

ALMAWARID MANPOWER COMPANY
(A Saudi Joint Stock Company)

Condensed Consolidated Interim Financial Statements (Unaudited)
For the three-month and the nine-month period ended 30 September 2024
Together with Independent auditors' review report

Al Mawarid Manpower Company
(A Saudi Joint Stock Company)
Condensed Consolidated Interim Financial Statements (Unaudited)
For the three-month and the nine-month period ended 30 September 2024
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KPMG Professional Services

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Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية

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

المركز الرئيسي في الرياض

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

To the Shareholders of Al Mawarid Manpower Company (Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying 30 September 2024 condensed consolidated interim financial statements of **Al Mawarid Manpower Company** ("the Company") and its subsidiaries (together referred to as "the Group") which comprises:

- The condensed consolidated statement of financial position as at 30 September 2024;
- The condensed consolidated statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2024;
- The condensed consolidated statement of changes in equity for the nine-month period ended 30 September 2024;
- The condensed consolidated statement of cash flows for the nine-month period ended 30 September 2024; and
- The notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34 "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2024 condensed consolidated interim financial statements of **Al Mawarid Manpower Company** ("the Company") and its subsidiaries (together referred to as "the Group") are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services



Fahad Mubark Aldossari
License No. 469





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


Al Mawarid Manpower Company
(A Saudi Joint Stock Company)
Condensed Consolidated Statement of Financial Position
As at 30 September 2024
(All amounts are expressed in Saudi Riyal unless otherwise stated)

	<i>Note</i>	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Assets			
Non-current assets			
Property and equipment	12	15,893,021	15,324,282
Intangible assets		927,040	1,406,706
Right of use assets		50,119,257	43,164,252
Other non-current assets	13	43,672,473	41,572,595
Reimbursements right	14	44,863,871	39,645,935
Total non-current assets		155,475,662	141,113,770
Current assets			
Reimbursements right	14	62,871,410	37,627,152
Trade receivables	15	272,467,049	214,644,186
Prepayments and other current assets	16	117,702,416	101,384,276
Financial investments at FVTPL	18	46,903,158	65,289,751
Cash and cash equivalents	19	133,586,643	81,457,517
Total current assets		633,530,676	500,402,882
Total assets		789,006,338	641,516,652
Equity and liabilities			
Equity			
Share capital	20	150,000,000	150,000,000
Statutory reserve		44,170,111	44,170,111
Retained earnings		183,451,972	149,714,749
Total equity		377,622,083	343,884,860
Liabilities			
Non-current liabilities			
Employees' benefits liabilities	10	74,043,426	66,338,872
Lease liabilities		29,196,987	26,390,857
Recruitment agents guarantees		823,061	1,023,481
Total Non-current liabilities		104,063,474	93,753,210
Current liabilities			
Trade payables and other current liabilities	21	273,727,354	172,127,683
Retained deposits		7,165,025	7,163,392
Lease liabilities		17,071,204	14,337,167
Provision for Zakat	11	9,357,198	10,250,340
Total current liabilities		307,320,781	203,878,582
Total liabilities		411,384,255	297,631,792
Total equity and liabilities		789,006,338	641,516,652

The accompanying notes 1 to 25 form an integral part of these condensed consolidated interim financial statements.


Ahmad Mohammed Alrakban
Chairman



Riyadh Ibrahim Alromaizan
Chief Executive Officer


Tarek Fouad Mahmoud
Chief Financial Officer

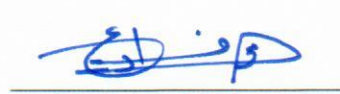
Al Mawarid Manpower Company
(A Saudi Joint Stock Company)
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the three-month and nine-month periods ended 30 September 2024
(All amounts are expressed in Saudi Riyal unless otherwise stated)

	Notes	For three-month period ended 30 September		For nine-month period ended 30 September	
		2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Revenue	7	468,026,122	320,071,047	1,257,255,423	919,232,022
Cost of revenue	8	(421,777,600)	(282,966,205)	(1,125,261,589)	(812,531,485)
Gross Profit		46,248,522	37,104,842	131,993,834	106,700,537
Selling and marketing expenses		(4,527,717)	(3,139,466)	(12,614,195)	(8,317,303)
General and administrative expenses		(9,106,849)	(8,413,367)	(27,180,473)	(24,834,158)
Impairment loss of trade receivables		(13,701,377)	(658,149)	(20,179,346)	(621,017)
Finance cost		(861,266)	(645,675)	(2,446,324)	(1,568,138)
Other income		1,761,191	1,171,153	5,202,072	3,136,909
Profit from operations before Zakat		19,812,504	25,419,338	74,775,568	74,496,830
Zakat expense		(2,713,000)	(2,493,000)	(8,035,500)	(6,961,250)
Profit for the period after Zakat		17,099,504	22,926,338	66,740,068	67,535,580
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement gains /(loss) on employees' benefits liabilities		478,714	146,732	747,155	(724,704)
Total comprehensive income for the period		17,578,218	23,073,070	67,487,223	66,810,876
Earnings per share:					
Basic & diluted earning per share	9	1.14	1.53	4.45	4.50

The accompanying notes 1 to 25 form an integral part of these condensed consolidated interim financial statements.


