

ARABIAN CONTRACTING SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE- AND NINE-MONTHS PERIODS ENDED SEPTEMBER 30, 2025

ARABIAN CONTRACTING SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE- AND NINE-MONTHS PERIODS ENDED SEPTEMBER 30, 2025

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

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

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of **Arabian Contracting Services Company** (the Company) and its subsidiaries (collectively referred to as the "Group") as at September 30, 2025 and the condensed interim consolidated statement of comprehensive income for the three- and nine-months periods then ended, and the related condensed interim consolidated statements of changes in equity and cash flows for the nine-months period then ended, and other explanatory notes. Management is responsible for the preparation of these condensed interim consolidated financial information and presentation in accordance with International Accounting Standard (34) "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this condensed interim consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing as endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion:

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial information are not prepared, in all material respects, in accordance with International Accounting Standard (34) as endorsed in the Kingdom of Saudi Arabia.

RSM Allied Accountants Professional Services



Mohammed Bin Farhan Bin Nader

License No. 435

Riyadh, Kingdom of Saudi Arabia

Jumada Al Awal 20, 1447 H (Corresponding to November 11, 2025)



ARABIAN CONTRACTING SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(UNAUDITED)

AS AT SEPTEMBER 30, 2025

(SAUDI RIYAL)

	Notes	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		289,871,036	282,704,724
Right-of-use assets		1,570,361,420	1,357,405,229
Goodwill and licenses	6	731,782,310	730,249,735
Intangible assets arising from service concession arrangement	7	9,743,039,924	10,063,909,100
Financial assets at fair value through profit or loss		332,511,109	328,095,364
Lease assets		3,970,497	5,501,199
Total non-current assets		12,671,536,296	12,767,865,351
Current assets			
Inventories		84,564,930	49,222,737
Trade receivables		1,073,769,431	959,605,940
Lease assets – current portion		1,135,944	984,404
Prepaid expenses and other current assets		290,674,919	182,796,563
Due from related parties	9	29,911,584	95,180,012
Cash and cash equivalents		207,351,144	318,099,318
Total current assets		1,687,407,952	1,605,888,974
TOTAL ASSETS		14,358,944,248	14,373,754,325
EQUITY AND LIABILITIES			
EQUITY			
Share capital	1	550,000,000	550,000,000
Reserves		73,035,771	73,035,771
Retained earnings		437,900,619	764,657,630
Foreign currency translation reserve		(13,518,215)	(15,309,056)
Total equity attributable to equity holders of the parent company		1,047,418,175	1,372,384,345
Non-controlling interests		(30,911,826)	(1,768,136)
TOTAL EQUITY		1,016,506,349	1,370,616,209
LIABILITIES			
Non-current liabilities			
Employees' defined benefits obligations		18,033,707	14,992,033
Lease liabilities		981,044,721	847,485,721
Long-term murabaha	10	842,576,230	854,610,000
Obligation under service concession arrangement	8	7,819,439,438	9,077,937,179
Total non-current liabilities		9,661,094,096	10,795,024,933
Current liabilities			
Lease liabilities - current portion		343,451,238	359,638,426
Long-term murabaha - current portion	10	169,898,818	116,640,000
Short-term loans	10	1,551,575,000	628,028,033
Obligation under service concession arrangement - current portion	8	941,500,000	468,361,568
Trade payables		251,621,490	252,427,455
Due to related parties	9	2,949,040	1,909,752
Accrued expenses and other current liabilities		402,230,011	360,352,829
Zakat and income tax provision	11	18,118,206	20,755,120
Total current liabilities		3,681,343,803	2,208,113,183
TOTAL LIABILITIES		13,342,437,899	13,003,138,116
TOTAL EQUITY AND LIABILITIES		14,358,944,248	14,373,754,325

Chairman of Board of Directors
Mohamad Abdul Ellah Al Kherei



Chief Executive Officer
Mansour Mohammed Al-Obaikan



Chief Financial Officer
Nicolas Bou Habib



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

ARABIAN CONTRACTING SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED)

FOR THE THREE- AND NINE-MONTHS PERIODS ENDED SEPTEMBER 30, 2025
(SAUDI RIYAL)

	Notes	For the three-months period ended September 30		For the nine-months period ended September 30	
		2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Continuing operations					
Revenues	5	418,726,011	352,880,668	1,392,768,746	1,166,015,227
Cost of revenues	5	(376,516,481)	(253,482,115)	(1,018,354,247)	(720,911,172)
Gross profit		42,209,530	99,398,553	374,414,499	445,104,055
Selling and marketing expenses		(16,445,254)	(3,546,020)	(54,425,617)	(36,676,125)
General and administrative expenses		(60,112,039)	(25,381,729)	(116,963,439)	(77,089,894)
Expected credit losses		(1,850,001)	(1,850,003)	(5,550,003)	(5,550,003)
Operating (loss) \ profit		(36,197,764)	68,620,801	197,475,440	325,788,033
Finance costs		(183,688,447)	(52,270,422)	(538,962,305)	(160,097,343)
Gain from disposal of right-of-use assets		-	21,930,913	-	21,930,913
Share of results of an associate		-	-	-	9,204,553
Gain from revaluation of financial assets at fair value through profit or loss		623,695	17,400,149	348,164	17,400,149
Dividends from financial assets at fair value through profit or loss		88,810	-	88,810	-
Other income \ (expenses), net		(256,341)	(131,143)	2,417,416	2,820,571
(Loss) \ Profit before zakat and income tax from continuing operations		(219,430,047)	55,550,298	(338,632,475)	217,046,876
Zakat and income tax	11	(5,733,093)	(5,749,999)	(17,233,031)	(17,249,997)
(Loss) \ Profit for the period from continuing operations		(225,163,140)	49,800,299	(355,865,506)	199,796,879
Discontinued operations					
Loss for the period from discontinued operations	12	-	-	-	(236,705)
(Loss) \ Profit for the period		(225,163,140)	49,800,299	(355,865,506)	199,560,174
(Loss) \ Profit for the period attributable to:					
Equity holders of the parent company		(218,301,130)	44,312,199	(326,757,011)	192,457,266
Non-controlling interests		(6,862,010)	5,488,100	(29,108,495)	7,102,908
		(225,163,140)	49,800,299	(355,865,506)	199,560,174
Basic and diluted (losses) \ earnings per share:					
(Loss) \ Earnings per share attributable to equity holders of the parent company	14	(4)	0.81	(5.9)	3.50
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation differences		1,033,108	(2,263,058)	2,241,620	(12,849,834)
Total other comprehensive income \ (other comprehensive loss) for the period		1,033,108	(2,263,058)	2,241,620	(12,849,834)
Total (comprehensive loss) \ comprehensive income for the period		(224,130,032)	47,537,241	(353,623,886)	186,710,340
Total (other comprehensive loss) \ comprehensive income for the period attributable to:					
Equity holders of the parent company		(217,629,127)	42,813,230	(324,966,170)	181,250,852
Non-controlling interests		(6,500,905)	4,724,011	(28,657,716)	5,459,488
		(224,130,032)	47,537,241	(353,623,886)	186,710,340

