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Yaqeen



الآفاق  
HORIZON  
شركة الآفاق التعليمية

# Opportunity Overview

Horizon Educational Company ("Horizon")

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May 2024

# Disclaimer

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- Yaqeen Capital (“Yaqeen”) was appointed by Horizon Educational company ( the “Company”, “Issuer” or the “Horizon”) as Financial Advisor on a proposed Offering & Listing of its shares in Parallel Market (NOMU) by way of offering, thereafter, referred to as the (“Transaction”).
- This Opportunity Overview Presentation has been prepared by Yaqeen Capital in its capacity as financial advisor on the basis of information supplied by Horizon or sourced from public sources. Neither the information supplied by or on behalf of Horizon, nor the information contained herein, has been independently verified by Yaqeen Capital.
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# Glossary Of Terms

Definition	Glossary
Horizon Educational or the Company	Horizon Educational company
YAQEEN	Yaqeen Capital
CMA	Capital Market Authority
Tadawul	Saudi Tadawul Group
Qualified Investors	<p>Clarified in Part 8 of the Rules on the Offer of Securities and Continuing Obligations, Articles 46 and 47 of the Investment Funds Regulations and Article 45 of the Real Estate Investment Funds Regulations, any of the following:</p> <ol style="list-style-type: none"> <li>1. Capital Market Institutions acting for their own account.</li> <li>2. Clients of a Capital Market Institution by the Authority to conduct managing activities provided that this Capital Market Institution has been appointed as an investment manager on terms which enable it to make decisions concerning the acceptance of an offer and investment in the Parallel Market on the client's behalf without obtaining prior approval from the client.</li> <li>3. The Government of the Kingdom, any government body, any supranational authority recognized by the Authority or the Exchange, and any other stock exchange recognized by the Authority or the Securities Depository Center.</li> <li>4. Government-owned companies, either directly or through a portfolio managed by a Capital Market Institution authorized to carry out managing activities.</li> <li>5. Companies and funds established in a member state of the Cooperation Council for the Arab States of the Gulf.</li> <li>6. Investment Funds.</li> <li>7. Any other legal persons allowed to open an investment account in the Kingdom and an account at the Depository Center.</li> <li>8. Natural persons allowed to open an investment account in the Kingdom and an account at the Depository Center, and fulfil any of the following criteria: <ul style="list-style-type: none"> <li>✓ Has conducted transactions in security markets of not less than 40 million Saudi riyals in total, and not less than ten transactions in each quarter during the last twelve months</li> <li>✓ His net assets are not less than 5 million Saudi Riyals.</li> <li>✓ works or has worked for at least three years in the financial sector.</li> <li>✓ Holds the General Securities Qualification Certificate which is recognized by the Authority.</li> <li>✓ holds a professional certificate that is related to securities business and accredited by an internationally recognized entity.</li> </ul> </li> <li>9. Any other persons prescribed by the Authority.</li> </ol>

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01

# Company Overview

Opportunity Overview

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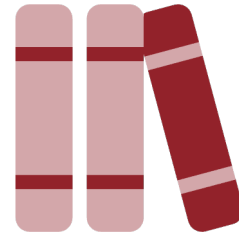
# At a Glance



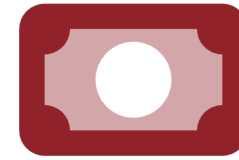
Founded  
2007



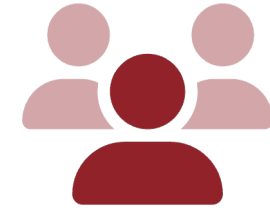
Location  
Riyadh



Sector  
Education



Capital  
SAR 20,000,000



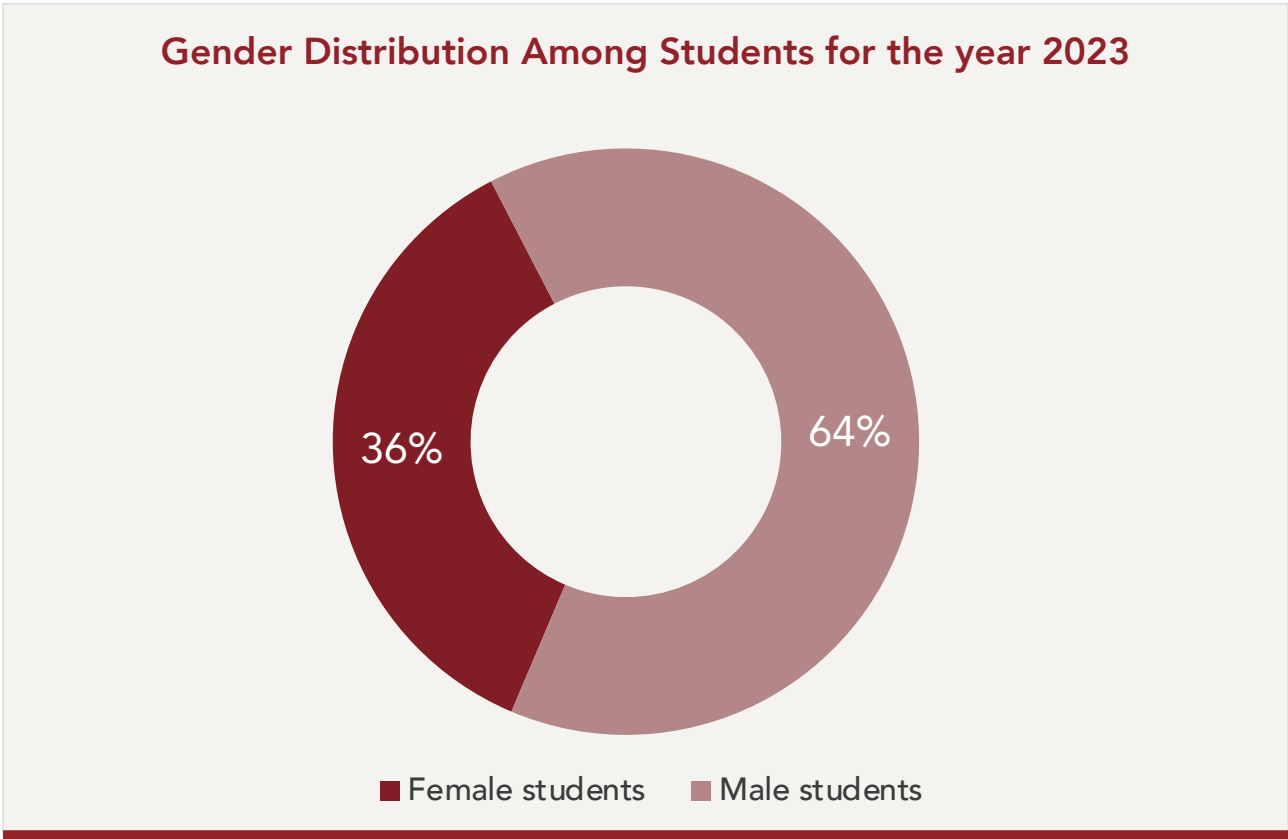
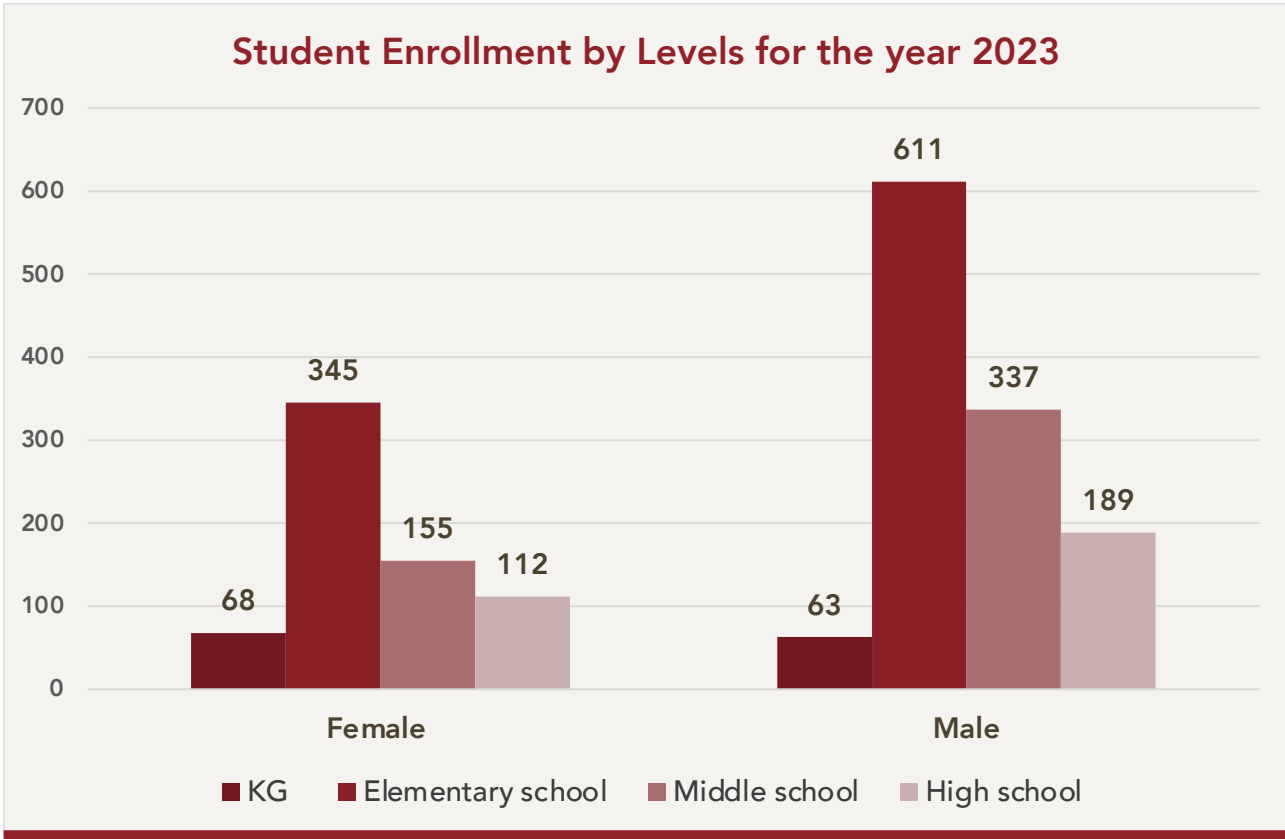
Total Number Of Students  
FY – 2022 1,743  
FY – 2023 1,880

