

ARABIAN CONTRACTING SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

**CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2025**

ARABIAN CONTRACTING SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

**CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2025**

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the consolidated financial statements of Arabian Contracting Services Company (the Company) and its subsidiaries (together "the Group"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that are endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with this Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Below is a description of the key audit matters and how they were addressed.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

Key Audit Matters (continued)

Key audit matter	How the key audit matter was addressed in our audit
<p>Revenue recognition</p> <p>As disclosed in Note (23), revenue mainly comprises revenues from outdoor and indoor advertising and printing services where the Group generated revenues for the year ended December 31, 2025, amounting to SR 1.95 billion (December 31, 2024: SR 1.64 billion).</p> <p>Revenue recognition was considered a key audit matter due to the inherent risk that revenues may not be recognized at the actual contractual value upon the satisfaction of the applicable performance obligations.</p> <p>Please refer to Note (4) to the consolidated financial statements for material accounting policy information which explains the accounting policy related to revenue recognition, and to Notes (6) and (23) for the related disclosures.</p>	<p>The audit procedures we have performed in this area among other matters based on our judgment included the following:</p> <ul style="list-style-type: none"> Assessed the appropriateness of the accounting policy relating to the Group's revenue recognition by taking into consideration the requirements of IFRS 15 "Revenue from Contracts with Customers". Assessed the design and implementation and tested the operational effectiveness of the Group's control procedures over revenue recognition in accordance with Group's policy. Examined on a sample basis revenues transactions recorded before and after the date of preparation of the consolidated financial statements to assess whether those transactions have been recognized in the correct financial period. Examined on a sample basis revenues transaction and verified the supporting documents, which included agreements and delivery notes from customers, to ensure the accuracy and validity of revenue recognition. Assessed the adequacy and appropriateness of the revenue disclosures included in the consolidated financial statements in accordance with the requirements of IFRS 15.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

Key Audit Matters (continued)

Key audit matter	How the key audit matter was addressed in our audit
<p>Assessment of goodwill impairment amount</p> <p>As of December 31, 2025, the carrying amount of goodwill amounted to SR 528,8 million (December 31, 2024: SR 528,8 million), which is related to the acquisition of Faden Agency Media and Advertising Company a one-person company in 2023.</p> <p>The management has performed its annual goodwill impairment assessment from an external expert as of December 31, 2025. Since goodwill is allocated to the relevant cash-generating units (CGUs), the impairment test was conducted by comparing the carrying amount of each CGU, including goodwill, with its recoverable amount.</p> <p>The recoverable amount for each identified CGU was determined based on the value-in-use calculation, this was performed using a discounted cash flow model that applies cash flow projections derived from management approved financial budgets covering a five-years period.</p> <p>The Group's calculation of value in use for the CGUs involves significant judgments and assumptions related to future cash flow forecasts and discount rates, these assumptions are highly sensitive to changes.</p> <p>We considered the impairment of goodwill to be a key audit matter due to the significance of the judgments and assumptions applied in estimating the recoverable amount, as well as the inherent uncertainty related to the underlying forecasts and assumptions used.</p> <p>Please refer to note (4) to the consolidated financial statements for material accounting policy information of intangible assets which explains the accounting policy related to intangible assets, note (3) for material judgments and estimates related to goodwill impairment, and note (9) for the related disclosures.</p>	<p>The audit procedures we have performed in this area among other matters based on our judgment included the following:</p> <ul style="list-style-type: none"> Assessing the competence, capabilities, and independence of the external expert appointed by management, based on his professional qualification and experience. Assessing the appropriateness of the goodwill impairment assessment model applied by the Group in accordance with the requirements of IAS 36. Involving our internal specialists to assist in evaluating the reasonableness of the value-in-use calculations and sensitivity analysis and key assumptions, including cash flow projections and the discount rates used. Examining the accuracy and appropriateness of the input data used in the goodwill impairment assessment model of goodwill amount based on the supporting evidence, including the financial budgets approved by management. Assessing the adequacy of the disclosures included in the consolidated financial statements, including disclosures related to key assumptions, judgments, and sensitivity.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

Key Audit Matters (continued)

Key audit matter	How the key audit matter was addressed in our audit
<p>Restatement and reclassification of comparative financial statements</p> <p>The Group, through one of its subsidiaries, reassessed the accounting treatment for the recognition of a certain contract in order to determine the most appropriate accounting treatment applicable to this type of contract, due to the availability of new information and interpretations by parties involved in the contract in accordance with the International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.</p> <p>As a result, the Group restated the comparative consolidated financial statements, whereby the contract was accounted for in compliance with IFRS 16 "Leases", instead of applying the guidance of IFRIC 12 "Service Concession Arrangements". External experts were engaged to examine and evaluate the impact of this matter.</p> <p>We considered the restatement and reclassification of the comparative consolidated financial statements to be a key audit matter, due to the materiality of the impact on both total assets and total liabilities within the comparative figures, as well the fact that this application involves estimates affecting the determination of the liability to be recognized in consolidated financial statements.</p> <p>Please refer to Note (3) regarding the material accounting judgments and estimates related to this contract, Note (33) regarding the restatement and reclassification, and Note (8) for the related disclosures.</p>	<p>The audit procedures we have performed in this area among other matters based on our judgment included the following:</p> <ul style="list-style-type: none"> Assessing the methodology applied in the external expert's reports, the conclusions reached, and the appropriateness of the accounting treatments applied to this type of contract. Evaluating the competence, capabilities, and independence of the external experts appointed by management, based on their professional qualifications and experiences. Involving specialists from our global network to assist in assessing the reasonableness of the accounting policies applied to this type of contract. Examining the accuracy and appropriateness of the input data used in the model supporting the application of the accounting policies for this type of contract. Assessing the adequacy of the disclosures included in the consolidated financial statements, including disclosures related to key assumptions and judgments.

Other Information

Management is responsible for the other information. The other information includes the information contained in the Group's annual report for the year 2025 but does not include the consolidated financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available to us and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or with the knowledge obtained during the audit, or otherwise appears to be materially misstated.

When we read the Group's annual report for the year 2025, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by SOCPA and the regulations of the Companies' Law and the Company's Bylaws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Group's Board of Directors, are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the ISAs that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

RSM Allied Accountants Professional Services



Mohammed Bin Farhan Bin Nader

License No. 435

Riyadh, Kingdom of Saudi Arabia

Shawwal 11, 1447 H (corresponding to March 30, 2026)




ARABIAN CONTRACTING SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025
(SAUDI RIYAL)

	Notes	2025	2024
ASSETS			Restated – Note 33
Non-current assets			
Property, plant and equipment	7	464,934,979	331,519,800
Right-of-use assets	8	3,542,252,524	3,375,097,068
Goodwill and licenses	9	707,410,701	730,249,735
Financial assets at fair value through profit or loss	11	372,178,812	328,095,364
Net investment in finance sub-lease non-current portion	12	4,304,992	5,501,199
Prepaid expenses and other non-current assets	16	1,050,676,426	406,216,923
Total non-current assets		6,141,758,434	5,176,680,089
Current assets			
Inventories	13	79,813,114	49,222,737
Trade receivables	14	1,163,247,721	959,605,940
Net investment in finance sub-lease - current portion	12	1,196,207	984,404
Prepaid expenses and other current assets	16	637,700,393	292,227,436
Due from related parties	15	21,831,391	95,180,012
Cash and cash equivalents	17	203,475,688	318,099,318
Total current assets		2,107,264,514	1,715,319,847
TOTAL ASSETS		8,249,022,948	6,891,999,936
EQUITY AND LIABILITIES			
EQUITY			
Share capital	1	550,000,000	550,000,000
Reserves	18	73,035,771	73,035,771
Retained earnings		941,033,569	777,960,218
Foreign currency translation reserve		(12,479,510)	(15,309,056)
Total equity attributable to equity holders of the parent company		1,551,589,830	1,385,686,933
Non-controlling interests	2	13,192,087	(290,071)
TOTAL EQUITY		1,564,781,917	1,385,396,862
LIABILITIES			
Non-current liabilities			
Employees' defined benefits obligations	19	25,993,255	14,992,033
Lease liabilities	8	2,873,760,414	2,648,063,551
Other long-term financial liabilities	21	19,625,533	21,437,500
Long-term loans and Murabaha	20	760,840,000	854,610,000
Total non-current liabilities		3,680,219,202	3,539,103,084
Current liabilities			
Lease liabilities - current portion	8	623,846,500	608,824,301
Long-term loans and Murabaha - current portion	20	162,520,000	116,640,000
Short-term loans	20	1,567,394,160	628,028,033
Trade payables		279,407,411	252,427,455
Due to related parties	15	1,003,869	1,909,752
Accrued expenses and other current liabilities	21	340,314,731	338,915,329
Zakat and income tax provision	22	29,535,158	20,755,120
Total current liabilities		3,004,021,829	1,967,499,990
TOTAL LIABILITIES		6,684,241,031	5,506,603,074
TOTAL EQUITY AND LIABILITIES		8,249,022,948	6,891,999,936


Chairman of Board of Directors
Mohamad Abdul Ellah Al Khereiji


Chief Executive Officer
Mansour Mohammed Al Obaikan


Chief Financial Officer
Ahmad Adel Dawood

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

ARABIAN CONTRACTING SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025
(SAUDI RIYAL)

	Notes	2025	2024
			Restated – Note 33
Continuing operations			
Revenues	23	1,952,061,124	1,637,050,839
Cost of revenues	6	(1,162,596,010)	(876,689,862)
Gross profit		789,465,114	760,360,977
Selling and marketing expenses	24	(76,059,152)	(55,685,486)
General and administrative expenses	25	(148,648,671)	(112,157,335)
Expected credit losses	14	(21,675,447)	(2,970,866)
Operating profit		543,081,844	589,547,290
Finance costs	26	(355,819,919)	(275,910,631)
Share of results of an associate	10	-	9,204,553
Unrealized gains from revaluation of financial assets at fair value through profit or loss	11	40,015,868	20,827,719
Gains from disposal of leases	8	2,509,637	56,467,155
Other income, net	27	4,495,144	4,771,118
Impairment losses on prepaid expenses and other current assets	16	-	(99,923,996)
Profit before zakat and income tax from continuing operations		234,282,574	304,983,208
Zakat and income tax	22	(28,385,767)	(22,816,907)
Profit for the year from continuing operations		205,896,807	282,166,301
Discontinued operations			
Loss for the year from discontinued operations	28	-	(236,705)
Profit for the year		205,896,807	281,929,596
Profit for the year attributable to:			
Equity holders of the parent company		188,042,598	284,591,226
Non-controlling interests		17,854,209	(2,661,630)
		205,896,807	281,929,596
Basic and diluted earnings per share:			
Earnings per share attributable to equity holders of the parent company	30	3.42	5.17
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation differences		4,319,188	(10,913,093)
Total items that may be reclassified subsequently to profit or loss		4,319,188	(10,913,093)
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Remeasurement of employees' defined benefits obligations	19	(6,307,395)	(1,135,466)
Total items that will not be reclassified subsequently to profit or loss		(6,307,395)	(1,135,466)
Total other comprehensive loss for the year		(1,988,207)	(12,048,559)
Total comprehensive income for the year		203,908,600	269,881,037
Total comprehensive income for the year attributable to:			
Equity holders of the parent company		184,564,749	272,542,667
Non-controlling interests		19,343,851	(2,661,630)
		203,908,600	269,881,037


Chairman of Board of Directors
Mohamad Abdul Ellah Al Khereiiji


Chief Executive Officer
Mansour Mohammed Al Obaikan

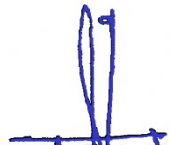

Chief Financial Officer
Ahmad Adel Dawood


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

ARABIAN CONTRACTING SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONSOILDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025
(SAUDI RIYAL)

	Share capital	Reserves	Retained earnings	Foreign currency translation reserve	Total equity attributable to equity holders of the parent company	Non-controlling interests	Total equity
Balance as at January 1, 2024	500,000,000	73,035,771	544,504,458	(4,395,963)	1,113,144,266	3,569,097	1,116,713,363
Profit for the year (Restated – Note 33)	-	-	284,591,226	-	284,591,226	(2,661,630)	281,929,596
Total other comprehensive loss for the year	-	-	(1,135,466)	(10,913,093)	(12,048,559)	-	(12,048,559)
Total comprehensive income for the year (Restated – Note 33)	-	-	283,455,760	(10,913,093)	272,542,667	(2,661,630)	269,881,037
Change in non-controlling interests	-	-	-	-	-	(1,197,538)	(1,197,538)
Increase in share capital (Note 1)	50,000,000	-	(50,000,000)	-	-	-	-
Balance as at December 31, 2024 (Restated – Note 33)	<u>550,000,000</u>	<u>73,035,771</u>	<u>777,960,218</u>	<u>(15,309,056)</u>	<u>1,385,686,933</u>	<u>(290,071)</u>	<u>1,385,396,862</u>
Balance as at January 1, 2025	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 year	-	-	188,042,598	-	188,042,598	17,854,209	205,896,807
Total other comprehensive loss for the year	-	-	(6,307,395)	2,829,546	(3,477,849)	1,489,642	(1,988,207)
Total comprehensive income for the year	-	-	181,735,203	2,829,546	184,564,749	19,343,851	203,908,600
Change in non-controlling interests	-	-	-	-	-	(5,861,693)	(5,861,693)
Loss from increase in percentage in a subsidiary (Note 2)	-	-	(18,661,852)	-	(18,661,852)	-	(18,661,852)
Balance as at December 31, 2025	<u>550,000,000</u>	<u>73,035,771</u>	<u>941,033,569</u>	<u>(12,479,510)</u>	<u>1,551,589,830</u>	<u>13,192,087</u>	<u>1,564,781,917</u>


Chairman of Board of Directors
Mohamad Abdul Ellah Al Khereiji


Chief Executive Officer
Mansour Mohammed Al Obaikan


Chief Financial Officer
Ahmad Adel Dawood

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

ARABIAN CONTRACTING SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025
(SAUDI RIYAL)