Chairman of Board of Directors
Mohamad Abdul Ellah Al Kharei

Chief Executive Officer
Mansour Mohammed Al-Obaikan

Chief Financial Officer
Nicolas Bou Habib

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ARABIAN CONTRACTING SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)


CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 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
For the nine-months period ended September 30, 2024							
Balance as at January 1, 2024 (Audited)	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 period	-	-	192,457,266	-	192,457,266	7,102,908	199,560,174
Other comprehensive loss for the period	-	-	-	(11,206,414)	(11,206,414)	(1,643,420)	(12,849,834)
Total comprehensive income for the period	-	-	192,457,266	(11,206,414)	181,250,852	5,459,488	186,710,340
Change in non-controlling interests	-	-	-	-	-	151,967	151,967
Balance as at September 30, 2024 (Unaudited)	500,000,000	73,035,771	736,961,724	(15,602,377)	1,294,395,118	9,180,552	1,303,575,670
For the nine-months period ended September 30, 2025							
Balance as at January 1, 2025 (Audited)	550,000,000	73,035,771	764,657,630	(15,309,056)	1,372,384,345	(1,768,136)	1,370,616,209
Loss for the period	-	-	(326,757,011)	-	(326,757,011)	(29,108,495)	(355,865,506)
Other comprehensive income for the period	-	-	-	1,790,841	1,790,841	450,779	2,241,620
Total comprehensive loss for the period	-	-	(326,757,011)	1,790,841	(324,966,170)	(28,657,716)	(353,623,886)
Change in non-controlling interests	-	-	-	-	-	(485,974)	(485,974)
Balance as at September 30, 2025 (Unaudited)	550,000,000	73,035,771	437,900,619	(13,518,215)	1,047,418,175	(30,911,826)	1,016,506,349

Chairman of Board of Directors
Mohamad Abdul Ellah Al Khireiji



Chief Executive Officer
Mansour Mohammed Al-Obaikan



Chief Financial Officer
Nicolas Pou Hanyo



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ARABIAN CONTRACTING SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025
(SAUDI RIYAL)

	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)
OPERATING ACTIVITIES:		
(Loss)/Profit before zakat and income tax from continuing operations	(338,632,475)	217,046,876
Loss for the period from discontinued operations	-	(236,705)
Adjustments:		
Depreciation of property, plant and equipment	42,271,180	35,886,016
Depreciation of right-of-use assets	250,875,166	222,649,540
Amortization of licenses	17,129,275	16,316,431
Amortization of intangible assets arising from service concession arrangement	341,348,140	-
Share of results of an associate	-	(9,204,553)
Revaluation of financial assets at fair value through profit or loss	(348,164)	(17,400,149)
Expected credit losses	5,550,003	5,550,003
Losses from disposal of property, plant and equipment	1,068,428	2,289,569
Current service cost of employees' defined benefits obligations	4,193,893	5,746,142
Finance costs related to short-term loans and long-term murabaha	101,858,711	102,037,750
Finance costs related to lease liabilities	80,963,288	58,059,593
Finance costs related to obligation under service concession arrangement	356,140,691	-
Gain from disposal of right-of-use assets	-	(21,930,913)
Gain from adjustments of right-of-use assets	(1,074,830)	-
Changes in working capital:		
Inventories	(35,342,193)	(25,351,778)
Trade receivables	(119,713,494)	(236,482,399)
Prepaid expenses and other current assets	(110,434,016)	(457,176,112)
Due from / to related parties, Net	66,307,716	(5,856,175)
Contract liabilities	-	1,335,752
Trade payables	(805,965)	36,578,244
Accrued expenses and other current liabilities	42,530,675	198,606,906
Change in net assets of discontinued operations	-	338,732
Cash generated from operations	703,886,029	128,802,770
Employees' defined benefits obligations paid	(1,152,304)	(7,574,874)
Zakat and income tax paid	(19,913,265)	(24,627,723)
Net cash flows from operating activities	682,820,460	96,600,173
INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(50,043,021)	(72,037,834)
Additions to intangible assets arising from service concession arrangement	(20,478,964)	-
Acquisition of non-controlling interest in sub subsidiary	(19,143,000)	-
Purchase of financial assets at fair value through profit or loss	(4,067,581)	-
Proceeds from sale of property, plant and equipment	256,555	649,858
Net cash flows used in investing activities	(93,476,011)	(71,387,976)
FINANCING ACTIVITIES:		
Proceeds from short-term loans and long-term murabaha	2,419,552,548	321,698,129
Repayment of short-term loans and long-term murabaha	(1,454,780,533)	(82,500,000)
Lease liabilities paid	(424,901,304)	(168,441,653)
Obligation under service concession arrangement paid	(1,141,500,000)	-
Proceeds from lease assets	1,379,162	-
Finance costs paid	(101,389,455)	(82,286,379)
Change in non-controlling interests	485,974	151,967
Net cash flows used in financing activities	(701,153,608)	(11,377,936)
Net change in cash and cash equivalents during the period	(111,809,159)	13,834,261
Foreign currency translation adjustment	1,060,985	(8,386,469)
Cash and cash equivalents at the beginning of the year	318,099,318	174,082,308
Cash and cash equivalents at the end of the period	207,351,144	179,530,100
Non-cash transactions:		
Additions to right-of-use assets and lease liabilities	383,396,370	19,568,135
Amortization of lease liabilities into accrued expenses	1,122,749	(77,845,526)
Accrued finance cost	469,256	(19,751,371)
Absorption of prepaid expenses into lease liabilities	(2,555,660)	(14,032,635)
Transferred from property, plant and equipment to prepaid expenses and other current assets	-	20,078,119
Transferred from accrued expenses and other current liabilities to intangible assets	-	5,000,000

