

Strategic Report

Empowerment for the Future



Story

Leadership in Human Resources Sector

Ever since the incorporation of Maharah Human Resources Company (MHRC), its main objective has been to contribute to enhancing the human resources sector in the Kingdom of Saudi Arabia (KSA) and the region countries. We were among the pioneering companies that worked in the human resources sector, through an integrated system of services that targeted both the public and private sectors. "Maharah" aims to provide the work market with the national and foreign cadres and qualified manpower in more than 383 professions.

Maharah Human Resources Company is a Saudi public joint stock company that has been incorporated pursuant to the Ministerial Resolution No. (80/q) dated 02/04/1434 AH (corresponding to 12/02/2013), under the Commercial Registration No. (1010364538) dated 07/04/1434 AH (corresponding to 18/02/2013).

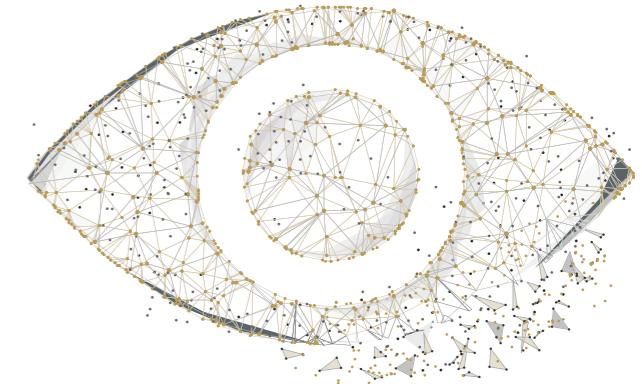
The current capital share of the Company is SAR (375,000,000) paid in full and divided into 37,500,000 ordinary shares with a nominal value of SAR 10 per share.

The main objectives of the Company, in accordance with its Articles of Association (AoA) and Commercial Register, are to act as intermediary in recruiting manpower and providing the public and private sectors with domestic services and manpower that meet the needs of Saudi human resources market in both the Corporate sector and the Individuals sector.



Vision

Leading the human resources sector by providing comprehensive and integrated solutions that ensure our customers' success, protect employees' rights and support the national development.



Mission

We are working on providing innovative and integrated human resources solutions and services to our customers through institutionalized system, superior IT and strategic partnerships that serve our employees, customers and community.

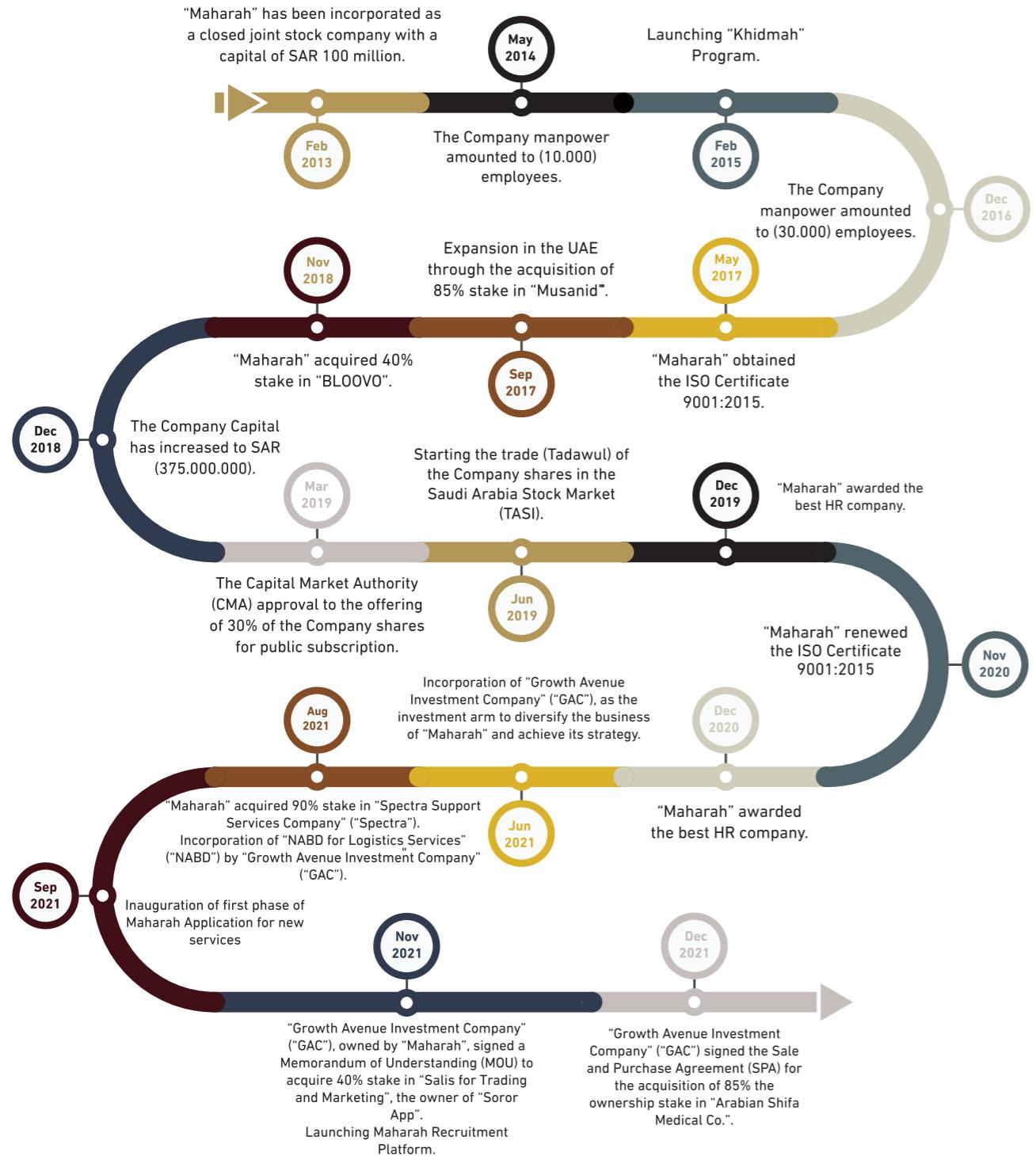
Values

- Creation and Innovation
- Integrity and Transparency
- Quality and Excellence
- Teamwork Spirit
- Customer Centricity



Path

Nine Years of Leadership and Innovation



Strategy

Creativity in Exploring Opportunities

Stemming from our vision in being a leader in the human resources sector, and believing in the human capabilities and potentials, we have laid down a strategic plan for the provision of a sustainable value to our Stakeholders. Our strategy is based on increasing the value for the innovation of promising solutions, while continuing to explore opportunities for the diversification of our services.

