Board of Directors’ Report 2021

The Board of Directors is pleased to present to you its financial results achieved by the institution along with the audited financial statements of HumanSoft Holding for the year ending December 31, 2021.

2021 Financial Highlights

Despite the repercussions of the pandemic and the local and global challenges, HumanSoft recorded its best financial performance. The institution continued upgrading its strengths and delivered a noteworthy growth in revenue and profit.

Revenue of KD 95.9 million in 2021 as compared to KD 68.5 million in 2020, an increase of 40%.

Net Profit of KD 62.6 million in 2021 as compared to KD 37.5 million in 2020, an increase of 67%

EBITDA of KD 69.1 million in 2021 as compared to KD 43.1 million in 2020, an increase of 60%

Earnings per share grew by 67% in 2021 and amounted to 514 fils as compared to 308 fils in 2020

The operational costs remained roughly consistent with 2020, despite having higher revenues, mainly due to improved operational efficiencies.

Balance Sheet

HumanSoft’s fortress balance sheet provides protection and resilience that enables the institution to withstand emerging challenges such as the COVID-19 pandemic

Cash and Bank Balances as at the end of 2021 amounted to KD 84.6 million as compared to KD 73.9 million at the end of 2020.

Total assets as at the end of 2021 was marginally higher at KD 158.6 million as compared to KD 158.3 million as at the end of 2020.

Total debts as at the end of 2021 amounted to KD 4.7 million as compared to KD 10.9 million as at the end of 2020.

Shareholders' Equity

Total equity as at the end of 2021 was KD 131.8 million, as compared to KD 117.9 million as at the end of 2020.

Average return on equity increased and amounted to 50% in 2021 as compared to 38% in 2020.

The Board of Directors recommended not to contribute to legal and voluntary reserves, as each of them has exceeded 50% of the share capital.

Dividend

The Board of Directors recommends cash dividends of 400 fils per share, subject to the shareholder's approval at the Annual General Assembly Meeting (AGM)

Financial Highlights	2020	2021	Change
Revenue (KD mn)	68.5	95.9	39.9%
EBITDA (KD mn)	43.1	69.1	60.1%
EBITDA %	62.9%	72.0%	9.1%
Net profit (KD mn)	37.5	62.6	66.9%
Net Profit %	54.7%	65.3%	10.6%
EPS (in fils)	308	514	66.9%
Equity (KD mn)	117.9	131.8	11.8%
Total Assets (KD mn)	158.3	158.6	0.2%

Future Strategy

In previous years, HumanSoft's main strategy was to focus on building the College of Engineering and the College of Business Administration at the American University of the Middle East (AUM) and the American College of the Middle East (ACM). The institution also concentrated on achieving growth by continuously introducing new majors in addition to reinforcing the positioning and quality of the colleges of business and engineering through international accreditations and rankings.
This direction enhanced profitability and led to the creation of sustainable revenues as showcased in the financial results across the years, to reach this year the best financial results ever in the company's history.
After achieving our goals with efficiency, it is time to take on new goals that will see us soaring to new heights.

Future Goals

Firstly: Enhancing Revenue Growth and Profitability

Humansoft will continue to support and develop AUM and ACM through introducing new majors and inaugurating the College of Health Sciences by offering majors in Nutrition and Nursing, given their high demand in Kuwait and the world especially after the COVID-19 pandemic.
In light of the above, the absorptive capacity will be increased by constructing a new educational building for the College of Health Sciences at AUM campus. In addition, new specializations will be introduced at the College of Engineering and Technology, such as Artificial Intelligence and Energy Engineering, to keep pace with the global trends in the field of technology, advancement in artificial intelligence, alternative energy, and thus attracting students with great talents and potential.

Secondly: Diversifying and creating a new stream of income

Just as HumanSoft began its first chapter in the early nineties when the IT revolution was building up, we plan to spearhead the upcoming digital revolution in education and human resource management in the region.

Our eye is on the future in the midst of the disruptions in Data, Communications, Artificial Intelligence, Alternative Energy, Carbon Emissions Reduction, among others. These rapid changes in technology and the repercussions of the pandemic have expedited the reality of remote learning. All these disruptions and the changes in business operations, job market, and learning tools are all considered both, threats and opportunities, to the prevailing framework of colleges and universities regionally and globally.

We see unique opportunities in these changes and challenges to create a quantum leap and returns for our clients, community, and shareholders. Accordingly, HumanSoft's future vision and strategy is based on leveraging its expertise, financial resources, human capital, and university infrastructure to create a new stream of income and diversifying the sources of income by investing in the General Education Sector (K-12) and in the new technologies related to education, training, employment, and human resource management.

Investment in new technologies in education will open new markets, hence increase client base.