Chairman of Board of Directors
Mohamad Abdul Ellah Al Khreiji



Chief Executive Officer
Mansour Mohammed Al-Obaikan



Chief Financial Officer
Nicolas Bau Habib



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

ARABIAN CONTRACTING SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
(UNAUDITED)

FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2025

1- GROUP INFORMATION

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

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

The Company's main activities include printing, engraving, and photogravure on metal or plastic plates (zincograph), manufacturing components for plasma display panels, polymer and liquid crystal display (LCD) screens, screen production, general construction of residential buildings, construction of roads, streets, pavements, and related infrastructure, construction of bridges and tunnels, construction of railway lines, casting foundations and bases, installation of electrical wiring, installation of telecommunications wiring, wholesale of electronic and household electrical appliances, wholesale of television receiving devices (including import), wholesale of software (including import), land transportation of goods, transportation of goods and heavy equipment, light transport, advertising and publicity agencies, repair and maintenance of screens, keyboards, mice, and other similar accessories, and building maintenance service activities.

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 (1) free share for every ten shares owned by the shareholders. The share capital before the increase is SR 500,000,000 and after the increase will become SR 550,000,000. The Capital Market Authority has 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. The increase in the Company's share capital was reflected after obtaining the approval of the Extraordinary General Assembly on December 23, 2024.

Accordingly, the Company's share capital as at September 30, 2025 amounts to SR 550 million divided into 55 million shares, the value of each share is SR 10 (December 31, 2024: SR 550 million).

These accompanying condensed interim consolidated financial information 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 advertisement entities and agencies	1010062303
Ain Al Arabia Company for Advertising and Publicity	Riyadh	Publicity and advertisement entities and agencies, organization and management of exhibitions and conferences, wholesale of gifts and luxuries	1010500526
Arabian Contracting Services	Jeddah	Publicity and advertisement entities and agencies	4030058296
Raweyah Printing Press Arabian Company Factory	Jeddah	Engraving and photoengraving on metal or plastic plates (zincograph), and bookbinding	4030275525

Acquisition of a subsidiary – Faden Agency Media and Advertising Company in 2023

The Group's Board of Directors resolved on Rabi' Al Awwal 15, 1444 H (corresponding to October 11, 2022) to approve a purchase agreement on the acquisition of the entire shares of Faden Agency Media and Advertising Company (A One-person Limited Liability Company) with a share capital amounting to SR 60 million. The total value of the acquisition deal amounts to SR 1,050,000,000. Accordingly, the Group signed on July 31, 2023 a sale and purchase agreement for the shares of Faden Agency Media and Advertising Company. All procedures related to the acquisition deal were completed on October 31, 2023 and the economic rights and obligations were accounted for commencing from November 1, 2023.

ARABIAN CONTRACTING SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
(UNAUDITED) (CONTINUED)
FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2025

1- GROUP INFORMATION (CONTINUED)

Acquisition of a subsidiary – Faden Agency Media and Advertising Company in 2023 (continued)

The activities of Faden Agency Media and Advertising Company consist of advertising entities and agencies, providing marketing services on behalf of others, and installing and assembling neon signs. The Group has concluded the acquisition as a business as per IFRS 3 “Business Combinations” and accordingly accounted for the business combination using the acquisition method as per IFRS 3 “Business Combinations” with the Arabian Contracting Services Company being the acquirer (the “acquirer”) and Faden Agency Media and Advertising Company as the acquiree (the “acquiree”). The Group has engaged with an independent expert to determine the fair value of the assets and liabilities of Faden Agency Media and Advertising Company as part of the purchase price allocation exercise.

On August 13, 2024, the Group has completed the procedures related to the financial impact of the acquisition in the consolidated financial information for the year ended December 31, 2024, which were finalized based on the purchase price allocation report issued by the independent expert.