In "Maharah", we adopted an ambitious strategy for growth that supports our vision and reflects the emerging paced up directions for the provision of HR solutions and services. We further provided a wide group of innovative initiatives to enhance our leadership and achieve our objectives in promoting efficiency and quality of our services, enhancing our operational and financial performance and boosting our social responsibility, while achieving sustainable development of our Shareholders' profits, and developing our strategic partnerships through the expansion of acquisitions to diversify and integrate our services. All this aims to meet our customers' aspirations in both the Corporate and Individuals sectors.

Enhancing Infrastructure

In "Maharah", we work on the enablement and preparation of the work environment that supports the Company success path. We launched the Digital Transformation Strategy, and established a recruitment platform through which we manage to recruit manpower from different markets to meet our customers' needs of manpower at the right time. We move forward on the course of the development of both our customers and manpower, and have gone a long way in the direction of our human capital transformation. We also exert our utmost efforts to enhance the efficiency and proficiency of the Company assets and to develop work environment.

Developing Current Services

In "Maharah", we aim to expand our customer base in both the Corporate and Individuals sectors, and to expand the provisions of additional services and reaching new areas.

We have created an operational business model for the Saudi outsourcing services, and joining the same to our services portfolio. We are currently working to increase harmony and integration with our subsidiaries.

Searching for New Horizons

In "Maharah", we seek to expand our services to transform into a fully-fledged human resources company, through surveying of investment opportunities and expansion of acquisitions.

We managed to complete the acquisition of 90% of "Spectra Support Services Company" ("Spectra") and signed a Sale and Purchase Agreement (SPA) for the acquisition of 85% stake in "Arabian Shifa Medical Co.". Moreover, we signed a Memorandum of Understanding (MOU) for the acquisition of 40% ownership stake in "Salis for Trading and Marketing", the owner of "Soror Application".

Searching for
New Horizons

Enhancing
Infrastructure

Strategic axes

Developing
Current Services

Strategy

Creativity in Exploring Opportunities

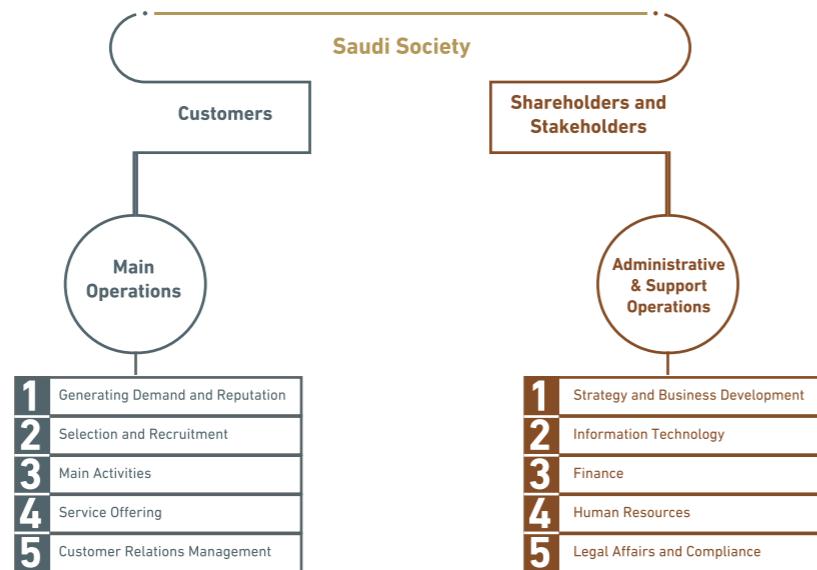
Strategic Footprint

"Maharah" has enhanced its strategic footprint in 2021 through a set of initiatives on three strategic pillars, and priorities have been laid out for the execution of such initiatives according to specific specifications and standards. This shall come through the support of the Company's Project Management Office (PMO) to follow up execution, and ensure the optimum use of the resources required for each initiative. Initiatives were mainly revolving around the technological aspects in addition to raising the quality of the current services. New services have also been introduced to pace up with the labor market needs and the Kingdom Vision 2030. We also worked on the file of acquisitions and partnerships, which gave rise to the integration in the services offered to the customers.

Operational Model



Value Chain



From Strategic Initiatives

Digital Transformation Strategy

At the Age led by the Digital Revolution



Digital Transformation is no Longer an Option

- Digital Transformation is one of the main pillars to achieve the Kingdom Vision 2030.
- The National Transformation Program (NTP) aims to support the digital transformation in the Kingdom.

In light of the accelerating pace of digital transformation all over the world, the companies are required to increase investment in digital technologies, and to adapt their business models continually to meet the customers' increasing expectations.

The course of digital transformation continues to merge the borders between the material and digital worlds. The emerging technologies, data flow and smart business try to achieve visions that are more responsive to the aspirations of customers and which pace up with market developments.

Digital Technologies forced companies to change their methods of work.