	2025	2024
		Restated – Note 33
OPERATING ACTIVITIES:		
Profit before zakat and income tax from continuing operations	234,282,574	304,983,208
Loss for the year from discontinued operations	-	(236,705)
<i>Adjustments to reconcile profit before zakat and income tax from continuing and discontinued operations to net cash generated from operating activities:</i>		
Depreciation of property, plant and equipment	57,605,554	48,600,324
Depreciation of right-of-use assets	656,649,404	446,634,082
Amortization of licenses	22,839,034	22,026,190
Share of results of an associate	-	(9,204,553)
Unrealized gains from revaluation of financial assets at fair value through profit or loss	(40,015,868)	(20,827,719)
Provision for slow-moving inventory	321,658	-
Expected credit losses	21,675,447	2,970,866
Impairment losses on prepaid expenses and other current assets	-	99,923,996
Finance costs related to lease liabilities	210,437,608	145,265,457
Finance costs related to other long-term financial liabilities	1,302,613	-
Finance costs related to employees' defined benefits obligations	1,293,149	936,821
Finance costs related to short-term loans and long-term Murabaha	143,302,145	130,299,613
Finance income from net investment in finance sub-lease	(515,596)	(591,260)
Recognized portion of deferred revenues	(114,580)	-
Current service cost of employees' defined benefits obligations	4,776,795	2,377,736
Gains from disposal of leases	(2,509,637)	(56,467,155)
Losses from disposal of property, plant and equipment	410,124	3,980,067
Gains from adjustments of lease liabilities and right-of-use assets	-	(1,244,358)
<i>Changes in working capital:</i>		
Inventories	(71,934,639)	(15,682,144)
Trade receivables	(225,323,459)	(125,811,208)
Prepaid expenses and other current assets	(992,488,120)	(266,423,651)
Due from / to related parties	72,442,738	(90,858,995)
Trade payables	26,979,956	187,351,435
Accrued expenses and other current liabilities	(55,905,677)	(65,712,376)
Change in net assets of discontinued operations	-	338,732
Cash generated from operating activities	65,511,223	742,628,403
Employees' defined benefits obligations paid	(1,376,117)	(8,322,188)
Zakat and income tax paid	(19,856,241)	(24,785,071)
Net cash flows generated from operating activities	44,278,865	709,521,144
INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(164,619,595)	(154,663,647)
Additions to financial assets at fair value through profit or loss	(4,067,580)	-
Proceeds from sale of property, plant and equipment	14,981,722	31,527,540
Proceeds from net investment in finance sub-lease	1,500,000	1,200,000
Net cash flows used in investing activities	(152,205,453)	(121,936,107)
FINANCING ACTIVITIES:		
Proceeds from loans and long-term Murabaha	2,411,678,585	321,456,150
Repayment of loans and long-term Murabaha	(1,520,202,458)	(190,178,117)
Paid from other long-term financial liabilities	(3,000,000)	-
Lease liabilities paid	(739,061,387)	(465,272,092)
Finance costs paid	(135,367,788)	(101,017,955)
Net change in non-controlling interests	(5,861,693)	(1,197,538)
Loss from increase in percentage in a subsidiary	(18,661,852)	-
Net cash flows used in financing activities	(10,476,593)	(436,209,552)
Net change in cash and cash equivalents during the year	(118,403,181)	151,375,485
Foreign currency translation adjustment	3,779,551	(7,358,475)
Cash and cash equivalents as at the beginning of the year	318,099,318	174,082,308
Cash and cash equivalents as at the end of the year	203,475,688	318,099,318

Chairman of Board of Directors
Mohamad Abdul Ellah Al Khereiji

Chief Executive Officer
Mansour Mohammed Al Obaikan

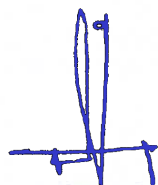
Chief Financial Officer
Ahmad Adel Dawood

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

ARABIAN CONTRACTING SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025
(SAUDI RIYAL)

	<u>2025</u>	<u>2024</u>
		Restated – Note 33
<u>Non-cash transactions:</u>		
Additions to right-of-use assets and lease liabilities	962,501,290	3,045,173,940
Amortization of lease liabilities into accrued expenses	49,370,722	107,678,550
Absorption of prepaid expenses into lease liabilities	2,555,660	14,032,635
Transferred from property, plant and equipment to inventories	41,022,604	16,194,594
Transferred from right-of-use assets to net investment in finance sub-lease	-	7,094,343
Amortization provision transferred	-	5,000,000
Transferred from retained earnings to share capital	-	50,000,000
Transferred from investment in an associate to financial assets at fair value through profit or loss	-	307,267,645



Chairman of Board of Directors
Mohamad Abdul Ellah Al Khereiji



Chief Executive Officer
Mansour Mohammed Al Obaikan



Chief Financial Officer
Ahmad Adel Dawood

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

ARABIAN CONTRACTING SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

1- CORPORATE INFORMATION OF THE GROUP

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

The Board of Directors have resolved on May 30, 2024, to recommend to the Extraordinary General Assembly to increase the Company's share capital by 10% by granting free shares through capitalizing an amount of SR 50,000,000 from the retained earnings account, by granting one free share for every ten shares owned by the shareholders. The share capital before the increase was SR 500,000,000 and after that the increase become SR 550,000,000. The Capital Market Authority approved on July 28, 2024, the request of Arabian Contracting Services Company to increase its share capital from SR 500,000,000 to SR 550,000,000. The necessary legal procedures have been completed.

Accordingly, the Company's share capital as of December 31, 2025 and December 31, 2024 amounted to SR 550 million, divided into 55 million shares, the value of each share being SR 10.

These accompanying consolidated financial statements include the results of the business, assets, liabilities, and activities of the Company and its following branches. The details of these branches are as follows:

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 zinc graph	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 (zinc graph) and bookbinding	4030275525

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025

2- BASIS OF PREPARATION

2-1 Statement of compliance

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) that are endorsed in the Kingdom of Saudi Arabia (KSA) and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA) (collectively referred to as "IFRSs endorsed in KSA").

2-2 Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis unless the IFRSs require the use of another basis of measurement as stated in the material accounting policies information applied in Note (4). In addition, these consolidated financial statements are prepared using accrual basis of accounting and going concern principal concept.

As stated in the financial information in the accompanying consolidated financial statements, current liabilities exceeded current assets by SR 896.8 million. The Group's management has performed assessment the Group's ability to continue as a going concern and they are satisfied that the Group has sufficient resources to continue its operations in the foreseeable future.

2-3 Functional and presentation currency

These consolidated financial statements are presented in Saudi Riyal (SR), which is the Group's functional and presentation currency. All amounts are rounded off to nearest Saudi Riyal unless otherwise indicated.

2-4 Revaluation of Egyptian currency

During the year ended December 31, 2025, the Egyptian pound recorded an average of 6.13% increase in rate against the Saudi Riyal (December 31, 2024: devaluation by an average of 37.8%). 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 consolidated financial statements include the financial statements 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 of the investment.

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
- 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 shareholders' meetings.

The process of consolidating the financial statements 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 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 consolidated statement of changes in equity.

ARABIAN CONTRACTING SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025

2-BASIS OF PREPARATION (CONTINUED)

2-5 Basis of consolidation (continued)

The consolidated statement of comprehensive income and each component of the consolidated other comprehensive income are attributed to the shareholders of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance within the consolidated equity.

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 consolidated statement of comprehensive income.

When necessary, adjustments are made to the financial statements 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 flows relating to transactions between companies of the Group are eliminated upon consolidating the financial statements.

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

Subsidiary name	Country of incorporation	Ownership %	
		2025	2024
Al-Arabia Out of Home Advertising FZ - LLC (A)	UAE	100%	100%
Al-Taer Al-Arabi Trading Company (liquidated) (B)	KSA	-	-
Arabian United Company for Advertising Services (C)	Egypt	49.99%	49.99%
Faden Agency Media and Advertising Company (D)	KSA	100%	100%
Al Arabia Alliance for Smart Advertisements Company (E)	KSA	90%	90%
Digital Screens Advertising Company (F)	KSA	50%	50%

(A) Al-Arabia Out of Home Advertising FZ-LLC is a limited liability company registered in the United Arab Emirates and is a wholly owned subsidiary of the Company with a share capital of AED 100,000. The Company's principal activity is in media and marketing services, outdoor advertising.

During the year 2025, the Company increased its ownership percentage in one of its subsidiaries (Al-Arabia Out of Home Digital Advertising LLC) by 15% for an amount of SR 19,125,000, Where the 15% share of the subsidiary's net assets at the date of the increase in ownership percentage amounted to SR 463,148, resulting in a loss of SR 18,661,852, which was recognized within retained earnings.

The consolidated financial statements of Al - Arabia Out of Home Advertising FZ-LLC include the accounts of the Company and its following subsidiaries:

Subsidiary name	Country of incorporation	Ownership %	
		2025	2024
Al - Arabia Out of Home Digital Advertising LLC	UAE	75%	60%
Al - Arabia Out of Home Advertising MIFZ LLC	UAE	100%	100%

(B) Al-Taer Al-Arabi Trading Company is a one-person limited liability company registered in the Kingdom of Saudi Arabia and was a wholly owned subsidiary of the Company with a share capital of SR 50,000. The Company was liquidated and all statutory liquidation procedures were completed on Ramadan 17,1445 H (corresponding to March 27,2024), and accordingly it was disposed effective from the date of liquidation (Note 28).

The Company's principal activities included warehousing, wholesale on a fee or contract basis, wholesale of other household goods, and retail sales through mail-order houses or via the internet.

(C) Arabian United Company for Advertising Services is a joint stock company registered in the Arab Republic of Egypt and is a subsidiary in which the Company holds a 49.99% ownership percentage, with a paid capital of Egyptian Pounds of 7,500,000. The subsidiary has been consolidated at percentage of 49.99% due to the presence of control over the majority of voting rights, which is represented by the Board of Directors at percentage of 57%.

The Company's principal activities include advertising and publicity through all audio, print, and visual media; the supply, installation, and operation of digital screens; and project management.

ARABIAN CONTRACTING SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025

2- BASIS OF PREPARATION (CONTINUED)

2-5 Basis of consolidation (continued)

(D) Faden Agency Media and Advertising Company– a one-person company is a limited liability company registered in the Kingdom of Saudi Arabia and is a wholly owned subsidiary of the Company by 100% with a share capital of SR 60 million. The Company’s principal activities include advertising and publicity agencies, providing marketing services on behalf of others, and the installation and assembly of neon signboards.

The consolidated financial statements of Faden Agency Media and Advertising Company include the accounts of the Company and its following subsidiaries:

Subsidiary name	Country of incorporation	Ownership %	
		2025	2024
Faden Agency Media and Advertising Company – Dubai	UAE	100%	100%
Derayah Private Fund No. 40	KSA	100%	100%

(E) Al Arabia Alliance for Smart Advertisements Company is a limited liability company registered in the Kingdom of Saudi Arabia and is a subsidiary in which the Company percentage, with a share capital of SR 1,000,000. The Company’s principal activities include advertising and publicity 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, and the establishment of infrastructure for web hosting, data processing services, and related activities.

(F) Digital Screens Advertising Company is a limited liability company registered in the Kingdom of Saudi Arabia and is a subsidiary in which the Company holds a 50% ownership percentage, with a share capital of SR 100,000. The Company did not carry out any of its activities during the year 2025.

The following are details of subsidiaries that have been consolidated in which the Group does not hold a full ownership percentage, and which has non-controlling interests to the Group:

Subsidiary name	Country of incorporation	Ownership %	
		2025	2024
Al-Arabia Out of Home Digital Advertising - LLC	UAE	25%	40%
Arabian United Company for Advertising Services	Egypt	50.01%	50.01%
Al Arabia Alliance for Smart Advertisements Company	KSA	10%	10%
Digital Screens Advertising Company	KSA	50%	50%

The following presents the summarized significant financial information disclosed for the consolidated subsidiary, in which the Group does not hold a full ownership percentage, and which has non-controlling interests to the group, as at December 31,2025:

	(Saudi Riyal)			
	Al-Arabia Out of Home Digital Advertising - LLC	Arabian United Company for Advertising Services	Al Arabia Alliance for Smart Advertisements Company	Total
Non-current assets	508,596,234	34,397,499	3,231,149,262	3,774,142,995
Current assets	90,375,183	39,812,272	457,405,567	587,593,022
Non-current liabilities	253,938,470	885,930	1,792,058,969	2,046,883,369
Current liabilities	330,017,845	60,783,373	1,864,827,630	2,255,628,848
Net equity	15,015,102	12,540,468	31,668,230	59,223,800
Non-controlling interests	3,753,776	6,271,488	3,166,823	13,192,087
Total revenues	80,656,307	64,277,764	734,854,970	879,789,041
Total comprehensive loss	11,800,976	7,039,133	84,164,916	103,005,025
Non-controlling interests	2,950,244	7,041,950	9,351,657	19,343,851

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025

2- BASIS OF PREPARATION (CONTINUED)

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 fair value of the asset acquired or liabilities assumed at the date of acquisition. 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 are 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 which is classified as equity) is measured at fair value with the changes in fair value in the 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 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 purchase 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.

3- MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, and the disclosure of contingent liabilities at the reporting date.

However, uncertainty about these assumptions and estimates could result in outcomes that could require material adjustments to the carrying amount of the asset or liability affected in the future.

These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying amounts of assets and liabilities that are difficult to obtain directly from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the accounting estimates are revised, if the changed estimates affect both current and future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties include:

- Sensitivity analysis disclosures (Note 19)
- Financial instruments risk management (Note 31)
- Goodwill impairment test (Note 9)

3-1 Judgements

In the process of applying the Group's material accounting policies information, management has made the following judgements, which may have significant effect on the amounts recognized in the consolidated financial statements:

Leases - extension and termination options – Group as lessee

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025

3- MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

3-2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the date of the consolidated statement of financial position, that have a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Group based its assumptions and estimates on indicators available when preparing the consolidated financial statements. A change in circumstances, assumptions and future estimates may occur due to changes in the market or circumstances beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The following are details of estimates and assumptions:

Allocation of the minimum to advertising sites

The Group has entered into long-term contractual arrangements to obtain the right of use and operate multiple advertising sites. Some sites may be delivered at the commencement of the contract, while others are delivered progressively during the period of contract.

