**8,604,544**	2,438,423

11. RELATED PARTY BALANCES AND TRANSACTIONS

Related parties in the group represent major shareholders, board of directors, senior management personnel, and entities that have shares in. Benefits paid to the Group's key management personnel include salaries, non-cash benefits and contributions to the post-employment defined benefit plan.

The significant transactions with related parties and the approximate amounts related to are as follows:

Related party	Nature of transaction	2021G	2020G
		SR	SR
Burger Map Restaurant Company	Sales	**951,565**	-
Four Twins Company Limited	Sales	**5,455,707**	3,385,276
Khalid Sulaiman Al Nugair Ready Mix Factory	Sales	**106,085**	47,401
Abdullah Sulaiman Abdulrahman Al Nugair	Expenses paid on behalf/finance	**8,341**	12,482,640
Mohammad and Abdullah Sulaiman Al Nugair Company	Sales	**33,948**	54,589
Special Chef Limited Company	Sales	**-**	174,294
Abdulrahman Ali Al Qubaisi Contracting Establishment	Sales	**60,049**	183,921

Compensation of senior management personnel

The Group's key management personnel are comprised of top management personnel who have the authority and responsibility for planning, directing, and controlling the activities of the Group.

The compensation of senior management personnel is as follows:

Related party	Nature of transactions	2021G	2020G
		SR	SR
Senior Executive Management	Salaries and bonuses	**4,009,600**	3,080,126
Senior employees' defined benefits obligation	Employment termination benefits	**461,434**	319,184

Due from related parties is as follows:

Related party	Nature of relationship	2021G	2020G
		SR	SR
Burger Map Restaurant Company	Related to shareholder	**135,076**	-
Four Twins Company Limited	Related to shareholder	**76,100**	7,373
Khalid Sulaiman Al Nugair Ready Mix Factory	Related to shareholder	**8,182**	8,161
Mohammad and Abdullah Sulaiman Al Nugair Company	Related to shareholder	**-**	5,274
		219,358	20,808

11. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Due to related party is as follows:

Related party	Nature of relationship	2021G	2020G
		SR	SR
Abdullah Sulaiman Abdulrahman Al Nugair	Managing Director (Shareholder)	-	8,341
Mohammad and Abdullah Sulaiman Al Nugair Company	Related to shareholder	**17,713**	-
		17,713	8,341

12. PREPAYMENTS AND OTHER DEBIT BALANCES

	2021G	2020G
	SR	SR
Prepaid expenses	**32,398,203**	29,600,564
Prepaid recruitment fees (note 10)	**14,860,491**	12,667,865
Advances to suppliers	**2,289,476**	1,541,891
Staff receivables	**437,166**	292,614
Others	**1,691,467**	393,118
	51,676,803	44,496,052

13. AVAILABLE VISAS

Available visas represent the balance of unused visas as on 31 December. The available visa amounts are transferred to the used visas upon stamping the visas for the manpower recruited at the border ports of the Kingdom of Saudi Arabia and the arrival of manpower to the Kingdom of Saudi Arabia. The movement of available visas is as follows:

	2021G	2020G
	SR	SR
Issued visas during the year, net *	**32,704,255**	25,376,443
Transfer to used visas (note 9)	**(19,016,255)**	(14,650,443)
	13,688,000	10,726,000

*The balance of issued visas during the year ending amounted to SR 27,520,000 (2020: SR 14,596,000), as issuing during the year ended 31 December 2021G visas amounted to SR 16,794,000. While the value of the visas at the beginning of the year amounted to SR 10,720,000, the balance of extracted and non-issued visas as at 31 December 2021G amounted to SR 648,000 (2020: SR 418,000).

14. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Short-term investments represented in investments in various funds amounted to SR 50,895,503 during 2021 (2020: SR 50,330,246). Investment income for the year ended December 31, 2021G, amounted to SR 565,257 (2020: SR 334,551) (note 26).

The company has purchased shares through the initial offerings for some entities listed in the capital market during 2021G. Gains on sale of shares for the year ended 31 December 2021G amounted to SR 102,897 (note 26).