Below is the fair value of identifiable assets and liabilities as at the date of acquisition:

	(Saudi Riyal)
Assets	
Cash and cash equivalents	15,624,595
Trade receivables	50,347,746
Prepaid expenses and other current assets	20,193,532
Investment in an associate	290,700,000
Right-of-use assets	368,155,332
Property, plant and equipment	38,755,058
Total assets	783,776,263
Liabilities	
Trade payables	42,140,101
Accrued expenses and other current liabilities	43,458,091
Lease liabilities	391,734,845
Long-term loans	9,602,608
Zakat provision	749,999
Employees’ defined benefits obligations	3,366,544
Total liabilities	491,052,188
Net identifiable assets as at the date of acquisition	292,724,075
Intangible assets arising from acquisition	228,390,337
Goodwill arising from acquisition	528,885,588
Purchase consideration	1,050,000,000

2- BASIS OF PREPARATION

2-1 Statement of compliance

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

This condensed interim consolidated financial information do not include all the information and disclosures required for a complete set of consolidated financial information prepared in accordance with International Financial Reporting Standards, and therefore they should be read in conjunction with the Group’s annual consolidated financial information for the year ended December 31, 2024. The results for the period are not an indication of the annual results of the Group.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
(UNAUDITED) (CONTINUED)
FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2025

2- BASIS OF PREPARATION (CONTINUED)

2-2 Basis of measurement

The condensed interim consolidated financial information have been prepared under historical cost basis except for what was described in the relevant material accounting policies information in the annual consolidated financial information for the year ended December 31, 2024.

2-3 Functional and presentation currency

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

2-4 Devaluation of Egyptian currency

During the period ended September 30, 2025, the exchange rate of the Egyptian pound against the Saudi riyal remained stable without any significant change (September 30, 2024:36%).

2-5 Basis of consolidation

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

Control is achieved when the Group:

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

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

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

The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders.
- Potential voting rights held by the Group, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous stakeholders' meetings.

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

ARABIAN CONTRACTING SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
(UNAUDITED) (CONTINUED)
FOR THE NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2025

2-BASIS OF PREPARATION (CONTINUED)

2-5 Basis of consolidation (continued)

A change in the ownership interest of a subsidiary, without a loss of control, is recorded in the condensed interim consolidated statement of changes in equity.

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

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

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

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

The accompanying condensed interim consolidated financial information 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	Activity of the subsidiary	Ownership %	
			September 30, 2025	December 31, 2024
Al-Arabia Out of Home Advertising FZ – LLC (A)	UAE	Media and marketing services, outdoor advertising activities	100	100
Al-Taer Al-Arabi Trading Company a One Person Company (Liquidated) (B)	KSA	Storage, wholesaling on a fee or contract basis, wholesale of other household goods, retailing by mail order fulfillment houses or via the internet	-	-
Arabian United Company for Advertising Services (C)	Egypt	Publicity and advertising by all audio, print and visual means, supplying, installing and operating digital screens, project management	49.99	49.99
Faden Agency Media and Advertising Company a One Person Company (D)	KSA	Advertising entities and agencies, providing marketing services on behalf of others, and installing and assembling neon signs	100	100
		Advertising agencies and institutions, providing marketing services on behalf of others, maintenance and operation of pollution control equipment, installation of industrial process control equipment, installation of communication equipment, artificial intelligence technologies, establishing the infrastructure for website hosting and data preparation services and related activities.	90	90
Al Arabia Alliance for Smart Advertisement Company (E)	KSA			

(A) Al-Arabia Out of Home Advertising FZ – LLC – is a Limited Liability Company registered in the United Arab Emirates and it is a 100% owned subsidiary of the Company with a share capital of AED 100,000.

(B) Al-Taer Al-Arabi Trading Company is a One Person Limited Liability Company registered in the Kingdom of Saudi Arabia and it is a 100% owned subsidiary of the Company with a share capital of SR 50,000. The company was liquidated and all regulatory procedures related to the liquidation were completed on Ramadan 17, 1445 H (corresponding to March 27, 2024) As it is not subject to business combination as at September 30, 2025 (Note 12).

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2-BASIS OF PREPARATION (CONTINUED)

2-6 Basis of consolidation (continued)

- (C) Arabian United Company for Advertising Services is a Joint Stock Company registered in the Arab Republic of Egypt and it is a 49.99% owned subsidiary of the Company with a share capital of Egyptian Pounds 7,500,000. The subsidiary was consolidated by 49.99% due to the presence of control over the majority of the voting rights.
- (D) Faden Agency Media and Advertising Company is a One Person Limited Liability Company registered in the Kingdom of Saudi Arabia and it is a 100% owned subsidiary of the Company with a share capital of SR 60 million (Note 1)
- (E) Al Arabia Alliance for Smart Advertisement Company is a Limited Liability Company registered in the Kingdom of Saudi Arabia and it is a 90% owned subsidiary of the Company with a share capital of SR 1,000,000.

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 as at the date of acquisition, plus costs directly attributable to the 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 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 Condensed Interim Consolidated Statement of Comprehensive Income. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

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

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

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

2-7 Significant accounting estimates and assumptions

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

The significant judgements made by management in applying the Group's material accounting policies and the key sources of estimation uncertainty are the same as those described in the Group's last annual consolidated financial statements for the year ended December 31, 2024.

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3- CONSISTENCY OF MATERIAL ACCOUNTING POLICIES INFORMATION

The material accounting policies information followed and the methods of calculation applied in the preparation of this condensed interim consolidated financial information are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2024.

4- STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

There are new standards and number of amendments to standards which are effective from January 1, 2025 which have been explained in the Group's annual consolidated financial statements, however, having no material impact on the Group's condensed interim consolidated financial information.