Ahmad Mohammed Alrakban
Chairman


Riyadh Ibrahim Alromaizan
Chief Executive Officer



Tarek Fouad Mahmoud
Chief Financial Officer


Al Mawarid Manpower Company
(A Saudi Joint Stock Company)
Condensed Consolidated Statement of Changes in Equity
For the nine-month period ended 30 September 2024


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

	Share capital	Statutory reserve	Retained earnings	Total
Balance at 1 January 2023 (Audited)	150,000,000	35,293,412	107,772,290	293,065,702
Net profit for the period (Unaudited)	-	-	67,535,580	67,535,580
Other comprehensive loss for the period (Unaudited)	-	-	(724,704)	(724,704)
Total comprehensive income for the period (Unaudited)	-	-	66,810,876	66,810,876
Dividend to shareholders (note 24)	-	-	(37,500,000)	(37,500,000)
Balance at 30 September 2023 (Unaudited)	150,000,000	35,293,412	137,083,166	322,376,578
Balance at 1 January 2024 (Audited)	150,000,000	44,170,111	149,714,749	343,884,860
Net profit for the period (Unaudited)	-	-	66,740,068	66,740,068
Other comprehensive income for the period (Unaudited)	-	-	747,155	747,155
Total comprehensive income for the period (Unaudited)	-	-	67,487,223	67,487,223
Dividends to shareholders (note 24)	-	-	(33,750,000)	(33,750,000)
Balance at 30 September 2024 (Unaudited)	150,000,000	44,170,111	183,451,972	377,622,083

The accompanying notes 1 to 25 form an integral part of these condensed consolidated interim financial statements.


Ahmad Mohammed Alrakban
Chairman



Riyadh Ibrahim Alromaizan
Chief Executive Officer



Tarek Fouad Mahmoud
Chief Financial Officer


Al Mawarid Manpower Company
(A Saudi Joint Stock Company)
Condensed Consolidated Statement of Cash Flows
For the nine-month period ended 30 September 2024
(All amounts are expressed in Saudi Riyal unless otherwise stated)

	<u>Note</u>	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Cash flow from operating activities			
Net profit before Zakat		74,775,568	74,496,830
Adjustments for non-cash items:			
Depreciation on property and equipment		1,851,964	1,529,645
Loss \ (Gain) on disposal of property and equipment and intangible assets		53,364	(80,155)
Amortization of intangible assets		489,666	463,479
Depreciation of right-of-use assets		13,735,641	12,429,988
Finance costs – leases		2,446,324	1,568,129
(Gain) on derecognition of leases		(42,414)	-
Impairment loss of trade receivables	15	20,179,346	621,017
Profits from financial investments at FVTPL	18	(1,613,407)	(853,690)
Provision for employees' benefits liabilities	10	9,975,078	8,114,506
		<u>121,851,130</u>	<u>98,289,749</u>
Changes in working capital:			
Other non-current assets		(2,099,878)	5,481,700
Trade receivables		(78,002,209)	(15,007,328)
Prepayments and other current assets		(16,318,140)	29,378,431
Recruitment agents guarantees		(200,420)	35,320
Trade payables and other current liabilities		76,355,413	(1,546,924)
Retained deposits		1,633	214,795
Employees' benefits liabilities paid		(6,741,305)	(5,318,694)
Interest paid		(2,446,324)	(1,568,128)
Zakat paid		(8,928,642)	(8,151,667)
Payments for purchase of financial investments at FVTPL		(5,000,000)	(50,010,212)
Proceeds from sale of financial investments at FVTPL	18	25,000,000	10,000,000
Net cash flows generated from operating activities		<u>103,471,258</u>	<u>61,797,042</u>
Cash flows from investing activities			
Payments for purchase of property and equipment		(2,489,663)	(2,827,284)
Proceeds from disposals of property and equipment		15,596	162,695
Payments for purchase of intangible assets		(10,000)	(542,225)
Net cash flows used in investing activities		<u>(2,484,067)</u>	<u>(3,206,814)</u>
Cash flows from financing activities			
Dividends		(33,750,000)	(37,500,000)
Payment of lease liabilities without finance costs		(15,108,065)	(14,157,050)
Net cash flows used in financing activities		<u>(48,858,065)</u>	<u>(51,657,050)</u>
Net change in cash and cash equivalents		52,129,126	6,933,178
Cash and cash equivalents at beginning of the period		81,457,517	55,380,958
Cash and cash equivalents at end of the period		<u>133,586,643</u>	<u>62,314,136</u>
Non-cash transactions:			
Remeasurement of employees' benefits liabilities		747,155	(724,704)
Reimbursement rights		6,822,677	-
Write-off of debts and trade receivables's settlements		-	125,000

The accompanying notes 1 to 25 form an integral part of these condensed consolidated interim financial statements.


