ARABIAN CONTRACTING SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE- AND SIX-MONTH PERIODS ENDED JUNE 30, 2026

ARABIAN CONTRACTING SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE- AND SIX-MONTHS PERIODS ENDED JUNE 30, 2026

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

To the shareholders of
Arabian Contracting Services Company
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of **Arabian Contracting Services Company** (the Company) and its subsidiaries (collectively referred to as the "Group") as of June 30, 2026 and the interim condensed consolidated statement of comprehensive income for the three-month and six-months periods ended June 30, 2026, and the related condensed interim consolidated statements of changes in equity and cash flows for the six-months period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of this interim condensed consolidated financial Information in accordance with International Accounting Standard (34) "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this condensed interim consolidated financial Information based on our review.

Scope of review

We conducted our review in accordance with International Standard 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 condensed consolidated financial information 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 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 interim condensed consolidated financial information are not prepared, in all material respects, in accordance with International Accounting Standard (34) "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia.

Emphasis of Matter – Restatement of the Condensed Interim Consolidated Financial Information for the Comparative Period

We draw attention to Note Number (15) to the accompanying condensed interim consolidated financial information, which indicates that:

- The comparative information presented for the three-month and six-month periods ended June 30, 2025 has been restated as a result of the Group, through one of its subsidiaries, reassessing the accounting policy applied to the accounting for a certain contract to determine the most appropriate accounting policy for this type of contract, following the availability of new information relating to that contract, in accordance with International Financial Reporting Standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA). Our conclusion has not been modified in respect of this matter.
- The comparative information presented in the interim condensed consolidated statement of changes in equity for the six-month period ended June 30, 2025, has also been restated as a result of the Group, through one of its subsidiaries, reassessing the accounting treatment of an increase in its ownership interest in a subsidiary. It was determined that the transaction represented a business combination under common control and, accordingly, the difference arising from the increase in ownership interest should have been recognized directly in retained earnings rather than as goodwill. Our conclusion has not been modified in respect of this matter.

RSM Allied Accountants Professional Services

Mohammed Bin Farhan Bin Nader
License No. 435
Riyadh, Kingdom of Saudi Arabia
23 Safar 1448 (Corresponding to 6 August 2026)

شركة ار اس ام المحاسبون المتحدون للإستشارات المهنية
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ARABIAN CONTRACTING SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF JUNE 30, 2026
(SAUDI RIYAL)

	Notes	**June 30, 2026**	December 31, 2025
		(Unaudited)	(Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**481,021,286**	464,934,979
Right-of-use assets	6	**3,776,080,841**	3,542,252,524
Goodwill and licenses	7	**695,991,185**	707,410,701
Financial assets at fair value through profit or loss		**371,706,973**	372,178,812
Net investment in a finance sub-lease – non-current portion		**3,665,444**	4,304,992
Prepaid expenses and other non-current assets		**816,553,803**	1,050,676,426
Total non-current assets		**6,145,019,532**	6,141,758,434
Current assets			
Inventories		**89,384,145**	79,813,114
Trade receivables	8	**930,518,283**	1,163,247,721
Net investment in a finance sub-lease – current portion		**1,251,057**	1,196,207
Prepaid expenses and other current assets		**812,996,629**	637,700,393
Due from related parties	9	**21,801,806**	21,831,391
Cash and cash equivalents		**435,793,017**	203,475,688
Total current assets		**2,291,744,937**	2,107,264,514
TOTAL ASSETS		**8,436,764,469**	8,249,022,948
EQUITY AND LIABILITIES			
EQUITY			
Share capital		**550,000,000**	550,000,000
Reserves		**73,035,771**	73,035,771
Retained earnings		**735,450,656**	941,033,569
Foreign currency translation reserve		**(14,064,677)**	(12,479,510)
Total equity attributable to Shareholders of the parent company		**1,344,421,750**	1,551,589,830
Non-controlling interests		**8,713,333**	13,192,087
TOTAL EQUITY		**1,353,135,083**	1,564,781,917
LIABILITIES			
Non-current liabilities			
Employees' defined benefits obligations		**20,598,653**	25,993,255
Lease liabilities	6	**3,138,123,147**	2,873,760,414
Other long-term financial liabilities		**13,455,030**	19,625,533
Long-term Murabaha	10	**683,251,225**	760,840,000
Total non-current liabilities		**3,855,428,055**	3,680,219,202
Current liabilities			
Lease liabilities - current portion	6	**599,352,553**	623,846,500
Long-term Murabaha - current portion	10	**164,498,719**	162,520,000
Short-term loans	10	**1,809,980,368**	1,567,394,160
Trade payables		**301,727,804**	279,407,411
Due to related parties	9	**1,679,485**	1,003,869
Accrued expenses and other current liabilities		**332,885,519**	340,314,731
Zakat and income tax provision	11	**18,076,883**	29,535,158
Total current liabilities		**3,228,201,331**	3,004,021,829
TOTAL LIABILITIES		**7,083,629,386**	6,684,241,031
TOTAL EQUITY AND LIABILITIES		**8,436,764,469**	8,249,022,948

Chairman of Board of Directors	**Chief Executive Officer**	**Chief Financial Officer**
Mohamad Abdul Ellah Al Khereiji	Mansour Mohammed Al-Obaikan	Ahmed Adel Dawood

The accompanying notes form an integral part of these condensed interim consolidated financial statements

ARABIAN CONTRACTING SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED)
FOR THE THREE- AND SIX-MONTHS PERIODS ENDED JUNE 30, 2026
(SAUDI RIYAL)

		For the three months period ended June 30		For the six months period ended June 30	
	Notes	**2026**	2025	**2026**	2025
Profit or loss		**(Unaudited)**	(Unaudited) Restated (Note 15)	**(Unaudited)**	(Unaudited) Restated (Note 15)
Revenues	5	**263,926,206**	425,566,027	**679,575,147**	958,399,491
Cost of revenues	5	**(341,126,585)**	(290,309,475)	**(603,426,158)**	(536,475,087)
Gross (loss) / profit		**(77,200,379)**	135,256,552	**76,148,989**	421,924,404
Selling and marketing expenses		**(6,948,563)**	(29,676,604)	**(12,523,538)**	(37,980,363)
General and administrative expenses		**(38,007,002)**	(28,317,134)	**(65,195,956)**	(56,851,400)
Expected credit losses	8	**(1,850,002)**	(1,850,002)	**(3,700,002)**	(3,700,002)
Operating (loss) / profit		**(124,005,946)**	75,412,812	**(5,270,507)**	323,392,639
Finance costs		**(101,813,863)**	(104,064,012)	**(201,194,942)**	(180,374,416)
Gain / (loss) on remeasurement of financial assets at fair value through profit or loss		**54,234**	(1,315,184)	**(471,839)**	(275,531)
Other income, net		**8,606,388**	1,304,209	**9,616,090**	2,673,757
(Loss) / profit before Zakat and income tax		**(217,159,187)**	(28,662,175)	**(197,321,198)**	145,416,449
Zakat and income tax	11	**(5,446,702)**	(5,749,999)	**(12,545,592)**	(11,499,938)
(Loss) / profit for the period		**(222,605,889)**	(34,412,174)	**(209,866,790)**	133,916,511
(Loss) / Profit for the period attributable to:					
Shareholders of the parent company		**(214,464,373)**	(33,085,538)	**(205,582,913)**	129,701,109
Non-controlling interests		**(8,141,516)**	(1,326,636)	**(4,283,877)**	4,215,402
		(222,605,889)	(34,412,174)	**(209,866,790)**	133,916,511
Basic and diluted (loss) / earnings per share:					
(Loss) / Earnings per share attributable to Shareholders of the parent company	13	**(3.90)**	(0.60)	**(3.74)**	2.36
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation differences		**(1,711,673)**	1,162,126	**(1,780,044)**	1,208,512
Total other comprehensive (loss) / income for the period		**(1,711,673)**	1,162,126	**(1,780,044)**	1,208,512
Total comprehensive (loss) / income for the period		**(224,317,562)**	(33,250,048)	**(211,646,834)**	135,125,023
Total comprehensive (loss) \ income for the period attributable to:					
Shareholders of the parent company		**(216,004,360)**	(31,989,992)	**(207,168,080)**	130,819,947
Non-controlling interests		**(8,313,202)**	(1,260,056)	**(4,478,754)**	4,305,076
		(224,317,562)	(33,250,048)	**(211,646,834)**	135,125,023

