



## **Agenda of the Ordinary General Assembly for Al Mawarid Manpower Company 11-5-2025**

1. Reviewing and discussing the Board of Directors' report for the fiscal year ended December 31, 2025.
2. Voting on the company's auditor's report for the fiscal year ended December 31, 2025 after discussing it.
3. Reviewing and discussing the financial statements for the fiscal year ended December 31, 2025.
4. Voting on the discharge of the members of the Board of Directors for the year 2025.
5. Voting on the disbursement of an amount of SAR 2,110,000 as remuneration to the members of the Board of Directors for the fiscal year ended December 31, 2025.
6. Voting on appointing the company's external auditor from among the nominees based on the recommendation of the Audit Committee, to review and audit the financial statements for the second, third, and annual periods of the fiscal year 2026, and the first quarter of the fiscal year 2027, and to determine their fees.
7. Voting on authorizing the Board of Directors to distribute interim dividends on a semi-annual or quarterly basis for the fiscal year 2026.
8. Voting on authorizing the Board of Directors with the powers of the Ordinary General Assembly as stated in paragraph (1) of Article 27 of the Companies Law, for a period of one year from the date of the General Assembly's approval or until the end of the term of the delegated Board of Directors, whichever comes first, in accordance with the conditions set forth in the executive regulations of the Companies Law for listed joint-stock companies.
9. Voting on the transactions and contracts concluded between the company and Al-Ayuni Investment and Contracting Company, in which the former Board member Ahmed bin Mohammed Al-Issa (may Allah have mercy on him) has an indirect interest by virtue of being a member of the Board of Directors of Al-Ayuni Investment and Contracting Company. These transactions involve the provision of manpower services to the related party. The total value of transactions during the year 2025 amounted to SAR 237.430.942 and were conducted under prevailing commercial terms.
10. Voting on the transactions and contracts concluded between the company and the Limak Al Ayuni Consortium (a joint venture), in the former Board member Ahmed bin Mohammed Al-Issa (may Allah have mercy on him) has an indirect interest by virtue of being a member of the Board of Directors of Al Ayuni Investment and Contracting Company. These transactions involve the provision of manpower services to the related party. The total value of transactions during the year 2025 amounted to SAR 173.188.782 and were conducted under prevailing commercial terms.



To: The Shareholders of Al-Mawarid Manpower Company

From: Chairman of the Audit Committee at Al Mawarid Manpower Company

Subject: Audit Committee Report on Its Activities During the Fiscal Year 2025.

### Introduction:

In compliance with the Corporate Governance Regulations issued by the Board of the Capital Market Authority (Article 88), the Audit Committee of Al Mawarid Manpower Company is pleased to present to the Company's shareholders its annual report on the activities carried out during the fiscal year 2025.

### Formation of the Committee:

The Audit Committee was formed pursuant to Board of Directors Resolution No. (2-5/2025), issued at the Board meeting held on October 13, 2025, for a term of three years commencing on October 11, 2025. The Board approved that the Committee shall consist of three members as follows:

Member Name	Position	Independent	Not independent	Executive	Non-executive
Sulaiman Abdullah Nuwaiser Al-	Committee Chairman	✓			✓
Abdullah Ahmed Al-Ghamdi	Committee member	✓			✓
Abdul Othman Nasser Aziz Al-	Board member and committee member	✓			✓

### Committee activities during the year 2025:

- The Committee assists the Board of Directors in fulfilling its oversight responsibilities and performing its duties, and provides professional advice, upon the Board's request, in areas related to the Company's activities. It also reports to the General Assembly of shareholders on the adequacy and effectiveness of the internal control systems and the governance framework implemented within the Company.
- The Committee held five (5) meetings during the year 2025, with the attendance of all its members, to carry out its assigned responsibilities, oversee the Company's operations, and verify the integrity and fairness of the financial reports and statements, as well as the effectiveness of the Company's internal control systems.

- Reviewing the Company's interim and annual financial statements prior to their submission to the Board of Directors, expressing its opinion and providing recommendations thereon, after verifying their integrity, fairness, transparency, and preparation in accordance with the accounting standards adopted in the Kingdom of Saudi Arabia.
- Verifying the accounting estimates related to material matters contained in the financial reports, reviewing the accounting policies adopted by the Company, and providing its observations thereon to the Board of Directors.
- Recommending to the Board of Directors the nomination of the external auditor.
- Reviewing the external auditor's plan and work, ensuring its independence, objectivity, and fairness, and verifying that no services are provided beyond the scope of the audit engagement.
- Reviewing the external auditor's report and discussing the material matters highlighted therein.
- Reviewing compliance reports to verify the Company's adherence to applicable laws, regulations, and professional codes of conduct relevant to its activities.
- The Committee discussed with the Finance Department and the Compliance Department certain matters it deemed necessary to investigate, ensuring the soundness of the approaches adopted in addressing them.
- The Committee discussed with the Legal Department, the Company's external legal counsel, and the Head of Compliance and Governance all lawsuits filed by the Company against third parties, as well as those filed against the Company, to understand their causes and assess the extent to which the Company's control procedures are aligned with applicable regulations. In addition, the Committee evaluated the adequacy of documentation supporting the Company's transactions with third parties and the availability of sufficient evidence to strengthen its position in the event of litigation.
- Reviewing and assessing the Company's internal control systems, financial controls, and risk management framework.
- Overseeing and supervising the performance and activities of the Internal Audit Department, reviewing its reports, and following up on the implementation of corrective actions related to the observations raised therein. During the year, the Internal Audit Department carried out five audit assignments in accordance with the annual audit plan approved by the Audit Committee, covering: (1) Shared Services Department, (2) Individual Sector Sales Department, (3) Operations Department, (4) Compliance Department, and (5) Finance Department.
- The Committee issued a number of recommendations and directives to strengthen the internal control system, including: enhancing collection procedures, reviewing credit policies, and taking legal actions against defaulting clients; analyzing cost components to rationalize and restructure them while improving operational efficiency; reducing liabilities and improving cash flows; controlling administrative and marketing expenses and assessing their returns; developing performance indicators linked to the plan and budget to enable effective quantitative performance monitoring; reviewing the risk map to ensure it encompasses all potential risks—particularly those related to information technology and cybersecurity—and their governance; as well as updating the risk register for all organizational units in light of emerging

developments and monitoring it on an ongoing basis to ensure that the approved controls effectively mitigate risks.

- Emphasizing that the Internal Audit Department coordinate with the Human Resources Department to periodically send awareness communications to all Company employees regarding the whistleblowing policy on violations. This aims to promote ethical values and foster a culture of integrity and accountability within the Company. All reports and the identities of whistleblowers are handled with strict confidentiality.

Audit Committee's Opinion on the Adequacy of the Company's Internal Control Systems, Financial Controls, and Risk Management Framework:

Based on the foregoing, and on the assessment of the overall framework of internal control systems, financial controls, and risk management, as well as the reports submitted by the Internal Audit Department, and following discussions with the external auditor and executive management regarding the quarterly and annual financial results and the observations presented, the Audit Committee is of the opinion that, in general, the Company's internal control and financial systems and risk management framework are effective and adequate. However, there remains a need to further enhance and develop these systems and controls in terms of both design and implementation, and continuous efforts are being made to improve and strengthen their effectiveness.

Suleiman Al-Nuwaiser

Chairman of the Audit Committee

**Date:** 29 March 2026

**Recommendation No.:** Reco. 2026.55

**Audit Committee Recommendation No. (Reco. 2026.55)**

To: The Board of Directors of Mawarid Manpower Company

Attention: Mr. Ahmed Mohammed Al-Rukban – Chairman of the Board

Dear Sir,

With reference to the 42nd Audit Committee meeting No. (2/2026), held on Sunday, 29 March 2026, regarding the nomination of the external auditor to audit the consolidated financial statements of Mawarid Manpower Company and its subsidiaries (the Group), as well as the separate financial statements of the Company and its subsidiaries (Musaid Construction Contracting – Sawaed Recruitment – Masader Al Mawarid Trading Company) for the fiscal year ending 31 December 2026, and to review the consolidated quarterly financial statements for Q2 and Q3 of 2026 and Q1 of 2027, we hereby submit the following recommendation:

**(Regarding the Company's External Auditor)**

The Audit Committee reviewed proposals submitted by two professional firms of high classification. The financial proposals were as follows:

Professional Firm	Total Fees (SAR) (Excluding VAT)
Dr. Mohammed Al-Amri & Co., BDO	950,000
PKF Al-Bassam, Certified Public Accountants	877,000

It is worth noting that the Audit Committee places strong emphasis on the quality of services provided by the Company's external auditors, based on its evaluation of audit firms over previous years, particularly between two major providers (BDO and PKF).

Following unanimous voting, the Committee recommends appointing **Dr. Mohammed Al-Amri & Co. "Certified Public Accountants" (BDO)** as the external auditor to audit the financial statements of Mawarid Manpower Company and its subsidiaries for the fiscal year ending 31 December 2026, as well as to review the aforementioned quarterly consolidated financial statements, for total professional fees amounting to SAR 950,000.

The Committee's recommendation is based on the expected benefit from BDO's accumulated experience, including their prior work as auditors for similar companies operating in the same sector as Mawarid Manpower Company, as well as their role as the Company's auditor in the previous year, and their follow-up on management's implementation of their recommendations to improve the Company's internal control system.

**Attachments:**

- Proposal submitted by Dr. Mohammed Al-Amri & Co. (BDO) for auditing and reviewing the financial statements for the fiscal year 2026.

Sincerely,

Sulaiman Al-Nuwaier

Chairman of the Audit Committee

**The Board of Directors declaration of business and contracts in which the member of the Board of Directors has a direct or indirect interest for the year 2025**

**To: The shareholders of Al-Mawarid Manpower Company**

**Greeting,**

According to Article (71) of the Companies Law, a member of the Board of Directors must, upon becoming aware of any interest, whether direct or indirect, in the business and contracts for the company, inform the Board of such interest, and such notification shall be recorded in the minutes of the Board meeting when it convenes. This member may not participate in voting on the resolution issued in this regard in the Board and the General Assemblies. The Board shall inform the General Assembly, when it convenes, of the business and contracts in which the member of the Board has a direct or indirect interest. A special report from the company's auditors, prepared in accordance with the auditing standards approved in the Kingdom, shall be attached to the declaration.

We would like to inform you that the company has executed several commercial transactions and contracts related to the company's activities, in which members of the Board of Directors have a direct or indirect interest. This requires the approval of these transactions and contracts referred to in paragraph (a) by the General Assembly.

The Board of Directors also exercised the authorization granted to it by the Ordinary General Assembly held on May 21, 2025, based on the Ordinary General Assembly's authority to authorize the transactions stipulated in paragraph (1) of Article Twenty-Seven of the Companies Law. This authorization period is for a period of one year from the date of approval by the General Assembly or until the end of the term of the authorized Board of Directors, whichever comes first, in accordance with the conditions stipulated in the Executive Regulations of the Companies Law for listed joint-stock companies. The Board authorized these transactions and contracts referred to in paragraph (b).

**A- Businesses and contracts that require an authorization from the General Assembly:**

No	party to the contract	The nature of the contract	Transaction amount during the year (SAR)	Contract duration in years	Terms of the contract	Name of person of interest	Reason of interest
1-	Al-Ayuni Investment and Contracting Company	Providing manpower services by the company to a related party.	237,430,942	Two-year contracts, renewable	According to an arm's length commercial terms	Ahmed Mohammed Al-Issa	Ahmed Al-Issa is a member of the Board of Directors at Al-Ayuni Company
2-	Limak Al-Ayuni Joint Venture	Providing manpower services by the company to a related party	173,188,782	Two-year contracts, renewable	According to an arm's length commercial terms	Ahmed Mohammed Al-Issa	Ahmed Al-Issa is a member of the Board of Directors at Al-Ayuni Company



**The Board of Directors declaration of business and contracts in which the member of the Board of Directors has a direct or indirect interest for the year 2025 (continued)**

**B- The business and contracts that have been licensed by the Board based on the authorization granted to it by the General Assembly (Continued):**

No	party to the contract	The nature of the contract	Transaction amount during the year	Contract duration in years	Terms of the contract	Name of person of interest	Reason of interest
1-	Al-Omair Trading and Contracting Company	Providing manpower services by the company to a related party	2,240,144	Two-year contracts, renewable	According to an arm's length commercial terms	Abdullah Ibrahim Al-Omair	Abdullah Al-Omair is a shareholder and Chairman of the Board of Directors of Al-Omair Trading and Contracting Company
2-	Manar Al Tarbiya Company for Operation and Maintenance	Providing manpower services by the company to a related party	449,100	Two-year contracts, renewable	According to an arm's length commercial terms	Abdullah Ibrahim Al-Omair	A subsidiary of Al-Saraya Investment Company, in which Abdullah Al-Omair owns shares.
3-	SHERY Trading Company	Providing manpower services by the company to a related party	201,456	Two-year contracts, renewable	According to an arm's length commercial terms	Abdullah Ibrahim Al-Omair	Indirect interest as it is a company owned by relatives of a board member.
4-	Zahrat Alsaahraa Company	Providing manpower services by the company to a related party	84,447	Two-year contracts, renewable	According to an arm's length commercial terms	Abdullah Ibrahim Al-Omair	Indirect interest as it is a company owned by relatives of a board member.

Board of Directors		
Abdullah bin Ibrahim Al-Omair - Vice Chairman	Riyad bin Ibrahim Al-Romaizan - Member	Tareq bin Ali Al-Awaji - Member
Abdul Aziz bin Othman Al Nasser - Member	Youssef bin Abdullah Al-Olayan - Member	Abdul Aziz Mutab Al-Rashid - Member
Ahmed bin Mohammed Al-Rukban - Chairman		

\* The Arabic version of the declaration was signed by members of the Board of Directors.  
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**Limited assurance report on the declaration submitted by the Board of Directors on the company's transactions and contracts in which there is any interest for any member of the Board of Directors, whether directly or indirectly "Declaration"**

**for year ended 31 December 2025**

**To the shareholders of Al Mawarid Manpower Company**

**(Saudi Joint Stock Company)**

**Riyadh - Kingdom of Saudi Arabia**

Based on the request made by the management of Al Mawarid Manpower Company (the 'Company'), we carried out limited assurance procedures on the Declaration submitted by the Board of Directors to the shareholders of Al Mawarid Manpower Company on the company's business and contracts in which there are interests for any member of the Board of Directors, whether directly or indirectly.

**SUBJECT MATTER**

The subject matter is the Declaration prepared in accordance with the requirements of Article No. (71) of the Companies law in the Kingdom of Saudi Arabia.

