

**ARABIAN CONTRACTING SERVICES COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE- AND SIX-MONTHS PERIODS ENDED JUNE 30, 2025**  
**AND INDEPENDENT AUDITOR'S REVIEW REPORT**

**ARABIAN CONTRACTING SERVICES COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE- AND SIX-MONTHS PERIODS ENDED JUNE 30, 2025**

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

**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 June 30, 2025 and the condensed interim consolidated statement of comprehensive income for the three- and six-months periods ended June 30, 2025, and the related condensed interim consolidated statements of changes in equity and cash flows for the six-months period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of these condensed interim consolidated financial statements in accordance with International Accounting Standard (34) “Interim Financial Reporting” that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

### Scope of review

We conducted our review in accordance with International Standard on Review Engagements (2410) “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” that is endorsed in the Kingdom of Saudi Arabia. A review of condensed interim consolidated financial statements 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 statements 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  
15 Safar 1447H (corresponding to August 9, 2025)



**ARABIAN CONTRACTING SERVICES COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

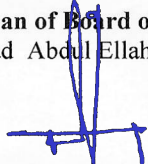
(UNAUDITED)

**AS AT JUNE 30, 2025**

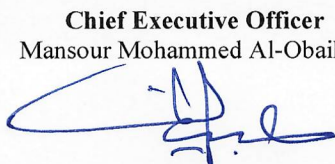
(SAUDI RIYAL)

	Notes	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		282,877,809	282,704,724
Right-of-use assets		1,656,445,507	1,357,405,229
Goodwill and licenses	6	737,491,154	730,249,735
Intangible assets arising from service concession arrangement	7	9,869,165,018	10,063,909,100
Financial assets at fair value through profit or loss		331,887,414	328,095,364
Lease assets		4,254,483	5,501,199
<b>Total non-current assets</b>		<b>12,882,121,385</b>	<b>12,767,865,351</b>
<b>Current assets</b>			
Inventories		56,199,633	49,222,737
Trade receivables		1,159,136,201	959,605,940
Lease assets – current portion		1,135,944	984,404
Prepaid expenses and other current assets		542,269,154	182,796,563
Due from related parties	9	22,077,197	95,180,012
Cash and cash equivalents		115,684,468	318,099,318
<b>Total current assets</b>		<b>1,896,502,597</b>	<b>1,605,888,974</b>
<b>TOTAL ASSETS</b>		<b>14,778,623,982</b>	<b>14,373,754,325</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	1	550,000,000	550,000,000
Reserves		73,035,771	73,035,771
Retained earnings		656,201,749	764,657,630
Foreign currency translation reserve		(14,190,218)	(15,309,056)
<b>Total equity attributable to equity holders of the parent company</b>		<b>1,265,047,302</b>	<b>1,372,384,345</b>
Non-controlling interests		(24,408,050)	(1,768,136)
<b>TOTAL EQUITY</b>		<b>1,240,639,252</b>	<b>1,370,616,209</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Employees' defined benefits obligations		17,063,482	14,992,033
Lease liabilities		1,180,599,689	847,485,721
Long-term Murabaha	10-2	845,600,000	854,610,000
Obligation under service concession arrangement	8	7,903,949,580	9,077,937,179
<b>Total non-current liabilities</b>		<b>9,947,212,751</b>	<b>10,795,024,933</b>
<b>Current liabilities</b>			
Lease liabilities - current portion		329,014,611	359,638,426
Long-term Murabaha - current portion	10-2	162,520,000	116,640,000
Short-term loans	10-1	1,579,714,744	628,028,033
Obligation under service concession arrangement - current portion	8	941,500,000	468,361,568
Trade payables		219,285,985	252,427,455
Due to related parties	9	959,929	1,909,752
Accrued expenses and other current liabilities		342,522,447	360,352,829
Zakat and income tax provision	11	15,254,263	20,755,120
<b>Total current liabilities</b>		<b>3,590,771,979</b>	<b>2,208,113,183</b>
<b>TOTAL LIABILITIES</b>		<b>13,537,984,730</b>	<b>13,003,138,116</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>14,778,623,982</b>	<b>14,373,754,325</b>

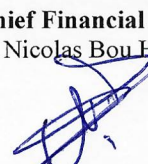
**Chairman of Board of Directors**  
Mohamad Abdul Ellah Al Khereiiji