Chairman of Board of Directors	**Chief Executive Officer**	**Chief Financial Officer**
Mohamad Abdul Ellah Al Khereiji	Mansour Mohammed Al-Obaikan	Ahmed Adel Dawood

The accompanying notes form an integral part of these condensed interim consolidated financial statements

ARABIAN CONTRACTING SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2026
(SAUDI RIYAL)

	Share capital	Reserves	Retained earnings	Foreign currency translation reserve	Total equity attributable to Shareholders of the parent company	Non-controlling interests	Total equity
For the six-months period ended June 30, 2025							
Balance as of January 1, 2025 (Audited)	550,000,000	73,035,771	764,657,630	(15,309,056)	1,372,384,345	(1,768,136)	1,370,616,209
Effect of adjustments to the opening balance of retained earnings (Note 15)	-	-	13,302,588	-	13,302,588	1,478,065	14,780,653
Balance as at January 1, 2025 (Audited) (Restated – Note 15)	550,000,000	73,035,771	777,960,218	(15,309,056)	1,385,686,933	(290,071)	1,385,396,862
Profit for the period	-	-	129,701,109	-	129,701,109	4,215,402	133,916,511
Total other comprehensive profit for the period	-	-	-	1,118,838	1,118,838	89,674	1,208,512
Total comprehensive profit for the period	-	-	129,701,109	1,118,838	130,819,947	4,305,076	135,125,023
Changes in non-controlling interests	-	-	-	-	-	(481,177)	(481,177)
Loss on increase in ownership interest in a subsidiary (Restated – Note 15)	-	-	(18,661,852)	-	(18,661,852)	-	(18,661,852)
Balance as at June 30, 2025 (Unaudited)	550,000,000	73,035,771	888,999,475	(14,190,218)	1,497,845,028	3,533,828	1,501,378,856
For the six-months period ended June 30, 2026							
Balance as of January 1, 2026 (Audited)	**550,000,000**	**73,035,771**	**941,033,569**	**(12,479,510)**	**1,551,589,830**	**13,192,087**	**1,564,781,917**
Loss for the period	-	-	**(205,582,913)**	-	**(205,582,913)**	**(4,283,877)**	**(209,866,790)**
Total other Comprehensive loss for the period	-	-	-	**(1,585,167)**	**(1,585,167)**	**(194,877)**	**(1,780,044)**
Total comprehensive loss for the period	-	-	**(205,582,913)**	**(1,585,167)**	**(207,168,080)**	**(4,478,754)**	**(211,646,834)**
Balance as of June 30, 2026 (Unaudited)	**550,000,000**	**73,035,771**	**735,450,656**	**(14,064,677)**	**1,344,421,750**	**8,713,333**	**1,353,135,083**

Chairman of Board of Directors	**Chief Executive Officer**	**Chief Financial Officer**
Mohamad Abdul Ellah Al Khereiji	Mansour Mohammed Al-Obaikan	Ahmed Adel Dawood

The accompanying notes form an integral part of these condensed interim consolidated financial statements

ARABIAN CONTRACTING SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2026
(SAUDI RIYAL)

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited) Restated (Note 15)
OPERATING ACTIVITIES:		
(Loss) \ Profit before zakat and income tax	**(197,321,198)**	145,416,449
Adjustments to reconcile the (loss) / profit for the period before Zakat and income tax to net cash generated from / (used in) operating activities:		
Depreciation of property, plant and equipment	**32,400,205**	28,639,853
Depreciation of right-of-use assets	**234,557,288**	267,559,722
Amortization of licenses	**11,419,516**	11,419,517
Unrealized losses on remeasurement of financial assets at fair value through P&L	**471,839**	275,531
Expected credit losses	**3,700,002**	3,700,002
Losses / (Gains) on disposal of property, plant and equipment	**502,569**	(222,804)
Current service cost of defined benefit obligations	**2,657,840**	2,759,408
Finance costs on short-term loans and long-term Murabaha facilities	**83,415,515**	61,468,827
Finance costs on other long-term financial liabilities	**604,168**	666,643
Portion of deferred income recognized	**(5,590,482)**	(31,218)
Finance costs on lease liabilities	**117,175,259**	118,893,287
Loss from adjustments of right-of-use assets	**-**	(574,389)
Changes in working capital:		
Inventories	**(9,571,031)**	(6,976,896)
Trade receivables	**229,029,436**	(203,230,263)
Prepaid expenses and other current assets	**42,999,793**	(1,041,405,869)
Due from / to related parties	**705,201**	72,152,992
Trade payables	**22,320,393**	(33,141,470)
Accrued expenses and other current liabilities	**(21,796,192)**	(2,557,647)
Net cash generated from / (used in) operating activities	**547,680,121**	(575,188,325)
Employees' defined benefits obligations paid	**(8,055,323)**	(687,936)
Zakat and income tax paid	**(23,719,473)**	(17,036,335)
Net cash generated from / (used in) operating activities	**515,905,325**	(592,912,596)
INVESTING ACTIVITIES:		
Additions to property, plant and equipment	**(50,033,830)**	(43,691,462)
Proceeds from net investment in a finance sub-lease	**584,698**	1,095,176
Proceeds from sale of property, plant and equipment	**-**	445,609
Purchase of financial assets at fair value through P&L	**-**	(4,067,581)
Net cash flows used in investing activities	**(49,449,132)**	(46,218,258)
FINANCING ACTIVITIES:		
Proceeds from long-term loans and Murabaha facilities	**285,897,084**	2,148,000,000
Repayment of long-term loans and Murabaha facilities	**(118,920,932)**	(1,159,443,289)
Payments of lease liabilities	**(315,298,394)**	(486,754,628)
Payments of other long-term financial liabilities	**(1,500,000)**	(1,500,000)
Finance costs paid	**(83,031,623)**	(45,461,185)
Net change in non-controlling interests	**-**	(481,177)
Loss on increase in ownership interest in a subsidiary	**-**	(18,661,852)
Net cash (used in) / generated from financing activities	**(232,853,865)**	435,697,869
Net change in cash and cash equivalents during the period	**233,602,328**	(203,432,985)
Foreign currency translation adjustment	**(1,284,999)**	1,018,135
Cash and cash equivalents as of the beginning of the period	**203,475,688**	318,099,318
Cash and cash equivalents as of the end of the period	**435,793,017**	115,684,468
Non-cash transactions:		
Additions to right of use assets and corresponding lease liabilities	**474,726,314**	562,547,385
Amortization of lease liabilities into accrued expenses	**(14,298,899)**	30,415,802
Absorption of prepaid expenses into lease liabilities	**(15,826,594)**	(2,555,660)
Accrued interest expense	**(383,892)**	(16,007,642)

Chairman of Board of Direetors	**Chief Executive Officer**	**Chief Financial Officer**
Mohamad Abdul Ellah Al Khereiji	Mansour Mohammed Al-Obaikan	Ahmed Adel Dawood

The accompanying notes form an integral part of these condensed interim consolidated financial statements

1- GROUP INFORMATION

Arabian Contracting Services Company is a Saudi Joint Stock Company - (the "Company") registered in Riyadh on Jumada Al-Ula 18, 1403 H (corresponding to March 3, 1983) under commercial register number 1010048419 and unified national number 7018053632.

The head office of the Company is located in Riyadh - Kingdom of Saudi Arabia, P.O. Box: 55905, Postal Code: 11544.

