

**UNITED INTERNATIONAL TRANSPORTATION COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

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

**UNITED INTERNATIONAL TRANSPORTATION COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

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

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## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of United International Transportation Company (A Saudi Joint Stock Company) Jeddah, Kingdom of Saudi Arabia

#### Opinion

We have audited the consolidated financial statements of United International Transportation Company- A Saudi Joint Stock Company - (" the Company") and its subsidiaries (together "the Group"), which comprise the consolidated statement of financial positions at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The following is a description of the Key Audit Matter and how it was addressed.

Key Audit Matter	How our audit addressed the key audit matter
<p><b>Carrying value of vehicles</b></p> <p>Vehicles included under property and equipment as at 31 December 2025 amounting SAR 3,783 million (2024: SAR 3,513 million) representing 94% (2024: 93%) of total property and equipment.</p> <p>Vehicles are carried at cost, net of accumulated depreciation and impairment losses, if any. The Group's management determines the residual values and estimated useful lives of vehicles for calculating depreciation. These estimates and judgements are made after considering the expected usage of vehicles, expected physical wear and tear and expected future value at the time of disposal.</p> <p>The determination of residual values and useful lives of vehicles requires management estimation and judgement, and given the inherent uncertainties in these estimates, coupled with their substantial impact on the consolidated financial statements, this area has been considered as a key audit matter.</p> <p>Refer to note 3.11 to the consolidated financial statements for the material accounting policy, note 2.4.2 for the critical accounting estimates assumptions and note 5 which details the disclosure of property and equipment.</p>	<p>Our audit procedures included, among other things, the following based on our judgment:</p> <ul style="list-style-type: none"> <li>• Obtained and updated our understanding of the Group's processes and controls relating to additions, disposals and determining residual value and useful life of vehicles.</li> <li>• Tested the underlying historical data used in the calculation of estimated residual values and useful lives of vehicles on a sample basis;</li> <li>• Assessed the appropriateness of the management's judgment in determining residual value and useful life;</li> <li>• Tested the mathematical accuracy of the Group's calculation of the depreciation on a sample basis of vehicles; and</li> <li>• Checked the adequacy of disclosures in the consolidated financial statements as required by IAS 16 and IAS 8.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

**To the Shareholders of  
United International Transportation Company  
(A Saudi Joint Stock Company)  
Jeddah, Kingdom of Saudi Arabia**

### **Other matter**

The consolidated financial statements of the Group as at and for the year ended December 31, 2024 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statement on Ramadan 24, 2025H corresponding to March 24, 2025.

### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the annual report, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and Regulations for Companies and the Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

**To the Shareholders of  
United International Transportation Company  
(A Saudi Joint Stock Company)  
Jeddah, Kingdom of Saudi Arabia**

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

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

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

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

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

### **RSM Allied Accountants Professional Services**



**Abdullah bin Ahmed Al-Faddaghi**  
License No. 706

Jeddah, Saudi Arabia

Shawwal 5, 1447H (corresponding to March 24, 2026).



UNITED INTERNATIONAL TRANSPORTATION COMPANY  
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2025

(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

	<u>Notes</u>	As at December 31, 2025	As at December 31, 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	5	4,039,106	3,765,538
Right-of-use assets	6.a	247,287	246,682
Intangible assets	8	39,777	46,198
Goodwill	9	68,700	68,700
Deferred tax assets		958	657
Financial assets at fair value through other comprehensive income	7	28,275	15,000
<b>Total non-current assets</b>		<b>4,424,103</b>	<b>4,142,775</b>
<b>Current assets</b>			
Inventories	10	71,861	97,423
Prepayments and other current assets	12	58,105	69,786
Derivative financial assets at fair value through profit or loss	17.2	870	1,647
Trade receivables	11	676,484	611,374
Cash and cash equivalents	13	56,613	85,875
<b>Total current assets</b>		<b>863,933</b>	<b>866,105</b>
<b>Total assets</b>		<b>5,288,036</b>	<b>5,008,880</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	14	781,667	781,667
Share premium	14.2	554,400	554,400
Other reserves	16	224,429	224,429
Retained earnings		1,368,383	1,136,910
Foreign currency translation reserve		(135)	(135)
Fair value reserve		13,275	-
<b>Total equity attributable to shareholders of the Parent Company</b>		<b>2,942,019</b>	<b>2,697,271</b>
Non-controlling interests		39,640	43,433
<b>Total equity</b>		<b>2,981,659</b>	<b>2,740,704</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Bank borrowings	17	729,687	821,652
Employees' defined benefits obligations	20	111,301	103,216
Lease liabilities	6.a	203,983	199,348
<b>Total non-current liabilities</b>		<b>1,044,971</b>	<b>1,124,216</b>
<b>Current liabilities</b>			
Bank borrowings	17	741,530	600,536
Lease liabilities	6.a	47,759	47,538
Derivative financial liabilities at fair value through profit or loss	17.2	2,666	1,787
Bank overdraft		-	2,707
Trade payables	18	292,863	302,815
Accrued expenses and other current liabilities	19	166,145	175,907
Zakat and income tax provision	22.c	10,443	12,670
<b>Total current liabilities</b>		<b>1,261,406</b>	<b>1,143,960</b>
<b>Total liabilities</b>		<b>2,306,377</b>	<b>2,268,176</b>
<b>Total equity and liabilities</b>		<b>5,288,036</b>	<b>5,008,880</b>



Ibrahim Saad AlMojel  
Chairman



Fawaz Abdullah Danish  
President and Group CEO



Ravish Mohammed Tatly  
Group Chief Financial Officer

The accompanying notes from 1 to 39 form an integral part of these consolidated financial statements.

UNITED INTERNATIONAL TRANSPORTATION COMPANY  
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2025

(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

<b>Profit or loss</b>	<b>Notes</b>	<b>2025</b>	<b>2024</b>
Revenue	23	2,418,895	1,971,101
Cost of revenue	24	(1,732,990)	(1,411,525)
<b>Gross profit</b>		<b>685,905</b>	<b>559,576</b>
General and administrative expenses	25	(180,026)	(119,714)
Selling and marketing expenses	26	(100,508)	(89,030)
Expected credit loss	11	(33,430)	(11,178)
Other operating income	27	87,476	57,440
Net loss on derivatives at fair value through profit or loss	17.2	(1,656)	(140)
Bargain purchase gain		-	1,367
<b>Operating profit</b>		<b>457,761</b>	<b>398,321</b>
Finance costs	28	(107,639)	(75,629)
<b>Profit before zakat and income tax</b>		<b>350,122</b>	<b>322,692</b>
Zakat expense	22.c	(8,406)	(10,998)
Income tax expense		301	-
<b>Net profit for the year</b>		<b>342,017</b>	<b>311,694</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation gain		-	28
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurement on employees' defined benefits obligations	20	2,912	4,140
Fair value changes in investments	7	13,275	-
<b>Total other comprehensive income for the year</b>		<b>16,187</b>	<b>4,168</b>
<b>Total comprehensive income for the year</b>		<b>358,204</b>	<b>315,862</b>
<b>Net profit for the year attributable to:</b>			
Shareholders of the Parent Company		345,767	314,635
Non-controlling interests		(3,750)	(2,941)
		<b>342,017</b>	<b>311,694</b>
<b>Total comprehensive income for the year attributable to:</b>			
Shareholders of the Parent Company		361,997	318,860
Non-controlling interests		(3,793)	(2,998)
		<b>358,204</b>	<b>315,862</b>
<b>Earnings per Share (EPS):</b>			
Basic and diluted earnings per share attributable to shareholders of the Parent Company	29	3.32	3.13



Ibrahim Saad AlMojel  
Chairman



Fawaz Abdullah Danish  
President and Group CEO



Ravish Mohammed Tatly  
Group Chief Financial Officer

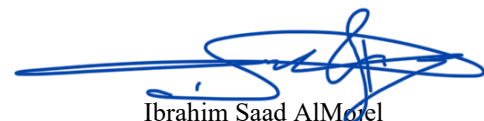
The accompanying notes from 1 to 39 form an integral part of these consolidated financial statements.