**APPLICABLE CRITERIA**

The applicable criteria against the subject matter are as follows:

- Requirements of Article (71) of the Companies regulation in the Kingdom of Saudi Arabia.
- Resolutions of the company's General Assembly of Shareholders and Board of Director authorizing the transactions and contracts.
- Minutes of board meetings relating to the disclosure of board members' interests and their non-participation in voting on related resolutions.
- Board of Director's Declaration of the transactions with the related parties
- The company's accounting records and books for the fiscal year ending December 31, 2025.
- Annual Consolidated Financial Statement for the fiscal year ending December 31, 2025

**MANAGEMENT RESPONSIBILITY**

The Company's management is responsible for the preparation of the Declaration in accordance with the Applicable Criteria mentioned in the above section "Applicable Criteria". Further, the Management of the Company is responsible for preparing and presenting the financial information that included in the Declaration Form and for such internal controls determined necessary to the preparation and presentation of the financial information included in the Declaration in accordance with the Applicable Criteria that are free from material misstatement, whether due to fraud or error. Company's management is responsible for maintaining the supporting documents and financial records and books that support these transactions.

**Limited assurance report on the declaration submitted by the Board of Directors to the shareholders of Al Mawarid Manpower Company on the year ended 31 December 2025 (Continued)**

**OUR RESPONSIBILITY**

Our responsibility is to provide a limited assurance report on the subject matter to form an independent conclusion, based on our limited assurance procedures on whether anything has come to our attention to indicate that the Declaration is not prepared in all material respects, in accordance with the applicable criteria set out above

We conducted our engagement in accordance with the International Standard on Audit Engagements 3000 (“Assurance engagements other than audits or reviews of historical financial information”) as endorsed in the Kingdom of Saudi Arabia.

Our procedures were designed to obtain a limited level of assurance to form a conclusion on the Declaration by the Company, of any member of the Board of Directors with any interest, both directly and indirectly and as such does not provide all the evidence that would be required to give a reasonable level of assurance.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants endorsed in the Kingdom of Saudi Arabia, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour

The firm applies International Standard on Quality Control (1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Summary of the Work Performed**

Our procedures included the following:

- Obtain the Board of Director’s Declaration of the transactions with the related parties
- Agree the information and data included in the Declaration to the company's accounting records and books for the fiscal year ended 31 December 2025.
- Agree the information included in the Declaration to the company’s general assembly of shareholders and board of directors that authorized the transactions and contracts for the fiscal year ending December 31, 2025
- Reviewing the minutes of the Board of Directors meetings to verify that the Board members disclosed their interests in transactions and contracts, and that they did not participate in voting on related decisions, in accordance with the requirements of Article (71) of the Companies Law.
- Agreeing the information included in the declaration form with the transactions with related parties disclosed in the consolidated financial statements of the Company for the year ended December 31, 2025

The procedures performed in the limited assurance engagement differ in the nature and timing from the reasonable assurance engagement and are less in scope and thus the level of assurance that is achieved in the limited assurance engagement is much less than the assurance that would have been obtained if a reasonable assurance engagement had been performed.

**Limited assurance report on the declaration submitted by the Board of Directors to the shareholders of Al Mawarid Manpower Company on the year ended 31 December 2025 (Continued)**

**CONCLUSION**

Based on the limited assurance procedures performed and evidence obtained, nothing has come to our attention causing us to believe that the information included in the attached Declaration is not prepared, in all material respects, in accordance with the applicable criteria.

**RESTRICTION OF USE**

This report is solely issued for the purpose of submission to the management of the Company along with the Declaration by the Board of Directors therein which discloses any interest for any member of the Board of Directors, both directly or indirectly, and may not be useful, used or provided for any other purposes.

**OTHER MATTERS**

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

We stamped the attached Declaration for identification purpose only.

**For Dr. Mohamed Al-Amri & Co**



**Maher Taha Al-Khatieb**  
**Certified Public Accountant**  
**License Number 514**



**Riyadh on 18 Shawwal 1447 (H)**  
**Corresponding to: 06 April 2026 (G)**

**ALMAWARID MANPOWER COMPANY**  
**(A Saudi Joint Stock Company)**

**Consolidated Financial Statements**  
**For the Year ended 31 December 2025**  
**With**  
**Independent Auditors' Report**

**Al Mawarid Manpower Company**  
**(A Saudi Joint Stock Company)**  
**Consolidated Financial Statements**  
**For the Year ended 31 December 2025**  
**Together with Independent Auditors' Report**  
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## INDEPENDENT AUDITOR’S REPORT

**To the shareholders of  
Al Mawarid Manpower Company  
(A Saudi Joint Stock Company)  
Riyadh, Kingdom of Saudi Arabia**

### Opinion

We have audited the consolidated financial statements of **Al Mawarid Manpower Company** (the “Company”) and its subsidiaries (together “the Group”), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statements 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 material accounting policy information.

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 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with IFRS Accounting 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 (“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 requirements of International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the “Code”), that are relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code’s requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

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

<b>Key Audit Matter</b>	<b>How our audit addressed the key audit matter</b>
<p><b>Revenue from contracts with customers</b></p> <p>The Group’s net revenue for the year ended 31 December 2025 amounted to ﷲ 2.6 billion (ﷲ 2.03 billion for the year ended 31 December 2024). Management recognizes revenue from manpower services over time based on the satisfaction of performance obligations in accordance with customer contracts. This requires appropriate assessment of contracts to determine whether the criteria for revenue recognition under IFRS 15 are met.</p> <p>We considered revenue to be a key audit matter due to its significance to the consolidated financial statements and as it represents a key performance indicator of the Group. In addition, revenue recognition involves inherent risks, including the risk of improper revenue recognition, and requires management to apply significant judgments and assumptions.</p>	<p>We performed the following procedures to audit the revenue from contracts with customers:</p> <ul style="list-style-type: none"> <li>• Evaluating the Group’s policy on revenue recognition in accordance with IFRS 15 “Revenue from Contracts with Customers”.</li> <li>• Assessing the design and implementation of key internal controls over revenue recognition.</li> <li>• Performing sample-based testing for revenue transactions that took place during the year and verifying the supporting documents, including contracts and invoices supporting those transactions.</li> <li>• Performing sample-based testing for revenue transactions made before and after the year-end, as well as testing a sample of revenue credit notes made after the year-end, to assess whether revenues were recognized in the correct accounting period.</li> <li>• Reviewed the adequacy and appropriateness of disclosures related to revenue in the consolidated financial statements.</li> </ul>
<p>For further details, refer to Note (3-19) for the accounting policies and Note (23) for the related disclosures in the consolidated financial statements.</p>	

**Independent Auditor’s Report on the Audit of the Consolidated Financial Statements of Al Mawarid Manpower Company for the year ended 31 December 2025 (continued)**

**Key Audit Matters (continued)**

<b>Key Audit Matter</b>	<b>How our audit addressed the key audit matter</b>
<p><b>Expected credit losses provision</b></p> <p>As at 31 December 2025, the total expected credit losses provision related to trade receivables and contract assets amounted to ﷲ 55 million (31 December 2024: ﷲ 48 million).</p> <p>The Group applies the simplified approach in calculating expected credit loss for trade receivables and contract assets using an expected credit loss model that incorporates various assumptions and estimation factors. These are influenced by current economic conditions and forward-looking information based on the Group’s historical collection experience, in accordance with IFRS 9.</p> <p>We considered the expected credit losses provision to be a key audit matter due to the high level of judgment and estimation involved in its determination, as well as its inherently judgmental nature and reliance on significant management assumptions, which increases the risk of error or potential management bias.</p>	<p>We performed the following procedures to audit the expected credit losses provision</p> <ul style="list-style-type: none"> <li>• Evaluating the Group’s accounting policy related to trade receivables and contract assets in accordance with IFRS 9.</li> <li>• Obtaining an understanding of management’s process for determining expected credit losses on trade receivables and contract assets.</li> <li>• Performing sample-based testing to assess whether items included in the aging report were appropriately classified into the correct aging categories by agreeing them to supporting documents such as invoices and debit notes.</li> <li>• Involving our internal specialists to evaluate the judgments and estimates applied by management in the expected credit loss model in accordance with IFRS 9 “financial instruments”, including testing key assumptions and assessing the reasonableness of estimates used.</li> <li>• Sample-based verification of the subsequent cash collections from customers after year-end by agreeing them to bank statements and supporting remittance documents.</li> <li>• Assessing the adequacy and appropriateness of related disclosures in the Group’s consolidated financial statements.</li> </ul>
<p>For further details, refer to Note (3-21) for accounting policies, Note (10) for contract assets disclosures, and Note (12) for trade receivables disclosures.</p>	

**Other Matter**

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor, who expressed an unmodified opinion on those financial statements on 9 April 2025.

**Other Information**

Other information consists of the information included in the Group’s annual report for the year ended 31 December 2025, other than the consolidated financial statements and our auditor’s report thereon. Management is responsible for the other information in its annual report.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**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 IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and Regulations for Companies and the Company’s By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance, i.e., the Board of Directors, are responsible for overseeing the Group’s financial reporting process.

**Independent Auditor's Report on the Audit of the Consolidated Financial Statements of Al Mawarid Manpower Company for the year ended 31 December 2025 (continued)**

**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 ISAs that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit 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.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

**For Dr. Mohamed Al-Amri & Co.**

**Maher Taha Al-Khatieb**  
**Certified Public Accountant**  
**License Number 514**



**Riyadh on: 17 Shawwal 1447 (H)**  
**Corresponding to: 05 April 2026 (G)**

**Al Mawarid Manpower Company**  
(A Saudi Joint Stock Company)  
**Consolidated Statement of Financial Position**  
**As at 31 December 2025**

(All amounts are expressed in Saudi Riyal (ﷲ) unless otherwise stated)

	<i>Note</i>	<u>31 December 2025</u>	<u>31 December 2024</u>
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment	6	14,240,497	15,578,254
Intangible assets	7	688,593	1,318,447
Right of use assets	8	62,706,340	57,280,574
Other non-current assets	9	50,124,699	50,585,057
Contract assets	10	89,740,095	49,888,228
Financial investments at FVOCI	11	20,436,000	-
<b>Total non-current assets</b>		<u>237,936,224</u>	<u>174,650,560</u>
<b>Current assets</b>			
Trade receivables	12	372,363,845	278,452,809
Contract assets	10	98,710,503	71,612,105
Prepayments and other current assets	13	202,533,861	148,814,504
Financial investments at FVTPL	14	46,140,271	82,509,636
Cash and cash equivalents	16	157,154,904	104,309,816
<b>Total current assets</b>		<u>876,903,384</u>	<u>685,698,870</u>
<b>Total assets</b>		<u>1,114,839,608</u>	<u>860,349,430</u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	17	150,000,000	150,000,000
Statutory reserve	18	-	45,000,000
Retained earnings		356,036,462	203,012,191
<b>Total equity</b>		<u>506,036,462</u>	<u>398,012,191</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Employees defined benefits obligations	20	132,768,491	89,218,333
Lease liabilities	8	35,318,204	35,298,368
Guarantees from recruitment agents		1,386,038	923,061
<b>Total non-current liabilities</b>		<u>169,472,733</u>	<u>125,439,762</u>
<b>Current liabilities</b>			
Trade payables and other current liabilities	21	394,360,110	298,323,438
Guarantees from customers		7,004,515	8,193,445
Lease liabilities	8	25,617,759	19,628,316
Provision for zakat	22	12,348,029	10,752,278
<b>Total current liabilities</b>		<u>439,330,413</u>	<u>336,897,477</u>
<b>Total liabilities</b>		<u>608,803,146</u>	<u>462,337,239</u>
<b>Total equity and liabilities</b>		<u>1,114,839,608</u>	<u>860,349,430</u>

The accompanying notes 1 to 34 form an integral part of these consolidated financial statements.



Tarek Fouad Mahmoud  
Chief Financial Officer



Riyadh Ibrahim Al Romaizan  
Chief Executive Officer



Ahmad Mohammed Al Rakban  
Chairman

**Al Mawarid Manpower Company**  
(A Saudi Joint Stock Company)  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the Year ended 31 December 2025**  
(All amounts are expressed in Saudi Riyal (ﷲ) unless otherwise stated)

	Note	For the year ended 31 December	
		2025	2024
Revenue	23	2,610,993,800	2,027,748,327
Cost of revenue	24	(2,375,123,923)	(1,842,894,967)
<b>Gross profit</b>		<b>235,869,877</b>	<b>184,853,360</b>
Selling and marketing expenses	25	(26,400,702)	(18,404,438)
General and administrative expenses	26	(48,064,292)	(38,840,191)
Expected credit losses on trade receivables	12	(8,567,271)	(24,016,648)
Expected credit losses on contract assets	10	(426,177)	(455,527)
Impairment loss on prepayments and other current assets	13	(5,300,069)	-
Finance costs	8,20	(8,766,944)	(5,950,086)
Other operating income	27	9,563,405	7,167,423
<b>Profit from operations</b>		<b>147,907,827</b>	<b>104,353,893</b>
Other income, net	27	1,266,055	500,084
<b>Profit before zakat</b>		<b>149,173,882</b>	<b>104,853,977</b>
Zakat expense	22	(10,709,000)	(9,430,580)
<b>Profit for the year after zakat</b>		<b>138,464,882</b>	<b>95,423,397</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Remeasurement gains (loss) on employees' defined benefit obligations	20	8,123,389	(7,546,066)
Change in fair value of financial investments at FVOCI	11	436,000	-
<b>Other comprehensive income (loss) for the year</b>		<b>8,559,389</b>	<b>(7,546,066)</b>
<b>Total comprehensive income for the year</b>		<b>147,024,271</b>	<b>87,877,331</b>
<b>Earnings per share</b>			
<b>Basic and diluted earnings per share</b>	28	<b>6,92</b>	<b>4,77</b>

The accompanying notes 1 to 34 form an integral part of these consolidated financial statements.