The Company's principal activities represent printing, engraving and photochemical etching on metal or plastic plates – zincograph, manufacturing components for display screens such as plasma, polymer and liquid crystal displays (LCD); manufacturing display screens, general construction of residential buildings, construction of roads, streets, sidewalks and road-related works, construction of bridges and tunnels, construction of railway lines, casting of foundations and bases, installation of electrical wiring, installation of telecommunications wiring, wholesale of household electronic and electrical appliances, wholesale of television receiving equipment, including import, wholesale of software, including import, land transportation of goods, transportation of goods and equipment - heavy transport, light transport, advertising and publicity agencies, providing marketing services on behalf of others, building maintenance services activities, and repair and maintenance of screens, keyboards, and other similar accessories.

Accompanying condensed interim consolidated financial information includes the results of operations, assets, liabilities, and activities of the Company and its branches:

Branch name	Location	Activity of the branch	Commercial register number
Raweyah Printing Press Arabian Company Factory	Riyadh	Printing, engraving and photoengraving on metal or plastic plates zincograph	1010057812
Arabian Contracting Services Company	Riyadh	Publicity and advertising entities and agencies	1010062303
Ain Al Arabia Company for Advertising and Publicity	Riyadh	Publicity and advertising entities and agencies, organization and management of exhibitions and conferences, wholesale of gifts and luxuries	1010500526
Arabian Contracting Services	Jeddah	Publicity and advertising entities and agencies	4030058296
Raweyah Printing Press Arabian Company Factory	Jeddah	Printing, book printing, printing of advertisements, posters and information leaflets, printing of business stationery, invoices and printing using photocopiers, engraving and photoengraving on metal or plastic plates (zincograph) and bookbinding	4030275525

2- BASIS OF PREPARATION

2-1 Statement of compliance

The Group's interim condensed consolidated financial Information has been prepared in accordance with International Accounting Standard (34) "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements as endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

This interim condensed consolidated financial information does not include all the information and disclosures required for a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards, and therefore they should be read in conjunction with the Group’s annual consolidated financial statements for the year ended December 31, 2025. The results for the period are not an indication of the annual results of the Group.

2-2 Basis of measurement

The interim condensed consolidated financial Information has been prepared on the historical cost basis, except as described in the Material accounting policies information disclosed in the annual consolidated financial statements for the year ended December 31, 2025.

As stated in the financial information in the accompanying consolidated financial Information, as of 30 June 2026 current liabilities exceeded current assets by SR 936,5 million (December 31, 2025: SR 896.8 million). The Group’s management has concluded that sufficient resources are available to enable the Group to continue its operations for the foreseeable future. The Group's management is currently evaluating all available financing, operational and investment options to improve its performance Management and those charged with governance remain confident that the going concern basis of accounting is appropriate, as the Group's management has no intention to liquidate the Group or cease its operations in the foreseeable future. Furthermore, the Group generated positive cash flows from operating activities of SR 516 million during the period ended 30 June 2026. Accordingly, the accompanying condensed interim consolidated financial information has been prepared on the going concern basis.

2-3 Functional and presentation currency

This interim condensed consolidated financial information are presented in Saudi Riyal (SR), unless otherwise stated. The Saudi Riyal is the functional and presentation currency of the Group.

2-4 The change in the Egyptian Pound exchange rate

During the period ended June 30, 2026, the Egyptian pound recorded an average of 2.97% decrease in rate against the Saudi Riyal (June 30, 2025: Increase by an average of 0.45%). As a result, the impact in foreign currency translation for operations in Egypt was recorded as a foreign currency translation reserve.

2-5 Basis of consolidation

The interim condensed consolidated financial Information includes the financial Information of the Group and entities controlled by the Company and its subsidiaries as at the reporting date.

Control is achieved when the Group:
- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Group considers all relevant facts and circumstances in assessing whether or not the Group’s voting rights in an investee are sufficient to give it power, including:
- The size of the Group’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Group, other vote holders or other parties;
- Rights arising from other contractual arrangements; and

2- BASIS OF PREPARATION (CONTINUED)

2-5 Basis of consolidation (continued)

- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The process of consolidating the financial Information of a subsidiary begins when the Group gains control over the subsidiary and ceases when the Group loses control of the subsidiary. In particular, the revenues and expenses of the subsidiary acquired, disposed of or sold during the year are included in the condensed interim consolidated statement of comprehensive income from the date the Group obtains control until the date that the Group ceases to control the subsidiary.

A change in the ownership interest of a subsidiary, without a loss of control, is recorded in the condensed interim consolidated statement of changes in equity. Profit or loss and each component of other comprehensive income are attributed to the shareholders of the Parent Company and to the non-controlling interests. Total comprehensive income is also attributed to the shareholders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

If the Group loses control over its subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interests and other components of equity, while any resultant gain or loss is recognized in the condensed interim consolidated statement of comprehensive income.

When necessary, adjustments are made to the financial Information of the subsidiaries to bring their material accounting policies information in line with the Group's material accounting policies information.

All intergroup assets and liabilities, equity, revenues, expenses and cash flow relating to transactions between members of the Group are eliminated upon consolidating the condensed interim financial Information.

The accompanying condensed interim consolidated financial information includes the accounts of the Company and its subsidiaries (collectively referred to as the "Group"). The details of these subsidiaries are as follows:

		Ownership %	
Subsidiary name	**Country of incorporation**	**June 30, 2026**	December 31, 2025
Al-Arabia Out of Home Advertising FZ - LLC (A)	UAE	**100%**	100%
Arabian United Company for Advertising Services (B)	Egypt	**49.99%**	49.99%
Faden Agency Media and Advertising Company (C)	KSA	**100%**	100%
Al Arabia Alliance for Smart Advertisements Company (D)	KSA	**90%**	90%
Digital Screens Advertising Company (E)	KSA	**50%**	50%

(A) Al-Arabia Out of Home Advertising FZ – LLC – is a limited liability company incorporated and registered in the United Arab Emirates. It is a wholly owned subsidiary of the Company with a share capital of AED 100,000. The Company's principal activities are media and marketing services and out-of-home advertising. The condensed interim consolidated financial Information of Al Arabia Out of Home Advertising FZ-LLC include the accounts of the Company and its following subsidiaries:

		Ownership %	
Subsidiary name	**Country of incorporation**	**June 30, 2026**	December 31, 2025
Al Arabia Out of Home Digital Advertising L.L.C.	UAE	**75%**	75%
Al Arabia Out of Home Advertising MIFZ L.L.C.	UAE	**100%**	100%

(B) Arabian United Company for Advertising Services is a Joint Stock Company registered in the Arab Republic of Egypt, and it is a 49.99% owned subsidiary of the Company with a paid share capital of 7,500,000 Egyptian Pounds. The subsidiary was consolidated by 49.99% ownership interest due to the existence of effective control over voting rights, as the Company's representation on the Board of Directors is 57%. The principal activities of the Company are in the field of advertising through all audio, print, and visual media channels, the supply, installation, and operation of digital screens, and project management.

2- BASIS OF PREPARATION (CONTINUED)

2-5 Basis of consolidation (continued)

(C) Faden Advertising Agency Company (One Person Company) L.L.C. is a single shareholder limited liability company incorporated and registered in the Kingdom of Saudi Arabia. It is a wholly owned subsidiary of the Company with a share capital of SR 60 million. The Company's principal activities include advertising establishments and agencies, providing marketing services on behalf of others, and the installation and assembly of neon signs. The condensed interim consolidated financial Information of Faden Advertising Agency Company includes the accounts of the Company and its following subsidiaries:

		Ownership %	
Subsidiary name	**Country of incorporation**	**June 30, 2026**	December 31, 2025
Faden Advertising Agency – Dubai	UAE	**100%**	**100%**
Derayah Private Fund No. 40	KSA	**100%**	**100%**

(D) Al Arabia Alliance for Smart Advertisements Company is a limited liability company incorporated and registered in the Kingdom of Saudi Arabia. It is a 90%-owned subsidiary of the Company with a share capital of SR 1,000,000. The Company's principal activities include advertising establishments and agencies, providing marketing services on behalf of others, maintenance and operation of pollution control equipment, installation of industrial process control equipment, installation of telecommunications equipment, artificial intelligence technologies, infrastructure hosting services, data processing services, and related activities.