Ahmad Mohammed Alrakban
Chairman


Riyadh Ibrahim Alromaizan
Chief Executive Officer


Tarek Fouad Mahmoud
Chief Financial Officer

Al Mawarid Manpower Company
(A Saudi Joint Stock Company)

Notes to the condensed consolidated interim financial statements
For the nine-month period ended 30 September 2024

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 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, in addition to Buildings maintenance and cleaning services.

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

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

Branch	CR No.	Date
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'aban 1436H (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	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)

The condensed consolidated interim financial statements for the nine-month period ended 30 September 2024 include the financial position and results of the operations of the Company and its subsidiaries (all referred to as the "Group") as explained below:

Subsidiary's name	Legal Entity	% of ownership	
		2024	2023
Musanid Al Marafiq for Maintenance and Cleaning Company	(A single Member Limited Liability Company)	100%	100%
Sawaid Manpower Company	(A single Member Limited Liability Company)	100%	100%

According to the Company's by-laws, the financial year of the Company begins on 1st January and ends on 31st December of each Gregorian year. The financial year of the subsidiaries begins on 1st January and ends on 31st December of each Gregorian year.

Al Mawarid Manpower Company
(A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements
For the nine-month period ended 30 September 2024

2. Basis of preparation

These condensed consolidated interim financial statements of the Group for the nine-month period ended 30 September 2024 have been prepared in accordance with the International Accounting Standard 34 “Interim Financial Reporting” as endorsed in Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (SOCPA).

The condensed consolidated interim financial statements should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2023 (“last annual consolidated financial statements”). These condensed consolidated interim financial statements do not include all of information and disclosures required to prepare a full set of financial statements prepared under IFRS. However, selected accounting policies and explanatory notes are included to explain events and transactions that are significant to understand the changes in the Group’s financial position and performance since the last annual consolidated financial statements.

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

These condensed consolidated interim financial statements have been approved for issuance by the Board of Directors on 10 November 2024 (corresponding to 8 Jumada I 1446H).

a) Basis of measurement

These condensed consolidated interim financial statements have been prepared under the historical cost convention, except for employees’ benefits liabilities which are recognized using the projected unit credit method, as well as financial investments at fair value through profit or loss are measured at fair value. Further, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting and the going concern concept.

b) Functional and presentation currency

These condensed consolidated interim financial statements have been presented in Saudi Riyals (SR) which is the Company’s functional and presentation currency.

3. Use of judgements and estimates

In preparing these condensed consolidated interim financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenues, costs, assets and liabilities. Actual results may differ from these estimates.

The significant estimates made by the management when applying the Group’s accounting policies and the significant sources of uncertainties of the estimates were similar to those shown in the Group’s last annual consolidated financial statements.

Fair value measurement

A number of the Group’s accounting policies require the measurement of fair values for financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The valuation team regularly reviews significant unobservable input and adjustments to the evaluation. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted (unadjusted) market prices in active markets for assets or liabilities.
- Level 2: Inputs other than quoted prices included in Level 1, which are observable inputs for an asset or liability, either directly (such as prices) or indirectly (derived from prices).
- Level 3: Inputs for assets or liabilities not based on observable market data (unobservable inputs).

Al Mawarid Manpower Company
(A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements
For the nine-month period ended 30 September 2024

3. Use of judgment and estimates (continued)

Fair value measurement (continued)

If the inputs used to measure the fair value of the assets and liabilities fall within different levels in the fair value hierarchy, then the fair value is categorized as a whole using the lowest level of the fair value hierarchy inputs that are significant to the measurement as a whole.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

4. Material information on accounting policies

The accounting policies used when preparing these condensed consolidated interim financial statements are in line with what is stated in the notes to the last annual consolidated financial statements of the Group for the year ended 31 December 2023, except for what is indicated in Note (5-a).

5. New standards, interpretations and amendments

The following are a number of IFRS accounting standards, amendments and interpretations of the accounting standards that have been issued by the IASB as at 20 March 2024.

a) Currently effective new standards, interpretations and amendments:

This table lists the recent changes to the IFRS Accounting Standards that are required to be applied by the Group with an annual reporting period beginning on 1 January 2024.

Effective date	Amendments in accounting standards
1 January 2024	Non – current liabilities with covenants and Classification of liabilities as current or non-current - Amendments to IAS 1.
	Lease liability in a Sale and leaseback – Amendments to IFRS 16
	Supplier finance arrangements – Amendments to IAS 7 and IFRS 7

Management assessed the financial impact and there is no impact on the condensed consolidated interim financial statements as at 30 September 2024.

b) Standards issued but not adopted

IFRS Accounting Standards and amendments issued but not yet effective up to the date of issuance of the Group's condensed consolidated interim financial statements are listed below.

Effective for annual periods beginning on or after	New Standards and Amendments
1 January 2025	Lack of Exchangeability – Amendments to IAS 21
Available for optional adoption/effective date deferred indefinitely	Sale or contribution of assets between an investor and its associate or joint venture - Amendments to IFRS 10 and IAS 28.

Management will assess the financial impact of the new standards and amendments and management expects that they will have no impact on these condensed consolidated interim financial statements.