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Chief Financial Officer



Riyadh Ibrahim Al Romaizan  
Chief Executive Officer



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Chairman

**Al Mawarid Manpower Company**  
(A Saudi Joint Stock Company)  
**Consolidated Statement of Changes in Equity**  
**For the Year ended 31 December 2025**

(All amounts are expressed in Saudi Riyal (ﷲ) unless otherwise stated)

	<u>Note</u>	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Retained earnings</u>	<u>Total</u>
<b>Balance at 1 January 2024</b>		150,000,000	44,170,111	149,714,749	343,884,860
Net profit for the year		-	-	95,423,397	95,423,397
Other comprehensive losses for the year		-	-	(7,546,066)	(7,546,066)
<b>Total comprehensive income for the year</b>		-	-	87,877,331	87,877,331
Transfer to statutory reserves	18	-	829,889	(829,889)	-
Dividend to shareholders	19	-	-	(33,750,000)	(33,750,000)
<b>Balance at 31 December 2024 and 1 January 2025</b>		<b>150,000,000</b>	<b>45,000,000</b>	<b>203,012,191</b>	<b>398,012,191</b>
Net profit for the year		-	-	138,464,882	138,464,882
Other comprehensive income for the year		-	-	8,559,389	8,559,389
<b>Total comprehensive income for the year</b>		-	-	147,024,271	147,024,271
Statutory reserves transferred to retained earnings	18	-	(45,000,000)	45,000,000	-
Dividend to shareholders	19	-	-	(39,000,000)	(39,000,000)
<b>Balance at 31 December 2025</b>		<b>150,000,000</b>	-	<b>356,036,462</b>	<b>506,036,462</b>

The accompanying notes 1 to 34 form an integral part of these consolidated financial statements



Tarek Fouad Mahmoud  
Chief Financial Officer



Riyadh Ibrahim Al Romaizan  
Chief Executive Officer



Ahmad Mohammed Al Rakban  
Chairman

**Al Mawarid Manpower Company**  
(A Saudi Joint Stock Company)  
**Consolidated Statement of Cash Flows**  
**For the Year ended 31 December 2025**

(All amounts are expressed in Saudi Riyal (ﷲ) unless otherwise stated)

	Note	For the year ended 31 December	
		2025	2024
<b>Cash flow from operating activities</b>			
Net profit before zakat		149,173,882	104,853,977
<b>Adjustments for non-cash items:</b>			
Depreciation of property and equipment	6	2,958,206	2,495,107
(Gain)/Loss of disposal of property and equipment and intangible assets	27	(41,645)	48,015
Amortization of intangible assets	7	629,854	688,659
Depreciation of the right of use of assets	8	26,204,785	19,308,117
Finance costs	8,20	8,766,944	5,950,086
Gains from derecognition of leases	27	(97,743)	(74,046)
Expected credit losses on trade receivables	12	8,567,271	24,016,648
Expected credit losses on contract assets	10	426,177	455,527
Impairment loss on prepayments and other current assets	13	5,300,069	-
Dividends from financial investments at FVTOCI	27	(1,126,667)	-
Profits from financial investments at FVTPL	14	(2,855,315)	(2,219,885)
Current service cost for Employees' defined benefits obligations	20	59,686,396	36,943,475
		<b>257,592,214</b>	<b>192,465,680</b>
<b>Changes in working capital:</b>			
Other non-current assets		460,358	(5,769,832)
Trade receivables		(102,478,307)	(87,825,271)
Contract assets		(67,376,442)	(44,682,773)
Prepayments and other current assets		(59,019,426)	(15,574,830)
Guarantees from recruitment agents		462,977	(100,420)
Trade payables and other current liabilities		96,036,672	91,097,727
Guarantees from customers		(1,188,930)	1,030,053
Employees' defined benefits obligations paid	20	(12,290,875)	(24,090,432)
Interest paid	8	(4,488,918)	(3,469,734)
Zakat paid	22	(9,113,249)	(8,928,642)
Payments for purchase of financial investments at FVTPL	14	(81,040)	(45,000,000)
Proceeds from sale of financial investments at FVTPL	14	39,305,720	30,000,000
<b>Net cash generated from operating activities</b>		<b>137,820,754</b>	<b>79,151,526</b>
<b>Cash flows from investing activities</b>			
Payment for purchase of financial investments at FVOCI	11	(20,000,000)	-
Dividends from financial investments at FVTOCI	27	1,126,667	-
Payments for purchase of property and equipment	6	(1,637,456)	(2,818,039)
Proceeds from disposal of property and equipment		58,652	20,945
Payments for purchase of intangible assets	7	-	(600,400)
<b>Net cash flows used in investing activities</b>		<b>(20,452,137)</b>	<b>(3,397,494)</b>
<b>Cash flows from financing activities</b>			
Dividend to shareholders	19	(39,000,000)	(33,750,000)
Payment of lease liabilities excluding finance expenses		(25,523,529)	(19,151,733)
<b>Net cash flows used in financing activities</b>		<b>(64,523,529)</b>	<b>(52,901,733)</b>
<b>Net change in cash and cash equivalents</b>		<b>52,845,088</b>	<b>22,852,299</b>
Cash and cash equivalents at beginning of the year	17	104,309,816	81,457,517
<b>Cash and cash equivalents at end of the year</b>	16	<b>157,154,904</b>	<b>104,309,816</b>
<b>Material non-cash investing and financing transactions</b>			
Additions to right of use assets and lease liabilities	8	31,637,608	34,335,150
Remeasurement of Employees' defined benefits obligations	20	8,123,389	(7,546,066)
Change in fair value of financial investments at FVOCI	11	436,000	-
Statutory reserve transferred to retained earnings	1A	45,000,000	-

The accompanying notes 1 to 34 form an integral part of these consolidated financial statements.



Tarek Fouad Mahmoud  
Chief Financial Officer



Riyadh Ibrahim Al Romaizan  
Chief Executive Officer



Ahmad Mohammed Al Rakban  
Chairman

**Al Mawarid Manpower Company**  
(A Saudi Joint Stock Company)  
**Notes to the Consolidated Financial Statements**  
**For the Year ended 31 December 2025**

(All amounts in Saudi Riyals ﷻ unless otherwise stated)

**1. GENERAL INFORMATION**

Al Mawarid Manpower Company is A Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010343697 issued in the city of Riyadh on 12 Sha'aban 1433H (corresponding to 2 July 2012).

The principal activities of the Company and its subsidiaries (the "Group") are to provide the activities of recruitment services for domestic workers and temporary employment agencies for domestic services and expatriate labor services, under a license Ministry of Labor No. (6 /UMM) dated 5 Muharram 1434H (corresponding to 19 November 2012), as well as providing a Saudi Manpower service, building's maintenance and cleaning services, in addition to Providing marketing services on behalf of others, operating training centers, reselling telecommunications services, providing call center services, logistics services, operating group housing for individuals, in addition to wholesale activities for uniforms.

The headquarter of the Group is located in Riyadh, Al-Rawda District, P.O. Box 120058, Riyadh 11679, Kingdom of Saudi Arabia.

The fiscal year for the company and its subsidiaries begins at the beginning of January and ends at the end of December of each calendar year

The accompanying consolidated financial statements include the activities of subsidiaries and branches of the Group listed below, which operate under the following sub-commercial registrations:

<b>Branch</b>	<b>CR No.</b>	<b>Date</b>
Riyadh – domestic workers	1010369956	27 Jumada' I 1434H (corresponding 8 April 2013)
Riyadh – expatriate workers	1010369960	25 Jumada' I 1434H (corresponding 6 April 2013)
Al Khobar	2051060639	2 Sha'aban1436H (corresponding to 20 May 2015)
Buraidah	1131056623	21 Rabi' II 1437H (corresponding to 31 January 2016)
Al Jubail	2055024837	20 Jumada' I 1437H (corresponding to 29 February 2016)
Hail	3350044313	3 Dhul-Hijjah 1437H (corresponding to 4 September 2016)
Jeddah	4030292526	22 Rabi' I 1438H (corresponding to 21 December 2016)
Riyadh – Al Taawun	1010466766	29 Rabi' I 1438H (corresponding to 28 December 2016)
Al Madinah Al Monawarah	4650081885	3 Rabi' II 1438H (corresponding to 1 January 2017)
Riyadh – Al Rawda	1010638704	26 Shawwal 1441H (corresponding to 17 June 2020)
Uniza 1	1128184135	26 Shawwal 1441H (corresponding to 17 June 2020)
Abha	5850129737	22 Rabi' II 1442H (corresponding to 7 December 2020)
Tabouk	3550143539	28 Rajab 1443H (corresponding to 1 March 2022)
Al Ahsa	2031110814	13 Rabi' I 1444H (corresponding to 9 October 2022)
Riyadh -Narges	1010873667	15 Ramadan 1444H (corresponding to 5 April 2023)
Uniza 2	1128190831	4 Jumada' II 1445H (corresponding to 17 December 2023)

**2. Basis of preparation**

**a) Basis of consolidation**

The accompanying consolidated financial statements consist of the financial statements of the company and its subsidiaries, listed below:

<b>Subsidiary's name</b>	<b>Legal Entity</b>	<b>% Of ownership</b>	
		<b>2025</b>	<b>2024</b>
Musanid Al Tasheed Contracting Company (*)	(A single Member Limited Liability Company)	<b>100%</b>	100%
Sawaid Recruitment Company (**)	(A single Member Limited Liability Company)	<b>100%</b>	100%
Masader Al Mawarid for Trading (***)	(A single Member Limited Liability Company)	<b>100%</b>	-

**Al Mawarid Manpower Company**  
(A Saudi Joint Stock Company)  
**Notes to the Consolidated Financial Statements**  
**For the Year ended 31 December 2025**  
(All amounts in Saudi Riyals ﷻ unless otherwise stated)

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**2. BASIS OF PREPARATION (CONTINUED)**

**a) Basis of consolidation (continued)**

**(\*) Musanid Al Tasheed Contracting Company**

Musanid Al Tasheed Contracting Company (formerly Musanid Al Marafiq for Maintenance and Cleaning) - a single shareholder limited liability company is a company registered in Riyadh, the Kingdom of Saudi Arabia under Commercial Registration No. 1010995997 dated 12 Jumada' II 1437H (corresponding to 21 March 2016).

The principal activities of the subsidiary include the restoration of residential and non-residential buildings, maintenance services, general building cleaning, administrative and support services, construction services, and catering services activities.

**(\*\*) Sawaid Recruitment Company**

Sawaid Manpower Company (a single shareholder limited liability company) is a company registered in Riyadh; the Kingdom of Saudi Arabia under Commercial Registration No. 1010601489 dated 29 Safar 1441H (corresponding to 28 October 2019).

The principal activities of the subsidiary are the activities of searching for employees for positions, whether by induction or testing, online recruitment agencies, and the provision of other human resources (including providing Saudi human resources on a long-term or permanent basis in general).

**(\*\*\*) Masader Al Mawarid for Trading**

During 2025, the group established Masader Al Mawarid for Trading company (a single shareholder limited liability company) is a company registered in Riyadh, the Kingdom of Saudi Arabia under Commercial Registration No. 1009193876 dated 10 Sha'ban 1446 AH (corresponding to 9 February 2025)

The principal activities of the subsidiary are providing marketing services on behalf of others, operating training centers, reselling telecommunications services, providing call center services, logistics services, operating group housing for individuals, in addition to wholesale activities for uniforms.

**b) Statement of compliance**

These consolidated financial statements of the Group for the Year ended 31 December 2025 have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) that are endorsed in Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (SOCPA).

**c) Basis of measurement**

These consolidated financial statements have been prepared on the accrual basis and under the going concern assumption. using the historical cost convention, except for:

- Employees defined benefits obligations, which are recognized using the projected unit credit method.
- Financial investments at fair value through profit or loss (FVTPL) and financial investments at fair value through other comprehensive income (FVOCI), which are measured at fair value; and
- Right-of-use assets and lease liabilities, which are measured at the present value of future lease payments.

**d) Functional and presentation currency**

These consolidated financial statements have been presented in Saudi Riyals (ﷻ) which is the Company's functional and presentation currency.

**Al Mawarid Manpower Company**  
(A Saudi Joint Stock Company)  
**Notes to the Consolidated Financial Statements**  
**For the Year ended 31 December 2025**

(All amounts in Saudi Riyals ﷲ unless otherwise stated)

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**3. MATERIAL ACCOUNTING POLICY INFORMATION**

The following accounting policies have been consistently applied to all periods presented in these consolidated financial statements, unless otherwise stated.

**3-1 Basis of consolidation**

**Business Combinations**

The Group accounts for business combinations using the acquisition method when acquiring a set of activities and assets that meet the definition of a business and control is transferred to the Group.

When determining whether a specific set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired included at least an input and substantive process and whether the acquired set has the ability to produce an output.

The Group applies the “Concentration test” that allows for a simplified assessment of whether the acquired set of activities and assets is not a business. The test is satisfied if the fair values of total assets acquired are materially concentrated in a single identifiable asset or a set of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at the fair value of the identifiable net assets acquired. Any goodwill is tested for impairment loss annually.

Any gain from purchasing at a preferential rate is recognized in profit or loss immediately.

Transaction costs are recorded as expenses when incurred, unless they are related to the issuance of debt or equity instruments.

The consideration transferred does not include amounts related to settlement of transactions arising from prior relationships. These amounts are usually recognized in profit and loss.

Any contingent consideration is measured at fair value at the date of acquisition. If there is an obligation to pay a contingent consideration that meets the definition of financial instrument is classified as equity, then it is not remeasured, and the settlement is recognized in equity. Otherwise, any other contingent consideration is measured at fair value at the reporting date and subsequent changes in fair value are recognized in profit or loss.

**Subsidiaries**

Subsidiaries are companies over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns resulted from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The financial statements of the subsidiaries are prepared for the same reporting year as that of the Parent company, using accounting policies consistent with the Company’s financial policies.

The financial statements of subsidiaries are included in the consolidated financial statements of the Group from the effective date that control commences until the date that control ceases.

**Non-controlling interest “NCI”**

NCI are measured based on their share of the acquirer’s identifiable net assets at the date of acquisition.

Changes in the Group’s equity in a subsidiary that do not entail loss of control are recognized as equity transactions.

**Loss of control**

Upon loss of control, the group derecognizes the assets and liabilities of the subsidiary, the non-controlling interests and the other components of equity related to the subsidiary.

Any profit or loss arising from loss of control is recognized in the consolidated statement of profit or loss and other comprehensive income. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date when control is lost.

**Al Mawarid Manpower Company**  
(A Saudi Joint Stock Company)  
**Notes to the Consolidated Financial Statements**  
**For the Year ended 31 December 2025**

(All amounts in Saudi Riyals ﷻ unless otherwise stated)

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**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**3-1 Basis of consolidation (continued)**

**Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealized income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

Unrealized profits arising from transactions with equity- accounted investees are eliminated to the extent of the Group's interest in the investee.

Unrealized losses are eliminated in the same way as unrealized profits, but only to the extent that there is no evidence of impairment.

**3-2 Current and non-current assets and liabilities**

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

An asset is current when:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- It is held primarily for the purpose of trading
- Expected to be realized 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.

The Group classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in 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 liabilities for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current liabilities.