## The Company & Branche Overview:

### Horizon Educational company

- A Saudi joint stock company established on October 2007.
- Located in Riyadh, Saudi Arabia.
- The company specializes in pre-school and kindergarten education using an international curriculum, and primary, intermediate and secondary education for male and female students using an international curriculum through Al-Wurud Educational Complex, in addition to other activities (such as renting playgrounds, trips, nursery, and international tests).
- The Company owns a number of buildings and real estate allocated for the establishment of schools/educational complexes

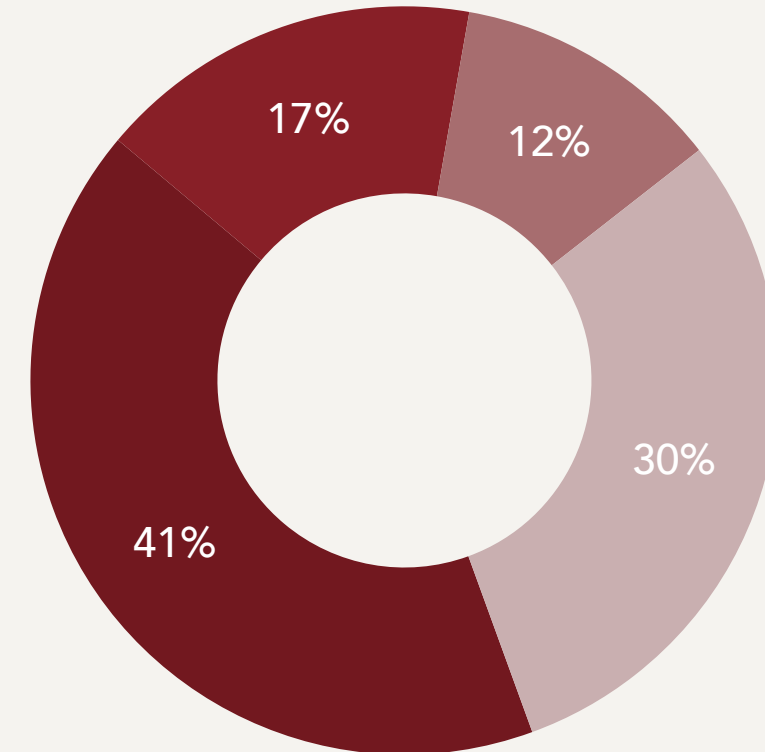
# Student per each Level and Gender for the year 2023



# Expansion Plan

- The company is currently working on an expansion plan that depends on expansion through rehabilitation after the current model of the new branch to present their projects and target new geographical areas within Riyadh and for whom the company is part of the expansion plan to develop the customer base by targeting different.
- Among its expansion plans, Horizon aims to work, rehabilitate and expand the work of the building for the Olaya district so that it can be rehabilitated to accommodate 1,000 male and female students at all educational levels. Its expected cost is (12,500,000) Saudi riyals, representing 41.67% of the total costs of the expansion plan.
- The company anticipates commencing operations by the second quarter of 2024. This initiative underscores the company's commitment to expand in the Educational sector and to provide high-quality education and infrastructure to the region, further solidifying its position as a leader in the educational sector

### Distribution of Expansion Costs



- Rehabilitation and expansion of the building - Olaya.
- Expansion and new construction works for the Al-Wurud building.
- Purchasing 10 new buses.
- Expansion of renting a new educational building and equipping it in another area in the city of Riyadh.



# Key Milestones Since Inception

Horizon was established as a Limited Liability Company with a capital of (3,000,000) Riyals.

**2007**

capital was increased to (20,000,000) Riyals.