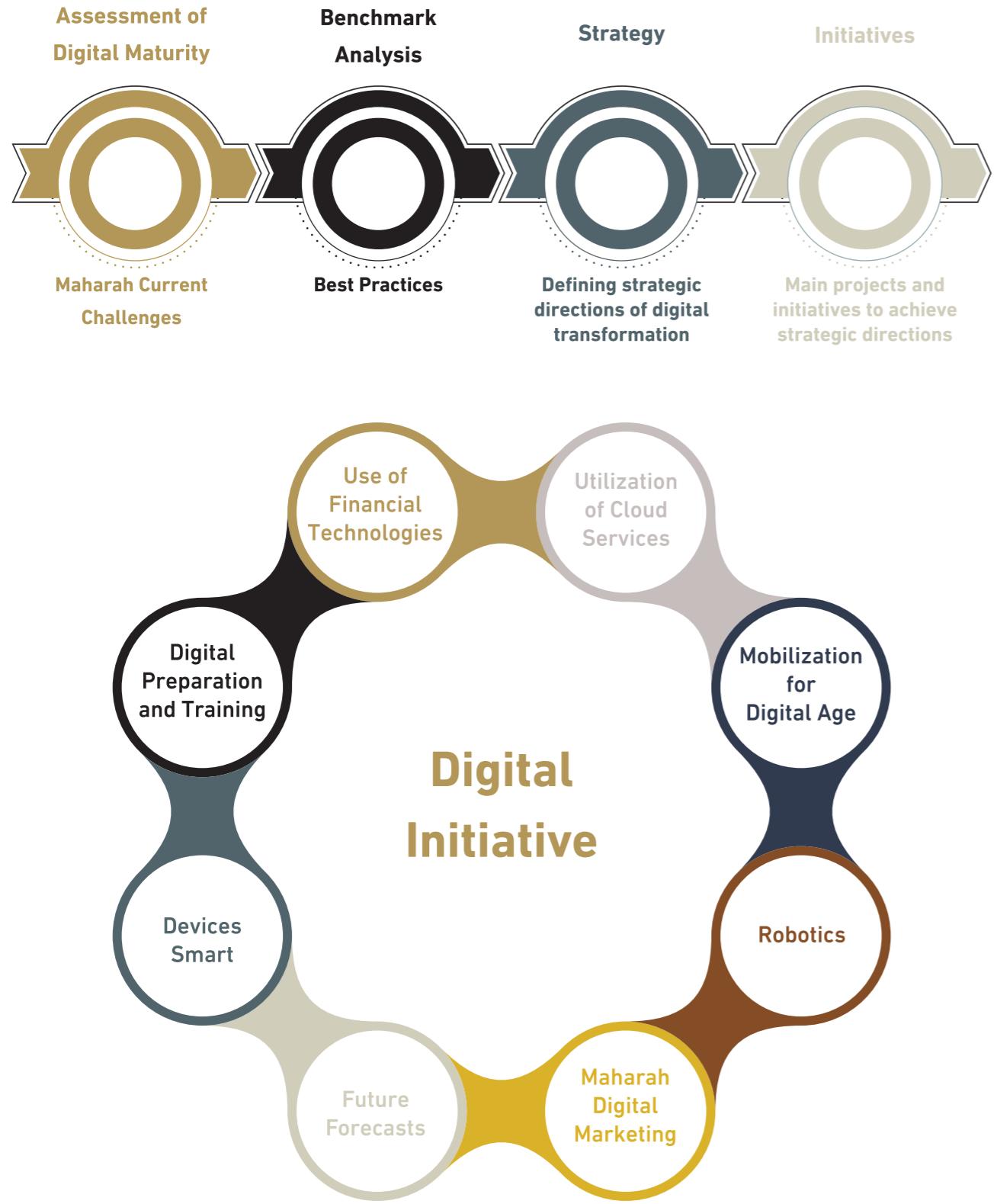
Digital Transformation is one of the strategic priorities in "Maharah"

In "Maharah", we adopted the Digital Transformation Strategy, which reflects our vision and what we have achieved so far to pace up with the Digital Revolution, and what we aim to achieve over the upcoming years.

In "Maharah", we work on achieving compatibility between the Digital Transformation Strategy and the Company Strategy

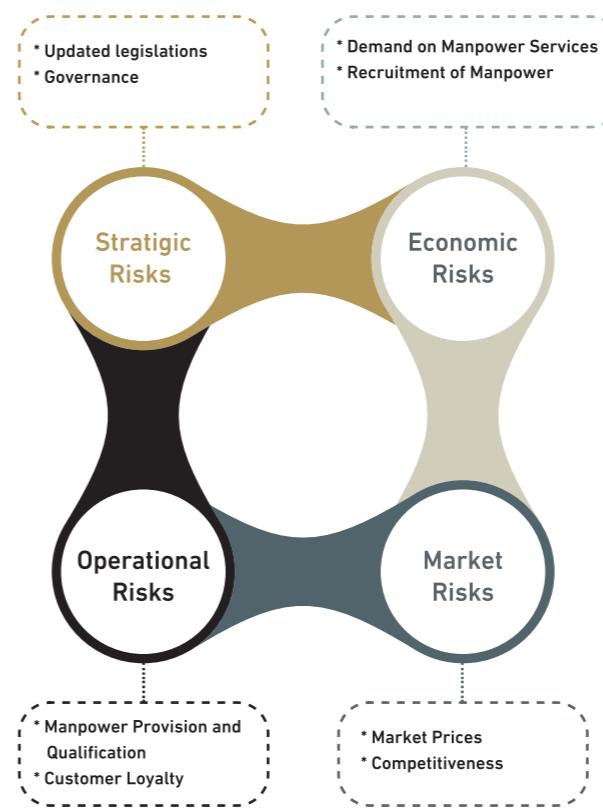


Digital Roadmap



Current and Future Risks

"Maharah" is working within a fast-paced economic environment, in which it may be subject to a group of risks that might have undesired effects on the Company activities, business continuity, profitability and financial status.



of operational costs or cutting down in the numbers of recruited manpower. The Company has a flexible business model that shall enable it to respond to such changes.