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15. TARDE RECEIVABLES

The balance of trade receivables includes the balances of three main customers of the group, whose balances amounted to 44% (2020: 58%) of the total balance of trade receivables as at 31 December 2021G. The revenues generated by these clients amounted to 19.8% (2020: 30%) of the Group's total revenue for the year ended 31 December 2021G.

	2021G	2020G
	SR	SR
Trade receivables – individuals	**1,506,520**	1,110,156
Trade receivables – corporate *	**27,339,867**	26,286,740
	28,846,387	27,396,896
Expected credit losses provision**	**(989,070)**	(989,070)
	27,857,317	26,407,826

* The aging of trade receivables is as follows:

	2021G	2020G
	SR	SR
less than 31 days	**18,384,450**	13,862,972
From 31 – 90 days	**8,011,910**	9,596,142
From 91 – 120 days	**514,919**	1,627,572
From 121 – 365 days	**672,207**	1,535,234
More than 365 days	**1,262,901**	774,976
	28,846,387	27,396,896

**The movement in the provision for expected credit losses is as follows:

	2021G	2020G
	SR	SR
1 January	**989,070**	-
Additions during the year	**-**	989,070
31 December	**989,070**	989,070

16. STATUTORY RESERVE

As required by the Regulations for Companies in Saudi Arabia and bylaws of the company, the Group shall transfer 10% of its net profit to the statutory reserve until the reserve equals 30% of share capital.

17. RETAINED DEPOSITS

	2021G	2020G
	SR	SR
Deposits from individual customers	**1,240,127**	1,538,452
Deposits from corporate customers	**24,296,643**	16,953,722
	25,536,770	18,492,174
Less: current portion	**(5,512,554)**	(14,541,358)
Non-current portion	**20,024,216**	3,950,816

18. EMPLOYEES' DEFINED BENEFITS OBLIGATION

The Group is required to pay post-employment benefits to all employees under Saudi labour regulations upon termination of their services. The cost of the employees' defined benefits obligation is measured using the actuarial valuation and the planned credit unit method.

Present value adjustment of the defined employee benefits obligation

	2021G	2020G
	SR	SR
1 January	**6,104,263**	3,294,185
Current service costs	**4,728,435**	2,851,914
Finance costs (note 27)	**181,770**	132,687
Paid during the year	**(1,531,347)**	(81,639)
Actuarial re-measurement	**(524,623)**	(92,884)
31 December	**8,958,498**	6,104,263

Key actuarial assumptions

The following key actuarial assumptions have been used by the Group to assess the employees' defined benefits obligation:

	2021G	2020G
Discount rate	**2%**	3%
Expected salary increase rate	**2%**	2%

Sensitivity analysis of actuarial assumptions

	2021G	2020G
	SR	SR
Evaluation discount rate		
Increase 1%	**8,509,441**	5,599,267
Decrease 1%	**9,242,327**	6,602,244
Expected salary increase rate		
Increase 1%	**9,238,462**	6,602,244
Decrease 1%	**8,506,105**	5,590,890

Key actuarial assumptions

Sensitivity analyses of employees' benefits have been prepared based on the way that extrapolates the impact on the defined benefits obligation as a result of reasonable changes in the key assumptions occurring at the end of the financial year. Sensitivity analyses are based on the change in the fundamental assumption, assuming all other assumptions are consistent. Sensitivity analyses may not be indicative to the actual change in the defined benefits obligation, and it is unlikely that changes in assumptions will occur in isolation.

19. CONTRACT LIABILITIES

Contract liabilities mainly relate to consideration received in advance from customers and unearned revenue, for which revenues are recognized when performance obligations are satisfied.

	2021G	2020G
	SR	SR
1 January	**24,772,730**	14,460,185
Additions	**220,865,058**	209,358,575
Used	**(224,920,060)**	(199,046,030)
31 December	**20,717,728**	24,772,730

20. ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	2021G	2020G
	SR	SR
Accrued salaries and other benefits	**15,026,941**	9,277,980
Accrued vacations	**9,162,072**	9,229,726
Accrued tickets	**6,930,275**	8,954,056
VAT payable	**3,399,262**	3,095,099
Provision for legal and contingent liabilities	**2,166,539**	2,166,539
Bonus provision	**2,149,000**	1,500,000
Advances from customers	**1,451,965**	662,023
Others	**955,625**	835,939
	41,241,679	35,721,362