Management evaluates these arrangements in accordance with the requirements of IFRS (16) – Leases- to determine the lease components within the contract.

Where the contract includes identified sites as well as future sites that have not yet been specified, the minimum is allocated between these components based on the relative prices of each site. This requires management to apply estimates that consider factors such as the geographic location, type of advertising billboard, expected revenue-generating capacity, and market conditions.

Sites that have been identified are recognized as right-of-use assets with corresponding lease liabilities, while amounts relating to sites not yet received are recognized as prepaid expenses and other debit balances until those sites are specified and made available for use. Which are subject to impairment testing of assets value until the sites are received.

Calculation of expected credit losses

When measuring the expected credit losses, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future changes in different economic factors and how these factors will affect each other.

Expected credit losses are an estimate of the loss due to default. It is based on the difference between the contractual cash flows due and those that the debtor would expect to receive, taking into consideration the cash flows from guarantees and credit enhancements that form an integral part of the amounts due.

Probability of default constitutes a key input in measuring expected credit losses. Probability of default is an estimate of the likelihood of default during a certain period of time, in which its calculation is based on historical data, assumptions and expectations of future conditions.

Useful lives of property, plant and equipment, right-of-use assets, and intangible assets with finite life

The Group determines the estimated useful lives of its property, plant and equipment, right-of-use assets, and intangible assets with finite life for the purpose of calculating depreciation or amortization. These estimates are determined after considering the expected usage of the asset or physical wear and tear from usage. Management reviews the residual value and useful lives annually and future depreciation or amortization charges are adjusted where the management believes the useful lives differ from previous estimates.

Impairment of non-financial assets

At each consolidated statement of financial position date, non-financial assets (except biological assets measured at fair value, inventories and deferred tax assets) are reviewed to determine whether there are any circumstances that indicate an impairment loss has occurred or the impairment loss has reversed. If such indication exists, the recoverable amount of those assets is estimated to determine the amount of the impairment loss or reversal of impairment loss, if any.

The cash-generating unit to which goodwill is allocated is tested for impairment annually or more frequently when there is an indication that the unit will be impaired. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When a reasonable and consistent basis for distribution can be identified, the joint assets are allocated to the individual cash-generating units or otherwise distributed to the smaller group of cash-generating units for which a reasonable and consistent basis of allocation can be identified.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025

3- MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

3-2 Estimates and assumptions (continued)

Impairment of non-financial assets (continued)

Intangible assets with indefinite useful lives, as well as intangible assets that are not yet available for use, are tested for impairment at least annually and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to assets for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of the assets (or cash-generating unit) is estimated to be below its carrying amount, the carrying amount of the assets (or cash-generating unit) is impaired to its recoverable amount. An impairment loss is recognized immediately in the consolidated statement of comprehensive income.

When an impairment loss subsequently reverses, the carrying amount of the assets (or cash-generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined had the impairment loss of the assets (or cash-generating unit) has not been recognized in prior years. A reversal of an impairment loss is recognized immediately in the consolidated statement of comprehensive income.

Right-of-use assets / lease liabilities

The Group's management determines the discount rate based on the incremental borrowing rate, and at the end of each financial period, the Group reviews whether there is an impairment in the right-of-use or not, or if there are events or changes in circumstances indicating that the carrying amounts may not be recoverable.

Contingent liabilities

As stated in Note (29) of these consolidated financial statements, the Group is exposed to various contingent liabilities during the normal business cycle. Management regularly reviews the status of these exposures to assess the likelihood that the Group will incur the related liabilities. However, provisions are not made in the consolidated financial statements, based on management's assessment, except when a present obligation has occurred.

Discount rate used to determine the carrying amount of the employees' defined benefits obligations

The determination of the employees' defined benefits obligations depends on certain assumptions, which include selection of the discount rate. The discount rate is set by reference to market yields at the end of the reporting period on high quality corporate bonds. Significant assumptions are required to be made when setting the criteria for bonds to be included in the population from which the yield curve is derived.

These assumptions are considered to be a key source of estimation uncertainty as relatively small changes in the assumptions used may have a significant effect on the Group's consolidated financial statements within the next financial year. Further information on the carrying amounts of the employees' defined benefits obligations and the sensitivity of those amounts to changes in discount rate are provided in Note (19).

Uncertain zakat and tax positions

The Group's current zakat and tax payable relates to management's assessment of the amount of zakat and tax payable on open zakat and tax positions where the final liabilities remain to be agreed with Zakat, Tax, and Customs Authority.

Due to the uncertainty associated with such zakat and tax items, it is possible that, on finalization of assessments by Zakat, Tax, and Customs Authority at a future date, the final outcome may differ significantly. The status of zakat and tax assessments has been disclosed in Note (22).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025

4- MATERIAL ACCOUNTING POLICIES INFORMATION

The following are material accounting policies information applied by the Group in preparing these consolidated financial statements:

Current / non-current assets and liabilities classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current / non-current classification.

An asset is classified as current assets when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the date of the consolidated statement of financial position; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months from the date of the consolidated statement of financial position.

All other assets are classified as non-current assets.

A liability is classified as current liabilities when it is:

- Expected to be settled in the normal operating cycle;
- Held primarily for the purpose of trading;
- Due to be settled within twelve months after the date of the consolidated statement of financial position; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the date of the consolidated statement of financial position.

All other liabilities are classified as a non-current liabilities.

Fair value measurement

The Group measures financial instruments at fair value at the date of each consolidated statement of financial position.

Fair value is the price that would be received to sell assets or paid to transfer liabilities in an orderly transaction between market participants at the measurement date.

- The fair value measurement is based on the presumption that the transaction to sell assets or transfer liabilities takes place either:
 - In the principal market for these assets or liabilities; or
 - In the absence of a principal market, in the most advantageous market for the assets or liabilities.

The principal or the most advantageous market must be accessible by the Group.

The fair value of assets or a liabilities is measured using the assumptions that market participants would use when pricing the assets or liabilities, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial assets takes into consideration a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each financial year.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025

4- MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Foreign currencies - Transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date that the transaction qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the rate prevailing at the date of preparing the consolidated financial statements. All differences arising from settlement or transactions on monetary items are recorded in the consolidated statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated primarily at the exchange rate prevailing at the date of the transactions. Non-monetary items in a foreign currency that are measured at fair value are translated at the currency rate prevailing at the date when their fair value was determined. Gains or losses arising from the translation of non-monetary items measured at fair value are treated in line with the recognition of gains and losses arising from a change in the fair value of that item. (i.e. translation differences for items whose fair value gains and losses are recognized in the consolidated statement of comprehensive income is recognized in other comprehensive income, and items whose fair value gains and losses are recognized in profit and losses are recognized in profit and losses).

Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and / or accumulated impairment losses, if any. Projects under progress and lands are not depreciated. Such costs include the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects, if the recognition criteria is met. When significant parts of property, plant and equipment are replaced at certain intervals, the Group recognizes those parts as individual assets with a definite useful life and depreciation. All other repair and maintenance costs are recognized in the consolidated statement of comprehensive income as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

<u>Asset</u>	<u>Depreciation (in years)</u>
Buildings	20
Fixed and motion advertising billboards	5–10 or duration of lease contract, whichever is lower
Motor vehicles	3 - 5
Furniture and fixtures	3 - 10
Machinery, devices and equipment	3 - 10

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the consolidated statement of comprehensive income when the asset is derecognized.

The residual value, useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year and adjustments are made on a prospective basis, if required.

Projects under progress

Assets that are still in the construction or development stage are capitalized in the projects under progress account. An asset under construction or development is transferred to the appropriate category of property, plant and equipment when the asset is in the location and / or condition necessary to make it capable of operating as intended by management. The cost of projects under progress item consists of the purchase price, construction / development costs and any costs directly attributable to the construction of the asset or its acquisition by management.

The costs associated with the trial run of the asset (before it is ready for use) are capitalized net of proceeds from the sale of any production during the trial run period. Finance costs related to qualifying assets are capitalized as part of the cost of the qualifying assets until the start of commercial production. Projects under progress are measured at cost less any impairment recognized. Projects under progress are not depreciated. Depreciation begins when the assets are capable of economically operating as intended by management after they have been transferred to the appropriate class of assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025

4- MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Leases

The determination of whether an agreement represents or contains a lease depends on the substance of the agreement at the date of its inception. The agreement represents or includes a lease if its fulfillment is based on the use of a particular asset or assets, or the agreement grants the right to use a particular asset or assets even if that right is not expressly mentioned in the contract.

Right-of-use assets and lease liabilities

The Group has recognized new assets and liabilities for its operating leases of various types of contracts including advertising billboards sites, warehouses, and warehouse facilities, housing, office rentals, and others. Each lease payment is allocated between the liabilities and finance cost. The finance cost is charged to the consolidated statement of comprehensive income over the lease term so as to accomplish a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life or the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Right-of-use assets are measured at cost which comprise of the following:

- The amount of initial measurement of the lease liability.
- Any lease payments made at or before the commencement date less any lease incentives received.
- Any initial direct costs, or renewal costs.

Right-of-use assets are subsequently measured at cost less accumulated depreciation.

Lease liabilities include (the net present value of the fixed lease payments) including in-substance fixed payments less any lease incentives receivable, variable lease payments that are based on an index or a rate, and amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, the lease payments are discounted using the incremental borrowing rate, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the consolidated statement of comprehensive income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise of small items relating to office equipment. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. In determining the lease term, management generally considers certain factors including historical lease durations and the costs of business disruption required to replace the leased asset.

Group as a lessor

Group acts as an intermediate lessor in certain lease arrangements, whereby it subleases assets to third parties under the terms of operating or finance leases. Sublease arrangements are assessed separately from the main lease in accordance with the requirements of IFRS 16 "Leases."

Classification of sublease

A sublease is classified as either a finance lease or an operating lease based on the terms and conditions of the sublease and not of the main lease. The classification is determined by evaluating whether substantially all risks and rewards incidental to ownership of the underlying asset are transferred to the sublessee.

Classifying a sublease as a finance lease

The Group derecognizes the right-of-use asset relating to the main lease to the extent of the sublease. A lease asset is recognized at the present value of lease payments to be received from the sublessee. The lease asset is subsequently measured at amortized cost using the effective interest method. Interest income is recognized in the consolidated statement of comprehensive income over the lease term, reflecting a constant periodic rate of return on the lease assets.

Classifying a sublease as an operating lease

The Group continues to recognize the underlying right-of-use asset. Lease income is recognized on a straight-line basis over the lease term unless another systematic basis that better represents the pattern in which the benefit from the use of the underlying asset is diminished.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025

4- MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Leases (continued)

Contracts not applicable to meet IFRS 16 (Leases)

The Company study 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.

This situation commonly arises in the Group’s advertising billboard activities, where the grantor of advertising spaces retains the ability to relocate or remove the equipment on a permanent or temporary basis. In airport-related contracts, the grantor or airport authority may have the right to request the relocation of advertising billboards to meet operational requirements. This right can be exercised at any time during the contract term under specific circumstances (such as restructuring, expansion, route changes, or infrastructure improvements), or in many cases for general or unspecified reasons within the contract. The Group has concluded that these rights represent substantial substitution rights for the following reasons:

- Contractors often have several alternative locations available and retain the right to request relocation to an appropriate alternative site at any time during the contract term.
- The right to change the location is not limited to a specific set of circumstances but extends to a wide range of operational considerations or public interest requirements, and may sometimes be exercised without a clearly defined justification in the contract. This indicates that the contractor controls the asset, as it has the ability to relocate it in accordance with its operational needs and requirements.
- The economic benefits to the contractors are linked to their core operations, as restructuring or expanding airport infrastructure enables improved air traffic management and enhanced passenger services.

When these clauses, which establish the materiality of the substitution right, apply throughout the contract term, the Group does not control the right to use the identified assets. Consequently, these contracts do not meet the definition of leases under IFRS. Therefore, lease payments and the guaranteed minimum payments for the year are recognized in the consolidated statement of comprehensive income, while future commitments or liabilities related to lease payments and guaranteed minimum amounts until the end of the contracts are disclosed as contingent commitments or liabilities at the total binding amount to the Group.

Intangible assets

Intangible assets acquired separately are measured at initial recognition at cost. After initial recognition, intangible assets are stated at cost less any accumulated amortization and accumulated impairment losses, if any.

Expenditure on research activities is recognized as an expense in the period in which it is incurred. When certain conditions are demonstrated, development expenditure that gives rise to an internally generated intangible asset is capitalized. Where no internally generated intangible asset can be recognized, development expenditure is recognized in the consolidated statement of comprehensive income in the period it is incurred.

Intangible assets are amortized over their useful economic life when the intangible assets have a finite useful life and impairment is assessed when there is an indication that their value may be impaired. The amortization period and the amortization method for intangible assets are reviewed if there is an indication of a change since the preparation of the last annual consolidated financial statements, and are subsequently modified, if necessary. Intangible assets are amortized in the consolidated statement of comprehensive income in the expense category in line with the function of those intangible assets.

Intangible assets with finite useful lives are amortized using the straight-line method over their estimated useful lives as follows:

Category	Amortization (in years)
Licenses	10

When the useful life of intangible assets is indefinite, intangible assets are not amortized, rather, it is tested for impairment annually or when there is an indication that it is impaired.

The gain or loss resulting from derecognition of intangible assets is measured on the basis of the difference between the net disposal proceeds and the carrying amount of the intangible assets, and is recognized in the consolidated statement of comprehensive income when those intangible assets are derecognized.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025

4- MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Investments in associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for using the equity method (equity accounted investees) and are recognized initially at cost. After initial recognition, these financial statements include the Company's share of the investee's results and other comprehensive income or loss using the equity method, up the date on which the significant influence effect ends.

When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of the investment in an associate, including any long-term investments, is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Impairment of non-financial assets

The Group assesses at the date of preparing the consolidated financial statements whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. The recoverable amount of an asset is the fair value of the asset or cash-generating unit (CGU) less cost to sell or the value in use of the asset, whichever is higher.