**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 statements



**ARABIAN CONTRACTING SERVICES COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
(UNAUDITED)  
**FOR THE THREE- AND SIX-MONTHS PERIODS ENDED JUNE 30, 2025**  
(SAUDI RIYAL)

	Notes	For the three-months period ended June 30		For the six-months period ended June 30	
		2025	2024	2025	2024
<b>Continuing operations</b>		<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenues	5	430,321,219	374,061,592	974,042,735	813,134,559
Cost of revenues	5	(347,149,395)	(231,893,640)	(641,837,766)	(467,429,057)
<b>Gross profit</b>		<b>83,171,824</b>	<b>142,167,952</b>	<b>332,204,969</b>	<b>345,705,502</b>
Selling and marketing expenses		(29,676,604)	(15,053,007)	(37,980,363)	(33,130,105)
General and administrative expenses		(28,317,134)	(27,055,525)	(56,851,400)	(51,708,165)
Expected credit losses		(1,850,002)	(1,850,000)	(3,700,002)	(3,700,000)
<b>Operating profit</b>		<b>23,328,084</b>	<b>98,209,420</b>	<b>233,673,204</b>	<b>257,167,232</b>
Finance costs		(189,305,874)	(47,386,143)	(355,273,858)	(107,826,921)
Share of results of an associate		-	-	-	9,204,553
Revaluation loss of financial assets at fair value through profit or loss		(1,645,079)	-	(275,531)	-
Other income, net		1,634,104	2,596,559	2,673,757	2,951,714
<b>(Loss) / Profit before zakat and income tax from continuing operations</b>		<b>(165,988,765)</b>	<b>53,419,836</b>	<b>(119,202,428)</b>	<b>161,496,578</b>
Zakat and income tax	11	(5,749,999)	(5,749,998)	(11,499,938)	(11,499,998)
<b>(Loss) / Profit for the period from continuing operations</b>		<b>(171,738,764)</b>	<b>47,669,838</b>	<b>(130,702,366)</b>	<b>149,996,580</b>
<b>Discontinued operations</b>					
Loss from discontinued operations	12	-	-	-	(236,705)
<b>(Loss) / Profit for the period</b>		<b>(171,738,764)</b>	<b>47,669,838</b>	<b>(130,702,366)</b>	<b>149,759,875</b>
<b>(Loss) / Profit for the period attributable to:</b>					
Equity holders of the parent company		(156,679,470)	47,322,175	(108,455,881)	148,145,067
Non-controlling interests		(15,059,294)	347,663	(22,246,485)	1,614,808
		<b>(171,738,764)</b>	<b>47,669,838</b>	<b>(130,702,366)</b>	<b>149,759,875</b>
<b>Basic and diluted (loss) earnings per share:</b>					
Earnings per share attributable to equity holders of the parent company	14	(2.85)	0.86	(1.97)	2.69
<b>Other comprehensive income:</b>					
<b>Items that may be reclassified subsequently to profit or loss:</b>					
Foreign currency translation differences		1,162,126	(10,586,825)	1,208,512	(10,586,776)
<b>Total other comprehensive income \ (loss) for the period</b>		<b>1,162,126</b>	<b>(10,586,825)</b>	<b>1,208,512</b>	<b>(10,586,776)</b>
<b>Total comprehensive (loss) \ income for the period</b>		<b>(170,576,638)</b>	<b>37,083,013</b>	<b>(129,493,854)</b>	<b>139,173,099</b>
<b>Total comprehensive (loss) \ income for the period attributable to:</b>					
Equity holders of the parent company		(155,583,924)	37,614,681	(107,337,043)	138,437,622
Non-controlling interests		(14,992,714)	(531,668)	(22,156,811)	735,477
		<b>(170,576,638)</b>	<b>37,083,013</b>	<b>(129,493,854)</b>	<b>139,173,099</b>