**3-3 Fair value measurement**

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

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

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

**Al Mawarid Manpower Company**  
(A Saudi Joint Stock Company)  
**Notes to the Consolidated Financial Statements**  
**For the Year ended 31 December 2025**

(All amounts in Saudi Riyals ﷻ unless otherwise stated)

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**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**3-3 Fair value measurement (continued)**

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy. This is disclosed 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 reporting period. The Group has determined the policies and procedures for both recurring fair value measurement, and for non-recurring measurement.

At each reporting date, the Group analyzes the changes in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Group also compares the change in the fair value for each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

**3-4 Visas and recruitment costs**

**A) Visas:**

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

The validity of the use of these visas is two years, and if they are not used during that period, they are then reimbursed by the government authorities to the Group's accounts.

Upon the arrival of the recruited worker, the visa is transferred from the unused visas account to the used visas account.

The visa fees used are amortized in the consolidated statement of profit or loss and other comprehensive income using the straight-line method over the employment contract period, which is estimated at two years.

The balance that pertains to the next year is recorded under advance visas expenses under current assets, and what is more than the year is recorded under non-current assets.

**B) Recruitment costs:**

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

The amount of unamortized balance of used visas and recruitment costs are written off directly in the consolidated statement of profit or loss and other comprehensive income in the event of contract termination or occurrence of any circumstance that prevents the continuation of the service.

**Al Mawarid Manpower Company**  
(A Saudi Joint Stock Company)  
**Notes to the Consolidated Financial Statements**  
**For the Year ended 31 December 2025**

(All amounts in Saudi Riyals ﷻ unless otherwise stated)

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**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**3-5 Residency and work permit fees**

Residency and work permit fees are amortized in the consolidated statement of profit or loss and other comprehensive income over one year in line with the validity of such permits.

**3-6 Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired in a business combination are stated at their fair values at the acquisition date. Intangible assets under development are stated at cost.

After initial recognition, intangible assets are carried at cost less any accumulated amortization and impairment losses, if any. The useful lives of intangible assets are assessed and classified as either finite or indefinite.

Intangible assets with finite useful lives are amortized over the economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method for intangible assets with finite useful lives are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

The amortization expense on intangible assets with finite useful lives is recognized in the profit or loss under expenses category in line with the function of intangible assets.

Intangible assets with finite useful lives, that include computer software, applications and other intangible assets are amortized using the straight-line basis over their estimated useful lives estimated by 4 years.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and carrying amount of the asset and are recognized in the profit or loss when the asset is disposed.

**3-7 Property and equipment**

Property and equipment are stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognized when replaced. Other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred. Lands are not depreciated as they do not have a finite life.

Depreciation of property and equipment is calculated less its estimated residual value to allocate its cost using a straight-line basis over the estimated useful lives of the assets.

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**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**3-7 Property and equipment (continued)**

Depreciation is charged to the consolidated statement of profit or loss and other comprehensive income over the following estimated useful lives:

<u>Item</u>	<u>Number of years</u>
Buildings	20 years
Leasehold improvements	4 years or lease term, whichever is shorter
Motor vehicles	4 years
Office equipment and supplies	4 years
Furniture & fixtures	8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each annual reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal of property and equipment are measured as the difference between the net disposal proceeds and the asset's carrying amount and are recognized in the profit or loss.

**3-8 Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease, if the contract conveys the right to control the use of an identified asset for a period in exchange for specific consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- The Group has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
  - The Group has the right to operate the asset; or
  - The Group designed the asset in a way that predetermines how and for what purpose it will be used.

**Right-of-use assets**

The Group recognized a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Right-of-use asset is subsequently depreciated using the straight-line method from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**3-8 Leases (continued)**

**Lease liabilities**

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, the Group's incremental borrowing rate, if that rate cannot be readily determined.

Lease payments included in the measurement of the lease liabilities comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liabilities are measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liabilities are remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use assets or is recorded in profit or loss if the carrying amount of the right-of-use assets has been reduced to zero.

The Group has presented separately the right-of-use assets and the lease liabilities in the consolidated statement of financial position.

**3-9 Trade receivables**

Trade receivables are amounts due from customers for services provided in the ordinary course of business. If these receivables are expected to be collected within one year or less, they are classified as current assets, otherwise they are presented as non-current assets. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method, less provision for impairment.

**3-10 Cash and cash equivalents**

Cash and cash equivalents include cash in hand and demand deposits with banks, as well as other short-term highly liquid investments with original maturities of three months or less that are ready for conversion into known amounts of cash and that are not significantly affected by the risk of change in value.

**3-11 Impairment of non-financial assets**

At each reporting date, the Group assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. The recoverable amount of an asset or CGU is the higher its fair value less costs of disposal and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**3-11 Impairment of non-financial assets (continued)**

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased.

If such an indication exists, the Group estimates the recoverable amount of the asset or CGU. Any reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of profit or loss and other comprehensive income.

**3-12 Dividends**

Dividends are recorded in the consolidated financial statements in the period in which they are approved by the shareholders of the Group.

**3-13 Foreign currency transactions**

**Presentation currency and functional currency**

Transactions denominated in foreign currencies are translated to Saudi Riyal at the exchange rates ruling at the date of the transaction.

As for the monetary assets and liabilities denominated in foreign currencies, they are translated into Saudi riyals according to the exchange rates prevailing at the date of the consolidated statement of financial position.

Profit or loss on the exchange rate differences are included in the consolidated statement of profit or loss and other comprehensive income for the year.

**3-14 Employees' benefits obligations**

The Group has a defined employees' end-of-service benefits scheme in line with the Labor Law in the Kingdom of Saudi Arabia based on the employee's last salary and the number of years of service.

The end-of-service benefits plans are not funded. Consequently, the liability valuations under the plans are performed by an independent actuary based on the projected unit credit method.

Costs of such plans initially include the current value of benefits obtained equally for each year of service and the benefits resulting from this obligation related to past employee's service.

Current and past service costs related to post-employment benefits are recognized immediately in the consolidated statement of profit or loss and other comprehensive income while unwinding of the liability at discount rates used are recorded in consolidated statement of profit or loss and other comprehensive income.

Any changes in net obligation due to the actuarial valuation and changes in assumptions are considered as re-measurement in the statement of other comprehensive income.

The re-measurement of gains and losses arising from adjustments to years of experience and changes in actuarial assumptions are recognized in the period in which they occur directly in other comprehensive income.

They are transferred to retained earnings in the consolidated statement of changes in equity in the period in which they occur.

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**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**3-14 Employees' benefits obligations (continued)**

Changes in the present value of the defined benefit obligation resulting from amendments or curtailments in the scheme are recognized immediately in profit or loss as past service costs.

End-of-service payments are based primarily on employees' final salaries, allowances, and accumulated years of service, as defined in the Labor Law in the Kingdom of Saudi Arabia.

**3-15 Guarantees from customers**

Guarantees received from customers less any amounts due in accordance with the terms of the contract are stated under current liabilities in the consolidated statement of financial position.

**3-16 Trade payables and other current liabilities**

Trade payables and other current liabilities represent obligations for payment of services obtained from suppliers in the ordinary course of business. These liabilities are classified as current when they are due to be settled within one year or less; otherwise, they are presented as non-current liabilities. Trade payables and other current liabilities are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method.

**3-17 Guarantees from recruitment agents**

Guarantees from recruitment agents represent the amounts collected in advance from recruitment agents as cash security in order to comply with the terms and conditions of contracts signed with them. The net retained guarantees is recovered after deducting the amounts due from the supplier upon termination of the contract with the recruitment agent.

**3-18 Provisions**

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the value of this obligation can be estimated reliably.

Where a number of similar obligations exist, the likelihood that an outflow will be required to settle these obligations is determined by considering the classification of obligations.

A provision is recognized even if the probability of an outflow for one of the items included in the same classification is minimal.

If the effect of the time value of money is significant, provisions are discounted using the current pre-tax discount rate that reflects current market assessments of the time value of money and the risks associated with the obligation.

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**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**3-19 Revenue recognition**

The Group recognizes revenue from providing manpower services to the public and private sector customers and to individuals in line with the requirements of IFRS 15.

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

**Contract costs**

Contract costs are recognized as an expense unless the Group has a reasonable expectation to recover these costs from its customers. In cases where these costs are recoverable from the customers, the Group capitalizes and amortizes these costs on a systematic basis, consistent with the transfer of the related services to the customer.

The Group recognizes contract costs if:

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

**Measuring progress towards satisfaction of performance obligation**

<b>Type of service</b>	<b>Nature and timing of satisfaction of performance obligations, including significant payment terms</b>	<b>Revenue recognition policies</b>
Corporate revenue	Corporate revenue relates to providing manpower services to corporate customers. Customers obtain control of services when such services are rendered and have been accepted. Invoices are generated and the performance obligation (rendering of services) is satisfied over time of the contractual arrangement.	Revenue is recognized over time as the services are provided.
Individual revenue	Manpower services provided to individual customers are covered under this stream. Customers obtain control of services when such services are rendered and have been accepted. Invoices are generated and the performance obligation (rendering of services) is satisfied over time of the contractual arrangement.	Revenue is recognized over time as the services are provided.
Hourly revenue	Such revenue stream relates to providing manpower services for few hours in a particular day. Customers obtain control of services when such services are rendered and have been accepted. Invoices are generated and the performance obligation (rendering of services) is satisfied over time.	Revenue is recognized over time as the services are provided.

**Contract assets and liabilities**

When a party to a contract performs, the group must present the contract in its consolidated statement of financial position as either a contract asset or a contract liability, based on the relationship between the group's performance and the customer's payment.

A contract asset represents the group's right to consideration for services transferred to the customer. If the group transfers services to the customer before the customer pays the consideration or before the consideration becomes due, a contract asset is recognized for the portion of consideration that is still contingent upon receipt.

A contract liability represents the group's obligation to transfer services to the customer, for which the group has received consideration (or consideration is due from the customer). The group recognizes the consideration as a contract liability when payment is received or when the consideration becomes due, whichever is earlier. Contract liabilities are recognized as revenue when the group satisfy its performance obligations under the contract.

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**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**3-19 Revenue recognition (continued)**

**Principal vs. Agent Considerations**

The Group assesses its contractual arrangements to determine whether it acts as a principal or an agent in accordance with IFRS 15. This assessment focuses on whether the Group controls the specified service before it is transferred to the customer.

In making this determination, the Group considers relevant indicators, including:

- Primary responsibility for fulfilling the service
- Exposure to operational and performance risks associated with service delivery
- Exposure to credit risk
- Discretion in establishing prices

Based on this assessment, management concluded that the Group controls the services before transfer to customers and bears primary responsibility for their fulfillment. Accordingly, the Group acts as a principal in all revenue arrangements and recognizes revenue on a gross basis.

**Presentation and disclosure requirements**

The Group disaggregates revenue recognized from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

**Other operating income and other income**

Other operating income comprises revenue streams that do not arise from the Group's core operations but contribute to its overall financial performance.

Support from the Human Resources Development Fund is recognized when there is reasonable assurance that the related conditions will be met and the support will be received.

Gains on financial investments classified at fair value through profit or loss are recognized in the consolidated statement of profit or loss and other comprehensive income upon realization.

Dividends from financial investments classified at fair value through other comprehensive income are recognized when the right to receive payment is established.

Profits from Murabaha deposits is recognized using the effective rate method.

Revenue from labor accommodation canteen services is recognized when the related services are rendered.

Gains or losses arising from the derecognition of right-of-use assets, property and equipment, and intangible assets are recognized upon completion of the disposal and are measured as the difference between the proceeds and the carrying amount of the asset.

Other income includes incidental items recognized on an accrual basis.

**3-20 Zakat and taxation**

**Zakat**

The Group is subject to zakat in accordance with the regulations of Zakat, Tax and Customs Authority ("ZATCA"). Zakat is calculated for each company within the Group separately on the basis of the higher of approximate Zakat base or adjusted income and charged to profit or loss. Any additional amounts, if any, are recognized when they are determined for payment.

**Withholding tax**

The Group withholds taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required under Saudi Arabian Income Tax Law.

**Value added tax**

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

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value-add tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When 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.

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**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**3-21 Financial instruments**

**Financial assets**

**Initial recognition and measurement**

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not classified at FVTPL.

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment’s fair value in OCI. This selection is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

**Subsequent Measurement**

The following accounting policies apply to the subsequent measurement of financial assets:

<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
<b>Financial assets at amortised cost</b>	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
<b>Debt investments at FVOCI</b>	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net profits and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
<b>Equity investment at FVOCI</b>	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

The Group has no debt investments at FVOCI.

The Group’s financial assets include financial investments measured at fair value through other comprehensive income within non-current assets and classified as equity instruments, measured at fair value with recognition of changes in fair value within other comprehensive income, as well as financial assets measured at amortized cost within current assets, including trade receivables, cash and cash equivalents, which are measured at amortized cost using the effective interest rate method after deducting the provision for expected credit losses, and financial investments measured at fair value through profit or loss, which are measured at fair value with recognition of changes in fair value, profit or loss.

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**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**3-21 Financial instruments (continued)**

**Financial assets (continued)**

**Derecognition**

A financial asset (or part of a group of similar financial assets) is mainly derecognized (i.e., excluded from the Group's consolidated statement of financial position) in the following cases:

- The rights to receive cash flows from the asset have been expired; or
- The Group has transferred its rights to receive cash flows from the asset, or assumed an obligation to pay cash flows received in full without delay to a third party under a "pass" arrangement; and either
  - substantially transferred all the risks and rewards of the asset; or
  - transferred control over the asset and the Group has neither transferred nor retained substantially the risks and rewards of the financial asset.

**Impairment of financial assets**

The financial assets at amortized cost consist of trade receivables and cash and cash equivalents. Loss provisions are measured on the bases of Expected Credit Losses ("ECLs") over lifetime of a financial instrument: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group measures loss provisions at an amount equal to lifetime ECLs .

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the group considers reasonable and supportable information that is relevant and available without undue cost or effort

This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information

**Expected credit loss ("ECL") assessment for accounts receivables**

The Group applies IFRS 9 simplified approach for measuring ECL, which uses a lifetime expected loss allowance. This method is applied for assessing an allowance against:

- Financial assets measured at amortized cost; and
- Contract assets

The expected loss rates are based on the payment profiles of receivables before each reported period and corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified Gross Domestic Product ("GDP") of KSA (the country in which it renders the services) to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The expected loss approach breaks the total loss amount modelling into following parts: probability of default ("PD"), loss given default ("LGD"), exposure at default ("EAD"). These are briefly described below:

- loss given default (LGD) – This is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from any collateral. It is usually expressed as a percentage of the EAD
- PD: the likelihood of a default over a particular time horizon
- EAD: This is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities.