Al Mawarid Manpower Company

(A Saudi Joint Stock Company)

Notes to the condensed consolidated interim financial statements

For the nine-month period ended 30 September 2024

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

6. 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 for two years.
- **Individual segment:** This segment relates to providing domestic labor services to individuals` clients ranging from the duration of their contracts ranges from one month to two year.
- **Hourly segment:** This segment relates to the cleaning services provided to individuals` clients by hourly basis/visit, mostly each cleaning visit is four hours.

	For the three-month period ended 30 September 2024 (Unaudited)			
	Corporate Sector	Individuals Sector	Hourly Sector	Total
Revenue	362,804,876	66,878,878	38,342,368	468,026,122
Cost of revenue	(320,535,661)	(65,466,707)	(35,775,232)	(421,777,600)
Gross profit	42,269,215	1,412,171	2,567,136	46,248,522
	For the three-month period ended 30 September 2023 (unaudited)			
	Corporate Sector	Individuals Sector	Hourly Sector	Total
Revenue	219,506,123	64,514,511	36,050,413	320,071,047
Cost of revenue	(190,514,760)	(61,604,297)	(30,847,148)	(282,966,205)
Gross profit	28,991,363	2,910,214	5,203,265	37,104,842
	For the nine-month period ended 30 September 2024 (unaudited)			
	Corporate Sector	Individuals Sector	Hourly Sector	Total
Revenue	943,715,312	197,200,973	116,339,138	1,257,255,423
Cost of revenue	(836,735,461)	(187,021,604)	(101,504,524)	(1,125,261,589)
Gross profit	106,979,851	10,179,369	14,834,614	131,993,834
	For the nine-month period ended 30 September 2023 (unaudited)			
	Corporate Sector	Individuals Sector	Hourly Sector	Total
Revenue	614,617,855	197,483,015	107,131,152	919,232,022
Cost of revenue	(536,938,465)	(188,777,799)	(86,815,221)	(812,531,485)
Gross profit	77,679,390	8,705,216	20,315,931	106,700,537

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.

Al Mawarid Manpower Company

(A Saudi Joint Stock Company)

Notes to the condensed consolidated interim financial statements

For the nine-month period ended 30 September 2024

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

6. Segment information (continued)

Unallocated income / (expenses)	For three-month period ended		For nine-month period ended	
	30 September		30 September	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Gross profit	46,248,522	37,104,842	131,993,834	106,700,537
Selling and marketing expenses	(4,527,717)	(3,139,466)	(12,614,195)	(8,317,303)
General and administrative expenses	(9,106,849)	(8,413,367)	(27,180,473)	(24,834,158)
Impairment loss on trade receivables	(13,701,377)	(658,149)	(20,179,346)	(621,017)
Finance cost	(861,266)	(645,675)	(2,446,324)	(1,568,138)
Other income	1,761,191	1,171,153	5,202,072	3,136,909
Profit from operations before Zakat	19,812,504	25,419,338	74,775,568	74,496,830
Zakat expense	(2,713,000)	(2,493,000)	(8,035,500)	(6,961,250)
Profit for the period after Zakat	17,099,504	22,926,338	66,740,068	67,535,580

7. Revenue

In the following tables, revenues are disaggregated by type of segment, customer and duration of contracts during the three and nine month periods ended 30 September 2024 and 2023:

<u>Type of Segment</u>	For the three-month period		For the nine-month period	
	ended 30 September		ended 30 September	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Corporate	362,804,876	219,506,123	943,715,312	614,617,855
Individuals	66,878,878	64,514,511	197,200,973	197,483,015
Hourly "Hemma"	38,342,368	36,050,413	116,339,138	107,131,152
	468,026,122	320,071,047	1,257,255,423	919,232,022

<u>Type of customers</u>	For the three-month period		For the nine-month period	
	ended 30 September		ended 30 September	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Construction	234,611,820	118,219,067	584,261,380	315,916,375
Individual	105,221,246	100,564,924	313,540,111	304,614,167
Operation and Maintenance	32,791,273	25,181,366	91,899,210	72,826,864
Commercial and services	27,241,714	18,247,475	72,591,923	53,488,102
Hospitality	25,373,219	23,305,936	72,857,247	71,398,577
Healthcare	22,535,991	15,199,220	64,118,671	42,691,966
Manufacturing	13,639,528	11,475,439	36,793,306	34,717,256
Transportation	6,319,885	7,554,916	20,293,910	22,570,328
Other	291,446	322,704	899,665	1,008,387
	468,026,122	320,071,047	1,257,255,423	919,232,022

<u>Duration of contracts</u>	For the three-month period		For the nine-month period	
	ended 30 September		ended 30 September	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
More than 1 year	358,829,470	229,183,912	945,427,542	650,286,977
One year and less	109,196,652	90,887,135	311,827,881	268,945,045
	468,026,122	320,071,047	1,257,255,423	919,232,022