**2021**

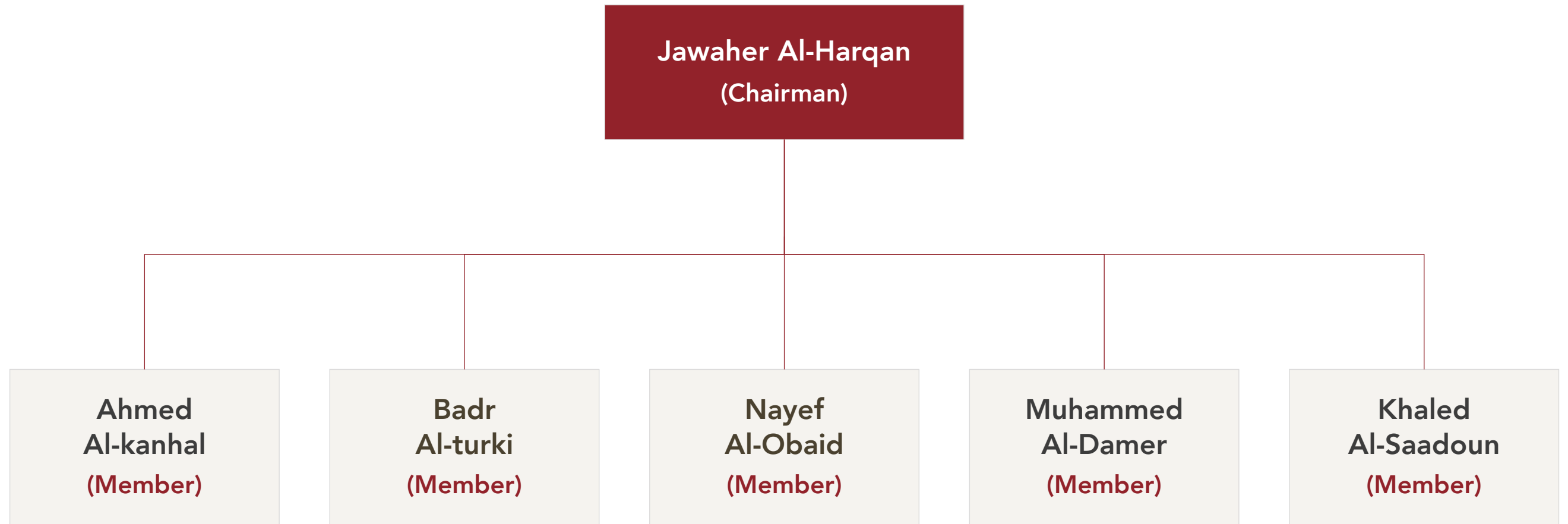
**2021**

converting the company from limited liability company to closed joint stock company, with a capital (20,000,000) Riyals.

**2022**

It was approved to increase the company's capital from (20,000,000) Saudi riyals to (25,000,000) Saudi riyals, by issuing (500,000) new common shares and offering them to qualified investors.

# Board & Shareholding Structure: The Board

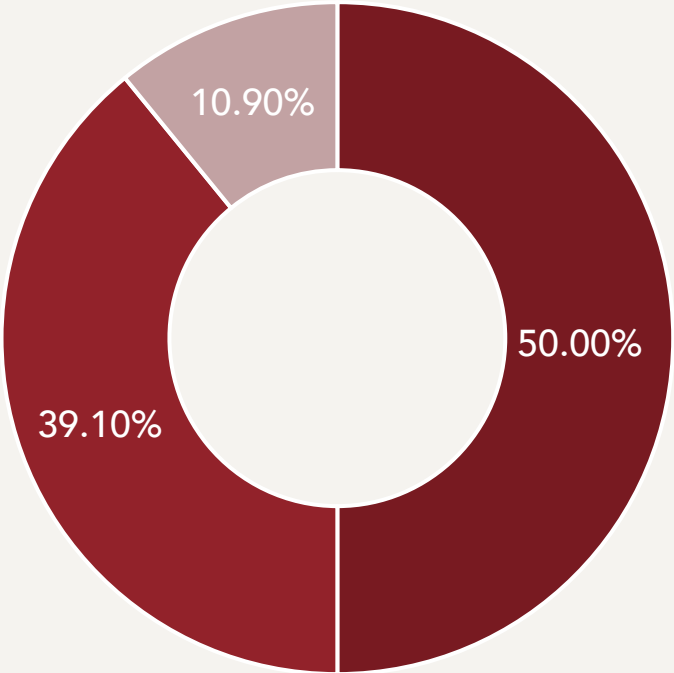


# Shareholding Structure

## Current Shareholding Structure

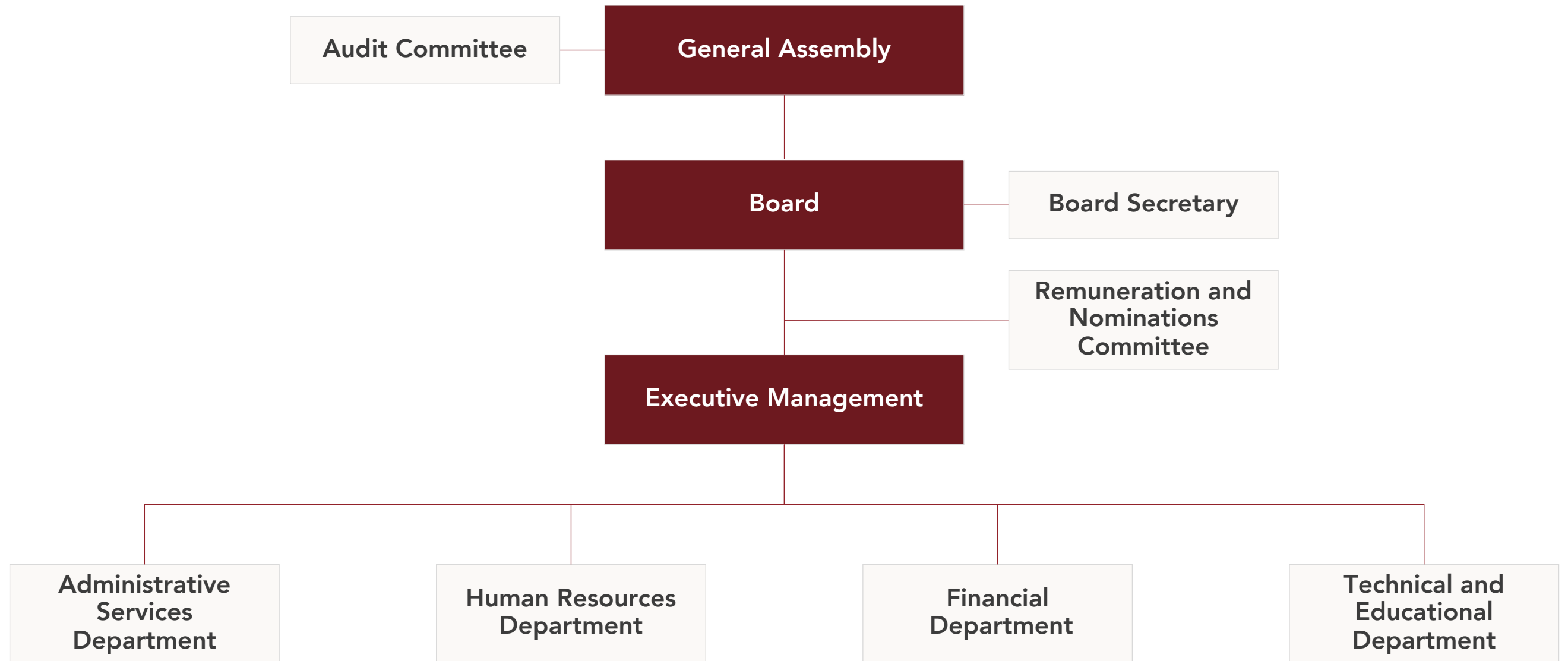
Shareholders	Ownership %	
	Pre-Offering	Post-Offering
Badr Ali Saleh Al-Turki	50.00%	%40.00
Jawaher Ibrahim Abdullah Al-Harqan	39.10%	%31.28
Other Shareholders with less than 5%	10.90%	%8.72
Qualified investors	0.00%	%20.00
<b>Total</b>	<b>100.00%</b>	<b>%100.00</b>

## Ownership Structure Pre-Offering



- Badr Ali Saleh Al-Turki
- Jawaher Ibrahim Abdullah Al-Harqan
- Other Shareholders with less than 5%

# Horizon Organization Structure



# Horizon Company: Strengths And Competitive Advantages

Provides high-quality service that serves the individual and society

Obtained the Academic Accreditation Certificate (AIAA)

Providing optimal values and high skills to our students to become global students

Obtained IGCSC certificate

Creating a society with diverse cultures in harmony with each other

Obtained approval as accreditation to take the SAT tests

Obtained the academic accreditation certificate (Cognia), formerly known as (Advanced Ed).