21. ZAKAT

Zakat base components

The main zakat base components are as follows:

	2021G	2020G
	SR	SR
Adjusted profit for the year before zakat	**66,189,756**	48,406,338
Share capital	**100,000,000**	100,000,000
Retained earnings (Accumulated losses)	**28,032,087**	(8,480,501)
Statutory reserve	**3,104,356**	-
Other provisions and adjustments	**8,018,090**	18,866,398
Lease liabilities	**9,042,725**	13,311,468
Right-of-use assets	**(9,226,576)**	(13,829,456)
Property and equipment	**(33,940,120)**	(31,643,161)
	171,220,318	126,631,086
Zakat base	**174,483,980**	129,282,772

Some of these amounts have been adjusted to arrive at the zakat base.

Zakat due is calculated at 2.5% of the zakat base or the adjusted net profit for the year, whichever is greater.

Zakat payable

	2021G	2020G
	SR	SR
1 January	**3,763,713**	2,112,163
Zakat expense charged to the year	**4,828,927**	3,232,069
Paid during the year	**(3,259,398)**	(1,580,519)
31 December	**5,333,242**	3,763,713

Zakat status

The group submitted its zakat returns with the General Authority for Zakat, Tax and Customs until 2020G, and have not received any assessments to date.

Tamkeen Human Resources Company obtained the approval of the General Authority for Zakat, Tax and Customs on 21 Shawwal 1442H, corresponding to 2 June 2021G to submit a consolidated zakat declaration for the company and its 100% owned subsidiaries as at the year ended 31 December 2021G.

22. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue details

In the following tables, revenue is classified by segment, customer, and contract type, as well as the duration of contracts (timing of revenue). Inter-group income is eliminated upon the consolidation of financial statements.

Segment type	2021G	2020G
	SR	SR
Individuals	**161,554,551**	145,845,647
Restaurants and foods	**87,866,379**	53,097,637
Contracting, maintenance and operation	**64,346,776**	69,439,416
Medical	**21,200,784**	11,637,768
Retail	**21,028,163**	20,114,380
Technology and information systems	**2,530,981**	2,305,183
	358,527,634	302,440,031

Customer type	2021G	2020G
	SR	SR
Corporate	**196,973,083**	156,594,384
Individuals	**161,554,551**	145,845,647
	358,527,634	302,440,031

Contract type	2021G	2020G
	SR	SR
Corporate sector	**196,973,082**	156,594,384
Individuals – monthly contracts	**134,536,229**	131,620,480
Individuals – hourly service	**27,018,323**	14,225,167
	358,527,634	302,440,031

Contract duration	2021G	2020G
	SR	SR
More than one year	**197,195,583**	156,868,980
One year or less	**161,332,051**	145,571,051
	358,527,634	302,440,031

The Group applies a policy of revenue recognition over the time. Accordingly, all revenues are recognized over the contract period in which the services are provided.

23. COST OF REVENUE

	2021G	2020G
	SR	SR
Salaries and other benefits	**156,817,481**	124,315,937
Visa and licenses fees	**44,820,584**	38,450,446
Recruitment expenses (note 10)	**20,521,231**	28,143,250
Amortization of used visas	**7,723,070**	9,241,769
Depreciation and amortization	**6,409,941**	7,194,654
Travel tickets	**5,620,120**	5,579,534
Costs of employees' defined benefits obligation	**3,622,159**	2,335,918
Medical insurance	**3,741,960**	2,526,108
Social insurance	**2,727,096**	2,212,274
Subsistence expenses	**1,980,822**	1,354,491
Bank charges	**1,726,871**	1,045,782
Quarantine	**1,605,665**	-
Subscription fees	**1,297,641**	31,410
Maintenance and repairs	**1,030,020**	497,178
Bonuses	**509,129**	34,635
Labour accommodation rent	**894,698**	46,417
External offices commissions	**346,528**	450,055
Medical examination	**374,275**	243,862
Governmental expenses	**282,332**	19,184
Other	**2,791,331**	255,286
	264,842,954	223,978,190

24. SELLING AND MARKETING EXPENSES

	2021G	2020G
	SR	SR
Marketing and advertising	**3,860,817**	1,874,605
Travel and transportation	**527,766**	296,117
	4,388,583	2,170,722