UNITED INTERNATIONAL TRANSPORTATION COMPANY  
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2025

(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

	Equity attributable to shareholders of the Company							Non-controlling interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Foreign currency translation reserve	Investment revaluation reserve	Total		
<b>Balance as at 1 January 2024</b>	711,667	-	224,429	924,415	(163)	-	1,860,348	42,417	1,902,765
Net profit for the year	-	-	-	314,635	-	-	314,635	(2,941)	311,694
Other comprehensive income for the year	-	-	-	4,197	28	-	4,225	(57)	4,168
Total comprehensive income for the year	-	-	-	318,832	28	-	318,860	(2,998)	315,862
Increase in share capital (note 14)	70,000	554,400	-	-	-	-	624,400	-	624,400
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	-	4,014	4,014
Dividends (note 15)	-	-	-	(106,337)	-	-	(106,337)	-	(106,337)
<b>Balance as at 31 December 2024</b>	<b>781,667</b>	<b>554,400</b>	<b>224,429</b>	<b>1,136,910</b>	<b>(135)</b>	<b>-</b>	<b>2,697,271</b>	<b>43,433</b>	<b>2,740,704</b>
<b>Balance as at 1 January 2025</b>	<b>781,667</b>	<b>554,400</b>	<b>224,429</b>	<b>1,136,910</b>	<b>(135)</b>	<b>-</b>	<b>2,697,271</b>	<b>43,433</b>	<b>2,740,704</b>
Net profit for the year	-	-	-	345,767	-	-	345,767	(3,750)	342,017
Other comprehensive income for the year	-	-	-	2,955	-	13,275	16,230	(43)	16,187
Total comprehensive income for the year	-	-	-	348,722	-	13,275	361,997	(3,793)	358,204
Dividends (note 15)	-	-	-	(117,249)	-	-	(117,249)	-	(117,249)
<b>Balance as at 31 December 2025</b>	<b>781,667</b>	<b>554,400</b>	<b>224,429</b>	<b>1,368,383</b>	<b>(135)</b>	<b>13,275</b>	<b>2,942,019</b>	<b>39,640</b>	<b>2,981,659</b>



Ibrahim Saad AlMogel  
Chairman



Fawaz Abdullah Danish  
President and Group CEO



Ravish Mohammed Tatli  
Group Chief Financial Officer

The accompanying notes from 1 to 39 form an integral part of these consolidated financial statements.

**UNITED INTERNATIONAL TRANSPORTATION COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

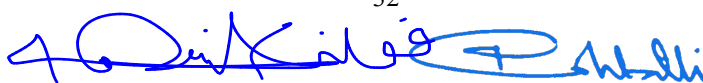
(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

<b>Cash flows from operating activities</b>	<b>Notes</b>	<b>2025</b>	<b>2024</b>
Profit before zakat and income tax		<b>350,122</b>	322,692
<b>Adjustments for</b>			
Depreciation of property and equipment	5	<b>494,411</b>	383,827
Gain on disposal of property and equipment		<b>(372)</b>	(19)
Depreciation of right-of-use assets	6	<b>53,808</b>	40,926
Impairment of intangible assets	8	<b>5,975</b>	-
Amortisation of intangible assets	8	<b>4,319</b>	2,383
Current service cost for employees' defined benefits obligations	20	<b>13,379</b>	10,761
Gain on derecognition of right-of-use assets		-	(823)
Loss on financial derivatives through profit or loss	17.2	<b>1,656</b>	140
Expected credit loss	11	<b>33,430</b>	11,178
Bargain purchase gain		-	(1,367)
Allowance for slow moving inventory	10	<b>913</b>	738
Finance costs	28	<b>107,639</b>	75,629
		<b>1,065,280</b>	846,065
<b>Changes in operating assets and liabilities:</b>			
Inventories		<b>639,566</b>	532,364
Prepayments and other current assets		<b>11,681</b>	(15,439)
Trade receivables		<b>(98,540)</b>	(27,584)
Trade payables		<b>(9,952)</b>	58,605
Accrued expenses and Other current liabilities		<b>(9,762)</b>	(111,214)
<b>Cash generated from operating activities</b>		<b>1,598,273</b>	1,282,797
Purchase of vehicles	5	<b>(1,355,191)</b>	(1,130,484)
Zakat paid	22	<b>(10,633)</b>	(7,812)
Finance costs paid		<b>(104,532)</b>	(67,582)
Employees' defined benefits obligations paid	20	<b>(7,739)</b>	(3,262)
<b>Net cash generated from operating activities</b>		<b>120,178</b>	73,657
<b>Cash flows from investing activities</b>			
Payment for purchase of property and equipment (excluding vehicles)	5	<b>(27,710)</b>	(41,591)
Payment for purchase of intangible assets	8	<b>(3,873)</b>	(2,566)
Acquisition of subsidiary, net cash acquired		-	26,477
Proceed from disposal of property and equipment		<b>377</b>	19
<b>Net cash used in investing activities</b>		<b>(31,206)</b>	(17,661)
<b>Cash flows from financing activities</b>			
Proceeds from bank borrowings	17	<b>913,572</b>	1,139,000
Repayment of bank borrowings	17	<b>(862,293)</b>	(1,002,296)
Dividends paid	15	<b>(117,249)</b>	(106,337)
Payment of the principal portion of lease liabilities	6	<b>(49,557)</b>	(34,553)
<b>Net cash used in financing activities</b>		<b>(115,527)</b>	(4,186)
<b>Net change in cash and cash equivalents</b>		<b>(26,555)</b>	51,810
Cash and cash equivalents at the beginning of the year		<b>85,875</b>	34,065
Bank overdraft paid		<b>(2,707)</b>	-
<b>Cash and cash equivalents at the end of the year</b>	13	<b>56,613</b>	85,875
<b>Non-Cash Transactions</b>	32		



Ibrahim Saad AlMojel

**Chairman**



Fawaz Abdullah Danish

**President and Group CEO**

Ravish Mohammed Tatly

**Group Chief Financial Officer**

The accompanying notes from 1 to 39 form an integral part of these consolidated financial statements.

**UNITED INTERNATIONAL TRANSPORTATION COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

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

(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

**1. CORPORATE INFORMATION**

United International Transportation Company ("the Company"), is a Saudi Joint Stock Company registered in Jeddah, Kingdom of Saudi Arabia ("KSA") under Commercial Registration No. 4030017038 dated 16 Muharram 1399H (corresponding to 16 December 1978) and Unified No. 7000397195, with branches as detailed in note 36.

The principal activities of the Company are leasing, renting vehicles, and selling used cars under the commercial name "Budget Rent a Car" as per license No. 0202000400 issued by the Ministry of Transportation in the Kingdom of Saudi Arabia. The company has been listed on the Saudi Stock Exchange (Tadawul) on 19 Shaaban 1428H (corresponding to September 1, 2007) under the code 4260.

The Company's registered office is located at the following address:

6695 King Abdul Aziz Road, Al Basatin Dist.  
Unit No. 92  
Jeddah 23719-4327,  
Kingdom of Saudi Arabia.

The Company's financial year commences on 1 January and ends on 31 December of each year in accordance with the Company's by-laws.

As of the reporting date, the Company has five subsidiaries (the subsidiaries collectively with the Company referred to as the "Group").

The attached consolidated financial statements include the accounts of the Company; its branches as detailed in note 36 and subsidiaries as follows:

Name	Country of incorporation	Principal field of activities	Actual ownership interest (Direct/indirect)	
			2025	2024
Aljozoor Alrasekha Trucking Company Limited (A Limited Liability Company)	Kingdom of Saudi Arabia	Engaged in the business of leasing and rental of heavy vehicles and equipment and trading in heavy vehicles and equipment and spare parts.	100%	100%
Unitrans Infotech Services India Private Limited (A Limited Liability Company) (A)	India	Engaged in software publishing, consultancy and supply software, operating systems software, business & other applications software, and computer games software for all platforms.	100%	100%
Overseas Development Company Limited (A Limited Liability Company) (B)	Kingdom of Saudi Arabia	Engaged in the transportation of goods, air cargo, and marine freight in the Kingdom of Saudi Arabia	70%	70%
Al-Jazira Equipment Company Limited (A Limited Liability Company) (C)	Kingdom of Saudi Arabia	Engaged in the business of trading and maintenance of vehicles and lease of vehicles.	100%	100%
Overseas development Company Limited (A Limited Liability Company)(D)	United Arab Emirates	Engaged in the transportation of goods, air cargo, and marine freight in the Kingdom of Saudi Arabia	70%	70%

The Company also has a significant influence over the following associate company:

Name	Country of incorporation	Principal field of activities	Actual ownership interest (Direct/indirect)	
			2025	2024
Tranzlease Holdings India Private Limited (E)	India	Operating lease of motor vehicles	32.99%	32.99%

**UNITED INTERNATIONAL TRANSPORTATION COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

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

(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

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**1. CORPORATE INFORMATION (CONTINUED)**

(A) The subsidiary did not have any operations during the year ended December 31, 2025 and December 31, 2024 respectively.