Received approval as accreditation to take AP exams

Horizon Company ensures an educational environment that encourages students to acquire an excellent education by having school personnel use all means to achieve the following beliefs:

Provides high-quality service that serves the individual and society.

Providing optimal values and high skills to our students to become global students.

Creating a society with diverse cultures in harmony with each other.

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02

## Historical Financial Statements

Opportunity Overview

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# Historical Income Statement Snapshot

Historical Income Statement (figures in SAR)	FY2022	FY2023
Revenue	32,320,389	36,758,691
Cost of Revenue	(20,776,104)	(23,240,640)
Gross Profit	11,544,285	13,518,051
Gross Profit Margin (%)	35.72%	36.78%
Depreciation of property, machinery and equipment	(2,318,481)	(2,304,143)
General & administrative expenses	(1,899,790)	(2,746,175)
Operating profit	7,227,014	8,467,733
Operating Profit Margin (%)	22.36%	23.04%
Other Income	357,537	739,040
Net Profit Before Zakat	7,584,551	9,206,773
Zakat expense	(440,522)	(271,262)
Profit for the year	7,144,029	8,935,511
Net Profit Margin (%)	22.10%	24.31%



## Historical Summary Cash Flow

Historical Cash Flow (figures in SAR)	FY2022	FY2023
Cash (used in)/ generated from operating activities	7,937,262	14,253,180
Net cash (used in) / generated from investing activities	(188,832)	(4,586,307)
Net cash (used in)/ generated from Financing activities	(8,220,148)	(10,920,148)

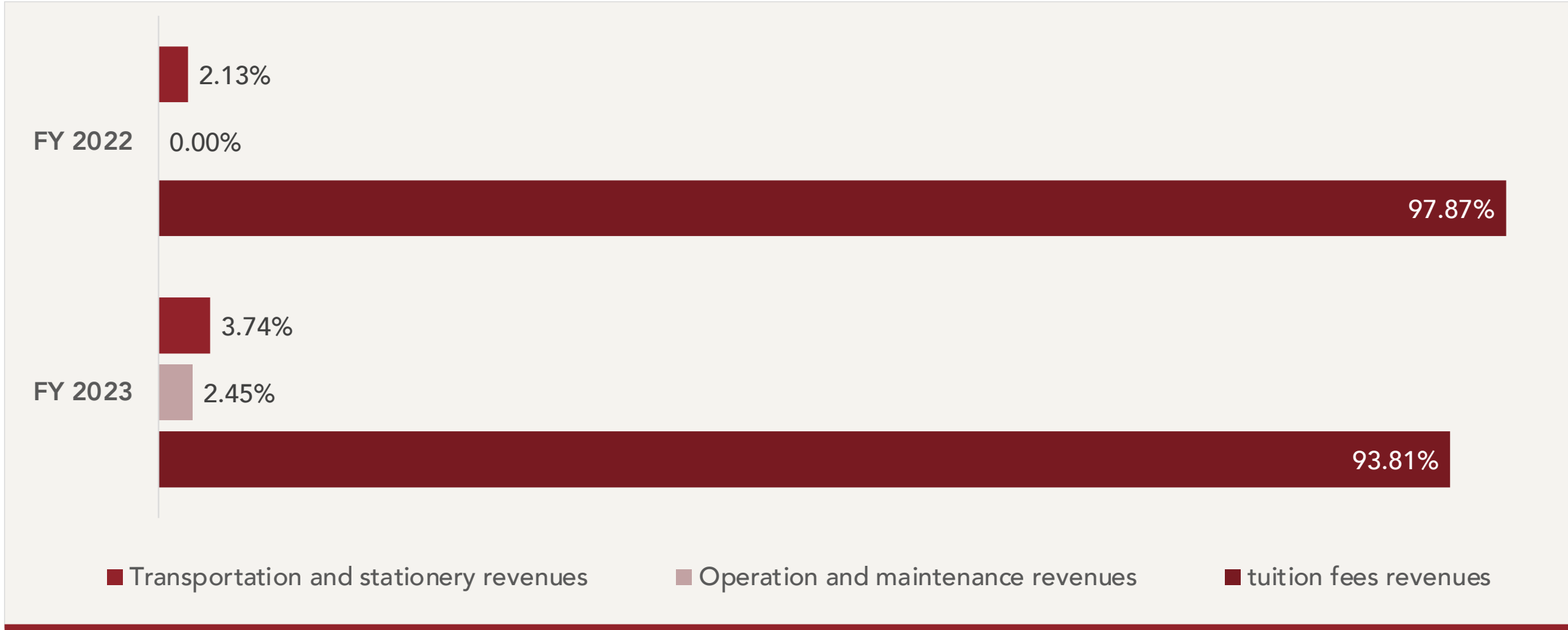
# Historical Balance Sheet Snapshot

Historical Balance Sheet (figures in SAR)	FY2022	FY2023
<b>Current Assets</b>		
Receivables	6,254,083	4,592,916
Related parties	1,147,000	-
Cash and cash equivalents	5,369,908	4,116,633
Total current Assets	12,770,991	8,709,549
<b>Non-Current Assets</b>		
Net book value of PP&E	41,373,535	40,807,498
Capital work in progress	-	2,848,201
Total Non-current Assets	41,373,535	43,655,699
Total Assets	54,144,526	52,365,248
<b>Current liabilities</b>		
Long term loan – Current portion	1,920,148	1,109,642
Due to a related party	355,560	-
Accounts payable, accrued expenses and other liabilities	2,641,461	2,954,866
Provision for Zakat	258,185	271,262
Total Current Liabilities	5,175,354	4,335,770
<b>Non-current liabilities</b>		
Long term loan – Non-Current	1,109,642	-
End-of-Service Indemnities	4,240,301	4,518,105
Total Non-current liabilities	5,349,943	4,518,105
Total Liabilities	10,525,297	8,853,875
<b>Equity</b>		
Capital	20,000,000	20,000,000
Statutory Reserve	1,614,403	2,507,954
Retained Earnings	22,004,826	21,003,419
Total Owner's Equity	43,619,229	43,511,373
Liabilities & Equity	54,144,526	52,365,248