It is specified for a single asset unless the asset generates cash flows that are not significant independent of the flows generated by assets or other groups of assets and when the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount, the value of the asset must be decreased to its recoverable amount.

In determining value in use, the future cash flows are deducted to their present value using a pre-tax discount rate that reflects market assessments of the time value of money and the risks related to the asset. In determining fair value less costs to sell, new market transactions are considered, when available, or an appropriate valuation model is used. These values are verified by comparing them with the valuation multiples and the prices of the listed shares of the subsidiaries offered for public trading or through any other fair value indicators.

In calculating impairment, the Group relies on detailed budgets and discretionary accounts that are prepared separately for each cash-generating unit (CGU) of the Group to which the individual assets are allocated. These detailed budgets and discretionary accounts usually cover five years. To cover longer periods, a long-term growth rate is calculated and applied to the project's future cash flows after the fifth year.

Impairment losses from continuing operations are recognized in the consolidated statement of comprehensive income within the expenses appropriate to the function of the assets that have impaired. An assessment is made at each reporting date to determine whether there is any indication that previously recognized impairment losses for non-financial assets, other than goodwill, no longer exist or have decreased. The reversal of the impairment loss is recognized in the consolidated statement of comprehensive income.

Inventories

Inventories are stated at the lower of cost or net realizable value. Paper, printing materials and other consumables, and spare parts of inventories are valued on a weighted average cost basis. When necessary, a provision is charged for slow-moving and obsolete inventories.

Trade receivables

Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After the initial measurement, in accordance with IFRS 9 "Financial Instruments", these financial assets are subsequently measured at amortized cost using the effective interest rate method, less any impairment. Amortized cost is calculated by taking into consideration any discount or premium on acquisition, fees or costs that are an integral part of the effective interest rate method. The effective interest rate method amortization is included in the consolidated statement of comprehensive income. The losses arising from impairment are included in the consolidated statement of comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025

4- MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Contract assets and liabilities

When one of the parties to a contract performs, the Group shall present the contract in the consolidated statement of financial position as a contract asset or a contract liability, based on the relationship between the Group's performance and the customer's payment. Contract assets represent the Group's right to compensation for services that the Group has transferred to the customer. Contract liabilities represent the Group's obligation to transfer services to the customer, for which the Group has received consideration (or consideration is due) from the customer.

Transactions with related parties

Related parties represent all affiliates, major shareholders, directors and the Group's key management and include those companies controlled, jointly controlled or influenced by those related parties.

Prepaid expenses and other current assets

Prepaid expenses and other current assets are recognized in the value of amounts paid to service suppliers for services that will be received in the future, or in the value of amounts that have been paid to third parties and will be recovered in the future.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise of cash at banks and on hand, which are not exposed to risks of significant changes in value.

Financial assets

Initial recognition and measurement

Financial assets are classified on initial recognition as being subsequently measured at amortized cost, or at fair value through other comprehensive income, or at fair value through profit or loss. All financial assets are recognized on initial recognition at fair value plus transaction costs, unless the financial assets are recorded at fair value through profit or loss.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification, as described below:

Financial assets at amortized cost

After initial measurement, those financial assets are measured at amortized value using the effective interest rate method and are subject to impairment. Gains or losses are recognized in the consolidated statement of comprehensive income when the asset is disposed of, or modifications are made, or impaired.

Financial assets at amortized cost in the Group consist of cash and cash equivalents and trade receivables.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily measured at fair value. Financial assets are classified as held for trading if they are acquired with the intention of being sold in the near term. Derivatives, including embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are measured at fair value through profit or loss, regardless of the business model. Despite the criteria for debt instruments to be classified at amortized cost or at fair value through other comprehensive income, as outlined above, debt instruments may be designated at fair value through profit or loss upon initial recognition if doing so significantly reduces or eliminates an accounting mismatch.

Financial assets classified as fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025

4- MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Financial assets (continued)

Derecognition of financial assets

Financial assets are derecognized only when:

- Contractual rights in the cash flows of a financial asset expire; or
- The Group has transferred its rights to receive cash flows from the asset or has committed to pay the cash flows in full without delay to a third party through a “transfer” agreement, and whether (a) the Group has transferred substantially all the risks and rewards of the asset or (b) the Group has neither transferred nor retained a substantially all the risks and rewards of the asset, but it has transferred its right to control it.
- If the Group has transferred its rights to receive cash flows from an asset or has entered into a transfer agreement, it assesses to what extent it retains the risks and rewards associated with the asset. An asset is recognized to the extent that the Group's relationship with it continues if it has neither transferred nor retained all the risks and rewards associated with the asset nor transferred its right to control it. In that case, the Group also recognizes the liabilities associated to that assets. The transferred asset and associated liabilities are measured on a basis that reflects the rights and obligations that the Group has retained.
- Continuing relationship that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount that the Group can be required to pay.

Impairment of financial assets

The Group recognizes an allowance for expected credit losses for all debt instruments not carried at fair value through profit or loss.

The allowance for expected credit losses is recognized in two stages. For a credit exposure that has not experienced a significant increase in credit risk since initial recognition, expected credit losses are recognized for the credit risk arising from a potential default within 12 months (12-month expected credit losses). For a credit exposure that has experienced a significant increase in credit risk since the initial recognition, an allowance for expected credit losses must be recognized over the remaining life of the exposure, regardless of the timing of default (lifetime expected credit losses).

For trade receivables, the Group applies a simplified approach to the calculation of expected credit losses. Therefore, the Group has used a provision matrix that is based on its historical experience of credit losses, which has been adjusted for future factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified on initial recognition, as financial liabilities at fair value through profit or loss, or as loans and trade payables, or as financial derivatives that are used as hedging instruments for covering risks.

All financial liabilities are initially recognized at fair value and in the case of loans, advances and trade payables, net of directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortized cost

After initial recognition, financial liabilities, other than those at fair value through profit or loss, are measured at amortized cost using the effective interest method. Gains and losses resulting from the reversal of interest expense through the effective interest rate amortization process and upon derecognition of the financial liabilities are recognized in the consolidated statement of comprehensive income.

The amortization cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the effective interest rate. The amortization of the effective interest rate is included as a finance cost in the consolidated statement of comprehensive income.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading when they are acquired for the purpose of repurchasing them in the near future.

Gains or losses on liabilities held for trading are recognized in the consolidated statement of comprehensive income. Financial liabilities designated upon initial recognition are designated at fair value through profit or loss at the date of initial recognition and only if the criteria in IFRS 9 is met.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025

4- MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Financial liabilities (continued)

Derecognition of financial liabilities

Financial liabilities are derecognized when the obligation is paid, canceled or the obligation under the contract expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position, when there is a legally enforceable right to offset the recognized amounts and there is an intention either to settle on net basis, or to realize the assets and to settle the liabilities simultaneously.

Employees' defined benefits obligations

The employees' defined benefit cost is determined by defined benefit programs separately for each program using the projected unit credit method.

The rereasurement, which consists of actuarial gains and losses, is recognized immediately in the consolidated statement of financial position and within the retained earnings through other comprehensive income in the period in which they occur. The rereasurement is not reclassified to the consolidated statement of comprehensive income in subsequent periods.

End of service payments are mainly based on the employees' final salaries, allowances and accumulated years of service, as defined by the labor law in the Kingdom of Saudi Arabia.

Trade payables

These amounts represent liabilities related to goods and services provided to the Group before the end of the financial year that have not been paid, and are considered unsecured. Trade payables and notes payable are presented as current liabilities unless payment is not due within 12 months after the date of the consolidated statement of financial position, and are initially recognized at their fair value and subsequently measured at amortized cost using the effective interest rate method.

Accrued expenses and other current liabilities

Accrued expenses and other current liabilities are obligations to pay for goods or services that have been received or provided, whether or not invoices have been submitted or formally agreed with the supplier.

Loans

Loans are measured on initial recognition at fair value less transaction costs directly attributable to the loans. They are classified as current liabilities unless the Group obtains the right to postpone the obligation for a period of not less than 12 months after the date of the consolidated statement of financial position. These liabilities are subsequently measured at amortized cost using the effective interest rate.

Finance costs

Finance costs associated directly with the acquisition or establishing or producing an asset that necessarily takes a substantial period to get ready for its intended use or sale are recognized as part of the cost of the respective asset. All other costs are recorded as expenses in the period in which they are due. Finance costs consist of borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

Deferred tax

Deferred tax is provided for temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on the applicable or enacted tax rates and tax laws at the reporting date. Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax assets and current tax liabilities, and the deferred taxes relate to the same taxable entity and the same taxing authority. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025

4- MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Value added tax

Revenues, expenses and assets are recognized net of the amount of value added tax, except for the following:

- Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognized as part of the cost of acquisition of assets or as part of the expenses item, as applicable.
- Trade receivables and trade payables are stated, including the amount of value added tax.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of other current assets or other current liabilities in the consolidated statement of financial position.

Provisions - General

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of provisions to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to the provision is presented in the consolidated statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows using a current pre-tax rate that reflects, when appropriate, current market assessments of the time value of money and the risks specific to the liability. The increase in the discount is recognized as a finance cost.

Zakat and income tax provision

The zakat and income tax provision is calculated in accordance with the regulations of the Zakat, Tax, and Customs Authority (ZATCA) at the end of each financial year.

The zakat and income tax provision is recorded at the end of the financial year within the items of the consolidated statement of comprehensive income, and the differences resulting from the final assessment are recognized within the same item in the year in which the zakat and income tax assessment is approved.

Foreign subsidiaries calculate its income tax, if any, according to the tax regulations of the country in which they are operate. Income tax provision is charged within the consolidated statement of comprehensive income.

Revenue recognition

The Group recognizes revenue in accordance with contract terms and accrual basis when providing services to customers. The Group's revenues mainly consist of renting road advertising billboards, media advertisements and fixed art billboards, printing.

Revenue from contracts with customers is recognized upon fulfilling the performance obligations for the services provided to the customer for the value that reflects the consideration that the Group expects to receive in exchange for this performance.

The Group applies revenue from contracts entered into with customers based on a five-step model as described in IFRS 15:

- Step 1: Defining the contract with the customer: The contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and specifies the criteria that must be fulfilled.
- Step 2: Defining performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- Step 3: Determination of the transaction price: The transaction price is the amount of consideration that the Group expects to receive in exchange for transferring the agreed goods or services to the customer, except for the amounts collected on behalf of third parties.
- Step 4: Allocating the transaction price to the performance obligations in the contract: For a contract that contains more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expect to be entitled in exchange for satisfying each performance obligation.
- Step 5: Recognize revenue when the Group satisfies the performance obligation.

Revenues from road advertising and services rendered is recorded as revenue over time at which the service is provided. Revenues from printing is recognized at a point in time. Performance obligations are satisfied and revenue from advertising billboard rental and services are recognized when displaying advertising materials to customers on advertising billboards of the agreed contracts on a "ready-to-ready" basis. Performance obligations are ready obligations and are usually agreed upon that the nature of the promise in a ready obligation is that the customer will receive a good or service.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025

4- MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Other income

Other income is recognized when earned.

Discount given to customers

The Group provides a discount for some customers when the value of contracts executed during the period exceeds a certain amount in the contract. Discounts are deducted from the amounts receivable from the customer. The Group applies the requirements for the recognition of variable consideration estimates and recognizes a refund liability for expected future discounts.

Discontinued operations

A disposal group is considered to qualify as a discontinued operation if it is a component of the disposal entity as follows:

- Represents a separate major business activity or geographic area of operations.
- It is part of a single coordinated plan to sell the independent principal business or geographic area of operations.
- An acquired subsidiary for the sole purpose of being sold.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount representing after-tax profit or loss from discontinued operations in the consolidated statement of comprehensive income.

Cost of revenues and expenses

Costs that are directly attributable to the goods or services provided are classified as cost of revenues. Selling and marketing expenses principally comprise of costs incurred in the selling and marketing of the Group's products and services. Other expenses are classified as general and administrative expenses. General and administrative expenses include direct and indirect expenses that are not directly related to cost of revenues in accordance with generally accepted accounting standards. Expenses are allocated, if necessary, between general and administrative expenses and cost of revenues on a consistent basis.

Dividends

Dividends are recorded as a liability when approved at the Group's annual General Assembly meeting.

Contingent liabilities

Contingent liabilities are disclosed when the Group has a contingent liability as a result of past events, in which its existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not entirely within the control of the Group; or the Group has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Subsequent events

The consolidated financial statements are affected by subsequent events that require an adjustment to the consolidated financial statements while subsequent events that do not require an adjustment to the consolidated financial statements are disclosed.

5- NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS AND STANDARDS ISSUED BUT NOT YET EFFECTIVE

5-1 New standards, amendments to standards and interpretations

The Group has adopted the following new standards and amendments for the first time that are effective from January 1, 2025:

Amendments to IAS 21 – “The Effects of Changes in Foreign Exchange Rates” (Lack of exchangeability)

An entity is impacted by these amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose.

The adoption of the above amendments does not have any material impact on the consolidated financial statements during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025

5- NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS AND STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

5-1 New standards, amendments to standards and interpretations

The Group has adopted the following new standards and amendments for the first time that are effective from January 1, 2025:

Amendments to IAS 21 – “The Effects of Changes in Foreign Exchange Rates” (Lack of exchangeability)

An entity is impacted by these amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose.

The adoption of the above amendments does not have any material impact on the consolidated financial statements during the year.

5-2 Standards issued but not yet effective

The following are the new standards and amendments to standards which are effective for annual periods beginning on or after January 1, 2026 and earlier adoption is permitted, however the Group has not early adopted them in preparing these consolidated financial statements:

Amendments to IFRS 9 "Financial Instruments" and IFRS 7 " Financial Instruments: Disclosures" relating to (classification and measurement of financial instruments)

The amendments are as follows:

- Clarification of the timing requirements for the recognition and derecognition of certain financial assets and liabilities, with a new for certain financial liabilities settled through an electronic cash transfer system.
- Clarification and additional guidance on assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion.
- Introduction of new disclosures for certain instruments with contractual terms that may alter cash flows (such as instruments with features linked to environmental, social, and governance (ESG) targets); and
- Updates to disclosures related to equity instruments measured at fair value through other comprehensive income (FVOCI).