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8. Cost of revenue

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Employees' salaries and benefits	326,516,981	205,311,794	872,641,575	588,677,580
Visa, work permit and recruitment fees	80,367,764	64,385,474	210,695,821	186,795,182
Depreciation of right of use assets	4,722,852	4,240,740	13,267,993	12,373,170
Utilities	1,469,697	1,561,633	4,254,065	4,481,377
Bank charges	1,112,633	1,203,068	3,211,726	3,321,181
Catering expenses	1,138,682	973,420	3,472,612	2,706,642
Accommodation	661,664	411,764	1,732,129	1,127,401
Depreciation and amortization	455,421	423,840	1,318,863	1,139,843
Operating expenses	5,331,906	4,454,472	14,666,805	11,909,109
	421,777,600	282,966,205	1,125,261,589	812,531,485

9. Basic and diluted earnings per share

Basic and diluted earnings per share are computed by dividing the net profit for the period by the weighted average number of outstanding shares for the three and nine month periods ended 30 September 2024 and 2023, as follows:

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2024	2023	2024	2023
Net profit for the period	17,099,504	22,926,338	66,740,068	67,535,580
Weighted average number of shares	15,000,000	15,000,000	15,000,000	15,000,000
Basic & diluted earnings per share from net income of the period	1.14	1.53	4.45	4.50

10. Employees' benefits liabilities

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

The amounts paid 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 on the date of the end of their services, as outlined in the labor law in force in the Kingdom of Saudi Arabia.

Employees' end-of-service benefit plans are unfunded. Benefits payment liabilities are met when due.

The below table presents the movement of employees' benefits liabilities during the period / year ended 30 September 2024 and 31 December 2023:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Balance as at beginning of the period / year	66,338,872	25,602,457
Included in profit or loss		
Current service cost	25,032,316	45,390,210
Interest expense	1,769,653	1,902,613
Payments and settlements	(13,563,982)	(16,092,010)
Included in other comprehensive income		
Remeasurement (gains) / losses on employees' benefits liabilities	(5,533,433)	9,535,602
Balance as at end of the period / year	74,043,426	66,338,872

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10. Employees' benefits liabilities (continued)

The amounts recognized in the condensed consolidated interim statement of profit or loss and other comprehensive income relating to employees' benefits liabilities are as follows:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Current service cost	25,032,316	45,390,210
Interest expense	1,769,653	1,902,613
Reimbursements rights	(16,826,891)	(39,306,969)
Total amounts recognized in profit or loss	9,975,078	7,985,854
Remeasurement of employees' benefits liabilities	5,533,433	(9,535,602)
Reimbursements rights	(4,786,278)	9,087,775
Total Remeasurements recognized in OCI	747,155	(447,827)

11. Zakat

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

b) Provision for Zakat

The movement in Zakat provision is as follows:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Balance as at beginning of the period / year	10,250,340	8,463,346
Amounts paid during the period/ year	(8,928,642)	(8,203,891)
Charge for the period/ year	8,035,500	9,990,885
Balance as at end of the period / year	9,357,198	10,250,340

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 2023.

Al Mawarid Manpower Company has finalized the zakat assessments up to the year ending December 31, 2022. During August 2024, the company received the final assessments for the years 2021 and 2022 with zakat differences of SAR 31,652 and Nil, respectively. The company approved these assessments, paid the zakat differences, and finalized its zakat assessment until the end of 2022. As of the date of issuance of these condensed consolidated interim financial statements, the Company has not received the final assessment for the year 2023.

The subsidiary, Musanid Al Marafiq for Maintenance and Cleaning Company, has finalized the zakat assessments up to the year ended December 31, 2020. As of the date of issuance of these condensed consolidated interim financial statements, the final assessments for the years ended December 31, 2021, 2022 and 2023 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.

12. Property and equipment

As at 30 September 2024, the total cost of property and equipment was SR 28.33 million (31 December 2023: SR 26.51 million), and the accumulated depreciation was SR 12.44 million as at 30 September 2024 (31 December 2023: SR 11.19 million).

As at 30 September 2024, the net value of property and equipment was SR 15.89 million (31 December 2023: SR 15.32 million)

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13. 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:

	<u>Note</u>	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Unused visa, non-current portions	13.1	20,171,000	23,709,000
Used visa, non-current portions	13.2	6,932,776	5,458,423
Recruitment costs, non-current portions	13.3	16,568,697	12,405,172
		43,672,473	41,572,595

13.1. 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 condensed consolidated statement of financial position.

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

		30 September 2024 (Unaudited)	31 December 2023 (Audited)
Balance at the beginning of the period/ year		37,432,000	29,140,000
Purchased visas during the period/ year		47,930,000	49,924,000
Expired visas refunded during the period/ year		(8,158,000)	(8,770,000)
Transferred to used visas during the period/ year		(44,412,000)	(32,862,000)
Balance at the end of the period/ year		32,792,000	37,432,000
Less: unused visas balance – current portion (<i>note 16</i>)		(12,621,000)	(13,723,000)
Unused visas – Non-current portion		20,171,000	23,709,000