(E) Digital Screens Advertising Company is a limited liability company incorporated and registered in the Kingdom of Saudi Arabia. It is a 50%-owned subsidiary of the Company with a share capital of SR 100,000. As the Group has control over the operating decisions of this subsidiary, it has been consolidated in the condensed interim consolidated financial information.

2-6 Business combination and goodwill

The acquisition method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured at the fair value of the assets acquired and liabilities assumed as at the acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of the net identifiable assets acquired and liabilities assumed is recorded as goodwill. Goodwill is tested annually for impairment and carried at cost, net of impairment losses, if any. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in the original contracts through the acquisition.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. All contingent consideration (except that classified as equity) is measured at fair value, with changes in fair value recognized in the condensed interim consolidated statement of comprehensive income. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the purchase price over the fair value of the Group's share of the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed, and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the condensed interim consolidated statement of comprehensive income as a bargain purchase gain.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

2- BASIS OF PREPARATION (CONTINUED)

2-7 Significant accounting estimates and assumptions

In preparing this interim condensed consolidated financial information, management has made judgements and estimates that affect the application of material accounting policies and the reported amounts of assets and liabilities, revenues and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s material accounting policies and the key sources of estimation uncertainty are the same as those described in the Group’s last annual consolidated financial statements for the year ended December 31, 2025.

3- CONSISTENT MATERIAL ACCOUNTING POLICIES INFORMATION

The material accounting policies information followed, and the methods of calculation applied in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the Group’s annual consolidated financial statements for the year ended December 31, 2025.

4- STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

There are new standards and a number of amendments to standards that are effective for annual reporting periods beginning on or after January 1, 2026, as disclosed in the Group's annual financial statements. These have been adopted and have not had a material impact on the Group's accompanying condensed interim Consolidated financial information.

IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements was issued on April 9, 2024 and is effective for annual reporting periods beginning on or after January 1, 2027. IFRS 18 will replace IAS 1 Presentation of Financial Statements. The Group has not early adopted the standard in preparing these condensed consolidated interim financial statements.

IFRS 18 will not change the recognition or measurement requirements for assets, liabilities, income or expenses. However, it is expected to affect the presentation of the Group's financial performance and certain related disclosures, including the structure of the statement of profit or loss, management-defined performance measures, the aggregation and disaggregation of information, and certain consequential amendments to IAS 7 Statement of Cash Flows.

(A) Structure of the Statement of income

IFRS 18 requires income and expenses to be classified into specified categories in the statement of profit or loss, namely the operating, investing, financing and income tax categories. Based on the information currently available:

The Group will be required to present new specified subtotals, including (operating profit or loss and profit or loss before finance cost and income tax). Although the Group currently presents profit from operations as subtotal, the components of operating profit under IFRS 18 may differ from the current presentation.
Management is currently assessing the classification of income and expenses that are currently presented outside profit from operations, including finance costs, other income and other financial assets. Based on the information currently available, income generated from other financial assets that earn returns largely independently of the Group's advertising operations is expected to be classified within the investing category. Finance costs and income or expenses arising from financing liabilities are expected to be classified within the financing category.
The Group currently allocates employees' end-of-service benefit costs between cost of revenue and general and administrative expenses based on the related function. Remeasurement gains or losses on defined benefit obligations are presented in other comprehensive income and are not expected to affect the classification of income and expenses in the statement of profit or loss.
Based on management's preliminary assessment, most other income items are expected to be classified within the operating and investing categories.
Income from term deposits is expected to be classified within the investing category. Based on the information currently available, no other income items have been identified as financing in nature. Management has also not identified any material impact arising from foreign currency translation differences. Management continues to assess the classification of other income items and, accordingly, the final classification remains subject to the completion of this assessment.

4- STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS (CONTINUED)

IFRS 18 – Presentation and Disclosure in Financial Statements (Continued)

(B) Management-defined Performance Measures
IFRS 18 introduces disclosure requirements relating to management-defined performance measures (MPMs), which are subtotals of income and expenses used by management in public disclosures outside the consolidated financial statements to communicate management's view of an aspect of the Group's financial performance.
The Group currently uses EBITDA (Earnings Before finance cost, Income tax, Depreciation and Amortization) in certain public communications. Based on management's preliminary assessment, this measure is expected to meet the definition of a management-defined performance measure under IFRS 18. Management continues to assess whether any other performance measures used in public communication meet this definition. If any such measures qualify, the Group will provide the disclosures required by IFRS 18 in a single note to the consolidated financial statements, including a reconciliation to the most directly comparable subtotal or total specified by IFRS Accounting Standards.

(C) Principles of Aggregation and Disaggregation
IFRS 18 introduces enhanced principles for aggregating and disaggregating information presented in the primary financial statements and the accompanying notes. Accordingly, the Group is evaluating items currently presented or disclosed under broad captions, including other income, prepayments and other assets, accrued expenses and other current liabilities and Goodwill and licenses, and similar line items, to determine whether additional disaggregation or more descriptive captions are required. The Group is also assessing the additional disclosure requirements relating to expenses presented by nature, as the Group currently presents operating expenses by function.

(D) Consequential Amendments to IAS 7 Statement of Cash Flow
IFRS 18 includes consequential amendments to IAS 7. Under the amended requirements, when presenting operating cash flows using the indirect method, operating profit or loss will be used as the starting point for the reconciliation of operating cash flows. The Group currently begins this reconciliation with profit before Zakat and income tax. Accordingly, the presentation of the reconciliation of operating cash flows will change upon adoption of IFRS 18; however, this change is not expected to affect net cash generated from operating activities.
The Group is also assessing the consequential amendments relating to the classification of cash flows arising from finance costs and dividend distributions. Based on the Group's current presentation, finance costs paid and dividends paid are presented within financing activities.

Management continues to assess the detailed impact of adopting IFRS 18 on the Group's consolidated financial statements. Based on management's assessment to date, the adoption of IFRS 18 is expected to affect only the presentation of the Group's financial performance and cash flows, with no impact on the profit or loss for the period, earnings (loss) per share, total equity or net cash flows. The principal effects are expected to relate to changes in the composition of operating profit and the presentation of the reconciliation of operating cash flows. The Group is currently completing its quantitative assessment of the reclassification of comparative information that will be presented upon initial application.

5- OPERATING SEGMENTS

The segment is a separate and distinct segment of the Group engaged in business activities that result in the recognition of revenues or expenses incurred. Operating segments are disclosed on the basis of internal reports reviewed by the chief operating decision-maker, who is responsible for resource allocation, performance evaluation, and strategic decision-making on operating segments. Operating segments with similar economic characteristics, products, services and similar customer categories are aggregated and recorded where possible as sectors to be reported.

Basis of segment reporting
The Group has the following strategic segments which are considered its strategic segments. These segments provide different services and are managed separately because they have different economic characteristics - such as sales growth trends, rates of return, and capital investment level - and also have different marketing strategies.

The following is a summary of the operations of each segment:

Segment reports	Operations / Activity
Advertising segment	Indoor and outdoor advertisements
Others	All types of printing work and retail sales by mail

5- OPERATING SEGMENTS (CONTINUED)

Information on segment reporting

The information for each reportable segment is presented below. Profit / (loss) for the period for each segment is used to measure performance. because management considers that this information is most appropriate to assess the results of the relevant segments relating to other entities operating in the same industry:

For the three-month period ended June 30, 2026 (Unaudited)

	(Saudi Riyal)				
	Advertising segment	**Others**	**Total segments**	**Reconciliation and elimination**	**Consolidated**
Revenues					
Customers	**258,813,276**	**5,112,930**	**263,926,206**	**-**	**263,926,206**
Transactions between segments	**-**	**829,830**	**829,830**	**(829,830)**	**-**
Total revenues	**258,813,276**	**5,942,760**	**264,756,036**	**(829,830)**	**263,926,206**
Depreciation and amortization	**139,222,417**	**837,946**	**140,060,363**	**-**	**140,060,363**
Loss for the period	**(220,526,123)**	**(2,079,766)**	**(222,605,889)**	**-**	**(222,605,889)**

For the three-months period ended June 30, 2025 (Unaudited) (Restated Note 15)