Amendments to IFRS 18 "Presentation and Disclosure in Financial Statements"

This standard, the new for presentation and disclosure in the consolidated financial statements, with a focus on updates to the consolidated statement of comprehensive income, introduces key new concepts under IFRS 18, including:

- The structure of the statement of profit or loss;
- Required disclosures in the consolidated financial statements for certain profit or loss performance measures that are reported outside the entity’s consolidated financial statements (That is, management-defined performance measures); and
- Enhanced principles on aggregation and disaggregation which applied to the consolidated financial statements and notes in general.

IFRS 19 "Subsidiaries that are not subject to Public Accountability: Disclosures"

In May 2024, the International Accounting Standards Board (IASB) issued amendments to IFRS 19, which allow eligible entities to elect to apply reduced disclosure requirements while continuing to apply the same recognition and measurement requirements of other International Financial Reporting Standards. To qualify, an entity must, at the end of the reporting period be a subsidiary as defined in IFRS (10), must not have public accountability and must have a parent company (ultimate or intermediate) that prepares consolidated financial statements available for public use that comply with IFRS.

IFRS 19 is effective for reporting periods beginning on or after January 1, 2027, with early adoption permitted. As the Group’s equity instruments are publicly traded, the Group is not eligible to elect the adoption of IFRS (19).

ARABIAN CONTRACTING SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025

6- 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 strategic segments to the Group. 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

Information on segment reporting

The information for each segment report is listed below. The profit of the segment is used to measure the 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, the assets and liabilities of segments are not presented as they are not reviewed by the operational decision maker:

For the year ended December 31, 2025

	(Saudi Riyal)				
	Advertising segment	Others	Total segments	Reconciliation and elimination	Consolidated
Revenues					
Customers	1,924,346,076	27,715,048	1,952,061,124	-	1,952,061,124
Transactions between segments	-	9,102,077	9,102,077	(9,102,077)	-
Total revenues	1,924,346,076	36,817,125	1,961,163,201	(9,102,077)	1,952,061,124
Depreciation and amortization	734,106,237	2,987,755	737,093,992	-	737,093,992
Profit of the year	202,560,268	3,336,539	205,896,807	-	205,896,807

For the year ended December 31, 2024 (Restated – Note 33)

	(Saudi Riyal)				
	Advertising segment	Others	Total segments	Reconciliation and elimination	Consolidated
Revenues					
Customers	1,618,424,071	18,626,768	1,637,050,839	-	1,637,050,839
Transactions between segments	-	12,519,551	12,519,551	(12,519,551)	-
Total revenues	1,618,424,071	31,146,319	1,649,570,390	(12,519,551)	1,637,050,839
Depreciation and amortization	514,206,282	3,054,317	517,260,599	-	517,260,599
Profit of the year	278,551,994	3,377,602	281,929,596	-	281,929,596

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6- OPERATING SEGMENTS (CONTINUED)

Information on segment reporting (continued)

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

Geographic information	(Saudi Riyal)	
	2025	2024
Revenues from customers		(Restated – Note 33)
Kingdom of Saudi Arabia	1,803,114,741	1,586,060,859
Arab Republic of Egypt	64,277,764	41,653,647
United Arab Emirates	84,668,619	9,336,333
Total (Note 23)	1,952,061,124	1,637,050,839

Revenues from one major customer amounted to SR 196 million for the year 2025 (2024: SR 157 million).

For the year ended December 31, 2025:

	(Saudi Riyal)			
	Kingdom of Saudi Arabia	Arab Republic of Egypt	United Arab Emirates	Total
Revenues	1,803,114,741	64,277,764	84,668,619	1,952,061,124
Cost of revenues	(1,081,493,004)	(44,582,805)	(36,520,201)	(1,162,596,010)
Gross profit	721,621,737	19,694,959	48,148,418	789,465,114

For the year ended December 31, 2024 (Restated – Note 33):

	(Saudi Riyal)			
	Kingdom of Saudi Arabia	Arab Republic of Egypt	United Arab Emirates	Total
Revenues	1,586,060,859	41,653,647	9,336,333	1,637,050,839
Cost of revenues	(840,365,496)	(27,258,683)	(9,065,683)	(876,689,862)
Gross profit	745,695,363	14,394,964	270,650	760,360,977

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

For the year ended December 31, 2025:

	(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
Intangible assets	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

For the year ended December 31, 2024:

	(Saudi Riyal)			
	Kingdom of Saudi Arabia	Arab Republic of Egypt	United Arab Emirates	Total
Property, plant and equipment	292,787,530	13,283,158	25,449,112	331,519,800
Intangible assets	730,249,735	-	-	730,249,735
Total assets	6,327,160,529	39,226,513	525,612,894	6,891,999,936
Total liabilities	4,833,066,261	30,008,060	643,528,753	5,506,603,074

Revenues between segments and business units are eliminated upon consolidation, and are 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 consolidated statement of comprehensive income. The Group derives its revenues from providing advertising services over a period of time and revenues from printing services at a point in time.

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7- PROPERTY, PLANT AND EQUIPMENT

	(Saudi Riyal)							
	<u>Lands</u>	<u>Buildings</u>	<u>Fixed and motion advertising billboards</u>	<u>Motor vehicles</u>	<u>Furniture and fixtures</u>	<u>Machinery, devices and equipment</u>	<u>Projects under progress (Restated – Note 33)</u>	<u>Total</u>
<u>Cost:</u>								
As at January 1, 2024	1,358,770	17,114,180	326,892,568	10,482,934	9,374,294	30,401,912	68,080,494	463,705,152
Additions	-	-	14,055,433	4,217,029	1,927,880	2,734,820	82,913,409	105,848,571
Additions (Restated –Note 33)	-	-	-	-	-	-	48,815,076	48,815,076
Disposals	-	-	(42,522,188)	(390,940)	-	(2,992,283)	(7,981,534)	(53,886,945)
Transfers	-	-	72,569,858	-	-	-	(72,569,858)	-
Transferred to inventories	-	-	-	-	-	-	(16,194,594)	(16,194,594)
Foreign currencies translation adjustment	-	-	(3,031,949)	(48)	(23,854)	(5,626)	(2,596,098)	(5,657,575)
As at December 31, 2024 (Restated –Note 33)	1,358,770	17,114,180	367,963,722	14,308,975	11,278,320	30,138,823	100,466,895	542,629,685
Additions	-	2,250,843	3,745,309	1,426,077	506,049	1,691,741	154,999,576	164,619,595
Disposals	-	-	(39,310,597)	(1,020,536)	(528,017)	(6,764,583)	(3,415,535)	(51,039,268)
Transfers	-	-	115,209,725	288,067	20,019	7,438	(115,525,249)	-
Transferred from inventories	-	-	-	-	-	-	41,022,604	41,022,604
Foreign currencies translation adjustment	-	(291)	652,241	10	4,245	8,042	365,877	1,030,124
As at December 31, 2025	1,358,770	19,364,732	448,260,400	15,002,593	11,280,616	25,081,461	177,914,168	698,262,740
<u>Accumulated depreciation:</u>								
As at January 1, 2024	-	5,038,827	140,018,538	8,066,385	7,055,518	21,453,600	-	181,632,868
Charged for the year	-	658,461	43,495,533	1,375,768	957,339	2,113,223	-	48,600,324
Disposals	-	-	(14,996,115)	(390,940)	-	(2,992,283)	-	(18,379,338)
Foreign currencies translation adjustment	-	-	(738,631)	369	(4,111)	(1,596)	-	(743,969)
As at December 31, 2024	-	5,697,288	167,779,325	9,051,582	8,008,746	20,572,944	-	211,109,885
Charged for the year	-	649,720	52,105,343	2,091,394	839,328	1,919,769	-	57,605,554
Disposals	-	-	(27,665,783)	(771,252)	(524,123)	(6,686,264)	-	(35,647,422)
Foreign currencies translation adjustment	-	(5,749)	258,297	574	3,671	2,951	-	259,744
As at December 31, 2025	-	6,341,259	192,477,182	10,372,298	8,327,622	15,809,400	-	233,327,761
<u>Net Book Value:</u>								
December 31, 2025	1,358,770	13,023,473	255,783,218	4,630,295	2,952,994	9,272,061	177,914,168	464,934,979
December 31, 2024 (Restated –Note 33)	1,358,770	11,416,892	200,184,397	5,257,393	3,269,574	9,565,879	100,466,895	331,519,800

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7- PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

- The buildings are constructed on lands owned by the Group, as these buildings belong to the Group's labor housing.
- Projects under progress represent advertising billboards that are being manufactured where the capital commitments until its completion as at December 31, 2025 amounts to SR 696 million (December 31, 2024: SR 762 million) (Note 29).

Below is a list of allocation for depreciation expenses related to property, plant and equipment during the year:

	(Saudi Riyal)	
	2025	2024
Cost of revenues	56,452,053	47,668,509
General and administrative expenses (Note 25)	1,145,703	913,270
Selling and marketing expenses (Note 24)	7,798	18,545
Total	57,605,554	48,600,324

8- 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 consolidated statement of financial position.

	(Saudi Riyal)	
	2025	2024
		(Restated – Note 33)
<u>Right-of-use assets</u>		
<u>Cost</u>		
Balance as at the beginning of the year	4,075,076,991	2,328,223,898
Additions during the year – as previously reported	962,501,290	929,573,327
Additions during the year – (Restated – Note 33)	-	2,115,600,613
Transferred to net investment in finance sub-lease (Note 12)	-	(7,094,343)
Adjustments (A)	(130,904,590)	(21,168,392)
Disposals (B)	(623,867,752)	(1,270,058,112)
Balance as at the end of the year	4,282,805,939	4,075,076,991
<u>Accumulated depreciation</u>		
Balance as at the beginning of the year	699,979,923	697,208,677
Charged during the year – as previously reported	602,047,987	339,601,726
Charged during the year – (Restated – Note 33)	-	97,908,774
Foreign currency translation adjustment	(38,559)	762,156
Adjustments (A)	54,601,417	9,123,582
Disposals (B)	(616,037,353)	(444,624,992)
Balance as at the end of the year	740,553,415	699,979,923
Net book value for right-of-use assets	3,542,252,524	3,375,097,068
<u>Lease liabilities</u>		
Balance as at the beginning of the year	3,256,887,852	1,558,736,808
Additions during the year – as previously reported	962,501,290	929,573,327
Additions during the year – (Restated – Note 33)	-	2,115,600,613
Adjustments (A)	(130,904,590)	(22,412,750)
Adjustments on finance costs (Note 26)	24,026,721	2,923,642
Disposals (B)	(10,340,036)	(881,900,275)
Adjustment of accrued rents (A)	776,500	19,372,350
	4,102,947,737	3,721,893,715
<u>(Deduct) / Add:</u>		
Absorption of prepaid expenses (C)	(2,555,660)	(14,032,635)
Paid during the year	(745,714,027)	(465,272,092)
Finance costs – as previously reported (Note 26)	186,410,887	80,853,216
Finance costs – (Restated – Note 33) (Note 26)	-	61,488,599
Amortization of accrued expenses (D)	(43,494,582)	(127,050,900)
Foreign currency translation adjustment	12,559	(992,051)
Balance as at the end of the year	3,497,606,914	3,256,887,852
Current portion	623,846,500	608,824,301
Non-current portion	2,873,760,414	2,648,063,551
Total	3,497,606,914	3,256,887,852

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

The depreciation expense including adjustments related to right-of-use assets has been allocated as per the following:

	(Saudi Riyal)	
	2025	2024
Cost of revenues	653,414,880	443,822,615
General and administrative expenses (Note 25)	3,234,524	2,811,467
Total	656,649,404	446,634,082

(A) The adjustments to the right-of-use assets and lease liabilities during the year represent the additional term period that has been exercised by the Group after the expiry of the contractual period of some of the leases by agreeing with the lessor to determine the additional term period that the Group will exercise.

(B) Gains arising from the disposal of right-of-use assets for the year ended December 31, 2025 amounted to SR 2.5 million (December 31,2024: gains of SR 56.4 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 which no invoices have been received from the lessor till date.

(E) Within The right-of-use assets and lease liabilities is an amount related to a single contract only, where the balance of right-of-use assets amounted to SR 2 billion (2024: SR 2 billion), and lease liabilities amounted to SR 2.2 billion (2024: SR 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 to be subject to the approval of the relevant authorities. 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.

9- GOODWILL AND LICENSES

	(Saudi Riyal)		
Cost:	Goodwill	Licenses	Total
Balance as at December 31, 2024	528,885,588	228,390,337	757,275,925
Balance as at December 31, 2025	528,885,588	228,390,337	757,275,925
Accumulated amortization:			
Balance as at January 1, 2024	-	-	-
Amortization provision transferred	-	5,000,000	5,000,000
Charged during the year (Note 25)	-	22,026,190	22,026,190
Balance as at December 31, 2024	-	27,026,190	27,026,190
Charged during the year (Note 25)	-	22,839,034	22,839,034
Balance as at December 31, 2025	-	49,865,224	49,865,224
Net Book Value:			
Balance as at December 31, 2025	528,885,588	178,525,113	707,410,701
Balance as at December 31, 2024	528,885,588	201,364,147	730,249,735

Goodwill and licenses arose when Faden Agency Media and Advertising Company, a subsidiary of the Group, was acquired in 2023. This goodwill is allocated to the Group's operating business segments.

Goodwill impairment testing:

The Group tests goodwill for impairment annually when there is an indication of impairment. For the purpose of impairment testing, goodwill is allocated to the subsidiary (cash-generating unit). The recoverable amount of the cash-generating unit amounted to SR 818 million as of December 31,2025 (2024: SR 905 million), determined based on value-in-use calculations using cash flow projections derived from the financial budgets approved by the management of Faden Agency Media and Advertising Company. No impairment loss on goodwill was recognized during the year.