# Historical Key Financial Indicators

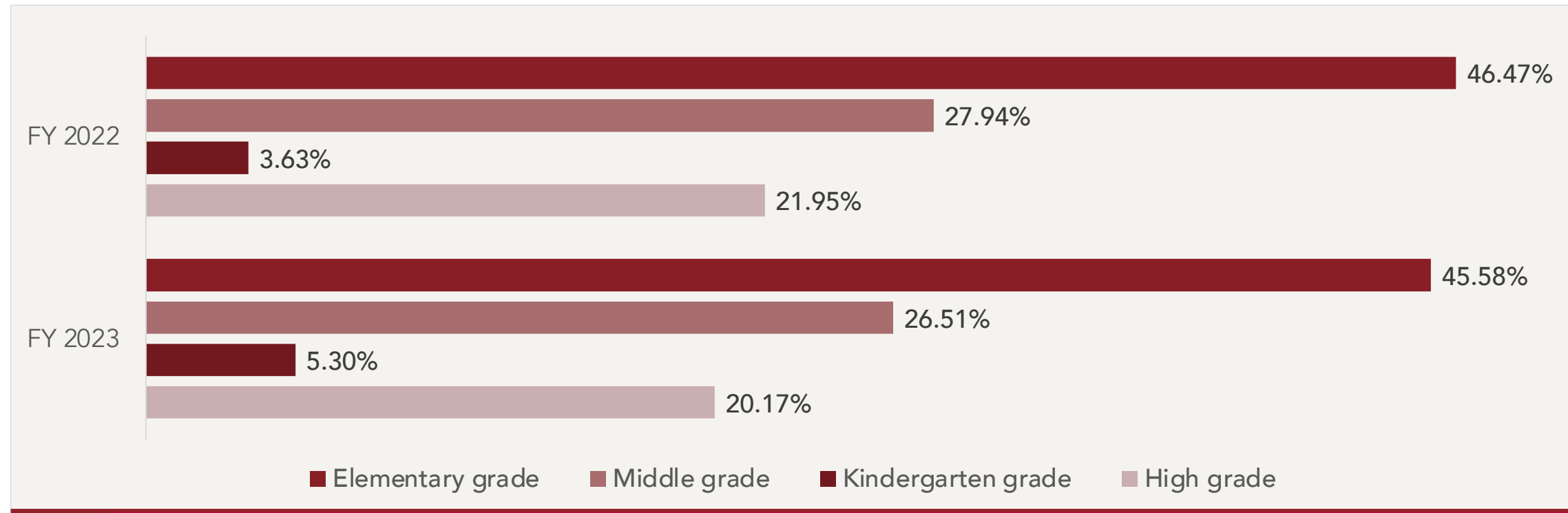
Key Financial Indicators	FY2022	FY2023
<b>Key General Indicators</b>		
Total Assets	54,144,526	52,365,248
Equity	43,619,229	43,511,373
Revenues	32,320,389	36,758,691
Cost of Revenues	(20,776,104)	(23,240,640)
Net Profit	7,144,029	8,935,511
Net Profit per share	3.57	4.47
<b>General Trends</b>		
Growth in Revenues	-	13.73%
Growth in Cost of Revenues	-	11.86%
Growth in Net Income	-	21.39%