	(Saudi Riyal)				
	Advertising segment	Others	Total segments	Reconciliation and elimination	Consolidated
Revenues					
Customers	418,897,979	6,668,048	425,566,027	-	425,566,027
Transactions between segments	-	1,429,641	1,429,641	(1,429,641)	-
Total revenues	418,897,979	8,097,689	426,995,668	(1,429,641)	425,566,027
Depreciation and amortization	157,693,413	724,764	158,418,177	-	158,418,177
Loss for the period	(35,070,993)	658,819	(34,412,174)	-	(34,412,174)

For the six-months period ended June 30, 2026 (Unaudited)

	(Saudi Riyal)				
	Advertising segment	**Others**	**Total segments**	**Reconciliation and elimination**	**Consolidated**
Revenues					
Customers	**668,744,491**	**10,830,656**	**679,575,147**	**-**	**679,575,147**
Transactions between segments	**-**	**2,026,575**	**2,026,575**	**(2,026,575)**	**-**
Total revenues	**668,744,491**	**12,857,231**	**681,601,722**	**(2,026,575)**	**679,575,147**
Depreciation and amortization	**276,717,603**	**1,659,406**	**278,377,009**	**-**	**278,377,009**
Loss for the period	**(207,485,209)**	**(2,381,581)**	**(209,866,790)**	**-**	**(209,866,790)**

5- OPERATING SEGMENTS (CONTINUED)

Information on segment reporting (continued)
For the six-months period ended June 30, 2025 (Unaudited) (Restated Note 15)

	(Saudi Riyal)				
	Advertising segment	Others	Total segments	Reconciliation and elimination	Consolidated
Revenues					
Customers	945,499,841	12,899,650	958,399,491	-	958,399,491
Transactions between segments	-	4,037,353	4,037,353	(4,037,353)	-
Total revenues	945,499,841	16,937,003	962,436,844	(4,037,353)	958,399,491
Depreciation and amortization	306,173,519	1,445,573	307,619,092	-	307,619,092
Profit for the period	132,282,761	1,633,750	133,916,511	-	133,916,511

The activities of the Company and its subsidiaries are mainly concentrated in the Kingdom of Saudi Arabia, Arab Republic of Egypt, and United Arab Emirates. Below is a summary of some financial information for each separate geographic region:

For the three-months period ended June 30, 2026** (Unaudited)**:

	(Saudi Riyal)			
	Kingdom of Saudi Arabia	**Arab Republic of Egypt**	**United Arab Emirates**	**Total**
Revenues	**234,058,214**	**18,214,094**	**11,653,898**	**263,926,206**
Cost of revenues	**(306,943,168)**	**(15,915,885)**	**(18,267,532)**	**(341,126,585)**
Gross profit / (Loss)	**(72,884,954)**	**2,298,209**	**(6,613,634)**	**(77,200,379)**

For the three-month period ended June 30, 2025 (Unaudited) (Restated – Note 15):

	(Saudi Riyal)			
	Kingdom of Saudi Arabia	Arab Republic of Egypt	United Arab Emirates	Total
Revenues	406,444,127	8,707,526	10,414,374	425,566,027
Cost of revenues	(272,251,607)	(9,300,913)	(8,756,955)	(290,309,475)
Gross profit / (Loss)	134,192,520	(593,387)	1,657,419	135,256,552

For the six-months period ended June 30, 2026 (Unaudited)

	(Saudi Riyal)			
	Kingdom of Saudi Arabia	**Arab Republic of Egypt**	**United Arab Emirates**	**Total**
Revenues	**594,655,067**	**39,450,050**	**45,470,030**	**679,575,147**
Cost of revenues	**(535,014,944)**	**(32,112,449)**	**(36,298,765)**	**(603,426,158)**
Gross profit	**59,640,123**	**7,337,601**	**9,171,265**	**76,148,989**

For the six-months period ended June 30, 2025 (Unaudited) (Restated – Note 15):

	(Saudi Riyal)			
	Kingdom of Saudi Arabia	Arab Republic of Egypt	United Arab Emirates	Total
Revenues	916,384,368	18,772,765	23,242,358	958,399,491
Cost of revenues	(503,509,484)	(16,877,270)	(16,088,333)	(536,475,087)
Gross profit	412,874,884	1,895,495	7,154,025	421,924,404

5- OPERATING SEGMENTS (CONTINUED)

Information on segment reporting (continued)
The main markets for the Group's products are located in the Kingdom of Saudi Arabia, Arab Republic of Egypt, and United Arab Emirates. The following is an analysis of the Group's geographical sectors:

For the six-month period ended June 30, 2026** (Unaudited)**:

	(Saudi Riyal)			
	Kingdom of Saudi Arabia	**Arab Republic of Egypt**	**United Arab Emirates**	**Total**
Property, plant and equipment	**372,834,917**	**32,068,541**	**76,117,828**	**481,021,286**
Right-of-use assets	**3,343,055,802**	**8,445,243**	**424,579,796**	**3,776,080,841**
Goodwill and Licenses	**695,991,185**	**-**	**-**	**695,991,185**
Total assets	**7,714,390,583**	**98,988,996**	**623,384,890**	**8,436,764,469**
Total liabilities	**6,357,156,191**	**83,581,160**	**642,892,035**	**7,083,629,386**

For the year ended December 31, 2025 (Audited):

	(Saudi Riyal)			
	Kingdom of Saudi Arabia	Arab Republic of Egypt	United Arab Emirates	Total
Property, plant and equipment	357,702,132	32,947,652	74,285,195	464,934,979
Right-of-use assets	3,100,754,857	1,449,847	440,047,820	3,542,252,524
Goodwill and Licenses	707,410,701	-	-	707,410,701
Total assets	7,544,822,733	74,209,771	629,990,444	8,249,022,948
Total liabilities	5,979,867,577	61,669,303	642,704,151	6,684,241,031

Revenues between segments and between business units are eliminated upon consolidation and stated in the “reconciliation and elimination” column. The Group’s management monitors the operating results of its business units separately for the purpose of decision-making about resource allocation and performance assessment. Segment performance is measured and evaluated on the basis of condensed interim consolidated statement of comprehensive income.

The Group derives its revenues from providing advertising services over time and revenues from printing services at a point in time.

6- RIGHT-OF-USE ASSETS / LEASE LIABILITIES

The rights-of-use assets have been measured at an amount equal to the lease liabilities and adjusted for the amounts of prepayments and accrued lease payments related to leases recognized in the condensed interim consolidated statement of financial position.

	(Saudi Riyal)	
	June 30, 2026	December 31, 2025
	(Unaudited)	(Audited)
Right-of-use assets		
Balance as of the beginning of the period / year	**4,282,805,939**	4,075,076,991
Additions during the period / year	**474,726,314**	962,501,290
Reconciliation (A)	**(6,290,465)**	(130,904,590)
Disposals (B)	**(12,216,185)**	(623,867,752)
Balance as of the end of the period / year	**4,739,025,603**	4,282,805,939
Accumulated depreciation		
Balance as at the beginning the period / year	**740,553,415**	699,979,923
Charged during the period / year	**234,456,709**	602,047,987
Foreign currency translation adjustment	**50,244**	(38,559)
Reconciliation (A)	**100,579**	54,601,417
Disposals (B)	**(12,216,185)**	(616,037,353)
Balance as of the end of the period / year	**962,944,762**	740,553,415
Net book value for right-of-use assets	**3,776,080,841**	3,542,252,524
Lease liabilities		
Balance as of the beginning of the period / year	**3,497,606,914**	3,256,887,852
Additions during the period / year	**474,726,314**	962,501,290
Reconciliations (A)	**(6,290,465)**	(130,904,590)
Reconciliations on finance costs	**(1,215,210)**	24,026,721
Disposals (B)	**-**	(10,340,036)
Adjustment of accrued rents (A)	**-**	776,500
	3,964,827,553	4,102,947,737
(deduct) / add:		
Absorption of prepaid expenses (C)	**(15,826,594)**	(2,555,660)
Paid during the period / year	**(315,298,394)**	(745,714,027)
Finance costs of the period / year	**118,390,469**	186,410,887
Amortization of accrued expenses (D)	**(14,298,899)**	(43,494,582)
Foreign currency translation adjustment	**(318,435)**	12,559
Balance as of the end of the period / year	**3,737,475,700**	3,497,606,914
Current portion	**599,352,553**	623,846,500
Non-current portion	**3,138,123,147**	2,873,760,414
	3,737,475,700	3,497,606,914

(A) The adjustments to right-of-use assets and lease liabilities represent modifications made during the period/year to certain lease agreements by agreeing with the lessor.