(B) The Company indirectly owns 70% shares of Overseas Development Company Limited – A Limited Liability Company through Aljozoor Alrasekha Trucking Company Limited.

(C) The Company indirectly owns 100% shares of Al-Jazira Equipment Company Limited – A Limited Liability Company through Aljozoor Alrasekha Trucking Company Limited.

(D) The Company indirectly owns 70% shares of Overseas Development Company LLC through Aljozoor Alrasekha Trucking Company Limited.

(E) Tranzlease Holdings India Private Limited, an associate company of the Company has incurred losses in previous years, during the year ended 31 December 2017. The management has impaired the entire investment. The Group has discontinued the recognition of its share of losses, as its share exceeded the carrying amount of the investment in the associate. As of 31 December 2025, the investment is carried at SAR Nil (2024: SAR Nil). The associate had no contingent liabilities or capital commitments at 31 December 2025 or 31 December 2024. Furthermore, the Company does not provide any financial support to the said associate.

**Acquisition of Al Jazira Equipment Company Limited**

Company has signed a sale and purchase agreement with Saudi Economic and Development Holding Company (“SEDCO”) to fully acquire its subsidiary - Al Jazira Equipment Company Limited (Auto world) (A Single Shareholder Company), registered in Kingdom of Saudi Arabia under the commercial registration number 2051005734 and Unified No. 7000679774 dated 12 Rabi' 1 1400 (corresponding to 30 January 1980), through one of its subsidiaries (Aljozoor Alrasekha Trucking Company Limited) through the issuance of additional shares in the company to SEDCO Holding. On 18th Dhul Hijjah, 1445H (corresponding to 24 June 2024) the Extraordinary General Assembly meeting approved to increase the Company's capital from SAR 712 million to SAR 782 million (71.2 million shares to 78.2 million shares. On 12th Muharram, 1446H (corresponding to 18 July 2024) the acquisition process has been completed. Due to practical limitations on determining the fair value of net identifiable assets at the purchase date of 18 July 2024, the net asset fair value was determined at 31 July 2024 and used to calculate goodwill. Changes in fair value between July 18, 2024, and July 31, 2024, were considered immaterial.

**Acquisition of Overseas Development Company LLC**

Aljozoor Alrasekha Trucking Company Limited has signed a sale and purchase agreement with the shareholders of Overseas Development Company LLC to acquire 70% of the Company shares through cash consideration. Overseas Development Company LLC (A Limited Liability Company) registered in United Arab Emirates under the commercial licence number 513250 dated 8 Rabi' al-Thani 1420 (corresponding to 21 July 1999). On 24 Jumadal Thani, 1446H (corresponding to 25 December 2024) the acquisition process has been completed. Due to practical limitations on determining the fair value of net identifiable assets at the purchase date of 25 December 2024, the net asset fair value was determined at 31 December 2024 and used to calculate goodwill. Changes in fair value between December 25, 2024, and December 31, 2025, were considered immaterial.

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

**2. BASIS OF PREPARATION AND MEASUREMENT**

**2.1 Statement of compliance**

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants (SOCPA).

The Group has elected to present a single consolidated statement of profit or loss and statement of comprehensive income, and to classify its expenses by function. The Group reports cash flows from operating activities using the indirect method.

**2.2 Basis of measurement**

The consolidated financial statements have been prepared on an accrual basis and a going concern basis, and on a historical cost basis, except for:

- Employees' benefits obligations using the projected credit unit method.
- lease liabilities that are recognized at the present value of lease payments.
- Financial derivatives are measured at Fair Value Through Profit or Loss (FVTPL).
- Investments at fair value through other comprehensive income are measured at fair value.

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**2. BASIS OF PREPARATION AND MEASUREMENT (CONTINUED)**

**2.3 Functional and presentation currency**

The Group's consolidated financial statements are presented in Saudi Arabian Riyals ("SAR"), which is also the Company's functional currency. For each entity, the Group determines the functional currency, and items included in the financial statements of each entity are measured using that functional currency. All figures are rounded off to the nearest thousands except when otherwise indicated.

**2.4 Significant accounting judgments, estimates, and assumptions**

The preparation of the Group's consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia requires the use of certain estimates and assumptions that affect application of accounting policies and the reported amounts of revenues, expenses, assets, and liabilities, and the accompanying disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the affected asset or liability in the reporting period

These estimates and assumptions are based on historical experience and various other factors believed to be reasonable under the existing circumstances, and are used to judge the carrying amounts of assets and liabilities that are not readily apparent from other sources. However, actual results may differ from these estimates.

Underlying estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, or in the period of the revision and future periods, if the revised estimates affect both current and future periods, in accordance with the requirements of International Accounting Standard (IAS 8).

The key judgements, estimates, and assumptions that have a significant impact on the consolidated financial statements of the Group are discussed below:

**2.4.1 Judgements**

**Going concern**

The Group's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on a going concern basis.

As at December 31, 2025, the Group's total current liabilities exceeded its current assets by SAR 396,473 Thousand (December 31, 2024: SAR 277,855 Thousand). This is primarily attributable to the current portion of loans and lease liabilities amounting to SAR 789,289 Thousand (December 31, 2024: SAR 648,074 Thousand).

The Group's management intensively monitors cash management and performs liquidity risk analysis. Management is confident in its ability to cover the working capital deficit through net cash generated from operating activities in future periods. Accordingly, the accompanying consolidated financial statements have been prepared on a going concern basis.

**Lease classification – Group as lessor**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not substantially transfer all the risks and rewards incidental to ownership of an underlying asset. Keeping in view the business model of the Group, the Group has determined that leasing of vehicles does not substantially transfer all the risks and rewards incidental to ownership of the vehicles subject to the lease arrangement, hence such lease arrangements are classified as an operating lease

**Determining the lease term of contracts with renewal and termination options – Group as lessee**

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that are within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

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**2. BASIS OF PREPARATION AND MEASUREMENT (CONTINUED)**

**2.4 Significant accounting judgments, estimates, and assumptions (continued)**

**2.4.1 Judgements (continued)**

**Consolidation of subsidiaries**

The Group has assessed all its investees to determine whether it exercises control over them in accordance with IFRS 10 'Consolidated Financial Statements'.

The Group evaluated, among other factors, its ownership interest, applicable contractual arrangements, and its ability and the extent of its involvement in the relevant activities of the investees to determine whether or not it exercises control.

**2.4.2 Assumptions and estimation uncertainties**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The following items include information about uncertain assumptions and estimates:

***Useful lives and residual value of property and equipment***

The Group's management determines the estimated useful lives of its property and equipment for calculating depreciation. These estimates are determined after considering the expected usage of the assets or physical wear and tear. Management reviews the residual value and useful lives annually, and future depreciation charges would be adjusted where the management believes the useful lives differ from previous estimates.

***Allowance for expected credit losses (ECL) of trade receivables***

The Group has selected a simplified approach for all lease trade receivables. The Group uses a provision matrix to calculate ECL for trade receivables. The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historically observed default rates are updated, and changes in the forward-looking estimates are analysed. The assessment of the correlation between historically observed default rates, forecasted economic conditions, and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future. The information about the ECL on the Group's trade receivables is disclosed in note 33.

***Employee benefits***

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates, and employee turnover rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The discount rate is the parameter most subject to change. In determining the appropriate discount rate, management considers the market yields on high-quality corporate bonds/government bonds. The mortality rate is based on publicly available mortality tables for the specific country. These tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates for the country. Further details about the employee defined benefit obligations are provided in Note (20).

***Fair value measurement of financial instruments***

When the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

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**2. BASIS OF PREPARATION AND MEASUREMENT (CONTINUED)**

**2.4 Significant accounting judgments, estimates, and assumptions (continued)**

**2.4.2 Assumptions and estimation uncertainties (continued)**

***Fair value measurement of financial instruments (continued)***

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

***Leases - estimating the incremental borrowing rate***

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR, therefore, reflects what the Group 'would have to pay', which requires estimation when observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

***Goodwill-annual impairment assessment on goodwill***

The impairment assessments on the group of CGUs to which goodwill has been allocated, are carried out. The group of CGUs is determined based on the acquisitions and mergers. The structure and groups of CGUs are annually assessed. Goodwill is annually assessed for impairment on each group of CGUs to which goodwill has been allocated. The discounted cash flow method is used for determining value in use.

The most significant indicators in the impairment test include assumptions related to growth rates and discount rates.