**Chairman of Board of Directors**  
Mohamad Abdullillah Al Khareiji

**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 statements

ARABIAN CONTRACTING SERVICES COMPANY  
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 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
<b>For the six-months period ended June 30, 2024</b>							
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	-	-	148,145,067	-	148,145,067	1,614,808	149,759,875
Other comprehensive loss for the period	-	-	-	(9,707,445)	(9,707,445)	(879,331)	(10,586,776)
<b>Total comprehensive income for the period</b>	-	-	148,145,067	(9,707,445)	138,437,622	735,477	139,173,099
<b>Balance as at June 30, 2024 (Unaudited)</b>	<b>500,000,000</b>	<b>73,035,771</b>	<b>692,649,525</b>	<b>(14,103,408)</b>	<b>1,251,581,888</b>	<b>4,304,574</b>	<b>1,255,886,462</b>
<b>For the six-months period ended June 30, 2025</b>							
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	-	-	(108,455,881)	-	(108,455,881)	(22,246,485)	(130,702,366)
Other comprehensive profit for the period	-	-	-	1,118,838	1,118,838	89,674	1,208,512
<b>Total comprehensive loss for the period</b>	-	-	(108,455,881)	1,118,838	(107,337,043)	(22,156,811)	(129,493,854)
Change in non-controlling interest	-	-	-	-	-	(483,103)	(483,103)
<b>Balance as at June 30, 2025 (Unaudited)</b>	<b>550,000,000</b>	<b>73,035,771</b>	<b>656,201,749</b>	<b>(14,190,218)</b>	<b>1,265,047,302</b>	<b>(24,408,050)</b>	<b>1,240,639,252</b>

Chairman of Board of Directors  
Mohamad Abdul Ellah Al Khareiji

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 CASH FLOWS (UNAUDITED)**  
**FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2025**  
(SAUDI RIYAL)

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
<b>OPERATING ACTIVITIES:</b>		
(Loss) \ Profit before zakat and income tax from continuing operations	(119,202,428)	161,496,578
Loss for the period from discontinued operations	-	(236,705)
<b>Adjustments:</b>		
Depreciation of property, plant and equipment	27,869,933	23,461,775
Depreciation of right-of-use assets	169,271,618	143,260,957
Amortization of licenses	11,419,517	-
Amortization of intangible assets arising from service concession arrangement	210,387,326	-
Share of results of an associate	-	(9,204,553)
Revaluation loss of financial assets at fair value through profit or loss	275,531	-
Expected credit losses	3,700,002	3,700,000
(Gain) \ loss from disposal of property, plant and equipment	(222,804)	1,105,888
Current service cost of employees' defined benefits obligations	2,759,408	4,572,795
Finance costs related to short-term loans and long-term Murabaha	61,468,827	72,564,993
Finance costs related to lease liabilities	53,141,897	35,261,928
Finance costs related to obligation under service concession arrangement	240,650,833	-
Loss from adjustments of right-of-use assets	(574,389)	-
<b>Changes in working capital:</b>		
Inventories	(6,976,896)	(2,238,241)
Trade receivables	(203,230,263)	(230,236,670)
Prepaid expenses and other current assets	(362,028,251)	(205,844,788)
Due from / to related parties	72,152,992	(4,994,780)
Trade payables	(33,141,470)	514,064
Accrued expenses and other current liabilities	(3,422,222)	221,503,507
Change in net assets of discontinued operations	-	338,732
<b>Cash generated from operations</b>	<b>124,299,161</b>	<b>215,025,480</b>
Employees' defined benefits obligations paid	(687,936)	(4,444,522)
Zakat and income tax paid	(17,036,335)	(23,614,199)
<b>Net cash flows generated from operating activities</b>	<b>106,574,890</b>	<b>186,966,759</b>
<b>INVESTING ACTIVITIES:</b>		
Additions to property, plant and equipment	(28,048,218)	(50,908,894)
Additions to intangible assets arising from service concession arrangement	(15,643,244)	-
Acquisition of non-controlling interest in sub subsidiary	(18,660,936)	-
Purchase of financial assets at fair value through profit or loss	(4,067,581)	-
Proceeds from sale of property, plant and equipment	445,609	8,889
<b>Net cash flows used in investing activities</b>	<b>(65,974,370)</b>	<b>(50,900,005)</b>
<b>FINANCING ACTIVITIES:</b>		
Proceeds from short-term loans and long-term Murabaha	2,148,000,000	597,720,500
Repayment of short-term loans and long-term Murabaha	(1,159,443,289)	(526,850,000)
Lease liabilities paid	(246,241,104)	(57,730,896)
Obligation under service concession arrangement paid	(941,500,000)	-
Proceeds from lease assets	1,095,176	-
Finance costs paid	(45,461,185)	(69,185,039)
Net change in non-controlling interest	(483,103)	-
Accrued dividends paid	-	(2,956,348)
<b>Net cash flows used in financing activities</b>	<b>(244,033,505)</b>	<b>(59,001,783)</b>
<b>Net change in cash and cash equivalents during the period</b>	<b>(203,432,985)</b>	<b>77,064,971</b>
Foreign currency translation adjustment	1,018,135	(7,264,296)
Cash and cash equivalents as at the beginning of the period	318,099,318	174,082,308
<b>Cash and cash equivalents as at the end of the period</b>	<b>115,684,468</b>	<b>243,882,983</b>
<b>Non-cash transactions:</b>		
Additions to right of use assets and corresponding lease liabilities	386,351,634	6,930,271
Amortization of lease liabilities into accrued expenses	30,415,802	(119,813,075)
Absorption of prepaid expenses into lease liabilities	(2,555,660)	(14,032,635)
Accrued interest expense	(16,007,642)	22,108,216