(B) Disposal as of June 30, 2026, relates to expired lease contracts with a net book value of nil (December 31, 2025: gain amounting to SR 2.5 million).

(C) The Group agrees with the lessor to make an advance payment for leases that has been agreed with the lessor before the commencement date of the lease, and at the commencement date of the lease, these prepaid expenses are absorbed and reduced from the lease liabilities.

(D) The Group agrees with the lessor in the lease contract to make lease payments due only upon receipt of an invoice from the lessor. Accordingly, the Group records accrued expenses for the payments due for which no invoices have been received from the lessor to date.

6- RIGHT-OF-USE ASSETS / LEASE LIABILITIES (CONTINUED)

(E) Included within the right-of-use assets and lease liabilities an amount related to a single contract only, where the balance of right-of-use assets amounted to SR 2 billion (December 31, 2025: SR 2 billion), and lease liabilities amounted to SR 2.1 billion (December 31, 2025: SR 2.2 billion). This contract includes an obligation for a single lease payment of SR 1.5 billion as a penalty in the event of contract termination. The contract also includes an agreement to convert part of the annual returns into equity shares in the Group to Remat Al Riyadh Development Company during the term of the contract, which is enable Remat Al Riyadh Development Company to acquire 10% of the shares of Arabian Contracting Services Company which is subject to the approval of the relevant authorities, From the commencement of the contract through the period ended June 30, 2026, no equity interests were transferred to Remat Riyadh Company. During 2025, The contract term has also been extended for an additional period, with the expiry date set for December 31, 2035, instead of September 5, 2033.

7- GOODWILL AND LICENSES

	(Saudi Riyal)		
Cost:	**Goodwill**	**Licenses**	**Total**
Balance as of December 31, 2025	528,885,588	228,390,337	757,275,925
Balance as of June 30, 2026	**528,885,588**	**228,390,337**	**757,275,925**
Accumulated amortization:			
Balance as of January 1, 2025	-	27,026,190	27,026,190
Charged during the year	-	22,839,034	22,839,034
Balance as of December 31, 2025	-	49,865,224	49,865,224
Charged during the period	-	**11,419,516**	**11,419,516**
Balance as of June 30, 2026	-	**61,284,740**	**61,284,740**
Net Book Value:			
Balances as of June 30, 2026 (Unaudited)	**528,885,588**	**167,105,597**	**695,991,185**
Balance as of December 31, 2025 (Audited)	528,885,588	178,525,113	707,410,701

Goodwill and licenses arose on the acquisition of Faden Advertising Agency Company during 2023, a subsidiary of the Group. This goodwill is allocated to the Group's operating segments. The management performs goodwill impairment testing at the end of each financial year to ensure there is no impairment loss. Management has concluded that no impairment loss was identified as of December 31, 2025. For the period ended June 30, 2026, the management of the Company believes that there are no indicators requiring the recognition of an impairment loss on goodwill since the latest impairment assessment performed as of December 31, 2025.

8- TRADE RECEIVABLES

	(Saudi Riyal)	
	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Trade receivables	**911,131,887**	1,137,867,300
Trade receivables - related parties (Note 9)	**72,414,727**	74,342,936
Contract assets	**4,949,317**	5,320,390
(Less): expected credit losses	**(57,977,648)**	(54,282,905)
Net	**930,518,283**	1,163,247,721

The movement in the expected credit losses during the period was as follows:

	(Saudi Riyal)	
	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
Balance as of the beginning of the period / year	**54,282,905**	32,601,227
Charged during the period / year	**3,700,002**	3,700,002
Foreign currency translation adjustment	**(5,259)**	1,811
Balance as of the end of the period / year	**57,977,648**	36,303,040

The credit period granted to customers ranges from 30 to 90 days, and no commissions are calculated on these accounts. The Group records impairment on trade receivables taking into consideration several factors including the ageing of the receivables and the financial situation of customers where available. The concentration of credit risk is limited due to the large and unrelated customer base. There has been no material change in credit risk since December 31, 2025.

9- BALANCES AND TRANSACTIONS WITH RELATED PARTIES

A related party is a person or an entity related to the Group, where a person is considered related if he has control or significant influence over the Group or is a member in key management. An entity is considered related if the entity and the Company are members of the same group as a parent company, subsidiary, associate, linked to a joint venture, or both entities are a joint venture for a third-party.

The Group has entered into transactions during the period with the related parties as described below. The terms of these transactions and expenses have been approved by the Group's management, and it is within the Group's normal course of business. Balances due to or from related parties do not carry any financing arrangements and are payable on demand.

Name of related party	Type of relationship
Engineer Holding Group Company	Shareholder
MBC Group Company	Shareholder
House of Skill Company for Contracting and Trading	Affiliate
National Signage Industrial Company	Affiliate
Saudi Media Company for Advertising and Publicity	Affiliate
MBC Media Solutions Limited Company	Affiliate
Elegant Hotel Company for Tourism and Hotels	Affiliate
MBC Company – FZ LLC	Affiliate
Mawaqie Company for Advertising and Publicity	Partner in a subsidiary
Prime Outdoor Company	Affiliate
Almeezza Outdoor Advertising Company FZ - LLC	Affiliate
Root Advertising Services Company	Partner in a subsidiary
Mr. Mohammad Alnabigha Mohammad Omar Alsaadi	Partner in a subsidiary
Wave Media and Advertising Company	Affiliate
MBC Media Saudi Limited Company	Affiliate

The following are the significant transactions made with the related parties during the period:

		(Saudi Riyal)	
Related party name	**Nature of transaction**	**June 30, 2026**	June 30, 2025
		(Unaudited)	(Unaudited)
Saudi Media Company for Advertising and Publicity	Sales	**506,805**	1,676,027
	Purchases	**(3,973,022)**	(1,164,592)
	Bills payment	**-**	3,060,000
	Collections	**(3,193,410)**	-
National Signage Industrial Company	Bills payment	**11,947,705**	8,454,929
	Advertising billboards cost	**-**	(4,533,210)
	Collections	**(19,844,009)**	-
	Sales	**-**	1,694
Engineer Holding Group Company	Expenses paid on behalf	**-**	(35,502)
	Payments	**-**	12,000,000
MBC Media Saudi Limited Company	Collections	**(10,747,518)**	-
	Sales	**13,623,128**	-
MBC Company – FZ LLC	Bills payment	**-**	(1,713,305)
	Collections	**(573,312)**	-
	Sales	**1,536,535**	-
Wave Media and Advertising Company	Bills payment	**57,000,000**	-
	Collections	**(6,094,350)**	-
	Purchases	**(82,465,280)**	-
MBC Group Company	Collections	**-**	(7,500,000)

9- BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

The following is a list of compensation for key management personnel incurred during the period:

	(Saudi Riyal)	
	June 30, 2026	June 30, 2025
	(Unaudited)	(Unaudited)
Salaries, wages and rewards	**4,040,886**	5,166,576
Employees' defined benefits obligation formed	**199,965**	369,778
Total	**4,240,851**	5,536,354

Key management personnel include members of the board of directors, chief executive officer, chief financial officer, and executive managers as they have the authority and responsibility to plan, direct and control the Group's activities.