***Impairment of non-financial assets***

Judgment is required to assess whether certain factors should be considered as indicators of impairment. Management considers both internal and external information to determine if an impairment indicator exists. If such an indicator is identified, an impairment test is performed. Where an impairment test is required, discounted cash flow (DCF) models are prepared to determine the recoverable amounts of the relevant assets. When market transactions for similar assets are available, they are taken into account in determining the recoverable amount. Significant assumptions used in preparing the DCF models include growth rates, expected future cash flows, operating costs, capital expenditures, and discount rates. These inputs are based on management's best estimates of what an independent market participant would consider appropriate. Changes in these inputs could lead to adjustments in the results of the impairment test, the amount of impairment losses recorded in the consolidated statement of income, and the resulting carrying amounts of the assets.

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**3. MATERIAL ACCOUNTING POLICIES INFORMATION**

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise.

**3.1 Basis of consolidation**

The Group's consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at 31 December 2025. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Company controls an investee if, and only if, the Company has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Company re-assesses 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. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income ("OCI") are attributed to the equity holders of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in the consolidated statement of profit or loss. Any investment retained is recognised at fair value.

***Business combinations, non-controlling interests and goodwill***

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at the acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. 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 host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the consolidated statement of profit or loss.

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**3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)**

**3.1 Basis of consolidation (continued)**

***Business combinations, non-controlling interests and goodwill***

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over 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 reassesses 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 recognised 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 recognised in the consolidated statement of profit or loss.

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 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 cash generating unit (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. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash generating unit retained.

***Subsidiaries***

Subsidiaries are entities controlled by the Group, the Group 'controls' an entity when it is exposed to, or has rights to, variable returns from the involvement with entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from date on which control commences until the date on which control ceases.

***Investment in equity accounted investees***

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The considerations made in determining significant influence is similar to those necessary to determine control over subsidiaries.

The Group's investments in its associates are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately. The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the consolidated statement of profit or loss outside operating profit and represents profit or loss after income tax. When necessary, adjustments are made to bring the accounting policies in line with those of the Group. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired.

If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of results of an associate' in the consolidated statement of profit or loss. Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated statement of profit or loss.

When the Group's share of losses exceeds its interest in associates, the carrying amount of that interest, including any long-term investments, is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Group has a corresponding obligation.

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**3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)**

**3.2 Foreign currencies**

The Group's consolidated financial statements are presented in Saudi Riyals, which is also the Parent Group's functional currency. For each entity, the Group determines the functional currency, and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation, and on disposal of a foreign operation, the gain or loss that is reclassified to the consolidated statement of profit or loss reflects the amount that arises from using this method.

***Transactions and balances***

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised as profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised as OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss in the consolidated statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

***Foreign operations***

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Saudi Riyals at exchange rates at the reporting date. Dividends received from foreign subsidiary/associates are translated at the exchange rate in effect at the transaction date and related currency translation differences are realized in the consolidated statement of other comprehensive income.

When a foreign operation is disposed of, the relevant amount in the translation reserve is transferred to the consolidated statement of profit or loss as part of the profit or loss on disposal. On the partial disposal (without loss of control) of a subsidiary that includes a foreign operation, the relevant proportion of such cumulative amount is reattributed to noncontrolling interest.

Foreign exchange gains or losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which in substance is considered to form part of the net investment in the foreign operation, are recognized in the foreign exchange translation reserve via other comprehensive income.

**3.3 Current versus non-current classification**

The Group presents assets and liabilities in the consolidated statement of financial position based on current / non-current classification. Assets An asset is current when:

- It is expected to be realised or intended to be sold or consumed in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting year; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting year; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year.

All other liabilities are classified as non-current.

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**3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)**

**3.4 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. Revenue is recognized in the consolidated statement of profit or loss and other comprehensive income to the extent that it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15.

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled to in exchange for transferring promised goods or services to a customer. The transaction price is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, excluding taxes, duties and is recorded net of trade discounts.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognize revenue when (or as) the Group satisfies a performance obligation: The Group assessed its revenue arrangements against specific criteria and determined that it is acting as principal in all of its revenue arrangements.

***Revenue from Leases and rental arrangements***

The Company has two distinct strategic segments (Rental and Leasing) that provide different services and are managed separately due to their different economic characteristics. The Company considers itself a lessor in both strategic segments and treats its arrangements within both segments as operating leases in accordance with IFRS 16. Revenue arising from these operating leases is accounted for on a straight-line basis over the lease term and is included within revenue in the statement of profit or loss due to its operating nature.

***Revenue from contracts with customers***

Sale of used vehicles

Revenue from the sale of vehicles is recognised at the point in time when control of the vehicles is transferred to the customers, generally on delivery of the vehicles. The Group's revenue from sale of vehicles includes only one performance obligation, and there is no variable consideration and financing component involved.

Income from other services

Revenue from other services that are incidental to vehicle rental arrangements are recognized when these related services are provided and classified as part of the revenue from these core operating activities. The Group's revenue from other services that are incidental to vehicle rental arrangements is recognised over the time when services are rendered.

***Loyalty points***

The Group usually awards customers additional "Loyalty Points". These Loyalty Points give rise to a separate performance obligation as they provide a material right to the customer.

A portion of the transaction price is allocated to Loyalty Points awarded to customers based on relative stand-alone selling price and is recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of the points by the customer.

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**3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)**

**3.4 Revenue recognition**

***Freight forwarding and project forwarding revenues***

The Group generates freight forwarding revenues by purchasing transportation capacity from independent air, ocean and overland transportation providers and reselling that capacity to customers. Revenue from freight forwarding and project forwarding revenues recognised over time, using an input method to measure progress towards complete satisfaction of the service.

Some contracts include multiple deliverables, such as customs clearance and brokerage services. These are accounted for as separate performance obligations and transaction prices are allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, the Group estimates separate transaction prices for each performance obligation based on expected cost-plus margin.

***Financing components***

The Group does not expect to have any contracts where the period between the transfer of promised services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

**3.5 Expenses**

***Cost of revenue***

Cost of revenue represents all expenses directly attributable or incidental to the core operating activities of the Group, including but not limited to the depreciation of vehicles under rental arrangements, cost of vehicle inventories disposed of directly attributable employee-related costs etc.

***Selling, marketing, and General and administrative expenses***

Selling and marketing expenses are costs arising from the Group's efforts underlying marketing activities and function. All other expenses are classified as administrative expenses. Allocation of common expenses between the cost of revenue, selling and marketing, and administrative expenses, where required, is made on a reasonable basis with regard to the nature and circumstances of the common expenses.

***Franchise fee***

Franchise and similar fees that the Group is obligated to pay under contractual arrangements are recognized on accrual basis.

**3.6 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets are capitalized during the period necessary to complete and prepare the asset for its intended sale or use. Qualifying assets are those that necessarily require a long period to become ready for sale or intended use.

The group considers an asset to be qualified if it requires a significant period to prepare it for its intended use or sale.

If projects under construction are financed by general borrowings, the weighted capitalization rate is used to capitalize borrowing costs.

Investment income earned on temporary investments of specific borrowings that are delayed in expenditure on qualified assets is deducted from the capitalizable borrowing costs.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

The group ceases capitalization of borrowing costs when all the substantial activities necessary to prepare the qualifying asset for its intended use or sale are complete, or when development is suspended for a long period.

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**3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)**

**3.7 Finance cost**

The cost of finance for interest payable to the lender for all financial liabilities measured at amortized cost is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash payments or receipts over the expected life of the financial instrument, or a shorter period, as appropriate, to the net carrying amount of the financial liability. Additionally, the cost of finance includes the time value of money for all recognized lease liabilities. The cost of finance is also recognized over time whenever a provision or liability is discounted to its present value.

**3.8 Zakat and value added tax**

*Zakat and tax*

The Group is subject to zakat and withholding taxes in accordance with the regulations of the Zakat, Tax and Customs Authority ("Authority" or "ZATCA"). Provision for zakat for the Group and zakat related to the Group's ownership in the Saudi Arabian subsidiary is charged to the consolidated statement of profit or loss and other comprehensive income. Additional amounts payable, if any, at the finalization of final assessments are accounted for in the period in which these are determined.

During the year ended December 31, 2025, the Group prepared and submitted a consolidated Zakat return for the Company and all its directly or indirectly 100% owned subsidiaries.

The Group companies withhold taxes on transactions with non-resident parties and on dividends paid to foreign shareholders in accordance with ZATCA regulations, which is not recognized as an expense being the obligation of the counterparty on whose behalf the amounts are withheld.

