

Board of Directors' Report 2022

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, 2022.

2022 Financial Highlights

- The company achieved a noteworthy performance in terms of revenues and profits during the year 2022. And Humansoft Co. continued focus on the sustainability of its financial performance and thus enhance profitability through a clear plan to maintain the level of quality and efficiency.
- FY2022 and FY2021 results are not comparable because of disruptions due to Covid-19 and the changes in the academic calendar during the year 2022.

In 2022, Revenue was KD 84.3 million, Net Profit was KD 50.7 ,EBITDA was KD 55.1 million and Earnings Per Share amounted to 417 fils.

The operational costs in 2022 increased marginally in comparison with 2021 mainly due to increased operational activities.

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 2022 amounted to KD 80.4 million as compared to KD 84.6 million at the end of 2021.

Total assets as at the end of 2022 amounted to KD 155.6 million as compared to KD 158.6 million as at the end of 2021.

Total debts by the end of 2021 decreased to KD 2.3 million as compared to KD 4.7 million as at the end of 2021.

Shareholders' Equity

Total equity as at the end of 2022 was KD 133.7 million, as compared to KD 131.8 million as at the end of 2021.

Average return on equity amounted to 38% in 2022 as compared to 50% in 2021.

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 and 5% bonus shares of share capital, 5 shares for every 100 paid shares subject to the approval of the shareholders at the Annual General Assembly Meeting (AGM) and regulatory bodies.

| Key figures and ratios | 2021 | 2022 | Change |
|------------------------|-------|-------|--------|
| Revenue (KD mn) | 95.9 | 84.3 | -12% |
| EBITDA (KD mn) | 69.1 | 55.1 | -20% |
| EBITDA % | 72% | 65% | -7% |
| Net profit (KD mn) | 62.6 | 50.7 | -19% |
| Net Profit % | 65% | 60% | -5% |
| EPS (in fils) | 514 | 417 | -19% |
| Equity (KD mn) | 131.8 | 133.7 | 1% |
| Total Assets (KD mn) | 158.6 | 155.6 | -2% |

Future Strategy

Humansoft achieved notable financial results, meeting its goals for this year. The company will keep focusing in the coming years on continuously achieving its strategic goals and in enhancing revenue and profitability growth by continuing to support and develop its educational institutions through the American University of the Middle East and the American College of the Middle East projects. We will continuously strive to improve the quality of education and keep pace with the significant disruptions driven by the technological revolution and artificial intelligence. Furthermore, we will complete the launch of the College of Health Sciences at the beginning of the next academic year, as well as complete the plan of introducing new specialty programs in the College of Engineering to further meet the needs of the job market.

Humansoft will continue to pursue investment opportunities in modern technology sectors related to education and training, and invest in the General Education Sector(K-12) with the aim of diversifying sources of income and creating new revenue streams.