**Credit-impaired financial assets**

At each reporting date, the Group assesses whether a financial asset carried at amortized cost is credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Evidence that a financial asset is a credit impaired includes:

- Significant financial difficulties faced by the Group's customers;
- A breach of contract such as a default or past due event;
- Rescheduling of financing by the group on terms that are not favorable to the group;
- Imminent bankruptcy or other financial reorganization of the customer;
- The absence of an active market for that financial instrument due to financial difficulties.

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**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**3-21 Financial instruments (continued)**

**Financial assets (continued)**

**Presentation of provision for ECL and impairment losses in the consolidated statement of financial position**

Expected credit losses and Impairment losses in financial assets measured at amortized cost are deducted from the gross carrying amount of the respective assets. Impairment losses related to trade receivables, if any, are presented as a separate line item in the consolidated statement of profit or loss and other comprehensive income.

**Write-off**

Financial assets are written off (either partially or in full) when the Group has no reasonable expectations of recovery. The group also performs an individual assessment of each customer in order to determine the value and timing of write-offs, based on whether there are reasonable expectations of recovery.

However, financial assets that are written off are still subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

In the event that the carrying amount of a financial asset to be written off exceeds the related accumulated loss allowance, the excess is recognized as an additional impairment loss at the time of write-off.

Any subsequent recoveries of amounts previously written off are recognized in the consolidated statement of profit or loss and other comprehensive income.

**Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified as subsequently measured at amortized cost or at FVTPL. Financial liabilities are classified as at FVTPL if they are held-for-trading, are derivatives or are designated as such upon initial recognition. the financial liabilities initially measured at fair value

**Subsequent Measurement**

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

**Financial liabilities at FVTPL**

Financial liabilities at FVTPL are measured subsequently at fair value, and net gains and losses, including any interest expense, are recognized in profit or loss, The group has no financial liabilities at fair value of profit or loss.

**Financial Liabilities at Amortized Cost**

Other financial liabilities are measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss resulting from derecognition is also recognized in profit or loss.

The Group's financial liabilities include trade payables and other current liabilities, guarantees from recruitment agents, Guarantees from customers, and lease liabilities.

**Derecognition**

The Group ceases to recognize financial liabilities when contractual liabilities are paid, cancelled, or extinguished. The Group also ceases to recognize financial liabilities when the cash flow terms of the adjusted liability are substantially modified, in which case a new financial liability is recorded based on the adjusted fair value terms.

When financial liabilities are derecognized, the difference between the carrying amount and the amount paid (including any transferred non-cash assets or charged liabilities) is recognized in the consolidated statement of profit or loss and other comprehensive income.

**Offsetting**

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously

**3-22 Contingent liabilities**

Contingent liabilities are possible obligations arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or present obligation arising from past events that are not recognized because it is not probable that an outflow of resources will be required to settle the obligation or because the amount cannot be measured with sufficient reliability. Such liabilities are disclosed as contingent liabilities in the consolidated financial statements.

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**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**3-23 Segment information**

The operating segment is a component of the Group that:

- Performs activities from which revenue can be realized and expenses may be incurred,
- The results of its operations are constantly analyzed by management in order to make decisions regarding resource allocation and performance evaluation, and
- For which financial information is available.

The group has the following three strategic divisions, which are its reported segments. These segments provide services to different kinds of customer segments and are managed through different strategies. The following summary describes the operations of each reportable segment:

- **Corporate segment:** This segment relates to providing an expatriate and Saudi manpower services to companies, whose contracts are from one to two years.
- **Individual segment:** This segment relates to providing domestic labor services to individuals` clients, with contract durations ranging from one month to two years.
- **Hourly segment:** This segment relates to the cleaning services provided to individuals` clients on an hourly or per-visit basis, with most cleaning visits lasting approximately four hours.

**3-24 Earnings per Share**

**Basic Earnings Per Share**

Basic earnings per share are calculated by dividing the net income or loss attributable to the parent company's common shareholders by the weighted average number of common shares outstanding during the year, adjusted for any retained equity, if any.

**Diluted Earnings Per Share**

Diluted earnings per share, if any, are determined by adjusting the net income or loss attributable to the parent company's common shareholders and the weighted average number of common shares outstanding and adjusting for any retained equity to account for the effect of all potential diluted common shares. The Group has not issued any potential common shares; therefore, basic and diluted earnings per share are the same.

**4. New standards, interpretations and amendments**

**4.1 New standards, interpretations, and amendments not yet effective**

The following is a statement of the new standards and amendments to the standards applicable for years commencing on or after 1 January 2026, with early adoption permitted, but which the Group did not apply when preparing these consolidated financial statements.

<u>IFRS</u>	<u>Summary</u>	<u>Effective date</u>
IFRS 9 and IFRS 7	Amendments regarding the classification and measurement of financial instruments	1 January 2026
Annual Improvements to IFRS Accounting Standards	Amendments/Annual improvements in IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7	1 January 2026
IFRS 18	Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19	Disclosures – Subsidiaries without Public Accountability	1 January 2027
IAS 21	Translation into the presentation currency in a hyperinflationary economy	1 January 2027

**4.2 New standards, interpretations, and amendments effective in the current year**

The following are the new standards, interpretations and amendments to standards that are effective in the current year, but they have no impact on these consolidated financial statements.

<u>IFRS</u>	<u>Summary</u>	<u>Effective date</u>
IAS 21	Amendment – Lack of Exchangeability	1 January 2025

**Early adoption of standards**

During the financial year ended 31 December 2025, the Group did not implement early application of any of the new standards or amendments issued by the International Accounting Standards Board

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**5. MATERIAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

The estimates used by the Group to present these amounts in accordance with IFRS as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA reflect the circumstances at the date of transition to IFRS and as at the end of the earliest reporting period presented.

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**5-1 Judgments Applied when Implementing Accounting Standards**

**Definition of Control**

Subsidiaries include all investee entities over which the Group exercises common control. Management considers that the Group controls an entity when the Group has exposure to or a stake in most of the variable returns arising from its association with the investee, and when it has the ability to use its authority over the investee to influence those returns by directing the activities of the investee.

Generally, a majority of the voting rights is assumed to constitute control. This assumption is supported by the fact that when the Group holds voting rights equal to or less than a majority in the investee, contractual considerations and other arrangements affecting the activities that impact the returns of the investee are also taken into account.

**Determining whether the group acts as an agent or principal**

The group conducted an assessment of its arrangements to determine whether it acts as a principal, recognizing revenue on a gross basis, or as an agent, recognizing revenue on a net basis. In this assessment, the group considered whether it had control over specific goods or services before transferring them to its customers, as well as other indicators such as the party primarily responsible for service delivery and price freedom. The group determined that it acts as a principal in all revenue arrangements.

**Determining the Term of Leases Including Renewal and Termination Options – The Group as Lessee**

When determining the term of a lease, management considers all relevant facts and circumstances that provide an economic incentive to exercise the renewal option or not to exercise the termination option. Renewal options (or periods following termination options) are included in the lease term if it is reasonably certain that the lease will be renewed (or not terminated). At the commencement of the lease, the Group assesses whether it is reasonably certain that the renewal options will be exercised. The Group reassesses whether it is reasonably certain that these options will be exercised if a significant event or change in circumstances within its control occurs.

**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 of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The Group based its estimates on information available in preparation of consolidated financial statements. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. These changes are reflected in the assumptions when they occur.

**Measurement of expected credit losses**

ECLs are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

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**5. MATERIAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)**

**5.2 Estimates and assumptions (continued)**

**Measurement of employees' defined benefit obligations**

The cost of end of service defined benefit and the present value of the related obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, withdrawal before normal retirement age and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature; a defined benefit obligation is highly sensitive to changes in these assumptions.

All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

The underlying bonds are further reviewed for quality.

Those having excessive credit spreads are removed from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at intervals in response to demographic changes.

Future salary increases are based on expected future inflation rates for the respective countries.

**Lease's incremental borrowing rate**

The group cannot easily determine the implicit rate of return for all its leases; therefore, it uses the incremental borrowing rate to measure its lease liabilities. The incremental borrowing rate is the rate the group would have to pay to borrow for a similar term, with similar collateral, to obtain an asset of similar value for the right to use the asset, and in a similar economic environment.

The group estimates the incremental borrowing rate using readily available inputs (such as market rates of return).

**Fair value measurement**

When the fair values of financial assets and liabilities recorded in the consolidated statement of financial position cannot be measured based on prices listed in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but when this is not possible, a degree of judgment is required in determining fair values. Judgments include input considerations such as liquidity risk, credit risk, and volatility. Changes in assumptions regarding these factors can affect the fair value of financial instruments.

**Impairment of Non-Financial Assets**

Impairment occurs when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of fair value less disposal costs or present value. Fair value less disposal costs is calculated based on available data for binding sales transactions that were conducted on fair market terms for similar assets, or observable market prices less additional costs of disposal. Present value is calculated based on projected future cash flows using the discounted cash flow (DCF) model. Cash flows are projected over the budget and forecast for the next five years and do not include restructuring activities that the group has not yet committed to or future investments that would enhance the performance of the cash-generating unit subject to impairment testing. Recoverable amount is affected by the discount rate used in the DCF method, as well as the expected future net cash inflows and the growth rate used for extrapolation purposes.

**Estimating Useful Lives and Residual Values**

The useful lives of property and equipment are estimated based on economic lifespans, collective assessment of industry practice, internal technical evaluation, and prior experience with similar assets. Estimated useful lives are revised and updated at the date of the financial statements if expectations differ from prior estimates due to normal wear and tear of property and equipment, technical and commercial obsolescence, or legal or other restrictions on the use of property and equipment. However, future financial performance is likely to be materially affected by changes in estimates resulting from changes in the factors mentioned above. The amounts and timing of expenses recognized for any period will be affected by changes in these factors and circumstances.

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#### 6. PROPERTY AND EQUIPMENT

<u>Cost</u>	<u>Land</u>	<u>Buildings</u>	<u>Leasehold Improvements</u>	<u>Furniture, fixtures and office equipment</u>	<u>Motor vehicles</u>	<u>Total</u>
As at 1 January 2024	5,344,155	4,736,577	4,069,205	10,287,034	2,078,733	26,515,704
Additions during the year	-	-	955,508	1,521,292	341,239	2,818,039
Disposals during the year	-	-	(56,625)	(267,037)	(345,000)	(668,662)
<b>As at 31 December 2024 and 1 January 2025</b>	<b>5,344,155</b>	<b>4,736,577</b>	<b>4,968,088</b>	<b>11,541,289</b>	<b>2,074,972</b>	<b>28,665,081</b>
Additions during the year	-	-	<b>311,579</b>	<b>1,325,877</b>	-	<b>1,637,456</b>
Disposals during the year	-	-	-	<b>(141,944)</b>	<b>(241,343)</b>	<b>(383,287)</b>
<b>As at 31 December 2025</b>	<b>5,344,155</b>	<b>4,736,577</b>	<b>5,279,667</b>	<b>12,725,222</b>	<b>1,833,629</b>	<b>29,919,250</b>
<u>Accumulated depreciation</u>						
As at 1 January 2024	-	(1,166,548)	(1,316,935)	(6,699,460)	(2,008,479)	(11,191,422)
Charge for the year	-	(236,833)	(845,473)	(1,328,924)	(83,877)	(2,495,107)
Disposals during the year	-	-	56,624	217,995	325,083	599,702
<b>As at 31 December 2024 and 1 January 2025</b>	<b>-</b>	<b>(1,403,381)</b>	<b>(2,105,784)</b>	<b>(7,810,389)</b>	<b>(1,767,273)</b>	<b>(13,086,827)</b>
Charge for the year	-	(220,068)	(1,143,820)	(1,508,998)	(85,320)	(2,958,206)
Disposals during the year	-	-	-	124,940	241,340	366,280
<b>As at 31 December 2025</b>	<b>-</b>	<b>(1,623,449)</b>	<b>(3,249,604)</b>	<b>(9,194,447)</b>	<b>(1,611,253)</b>	<b>(15,678,753)</b>
<u>Net book value</u>						
<b>As at 31 December 2025</b>	<b>5,344,155</b>	<b>3,113,128</b>	<b>2,030,063</b>	<b>3,530,775</b>	<b>222,376</b>	<b>14,240,497</b>
As at 31 December 2024	5,344,155	3,333,196	2,862,304	3,730,900	307,699	15,578,254

Depreciation for the year has been allocated as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Cost of revenue (Note 24)	<b>2,018,221</b>	1,568,478
Selling and marketing expenses (Note 25)	<b>339,531</b>	341,297
General and administration expenses (Note 26)	<b>600,454</b>	585,332
	<b>2,958,206</b>	2,495,107

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**7. INTANGIBLE ASSETS**

Intangible assets represent computer software, applications and other intangible assets. The movements in balances during the year ended 31 December 2025 and 2024 are as follows:

	<b>Computer Software</b>	<b>Other intangible assets</b>	<b>Total</b>
<b>Cost</b>			
As at 1 January 2024	4,841,456	1,211,875	6,053,331
Additions during the year	141,460	458,940	600,400
As at 31 December 2024 and 1 January 2025	<b>4,982,916</b>	<b>1,670,815</b>	<b>6,653,731</b>
Additions during the year	-	-	-
<b>As at 31 December 2025</b>	<b>4,982,916</b>	<b>1,670,815</b>	<b>6,653,731</b>
<b>Accumulated amortization:</b>			
As at 1 January 2024	(4,029,723)	(616,902)	(4,646,625)
Amortization during the year	(352,893)	(335,766)	(688,659)
As at 31 December 2024 and 1 January 2025	<b>(4,382,616)</b>	<b>(952,668)</b>	<b>(5,335,284)</b>
Amortization during the year	<b>(339,731)</b>	<b>(290,123)</b>	<b>(629,854)</b>
<b>As at 31 December 2025</b>	<b>(4,722,347)</b>	<b>(1,242,791)</b>	<b>(5,965,138)</b>
<b>Net book value:</b>			
<b>As at 31 December 2025</b>	<b>260,569</b>	<b>428,024</b>	<b>688,593</b>
As at 31 December 2024	600,300	718,147	1,318,447

Amortization charge for the year is allocated as follows:

	<b>31 December 2025</b>	31 December 2024
Cost of revenue (Note 24)	<b>343,774</b>	229,385
Selling and marketing expenses (Note 25)	<b>3,972</b>	139,726
General and administration expenses (Note 26)	<b>282,108</b>	319,548
	<b>629,854</b>	688,659

**8. LEASES**

The Group leases vehicles and buildings. The leases typically run for a period from 3 to 5 years.

During 2025, the Group recognized a gain of ﷲ 97,744 (2024: ﷲ 74,046) on derecognition of the lease contracts recognized within other income (Note 27).