The Overseas Development Company LLC is subject to the Regulations of the Federal Tax Authority in the United Arab Emirates. The 9% corporate tax rate applies to business if taxable income is over AED 375,000.

Deferred income tax is provided using the liability method on temporary differences at the reporting date. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset when the entity has a legally enforceable right to offset and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

*Value added tax*

The Group is subject to Value Added Tax ("VAT") in accordance with the VAT regulations prevailing in the Kingdom of Saudi Arabia. The amount of VAT liability is determined by applying the applicable tax rate to the value of supply ("Output VAT") less VAT paid on purchases ("Input VAT"). The Group reports revenue and purchases net of VAT for all the periods presented in the statement of profit or loss and other comprehensive income.

The expenses and assets are recognized net of VAT amount, except for:

- When the VAT incurred on the purchase of assets or services is not recoverable from the tax authorities, in this case VAT is recognized as part of the cost of purchasing the assets or expensed, if applicable, and/or
- When receivables and payables are stated including VAT amount

Net VAT recoverable from / or payable to the tax authorities is recorded as part of prepaid expenses and other current assets or accrued expenses and other current liabilities in the consolidated statement of financial position.

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**3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)**

**3.9 Earnings per share**

Basic earnings per share

Basic earnings per share is calculated by dividing:

- Profit attributable to the Group's shareholders, excluding any costs related to equity transactions other than ordinary shares.
- The weighted average number of ordinary shares outstanding during the financial year, adjusted for any stock-based compensation elements and excluding treasury shares.

Diluted earnings per share

The figures used to determine the basic earnings per share are adjusted for the diluted earnings per share, considering:

- The impact of interest after income tax and other finance costs associated with the dilution of potential common stock.
- The weighted average number of additional common stock that would have been outstanding assuming the conversion of all common stock is affected by the potential dilution.

**3.10 Segment reporting**

Operating segments are presented in a manner consistent with the internal reports provided to the chief operating decision maker. Operating segments are components of the Group that engage in business activities from which they may earn revenues and incur expenses, including revenues and expenses related to transactions with other components of the Group. The operating results of segments are regularly reviewed by the CEO (the chief operating decision maker) to make decisions about the allocation of resources to the segment and to assess its performance, with separate financial information available for each segment.

The results of segments reported to the chief operating decision maker include items directly attributable to the segment, as well as items that can be reasonably allocated.

**3.11 Property and equipment**

***Recognition and measurement***

Items of property and equipment are initially recorded at cost and measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and borrowing costs on qualifying assets.

When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Gains and losses on disposal of an item of property and equipment (other than vehicles transferred to inventories as 'Vehicles for sale') are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognised net within other operating income in the consolidated statement of profit or loss and other comprehensive income.

***Subsequent costs***

The cost of replacing a part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in the consolidated statement of profit or loss and other comprehensive income as incurred.

***Capital work in progress***

Capital work-in-progress represents all costs relating directly and indirectly to the construction in progress and is capitalized as property and equipment when ready for the intended use.

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**3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)**

**3.11 Property and equipment (continued)**

***Depreciation***

Depreciation represents the systematic allocation of the depreciable amount of an asset over its estimated useful life. Depreciable amount represents cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in the consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at least annually and adjusted prospectively, if required.

The estimated useful lives are as follows:

Buildings and other installations	10 to 20 years
Machinery and equipment	4 to 7 years
Furniture, fixtures and office equipment	4 to 5 years
Vehicles	2 to 5 years

***Revision in useful lives of property and equipment***

The Group's management determines the estimated useful lives of its property and equipment for calculating depreciation. These estimates are determined after considering the expected usage of the assets or physical wear and tear.

The Group conducted a technical assessment to evaluate the useful lives and residual values of the vehicles. As a result, the Group made the following adjustments:

	<b>Effective 1 January 2025</b>	<b>Up to 31 December 2024</b>
	Years	
Lease vehicles	4.2	4.4
Rental vehicles	2.5	2.75

The change in estimated useful lives and residual values has resulted in a decrease in depreciation expenses and an increase in the cost of sales of vehicles. The net impact of the adjustment amounts to SAR 14.55 million on the cost of revenue for the year ended 31 December 2025. The effect of change in estimate in future periods is impracticable to determine.

**3.12 Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised, and the related expenditure is reflected in the profit or loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

The amortization period for the Group's intangible assets with finite life is as follows:

Software	4 years
Brand	15 years

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable.

If not, the change in useful life from indefinite to finite is made on a prospective basis. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

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**3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)**

**3.13 Leases**

**The Group as a Lessee:**

The Group leases several plots of land and buildings, typically under fixed-term leases, which may include extension options. The lease terms are negotiated individually and encompass a wide range of different terms and conditions. The lease agreements do not impose any covenants, except for security interests in the leased assets held by the lessor. However, the leased assets may not be used as collateral for borrowing purposes. For leases where the Group is the lessee, refer to Note 6.

The Group assesses whether a contract constitutes, or contains, a lease at the commencement of the contract. The Group recognizes right-of-use assets and corresponding lease liabilities for all lease agreements where the Group is the lessee, except for short-term leases (defined as leases with a duration of 12 months or less) and leases of low-value assets. For these leases, the Group records lease payments as operating expenses on a straight-line basis over the lease term, unless there is another systematic basis that more accurately reflects the timing pattern in which the economic benefits of the leased asset are consumed.

When determining the lease term, management considers all facts and circumstances that provide an economic incentive to exercise an extension option or not to exercise a termination option. Extension options are included in the lease term only if the extension of the lease is reasonably certain. In determining the lease term, management generally takes into account several factors, including historical lease periods, costs, and business disruption required to replace the leased asset. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative standalone prices.

Lease liabilities

The lease liability is initially measured at the net present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the individual lessee, which does not have recent third-party financing, and
- makes adjustments specific to the lease, for example term, country, currency and security.

The lease liabilities include the present value of the following lease payments:

- Fixed lease payments, less any lease incentives receivable.
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.
- Amounts expected to be payable by the lessee under residual value guarantees.
- Exercise price of purchase options if the lessee is reasonably certain to exercise those options.
- Penalties for terminating the lease if the lease term reflects the exercise of a termination option.

Lease payments made under reasonably certain extension options are also included in the measurement of the liability.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest rate method) and decreasing the carrying amount to reflect lease payments made.

The Group remeasures the lease liability (and adjusts the corresponding right-of-use asset) when:

- The lease term changes or there is a change in the assessment of the exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

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**3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)**

**3.13 Leases (continued)**

*Lease liabilities (continued)*

Lease payments change due to changes in an index or rate, or changes in expected payments under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using the original discount rate (unless the lease payments change due to changes in floating interest rates, in which case the revised discount rate is used); the lease contract is adjusted and the adjustment is not considered a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

*Right-of-Use Assets*

Right-of-use assets include the initial measurement of the corresponding lease liability, lease payments made on or before the commencement date, and any initial direct costs; they are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Right-of-use assets are depreciated over the lease term or the useful life of the underlying asset, whichever is shorter. If the lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects the Group's expectation of exercising a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts from the lease commencement date.

The Group applies IAS 36 "Impairment of Assets" to determine whether a right-of-use asset has suffered impairment and records any impairment losses.

Variable lease payments that do not depend on an index or rate are not included in the measurement of lease liabilities and right-of-use assets. Such payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in profit or loss.

When the Group faces potential future increases in variable lease payments based on an index or rate, they are not included in lease liabilities until they become effective. When adjustments to lease payments based on an index or rate become effective, the lease liabilities are remeasured and adjusted against the right-of-use assets.

Lease payments are allocated between the principal portion and the cost of financing. The cost of financing is charged to profit or loss over the lease term so as to produce a constant periodic interest rate on the remaining balance of the liability for each period.

**The Group as a Lessor:**

The Group is a lessor, it determines, at the commencement of the lease, whether the lease is a finance lease or operating lease.

To classify each lease, the Group performs overall assessment whether lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers specific indicators such as whether the lease term is for the major part of the economic life of the underlying asset.

The initial measurement in case of finance leases: the Group uses the interest rate implicit in the lease to measure the net investment in the lease.

At the commencement date, the lease payments included in the measurement of the net investment in the lease comprise the following payments for the right to use the underlying asset during the lease term that are not received at the commencement date:

- (a) fixed payments;
- (b) variable lease payments that depend on an index or a rate;
- (c) any residual value guarantees provided to the lessor by the lessee, a party related to the lessee or a third party unrelated to the lessor that is financially capable of discharging the obligations under the guarantee; and
- (d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option.