<b>Performance</b>		
Net Profit Margin	22.10%	24.31%
Return on Shareholder's Equity	17.39%	21.16%
Return on Assets	14.01%	17.58%
Operating Profit margin	22.36%	23.04%
Gross Profit margin	35.72%	36.78%
<b>Leverage</b>		
Current Ratio	2.47x	2.01x

# Company revenues



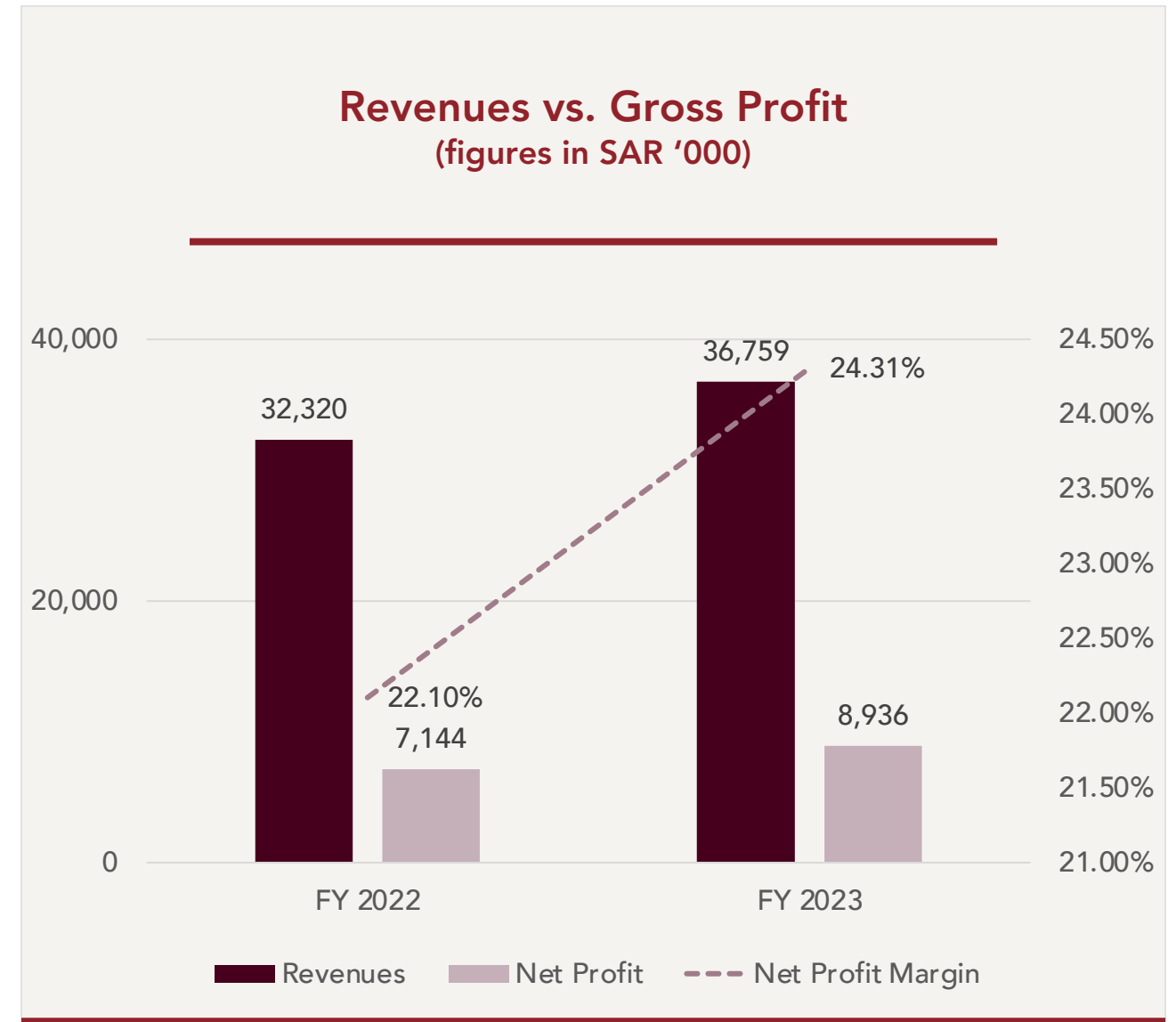
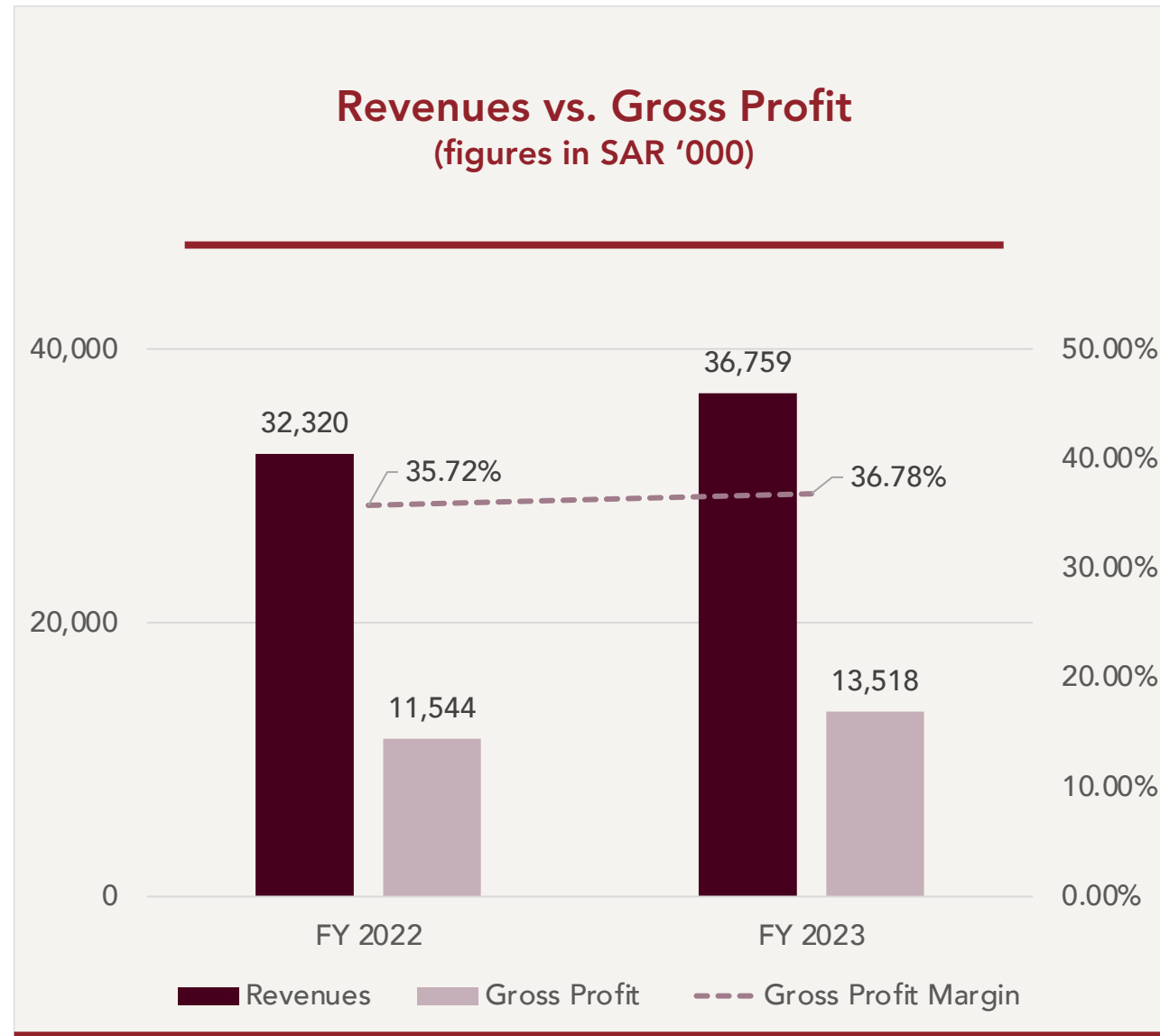
The highest revenues for 2023 are obtained from tuition fees revenues (93.81%) then Transportation and stationery revenues (3.74%)