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9- GOODWILL AND LICENSES (CONTINUED)

The recoverable amount was determined based on cash flow projections formally approved in the financial budgets covering a five-years period up to December 31,2029, using the following key assumptions:

	(Percentage)	
	2025	2024
Discount rate	14.91%	15.61%
Terminal growth rate	2%	2%

Sensitivity to changes in assumptions:

Based on the value-in-use calculation, management determined that the recoverable amount of the cash-generating unit exceeds its carrying amount at the reporting date. The valuation is sensitive to changes in key assumptions; however, management believes that the base-case assumptions reflect the expected economic performance of the cash-generating unit.

Management also assessed the impact of potential changes in key assumptions, including the discount rate used in the discounted cash flow projections. While certain changes in these variables may reduce the excess of the recoverable amount over the carrying amount, management believes that no reasonably possible change in the assumptions would result in a material impairment.

10-INVESTMENT IN AN ASSOCIATE

The investment in an associate is in Wave Media and Advertising Company (A Saudi Closed Joint Stock Company) registered in the Kingdom of Saudi Arabia and is 42.50% owned by the Group. The associate carries out the activity of providing advertising and publicity services.

The movement in the investment in an associate and other financial information represents as follows:

	(Saudi Riyal)	
	2025	2024
Balance as at the beginning of the year	-	298,063,092
Share of profit or loss	-	9,204,553
Transferred to financial assets at fair value through profit or loss	-	(307,267,645)
Balance as at the end of the year	-	-

	(Saudi Riyal)	
	2025	2024
Revenues	-	119,053,206
Profit for the year	-	21,657,772
Share of results	-	9,204,553

This investment has been reclassified to financial assets at fair value through profit or loss (Note 11). The financial information disclosed above is as at and for the year ended December 31,2024 and for the acquisition period.

11-FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

On March 6, 2024, the Group has transferred its entire ownership in Wave Media and Advertising Company, which represents 42.5% of the shares of Wave Media and Advertising Company, into a fund regulated by the Capital Market Authority (the Fund) with the Group being the sole owner of the Fund's units. Derayah Financial Company is acting as the Fund manager and the Saudi Fransi Capital Company acting as the custodian.

Accordingly, Derayah Private Fund No. 40 (the Fund) was established in accordance with the Investment Fund Regulations issued by the Capital Market Authority in the Kingdom of Saudi Arabia. This Fund is a private closed-ended investment fund offered privately whose aim is to achieve a high return on invested capital over the long-term by investing primarily in the shares of Wave Media and Advertising Company. The term of the Fund is 10 years and the Fund manager may elect to extend the Fund for two additional periods of one year each. The Fund's offering period is from December 27, 2023 to March 31, 2024. Accordingly, these assets have been classified as non-current assets.

The number of units held by the Group as at December 31, 2025 represents 3,000,000 units (100%) (December 31, 2024: 3,000,000 units (100%)). The gain from the revaluation of the fund as at December 31, 2025 amounted to SR 40,598,888 (December 31, 2024: SR 20,827,719).

The Group also holds other financial assets at fair value through profit or loss purchased amounted to SR 4,067,580. The investment was evaluated as at December 31,2025, which result recording a losses amounting to SR 583,020 as at December 31,2025. In addition, received dividends amounted to SR 178,296 was recognized from these assets (Note 27).

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11- FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

The following is the movement in the financial assets at fair value through profit or loss:

	(Saudi Riyal)	
	2025	2024
Balance as at the beginning of the year	328,095,364	-
Additions	4,067,580	-
Transferred from investment in an associate (Note 10)	-	307,267,645
Unrealized gains from revaluation	40,015,868	20,827,719
Balance as at the end of the year	372,178,812	328,095,364

12- NET INVESTMENT IN A FINANCE SUBLEASE

	(Saudi Riyal)	
	2025	2024
Balance as at the beginning of the year	6,485,603	-
Transferred from right-of-use assets (Note 8)	-	7,094,343
Financing income (Note 26)	515,596	591,260
Proceeds during the year	(1,500,000)	(1,200,000)
Balance as at the end of the year	5,501,199	6,485,603
Current portion	1,196,207	984,404
Non-current portion	4,304,992	5,501,199

13- INVENTORIES

	(Saudi Riyal)	
	2025	2024
Paper and other materials	12,094,188	13,555,119
Spare parts and consumables	70,578,608	38,205,642
Total	82,672,796	51,760,761
(Less): provision for slow-moving inventories	(2,859,682)	(2,538,024)
Net	79,813,114	49,222,737

The movement in the provision for slow-moving inventories during the year was as follows:

	(Saudi Riyal)	
	2025	2024
Balance as at the beginning of the year	2,538,024	2,538,024
Charged during the year	321,658	-
Balance as at the end of the year	2,859,682	2,538,024

14- TRADE RECEIVABLES

	(Saudi Riyal)	
	2025	2024
Trade receivables	1,137,867,300	890,612,479
Trade receivables - related parties (Note 15)	74,342,936	95,417,150
Contracts assets	5,320,390	6,177,538
(Less): expected credit losses	(54,282,905)	(32,601,227)
Net	1,163,247,721	959,605,940

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

	(Saudi Riyal)	
	2025	2024
Balance as at the beginning of the year	32,601,227	29,648,894
Charged during the year	21,675,447	2,970,866
Foreign currency translation adjustment	6,231	(18,533)
Balance as at the end of the year	54,282,905	32,601,227

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 (see Note (31) "Financial instruments risk management" regarding credit risk).

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15- 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 company, subsidiary, associate, linked to a joint venture, or both entities are a joint venture for a third-party.

During the year, the Group has entered into transactions 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.

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
East Bridge Capital Company	Affiliate
SMC Advertising Company FZ - LLC	Affiliate
Elegant Hotel Company for Tourism and Hotels	Affiliate
Multaqa Al Zad Company for Tourism	Affiliate
Saudi Media Company for Advertising and Publicity	Affiliate
Green Box Trading Company	Affiliate
MBC Media Solutions Limited Company	Affiliate
Upscale Brands Food Company	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
Mr. Hamdan Mohammed Obaid	Former partner in a subsidiary
Saudi Company for Artificial Intelligence	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

Significant transactions

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

Related party name	Nature of transaction	(Saudi Riyal)	
		2025	2024
Saudi Media Company for Advertising and Publicity	Revenues	2,945,167	2,246,523
	Purchases	(1,164,592)	(2,769,500)
	Collections	(21,000,000)	(124,656,475)
	Bills payment	6,297,232	3,494,006
National Signage Industrial Company	Bills payment	37,545,444	47,754,336
	Purchases	(35,356,866)	(48,558,873)
	Revenues	-	1,760
	Collections	-	(256,651)
MBC Media Solutions Limited Company	Purchases	-	(6,346,109)
	Revenues	-	11,102,776
	Bills payment	-	-
	Collections	(15,400,000)	-
MBC Company – FZ LLC	Collections	(4,729,927)	(22,430,702)
	Revenues	2,254,578	22,693,043
Mawaqie Company for Advertising and Publicity	Purchases	15,763,179	-
	Expenses paid on behalf	-	(50,741)
Engineer Holding Group Company	Bills payment	-	1,546,470
	Collections	-	(12,199,107)
	Revenues	-	5,565

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15-BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Significant transactions (continued)

Related party name	Nature of transaction	(Saudi Riyal)	
		2025	2024
Wave Media and Advertising Company	Revenues	76,563,205	-
	Bills payment	237,305,374	-
	Purchases	(317,098,201)	-
MBC Group Company	Collections	-	(2,832,942)
MBC Media Saudi Limited Company	Revenues	25,570,570	-
	Collections	(15,717,214)	-
Root Advertising Services Company	Collections	(1,855,520)	-
Mr. Hamdan Mohammed Obaid	Final settlement	(89,032,478)	-

Significant transactions with key management personnel

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.

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

	(Saudi Riyal)	
	2025	2024
Salaries, wages, and rewards	18,873,756	17,196,192
Employees' defined benefits obligation charged	704,408	717,654
Total	19,578,164	17,913,846

Due from related parties represent the following:

	(Saudi Riyal)	
	2025	2024
Mawaqie Company for Advertising and Publicity	21,633,756	5,870,577
Almeezza Outdoor Advertising Company FZ - LLC	168,262	176,957
House of Skill Company for Contracting and Trading	29,373	-
Mr. Hamdan Mohammed Obaid	-	89,032,478
Saudi Company for Artificial Intelligence	-	100,000
Total	21,831,391	95,180,012

Due to a related parties represent the following:

	(Saudi Riyal)	
	2025	2024
Mr. Mohammad Alnabigha Mohammad Omar Alsaadi	1,003,869	941,918
Root Advertising Services Company	-	967,834
Total	1,003,869	1,909,752

Trade receivables - related parties (Note 15)

	(Saudi Riyal)	
	2025	2024
Saudi Media Company for Advertising and Publicity	52,677,356	65,878,398
MBC Media Saudi Limited Company	9,859,106	-
MBC Media Solutions Limited Company	9,420,325	24,808,825
MBC Company – FZ LLC	2,254,578	4,729,927
Root Advertising Services Company	129,294	-
Elegant Hotel Company for Tourism and Hotels	2,277	-
Total	74,342,936	95,417,150

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15- BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Trade payables – related parties

	(Saudi Riyal)	
	2025	2024
Wave Media and Advertising Company	53,541,321	50,311,699
National Signage Industrial Company	8,569,209	10,440,077
Total	62,110,530	60,751,776

16- PREPAID EXPENSES AND OTHER CURRENT ASSETS

	(Saudi Riyal)	
	2025	2024
Prepaid rent of advertising billboard sites (*)	1,640,705,815	741,701,326 (Restated – Note 33)
Value added tax	78,222,539	8,040,986
Advances to suppliers	35,290,094	13,143,423
Employee receivables and custody	3,132,492	3,097,195
Securing of bank guarantees and letters of credit (Note 29)	199,864	199,864
Others	33,750,011	35,185,561
Total	1,791,300,815	801,368,355
Impairment losses on other current assets (**)	(102,923,996)	(102,923,996)
Net	1,688,376,819	698,444,359

The following is allocation of the non-current and current portion of prepaid expenses and other assets:

	(Saudi Riyal)	
	2025	2024
Non-current portion	1,050,676,426	406,216,923
Current portion	637,700,393	292,227,436
Total	1,688,376,819	698,444,359

(*) Includes lease payments for contracts that have not yet commenced, and within the normal courses of business.

(**) The movement in the impairment losses on other current assets during the year was as follows:

	(Saudi Riyal)	
	2025	2024
Balance as at the beginning of the year	102,923,996	3,000,000 (Restated – Note 33)
Charged during the year	-	99,923,996
Balance as at the end of the year	102,923,996	102,923,996

17- CASH AND CASH EQUIVALENTS

	(Saudi Riyal)	
	2025	2024
Balances at banks	202,274,057	316,932,845
Cash on hand	1,023,335	1,166,473
Balances at investment portfolios	178,296	-
Total	203,475,688	318,099,318

The Group deposits its cash in good rated banks. The Group's management does not believe that the expected credit losses on its bank balances are material.

18- RESERVES

In accordance with the Company's By-laws, the General Assembly, when determining the share of net profit attributable to the shares, may resolve to establish reserves to the extent that serves the interest of the Company or ensures, as far as possible, the distribution of stable dividends to the shareholders. The General Assembly shall determine how to utilize the reserves previously appropriated by the shareholders in accordance with any statutory requirements preceding the date of adoption of the current By-laws. No decision has been made by the shareholders regarding the utilization of the reserves previously appropriated as of the date of the consolidated financial statements.

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19- EMPLOYEES' DEFINED BENEFITS OBLIGATIONS

The Group's policy states that employees' defined benefits obligations is payable to all employees who complete the qualifying service period under the labor law in the Kingdom of Saudi Arabia. The annual provision is based on the actuarial valuation. The latest actuarial valuation was carried out by an independent expert assigned by the Group's management, using the actuarial projected unit credit method as at December 31:

	(Saudi Riyal)	
	<u>2025</u>	<u>2024</u>
Balance as at the beginning of the year	14,992,033	18,864,246
Current service cost	4,776,795	2,377,736
Losses remeasurement charged to other comprehensive income	6,307,395	1,135,466
Finance cost (Note 26)	1,293,149	936,821
Foreign currency translation adjustment	-	(48)
Paid during the year	(1,376,117)	(8,322,188)
Balance as at the end of the year	<u>25,993,255</u>	<u>14,992,033</u>

The main key actuarial assumptions used:

	<u>2025</u>	<u>2024</u>
Discount rate	5,20%	4.85%
Salary increase rate	4.10%	3.55%
Employee turnover	Moderate	Low
Retirement age	60 years	60 years

The sensitivity analysis of the main actuarial assumptions is as follows:

	(Saudi Riyal)	
	<u>2025</u>	<u>2024</u>
Discount rate 1% (+/-)		
Increase	23,344,483	10,334,879
Decrease	29,084,984	12,803,869
Salary increase rate 1% (+/-)		
Increase	29,270,343	12,888,132
Decrease	23,138,553	10,248,354

Risks associated with employees' defined benefits obligations:

Salary increase risks:

The most common type of retirement benefit is the one in which benefits are connected to final salaries. The risk arises when the actual increases are higher than expected and therefore affect the obligation.

Employee turnover:

The employee turnover risk that varies with the valuation assumptions could pose a risk to the benefit obligations. The movement in the obligation can proceed in both directions.

20- SHORT-TERM LOANS AND LONG-TERM MURABAHA

20-1 Short-term loans

The Group has bank facilities in the form of short-term loans from local commercial banks. The short term loans as at December 31, 2025, amounted to SR 1.57 billion (December 31, 2024: SR 628 million). The short-term loans are subject to SAIBOR price between 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 short-term loans is as follows:

	(Saudi Riyal)	
	<u>2025</u>	<u>2024</u>
Balance as at the beginning of the year	628,028,033	418,000,000
Proceeds during the year	1,371,678,585	321,456,150
Repayment during the year	(432,312,458)	(111,428,117)
Balance as at the end of the year	<u>1,567,394,160</u>	<u>628,028,033</u>

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20- SHORT-TERM LOANS AND LONG-TERM MURABAHA (CONTINUED)

20-2 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 grace period of 6-months 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 is secured by promissory notes issued by the Group's CEO.