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**3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)**

**3.13 Leases (continued)**

**The Group as a Lessor (continued):**

Upon subsequent measurement, the Group recognizes finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

The initial measurement in case of operating leases: The Group recognizes lease payments from operating leases as income on either a straight-line basis or another systematic basis. The Group applies another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

Upon subsequent measurement, The Group applies IAS 36 to determine whether an underlying asset subject to an operating lease is impaired and to account for any impairment loss identified.

When the Group is an intermediate lessor, it calculates its interest in the head lease and sublease separately. Classification of the sublease is assessed by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. If the head lease is a short-term lease, the Group applies exemption, the sublease shall be classified as an operating lease.

If the arrangement includes lease and non-lease components, the Group allocates the consideration in the contract by applying IFRS 15 for allocation the consideration in the contract.

**3.14 Inventory**

Inventory represent vehicles for sale, spare parts, and other supplies. Inventory is valued at the lower of cost and net realizable value. The realizable value is the difference between the estimated selling price in the normal course of business, less the estimated costs of completion and expenses to complete the sale.

The cost of inventory includes all costs associated with its purchase, including shipping fees, customs duties, and direct expenses related to bringing it to its current location.

The Group reviews the carrying amount of inventory on a regular basis. When necessary, inventory is written down to their net realizable value or provision is made for obsolescence if there is a change in the usage pattern or physical form of the related inventory.

***Vehicles held for Sale***

Vehicles held for sale, which were previously held as part of property and equipment for rental and leasing arrangements, are transferred to inventory at their carrying amounts when they cease to be held for rental and leasing purposes and become held for sale in the ordinary course of business. Other costs are included in the cost of vehicle inventory only to the extent that they are incurred in bringing the vehicles to their present location and the condition necessary for sale.

***Spare Parts and Other Supplies***

The cost of spare parts and other supplies is based on the weighted average principle. Other costs are included in the cost of spare parts and other supplies only to the extent that they are incurred in bringing them to their present location and condition.

**3.15 Cash and cash equivalents**

Cash and cash equivalents comprise of cash on hand, cash in current accounts, deposits with banks and other short-term highly liquid investments with original maturities of three months or less from the date of acquisition that are readily converted into cash amount, are subject to limited risk and available for the Group.

Short-term returns are recognized as Interest income from bank deposits in the consolidated statement of profit or loss in accordance with the accrual basis.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents include bank overdrafts.

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**3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)**

**3.16 Financial Instruments**

**1) Financial assets**

**Initial Recognition and Measurement**

The Group's financial assets are classified and measured under the following categories:

- fair value (fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI)).
- Amortised cost

These classifications are based on the Group's business model for managing financial assets and the contractual cash flow characteristics.

At initial recognition, the classification of financial assets depends on their contractual cash flow characteristics and the Group's business model for managing them. Financial assets not at fair value through profit or loss (FVTPL) are initially measured at fair value plus transaction costs. Trade receivables that do not contain a significant financing component, or for which the Group has applied the practical expedient, are initially measured at the transaction price determined under IFRS 15 'Revenue from Contracts with Customers'.

To classify and measure a financial asset at amortized cost or fair value through other comprehensive income (FVOCI), it must generate cash flows that are 'Solely Payments of Principal and Interest (SPPI)' on the principal amount outstanding.

This assessment is referred to as the 'SPPI test' and is performed at an instrument level. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, regardless of the business model.

The Group's business model for managing financial assets refers to how the Company manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows. While financial assets classified and measured at fair value through other comprehensive income (FVOCI) are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

**Subsequent Measurement**

For the purpose of subsequent measurement, financial assets are classified into four categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value through other comprehensive income (FVOCI) with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through other comprehensive income (FVOCI) with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss (FVTPL).

*Financial Assets at Amortized Cost (Debt Instruments)*

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in the consolidated statement of profit or loss and other comprehensive income when the asset is derecognized, modified, or impaired. This category of financial assets is the most relevant to the Group. The Group's financial assets at amortized cost include trade receivables, employee loans, and due from related parties, which are included under current financial assets.

*Financial assets at fair value through other comprehensive income (FVOCI) (Debt instruments)*

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the consolidated statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

"Currently, the Group does not have any debt instruments at fair value through other comprehensive income (FVOCI)."

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**3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)**

**3.16 Financial Instruments (continued)**

**1) Financial assets (continued)**

**Subsequent Measurement (continued)**

*Financial assets designated at fair value through other comprehensive income (FVOCI) (Equity instruments)*

At initial recognition, the Group can elect to irrevocably classify its equity investments as equity instruments designated at fair value through other comprehensive income (FVOCI) when they meet the definition of equity under IAS 32 'Financial Instruments: Presentation' and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

Currently, the Group has one equity investment designated at fair value through other comprehensive income (FVOCI).

*Financial Assets at Fair Value through Profit or Loss (FVTPL)*

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of profit or loss. This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments are recognized as other income in the consolidated statement of profit or loss when the right of payment has been established.

The Group uses derivative financial instruments, such as interest rate swaps, to manage its interest rate risks.

**Derecognition**

financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a 'pass-through' arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

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**3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)**

**3.16 Financial Instruments (continued)**

**1) Financial assets (continued)**

**Fair Value Measurement of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is determined using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk, and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently re-measured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

**Impairment**

The Group recognizes an allowance for Expected Credit Losses (ECLs) for all debt instruments not held at Fair Value Through Profit or Loss (FVTPL). For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment, which also includes macro-economic information such as inflation and GDP growth rates.

The Group considers a financial asset in default when contractual payments are past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**2) Financial Liabilities**

**Initial Recognition and Measurement**

All financial liabilities are recognized at the time the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially recognized at fair value, net of any directly attributable transaction costs. After initial recognition, these liabilities are measured at amortized cost using the effective interest rate (EIR) method.

The Group's financial liabilities include trade and other payables, and loans including bank overdrafts and derivative financial instruments.

**Subsequent Measurement**

For the purpose of subsequent measurement, financial liabilities are classified into the following two categories:

- Financial liabilities at fair value through profit or loss (FVTPL); and
- Financial liabilities at amortized cost (lease liabilities, loans, and trade payables).

**Financial Liabilities at Fair Value through Profit or Loss (FVTPL)**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9 'Financial Instruments'. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the consolidated statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are determined at the initial recognition date, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

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**3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)**

**3.16 Financial Instruments (continued)**

**2) Financial Liabilities**

**Financial liabilities at amortized cost (Lease liabilities, loans and borrowings, and trade payables)**

This category of financial liabilities is the most relevant to the Group. After initial recognition, interest-bearing lease liabilities, loans and borrowings, and trade payables are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in the consolidated statement of profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of profit or loss. This category generally applies to lease liabilities and loans and borrowings (refer to Note 6 and 17).

**Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of profit or loss.

**3) Offsetting of Financial Instruments**

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

**Derivative Financial Instruments**

The Group uses derivative financial instruments, such as interest rate swaps, to hedge its interest rate risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

**3.17 Impairment of non-financial assets**

Goodwill and intangible assets with indefinite useful lives are not amortized but are tested annually for impairment, or more frequently if there are indications, events, or changes in circumstances that may suggest a potential impairment. Other assets are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount, which is the higher of the asset's fair value less costs to sell or its value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which separately identifiable cash flows exist that are largely independent of the cash flows from other assets or asset groups (cash-generating units). Non-financial assets, other than goodwill, that have previously been impaired are reviewed for possible reversal of the impairment at the end of each reporting period.

In each reporting period, the group assesses whether there is any indication that an asset may be impaired.

Indicators of impairment include, but are not limited to, a significant decline in market value, changes in the operating environment, or poor financial performance of the asset or cash-generating unit. If any indicator exists, or when an annual impairment test of the asset is required, the group estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs of disposal and the present value of expected future cash flows. It is determined for an individual asset unless the asset does not generate cash inflows largely independent of other assets or groups of assets. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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**3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)**

**3.17 Impairment of non-financial assets (continued)**

When estimating value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. When determining fair value less costs of disposal, recent market transactions are taken into account. If such transactions cannot be identified, an appropriate valuation model is used, such as valuation multiples (including earnings multiples), publicly traded share prices of subsidiaries, or other available indicators of fair value.

The Group bases its calculation of impairment on detailed budgets and operating plans, which are prepared separately for each of the Group's cash-generating units to which the individual assets are distributed. These operating budgets and plans generally cover a period of five years. The long-term growth rate is calculated and applied to the project's future cash flows after the fifth year.