## Revenues according to educational levels

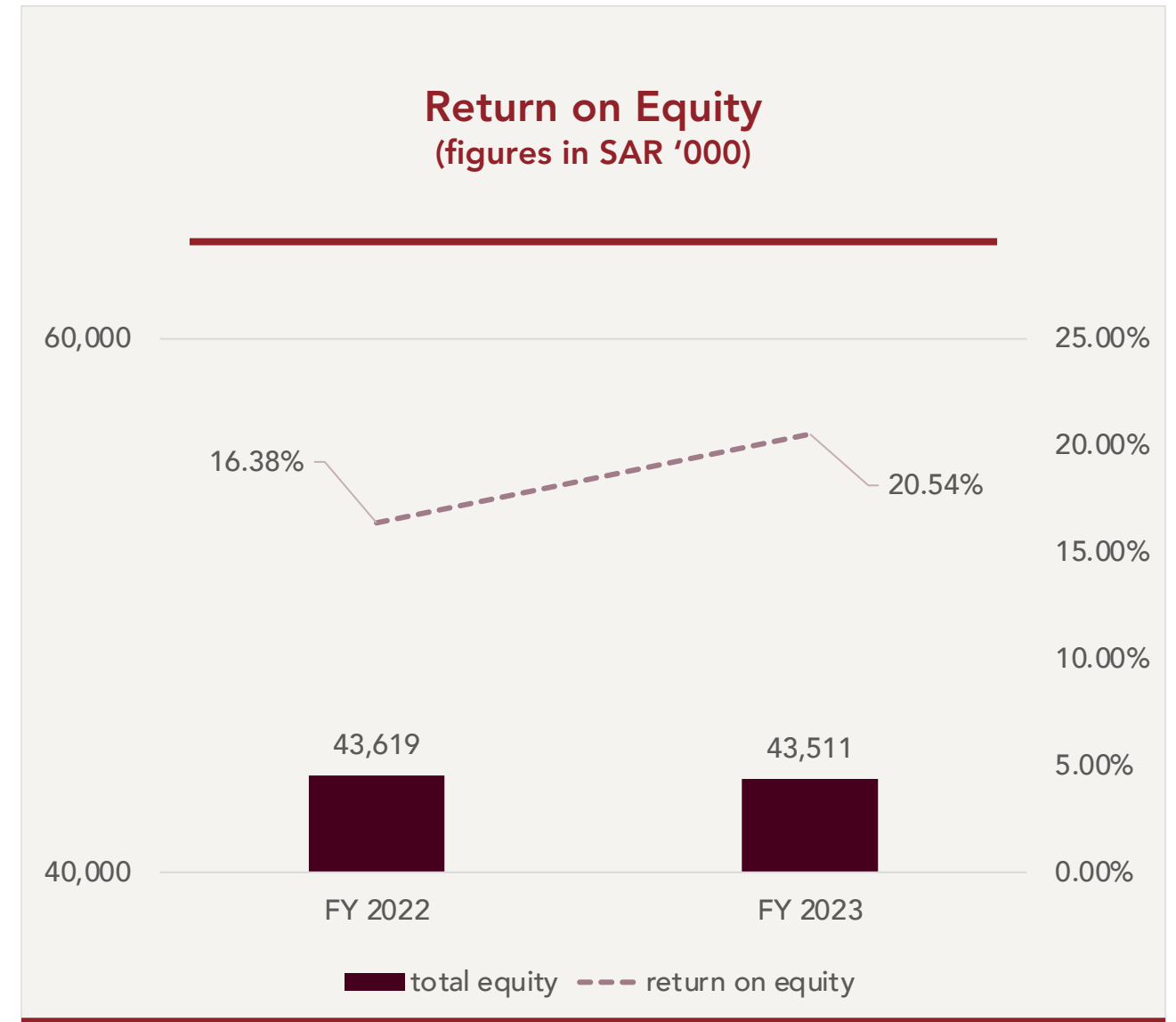
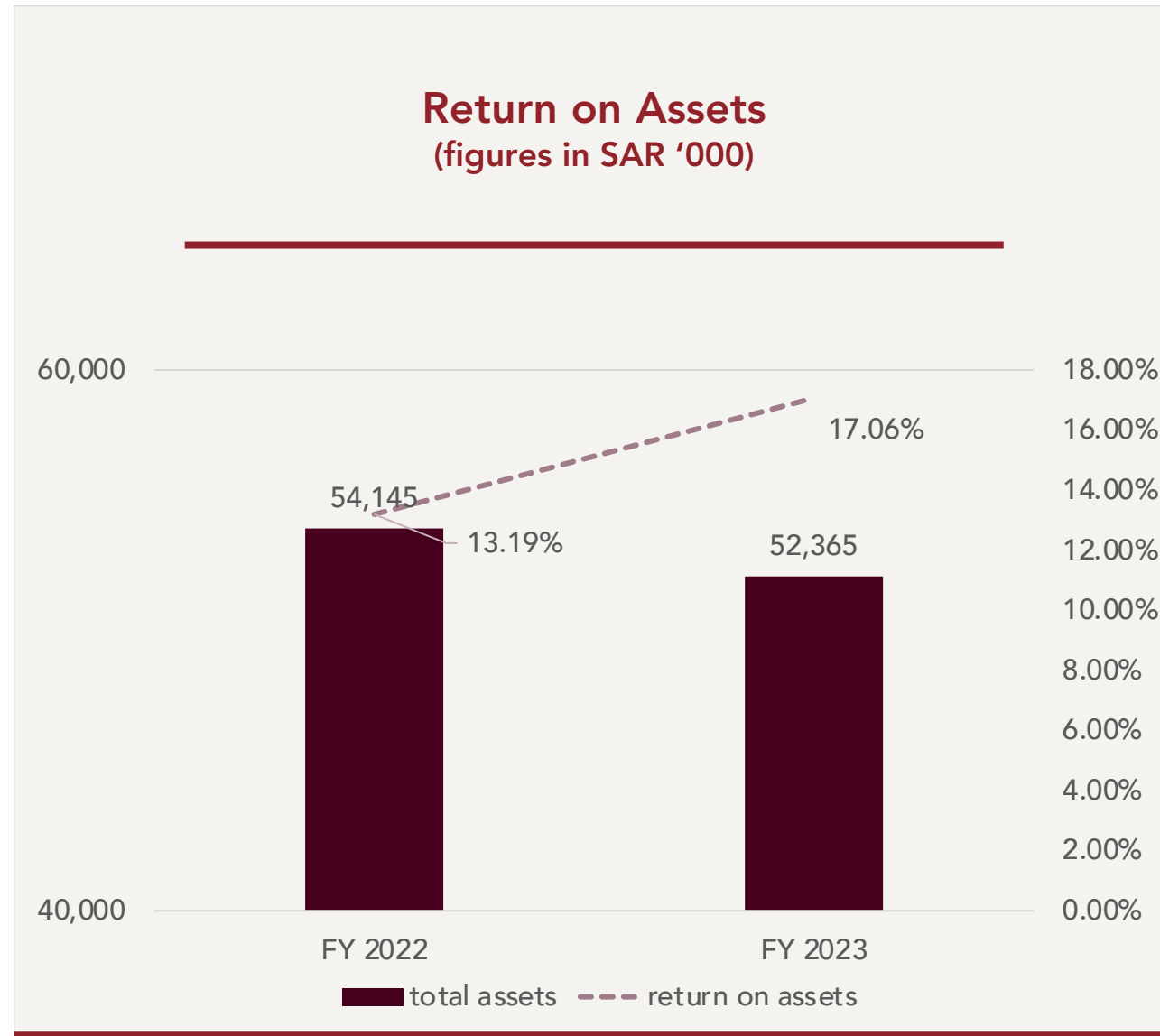


- **The highest revenues for 2023** are obtained from tuition fees revenues (93.81%) then Transportation and stationery revenues (3.74%) Elementary grade revenues amounted to SAR 15,019,274 and SAR 16,753,456 representing 46.47% and 45.58% of the company's revenues as of June 30, 2022 and June 30, 2023
- **Middle grade revenues** amounted to SAR 9,030,553 and SAR 9,743,791 representing 27.94% and 26.51% of the company's revenues as of June 30, 2022 and June 30, 2023