**a) Right Of Use Assets**

Right of use assets relates to leased vehicles and building, and it is amortized on a straight-line basis over the lease term as shown below:

	<u>Lease terms</u>
Vehicles	4 years
Buildings	3 – 5 years

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### 8. LEASES (CONTINUED)

#### a) Right of use assets (continued)

Movement of right of use assets per class is shown below:

	<u>Vehicles</u>	<u>Buildings</u>	<u>Total</u>
<b>Cost</b>			
As at 1 January 2024	44,123,151	50,598,678	94,721,829
Additions during the year	21,382,889	12,952,261	34,335,150
Derecognition during the year	(12,243,012)	(12,578,098)	(24,821,110)
As at 31 December 2024 and 1 January 2025	<b>53,263,028</b>	<b>50,972,841</b>	<b>104,235,869</b>
Additions during the year	<b>18,785,780</b>	<b>12,851,828</b>	<b>31,637,608</b>
Derecognition during the year	<b>(10,282,660)</b>	<b>(18,067,259)</b>	<b>(28,349,919)</b>
<b>As at 31 December 2025</b>	<b>61,766,148</b>	<b>45,757,410</b>	<b>107,523,558</b>
<b>Accumulated depreciation</b>			
As at 1 January 2024	(27,191,848)	(24,365,729)	(51,557,577)
Depreciation charge for the year	(7,314,631)	(11,993,486)	(19,308,117)
Derecognition during the year	12,124,458	11,785,941	23,910,399
As at 31 December 2024 and 1 January 2025	<b>(22,382,021)</b>	<b>(24,573,274)</b>	<b>(46,955,295)</b>
Depreciation charge for the year	<b>(13,049,025)</b>	<b>(13,155,760)</b>	<b>(26,204,785)</b>
Derecognition during the year	<b>10,275,604</b>	<b>18,067,258</b>	<b>28,342,862</b>
<b>As at 31 December 2025</b>	<b>(25,155,442)</b>	<b>(19,661,776)</b>	<b>(44,817,218)</b>
<b>Net book value</b>			
<b>As at 31 December 2025</b>	<b>36,610,706</b>	<b>26,095,634</b>	<b>62,706,340</b>
As at 31 December 2024	30,881,007	26,399,567	57,280,574

Depreciation for the year has been allocated as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Cost of revenue (Note 24)	25,551,149	18,647,673
Selling and marketing expenses (Note 25)	269,620	263,624
General and administration expenses (Note 26)	384,016	396,820
	<b>26,204,785</b>	<b>19,308,117</b>

#### b) Lease liabilities

	<u>31 December 2025</u>	<u>31 December 2024</u>
As at 1 January	54,926,684	40,728,024
Additions during the year	31,637,608	34,335,150
Derecognition during the year	(104,800)	(984,757)
Finance charges during the year	4,488,918	3,469,734
Payment during the year	(30,012,447)	(22,621,467)
<b>As at 31 December</b>	<b>60,935,963</b>	<b>54,926,684</b>

Lease liabilities have been presented in the consolidated statement of financial position as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Lease liabilities – current portion	25,617,759	19,628,316
Lease liabilities – non-current portion	35,318,204	35,298,368
	<b>60,935,963</b>	<b>54,926,684</b>

Lease liabilities were measured using the incremental borrowing rate for each lease at its commencement date, which ranges from 5% to 8.82% per annum. These rates reflect changes in market conditions and the group's credit risk across different lease terms.

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**9. OTHER NON-CURRENT ASSETS**

Other non-current assets include non-current portions of the unused visas, used visas and recruitment costs balances were presented in the financial position as follows:

	<b>Note</b>	<b>31 December 2025</b>	31 December 2024
Unused visa, non-current portions	9,1	<b>23,824,000</b>	22,190,000
Used visa, non-current portions	9,2	<b>12,354,244</b>	11,045,817
Recruitment costs, non-current portions	9,3	<b>13,946,455</b>	17,349,240
		<b><u>50,124,699</u></b>	<b><u>50,585,057</u></b>

**9.1. Unused Visas**

Unused visas represent the value of the visas paid to Ministry of Human Resources and Social Development and have not been used until the date of the consolidated statement of financial position.

The movement of the unused visas during the year is as follows:

	<b>31 December 2025</b>	31 December 2024
As at 1 January	<b>35,468,000</b>	37,432,000
Purchased visas during the year	<b>59,322,000</b>	63,232,000
Expired visas refunded during the year	<b>(10,938,000)</b>	(9,114,000)
Transferred to used visas	<b>(45,360,000)</b>	(56,082,000)
As at 31 December	<b>38,492,000</b>	35,468,000
Less: unused visas balance – current portion (note 13)	<b>(14,668,000)</b>	(13,278,000)
Unused visas – non-current portion	<b><u>23,824,000</u></b>	<u>22,190,000</u>

**9.2. Used Visas**

The amounts of the visas are transferred to the used visas upon the arrival of the recruited manpower to the territory of the Kingdom of Saudi Arabia.

The movement of the used visas during the year is as follows:

	<b>31 December 2025</b>	31 December 2024
As at 1 January	<b>43,906,161</b>	29,510,361
Addition during the year	<b>45,360,000</b>	56,082,000
Amortization during the year	<b>(44,533,331)</b>	(41,686,200)
As at 31 December	<b>44,732,830</b>	43,906,161
Less: used visas balance – current portion (note 13)	<b>(32,378,586)</b>	(32,860,344)
Used visas – non-current portion	<b><u>12,354,244</u></b>	<u>11,045,817</u>

**9.3. Recruitment Costs**

Recruitment costs represent the amount paid to recruitment agencies in connection with services obtained. Recruitment costs are amortized over a period of twenty-four months from the date the worker joins work.

The movement of the recruitment costs during the year is as follows:

	<b>31 December 2025</b>	31 December 2024
As at 1 January	<b>58,817,131</b>	52,331,805
Costs incurred during the year	<b>60,781,462</b>	83,551,480
Amortization during the year	<b>(69,817,763)</b>	(77,066,154)
As at 31 December	<b>49,780,830</b>	58,817,131
Less: recruitment costs– current portion (note 13)	<b>(35,834,375)</b>	(41,467,891)
Recruitment costs – non-current portion	<b><u>13,946,455</u></b>	<u>17,349,240</u>

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#### 10. CONTRACT ASSETS

Contract assets primarily represent the Group's right to consideration for services rendered but not yet billed at the reporting date. This includes obligations for employee end-of-service benefits, vacation allowances, and Air tickets paid by the Group and reimbursed by customers according to the terms of their contracts. These amounts are recognized as contract assets because the Group's right to consideration remains contingent upon the customer being invoiced. Contract assets are transferred to trade receivables when the right to payment become unconditional, which generally occurs upon issuance of an invoice to the customer. For the Group this typically happens upon expiry of the employees' contract which is usually two years.

	<b>31 December 2025</b>	31 December 2024
Contract assets	<b>189,332,302</b>	121,955,860
Expected credit losses*	<b>(881,704)</b>	(455,527)
<b>Total</b>	<b>188,450,598</b>	121,500,333

Contract assets have been presented in the consolidated statement of financial position as follows:

	<b>31 December 2025</b>	31 December 2024
Contract assets – non-current portion	<b>89,740,095</b>	49,888,228
Contract assets – current portion	<b>98,710,503</b>	71,612,105
	<b>188,450,598</b>	121,500,333

\*The movement in expected credit losses is as follows:

	<b>31 December 2025</b>	31 December 2024
As at the beginning of the year	<b>455,527</b>	-
Provided during the year	<b>426,177</b>	455,527
At the end of the year	<b>881,704</b>	455,527

#### 11. FINANCIAL INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial investments at fair value through other comprehensive income (FVOCI) represent an investment in Riyad Bank Sukuk. During the current period, the Group invested in Sukuk with Riyad Bank in the form of Tier 1 Capital Sukuk program, with a total value of ﷲ 20 million. The Group assessed the terms of the Sukuk in accordance with the requirements of IAS 32 and determined that these Sukuk do not include a contractual obligation on the issuer to repay cash or another financial asset, as the distribution of profits and the redemption of the Sukuk are entirely at the issuer's discretion. Accordingly, this investment was classified as an equity instrument.

Accordingly, and in accordance with the requirements of IFRS 9 9, the Group, upon initial recognition, chose to irrevocably recognize subsequent changes in the fair value of this investment within other comprehensive income, given that the investment is not held for trading purposes. This investment is measured at fair value through other comprehensive income. Consequently, changes in the fair value of this investment are recognized within other comprehensive income and are not reclassified to profit or loss upon disposal. Any dividends received from this investment are recognized in the consolidated statement of profit or loss and other comprehensive income when the Group is entitled to receive the payments.

The movement in the investments in fair value through other comprehensive income during the year is as follows:

	<b>31 December 2025</b>	31 December 2024
Balance at the beginning of the year	-	-
Additions during the year	<b>20,000,000</b>	-
Change in fair value	<b>436,000</b>	-
Balance at the end of the year	<b>20,436,000</b>	-

During the Year ending 31 December 2025, the group earned dividends on sukuks in an amount of ﷲ 1,126,667 (2024: Nil), which were recognized in the consolidated statement of profit or loss and other comprehensive income under other income (Note 27).

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#### 12. TRADE RECEIVABLES

	<u>31 December 2025</u>	<u>31 December 2024</u>
Trade receivables	388,157,185	290,908,361
Related parties' receivable (note 15)	38,320,704	35,225,193
	<u>426,477,889</u>	<u>326,133,554</u>
Less: Provision for expected credit losses	(54,114,044)	(47,680,745)
	<u>372,363,845</u>	<u>278,452,809</u>

The Group applies the simplified approach in IFRS 9 to measure the expected credit loss which uses a lifetime expected loss allowance for all trade receivables.

Movement in impairment of trade receivable balances during the year is as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
At the beginning of the year	47,680,745	29,047,631
Provided during the year	8,567,271	24,016,648
Trade receivables written off during the year	(2,133,972)	(5,383,534)
At the end of the year	<u>54,114,044</u>	<u>47,680,745</u>

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that recovery is unlikely include, among other things, the debtor's failure to agree on a payment plan with the Group and the debtor's failure to make contractual payments.

As of 31 December 2025, the balance of trade receivables includes an amount of ﷲ 5.3 million (31 December 2024: ﷲ 6 million) that is secured by bank guarantees and promissory notes.

#### 13. PREPAYMENTS AND OTHER CURRENT ASSETS

	<u>31 December 2025</u>	<u>31 December 2024</u>
Residency and work permit fees	75,930,295	32,192,018
Recruitment fees - current portion (Note 9.3)	35,834,375	41,467,891
Used visas - current portion (Note 9.2)	32,378,586	32,860,344
Prepaid other expenses	21,605,306	8,968,382
Advance to suppliers	17,461,519	17,124,936
Unused visas - current portion (Note 9.1)	14,668,000	13,278,000
Other current assets	5,666,051	3,841,906
Advance to employees	4,600,565	2,715,723
	<u>208,144,697</u>	<u>152,449,200</u>
Less: impairment of advances to suppliers *	(5,453,400)	(2,935,441)
Less: impairment of other current assets*	(157,436)	(699,255)
Total impairment of advances to suppliers and other current assets	<u>(5,610,836)</u>	<u>(3,634,696)</u>
	<u>202,533,861</u>	<u>148,814,504</u>

(\*) The movement in impairment loss of advances to suppliers and other current assets during the year is as follows:

	<u>Advance to suppliers</u>	<u>Other current assets</u>	<u>Total</u>
As at 1 January 2025	2,935,441	699,255	3,634,696
Provided during the year	5,300,069	-	5,300,069
Utilized during the year	(2,782,110)	(541,819)	(3,323,929)
As at 31 December 2025	<u>5,453,400</u>	<u>157,436</u>	<u>5,610,836</u>
	<u>Advance to suppliers</u>	<u>Other current assets</u>	<u>Total</u>
As at 1 January 2024	2,935,441	699,255	3,634,696
Provided during the year	-	-	-
As at 31 December 2024	<u>2,935,441</u>	<u>699,255</u>	<u>3,634,696</u>

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**14. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)**

Financial investments mainly represent investments Al Rajhi Awaheed Fund. The movement in the investments in FVTPL during the year is as follows:

	<b>31 December 2025</b>	31 December 2024
At the beginning of the year	<b>82,509,636</b>	65,289,751
Additions during the year	<b>81,040</b>	45,000,000
Disposals during the year	<b>(39,305,720)</b>	(30,000,000)
Fair value change	<b>2,855,315</b>	2,219,885
At the end of the year	<b>46,140,271</b>	82,509,636

During the Year ending 31 December 2025, the group earned dividends on sukuk of Al Rajhi bank in an amount of ﷲ 79,652 (2024: ﷲ 220,559), which were recognized in profit or loss and other comprehensive income under other Operating income (Note 27), where the other income included the sum of the change in fair value mentioned in the note above and the related dividend distributions, totaling ﷲ 2,934,967 (2024: ﷲ 2,440,444).

**15. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

Related parties represent key management personnel, members of the board of directors, shareholders of the group and their associates. They also include business entities in which some members of the board of directors or key management personnel have an interest (other related parties).

Transactions with related parties and jointly controlled entities are carried out in accordance with the terms and conditions approved by the group's management or the board of directors.

All outstanding balances with these related parties are settled in cash and priced on an arm's length basis. None of the balances are secured, and no guarantees have been given or received.

The following are the transactions with related parties carried out by the Group:

**a) Key management personnel compensation:**

	<b>31 December 2025</b>	31 December 2024
Salaries and other short-term benefits	<b>13,300,240</b>	13,132,518
Post-employment benefits	<b>627,147</b>	674,381
Long term benefits	<b>858,877</b>	858,813
	<b>14,786,264</b>	14,665,712

**b) Board of Directors' remuneration and allowances**

	<b>31 December 2025</b>	31 December 2024
Board remunerations	<b>2,110,000</b>	2,296,000
Allowances and compensations for board committees	<b>765,000</b>	768,000
	<b>2,875,000</b>	3,064,000

**c) Business transactions with related parties**

The following table presents amounts of material business transactions that carried out with related parties during the Year ended 31 December 2025 and 2024:

Name of the related party	Nature of relationship	Nature of transactions	Transactions amounts for the year ended 31 December	
			<b>2025</b>	<b>2024</b>
Al-Ayuni Investment and Contracting Company	Investor with significant influence	Revenue against rendering labor services	<b>237,430,942</b>	235,531,844
Limak Al-Ayuni JV	A joint Venture/alliance related to an influential shareholder	Revenue against rendering labor services	<b>173,188,782</b>	53,826,635
Al-Omaier Trading and Contracting Company	Investor with significant influence	Revenue against rendering labor services	<b>2,240,144</b>	1,695,825

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**15. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (CONTINUED)**

**d) Related party balances**

The following table presents the balances due from related parties – trade receivables as at 31 December 2025 and 31 December 2024:

	<b>31 December 2025</b>	31 December 2024
Al-Ayuni Investment and Contracting Company	<b>23,876,690</b>	18,877,652
Limak Al-Ayuni Joint Venture	<b>12,551,976</b>	13,311,170
Other related parties	<b>1,892,038</b>	3,036,371
	<b>38,320,704</b>	35,225,193

**16. CASH AND CASH EQUIVALENTS**

	<b>31 December 2025</b>	31 December 2024
Murabaha time deposits	<b>110,000,000</b>	-
Cash at banks	<b>46,880,413</b>	104,052,657
Cash in hand	<b>274,491</b>	257,159
	<b>157,154,904</b>	104,309,816

Due to the nature of the group's business model and the monthly payment of employee salaries, it invests its surplus funds during the month in Islamic financing (Murabaha) with a local commercial bank for short periods ranging from 5 to 25 day, with an average return of 4.5%. Total income from these Murabaha transactions during 2025 amounted to ﷲ 1,284,318, recorded under other operating income (Note 27).