For non-financial assets, excluding goodwill, an assessment is made at each reporting date to determine whether there is any indication that previously recognized impairment losses no longer exist or have decreased. When such an indication exists, the Group estimates the recoverable amount of the asset or cash-generating unit. Impairment losses are reversed so that the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized on the asset in prior years. This reversal is recognized in the consolidated statement of profit or loss.

**3.18 Borrowings**

Borrowings are initially recognized at fair value, net of any transaction costs incurred, and are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the amount repayable is recognized in the consolidated statement of profit or loss over the life of the loan using the effective interest method. Borrowings are derecognized from the consolidated statement of financial position when the contractual obligation expires, is canceled, or matures. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

When the terms of a borrowing are materially modified, the original liability is derecognized and a new liability is recognized.

**3.19 Provisions**

A provision is recognized in the consolidated statement of financial position when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount can be reliably estimated. When the effect is material, provisions are determined by discounting the expected future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The discount unwinding is recognized as a financing cost in the consolidated statement of profit or loss.

**3.20 Share Capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

**3.21 Cash Dividends and Non-Cash Distributions to Shareholders of the Company**

The Company recognizes a liability to make cash or non-cash distributions to shareholders when the distribution is authorized and is no longer at the discretion of the Company. As per the Company's bylaws, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognized directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognized in the consolidated statement of profit or loss.

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**3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)**

**3.22 Employee Benefit Liabilities**

Short-term and Other Long-term Employee Benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave, and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date

Employee Benefit Liabilities

The cost of providing benefits under the defined benefit plans is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurements, comprising actuarial gains and losses, are recognized immediately in the consolidated statement of financial position with a corresponding charge or credit recognized in consolidated other comprehensive income (OCI) in the period in which they occur. Re-measurements recognized in consolidated OCI are reflected immediately in the actuarial reserve within equity and are not reclassified to the consolidated statement of profit or loss. Past service cost is recognized in the consolidated statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, and gains and losses on curtailments and settlements).
- Net interest expense or income.
- Re-measurements.

Gains and losses on curtailments are accounted for as past service costs.

The employee end-of-service benefit liabilities recognized in the consolidated statement of financial position represent the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for an employee benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the employee benefit and when the entity recognizes any related restructuring costs.

**3.23 Trade payables and other payables**

Trade payables and other payables are liabilities to pay for goods and services acquired in the normal course of business from suppliers. Trade payables and other payables are classified as current liabilities if they are due to be settled within one year or less; otherwise, they are presented as non-current liabilities. Trade payables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method.

**3.24 Contingent Liabilities**

All contingent liabilities arising from past events that will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events, which are not wholly under the control of the Group, or all current liabilities arising from past events but not recognized due to the lack of probability that an outflow of resources embodying economic benefits will be required to settle the obligation.

Contingent liabilities are not recognized in the consolidated financial statements and are disclosed, including their nature, financial estimate, and uncertain events.

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**3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)**

**3.25 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability will take place either:

- In the principal market for the asset or liability, or
- In the most advantageous market for the asset or liability in the absence of a principal market.

The principal or most advantageous market must be accessible by the Group. The fair value of an asset or liability is measured using the assumptions that market participants use when pricing the asset or liability, assuming that market participants act in their best economic interests.

The fair value measurement of a non-financial asset considers the ability of market participants to provide economic benefits by using the asset for the highest and best value, or by selling it to another market participant for the highest and best value.

The Group uses valuation techniques that are appropriate to circumstances and conditions and have sufficient data to measure fair value, maximize the use of relevant observable inputs, and minimize the use of unobservable inputs substantially.

All assets and liabilities whose fair values are measured or disclosed at their fair values in the consolidated financial statements are categorized within the fair value hierarchy set out below based on the lowest level inputs that is significant to the fair value measurement as a whole:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities at the measurement date.
- Level 2: Valuation techniques in which the lowest level of significant inputs is used for the fair value measurement and can be observable either directly (i.e., prices) or indirectly (i.e., derived from prices).
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (unobservable inputs) For assets and liabilities recognised in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of the reporting period. The Group determines policies and procedures for both recurring fair value measurements and non-recurring fair value measurements.

At each reporting date, The Group analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Group also compares the change in the fair value of each asset or liability with other external sources to determine whether the change is reasonable. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**3.26 Climate-related Matters**

The Group takes climate-related matters into account in its estimates and assumptions, where appropriate. This assessment encompasses a wide range of potential impacts on the Group due to physical and transition risks. While the Group believes its business model will remain viable following the transition to a low-carbon economy, climate-related matters increase the uncertainty in the estimates and assumptions underlying several items in the consolidated financial statements. Although climate-related risks may not currently have a significant impact on measurement, the Group closely monitors relevant changes and developments, such as new climate-related legislation.

The Group regularly reviews the carrying amounts of property, plant and equipment, and intangible assets, particularly in high-risk areas such as fleet assets. If there is a risk that these assets may become impaired or obsolete due to climate-related factors, impairment costs will be recognized as necessary.

The Group recognizes provisions for environmental liabilities where a legal or constructive obligation exists to remediate environmental impacts or comply with climate-related regulations. These provisions are regularly reviewed and adjusted in light of evolving climate laws and environmental impacts.

Depreciation schedules for fleet assets, including cars, trucks, and other vehicles, are reviewed to ensure they reflect the expected useful lives of the vehicles, taking into account potential future regulatory changes, customer preferences, and technological shifts toward electric or low-emission vehicles.

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**4. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS**

The Group has adopted the following new standards and amendments for the first time in its annual reporting period beginning on January 1, 2025

**A) Standards Issued but Not Yet Effective**

A number of standards, amendments to standards, and interpretations issued by the International Accounting Standards Board (IASB) are effective for future accounting periods, and the Group has decided not to early adopt them.

<b>Standard</b>	<b>Application date</b>
Amendments to IFRS (9) and IFRS (7): Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS (9) and IFRS (7): Contracts Referencing Nature dependent Electricity	1 January 2026
Annual improvements to IFRS accounting Standards	1 January 2026
IFRS (18): Presentation and Disclosure in Financial Statements – Replaces IAS (1) Presentation of Financial Statements	1 January 2027
IFRS (19) - Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS (10) and IAS (28): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The effective date of this amendment is postponed indefinitely

The Group is currently assessing the impact of these new accounting standards and their amendments. The Group does not expect any standard issued by the International Accounting Standards Board that are not yet effective to have any material impact.

**B) New standards, amendments to standards, and interpretations**

The Group has adopted the following new standards and amendments for the first time in its annual reporting period beginning on January 1, 2025

**Amendments to IAS 21 – Lack of Exchangeability**

The amendments apply when an entity has a foreign currency transaction or operation that cannot be exchanged into another currency at the measurement date for a specified purpose.

The adoption of this amendment is not expected to have a material impact on the Group's consolidated financial statements for the year ending December 31, 2025.

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5. PROPERTY AND EQUIPMENT

	Land	Buildings and Other structures	Machinery and equipment	Furniture and office equipment	Vehicles	Capital work in progress	Total
<b>Cost:</b>							
Balance as at the January 1, 2024	142,002	101,488	11,840	20,917	3,008,806	575	3,285,628
Additions during the year	6,550	8,186	1,746	4,551	1,130,484	20,558	1,172,075
Acquisition through business combination	-	24,313	1,712	4,847	1,044,924	-	1,075,796
Transfer to inventories (a)	-	-	-	-	(935,146)	-	(935,146)
Transfer from Capital work in progress	-	180	135	97	1,510	(1,922)	-
Disposals during the year	-	-	(6)	-	(113)	-	(119)
<b>Balance as at 31 December 2024</b>	<b>148,552</b>	<b>134,167</b>	<b>15,427</b>	<b>30,412</b>	<b>4,250,465</b>	<b>19,211</b>	<b>4,598,234</b>
Additions during the year	3,000	8,822	1,595	4,813	1,355,191	9,480	1,382,901
Transfer to inventories (a)	-	-	-	-	(1,035,561)	-	(1,035,561)
Transfer in from Capital work in progress	-	8,648	14,394	-	4,490	(27,532)	-
Disposals during the year	-	-	(1,198)	-	(2,787)	-	(3,985)
<b>Balance as at 31 December 2025</b>	<b>151,552</b>	<b>151,637</b>	<b>30,218</b>	<b>35,225</b>	<b>4,571,798</b>	<b>1,159</b>	<b>4,941,589</b>
<b>Accumulated depreciation:</b>							
Balance as at the January 1, 2024	-	58,440	9,893	12,952	721,934	-	803,219
Depreciation charge for the year (b)	-	9,046	943	3,730	370,108	-	383,827
Transfer to inventories (a)	-	-	-	-	(354,231)	-	(354,231)
Disposals during the year	-	-	(6)	-	(113)	-	(119)
<b>Balance as at 31 December 2024</b>	<b>-</b>	<b>67,486</b>	<b>10,830</b>	<b>16,682</b>	<b>737,698</b>	<b>-</b>	<b>832,696</b>
Depreciation charge for the year (b)	-	12,712	2,167	5,072	474,460	-	494,411
Transfer to inventories (a)	-	-	-	-	(420,644)	-	(420,644)
Disposals during the year	-	-	(1,193)	-	(2,787)	-	(3,980)
<b>Balance as at 31 December 2025</b>	<b>-</b>	<b>80,198</b>	<b>11,804</b>	<b>21,754</b>	<b>788,727</b>	<b>-</b>	<b>902,483</b>
<b>Net book value</b>							
<b>31 December 2025</b>	<b>151,552</b>	<b>71,439</b>	<b>18,414</b>	<b>13,471</b>	<b>3,783,071</b>	<b>1,159</b>	<b>4,039,106</b>
31 December 2024	148,552	66,681	4,597	13,730	3,512,767	19,211	3,765,538