Trade receivables - related parties (Note 8)

	(Saudi Riyal)	
	June 30, 2026	December 31, 2025
	(Unaudited)	(Audited)
Saudi Media Company for Advertising and Publicity	**46,017,729**	52,677,356
MBC Media Saudi Limited Company	**12,734,716**	9,859,106
MBC Media Solutions Limited Company	**9,420,325**	9,420,325
MBC Company – FZ LLC	**3,217,801**	2,254,578
Prime Outdoor Company	**1,024,156**	-
Root Advertising Services Company	**-**	129,294
Elegant Hotel Company for Tourism and Hotels	**-**	2,277
Total	**72,414,727**	74,342,936

Due from related parties represent the following:

	(Saudi Riyal)	
	June 30, 2026	December 31, 2025
	(Unaudited)	(Audited)
Mawaqie Company for Advertising and Publicity	**21,633,544**	21,633,756
Almeezza Outdoor Advertising Company FZ - LLC	**168,262**	168,262
House of Skill Company for Contracting and Trading	**-**	29,373
Total	**21,801,806**	21,831,391

Trade payables – related parties

	(Saudi Riyal)	
	June 30, 2026	December 31, 2025
	(Unaudited)	(Audited)
Wave Media and Advertising Company	**85,100,951**	53,541,321
National Signage Industrial Company	**672,905**	8,569,209
Total	**85,773,856**	62,110,530

Due to related parties represents the following:

	(Saudi Riyal)	
	June 30, 2026	December 31, 2025
	(Unaudited)	(Audited)
Mr. Mohammad Alnabigha Mohammad Omar Alsaadi	**972,063**	1,003,869
Root Advertising Services Company	**707,422**	-
Total	**1,679,485**	1,003,869

10- SHORT-TERM LOANS AND LONG-TERM MURABAHA

10-1 Short-term loans

The Group has bank facilities - short-term loans from local commercial banks. The short-term loans as at June 30, 2026, amount to SR 1.8 billion (December 31, 2025: SR 1.57 billion). The short-term loans are subject to interest rates prevailing in Saudi banks plus an agreed profit margin. The carrying amount of the short-term loans is denominated in Saudi Riyal and is secured by promissory notes payable upon request.

The movement in the short-term loans is as follows:

	(Saudi Riyal)	
	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance as of the beginning of the period / year	**1,567,394,160**	628,028,033
Proceeds during the period / year	**283,747,140**	1,371,678,585
Paid during the period / year	**(41,160,932)**	(432,312,458)
Balance as of the end of the period / year	**1,809,980,368**	1,567,394,160

10-2 Long-term Murabaha

In October 2023, the Group obtained long-term Murabaha from a number of local banks in the Kingdom of Saudi Arabia to finance the acquisition of Faden Agency Media and Advertising Company with an amount of SR 1,050 million. The Murabaha is subject to the Saudi-Interbank Offered Rate (SAIBOR) plus a profit margin with a six-month grace period from date of signing the agreement. Installment payments are due on a quarterly basis with an amount of SR 26.5 million where the last installment will be paid in 2031 with an amount of SR 315 million. The agreement includes covenants to maintain certain levels of financial ratios. This agreement includes covenants requiring the Group to maintain certain financial ratios. The agreement is secured by promissory notes issued by the Group and duly executed by the Group's authorized signatory.

During the first quarter of 2025, the Group signed an agreement with another local bank to settle the Murabaha mentioned above. Accordingly, the Group fully settled the Murabaha previously obtained from those local banks amounting to SR 972 million. This Murabaha is subject to the Saudi Interbank Offered Rate (SAIBOR) plus an agreed profit margin. Repayments are due in quarterly installments of SR 38.8 million, with the final installment due in 2031. The agreement includes covenants to maintain certain financial ratios. This agreement is secured by promissory notes issued by the Group and duly executed by the Group’s authorized signatory.

A subsidiary of the Group obtained deferred sales facilities from a local bank to finance working capital amounting to SR 35 million. These facilities are subject to SAIBOR (Saudi Interbank Offered Rate) plus an agreed profit margin. The facilities are repayable in semi-annual instalments of SR 7 million, commencing in August 2026, with the final instalment due in February 2028. The agreement is secured by promissory notes issued by the Group and executed by the Group's authorized signatory.

The subsidiary also obtained Tawarruq financing facilities from another local bank to finance working capital amounting to SR 33 million. These facilities are subject to SAIBOR (Saudi Interbank Offered Rate) plus an agreed profit margin. The facilities are repayable in semi-annual instalments of SR 6.6 million, commencing in January 2027, with the final instalment due in January 2029. The agreement includes covenants to maintain certain financial ratios. The agreement is secured by promissory notes issued by the Group and signed by the Group's authorized signatory. The movement in the long term Murabaha are as follows:

	(Saudi Riyal)	
	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance as at the beginning of the period / year	**923,360,000**	971,250,000
Proceeds during the period / year	**2,149,944**	1,040,000,000
Paid during the period / year	**(77,760,000)**	(1,087,890,000)
Balance as at the end of the period / year	**847,749,944**	923,360,000

The details of the non-current / current portions of long-term Murabaha are as follows:

	(Saudi Riyal)	
	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Non-current portion of long-term Murabaha	**683,251,225**	760,840,000
Current portion of long-term Murabaha	**164,498,719**	162,520,000
Total	**847,749,944**	923,360,000

11- ZAKAT AND INCOME TAX PROVISION

The movement on zakat and income tax provision during the period / year is as follows:

	(Saudi Riyal)	
	June 30, 2026	December 31, 2025
	(Unaudited)	(Audited)
Balance as of the beginning of the period / year	**29,535,158**	20,755,120
Zakat charged for the period / year	**12,545,592**	27,542,498
Foreign currency translation adjustment	**(284,394)**	250,512
Income tax charged for the period / year	**-**	843,269
Paid during the period / year	**(23,719,473)**	(19,856,241)
Balance as of the end of the period / year	**18,076,883**	29,535,158

Zakat and income tax assessments and certificates status:

Arabian Contracting Services Company:
The Company submitted its zakat returns until the financial year ended December 31, 2025, and has obtained the certificate from Zakat, Tax, and Customs Authority.

Faden Advertising Agency Company (subsidiary):
The Company submitted its financial statements, and zakat returns until the financial year ended December 31, 2025, and has obtained the certificate from Zakat, Tax, and Customs Authority.

Al-Arabia Alliance for Smart Advertising Company (subsidiary):
The first financial statements of Al-Arabia Alliance for Smart Advertising Company cover the period from July 9, 2024 (date of commercial registration) to December 31, 2025. The Company has filed its zakat returns up to the financial year ended 31 December 2025 and has obtained a certificate from the Zakat, Tax and Customs Authority (“ZATCA”).

Arabian United Company for Advertising Services (subsidiary):
The Company has submitted its financial statements, and tax returns up to the financial year ended 31 December 2025, and no tax assessments have been raised against the Company up to 31 December 2025.

Al-Arabia Out of Home Advertising FZ - LLC (subsidiary):
The Company has filed its first tax return for the fiscal year ending December 31,2024. in accordance with the corporate tax regulations in the United Arab Emirates.

12- CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Group has the following contingent liabilities and capital commitments:

	(Saudi Riyal)	
	June 30, 2026	December 31, 2025
	(Unaudited)	(Audited)
Letters of credit	**10,378,674**	15,508,462
Letters of guarantee (A)	**353,880,921**	629,309,968
Capital commitments (B)	**673,918,594**	696,237,057
Lease commitments (C)	**1,591,462,500**	1,828,462,500
Significant contract Termination Penalties (D)	**1,522,000,000**	1,522,000,000

A- Letters of guarantee are secured by cash deposits at banks as of June 30, 2026, with an amount of SR 219,864 (December 31, 2025: SR 199,864) (June 30, 2025: SR 199,864).

B- As of June 30, 2026, the Group had capital commitments amounting to SR 674 million (31 December 2025: SR 696 million) relating to advertising billboards under manufacturing (capital work-in-progress).

12- CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS (CONTINUED)

C- Lease commitments represent contractual obligations relating to advertising services/advertising spaces that are outside the scope of IFRS 16 Leases. The current portion of these obligations amounted to SR 176.4 million. The Group assesses each new contract to determine whether it meets the definition of a lease. Where the party granting advertising display spaces retains a substantial substitution right—that is, the ability to replace any allocated space with another at any time during the contract term to meet its operational needs (except for maintenance or repair activities)—the arrangement does not transfer to the Group the right to control an identified asset.