**17. SHARE CAPITAL**

As at 31 December 2025, the Company's share capital consists of 15 million shares (31 December 2024: 15 million shares) with a nominal value of ﷲ 10 each.

**18. STATUTORY RESERVE**

In accordance with the Regulations for Companies in the Kingdom of Saudi Arabia and the issued Company's By-law, the Company was required to transfer 10% of its net income for the year to the statutory reserve until such reserve equals 30% of its share capital. The transfer to statutory reserve is made by the Company only at the year end. However, after the issuance of new Companies Law issued through Royal Decree M/132 on 1/12/1443H (corresponding to 30 June 2022) (hereinafter referred as "the Law") came into force on 26/6/1444 H (corresponding to 19 January 2023), the requirement to transfer net income to statutory reserve has become voluntary, The company's By-law were amended accordingly, as the amended articles of association stipulate that the ordinary general assembly, when determining the share of the net profits, may decide to form reserves, to the extent that it serves the company's interest or ensures the distribution of fixed profits to the shareholders as much as possible.

The Company's Extraordinary General Assembly, held on 28 September 2025, approved the Board of Directors' recommendation in its meeting held on 10 August 2025 to transfer the balance of statutory reserve amounting to ﷲ 45,000,000 (forty-five million Saudi Riyals) to the balance of retained earnings.

**19. DIVIDENDS**

**Dividend distributions during the Year ending December 31, 2025:**

In its meeting held on 26 March 2025 the Group's Board of Directors approved the distribution of cash dividends to shareholders for the second half of 2024 amounting to ﷲ 18.75 million, representing ﷲ 1.25 per share. Shareholders eligible for dividends were those holding shares at the end of the trading day on 10 April 2025, and who were registered in the company's shareholders' register at the Securities Depository Center at the end of the second trading day following the eligibility date. The dividends were paid in full on 21 April 2025.

In its meeting held on 10 August 2025 the Board of directors approved the distribution of cash dividends to the shareholders for the first half of the year 2025 amounting to ﷲ 20,25 million, representing ﷲ 1.35 per share. Shareholders eligible for dividends were those holding shares at the end of the trading day on 18 August 2025, and registered in the company's shareholders' register at the Securities Depository Center at the end of the second trading day following the due date. The dividends were paid in full on 25 August 2025.

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#### 19. DIVIDENDS (CONTINUED)

##### Dividend distributions during the Year ending December 31, 2024:

In its meeting held on 27 March 2024, the Group's Board of directors approved the distribution of cash dividends to the shareholders for the second half of the year 2023 amounting to ﷲ 15 million, representing ﷲ 1 per share. Shareholders eligible for dividends were those holding shares at the end of the second trading day following 2 April 2024, and it was paid in full on 17 April 2024.

In its meeting held on 7 August 2024, The Board of directors approved the distribution of cash dividends to the shareholders for the first half of the year 2024 amounting to ﷲ 18.75 million, representing ﷲ 1.25 per share to Shareholders eligible for dividends were those who own shares at the end of trading day on 14 August 2024 and registered in the company's shareholders' register at the Securities Depository Center at the end of the second trading day following the due date, and it was paid in full on 22 August 2024.

#### 20. EMPLOYEES' DEFINED BENEFITS OBLIGATIONS

The Group operates a defined benefit plan in line with the Labor Law requirement in the Kingdom of Saudi Arabia.

Amounts payable at the end of service under the plan are calculated on the basis of the employees' last salaries and allowances and the number of their accumulated years of service as of the end of employment, as outlined in the labor law in force in the Kingdom of Saudi Arabia.

The plan is unfunded. and the benefit obligations are settled when due.

(a) The table below presents the movement of Employees' defined benefits obligations:

	<b>31 December 2025</b>	31 December 2024
<b>As at 1 January</b>	<b>89,218,333</b>	66,338,872
<b>Included in profit or loss</b>		
Current service cost	<b>59,686,396</b>	36,943,475
Interest expense	<b>4,278,026</b>	2,480,352
	<b>63,964,422</b>	39,423,827
<b>Included in other comprehensive income</b>		
Remeasurement (gain)/ losses on Employees' defined benefits obligations	<b>(8,123,389)</b>	7,546,066
<b>Payments</b>	<b>(12,290,875)</b>	(24,090,432)
<b>Balance as at the end of year</b>	<b>132,768,491</b>	89,218,333

(b) Key actuarial assumptions

	<b>31 December 2025</b>	31 December 2024
Discount rate	<b>4,8%</b>	5,1%
Salary growth rate	<b>5,5%</b>	5,3%
Retirement age	<b>60 – 65 years</b>	60 years

Weighted average duration of the employee retirement benefit liability is 5 years

(c) Sensitivity analysis for actuarial assumptions

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practical terms, this is not likely to happen, and changes in some assumptions may be linked to each other.

When calculating the sensitivity of the defined benefit obligations to significant actuarial assumptions, the same method (present value of the defined benefit obligations calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the end-of-service benefits.

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#### 20. EMPLOYEES' DEFINED BENEFITS OBLIGATIONS (CONTINUED)

(c) Sensitivity analysis for actuarial assumptions (continued)

A quantitative sensitivity analysis for significant assumptions on the employees' benefits are shown below:

	<b>31 December 2025</b>	31 December 2024
<b>Discount rate</b>		
Increase by 1%	<b>129,327,609</b>	87,574,037
Decrease by 1%	<b>142,545,297</b>	95,641,849
<b>Expected salary increase</b>		
Increase by 1%	<b>142,858,204</b>	95,913,640
Decrease by 1%	<b>128,924,067</b>	87,253,161

(d) Maturity profile

The following are expected undiscounted payment in future years:

	<b>31 December 2025</b>	31 December 2024
Year 1	<b>28,084,130</b>	7,420,928
Year 2 to Year 5	<b>63,957,038</b>	13,351,868
Year 6 to Year 10	<b>41,817,110</b>	8,091,154
Year 11 & above	<b>49,252,924</b>	11,962,119

(e) Trade Payables And Other Current Liabilities

	<b>31 December 2025</b>	31 December 2024
Accrued vacations and air tickets	<b>161,624,572</b>	125,781,757
Contract liabilities	<b>122,606,807</b>	61,068,169
Accrued salaries and bonuses	<b>57,479,207</b>	73,845,896
Payable to suppliers	<b>16,215,473</b>	10,004,918
Value Added Tax ("VAT")	<b>10,675,502</b>	8,676,018
Accrued social insurance	<b>5,694,561</b>	3,543,913
Accrued commission	<b>3,812,930</b>	1,883,636
Remunerations and allowances - BOD	<b>3,026,096</b>	3,220,000
Others	<b>13,224,962</b>	10,299,131
	<b>394,360,110</b>	298,323,438

Trade payables are unsecured and are normally paid within 30 days of recognition. The carrying value of trade payables and other current liabilities approximates their fair value, given their short-term nature.

## 22. ZAKAT

(a) The Group's consolidated Zakat liabilities consist of Zakat that has been calculated on the basis of the separate financial statements of each individual Company.

(b) Provision for Zakat

The movement in Zakat provision is as follows:

	<b>31 December 2025</b>	31 December 2024
As at the beginning of the year	<b>10,752,278</b>	10,250,340
Amounts paid during the year	<b>(9,113,249)</b>	(8,928,642)
Provision for the year	<b>10,709,000</b>	9,430,580
As at the end of year	<b>12,348,029</b>	10,752,278

(c) Status of final assessments

The Company and its subsidiaries filed Zakat returns to the Zakat, Tax and Customs Authority "ZATCA", and obtained a Zakat certificate until the end of the fiscal year ended 31 December 2024.

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#### 22. ZAKAT (CONTINUED)

(c) Status of final assessments (continued)

**Al Mawarid Manpower Company** has finalized the zakat assessments up to the year ended 31 December 2024. During the Year ending December 31, 2025, the zakat return for 2024 was assessed by ZATCA and no zakat discrepancies were identified.

The withholding tax returns for the year 2024 were also assessed by ZATCA and no discrepancies were identified.

**The subsidiary, Musanid Al Tasheed Contracting Company** has finalized the zakat assessments up to the year ended 31 December 2020. As of the date of issuance of these consolidated financial statements, the final assessments for the years ended 31 December 2021, 2022, 2023 and 2024 have not been received.

**The subsidiary, Sawaid Manpower Company** has not received any Zakat assessment from ZATCA, knowing that the first Zakat return submitted by the subsidiary is for the year 2020.

**The subsidiary Masader Al Mawarid For Trading Company** was registered with ZATCA upon its establishment and received its registration certificate on 10/08/1446 AH (08/02/2025). The company will submit its first zakat return within the statutory period, with a deadline of 30/04/2026.

#### 23. REVENUE

The following tables present the Group's revenues disaggregated by reportable segment, customer type and duration of contracts:

<u>Type of segment</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Corporate	<u>2,120,040,254</u>	<u>1,605,316,329</u>
Individual	<u>301,228,612</u>	<u>265,037,135</u>
Hourly	<u>189,724,934</u>	<u>157,394,863</u>
	<u><b>2,610,993,800</b></u>	<u><b>2,027,748,327</b></u>

  

<u>Type of customers</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Construction	<u>1,324,059,217</u>	<u>1,094,567,628</u>
Individuals	<u>490,953,546</u>	<u>422,431,998</u>
Operation and Maintenance	<u>109,560,238</u>	<u>131,488,884</u>
Commercial and services	<u>194,775,341</u>	<u>107,177,992</u>
Hospitality	<u>268,101,968</u>	<u>104,362,407</u>
Healthcare	<u>115,709,090</u>	<u>88,300,092</u>
Manufacturing	<u>75,503,043</u>	<u>51,356,887</u>
Transportation	<u>29,008,542</u>	<u>26,911,504</u>
Other	<u>3,322,815</u>	<u>1,150,935</u>
	<u><b>2,610,993,800</b></u>	<u><b>2,027,748,327</b></u>

  

<u>Duration of contracts</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
More than 1 year	<u>1,891,752,791</u>	<u>1,469,127,632</u>
One year and less	<u>719,241,009</u>	<u>558,620,695</u>
	<u><b>2,610,993,800</b></u>	<u><b>2,027,748,327</b></u>

The Group follows a policy of recognizing revenues over time. Revenues from two major customers for the year ended December 31, 2025, amounted to 769 million ﷲ, representing 29% of total revenues (December 31, 2024: 695 million ﷲ, representing 34% of total revenues). Outstanding receivables as of December 31, 2025, amounted to 128 million ﷲ (December 31, 2024: 85.5 million ﷲ).

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**24. COST OF REVENUE**

	<u>31 December 2025</u>	<u>31 December 2024</u>
Employees' salaries and benefits	1,736,087,249	1,309,330,689
Work permits and residency fees	377,759,434	295,232,590
Workforce other expenses	71,607,951	57,039,176
Recruitment fees	69,808,464	77,066,154
Visas	48,012,978	41,686,200
Depreciation on right of use assets (Note 8)	25,551,149	18,647,673
Accommodation, Catering, transportation	8,984,934	9,642,190
Bank charges	7,237,143	5,932,966
Utilities	6,605,006	5,659,670
Depreciation and amortization (Notes 6 & 7)	2,361,995	1,797,863
Other operating expenses	21,107,620	20,859,796
	<u>2,375,123,923</u>	<u>1,842,894,967</u>

**25. SELLING AND MARKETING EXPENSES**

	<u>31 December 2025</u>	<u>31 December 2024</u>
Employees' salaries and benefits	14,552,430	10,801,875
Advertisement	10,227,292	6,002,451
Utilities	484,297	346,674
Depreciation and amortization (Notes 6 & 7)	343,503	481,023
Depreciation on right of use assets (Note 8)	269,620	263,624
Travelling and transportation expenses	127,396	147,096
Selling and marketing expenses	-	94,050
Other	396,164	267,645
	<u>26,400,702</u>	<u>18,404,438</u>

**26. GENERAL AND ADMINISTRATIVE EXPENSES**

	<u>31 December 2025</u>	<u>31 December 2024</u>
Employees' salaries and benefits	28,085,424	23,701,929
Board committees' remuneration and allowances	3,027,985	3,222,869
Technical and other services	4,233,396	2,730,261
Software and licenses fees	3,015,184	2,045,478
Professional and consultancy fees	2,633,532	1,959,826
Depreciation and amortization (Notes 6 & 7)	882,562	904,880
Government and subscriptions fees	933,437	843,854
Utilities	1,349,102	752,344
Repair and maintenance	684,955	337,000
Stationery and printing	90,935	149,448
Bank charges	351,632	343,103
Depreciation on right of use assets (Note 8)	384,016	396,820
Other	2,392,132	1,452,379
	<u>48,064,292</u>	<u>38,840,191</u>

**27. OTHER OPERATING INCOME AND OTHER INCOME, NET**

	<u>Note</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
<b><u>Other operating income</u></b>			
Support from the Human Resources Development Fund		4,778,136	3,782,344
Gains from investments at FVTPL	14	2,934,967	2,440,444
Profit from Murabaha deposits		1,284,318	-
Revenues from labor accommodation canteens		565,984	944,635
		<u>9,563,405</u>	<u>7,167,423</u>
<b><u>Other income, net</u></b>			
Profit on investment at FVOCI	11	1,126,667	-
Profit from disposal of Right of use assets		97,743	74,046
Gains / (losses) on disposal of property and equipment and intangible assets.		41,645	(48,015)
Other		-	474,053
		<u>1,266,055</u>	<u>500,084</u>

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**28. BASIC AND DILUTED EARNINGS PER SHARE**

Basic and diluted earnings per share are computed by dividing the net profit for the year by the weighted average number of ordinary shares outstanding for the years ended 31 December 2025 and 2024, as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Net profit for the year	138,464,882	95,423,397
Weighted average number of shares (**)	20,000,000	20,000,000
Basic & diluted earnings per share from net profit for the year (*)	<u>6,92</u>	<u>4,77</u>

(\*) Basic earnings per share are the same as diluted earnings per share, as the Group does not have any dilutive instruments.