25. GENERAL AND ADMINISTRATIVE EXPENSES

	2021G	2020G
	SR	SR
Salaries and other benefits	**16,639,148**	17,084,671
Depreciation and amortization	**2,857,438**	2,448,833
Provision for legal and contingent liabilities	**-**	2,166,539
Bonuses provision	**2,149,000**	1,500,000
Professional consultations	**2,546,822**	1,049,411
Social insurance	**1,188,565**	1,003,380
Costs of employees' defined benefits obligation	**1,106,276**	515,996
Services and subscription fees	**940,278**	1,323,186
Medical insurance	**422,704**	847,316
Rents	**307,607**	746,980
Maintenance and repairs	**299,398**	129,610
Electricity and water	**225,095**	677,499
Stationery and printings	**101,299**	136,514
Hospitality and cleaning	**81,867**	438,439
Amortization of used visas	**23,443**	97,697
Gifts and donations	**-**	10,000
Others	**2,542,662**	2,320,706
	31,431,602	32,496,777

26. OTHER INCOME

	2021G	2020G
	SR	SR
Cash trade discount	**441,484**	571,053
Revenue from Investments at fair value through profit or loss	**668,154**	334,551
Loss from disposal of property and equipment	**-**	(414,363)
Loss on write off work in progress	**(929,242)**	-
Other	**991,066**	421,939
	1,171,462	913,180

27. FINANCE COSTS

	2021G	2020G
	SR	SR
Finance costs on lease liabilities (note 7)	**600,409**	829,636
Finance costs on employees' defined benefits obligations (note 18)	**181,770**	132,687
	782,179	962,323

28. EARNINGS PER SHARE

	2021G	2020G
	SR	SR
Net profit for the year	**53,424,851**	39,524,060
Number of shares	**10,000,000**	10,000,000
Earnings per share – basic and diluted	**5.34**	3.95

There is no dilutive effect on the basic or diluted earnings per share of the group.

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

29. FAIR VALUE MEASUREMENT

Fair value is the amount that will be received for an asset or paid to transfer a liability under an orderly transaction between market participants on the measurement date. Within the definition of fair value, it is assumed that the Group will continue to operate as there is no intention or condition to substantially reduce the volume of its operations or to conduct a transaction on adverse terms.

A financial instrument is considered listed in an active market if the quoted prices are readily and regularly available from an exchange dealer, an industry group mediator, pricing services or a regulatory authority, and these prices represent market transactions that actually and regularly occur on commercial basis.

When measuring fair value, the Group uses observable market information whenever possible. Fair values are classified within various levels in the fair value hierarchy based on the inputs used in valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities can be obtained at the measurement date.
- Level 2: Inputs other than quoted prices included in Level 1 that are directly observable for assets or liabilities (such as prices) or indirectly (derived from prices).
- Level 3: Inputs for assets and liabilities not based on observable market information (unobservable inputs).

All financial assets and financial liabilities of the Group are not measured at fair value and are measured at amortized cost.

30. RISK MANAGEMENT OF FINANCIAL INSTRUMENTS

Credit Risk

Credit risk is the inability of one party to a financial instrument to meet its obligations, which causes the other party to incur a financial loss. The Group is exposed to credit risk on its cash at banks, trade receivables, and other debit balances as follows:

	2021G	2020G
	SR	SR
Cash at banks	**90,028,062**	43,561,059
Trade receivables	**27,857,317**	26,407,826
Other debit balances	**4,350,622**	2,227,623
	122,236,001	72,196,508

The carrying amount of financial assets represents the maximum credit exposure. The Group manages the credit risks in respect of trade receivables by setting credit limits for each customer and consistently monitors the uncollected receivables. The receivable balances are monitored with the result that the Group's exposure to bad debts is not significant. Cash at banks are held with financial institutions with a high credit rating. As at 31 December 2021G, 44% (2020: 58%) of the total trade receivable balances belong to 3 major customers.

Liquidity Risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet obligations associated with financial instruments. Liquidity risks may result from the inability to sell a financial asset quickly at an amount approximate to its fair value.