**Chairman of Board of Directors**  
Mohamad Abdul Ellah Al Khereiji

**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 statements

**ARABIAN CONTRACTING SERVICES COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
(UNAUDITED)

**FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2025**

**1- CORPORATE INFORMATION OF THE GROUP**

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

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.

Accordingly, the Company's share capital as at June 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 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:

<b>Branch name</b>	<b>Location</b>	<b>Activity of the branch</b>	<b>Commercial register number</b>
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	Printing and book printing, printing of correspondence papers, business stationery, and invoices, printing using photocopying machines, engraving and photogravure on metal or plastic plates (zincograph), and bookbinding	4030275525



**ARABIAN CONTRACTING SERVICES COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
(UNAUDITED) (CONTINUED)  
**FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2025**

**1- CORPORATE INFORMATION OF THE GROUP (CONTINUED)**

***Acquisition of a subsidiary – Faden Agency Media and Advertising Company***

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.

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 statements 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)
<b>Assets</b>	
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
<b>Total assets</b>	<b>783,776,263</b>
<b>Liabilities</b>	
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
<b>Total liabilities</b>	<b>491,052,188</b>
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
<b>Purchase consideration</b>	<b>1,050,000,000</b>

**2- BASIS OF PREPARATION**

**2-1 Statement of compliance**

The Group's condensed interim consolidated financial statements 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).

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

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**2- BASIS OF PREPARATION (CONTINUED)**

**2-2 Basis of measurement**

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

**2-3 Functional and presentation currency**

These condensed interim consolidated financial statements are presented in Saudi Riyal (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 June 30, 2025, the exchange rate of the Egyptian pound against the Saudi riyal remained stable without any significant change (June 30, 2024: 52.6%).

**2-5 Basis of consolidation**

The condensed interim 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.

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 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 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.

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**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 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 members of the Group are eliminated upon consolidating the condensed interim financial statements.

The accompanying condensed interim consolidated financial statements as at June 30, 2025 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 %	
			June 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 (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
Al Arabia Alliance for Smart Advertisements Company (E)	KSA	Advertising and publicity agencies, provision of 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, establishment of infrastructure for web hosting and data processing services, and related activities	90	90



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**2-BASIS OF PREPARATION (CONTINUED)**

**2-5Basis of consolidation** (continued)

- (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 was a 100% owned subsidiary of the Company with a share capital of SR 50,000. The company was liquidated, and all statutory procedures related to the liquidation were completed on Ramadan 17, 1445 H (corresponding to March 27, 2024) and is not subject to business combination as at June 30, 2025 (Note 12).
- (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 paid 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 a One-person Company is a 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 Advertisements 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 (Note 7).

**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 profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

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

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

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

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**2- BASIS OF PREPARATION (CONTINUED)**

**2-7 Significant accounting estimates and assumptions**

In preparing these condensed interim consolidated financial statements, management has made judgements and estimates that affect the application of material accounting policies information 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 information and the key sources of estimation uncertainty were the same as those described in the Group's last annual consolidated financial statements for the year ended December 31, 2024.