13.2. Used visas

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

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

		30 September 2024 (Unaudited)	31 December 2023 (Audited)
Balance at the beginning of the period/ year		17,933,986	16,317,852
Addition during the period/ year		45,409,235	33,953,694
Amortization during the period/ year		(39,740,630)	(32,337,560)
Balance at the end of the period/ year		23,602,591	17,933,986
Less: used visas balance – current portion (<i>note 16</i>)		(16,669,815)	(12,475,563)
Used visas – Non-current portion		6,932,776	5,458,423

13.3. 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 period/ year is as follows:

		30 September 2024 (Unaudited)	31 December 2023 (Audited)
Balance at the beginning of the period/ year		49,975,639	77,538,847
Costs incurred during the period/ year		62,339,429	70,036,417
Amortization during the period/ year		(56,001,862)	(97,599,625)
Balance at the end of the period/ year		56,313,206	49,975,639
Less: recruitment costs– current portion (<i>note 16</i>)		(39,744,509)	(37,570,467)
Recruitment costs – Non-current portion		16,568,697	12,405,172

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14. Reimbursements right

The employees' entitlements, which represent the obligation of employees' benefits and leave and travel tickets allowances, which is paid by the group and refund from the customers in accordance with the terms of the contracts entered into with them upon the expiry of the workers' contracts amounted to SR 107.7 million as at 30 September 2024 (31 December 2023: SR 77.3 million).

	30 September 2024	31 December 2023
	<u>(Unaudited)</u>	<u>(Audited)</u>
<u>Reimbursements rights employees` s benefits – non current assets</u>		
Balance at the beginning of the period/ year	39,645,935	-
Included in profit or loss		
Add: Expenses recoverable from the customers	16,826,891	39,306,969
Less: Benefits paid during the period/ year	(6,822,677)	(8,748,809)
Included in other comprehensive income		
Actuarial (loss) / Gain on reimbursments rights	(4,786,278)	9,087,775
Balance at the end of the period/ year	<u><u>44,863,871</u></u>	<u><u>39,645,935</u></u>
	30 September 2024	31 December 2023
	<u>(Unaudited)</u>	<u>(Audited)</u>
<u>Reimbursements rights accrued vacations and air tickets –current assets</u>		
Balance at the beginning of the period/ year	37,627,152	-
Add: Expenses recoverable from the customers	34,090,303	43,896,944
Less: Benefits paid / settled during the period/ year	(8,846,045)	(6,269,792)
Balance at the end of the period/ year	<u><u>62,871,410</u></u>	<u><u>37,627,152</u></u>

15. Trade receivables

	30 September 2024	31 December 2023
	<u>(Unaudited)</u>	<u>(Audited)</u>
Trade receivables	289,933,112	175,760,651
Related parties receivable (note 17)	31,760,914	67,931,166
	<u>321,694,026</u>	<u>243,691,817</u>
Less: Allowance for expected credit losses	(49,226,977)	(29,047,631)
	<u><u>272,467,049</u></u>	<u><u>214,644,186</u></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 period/ year is as follows:

	30 September 2024	31 December 2023
	<u>(Unaudited)</u>	<u>(Audited)</u>
Balance at the beginning of the period/ year	29,047,631	28,810,042
Provided during the period/ year	20,179,346	682,936
Trade receivables written-off during the period/ year	-	(445,347)
Balance at the end of the period/ year	<u><u>49,226,977</u></u>	<u><u>29,047,631</u></u>

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

The balance of trade receivables as at 30 September 2024 includes an amount of SR 13 million secured by bank guarantees, promissory notes (31 December 2023: SR 13 million).

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16. Prepayments and other current assets

	30 September 2024	31 December 2023
	(Unaudited)	(Audited)
Recruitment fees – current portion (<i>Note 13.3</i>)	39,744,509	37,570,467
Advances to suppliers	18,984,212	11,611,011
Used visas – current portion (<i>Note 13.2</i>)	16,669,815	12,475,563
Residency and work permit fees	15,714,868	15,641,119
Unused visas – current portion (<i>Note 13.1</i>)	12,621,000	13,723,000
Prepaid other expenses	9,244,869	7,708,103
Other current assets	5,204,007	3,737,783
Advances to employees	3,153,832	2,551,926
	121,337,112	105,018,972
Less: impairment of advances to suppliers *	(2,935,441)	(2,935,441)
Less: impairment of other current assets*	(699,255)	(699,255)
	117,702,416	101,384,276

(*) The movement in impairment loss during the period/ year is as follows:

	Advance to suppliers	Other current assets	Total
As at 1 January 2024	2,935,441	699,255	3,634,696
Provided during the period	-	-	-
As at 30 September 2024	2,935,441	699,255	3,634,696
	Advance to suppliers	Other current assets	Total
As at 1 January 2023	484,530	633,764	1,118,294
Provided during the year	2,450,911	65,491	2,516,402
As at 31 December 2023	2,935,441	699,255	3,634,696

17. 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. Related parties 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 priced on an arm's length basis and are to be settled in cash. None of the balances are secured. No Guarantees have been given or received.