Following are the contractual maturities at the end of the reporting period of financial liabilities:

	31 December 2021G		
	Carrying amount	Less than 1 year	More than 1 year
	SR	SR	SR
Financial Liabilities			
Retained deposits	**25,536,770**	**20,024,216**	**5,512,554**
Employees' defined benefits obligation	**8,958,497**	**-**	**8,958,497**
Lease liabilities	**9,042,725**	**2,004,824**	**7,037,901**
Trade payables	**8,333,753**	**8,333,753**	**-**
Contract liabilities	**20,717,728**	**20,717,728**	**-**
Accrued expenses and other credit balances	**41,241,679**	**41,241,679**	**-**
Zakat payable	**5,333,242**	**5,333,242**	**-**
Due to related parties	**17,713**	**17,713**	**-**
	119,182,107	**97,673,155**	**21,508,952**

30. RISK MANAGEMENT OF FINANCIAL INSTRUMENTS (continued)

	31 December 2020G		
	Carrying amount	Less than 1 year	More than 1 year
	SR	SR	SR
Financial Liabilities			
Retained deposits	18,492,174	14,541,358	3,950,816
Employees' defined benefits obligation	6,104,263	-	6,104,263
Lease liabilities	13,311,468	3,425,307	9,886,161
Trade payables	5,329,513	5,329,513	-
Contract liabilities	24,772,730	24,772,730	-
Accrued expenses and other credit balances	35,721,362	35,721,362	-
Zakat payable	3,763,713	3,763,713	-
Due to related parties	8,341	8,341	-
	107,503,564	87,562,324	19,941,240

Liquidity risks are managed by regularly monitoring and ensure that sufficient funds and credit facilities are available to meet the Group's future obligations.

Market Risk

Market price risk is the risk that value of a financial instrument will fluctuate as a result of changes in market prices, such as foreign exchange rates and interest rates, which affecting the Group's profit or the value of its financial assets. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency Risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency other than the Group's currency. The Group exposure to foreign currency risk is primarily limited to transactions in US dollars ("USD"). The Group's management believes that their exposure to currency risk associated with USD is limited as the Company's currency is pegged to USD. The fluctuation in exchange rates against other currencies is monitored on a going basis.

Interest rate risk

Interest rate risk arises from the fluctuation in the fair value or future cash flows of a financial instrument due to changes in market rates. The Group is not currently exposed to significant interest rate risk on its assets and liabilities.

31. CONTINGENT LIABILITIES

Guarantees

As of 31 December 2021G, the Group had a letter of guarantee at an amount of SR 10 million (corresponding to a cash deposit of SR 10 million) related to the company's license issued by the Ministry of Human Resources and Social Development (note 8).

32. COVID-19 IMPACT

A new strain of coronavirus (COVID-19) was first identified at the end of December 2019G, and the World Health Organization subsequently declared the virus a pandemic in March 2020G. The Corona virus is still spreading in almost all regions around the world including Saudi Arabia, which has led to travel restrictions and quarantine in cities, which has led to a slowdown in economic activities and the closure of many sectors at the global and local levels. The extent of the impact of the Coronavirus pandemic on the Group's business, operations and financial results is uncertain and depends on many factors and future developments, which the Group may not be able to estimate reliably during the current period. These factors include the rate of transmission of the virus, the duration of the outbreak, the precautionary measures that government authorities may take to limit the spread of the epidemic, and the impact of these measures on economic activity, and the impact of that on the business of customers and partners in the group and other factors.

To date and as of the date of approval of these consolidated financial statements for the year ended 31 December 2021G, the Group's operations have not been significantly affected by the outbreak of COVID-19. The Group will continue to assess the nature and extent of the impact of the virus on its business and financial results.

33. SUBSEQUENT EVENTS

There were no subsequent events to the date of the statement of financial position require making adjustments or providing disclosures in these consolidated financial statements.

34. COMPARATIVE FIGURES

Certain amounts for the previous year have been reclassified to conform to the current year's presentation.

35. APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2021 were approved for issuance by the Company's Board of Directors on 11 Ramadan 1443H (corresponding to 12 April 2022G).

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شركة تمكين للموارد البشرية

Tamkeen Human Resource Co.

www.tamkeenhr.com