5- OPERATING SEGMENTS

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

Basis of segment reporting

The Group has the following strategic segments which are considered 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:

<u>Segment reports</u>	<u>Operations / Activity</u>
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 gross 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:

	(Saudi Riyal)				
For the three-months period ended September 30, 2025 (Unaudited)	Advertising segment	Others	Total segments	Reconciliation and elimination	Consolidated
<u>Revenues</u>					
Customers	412,167,033	6,558,978	418,726,011	-	418,726,011
Transactions between segments	-	2,311,253	2,311,253	(2,311,253)	-
Total revenues	412,167,033	8,870,231	421,037,264	(2,311,253)	418,726,011
Depreciation and amortization	231,455,946	732,944	232,188,890	-	232,188,890
Loss of the period	(225,842,960)	679,820	(225,163,140)	-	(225,163,140)

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5- OPERATING SEGMENTS (CONTINUED)

Information on segment reporting (continued)

	(Saudi Riyal)				
For the three- months period ended September 30, 2024 (Unaudited)	Advertising segment	Others	Total segments	Reconciliation and elimination	Consolidated
Revenues					
Customers	348,225,738	4,654,930	352,880,668	-	352,880,668
Transactions between segments	-	2,245,496	2,245,496	(2,245,496)	-
Total revenues	348,225,738	6,900,426	355,126,164	(2,245,496)	352,880,668
Depreciation	107,342,256	786,999	108,129,255	-	108,129,255
Profit of the period	49,619,950	180,349	49,800,299	-	49,800,299

	(Saudi Riyal)				
For the nine- months period ended September 30, 2025 (Unaudited)	Advertising segment	Others	Total segments	Reconciliation and elimination	Consolidated
Revenues					
Customers	1,373,310,118	19,458,628	1,392,768,746	-	1,392,768,746
Transactions between segments	-	6,348,606	6,348,606	(6,348,606)	-
Total revenues	1,373,310,118	25,807,234	1,399,117,352	(6,348,606)	1,392,768,746
Depreciation and amortization	649,445,244	2,178,517	651,623,761	-	651,623,761
Loss of the period	(358,179,076)	2,313,570	(355,865,506)	-	(355,865,506)

	(Saudi Riyal)				
For the nine- months period ended September 30, 2024 (Unaudited)	Advertising segment	Others	Total segments	Reconciliation and elimination	Consolidated
Revenues					
Customers	1,153,217,087	12,798,140	1,166,015,227	-	1,166,015,227
Transactions between segments	-	9,249,244	9,249,244	(9,249,244)	-
Total revenues	1,153,217,087	22,047,384	1,175,264,471	(9,249,244)	1,166,015,227
Depreciation	272,546,518	2,305,469	274,851,987	-	274,851,987
Profit of the period	197,937,921	1,622,253	199,560,174	-	199,560,174

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5- 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, Arab Republic of Egypt and the United Arab Emirates. Below is a summary of some financial information for each geographic region separately:

<i>Geographic information</i>	(Saudi Riyal)	
	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)
<i>Revenues from customers</i>		
Kingdom of Saudi Arabia	1,297,429,295	1,131,790,986
Arab Republic of Egypt	48,033,497	34,224,241
United Arab Emirates	47,305,954	-
Total	1,392,768,746	1,166,015,227

For the three-months period ended September 30, 2025 (Unaudited):

	(Saudi Riyal)			
	Kingdom of Saudi Arabia	Arab Republic of Egypt	United Arab Emirates	Total
Revenues	365,401,683	29,260,732	24,063,596	418,726,011
Cost of revenues	(353,086,490)	(14,098,082)	(9,331,909)	(376,516,481)
Gross profit	12,315,193	15,162,650	14,731,687	42,209,530

For the three-months period ended September 30, 2024 (Unaudited):

	(Saudi Riyal)			
	Kingdom of Saudi Arabia	Arab Republic of Egypt	United Arab Emirates	Total
Revenues	335,618,584	17,262,084	-	352,880,668
Cost of revenues	(245,749,191)	(7,732,924)	-	(253,482,115)
Gross profit	89,869,393	9,529,160	-	99,398,553

For the nine-months period ended September 30, 2025 (Unaudited):

	(Saudi Riyal)			
	Kingdom of Saudi Arabia	Arab Republic of Egypt	United Arab Emirates	Total
Revenues	1,297,429,295	48,033,497	47,305,954	1,392,768,746
Cost of revenues	(961,958,653)	(30,975,352)	(25,420,242)	(1,018,354,247)
Gross profit	335,470,642	17,058,145	21,885,712	374,414,499

For the nine-months period ended September 30, 2024 (Unaudited):

	(Saudi Riyal)			
	Kingdom of Saudi Arabia	Arab Republic of Egypt	United Arab Emirates	Total
Revenues	1,131,790,986	34,224,241	-	1,166,015,227
Cost of revenues	(700,856,319)	(20,054,853)	-	(720,911,172)
Gross profit	430,934,667	14,169,388	-	445,104,055

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

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5- OPERATING SEGMENTS (CONTINUED)

Information on segment reporting (Continued)

For the period ended September 30, 2025 (Unaudited):

	(Saudi Riyal)			
	Kingdom of Saudi Arabia	Arab Republic of Egypt	United Arab Emirates	Total
Property, plant and equipment	231,836,391	15,975,311	42,059,334	289,871,036
Right-of-use assets	1,122,846,119	1,263,599	446,251,702	1,570,361,420
Intangible assets arising from service concession arrangement	9,743,039,924	-	-	9,743,039,924
Total assets	13,702,129,244	68,945,919	587,869,085	14,358,944,248
Total liabilities	12,697,405,896	44,855,593	600,176,410	13,342,437,899

For the year ended December 31, 2024 (Audited):