D- The amount represents a penalty related to one of the contracts recognized under right-of-use assets and lease liabilities in the event the contract is terminated before the end of its term.

13- (LOSS) / EARNINGS PER SHARE

Basic (loss) / earnings per share is calculated by dividing the net profit for the period attributable to the shareholders of the Parent company by the weighted average number of ordinary shares outstanding during the period. Diluted (loss) / earnings per share is calculated after taking into consideration the effect of potentially dilutive financial instruments, if any.

The Group has no dilutive financial instruments as of June 30, 2026 and 2025; therefore, diluted earnings per share equals basic (loss) / earnings per share. The weighted average number of shares during the period was 55 million shares (30 June 2025: 55 million shares).

	(Saudi Riyal)	
	June 30, 2026	June 30, 2025
	(Unaudited)	(Unaudited)
(loss) / Profit for the period attributable to shareholders of the Parent Company	**(205,582,913)**	129,701,109
Weighted average number of shares	**55,000,000**	55,000,000
(Loss) / Earnings per share attributable to shareholders of the Parent Company	**(3.74)**	2.36

14- FAIR VALUE OF FINANCIAL INSTRUMENTS

For the purposes of the fair value disclosures of financial instruments, all of the Group's financial assets and financial liabilities are measured at amortized cost, except for financial assets designated at fair value through profit or loss, which are measured at fair value and classified within Level 1 and Level 3 of the fair value hierarchy.

15- RESTATEMENT AND RECLASSIFICATION OF THE COMPARATIVE CONSOLIDATED FINANCIAL INFORMATION

During 2024, the Group, through one of its subsidiaries, "Al Arabia Alliance for Smart Advertisements Company", signed a project contract for the construction, operation and maintenance of outdoor advertising billboards in the city of Riyadh with Remat Riyadh Development Company for a period of 10 years. The project contract stipulates the payment of fixed and variable annual returns in addition to annual advertising fees throughout the contract term. Accordingly, the Group recognized the fixed annual returns as intangible assets at present value in accordance with the guidance of IFRIC 12 "Service Concession Arrangements", with the corresponding liability recognized as an obligation under the service concession arrangement for the year ended December 31, 2024.

During 2025, the management of the subsidiary reassessed the accounting treatment for the recognition of this contract in accordance with the International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA), in light of new information and interpretations by the parties involved in the contract. As a result, the contract was accounted for in compliance with IFRS (16) "Leases."

As a result of these adjustments, the impact on equity as of January 1, 2025, was an increase of SR 14,780,653, of which the portion attributable to the shareholders of the Parent Company increased by SR 13,302,588, and the portion attributable to non-controlling interests increased by SR 1,478,065.

The following represents the adjustments made to the interim condensed consolidated statement of comprehensive income for the six-months period ended June 30, 2025:

- Derecognition of finance costs arising from the derecognition of the obligation under the service concession arrangement amounting to SR 240,650,833 and recognition of finance costs of SR 65,751,391 arising from the recognition of lease liabilities. Accordingly, the net impact was a decrease in finance costs of SR 174,899,442.
- Derecognition of amortization amounting to SR 209,617,406 resulted from the derecognition of intangible assets arising from the service concession arrangement, along with the derecognition of revenues and cost of revenues amounting to SR 15,643,244 which had been recognized as additions to projects in progress within property, plant and equipment. In addition, depreciation expense charged amounting to SR 98,288,104 related to right-of-use assets charged to cost of revenues. Furthermore, an amount of SR 21,609,867 was charged to cost of revenues representing the amortized portion of the conversion of the annual returns into equity interests in the Group to Remat Riyadh Development Company, in proportion to the sites received. Accordingly, the net impact of the adjustment was a decrease in cost of revenues of SR 105,362,679 and a decrease in revenues of SR 15,643,244.

During the second quarter ended June 30, 2025, the Group, through one of its subsidiaries, increased its ownership interest in Al-Arabia Out of Home Advertising FZ - LLC by 15%. At that time, the resulting difference of SR 18,661,852 was recognized as goodwill. Subsequently, during the year ended December 31, 2025 management reassessed the accounting treatment of the transaction and concluded that it represented a business combination under common control. Accordingly, the difference arising from the increase in ownership interest should have been recognized directly in retained earnings rather than as goodwill. As a result, management has restated the comparative information presented in the condensed interim consolidated statement of changes in equity for the six-month period ended 30 June 2025 to reflect the impact of this adjustment.

The following presents the impact of the restatement on the condensed interim consolidated statement of comprehensive income for the six-months period ended June 30, 2025:

	(Saudi Riyal)		
	Balance before adjustment	**Impact of restatement**	**Balance after adjustment**
Revenue	974,042,735	**(15,643,244)**	**958,399,491**
Cost of revenues	(641,837,766)	**105,362,679**	**(536,475,087)**
Finance costs	(355,273,858)	**174,899,442**	**(180,374,416)**
Total impact of restatement	(23,068,889)	**264,618,877**	**241,549,988**
(Loss) / Profit for the period attributable to:			
Shareholders of the parent Company	(108,455,881)	**238,156,990**	**129,701,109**
Non-controlling interests	(22,246,485)	**26,461,887**	**4,215,402**
	(130,702,366)	**264,618,877**	**133,916,511**
Total comprehensive (loss) / income for the period attributable to:			
Shareholders of the parent Company	(107,337,043)	**238,156,990**	**130,819,947**
Non-controlling interests	(22,156,811)	**26,461,887**	**4,305,076**
	(129,493,854)	**264,618,877**	**135,125,023**

15- RESTATEMENT AND RECLASSIFICATION OF THE COMPARATIVE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

The following presents the impact of the restatement on the condensed interim consolidated statement of comprehensive income for the three-months period ended June 30, 2025:

	(Saudi Riyal)		
	Balance before adjustment	**Impact of restatement**	**Balance after adjustment**
Revenue	430,321,219	**(4,755,192)**	**425,566,027**
Cost of revenues	(347,149,395)	**56,839,920**	**(290,309,475)**
Finance costs	(189,305,874)	**85,241,862**	**(104,064,012)**
Total impact of restatement	(106,134,050)	**137,326,590**	**31,192,540**
(Loss) / Profit for the period attributable to:			
Shareholders of the parent Company	(156,679,470)	**123,593,932**	**(33,085,538)**
Non-controlling interests	(15,059,294)	**13,732,658**	**(1,326,636)**
	(171,738,764)	**137,326,590**	**(34,412,174)**
Total comprehensive (loss) / income for the period attributable to:			
Shareholders of the parent Company	(155,583,924)	**123,593,932**	**(31,989,992)**
Non-controlling interests	(14,992,714)	**13,732,658**	**(1,260,056)**
	(170,576,638)	**137,326,590**	**(33,250,048)**

The following presents the impact of the restatement on the condensed interim consolidated statement of cash flows for the six-months period ended June 30, 2025:

	(Saudi Riyal)		
	Balance before adjustment	**Impact of restatement**	**Balance after adjustment**
Net cash flows generated from / (used in) operating activities	106,574,890	**(699,487,486)**	**(592,912,596)**
Net cash flows used in investing activities	(65,974,370)	**19,756,112**	**(46,218,258)**
Net cash flows used in / (generated from) financing activities	(244,033,505)	**679,731,374**	**435,697,869**
Net change in cash and cash equivalents during the period	(203,432,985)	**-**	**(203,432,985)**

16- SIGNIFICANT EVENTS

In June 2026, geopolitical instability in the Middle East region increased, which has had an impact on all countries in the region. The Group was affected by this instability, as revenues declined during the six-months period ended June 30, 2026, compared to previous periods. Management is closely monitoring these geopolitical developments.

Management and those charged with governance continue to assess if there are any potential future impacts on the Group's operations.

17- SUBSEQUENT EVENTS

In management's opinion, there are no significant subsequent events after the period ended June 30, 2026 that could have a material impact on the Group's condensed interim consolidated statement of financial position or the results of its operations.

18- APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

This condensed interim consolidated financial information was approved and authorized for issue by the Group's Board of Directors on 23 Safar 1448 (corresponding to August 6, 2026).