**3- CONSISTENT OF MATERIAL ACCOUNTING POLICIES INFORMATION**

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

**4- NEW 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 statements.

**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 June 30, 2025 (Unaudited)	Advertising segment	Others	Total segments	Reconciliation and elimination	Consolidated
<b>Revenues</b>					
Customers	423,653,171	6,668,048	430,321,219	-	430,321,219
Transactions between segments	-	1,429,641	1,429,641	(1,429,641)	-
<b>Total revenues</b>	<b>423,653,171</b>	<b>8,097,689</b>	<b>431,750,860</b>	<b>(1,429,641)</b>	<b>430,321,219</b>
Depreciation and amortization	221,971,508	724,764	222,696,272	-	222,696,272
<b>Loss of the period</b>	<b>(172,397,525)</b>	<b>658,761</b>	<b>(171,738,764)</b>	<b>-</b>	<b>(171,738,764)</b>

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**5- OPERATING SEGMENTS (CONTINUED)**

**Information on segment reporting (continued)**

	(Saudi Riyal)				
For the three-months period ended June 30, 2024 (Unaudited)	Advertising segment	Others	Total segments	Reconciliation and elimination	Consolidated
<b>Revenues</b>					
Customers	369,555,361	4,506,231	374,061,592	-	374,061,592
Transactions between segments	-	2,697,446	2,697,446	(2,697,446)	-
<b>Total revenues</b>	<b>369,555,361</b>	<b>7,203,677</b>	<b>376,759,038</b>	<b>(2,697,446)</b>	<b>374,061,592</b>
Depreciation and amortization	77,012,555	755,282	77,767,837	-	77,767,837
<b>Profit of the period</b>	<b>47,830,741</b>	<b>(160,903)</b>	<b>47,669,838</b>	<b>-</b>	<b>47,669,838</b>
	(Saudi Riyal)				
For the six-months period ended June 30, 2025 (Unaudited)	Advertising segment	Others	Total segments	Reconciliation and elimination	Consolidated
<b>Revenues</b>					
Customers	961,143,085	12,899,650	974,042,735	-	974,042,735
Transactions between segments	-	4,037,353	4,037,353	(4,037,353)	-
<b>Total revenues</b>	<b>961,143,085</b>	<b>16,937,003</b>	<b>978,080,088</b>	<b>(4,037,353)</b>	<b>974,042,735</b>
Depreciation and amortization	416,903,167	2,045,227	418,948,394	-	418,948,394
<b>Loss of the period</b>	<b>(132,336,116)</b>	<b>1,633,750</b>	<b>(130,702,366)</b>	<b>-</b>	<b>(130,702,366)</b>
	(Saudi Riyal)				
For the six-months period ended June 30, 2024 (Unaudited)	Advertising segment	Others	Total segments	Reconciliation and elimination	Consolidated
<b>Revenues</b>					
Customers	804,991,349	8,143,210	813,134,559	-	813,134,559
Transactions between segments	-	7,003,748	7,003,748	(7,003,748)	-
<b>Total revenues</b>	<b>804,991,349</b>	<b>15,146,958</b>	<b>820,138,307</b>	<b>(7,003,748)</b>	<b>813,134,559</b>
Depreciation and amortization	165,204,262	1,518,470	166,722,732	-	166,722,732
<b>Profit of the period</b>	<b>148,317,971</b>	<b>1,441,904</b>	<b>149,759,875</b>	<b>-</b>	<b>149,759,875</b>

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



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**5- OPERATING SEGMENTS (CONTINUED)**

**Information on segment reporting (continued)**

	(Saudi Riyal)	
	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
<i>Geographic information</i>		
<i>Revenues from customers</i>		
Kingdom of Saudi Arabia	932,027,612	796,172,402
Arab Republic of Egypt	18,772,765	16,962,157
United Arab Emirates	23,242,358	-
<b>Total</b>	<b>974,042,735</b>	<b>813,134,559</b>

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

	(Saudi Riyal)			
	Kingdom of Saudi Arabia	Arab Republic of Egypt	United Arab Emirates	Total
Revenues	411,199,319	5,944,781	13,177,119	430,321,219
Cost of revenues	(329,091,527)	(9,545,892)	(8,511,976)	(347,149,395)
<b>Gross profit</b>	<b>82,107,792</b>	<b>(3,601,111)</b>	<b>4,665,143</b>	<b>83,171,824</b>

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

	(Saudi Riyal)			
	Kingdom of Saudi Arabia	Arab Republic of Egypt	United Arab Emirates	Total
Revenues	367,667,365	6,394,227	-	374,061,592
Cost of revenues	(226,945,223)	(4,948,417)	-	(231,893,640)
<b>Gross profit</b>	<b>140,722,142</b>	<b>1,445,810</b>	<b>-</b>	<b>142,167,952</b>