	(Saudi Riyal)			
	Kingdom of Saudi Arabia	Arab Republic of Egypt	United Arab Emirates	Total
Property, plant and equipment	243,972,454	13,283,158	25,449,112	282,704,724
Right-of-use assets	977,677,607	790,755	378,936,867	1,357,405,229
Intangible assets arising from service concession arrangement	10,063,909,100	-	-	10,063,909,100
Total assets	13,808,914,918	39,226,513	525,612,894	14,373,754,325
Total liabilities	12,439,229,068	30,008,060	533,900,988	13,003,138,116

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

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

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6- LICENSES AND GOODWILL

	(Saudi Riyal)		
<u>Cost:</u>	<u>Goodwill</u>	<u>Licenses</u>	<u>Total</u>
Balance as at January 1, 2024	528,885,588	228,390,337	757,275,925
Balance as at December 31, 2024	528,885,588	228,390,337	757,275,925
Additions (*)	18,657,026	-	18,657,026
Foreign currency differences	4,824	-	4,824
Balance as at September 30, 2025	547,547,438	228,390,337	775,937,775
<u>Accumulated amortization:</u>			
Amortization provision transferred	-	5,000,000	5,000,000
Charged during the year	-	22,026,190	22,026,190
Balance as at December 31, 2024	-	27,026,190	27,026,190
Charged during the period	-	17,129,275	17,129,275
Balance as at September 30, 2025	-	44,155,465	44,155,465
<u>Net Book Value:</u>			
Balance as at September 30, 2025 (Unaudited)	547,547,438	184,234,872	731,782,310
Balance as at December 31, 2024 (Audited)	528,885,588	201,364,147	730,249,735

On 29 Dhul-Qi'dah 1446 H (corresponding to May 27, 2025), the Group's Board of Directors approved a purchase agreement to acquire a portion of the shares of Al- Arabiya Out of Home Digital Advertising Company (a subsidiary of Al-Arabia Out of Home Advertising FZ - LLC) In the United Arab Emirates. The acquisition deal amounted to SR 19,143,000 it represents 15%, as the Company owned 60% and after the deal it owned 75%. As a result of the acquisition, goodwill amounting to SAR 18,657,026 was recognized. All regulatory procedures related to the completion of the transaction were finalized during the period.

7- INTANGIBLE ASSETS ARISING FROM SERVICE CONCESSION ARRANGEMENT

The Group signed a contract for constructing, operating, and maintaining outdoor advertising billboards in Riyadh city with Remat Al Riyadh Development Company for a duration of 10 years. Remat Al Riyadh Development Company is the developmental arm of the Riyadh Municipality and the strategic partner of public-private partnerships aimed at enhancing municipal services and contributing to the improvement of quality of life in the Riyadh region. In addition, the Group established a special-purpose entity in partnership with Al Arabia Alliance for Smart Advertisements Company (a subsidiary), in compliance with the terms of the contract for constructing, operating, and maintaining outdoor advertising billboards in Riyadh city. This company will provide the full scope of services and operations throughout the duration of the project contract for constructing, operating, and maintaining outdoor advertising billboards in Riyadh city where at the end of the contract term, it will be transferred to the granting authority. The contract for constructing, operating, and maintaining outdoor advertising billboards in Riyadh city stipulates the payment of fixed and variable annual returns, in addition to annual advertising fees, throughout the duration of the contract. The fixed annual returns have been recognized as an intangible asset at the present value in accordance with IFRIC 12 – Service Concession Arrangements, with the corresponding liabilities recognized as an obligation under the service concession agreement. The variable annual revenues under the contract for the Construction, Operation, and Maintenance of Outdoor Advertising Billboards Project in Riyadh City are recorded in the condensed interim consolidated statement comprehensive income when incurred. In addition, the contract includes an agreement whereby part of the annual returns (i.e. the annual entitlements) may be converted into equity shares to Remat Al Riyadh Development Company during the contract period, whereby Remat Al Riyadh Development Company will obtain 10% ownership in Al Arabia for Outdoor Advertising Company, subject to obtaining the relevant regulatory approvals.

	(Saudi Riyal)	
	<u>September 30, 2025</u>	<u>December 31, 2024</u>
<u>Cost:</u>	<u>(Unaudited)</u>	<u>(Audited)</u>
Balance as at the beginning of the period / year	10,123,047,982	-
Additions during the period / year	20,478,964	10,123,047,982
Balance as at the end of the period / year	10,143,526,946	10,123,047,982
<u>Accumulated amortization:</u>		
Balance as at the beginning of the period / year	59,138,882	-
Charged during the period / year	341,348,140	59,138,882
Balance as at the end of the period / year	400,487,022	59,138,882
Net book value for right-of-use assets	9,743,039,924	10,063,909,100

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7- INTANGIBLE ASSETS ARISING FROM SERVICE CONCESSION ARRANGEMENT
(CONTINUED)

Intangible assets arising from service concession arrangements as at September 30, 2025 include projects under progress amounting to SR 53 million (December 31, 2024: SR 35 million), representing billboards that are currently being manufactured. The expected capitalization cost to complete these billboards as at September 30, 2025 amounts to SR 3.4 million (December 31, 2024: SR 4 million). As at September 30, 2025, the Group has capital commitments of SR 739 million (December 31, 2024: SR 750 million) related to the contract of constructing, operating, and maintaining outdoor advertising billboards in Riyadh city over the duration of the contract. These billboards will be classified as intangible assets arising from service concession arrangements during the construction period in accordance with the contract, which will be classified as intangible assets arising from service concession arrangements.

8- OBLIGATION UNDER SERVICE CONCESSION ARRANGEMENT

	(Saudi Riyal)	
	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Balance as at the beginning of the period / year	9,546,298,747	-
Additions during the period / year	-	10,074,232,906
Add / (Deduct):		
Finance costs	356,140,691	233,065,841
Paid / accrued during the period / year	(1,141,500,000)	(761,000,000)
Balance as at the end of the period / year	8,760,939,438	9,546,298,747
Current portion	941,500,000	468,361,568
Non-current portion	7,819,439,438	9,077,937,179

For information about the service concession arrangement and the amendments to the obligation under service concession, please refer to note (7).