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's CEO.

One of the Group's subsidiaries obtained deferred sale facilities from a local bank to finance its working capital amounting to SR 35 million. These facilities bear interest at the prevailing Saudi Interbank Offered Rate (SAIBOR) plus an agreed profit margin. The facilities are repayable in semi-annual installments of SR 7 million starting from August 2026, with the final installment due in February 2028. This agreement is secured by promissory notes issued by the Group's CEO.

The subsidiary also obtained Tawarruq facilities from another local bank to finance its working capital amounting to SR 33 million. These facilities bear profit at the prevailing Saudi Interbank Offered Rate (SAIBOR) plus an agreed profit margin. The facilities are repayable in semi-annual installments of SR 6.6 million starting from January 2027, with the final installment due in January 2029. The agreement includes covenants to maintain certain financial ratios. This agreement is secured by promissory notes issued by the Group's CEO.

The details of movement in long-term Murabaha is as follows:

	(Saudi Riyal)	
	2025	2024
Balance as at the beginning of the year	971,250,000	1,050,000,000
Proceeds during the year	1,040,000,000	-
Repayment during the year	(1,087,890,000)	(78,750,000)
Balance as at the end of the year	923,360,000	971,250,000

The following is allocation of the non-current and current portion of long-term Murabaha:

	(Saudi Riyal)	
	2025	2024
Non-current portion of long-term Murabaha	760,840,000	854,610,000
Current portion of long-term Murabaha	162,520,000	116,640,000
Total	923,360,000	971,250,000

21- ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	(Saudi Riyal)	
	2025	2024
Discounts due to customers	105,088,071	93,855,003
Accrued rents	76,204,727	91,893,497
Accrued commissions	42,622,781	28,282,408
Legal provision	25,961,827	-
Accrued of finance cost	23,472,743	15,538,386
Other creditors	10,058,928	34,585,084
Accruals of employee salaries and benefits	11,335,918	6,707,500
Contract liabilities	6,108,692	15,549,434
Current portion of other financial liabilities	3,000,000	3,000,000
Others	36,461,044	49,504,017
Total	340,314,731	338,915,329

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21- ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES (CONTINUED)

Other financial liabilities represent the present value of future payments, which will be settled over six years starting from 2024. The following represent the movement in other financial liabilities:

	(Saudi Riyal)	
	2025	2024
Balance as at the beginning of the year	24,437,500	-
Additions	-	24,437,500
Finance cost (Note 26)	1,302,613	-
Deferred revenue (Note 27)	(114,580)	-
Paid during the year	(3,000,000)	-
Balance as at the end of the year	22,625,533	24,437,500

The following is allocation of the non-current and current portion of other financial liabilities:

	(Saudi Riyal)	
	2025	2024
Non-current portion of other financial liabilities	19,625,533	21,437,500
Current portion of other financial liabilities	3,000,000	3,000,000
Total	22,625,533	24,437,500

22- ZAKAT AND INCOME TAX PROVISION

The Company and its subsidiaries file Zakat and tax returns separately in accordance with the Zakat and tax laws and regulations applicable in their respective countries of incorporation. The movement on zakat and income tax provision during the year is as follows:

	(Saudi Riyal)	
	2025	2024
Balance as at the beginning of the year	20,755,120	23,833,796
Zakat charged during the year	27,542,498	19,115,445
Income tax charged during the year	843,269	2,223,167
Zakat assessments	-	1,407,007
Zakat differences on zakat provision of a previous year	-	71,288
Foreign currency translation adjustment	250,512	(1,110,512)
Paid during the year	(19,856,241)	(24,785,071)
Balance as at the end of the year	29,535,158	20,755,120

Zakat and income tax assessments and certificates status:

Arabian Contracting Services Company:

The Company has submitted its Zakat returns up to the financial year ended December 31, 2024, and has obtained a certificate from the Zakat, Tax and Customs Authority.

The Company received the final zakat assessments up to the year 2023 amounting to SR 1,303,152. The Company has fully settled the final zakat assessments during the year ended December 31, 2024.

Faden Agency Media and Advertising Company (subsidiary):

The company has submitted its financial statements and zakat returns until the financial year ended December 31, 2024 and has obtained a certificate from Zakat, Tax, and Customs Authority. During the year 2024, the company received the zakat assessment for the year 2019 amounting to SR 103,855. The company has fully settled the zakat assessments during the year ended December 31, 2024.

Al-Arabia Alliance for Smart advertisements Company (subsidiary):

The financial statements of Al-Arabia Alliance for Smart Advertising Company are the first financial statements issued by the company, covering the period from July 9, 2024 (date of commercial register) until December 31, 2025. The Company has not submitted any Zakat returns up to the financial year ended December 31, 2025.

Arabian United Company for Advertising Services (subsidiary):

The company has submitted its financial statements and tax returns until the financial year ended December 31, 2024 and the company has not been notified of any taxes due until December 31, 2024.

Al-Arabia Out of Home Advertising FZ - LLC (subsidiary):

The Company submitted its first tax return for the fiscal year ending December 31, 2024, in accordance with the corporate tax regulations in the United Arab Emirates.

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23- REVENUES

	(Saudi Riyal)	
	2025	2024
Outdoor advertisements	1,779,557,979	1,487,766,884 (Restated – Note 33)
Indoor advertisements	145,109,940	130,657,187
Printing	27,393,205	18,626,768
Total (Note 6)	1,952,061,124	1,637,050,839

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

61% of the cost of revenues represents depreciation of right-of-use assets (Note 8) and depreciation of property, plant and equipment (Note 7) (2024: 56%).

24- SELLING AND MARKETING EXPENSES

	(Saudi Riyal)	
	2025	2024
Sales and marketing commission	47,712,130	34,046,697
Salaries, wages and other benefits	22,165,517	17,218,233
Depreciation of property, plant and equipment (Note 7)	7,798	18,545
Others	6,173,707	4,402,011
Total	76,059,152	55,685,486

25- GENERAL AND ADMINISTRATIVE EXPENSES

	(Saudi Riyal)	
	2025	2024
Salaries, wages and other benefits	61,066,706	53,925,251 (Restated – Note 33)
Legal provision	25,961,827	-
Amortization of licenses (Note 9)	22,839,034	22,026,190
Professional and consulting fees	15,099,367	9,853,037
Subscriptions	7,957,121	7,552,552
Depreciation of right-of-use assets (Note 8)	3,234,524	2,811,467
Insurance of assets	2,453,654	3,143,178
Depreciation of property, plant and equipment (Note 7)	1,145,703	913,270
Electricity and water	692,959	748,124
Others	8,197,776	11,184,266
Total	148,648,671	112,157,335

26- FINANCE COSTS

	(Saudi Riyal)	
	2025	2024
Finance cost – lease liabilities – as previously reported	186,410,887	80,853,216 (Restated – Note 33)
Finance cost – Short-term loans and long-term Murabaha	143,302,145	130,299,613
Finance cost – Adjustments to lease liabilities (Note 8)	24,026,721	2,923,642
Finance cost – Other financial liabilities (Note 21)	1,302,613	-
Finance cost – Employees defined benefits obligations (Note 19)	1,293,149	936,821
Finance cost – lease liabilities (Restated – Note 33) (Note 8)	-	61,488,599
Total	356,335,515	276,501,891
(Less): finance income from investment in a sublease (Note 12)	(515,596)	(591,260)
Net	355,819,919	275,910,631

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27- OTHER INCOME, NET

	(Saudi Riyal)	
	<u>2025</u>	<u>2024</u>
Income from deposits	2,252,557	4,858,533
In-kind revenues from promotional campaigns	1,230,000	-
Dividends from financial assets at fair value through profit or loss	178,296	-
Recognized portion of deferred revenues (Note 21)	114,580	-
Losses on disposal of property, plant and equipment	(410,124)	(3,980,067)
Others	1,129,835	3,892,652
Total	4,495,144	4,771,118

28- DISCONTINUED OPERATIONS

The Group's management decided on October 26, 2022 to cease the operations of Al-Taer Al-Arabi Trading Company, a wholly owned subsidiary. Accordingly, the Group did not include this subsidiary in its consolidated financial statements. Hence, Al-Taer Al-Arabi Trading Company has been classified as a discontinued operation. The results of the operations of Al-Taer Al-Arabi Trading Company for the years were presented in the consolidated statement of comprehensive income as follows:

	(Saudi Riyal)	
	<u>2025</u>	<u>2024</u>
Sales	-	-
Cost of sales	-	-
Gross loss	-	-
General and administrative expenses	-	(236,705)
Zakat	-	-
Loss for the year from discontinued operations	-	(236,705)

The following is a statement of the assets and liabilities of Al-Taer Al-Arabi Trading Company, which have been classified as discontinued operations:

	(Saudi Riyal)	
	<u>2025</u>	<u>2024</u>
Assets from discontinued operations	-	-
Liabilities from discontinued operations	-	-

29- CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Group has the following contingent liabilities and capital commitments:

	(Saudi Riyal)	
	<u>2025</u>	<u>2024</u>
Letters of guarantee (A)	629,309,968	510,590,101
Letters of credit	15,508,462	23,790,184
Capital commitments (B)	696,237,057	762,137,389
Lease commitments (C)	1,828,462,500	-
Contract termination penalties (D)	1,522,000,000	-

A- Letters of guarantee are corresponded with secured cash deposited at banks as of December 31, 2025 with an amount of SR 199,864 (December 31, 2024: SR 199,864 (Note 16)).

B- The Group has capital commitments as of December 31, 2025 amounting to SR 696 million (December 31, 2024: SR 762 million) related to advertising billboards under manufacturing (projects under progress) (Note 7).

C- Lease commitments represent the total minimum lease payments for lease contracts that are not subject to IFRS 16 (Leases), of which the current portion amounts to SR 168 million.

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.

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30- EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year attributable to the shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the year. Diluted 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 December 31, 2025 and 2024; therefore, diluted earnings per share equals basic earnings per share. The weighted average number of shares during the year was 55 million shares (2024: 55 million shares).

	(Saudi Riyal)	
	2025	2024
Profit for the year attributable to shareholders of the Parent Company	188,042,598	284,591,226
Weighted average number of shares	55,000,000	55,000,000
Earnings per share attributable to shareholders of the Parent Company	3.42	5.17

31- FINANCIAL INSTRUMENTS RISK MANAGEMENT

The Group is exposed to the following risks as a result of its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Commission rate risk
- Foreign currency risk
- Price risk
- Capital risk management

This note shows information about the Group's exposure to each of the above risks, the Group's objectives, policies and methods for measuring and managing risks.

GENERAL FRAMEWORK FOR RISK MANAGEMENT

The overall responsibility for the preparation and monitoring of risk management rests with the Group's management. The Group's risk management policies are designed to identify and analyze the risks faced by the Group and to set appropriate controls and limits on the extent of exposure to those risks and then monitor them to ensure that the limits set are not exceeded. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and the Group's activities. The Group's management aims, through training, standards and procedures set by the management, to develop a constructive and organized control environment so that each employee understands his role and the duties assigned to him.

CREDIT RISK

Credit risk represents the inability of one party to meet its obligations, which leads to the other party incurring a financial loss. The Group's policy states that all customers who wish to deal on a deferred basis are subject to a credit check. Financial instruments that are subject to concentration of credit risk mainly consist of customer receivables. The Group deposits cash with a number of financial institutions with good credit rating, and it has a policy based on setting limits on its deposited balances with each financial institution.

The Group does not believe that there are significant risks from the inefficiency of these institutions and the Group does not consider itself exposed to concentrations of credit risks with respect to debtors due to the diversity of its customer base working in various activities and located in multiple regions.

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31- FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)

CREDIT RISK (CONTINUED)

The maximum credit risk to which the Group is exposed is represented by the value of the financial assets stated in the consolidated statement of financial position as follows:

	(Saudi Riyal)	
	<u>2025</u>	<u>2024</u>
Trade receivables	1,217,530,626	992,207,167
Due from related parties	21,831,391	95,180,012
Other current assets	118,992,739	46,523,606
Cash at banks	202,452,353	316,932,845
Total	<u>1,560,807,109</u>	<u>1,450,843,630</u>

Exposing the Group to credit risks are primarily affected by the individual characteristics for each customer separately. Management takes into account also the factors that may have an impact on the credit risks of the Group's clients' base, including the risks of failure in the clients' sector where the clients operate their activities.

The Group has made a credit policy to analyze each new client separately to verify its credit ability before presenting the payment's terms and conditions of the Group. The Group's review includes the external classifications in case it is available and in some cases the bank references. Sales limitations are being set for each customer and are being reviewed quarterly.

The impairment for expected credit losses on trade receivables has been estimated as at December 31, 2025 with an amount of SR 54.2 million (December 31, 2024: SR 32.6 million) (Note 14) in accordance with the Group's applied policy and IFRS 9 "Financial Instruments".

As at the date of the consolidated statement of financial position, the aging of trade receivables was as follows:

<u>December 31, 2025</u>	(Saudi Riyal)			
Receivables aging (in days)	Carrying amount	Expected credit losses	Weighted average loss rate	Net
From 0 to 90	734,987,898	2,020,431	3.72%	732,967,467
From 91 to 180	174,046,126	892,176	1.64%	173,153,950
From 181 to 270	83,812,971	2,053,270	3.78%	81,759,701
From 271 to 360	64,473,134	6,184,920	11.39%	58,288,214
More than 360	160,210,497	43,132,108	79.46%	117,078,389
Total	<u>1,217,530,626</u>	<u>54,282,905</u>		<u>1,163,247,721</u>

<u>December 31, 2024</u>	(Saudi Riyal)			
Receivables aging (in days)	Carrying amount	Expected credit losses	Weighted average loss rate	Net
From 0 to 90	649,276,997	764,466	2.34%	648,512,531
From 91 to 180	116,993,905	574,694	1.76%	116,419,211
From 181 to 270	49,726,895	703,903	2.16%	49,022,992
From 271 to 360	29,550,587	869,369	2.67%	28,681,218
More than 360	146,658,783	29,688,795	91.07%	116,969,988
Total	<u>992,207,167</u>	<u>32,601,227</u>		<u>959,605,940</u>

The movement on expected credit losses during the year is as follows:

	(Saudi Riyal)	
	<u>2025</u>	<u>2024</u>
Balance as at the beginning of the year	32,601,227	29,648,894
Charged during the year	21,675,447	2,970,866
Foreign currency translation adjustment	6,231	(18,533)
Balance as at the end of the year	<u>54,282,905</u>	<u>32,601,227</u>

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31- FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)

CONCENTRATIONS RISK OF MAXIMUM EXPOSURE TO CREDIT RISK

Concentrations arise when a number of the opposite parties involve in similar activities or in the same geographic area, or when they have similar economic characteristics, which may lead their ability to fulfill the contractual obligations affected similarly with the changes of the economic circumstances or policy or other. Concentrations indicate to the material sensitivity for the Group' performance toward the developments which may effect on the business or on a specific geographic area. Trade receivables balances which revenues exceeded 10% from the total revenues amounted to SR 91 million as at December 31, 2025 (2024: SR 63 million).