**For the six-months period ended June 30, 2025 (Unaudited):**

	(Saudi Riyal)			
	Kingdom of Saudi Arabia	Arab Republic of Egypt	United Arab Emirates	Total
Revenues	932,027,612	18,772,765	23,242,358	974,042,735
Cost of revenues	(608,872,163)	(16,877,270)	(16,088,333)	(641,837,766)
<b>Gross profit</b>	<b>323,155,449</b>	<b>1,895,495</b>	<b>7,154,025</b>	<b>332,204,969</b>

**For the six-months period ended June 30, 2024 (Unaudited):**

	(Saudi Riyal)			
	Kingdom of Saudi Arabia	Arab Republic of Egypt	United Arab Emirates	Total
Revenues	796,172,402	16,962,157	-	813,134,559
Cost of revenues	(455,107,128)	(12,321,929)	-	(467,429,057)
<b>Gross profit</b>	<b>341,065,274</b>	<b>4,640,228</b>	<b>-</b>	<b>345,705,502</b>

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

**For the six-months period ended June 30, 2025 (Unaudited):**

	(Saudi Riyal)			
	Kingdom of Saudi Arabia	Arab Republic of Egypt	United Arab Emirates	Total
Net book value of property, plant and equipment	230,782,492	15,756,851	36,338,466	282,877,809
Right-of-use assets	1,204,538,964	313,501	451,593,042	1,656,445,507
Intangible assets arising from service concession arrangement	9,869,165,018	-	-	9,869,165,018
Total assets	14,159,546,384	48,403,364	570,674,234	14,778,623,982
Total liabilities	12,910,633,658	38,775,457	588,575,615	13,537,984,730

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**5- OPERATING SEGMENTS (CONTINUED)**

Information on segment reporting (continued)

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

	(Saudi Riyal)			
	Kingdom of Saudi Arabia	Arab Republic of Egypt	United Arab Emirates	Total
Net book value of 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 shown 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 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 (*)	<b>18,660,936</b>	-	<b>18,660,936</b>
<b>Balance as at June 30, 2025</b>	<b>547,546,524</b>	<b>228,390,337</b>	<b>775,936,861</b>
 <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	-	<b>11,419,517</b>	<b>11,419,517</b>
<b>Balance as at June 30, 2025</b>	-	<b>38,445,707</b>	<b>38,445,707</b>
 <u>Net Book Value:</u>			
<b>Balance as at June 30, 2025 (Unaudited)</b>	<b>547,546,524</b>	<b>189,944,630</b>	<b>737,491,154</b>
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 represent 15%, as the Company owned 60% and after the deal it owned 75%. As a result of the acquisition, goodwill amounting to SAR 18,660,936 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 enabler 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, 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 returns under the contract are recognized in the consolidated statement of comprehensive income when incurred.



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

	(Saudi Riyal)	
	<b>June 30, 2025</b>	<b>December 31, 2024</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b><u>Cost:</u></b>		
Balance as at the beginning of the period / year	<b>10,123,047,982</b>	-
Additions during the period / year	<b>15,643,244</b>	10,123,047,982
<b>Balance as at the end of the period / year</b>	<b>10,138,691,226</b>	10,123,047,982
<b><u>Accumulated amortization:</u></b>		
Balance as at the beginning of the period / year	<b>59,138,882</b>	-
Charged during the period / year	<b>210,387,326</b>	59,138,882
<b>Balance as at the end of the period / year</b>	<b>269,526,208</b>	59,138,882
<b>Net book value for right-of-use assets</b>	<b>9,869,165,018</b>	10,063,909,100

Intangible assets arising from service concession arrangements as at June 30, 2025 include projects under progress amounting to SR 48 million (December 31, 2024: SR 35 million), representing billboards that are currently being manufactured. The expected additional cost to complete these billboards as at June 30, 2025 amounts to SR 3,4 million (December 31, 2024: SR 4 million). As at June 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.