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

a) Key management personnel compensation:

	30 September 2024	30 September 2023
	(Unaudited)	(Unaudited)
Employees' salaries and other short-term benefits	9,458,595	7,018,648
Post-employment benefits	404,201	307,404
Long term benefits	474,305	-
	10,337,101	7,326,052

b) Board of Directors' remuneration and allowances

	30 September 2024	30 September 2023
	(Unaudited)	(Unaudited)
Board remunerations	1,650,000	1,575,000
Allowances and compensations for board committees	571,500	723,750
	2,221,500	2,298,750

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17. Transactions and balances with related parties (continued)

c) Business transactions with related parties

The following table presents amounts of material business transactions that carried out with related parties during the nine-month period ended 30 September 2024 and 2023:

Name of the related party	Nature of relationship	Nature of transactions	Transactions amounts for the nine-month period ended 30 September	
			2024 (Unaudited)	2023 (Unaudited)
Al-Ayuni Investment and Contracting Company	Investor with significant influence	Revenue against rendering labor services	191,121,269	130,315,469
		Cost of labor	39,283,739	26,749,080

d) Related party balances

The following table presents the balances due from related parties – trade receivables as at 30 September 2024 and 31 December 2023:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Al-Ayuni Investment and Contracting Company	28,357,192	38,950,094
Other related parties	3,403,722	28,981,072
	31,760,914	67,931,166

18. Financial investments at fair value through profit or loss (FVTPL):

Financial investments represent investment in Al Rajhi Saving and Liquidity Fund - SAR and investment in the sukuk of Al-Rajhi Bank. The movement in the investments in FVTPL during the period / year is as follows:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Balance at the beginning of the period/ year	65,289,751	4,027,500
Additions during the period/ year	5,000,000	70,010,212
Disposals during the period/ year	(25,000,000)	(10,000,000)
Fair value change	1,613,407	1,252,039
Balance at the end of the period/ year	46,903,158	65,289,751

19. Cash and cash equivalents

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Cash at banks	133,458,239	81,201,613
Cash in hand	128,404	255,904
	133,586,643	81,457,517

20. Share capital

As at 30 September 2024, the Company's share capital consists of 15 million shares (31 December 2023: 15 million shares) with a nominal value of SR 10 each.

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21. Trade payables and other current liabilities

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Accrued vacations and air tickets	116,375,896	86,046,198
Accrued salaries and bonuses	88,528,900	30,396,958
Contract liabilities	30,594,098	27,015,924
Trade payables	12,063,390	9,369,902
Value Added Tax (VAT)	9,909,283	7,886,729
Accrued GOSI	3,401,659	2,000,458
Remunerations and allowances for members and committees of the Board of Directors	2,329,497	2,906,000
Commissions payable	1,054,766	1,896,702
Other	9,469,865	4,608,812
	<u>273,727,354</u>	<u>172,127,683</u>

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, due to their short-term nature.

22. Contingent liabilities and 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 SR 10 million.

23. Risk management

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

- Market risk
- Credit risk;
- Liquidity risk

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 condensed consolidated interim 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 Company's income 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 is the exposure to various risks associated with the effect of fluctuations in the prevailing interest rates on the Group's financial position and cash flows. The Group manages interest rate risk by regularly monitoring the interest rate levels of its interest-bearing financial instruments. The Group is not exposed to significant interest sensitivity risk.

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23. Risk management (continued)

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 30 September 2024 and 31 December 2023, the exposure to credit risk for trade receivables was as follows:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Trade receivables	289,933,112	175,760,651
Related parties receivable	31,760,914	67,931,166
	321,694,026	243,691,817
Less: Allowance for expected credit losses	(49,226,977)	(29,047,631)
	272,467,049	214,644,186

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 30 September 2024 and 31 December 2023:

30 September 2024	Weighted- average loss rate	Total carrying value	Loss allowance
Current (not past due)	1.97%	230,508,509	4,541,018
1-30 days past due	3.45%	14,892,576	513,794
31-60 days past due	5.01%	6,597,096	330,515
61-90 days past due	6.82%	5,263,953	359,002
91-180 days past due	26.06%	15,409,687	4,015,041
181-360 days past due	58.72%	14,464,558	8,493,588
More than 360 days past due	89.63%	34,557,647	30,974,019
		321,694,026	49,226,977

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23. Risk management (continued)

Credit risk (continued)

31 December 2023	Weighted- average loss rate	Total carrying value	Loss allowance
Current (not past due)	1.97%	156,174,198	3,076,632
1-30 days past due	3.45%	17,368,369	599,209
31-60 days past due	5.01%	9,858,161	493,894
61-90 days past due	6.82%	7,211,437	491,820
91-180 days past due	13.62%	15,269,838	2,079,752
181-360 days past due	30.62%	10,796,184	3,305,792
More than 360 days past due	70.34%	27,013,630	19,000,532
		243,691,817	29,047,631

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

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Cash and cash equivalents	133,586,643	81,457,517
Trade receivables	272,467,049	214,644,186
Prepayments and other current assets	8,357,839	6,289,709
	414,411,531	302,391,412

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

Credit rating	FVTPL	At amortized cost		
		12-month ECL	Lifetime ECL- Not credit impaired	Lifetime ECL- credit impaired
<u>30 September 2024</u>				
BBB+ to A1	46,903,158	-	-	-
Carrying amount	46,903,158	-	-	-
<u>31 December 2023</u>				
BBB+ to A1	65,289,751	-	-	-
Carrying amount	65,289,751	-	-	-

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 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 30 September 2024, the Group has an unused bank financing facility of SR 26 million (31 December 2023: SR 26 million) to manage short and long-term liquidity requirements.