In 2021, "Maharah" managed to pace up with the new updated business laws, and responded to the contractual relationship improvement initiative through the amendment of the Company contracts with its customers and manpower. The Company has worked on enhancing its role as an HR company, recruiting manpower from inside and outside the State, and expanded outsourcing such manpower in the Saudi labor market. At the same time, "Maharah" started to implement the new conditions for the labor collective housing, according to the Regulations issued by the Ministry of Municipal and Rural Affairs (MoMRA). The Company started obtaining the new licenses required in the new legislations and electronically authenticating all lease contracts. The Strategic Risks shall also include the governance risks and strategic planning. "Maharah" is constantly working on the review and compatibility of its strategy to respond to such risks. Further, it has a comprehensive governance framework that follows the best practices.

Economic Risks

The general economic conditions in the Kingdom, and the countries in the region in which "Maharah" operates its business, do affect the Company business, its financial status, operational results and future anticipations. This is because the demand on manpower is, in general, largely affected by the general level of commercial activity and the public economic circumstances.

Current and Future Risks

The spread of COVID-19 pandemic in the manpower sourcing countries has largely affected the growth of the Company business, and its ability to meet the demand on manpower services. However, the Company enjoys great flexibility that enabled it to look for alternative options and to recruit manpower from different countries, in addition to the activation of internal employment.

The economic risks also include the exchange rates, interest rates, increase in services prices as a result of inflation, value added tax (VAT) or any other government taxes and levies which might affect the Company profitability, financial performance and future operations. Let alone the changes in the real estate market which might prevent the Company from finding the suitable housing facilities at affordable prices to meet the manpower housing needs. "Maharah" is working on increasing the efficiency of the employment of real estates and shelters to combat such risks.

Market Risks

The market risks result from the change in the market prices, like the transition of purchasing decisions, market total changes and customer cycle. Such risks extend to include the market maturity or saturations, and the changes in the Saudization general policy as well as direct or indirect competitiveness in HR sector.

"Maharah" has flexible plans that target the management of such risks and keeping them within acceptable limits to increase revenues. The Company is dealing with such type of risks as part of its marketing plan.

Operational Risks

The operational risks comprise a set of the Company business and work-related risks resulting from internal or external factors. The most important of which is when "Maharah" is unable to provide or qualify the necessary manpower. Such risks shall also include the customers' failure to pay or customers insolvency, risks related to the Company inability to maintain its relations with the external recruiters and what is related to manpower leakage. "Maharah" is closely monitoring such type of risks to minimize them and find alternative solutions.



Countering Challenges and Seizing Opportunities

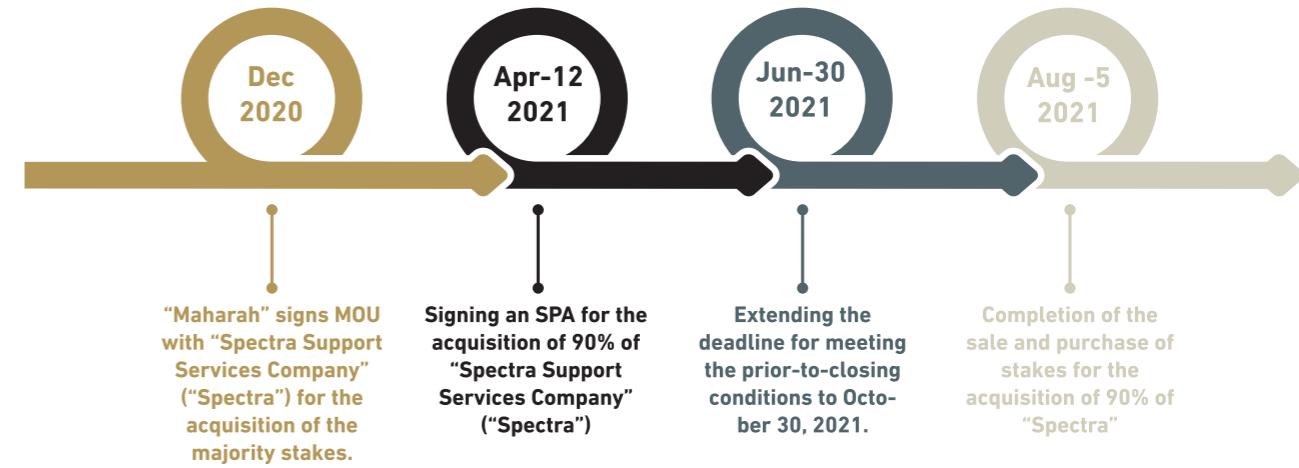
Acquisitions

Within the framework of our strategy to expand and diversify our investments and services provided, "Maharah" has sought in 2021 to expand its plans for the acquisition of ownership stakes in companies specialized in the provision of diversified support services: This way, "Maharah" has taken wide steps on the way of transformation into a fully-fledged company equipped by comprehensive and integrated services in the HR sector.

1. Completing the acquisition of %90 of "Spectra Support Services Company" ("Spectra"):

In 2021, "Maharah" managed to complete the acquisition of the majority stake of "Spectra Support Services Company" ("Spectra") specialized in the provisions of maintenance, operation, cleaning and other support services in the Kingdom of Saudi Arabia.