LIQUIDITY RISK

Liquidity risk represents the Group's difficulties in raising funds to meet commitments related to financial instruments. Liquidity risk can result from the inability to sell any financial asset quickly at an amount close to its fair value. The Group's terms of sale stipulate that the amounts are paid in cash when supplying goods or providing services on a deferred basis.

The following are contractual accruals of non-derivative financial liabilities:

December 31, 2025	(Saudi Riyal)			
	Carrying amount	Contractual cash flows	Less than one year	More than a year
Trade payables	279,407,411	279,407,411	279,407,411	-
Due to related parties	1,003,869	1,003,869	1,003,869	-
Accrued expenses and other current liabilities	359,940,264	359,940,264	340,314,731	19,625,533
Loans and Murabaha	2,490,754,160	2,490,754,160	1,729,914,160	760,840,000
Lease liabilities	3,497,606,914	5,028,097,020	623,846,500	4,404,250,520
Total	6,628,712,618	8,159,202,724	2,974,486,671	5,184,716,053

December 31, 2024	(Saudi Riyal)			
	Carrying amount	Contractual cash flows	Less than one year	More than a year
Trade payables	252,427,455	252,427,455	252,427,455	-
Due to related parties	1,909,752	1,909,752	1,909,752	-
Accrued expenses and other current liabilities	360,352,829	360,352,829	338,915,329	21,437,500
Loans and Murabaha	1,599,278,033	1,599,278,033	744,668,033	854,610,000
Lease liabilities	3,256,887,852	5,288,915,682	608,824,301	4,680,091,381
Total	5,470,855,921	7,502,883,751	1,946,744,870	5,556,138,881

MARKET RISK

Market risk is the risk that the value of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk which are *commission rate risk, foreign currency risk and price risk* and other risks such as equity price risk and commodity price risk.

COMMISSION RATE RISK

Commission rate risk represents the risk arising from the fluctuation of the value of financial instruments due to changes in commission rates prevailing in the market. The Group is subject to commission rate risk on the Group borrowings.

FOREIGN CURRENCY RISK

Foreign currency risk represents the risks resulting from the fluctuation of the value of a financial instrument due to changes in foreign exchange rates. Management monitors fluctuations in foreign exchange rates (US Dollars, Egyptian Pound, Euro, and Emirates Dirham) and believes that the Group is not exposed to significant currency risks.

PRICE RISK

The risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. the Group diversifies its investment portfolio. Diversification of the investment portfolio is in accordance with the limits set by the Group

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31- FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)

CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to:

- Safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, or return capital to shareholders, and issue new shares or sell assets to reduce debt.

The Group seeks to maintain a balance between the highest return that can be achieved in the event of borrowing to the highest possible extent, and the preference and security derived from a strong capital position.

The following is a statement showing the debt-to-adjusted capital ratio:

	(Saudi Riyal)	
	2025	2024
Loans and Murabaha	2,490,754,160	1,599,278,033
Less: cash and cash equivalents	(203,475,688)	(318,099,318)
Net debt	2,287,278,472	1,281,178,715
Net equity attributable to shareholders of the Parent Company	1,551,589,830	1,385,686,933
Debt to adjusted capital ratio	147%	92%

32- FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents the carrying amounts and fair values of financial assets, including their levels within the fair value hierarchy. It does not include fair value hierarchy information for financial assets and financial liabilities that are not measured at fair value if the carrying amount reasonably approximates the fair value.

	(Saudi Riyal)			
	Fair value			
December 31, 2025	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	3,484,560	-	368,694,252	372,178,812
Total	3,484,560	-	368,694,252	372,178,812

	(Saudi Riyal)			
	Fair value			
December 31, 2024	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	-	-	328,095,364	328,095,364
Total	-	-	328,095,364	328,095,364

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2025

33- RESTATEMENT AND RECLASSIFICATION OF THE COMPARATIVE CONSOLIDATED FINANCIAL STATEMENTS

A- Restatement

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, the Group has undertaken the following:

A-1 Derecognition of intangible assets arising from the service concession arrangement amounting to SR 10,063,909,100 (including accumulated amortization of SR 59,138,882), along with the corresponding current portion of the obligation under the service concession agreement amounting to SR 468,361,568 and the non-current portion of the obligation under the service concession agreement amounting to SR 9,077,937,179, after derecognizing finance costs amounting to SR 233,065,841. In addition, the amount paid under the service concession agreement amounting to SR 761,000,000 has been transferred to prepaid expenses and other assets. Furthermore, additions to projects under progress within property, plant and equipment amounting to SR 48,815,076 were recognized in the consolidated statement of financial position. Also, revenues and cost of revenues amounting to SR 48,815,076 were derecognized from the consolidated statement of comprehensive income.

A-2 Recognition of additions to right-of-use assets amounting to SR 2,115,600,613 and accumulated depreciation related to right-of-use assets amounting to SR 97,908,774 in the consolidated statement of financial position, and depreciation expense amounting to SR 97,908,774 was charged to cost of revenues in the consolidated statement of comprehensive income.

In addition, lease liabilities amounting to SR 2,115,600,613 were recognized, while lease liabilities were reduced by SR 127,325,507 representing amounts transferred from prepaid expenses and other assets relating to the portion of sites received in accordance with the contract terms. Finance costs amounting to SR 61,488,599 were also recognized. Accordingly, as of December 31, 2024, the current portion of lease liabilities amounted to SR 249,185,875 and the non-current portion of lease liabilities amounted to SR 1,800,577,830 in the consolidated statement of financial position.

Furthermore, prepaid expenses and other assets were reduced by SR 19,446,820 relating to the amortized portion of the transfer part of the annual returns into equity shares in the Group to Remat Riyadh Development Company, in proportion to the sites received, which was recognized within cost of revenues in the consolidated statement of comprehensive income.

A-3 Recording of impairment losses in prepaid expenses and other assets relating to sites not yet received amounting to SR 98,579,877.

A-4 Transferring of the non-current portion of prepaid expenses and other assets amounting to SR 406,216,923 to non-current prepaid expenses and other assets, representing the portion related to sites not yet received in accordance with the terms of the contract.

As a result of these adjustments, the impact on equity 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.

B- Reclassification

B-1 Other long-term financial liabilities amounting to SR 21,437,500 were reclassified from current liabilities to non-current liabilities. In addition, impairment losses on prepaid expenses and other assets amounting to SR 1,344,119 were reclassified from general and administrative expenses.

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33-RESTATEMENT AND RECLASSIFICATION OF THE COMPARATIVE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The following presents the impact of the restatement and reclassification on the consolidated statement of financial position as at December 31, 2024:

	(Saudi Riyal)							
	Balance before adjustment	Impact of restatement – A-1	Impact of restatement – A-2	Impact of restatement – A-3	Impact of restatement – A-4	Impact of reclassification – B-1	Total impact of restatement and reclassification	Balance after adjustment
Property, plant and equipment (projects under progress)	282,704,724	48,815,076	-	-	-	-	48,815,076	331,519,800
Right-of-use assets (cost)	1,959,476,378	-	2,115,600,613	-	-	-	2,115,600,613	4,075,076,991
Right-of-use assets (accumulated depreciation)	(602,071,149)	-	(97,908,774)	-	-	-	(97,908,774)	(699,979,923)
Intangible assets arising from a service concession arrangement	10,063,909,100	(10,063,909,100)	-	-	-	-	(10,063,909,100)	-
Prepaid expenses and other current assets	182,796,563	761,000,000	(146,772,327)	(98,579,877)	(406,216,923)	-	109,430,873	292,227,436
Prepaid expenses and other non-current assets	-	-	-	-	406,216,923	-	406,216,923	406,216,923
Retained earnings and non-controlling interests	(762,889,494)	(292,204,723)	178,844,193	98,579,877	-	-	(14,780,653)	(777,670,147)
Lease liabilities	(847,485,721)	-	(1,800,577,830)	-	-	-	(1,800,577,830)	(2,648,063,551)
Other long-term financial liabilities	-	-	-	-	-	(21,437,500)	(21,437,500)	(21,437,500)
Obligation under a service concession arrangement	(9,077,937,179)	9,077,937,179	-	-	-	-	9,077,937,179	-
Accrued expenses and other current liabilities	(360,352,829)	-	-	-	-	21,437,500	21,437,500	(338,915,329)
Obligation under a service concession arrangement – current portion	(468,361,568)	468,361,568	-	-	-	-	468,361,568	-
Lease liabilities – current portion	(359,638,426)	-	(249,185,875)	-	-	-	(249,185,875)	(608,824,301)

The following presents the impact of the restatement and reclassification on the consolidated statement of comprehensive income for the year ended December 31, 2024:

	(Saudi Riyal)							
	Balance before adjustment	Impact of restatement – A-1	Impact of restatement – A-2	Impact of restatement – A-3	Impact of restatement – A-4	Impact of reclassification – B-1	Total impact of restatement and reclassification	Balance after adjustment
Revenue	1,685,865,915	(48,815,076)	-	-	-	-	(48,815,076)	1,637,050,839
Cost of revenues	(867,288,226)	107,953,958	(117,355,594)	-	-	-	(9,401,636)	(876,689,862)
General and administrative expenses	(113,501,454)	-	-	-	-	1,344,119	1,344,119	(112,157,335)
Finance costs	(447,487,873)	233,065,841	(61,488,599)	-	-	-	171,577,242	(275,910,631)
Impairment losses on prepaid expenses and other assets	-	-	-	(98,579,877)	-	(1,344,119)	(99,923,996)	(99,923,996)
Total impact of restatement and reclassification		292,204,723	(178,844,193)	(98,579,877)	-	-	14,780,653	
Total comprehensive income for the year attributable to:								
Shareholders of the parent Company	259,240,079	262,984,251	(160,959,774)	(88,721,889)	-	-	13,302,588	272,542,667
Non-controlling interests	(4,139,695)	29,220,472	(17,884,419)	(9,857,988)	-	-	1,478,065	(2,661,630)

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33- RESTATEMENT AND RECLASSIFICATION OF THE COMPARATIVE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The following presents the impact of the restatement and reclassification on the consolidated statement of cash flows for the year ended December 31, 2024:

(Saudi Riyal)

	Balance before adjustment	Impact of restatement	Impact of reclassification	Balance after adjustment
Net cash flows generated from operating activities	962,695,637	(253,174,493)	-	709,521,144
Net cash flows used in investing activities	(121,936,107)	-	-	(121,936,107)
Net cash flows used in financing activities	(689,384,045)	253,174,493	-	(436,209,552)
Net change in cash and cash equivalents during the year	151,375,485	-	-	151,375,485

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34- SUBSEQUENT EVENTS

- On January 14, 2026, the Group announced the signing of several agreements with Majid Al Futtaim Properties to operate and manage digital advertising screens in a number of shopping malls in the United Arab Emirates. The financial impact of these agreements is expected to be reflected in the Group's operating revenues in the coming financial periods.
- On January 18, 2026, the Group announced developments related to the Second Airports Cluster Project, which aims to strengthen the Company's presence in the airports advertising sector in the Kingdom of Saudi Arabia. The financial impact of this project is expected to be reflected in the Company's results upon the actual commencement of operations at the advertising sites in accordance with the project implementation phases.
- On February 5, 2026, the Group held its Ordinary General Assembly meeting, which several resolutions were approved. The most notable of these included approval to contract with Saudi Media Company for Advertising and Publicity for joint cooperation in marketing advertising billboards and attracting advertisers across various locations within the Kingdom. In addition, the Board of Directors was authorized to complete the necessary procedures and the Chief Executive Officer was delegated to conclude the agreement in accordance with prevailing commercial terms.
- On February 15, 2026, the Group announced the signing of a contract with the Second Airports Cluster Company to operate and manage advertising sites at Prince Mohammad bin Abdulaziz International Airport in Madinah, which is expected to support the Company's expansion in airport advertising and enhance future revenues.
- On February 23, 2026, the Group announced the award of a contract to operate and manage advertising sites under the Khutah Project, which aims to operate digital advertising billboards in several locations across the Kingdom. The financial impact of this contract is expected to be reflected in the Group's results in the coming financial periods in accordance with the project implementation phases.
- On March 16, 2026, the Group held its Ordinary General Assembly meeting to approve the formation of the Board of Directors for the new term, strengthening the governance framework and ensuring the continuity of the Company's operational strategy. Accordingly, on March 24, 2026, the Group appointed the Chairman of the Board and the Vice Chairman, and formed the Audit Committee and other committees for the new term, further strengthening the governance framework and supporting the continued execution of the Group's operational strategy.
- In March 2026, geopolitical instability in the Middle East region increased, which may have an impact on all countries in the region. The Group's management is closely monitoring these geopolitical developments and has concluded that these events represent subsequent events that do not require any adjustments to the consolidated financial statements. Although the Group's consolidated financial position has not been affected at present, management continues to assess the potential for any future impacts on its operations.

As per management opinion, there are no other subsequent events after the year ended December 31, 2025 that could have a material impact on the Group's consolidated financial position or the results of its operations.

35- APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Group's Board of Directors on Shawwal 11, 1447 H (corresponding to March 30, 2026).