9- BALANCES AND TRANSACTIONS WITH RELATED PARTIES

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

During the period / year, the Group has entered into transactions with the related parties 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
National Signage Industrial Company	Affiliate
Saudi Media Company for Advertising and Publicity	Affiliate
MBC Media Solutions Limited Company	Affiliate
MBC Company – FZ LLC	Affiliate
Mawaqie Company for Advertising and Publicity	Affiliate
Prime Outdoor Company	Affiliate
East Bridge Capital Company	Affiliate
Saudi Company for Artificial Intelligence	Affiliate
Almeezza Outdoor Advertising Company FZ - LLC	Affiliate
Root Advertising Services Company	Affiliate
Mr. Hamdan Mohammad Obaid	Partner in a subsidiary
Mr. Mohammad Alnabigha Mohammad Omar Alsaadi	Partner in a subsidiary

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9- BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

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

Related party name	Nature of transaction	(Saudi Riyal)	
		September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)
Saudi Media Company for Advertising and Publicity	Sales	1,676,027	1,768,165
	Purchases	(1,164,592)	(4,192,821)
	Payments	3,060,000	3,227,881
	Collections	3,105,864	(496,876)
National Signage Industrial Company	Bills payment	13,521,027	39,487,149
	Billboards cost	(7,454,648)	(23,022,037)
Engineer Holding Group Company	Expenses paid on behalf	(50,352)	(46,774)
	Balance settlement	12,000,000	-
	Sales	3,163	-
	Accrued dividends	-	4,000,000
East Bridge Capital Company	Bills payment	-	6,808,000
MBC Group Company	Collections	(7,500,000)	(2,832,942)
MBC Media Solutions Limited Company	Purchases	-	(6,965,154)
	Sales	-	4,512,370
	Collections	(4,729,927)	-
MBC Company – FZ LLC	Sales	-	16,648,701
	Bills payment	-	(15,043,723)
Mawaqie Company for Advertising and Publicity	Advance payments	-	6,125,545
Wave Media and Advertising Company	Sales	-	5,478,257
	Collections	-	(1,692,283)

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

	(Saudi Riyal)	
	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)
Salaries, wages and rewards	8,003,808	7,272,144
Employees' defined benefits obligation (period-end balance)	7,632,385	6,923,536
Total	15,636,193	14,195,680

Key management personnel include the members of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, and the executive directors, as they have the authority and responsibility for planning, directing, and controlling the activities of the Group.

Due from related parties represents the following:

	(Saudi Riyal)	
	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Mawaqie Company for Advertising and Publicity	29,734,628	5,870,577
Almeezza Outdoor Advertising Company FZ – LLC	176,956	176,957
Saudi Company for Artificial Intelligence	-	100,000
Mr. Hamdan Mohammad Obaid	-	89,032,478
Total	29,911,584	95,180,012

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9- BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Due to related parties represents the following:

	(Saudi Riyal)	
	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Prime Outdoor Company	1,961,521	-
Mr. Mohammad Alnabigha Mohammad Omar Alsaadi	987,519	941,918
Root Advertising Services Company	-	967,834
Total	2,949,040	1,909,752

10- SHORT-TERM LOANS AND LONG-TERM MURABAHA

10-1 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 September 30, 2025 amounts to SR 1,551,575,000 (December 31, 2024: SR 628,028,033). The short-term loans are subject to interest rates prevailing in Saudi banks plus an agreed profit margin. The carrying amount of the short-term loans is denominated in Saudi Riyal and is secured by promissory notes payable upon request, as well as guarantees and pledges over assets.

The movement in short-term loans is as follows:

	(Saudi Riyal)	
	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Balance as at the beginning of the period / year	628,028,033	418,000,000
Proceeds during the period / year	1,323,000,000	321,456,150
Repayment during the period / year	(399,453,033)	(111,428,117)
Balance as at the end of the period / year	1,551,575,000	628,028,033

10- 2 LONG-TERM MURABAHA

In October 2023, the Group obtained long-term Murabaha from a number of financial institutions in the Kingdom of Saudi Arabia to finance the acquisition deal (Note 1) 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 the 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 financial ratios. This Murabaha agreement is secured by promissory notes issued by the Group's Chief Executive Officer.

During the period ended 30 September 2025, the Group rescheduled the repayment of long-term Murabaha installments from a financial institution in the Kingdom of Saudi Arabia amounting to SAR 972 million. These Murabahas are subject to the Saudi Interbank Offered Rate (SAIBOR) plus a profit margin, with quarterly installments of SAR 38.8 million, and the final installment is due in 2031. This agreement includes covenants requiring the maintenance of certain financial ratios. The agreement is secured by promissory notes issued by the Group's Chief Executive Officer, as well as guarantees and pledges over assets.

In addition, during the period ended 30 September 2025, the Group obtained additional long-term Murabahas amounting to SAR 124.5 million. These Murabahas are subject to SAIBOR plus a profit margin, with a one-year grace period from the agreement date. Semi-annual installments are due thereafter, with the final installment scheduled in 2028.