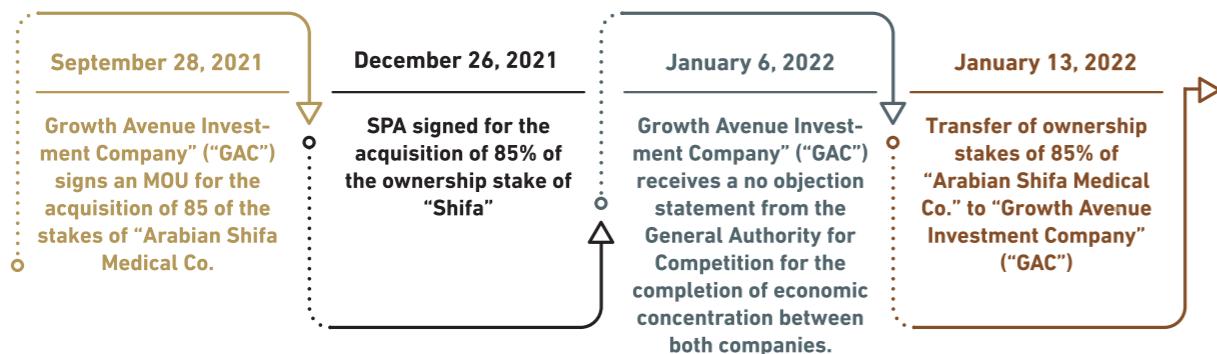
- It all started in December 13, 2020, when "Maharah" signed a Memorandum of Understanding (MOU) with "Spectra Support Services Company" ("Spectra") for the acquisition of its majority stakes.
- On April 12, 2021, a Sale and Purchase Agreement (SPA) has been signed on "Maharah" acquisition of 90% of "Spectra Support Services Company" ("Spectra").
- On June 30, 2021, since both parties needed more time to complete the execution of the prior-to-closing conditions, it has been agreed to extend the deadline for the execution of prior-to-closing conditions, to end on October 30, 2021 instead of June 30, 2021.
- August 2021 witnessed the completion for the sale and purchase of stakes for the acquisition of 90% of "Spectra"; whereby 90% of the ownership stakes in "Spectra" were transferred to "Maharah" and consolidating its results within the consolidated statements of "Maharah".



Countering Challenges and Seizing Opportunities

2. Completing the acquisition of %85 of "Arabian Shifa Medical Co.":

Efforts for the acquisition of the majority stakes of "Shifa" started as early as September 28, 2021, as "Growth Avenue Investment Company" ("GAC"), 100% owned by "Maharah", signed an MOU for the acquisition of 85% of the ownership stakes of "Arabian Shifa Medical Co.", specialized in medical domestic services and complexes medical operation. On December 26, 2021, an SPA has been signed for the acquisition of 85% of the ownership stakes of "Shifa". On January 6, 2022, "Growth Avenue Investment Company" ("GAC") received a "no objection statement" from the General Authority for Competition to the completion of the economic concentration between both companies. Such direction stemmed from the wish to expand the Company services and activities so as to include the field of domestic medical care and hospitals management and operation. The ownership stakes have been transferred on January 13, 2022.



3. Agreement on the Acquisition of %40 of "Salis for Trading & Marketing":

By way of continuing "Maharah" approach in expanding the provision of integrated services to include personal and domestic services, on November 30, 2021, "Growth Avenue Investment Company" ("GAC"), 100% owned by "Maharah", signed an MOU for the acquisition of 40% of the ownership stakes in "Salis for Trading & Marketing", the owner of "Soror App", an application which provides variety personal and domestic services, including house cleaning, car wash, gardens and companies cleaning, furniture transport, and other services



Launching New Projects

Future Vision "Maharah" Leaps into the Future

Strategic Horizons of 2022

In "Maharah", we aspire to step into ambitious horizons in 2022, through the development of our strategic projects in order to achieve our vision and mission, pace up with the accelerating developments, face the challenges to the HR sector, enhance efficiency, maximize value and get ready for any potential risks.

We have set for ourselves a group of objectives based

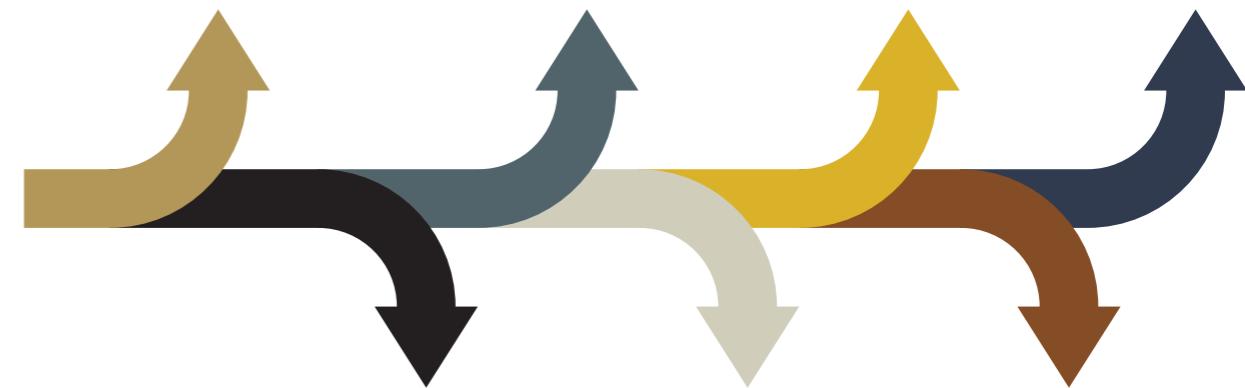
on our HR needs, our customer experience and our ambitions in achieving the operational excellence and digital transformation.

We aim at achieving the financial sustainability through the increase of the market stake, the development and diversification of services provided and the achievement of growth in revenues and profits.

We work on achieving the operational excellence with minimum strategic and operational risks.

We look for the investment opportunities that are compatible with the Company strategy.

We aim to achieve rewarding revenues for our honorable Shareholders.



We aim to enhance the customer satisfaction, to achieve excellence in customer experience, enhance the mental image and foster the quality of services provided.

We continue to work on the development of the manpower and maintenance of efficiencies within an attracting environment, in addition to excellence in digital transformation.

We aim to achieve full harmony between the Company and subsidiaries and associates.