(\*\*) The weighted average number of shares and earnings per share for the corresponding year have been retrospectively adjusted to reflect the effect of the bonus share issuance approved by the Extraordinary General Meeting, as explained in Note (32).

**29. SEGMENT INFORMATION**

	<u>31 December 2025</u>			
	<u>Corporate segment</u>	<u>Individual segment</u>	<u>Hourly segment</u>	<u>Total</u>
	ﷲ	ﷲ	ﷲ	ﷲ
Revenue	2,120,040,254	301,228,612	189,724,934	2,610,993,800
Cost of revenue	(1,939,836,650)	(271,493,048)	(163,794,225)	(2,375,123,923)
<b>Gross profit</b>	<u>180,203,604</u>	<u>29,735,564</u>	<u>25,930,709</u>	<u>235,869,877</u>
	<u>31 December 2024</u>			
	<u>Corporate segment</u>	<u>Individual segment</u>	<u>Hourly segment</u>	<u>Total</u>
	ﷲ	ﷲ	ﷲ	ﷲ
Revenue	1,605,316,329	265,037,135	157,394,863	2,027,748,327
Cost of revenue	(1,453,095,519)	(253,275,473)	(136,523,975)	(1,842,894,967)
Gross profit	<u>152,220,810</u>	<u>11,761,662</u>	<u>20,870,888</u>	<u>184,853,360</u>

**Reconciliation of segment profits to consolidated profit before zakat:**

	<u>31 December 2025</u>	<u>31 December 2024</u>
Gross profit	235,869,877	184,853,360
Unallocated general, administrative, and selling expenses	(74,464,994)	(57,244,629)
Expected credit losses and Impairment losses	(14,293,517)	(24,472,175)
Finance costs	(8,766,944)	(5,950,086)
Other operating income and other income, net	10,829,460	7,667,507
Profit before zakat	<u>149,173,882</u>	<u>104,853,977</u>

Since the Group's activity depends on manpower services which entire revenues incurred in Kingdom of Saudi Arabia and has no direct connection to the Group's assets and liabilities. Therefore, it is not possible and impractical to disclose information pertaining to total assets and total liabilities pertaining to business segments.

**30. COMMITMENTS**

A commercial bank, under the facility agreement signed with it, has issued a guarantee letter on behalf of the group in favor of the Ministry of Human Resources and Social Development, which is a guarantee letter to issue the Company's license in the amount of ﷲ 10 million (31 December 2024: ﷲ 10 million).

**31. FINANCIAL RISK MANAGEMENT**

The Group has exposure to the following risks arising from financial instruments:

- Market risk
- Credit risk;
- Liquidity risk

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### 31. FINANCIAL RISK MANAGEMENT (CONTINUED)

Risk management is carried out by senior management under policies approved by the Board of Directors. Senior management identifies and evaluates, when appropriate, financial risks in close co-operation with the Group's operating units.

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

#### Market risk

Market risk is the risk that changes in market prices such as selling prices of products, profit rates and equity prices will affect the group's revenue or the value of its holdings of financial instruments. 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 a financial instrument will fluctuate due to changes in foreign exchange rates. The Group transactions are primarily denominated in Saudi Riyals. The management believes that the currency risk is immaterial, as the exchange rate of the USD is fixed against the SAR, therefore, the currency exchange risk is immaterial.

#### Interest rate risk

Interest rate risk refers to the exposure to various risks associated with the impact of fluctuations in prevailing interest rates on the Group's financial position and cash flows. The Group has no interest-bearing loans or financing facilities, and its liabilities that may be affected by interest rates are limited to lease liabilities. The Group monitors relevant interest rates periodically, and management considers the Group's exposure to interest rate risk to be immaterial.

#### Other price risk

The risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Group hold certain equity securities for the purpose of trading. The Group is not exposed significantly to other market price risk.

#### Credit risk

Credit risk is the risk that a party will not be able to meet its obligations to a financial instrument, causing financial losses to the other party. The Group does not believe that there are significant risks from balances due from related parties.

Financial assets that are subject to credit risk are limited to cash and cash equivalents, trade receivables and other current assets.

The cash and cash equivalents of the Group are deposited in public accounts with local banks with good credit ratings ranging from BBB and above.

The Group's exposure to credit risk is mainly affected by the individual characteristics of each customer, however; management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry in which the customer operates.

The Group only deals with high credit ratings financial institutions to limit the Group's exposure to credit risk.

The Group has put in place an approval process so that credit limits are applied to customers.

The management also continuously monitors exposure to credit risks towards customers and creates a provision against doubtful balances which is based on customer profile and previous payment dates. Existing customers' receivables are monitored on a regular basis.

As at 31 December 2025 and 2024, the exposure to credit risk for trade receivables was as follows:

	<b>31 December 2025</b>	31 December 2024
Trade receivables	<b>388,157,185</b>	290,908,361
Related parties' receivable	<b>38,320,704</b>	35,225,193
	<b>426,477,889</b>	326,133,554
Less: Provision for expected credit losses	<b>(54,114,044)</b>	(47,680,745)
	<b>372,363,845</b>	278,452,809

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### 31. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### Credit risk (continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2025 and 2024:

	Weighted-average loss rate	Total carrying value	ECL
<b>31 December 2025</b>			
Current (not past due)	0,62%	298,934,300	1,864,187
1-30 days past due	3,36%	41,970,347	1,410,778
31-60 days past due	7,64%	15,250,057	1,165,502
61-90 days past due	11,33%	7,570,460	858,072
91-180 days past due	19,63%	12,100,495	2,375,461
181-360 days past due	29,29%	5,956,797	1,744,611
More than 360 days past due	100,00%	44,695,433	44,695,433
		426,477,889	54,114,044
<b>31 December 2024</b>			
Current (not past due)	1,97%	226,600,349	4,464,027
1-30 days past due	3,45%	26,787,702	924,176
31-60 days past due	5,01%	9,215,707	461,707
61-90 days past due	6,82%	4,768,472	325,210
91-180 days past due	13,62%	10,968,979	1,493,975
181-360 days past due	45,54%	14,287,714	6,507,019
More than 360 days past due	100 %	33,504,631	33,504,631
		326,133,554	47,680,745

The total maximum exposure to credit risk in the Group as at the reporting date is as follows:

	31 December 2025	31 December 2024
Cash at banks and Murabaha time deposits	156,880,413	104,052,657
Trade receivables	372,363,845	278,452,809
Contact assets	188,450,598	121,500,333
Employees' advances and other current assets	10,266,616	6,557,629
	727,961,472	510,563,428

The following table presents an analysis of the credit quality of assets measured at FVTPL and FVOCI as follows:

#### Credit rating

		At FVTPL		
		FVTPL	12-month ECL	Lifetime ECL- Not credit impaired
<b>31 December 2025</b>				
BBB+ to A1	46,140,271	-	-	-
Carrying amount	46,140,271	-	-	-
<b>31 December 2024</b>				
BBB+ to A1	82,509,636	-	-	-
Carrying amount	82,509,636	-	-	-
		At FVOCI		
		FVOCI	12-month ECL	Lifetime ECL- Not credit impaired
<b>31 December 2025</b>				
BBB+ to A1	20,436,000	-	-	-
Carrying amount	20,436,000	-	-	-
<b>31 December 2024</b>				
BBB+ to A1	-	-	-	-
Carrying amount	-	-	-	-

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### 31. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments.

Liquidity risk may result from the inability to sell a financial asset quickly and for an amount close to its fair value.

Liquidity risk is managed by monitoring it periodically to ensure the availability of sufficient funds through available banking facilities to meet any future liabilities.

The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its obligations as and when they fall due under normal and abnormal conditions without incurring unacceptable losses or risking damage to the Group's reputation.

For this purpose, the Group has maintained credit limits with various commercial banks in order to meet its liquidity requirements. As at 31 December 2025, the Group has an unused bank financing facility of ﷲ 26 million (31 December 2024: ﷲ 26 million) to manage short and long-term liquidity requirements.

The following are the contractual maturities of the remaining financial liabilities as at 31 December 2025 and 2024. These amounts are total and undiscounted and include contractual payments, excluding the effect of set-off agreements:

31 December 2025		Maturity of Contractual cash flows				
Financial liabilities	Carrying amount	Contractual Cash flows	Less than 1 year	More than 1 year to 3 years	More than 3 years to 5 years	Total
Guarantees from customers	7,004,515	7,004,515	7,004,515	-	-	7,004,515
Trade payables and other current liabilities	394,360,110	394,360,110	394,360,110	-	-	394,360,110
Lease liabilities	60,935,963	67,389,155	29,553,798	35,286,537	2,548,820	67,389,155
Guarantees from recruitment agents	1,386,038	1,386,038	-	1,386,038	-	1,386,038
	<u>463,686,626</u>	<u>470,139,818</u>	<u>430,918,423</u>	<u>36,672,575</u>	<u>2,548,820</u>	<u>470,139,818</u>
31 December 2024		Maturity of Contractual cash flows				
Financial liabilities	Carrying amount	Contractual Cash flows	Less than 1 year	More than 1 year to 3 years	More than 3 years to 5 years	Total
Guarantees from customers	8,193,445	8,193,445	8,193,445	-	-	8,193,445
Trade payables and other current liabilities	298,323,438	298,323,438	298,323,438	-	-	298,323,438
Lease liabilities	54,926,684	61,084,772	23,184,922	32,770,400	5,129,450	61,084,772
Guarantees from recruitment agents	923,061	923,061	-	923,061	-	923,061
	<u>362,366,628</u>	<u>368,524,716</u>	<u>329,701,805</u>	<u>33,693,461</u>	<u>5,129,450</u>	<u>368,524,716</u>

#### Fair value measurement of financial instruments

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at a measurement date.

As the accompanying consolidated financial statements are prepared under the historical cost method, differences may arise between the book values and the fair value estimates.

The following table presents the Group's financial instruments measured at fair value as at 31 December 2025 and 2024:

31 December 2025	Level 1	Level 2	Level 3	Total
Financial investments at FVTPL	46,140,271	-	-	46,140,271
Financial investments at FVOCI	-	20,436,000	-	20,436,000
31 December 2024	Level 1	Level 2	Level 3	Total
Financial investments at FVTPL	82,509,636	-	-	82,509,636
Financial investments at FVOCI	-	-	-	-

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### 31. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### Fair value measurement of financial instruments (continued)

#### Financial assets and liabilities not measured at fair value

Financial assets	31 December 2025	31 December 2024
Financial assets at amortized cost:		
Trade receivables	426,477,889	326,133,554
Contract assets	189,332,302	121,955,860
Cash and cash equivalents	157,154,904	104,309,816
<b>Total financial assets at amortized cost</b>	<b>772,965,095</b>	<b>552,399,230</b>
<b>Financial liabilities</b>	<b>31 December 2025</b>	<b>31 December 2024</b>
Financial liabilities at amortized cost:		
Guarantees from customers	7,004,515	8,193,445
Guarantees from recruitment agents	1,386,038	923,061
Trade payables and other current liabilities	394,360,110	298,323,438
<b>Total financial liabilities at amortized cost</b>	<b>402,750,663</b>	<b>307,439,944</b>
Current portion of financial liabilities	401,364,625	306,516,883
Non-current portion of financial liabilities	1,386,038	923,061
<b>Total Financial Liability</b>	<b>402,750,663</b>	<b>307,439,944</b>

#### Capital management risk

When managing capital, the Group aims to ensure the Group's ability to continue as a going concern in order to be able to continue providing returns to shareholders and maintain a strong core capital to support the sustainable development of its business.

The Group manages its capital structure by monitoring returns on net assets and makes adjustments to them in light of changes that arise from economic conditions.

For the purpose of maintaining or adjusting the capital structure, the Group may adjust the amount of dividends paid to shareholders or may issue new shares.

	31 December 2025	31 December 2024
<b>Total liabilities</b>	<b>608,803,146</b>	<b>462,337,239</b>
Less: cash and cash equivalents	(157,154,904)	(104,309,816)
Adjusted net debt	451,648,242	358,027,423
<b>Total equity</b>	<b>506,036,462</b>	<b>398,012,191</b>
Adjusted net debt ratio from equity	0,89	0,90

### 32. SUBSEQUENT EVENTS

The Extraordinary General Assembly of the Company, held on February 10, 2026, approved the Board of Directors' recommendation, made at its meeting held on November 5, 2025, to increase the Company's capital by 33.33% through the issuance of bonus shares, granting one bonus share for every three shares held by shareholders. This will increase the Company's capital from ﷲ 150 million (15 million shares) to ﷲ 200 million (20 million shares). The proposed capital increase will be funded through the capitalization of retained earnings. The distribution of bonus shares was completed on February 15, 2026, and the sale of fractional shares was completed and deposited into the accounts of eligible shareholders in March 3, 2026. The regulatory procedures for amending the Company's By-law and commercial registration of the parent company have also been completed.

The Board of Directors of the Group, at its meeting held in March 29, 2026, approved the distribution of cash dividends to shareholders for the second half of 2025 in the amount of ﷲ 28 million, which is ﷲ 1.40 per share. The entitlement to dividends will be for shareholders who own shares at the end of trading on April 9, 2026, and who are registered in the company's shareholder register at the Securities Depository Center at the end of the second trading day following the entitlement date.

As of the date of approval of these consolidated financial statements, the geopolitical situation remains evolving and unstable, and these developments may have a potential impact on the Group's operations, supply chains, or operating costs in future periods. Management continues to monitor these developments on an ongoing basis and take appropriate action when necessary, however, the financial impact of these developments cannot currently be reliably estimated. Management has assessed these developments and considered them to be non-adjusting subsequent events to the consolidated financial statements, as these circumstances arose after the financial reporting date.

Other than the above, The Group's management believes that there have been no material subsequent events.

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**33. COMPARATIVE FIGURES**

Certain comparative figures for the year ended December 31, 2024, have been reclassified to conform to the current year's presentation. This reclassification has no effect on net profit, total comprehensive income, or equity.

**34. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS**

These consolidated financial statements were approved by the Board of Directors for issuance on 10 Shawwal 1447 AH (corresponding to 29 March 2026 AD).