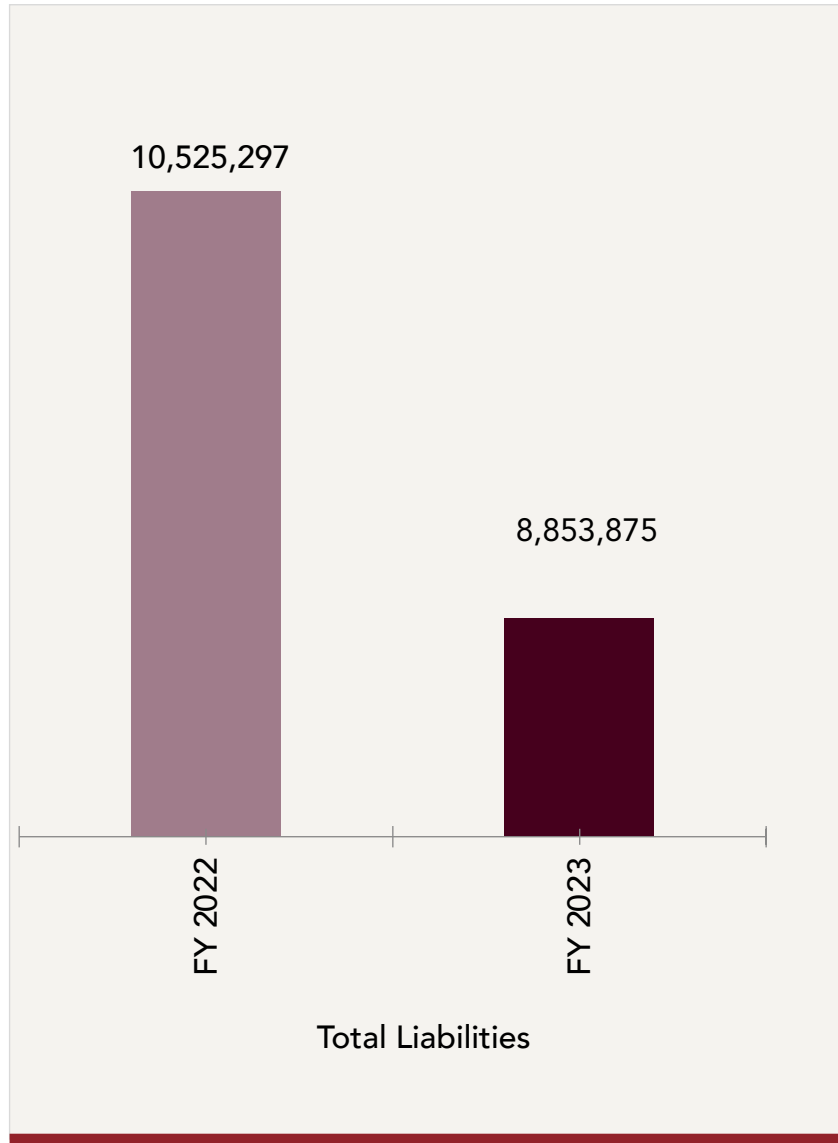
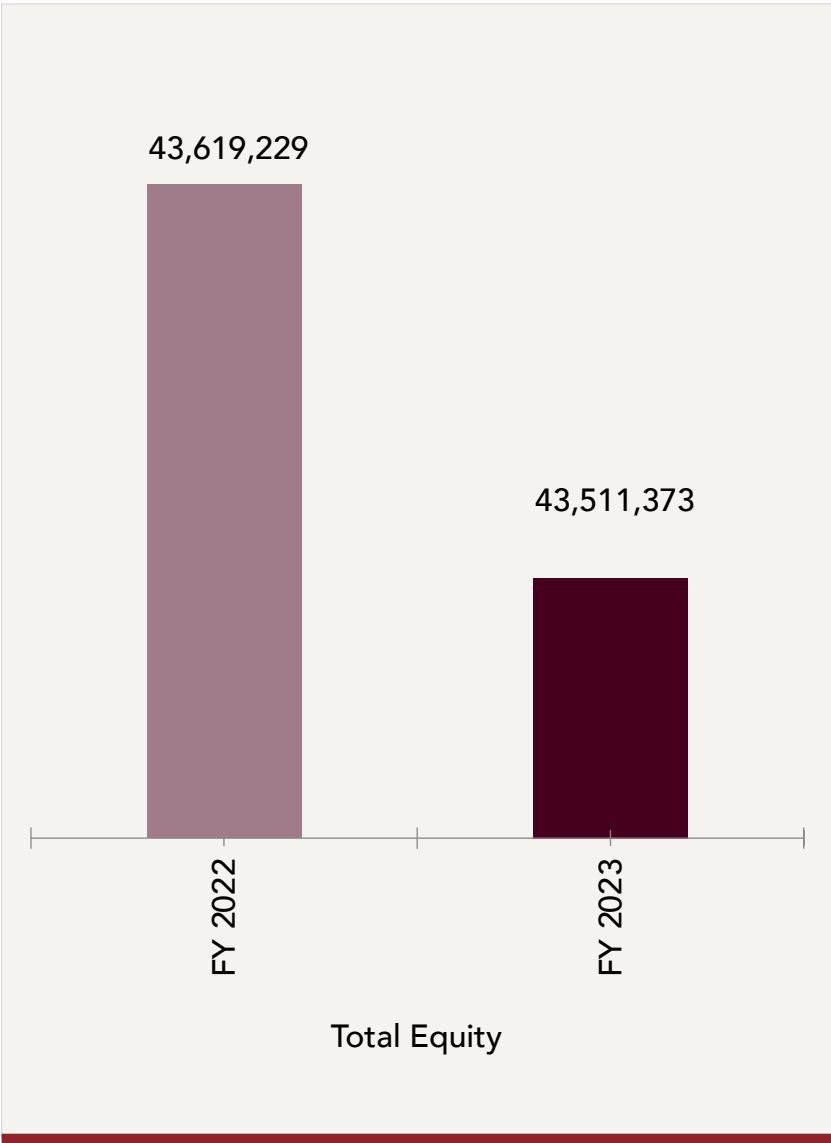
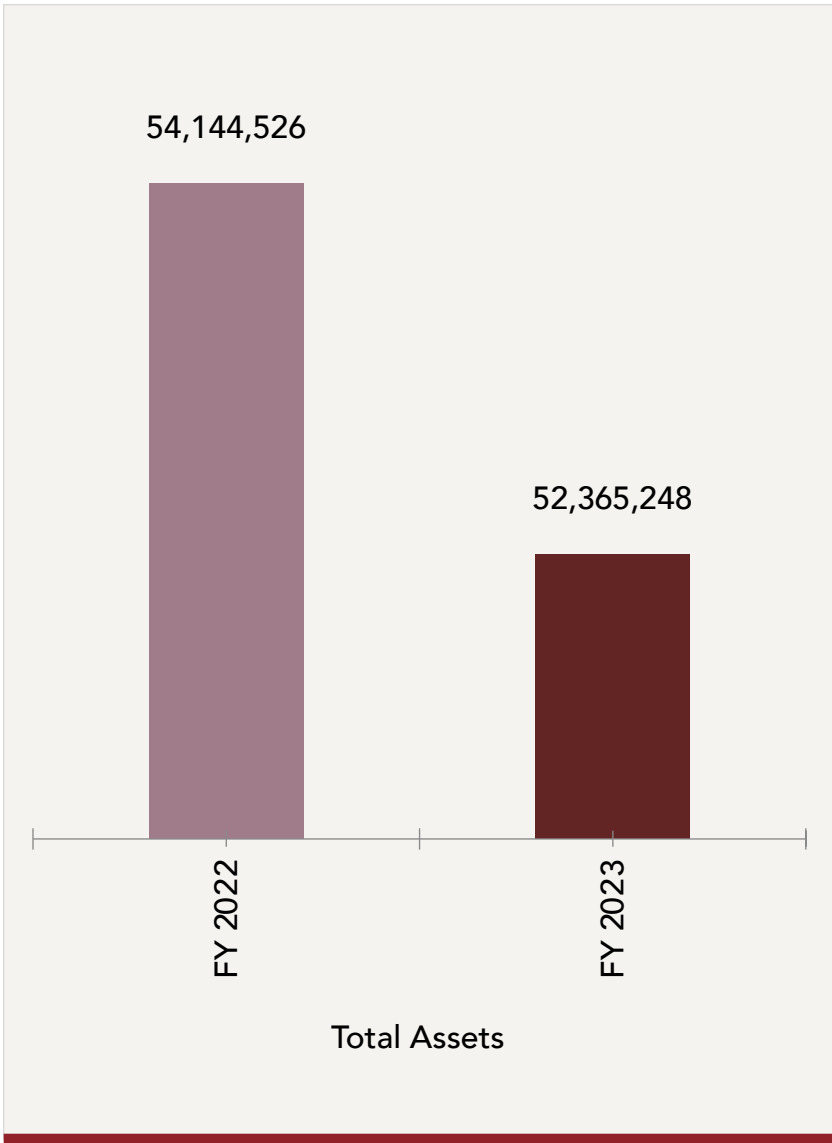
# Historical Financial Analysis



# Historical Financial Analysis



# Historical Balance Sheet Overview (figures in SAR '000):





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03

## Transaction Summary

Opportunity Overview

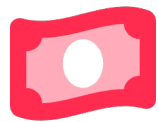
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# IPO Offering



## Size

The offering will consist of (500,000) shares.



## Use of Proceeds

Net of IPO proceeds 100% will be used to primarily for business expansion



## Tranche

Qualified Investors (Institutional & Retail)

Offering period	Begins on Sunday 04/11/1445 AH (corresponding to 12/05/2024 G) and continues for a period of seven (7) days ending on Monday 12/11/1445 AH (corresponding to 20/05/2024 G).
Offering Type	Primary IPO in in parallel market of the Saudi exchange (Nomu)
Offered Shares	The offering will consist of (500,000) shares representing 25.00% of issued shares before increasing the capital, and 20.00% after increasing the capital.
Distribution	100% will be allocated to qualified investors
Minimum Bidding	Minimum bid is (10) offered shares.
Maximum Bidding	Maximum Bid is (124,990) offered shares.
Lock-up Period	12 Months for Substantial Shareholders owning 5% and above.

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Thank You