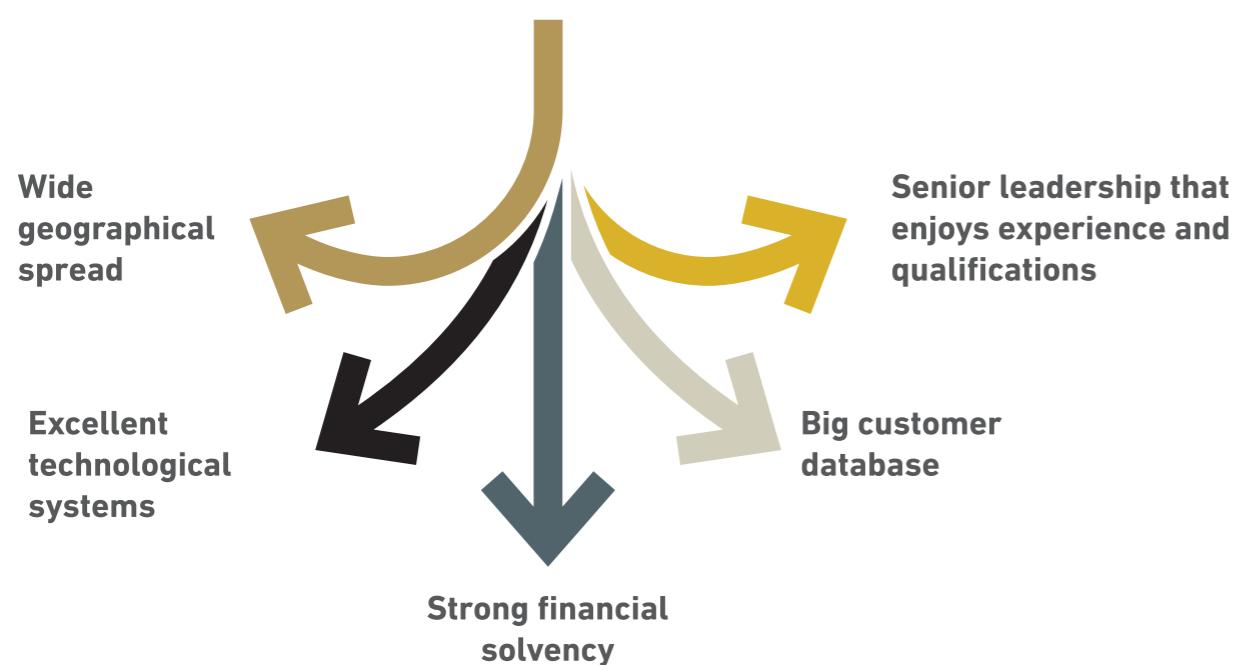
Aspirations in 2022

2022 Strategic Plan

Strategic Objectives



Strategic Potentials



Activities

Diversity to Seize Opportunities

In "Maharah", we seek to make a difference in the Kingdom HR sector and to diversify our activities, to make the best use of the available opportunities in both the Corporate and Individuals sectors supported by the economic transformation that the Kingdom is witnessing within the framework of Vision 2030. We work on enhancing our current leading status in

the market, as one of the biggest service providers of manpower services in the Corporate and Individuals sectors, while targeting the expansion of our geographic presence, and the diversification of our innovative services and solutions. "Maharah" provides its services through its branches, electronic application and call center.



Competitive Advantage

Diversity is the Basis of our Leadership

In "Maharah", we do realize that the key to promote the sustainable performance is not only to be results-oriented, rather the permanent effect stems from the competitive advantages of our integrated business model and our value added services in the HR sector, being one of the pioneers in this sector.

"Maharah" is a market leader, in light of the Company strong brand and reputation acquired, based on benefiting from the customer experience for the provision of the best quality and most integrated and diversified services, through its geographic spread, supporting infrastructure, and operational excellence stemmed from its qualified human cadres.

Qualified HR

Our administrative team has deep experience and good vision of the HR sector trends that help us anticipate risks, opportunities and direct decision-making process, which allowed the Company to be one of the biggest provider of manpower services in the Kingdom within a short period of time, and to have the specialist competencies capable of managing business to all various sectors for which the service is provided, for example the medical sector, hospitality sector, banking sector, industrial sector and all other sectors. This shall facilitate the internal business model between "Maharah" and the customer. It shall raise the percentage of customer satisfaction, in addition to the presence of specialists in external recruitment from different fields.



Competitive Advantage

Diversity is the Basis of our Leadership

Strong Infrastructure

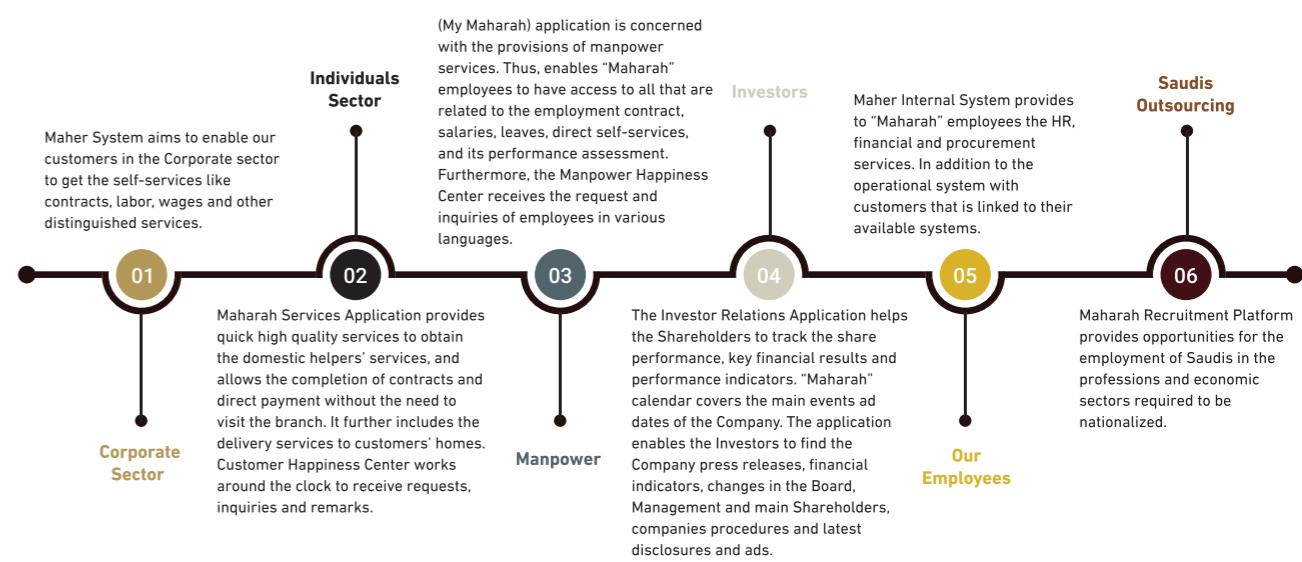
"Maharah" has a big infrastructure for distribution and support spread all over the Kingdom, which provides it with the perfect platform necessary for the attraction of customers from Individuals sector and to achieve growth in the said sector. Add to this the infrastructure of training and housing, as the Company provides housing facilities for its manpower.