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

10- 2 LONG-TERM MURABAHA (CONTINUED)

The movements details in long-term Murabaha is as follows:

	(Saudi Riyal)	
	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Balance as at the beginning of the period / year	971,250,000	1,050,000,000
Proceeds during the period / year	1,096,552,548	-
Paid during the period/year	(1,055,327,500)	(78,750,000)
Balance as at the end of the period / year	1,012,475,048	971,250,000

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

	(Saudi Riyal)	
	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Non-current portion of long-term Murabaha	842,576,230	854,610,000
Current portion of long-term Murabaha	169,898,818	116,640,000
Total	1,012,475,048	971,250,000

11- ZAKAT AND INCOME TAX PROVISION

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

	(Saudi Riyal)	
	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Balance as at the beginning of the period / year	20,755,120	23,833,796
Zakat charged for the period / year	17,233,031	19,115,445
Income tax charged for the period / year	-	2,223,167
Zakat assessments	-	1,407,007
Zakat differences on zakat provision of a previous year	-	71,288
Forigen currency translation for the period / year	43,320	(1,110,512)
Paid during the period / year	(19,913,265)	(24,785,071)
Balance as at the end of the period / year	18,118,206	20,755,120

Zakat and income tax assessments and certificates status:

Arabian Contracting Services Company:

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.

Faden Agency Media and Advertising Company (subsidiary):

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

Arabian Smart Alliance for Media and Advertising Company (subsidiary):

The first financial statements of the Company are special purpose financial statements issued by the Company, covering the period from 9 July 2024 (the commercial registration date) to 31 December 2024. No Zakat is due on this Company as of the reporting date, as its first annual financial information, in accordance with its Articles of Association, will be as at 31 December 2025.

Al-Arabia United for Advertising Services Company (subsidiary):

The Company has submitted its financial statements and tax returns up to the financial year ended 31 December 2024.

Al Arabia Out of Home Advertising Free Zone LLC (subsidiary):

The Company will submit its first corporate tax return for the financial year ended 31 December 2024 on or before 30 September 2025, in accordance with the UAE Corporate Tax regulations.

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12- DISCONTINUED OPERATIONS

The Group's management decided on October 26, 2022 to cease the operations of Al-Taer Al-Arabi Trading Company, subsidiary that was wholly owned by the Group, and has been liquidated (voluntarily liquidation) and all statutory procedures in this regard were completed. 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 were presented in the condensed interim consolidated statement of comprehensive income as follows:

	(Saudi Riyal)	
	September 30,	
	2025	September 30, 2024
	(Unaudited)	(Unaudited)
General and administrative expenses	-	236,705
Loss for the period from discontinued operations	-	236,705

13- CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Group has the following contingent liabilities and capital commitments:

	(Saudi Riyal)	
	September 30,	
	2025	December 31, 2024
	(Unaudited)	(Audited)
Letters of guarantee *	693,109,842	510,590,101
Letters of credit	21,730,871	23,790,184
Capital commitments **	751,901,822	762,137,389
Provision for legal claims ***	28,453,625	-

* Letters of guarantee are corresponded with secured cash deposited at banks as at September 30, 2025 with an amount of SR 199,864 (December 31, 2024: SR 199,864).

** The Group has capital commitments amounting to SAR 12.9 million as at September 30, 2025 (December 31, 2024: SAR 12.0 million) related to advertising billboards under fabrication (projects under construction).

In addition, the Group has capital commitments amounting to SAR 739 million as at September 30, 2025 (December 31, 2024: SAR 750 million) related to the contract of constructing, operating, and maintaining outdoor advertising billboards in Riyadh over the duration of the contract. These commitments pertain to the construction of the advertising billboards in Riyadh in accordance with the contract (Note 7). The Group also incurs annual advertising fees of SR 400 per square meter for the advertising sites received.

*** The Group has recognized a provision for legal claims amounting to SAR 28,453,625 based on management's and the legal advisor's assessment, indicating that legal claims may be raised by certain suppliers against the Group in respect of agreements entered into in prior periods.

14- EARNINGS PER SHARE

Basic earnings per share attributable to the equity holders of the parent company are calculated on the basis of the weighted average number of shares outstanding during the period and the prior period. Diluted earnings per share is calculated by adjusting basic earnings per share by the weighted average number of additional ordinary shares that would have been issued assuming the conversion of all potential dilutive shares into ordinary shares. The weighted average number of shares as at September 30, 2025 is: 55 million shares, following the Company's share capital increase through the issuance of bonus shares to shareholders. The weighted average number of shares has been retrospectively adjusted for the comparative period for the purpose of calculating earnings per share.

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15- FAIR VALUE OF FINANCIAL INSTRUMENTS

For the purpose of fair value disclosures of financial instruments, all financial assets and liabilities of the Group are not measured at fair value, as they are measured at amortized cost except for financial assets at fair value through profit or loss which are measured at fair value level 1 and level 3.

16- SIGNIFICANT AND SUBSEQUENT EVENTS

According to Group announcement on 22 October 2025, and published on the Saudi Exchange website, signed an addendum dated Rabi' al-Thani 29, 1447H (corresponding to October 21, 2025) to the main contract for "Establishing, Operating, and Maintaining Outdoor Advertising Billboards in Riyadh City" with Remat Al-Riyadh Company, The addendum stipulates an extension of the contract period, so that the new contract expiry date will become Dhu al-Hijjah 2, 1457H (corresponding to December 31, 2035), instead of the previous expiry date Jumada al-Thani 11, 1455H (corresponding to September 5, 2033). Since the event occurred in the fourth quarter of 2025, The Group is currently assessing the potential positive impact of the accounting treatment, which will be reflected in the annual audited consolidated financial statements once proven.

As per management opinion, there are no other significant subsequent events after the period ended September 30, 2025, other than those disclosed above, and up to date of this report that could have a material impact on the Group's condensed interim consolidated financial position or the results of its operations.

17- APPROVAL OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

This condensed interim consolidated financial information were approved by the Group's Board of Directors on 20 Jumada al-Ula 1447 H (Corresponding to November 11, 2025).