**8- OBLIGATION UNDER SERVICE CONCESSION ARRANGEMENT**

	(Saudi Riyal)	
	<b>June 30, 2025</b>	<b>December 31, 2024</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Balance as at the beginning of the period / year	<b>9,546,298,747</b>	-
Additions during the period / year	-	10,074,232,906
<b><u>Add / (Deduct):</u></b>		
Finance costs	<b>240,650,833</b>	233,065,841
Paid / accrued during the period / year	<b>(941,500,000)</b>	(761,000,000)
<b>Balance as at the end of the period / year</b>	<b>8,845,449,580</b>	9,546,298,747
Current portion	<b>941,500,000</b>	468,361,568
Non-current portion	<b>7,903,949,580</b>	9,077,937,179

For information about the service concession arrangement, please refer to Note (7). In addition, the contract includes an agreement to convert a portion of the dues (i.e., annual returns) into shares to Remat Al Riyadh Development Company during the contract term, so that Remat Al Riyadh Development Company owns 10% of the shares of Arabian Contracting Services Company, subject to the approval of the relevant authorities.

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(UNAUDITED) (CONTINUED)  
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**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.

<b>Name of related party</b>	<b>Type of relationship</b>
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

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

<b>Related party name</b>	<b>Nature of transaction</b>	<b>(Saudi Riyal)</b>	
		<b>June 30, 2025</b> <b>(Unaudited)</b>	<b>June 30, 2024</b> <b>(Unaudited)</b>
Saudi Media Company for Advertising and Publicity	Sales	<b>1,676,027</b>	8,305,936
	Purchases	<b>(1,164,592)</b>	(489,167)
	Bills payment	<b>3,060,000</b>	-
	Collections	-	(1,262,225)
National Signage Industrial Company	Bills payment	<b>8,454,929</b>	24,491,104
	Advertising billboard cost	<b>(4,533,210)</b>	(12,857,364)
	Sales	<b>1,694</b>	1,760
Engineer Holding Group Company	Expenses paid on behalf	<b>(35,502)</b>	(40,500)
	Payments	<b>12,000,000</b>	-
	Accrued dividends	-	2,956,348
	Sales	-	5,220
East Bridge Capital Company	Bills payment	-	6,808,000
MBC Group Company	Collections	-	(2,832,942)
MBC Media Solutions Limited Company	Collections	<b>(7,500,000)</b>	-
	Purchases	-	(3,322,412)
	Sales	-	4,512,370
MBC Company – FZ LLC	Bills payment	<b>(1,713,305)</b>	(7,947,946)
	Sales	-	10,947,242
Mawaqie Company for Advertising and Publicity	Advance payments	-	5,104,945

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**9- BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)**

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

	(Saudi Riyal)	
	June 30, 2025	June 30, 2024
	(Unaudited)	(Unaudited)
Salaries, wages and remuneration	5,166,576	4,848,096
Employees' defined benefits obligation (period-end balance)	7,469,371	6,747,419
<b>Total</b>	<b>12,635,947</b>	<b>11,595,515</b>

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.

**Due from related parties represents the following:**

	(Saudi Riyal)	
	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Mawaqie Company for Advertising and Publicity	21,809,653	5,870,577
Prime Outdoor Company	167,544	-
Saudi Company for Artificial Intelligence	100,000	100,000
Almeezza Outdoor Advertising Company FZ - LLC	-	176,957
Mr. Hamdan Mohammad Obaid	-	89,032,478
<b>Total</b>	<b>22,077,197</b>	<b>95,180,012</b>

**Due to related parties represents the following:**

	(Saudi Riyal)	
	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Mr. Mohammad Alnabigha Mohammad Omar Alsaadi	959,929	941,918
Root Advertising Services Company	-	967,834
<b>Total</b>	<b>959,929</b>	<b>1,909,752</b>

**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 balance of these loans as at June 30, 2025 amounts to SR 1,579,714,744 (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 note payable upon request as well as other guarantees and pledges over assets.

The movement in short-term loans during the period / year is as follows:

	(Saudi Riyal)	
	June 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	1,101,000,000	321,456,150
Repayment during the period / year	(149,313,289)	(111,428,117)
<b>Balance as at the end of the period / year</b>	<b>1,579,714,744</b>	<b>628,028,033</b>

**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 levels of financial ratios. This agreement is secured by promissory note signed by the Group's CEO.

During the period ended June 30, 2025, the Group rescheduled the repayment of the long-term Murabaha installments from a financial institution in the Kingdom of Saudi Arabia for an amount of SR 972 million.