Support Technical Structure

In "Maharah", we have a technical infrastructure that supports the Company business, through a group of various applications that meet the needs of our customers from both the Corporate and Individuals sectors. This shall include our manpower and "Maharah" employees and shall further extend to the investors, in addition to "Maharah" recruitment platform for Saudis outsourcing.

Growing Out Customer Base

"Maharah" has a various growing customer base in



Competitive Advantage

Diversity is the Basis of our Leadership

the Individuals sector, in addition to the e-branch. There are also some territorial areas to serve the Corporate sector all over the Kingdom. In the cities in which the Company has no branches; the Company has facilitated the provision of the Individuals services there through the delivery of domestic helpers to its customers in such cities for free.

Operational Excellence

"Maharah" always focuses on the operational and organizational excellence to enhance performance and develop services to meet the customers' needs. In "Maharah", we have a group of internal procedures that focus on sustainability and operation practices, add to this the Service Level Agreement (SLA) with its customers. A specialist team further continuously measures and assesses the quality of services. We also have a specialist team to provide care for our manpower, that pays visits to our labor and meets their needs, to ensure that they work in a safe environment. In addition to handling, supervising and following up any medical conditions. Such excellent performance helped "Maharah" get the ISO 9001:2015 in recognition of its ability to provide products and services that meet the customers' needs and the organizational requirements.

Services Diversity and Quality

The services provided by "Maharah" are diversified, as they provide a wide range of manpower services (professional, skilled and non-skilled) in more than 383 professions. "Maharah" has provided more than 120.000 employees in different professions for all sectors in the Kingdom. Such sectors include doctors, nurses, marketing specialists, sales employees, financial analysts, computer programmers, system

analysts, technicians, restaurant workers, drivers, house maids, construction workers and others. The Company works on qualifying and training domestic helpers in order to enhance the level of services provided.

The Company products and services portfolio is continuously growing to meet the market needs. "Maharah" provides a number of additional services to the customers of Corporate sector like housing and transport. It further provides some support services to each of the customers and seconded manpower all through the term of their contracts. "Maharah" has also developed a flexible business model to meet the desires and needs of its customers with multi-term contracts..

Strong Strategic Relations

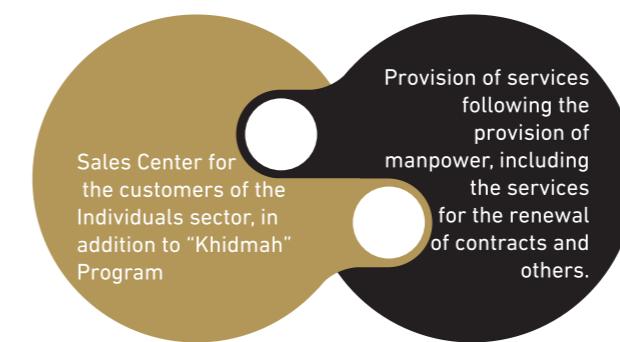
"Maharah" has developed its strategic relations with the external recruitment offices, more than sixty external recruiters in different countries in Asia and Africa, which has contributed to the employment of highly efficient manpower. Also, the Company maintains strong relations with all countries embassies, from which manpower is expatriated to the Kingdom.



Geographic Distribution of "Maharah" Activities (Branches)