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23. Risk management (continued)

Liquidity risk (continued)

The following are the contractual maturities of the remaining financial liabilities as at 30 September 2024 and 31 December 2023. These amounts are total and undiscounted and include contractual payments, excluding the effect of set-off agreements:

30 September 2024

Financial liabilities	Carrying amount	Contractual Cash flows	Maturity of Contractual cash flows			Total
			Less than 1 year	More than 1 year to 3 years	More than 3 years to 5 years	
Retained deposits	7,165,025	7,165,025	7,165,025	-	-	7,165,025
Trade payables and other current liabilities	273,727,354	273,727,354	273,727,354	-	-	273,727,354
Lease liabilities	46,268,191	52,718,613	20,683,883	28,064,710	3,970,020	52,718,613
Recruitment agents guarantees	823,061	823,061	-	823,061	-	823,061
	<u>327,983,631</u>	<u>334,434,053</u>	<u>301,576,262</u>	<u>28,887,771</u>	<u>3,970,020</u>	<u>334,434,053</u>

31 December 2023

Financial liabilities	Carrying amount	Contractual Cash flows	Maturity of Contractual cash flows			Total
			Less than 1 year	More than 1 year to 3 years	More than 3 years to 5 years	
Retained deposits	7,163,392	7,163,392	7,163,392	-	-	7,163,392
Trade payables and other current liabilities	172,127,683	172,127,683	172,127,683	-	-	172,127,683
Lease liabilities	40,728,024	43,046,545	16,421,036	21,130,109	5,495,400	43,046,545
Recruitment agents guarantees	1,023,481	1,023,481	-	1,023,481	-	1,023,481
	<u>221,042,580</u>	<u>223,361,101</u>	<u>195,712,111</u>	<u>22,153,590</u>	<u>5,495,400</u>	<u>223,361,101</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 condensed consolidated interim 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 30 September 2024 and 31 December 2023:

	Level 1	Level 2	Level 3	Total
30 September 2024				
Financial investments at FVTPL	<u>46,903,158</u>	-	-	<u>46,903,158</u>
31 December 2023				
Financial investments at FVTPL	<u>65,289,751</u>	-	-	<u>65,289,751</u>

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23. Risk management (continued)

Financial assets and liabilities not measured at fair value

Financial assets

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Financial assets at amortised cost:		
Trade receivables	321,694,026	243,691,817
Cash and cash equivalents	133,586,643	81,457,517
Total financial assets at amortized cost	455,280,669	325,149,334

Financial liabilities

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Financial liabilities at amortized cost:		
Retained deposits	7,165,025	7,163,392
Recruitment agents guarantees	823,061	1,023,481
Trade payables and other current liabilities	273,727,354	172,127,683
Total financial liabilities at amortized cost	281,715,440	180,314,556
Current portion of financial liabilities	280,892,379	179,291,075
Non-current portion of financial liabilities	823,061	1,023,481
Total Financial Liability	281,715,440	180,314,556

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.

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Total liabilities	411,384,255	297,631,792
Less: cash and cash equivalents	(133,586,643)	(81,457,517)
Adjusted net debt	277,797,612	216,174,275
Total equity	377,622,083	343,884,860
Adjusted net debt ratio from equity	0.74	0.63

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24. Dividends

Dividends distributed during the period ended 30 September 2023:

- The General Assembly, in its meeting held on 2 April 2023, approved to pay cash dividends to the shareholders for the year ended 31 December 2022 in the amount of SR 15 million, representing SR 1 per share due to the shareholders registered with the group on the date of the assembly, and it was paid in full in April 2023.
- The General Assembly also approved, in its meeting held on 13 September 2023, to pay cash dividends to the shareholders for the first half of the year 2023 in the amount of SR 22.5 million, representing SR 1.5 per share due to the shareholders registered with the depository center at the end of the second trading day of the General Assembly meeting.

Dividends distributed during the period ended 30 September 2024:

- The Board of directors, in its meeting held on 27 March 2024, approved to pay cash dividends to the shareholders for the second half of the year 2023 in the amount of SR 15 million, representing SR 1 per share. Eligibility for dividends was for the shareholders who own shares at the end of the second trading day following 02 April 2024, and it was paid in full on 16 April 2024.
- The Board of directors, in its meeting held on 7 August 2024, approved to pay cash dividends to the shareholders for the first half of the year 2024 in the amount of SR 18.75 million, representing SR 1.25 per share. Eligibility for dividends was for the shareholders 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 19 August 2024.

25. Approval of the condensed consolidated interim financial statements

These condensed consolidated interim financial statements were approved by the Board of Directors for issuance on 10 November 2024 (corresponding to 8 Jumada I 1446H).