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

**10-2 Long-term Murabaha (continued)**

This Murabaha is subject to the Saudi-Interbank Offered Rate (SAIBOR) plus a profit margin. Installment payments are due on a quarterly basis with an amount of SR 38.8 million where the last installment will be paid in 2031. The agreement includes covenants to maintain certain levels of financial ratios. This agreement is secured by promissory notes issued by the Group's CEO and guarantees and collaterals against assets.

The Group also obtained additional long-term Murabaha facilities amounting to SR 75 million during the period ended June 30, 2025. This Murabaha is subject to the Saudi-Interbank Offered Rate (SAIBOR) plus a profit margin, with a one-year grace period from the date of signing the agreement. The repayment is scheduled in semi-annual installments, with the final installment due in 2028.

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

	(Saudi Riyal)	
	<b>June 30, 2025</b>	<b>December 31, 2024</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Balance as at the beginning of the period / year	<b>971,250,000</b>	1,050,000,000
Proceeds during the period / year	<b>1,047,000,000</b>	-
Repayment during the period / year	<b>(1,010,130,000)</b>	(78,750,000)
<b>Balance as at the end of the period / year</b>	<b>1,008,120,000</b>	971,250,000

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

	(Saudi Riyal)	
	<b>June 30, 2025</b>	<b>December 31, 2024</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Non-current portion of long-term Murabaha	<b>845,600,000</b>	854,610,000
Current portion of long-term Murabaha	<b>162,520,000</b>	116,640,000
<b>Total</b>	<b>1,008,120,000</b>	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)	
	<b>June 30, 2025</b>	<b>December 31, 2024</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Balance as at the beginning of the period / year	<b>20,755,120</b>	23,833,796
Zakat charged for the period / year	<b>11,499,938</b>	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
Foreign currency translation adjustments	<b>35,540</b>	(1,110,512)
Paid during the period / year	<b>(17,036,335)</b>	(24,785,071)
<b>Balance as at the end of the period / year</b>	<b>15,254,263</b>	20,755,120

**Zakat and income tax assessments and certificates status:**

***Arabian Contracting Services Company:***

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

***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 the certificate from Zakat, Tax, and Customs Authority.

***Al-Arabia Alliance for Smart Advertising Company (subsidiary):***

The first set of financial statements of Al-Arabia Alliance for Smart Advertising Company are the first special purpose financial statements issued by the company which covers the period from July 9, 2024 (date of commercial register) to December 31, 2024. No zakat is due on this company as of the reporting date. As the annual financial statements, in accordance with its Articles of Association, will be as of December 31, 2025.

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**11- ZAKAT AND INCOME TAX PROVISION (CONTINUED)**

**Zakat and income tax assessments and certificates status (continued):**

*Arabian United Company for Advertising Services (subsidiary):*

The company has submitted its financial statements and zakat return until the financial year ended December 31, 2024.

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

The Company will file its first tax return for the fiscal year ending December 31, 2024, on or before September 30, 2025, in accordance with the corporate tax regulations in the United Arab Emirates.

**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)	
	<b>June 30, 2025</b>	June 30, 2024
	<b>(Unaudited)</b>	(Unaudited)
General and administrative expenses	-	236,705
<b>Loss for the period from discontinued operations</b>	<b>-</b>	<b>236,705</b>

**13-CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS**

The Group has the following contingent liabilities and capital commitments:

	(Saudi Riyal)	
	<b>June 30, 2025</b>	December 31, 2024
	<b>(Unaudited)</b>	(Audited)
Letters of guarantee *	730,049,390	510,590,101
Letters of credit	21,897,011	23,790,184
Capital commitments **	742,360,489	762,137,389

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

\*\* The Group has capital commitments as at June 30, 2025 amounting to SR 3,3 million (December 31, 2024: SR 12 million) related to advertising billboards that are being manufactured (projects under progress).

In addition, the Group has capital commitments amounting to SR 739 million as at June 30, 2025 (December 31, 2024: SR 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.

**14- (LOSS) 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 June 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.

**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.

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**16- SUBSEQUENT EVENTS**

As per management opinion, there are no other significant subsequent events after the period ended June 30, 2025 and up to the 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 STATEMENTS**

These condensed interim consolidated financial statements were approved by the Group's Board of Directors on 15 Safar 1447H (Corresponding to August 9, 2025).