Extension of our Geographic Presence

**22
Branches**



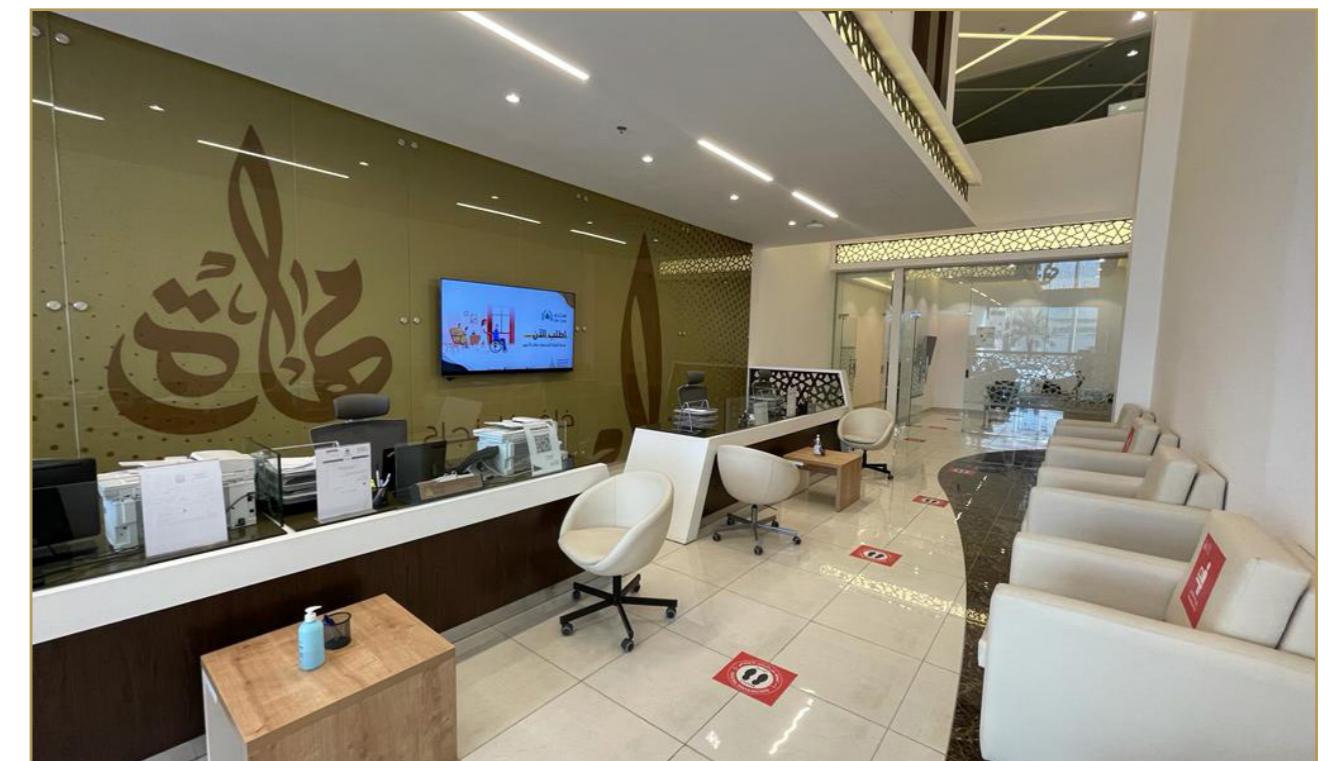
We expand to achieve prosperity

Through our wide geographic reach, and the expansion of our presence in the market, we get closer to our customers and manage to meet their various needs. Such geographic presence reflects our ability to extend our professional services and solutions to all areas in the Kingdom.

The Company is located at Al Oalya Road, Al Yasmin District, Riyadh, KSA. We have 22 branches in 11 cities all over the Kingdom that provide a wide range of services

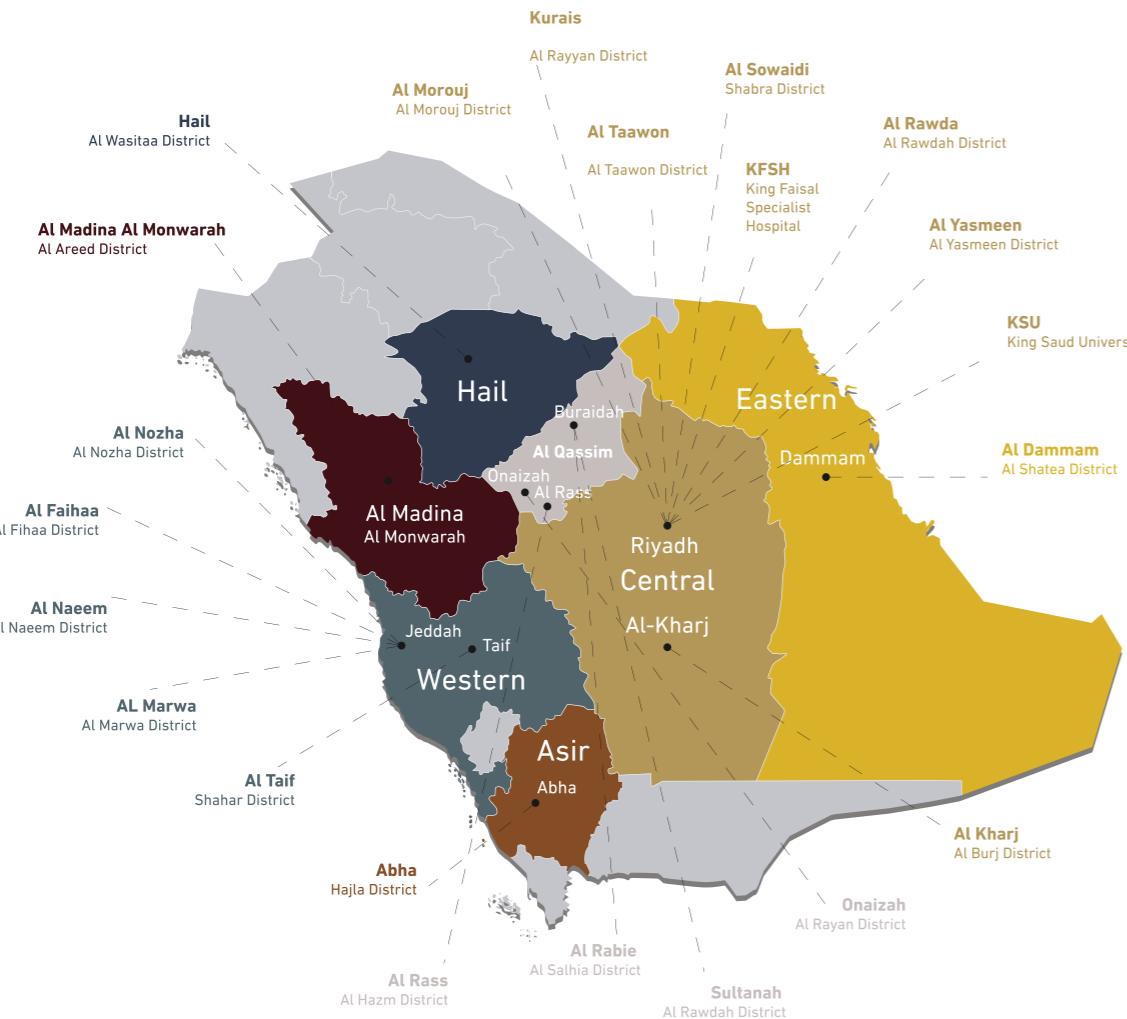
We facilitate services to our customers through the e-application which supports three operational systems in addition to our website.

"Maharah" extends in UAE (Abu Dhabi – Dubai) through the branches of our Subsidiary.



Geographic Distribution of “Maharah” Activities (Branches)

Extension of our Geographic Presence



Enhancing Digital Presence

“Maharah” has enhanced its digital presence through the Marketing Executive Department that manages the Company’s social media accounts.