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**5. PROPERTY AND EQUIPMENT (CONTINUED)**

- a) These represent the cost and accumulated depreciation of vehicles retired from fleets and transferred to inventories (vehicles).
- b) Depreciation charge for the year ended 31 December has been allocated as follows:

	Note	2025	2024
Cost of revenue	24	487,601	380,817
General and administrative expenses	25	4,973	2,220
Selling and Marketing expenses	26	1,837	790
		<u>494,411</u>	<u>383,827</u>

**6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**

The Group has lease contracts (leases as a lessee) for leasehold buildings (i.e., workshops, accommodations, and locations). Leasehold buildings have lease terms between 2 to 10 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

The Group also has certain leases of accommodation buildings with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

- a) Set out below are the carrying amounts of right-of-use assets and lease liabilities recognized and the movements during the year:

	December 31, 2025		December 31, 2024	
	Right-of-use assets	Lease liabilities	Right-of-use assets	Lease liabilities
Balance at the beginning of the year	246,682	246,886	96,185	89,153
Acquisition through business combination	-	-	30,618	32,304
Additions during the year	54,413	54,413	161,791	161,791
Terminations during the year	-	-	(986)	(1,809)
Depreciation expense for the year	(53,808)	-	(40,926)	-
Interest expense	-	14,793	-	9,031
Gross payments	-	(64,350)	-	(43,584)
Payments of the principal portion of lease liabilities	-	(49,557)	-	(34,553)
Balance at the end of the year	<u>247,287</u>	<u>251,742</u>	<u>246,682</u>	<u>246,886</u>

	December 31, 2025	December 31, 2024
Lease liabilities - current portion	47,759	47,538
Lease liabilities - non-current portion	203,983	199,348
	<u>251,742</u>	<u>246,886</u>

Depreciation charge for the year ended 31 December has been allocated as follows:

	Note	2025	2024
Cost of revenue	24	49,769	39,618
General and administrative expenses	25	2,014	790
Selling and Marketing expenses	26	2,025	518
		<u>53,808</u>	<u>40,926</u>

The maturity analysis of lease liabilities is disclosed in note 33.

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**6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)**

b) The following are the amounts recognised in the consolidated statement of profit or loss and other comprehensive income:

	<b>Note</b>	<u><b>2025</b></u>	<u>2024</u>
Depreciation expense of right-of-use assets	24/25/26	<b>53,808</b>	40,926
Interest expense on lease liabilities	28	<b>14,793</b>	9,031
Expense relating to short-term leases included in cost of revenue	24	<b>23,224</b>	16,544
Expense relating to short-term leases included in general and administrative expenses	25	<b>1,560</b>	886
		<u><b>93,385</b></u>	<u>67,387</u>

The Group had total cash outflows for leases of SAR 64.35 million in 2025 (2024: SAR 43.58 million). The Group also had non-cash additions to right-of-use assets and lease liabilities of SAR 54.413 million during 2025 (2024: SAR 161.79 million).

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs.

**7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

During the year ended December 31, 2021, the Group invested an amount of SAR 15 million in Syarah Limited, representing an ownership interest of 3.99% as of December 31, 2025 (December 31, 2024: 3.99%). It is a company limited by shares incorporated under the laws of the British Virgin Islands. The Group has elected to classify this investment at Fair Value through Other Comprehensive Income (FVOCI).

As of December 31, 2025, the fair value was determined based on an assessment conducted by an independent external valuer. The movement in financial assets at fair value through other comprehensive income (FVOCI) is as follows:

	<u><b>2025</b></u>	<u>2024</u>
At 1 January	<b>15,000</b>	15,000
Fair value gain	<b>13,275</b>	-
At 31 December	<u><b>28,275</b></u>	<u>15,000</u>

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**8. INTANGIBLE ASSETS**

	<b>Computer software</b>	<b>Brand</b>	<b>Capital work in progress</b>	<b>Total</b>
<b><u>Cost:</u></b>				
Balance as at 1 January 2024	11,159	-	5,975	17,134
Acquisition through business combination	3,580	35,555	-	39,135
Additions during the year	2,566	-	-	2,566
Balance as at 31 December 2024	17,305	35,555	5,975	58,835
Additions during the year	<b>2,205</b>	-	<b>1,668</b>	<b>3,873</b>
Impairment of capital work in progress*	-	-	<b>(5,975)</b>	<b>(5,975)</b>
<b>Balance as at 31 December 2025</b>	<b>19,510</b>	<b>35,555</b>	<b>1,668</b>	<b>56,733</b>
<b><u>Accumulated amortisation:</u></b>				
Balance as at 1 January 2024	10,254	-	-	10,254
Amortization for the year	1,230	1,153	-	2,383
Balance as at 31 December 2024	11,484	1,153	-	12,637
Amortization for the year	<b>1,948</b>	<b>2,371</b>	-	<b>4,319</b>
<b>Balance as at 31 December 2025</b>	<b>13,432</b>	<b>3,524</b>	-	<b>16,956</b>
<b><u>Net book value</u></b>				
<b>Net book value at 31 December 2025</b>	<b>6,078</b>	<b>32,031</b>	<b>1,668</b>	<b>39,777</b>
Net book value at 31 December 2024	5,821	34,402	5,975	46,198

\* Impairment of capital work in progress relates to the advances given for business application and other software. This amount is considered as not recoverable and impaired during the year ended 31 December 2025.

Amortization expense for the year ended 31 December has been allocated as follows:

	<b>Note</b>	<b>2025</b>	<b>2024</b>
Cost of revenue	24	<b>1,948</b>	1,230
General and administrative expenses	25	<b>2,371</b>	1,153
		<b>4,319</b>	2,383

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**9. GOODWILL**

Goodwill represents the excess of the transferred consideration, the amount of any non-controlling interests, and the fair value at the acquisition date of the previously held equity interest by the group in the acquired businesses over the net identifiable assets acquired and transferred to the group.

Goodwill was allocated to the Group's cash generating units as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Overseas Development Company Limited	19,340	19,340
Al-Jazira Equipment Company Limited	49,360	49,360
	<u>68,700</u>	<u>68,700</u>

**Impairment assessment on goodwill:**

Group management assesses goodwill annually for impairment to determine whether the carrying amount of goodwill is less than its recoverable amount or not. The recoverable amount is determined based on the information used in the expected business plans for five years after reporting date and the cash flows related to them, and impairment is assessed based on measuring the present value of future cash flows for a five-year period based on reasonable and objective assumptions to estimate the cash flow according to the latest budgets approved by management.

The principal assumptions used for estimating the recoverable amount are set out below:

The values assigned to the principal assumptions are management's assessment of the future trends in the relevant industries and are based on historical data from external and internal sources.

	<u>December 31, 2025</u>		<u>December 31, 2024</u>	
	<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>
Discount rate	8.4%	9%	8.4%	9%
Growth rate		3%		2.5%

Expected cash flows included certain estimates for a five-year period and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimates of the long-term compound annual growth rate of the profit before interest and depreciation, in line with the assumptions that a market participant may adopt.

**Sensitivity of changes in assumptions**

Management believes that there is no reasonably possible change in any of the principal assumptions that would cause the carrying amount of goodwill to differ materially from its recoverable amount.

**10. INVENTORIES**

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Vehicles held for sale	67,122	92,197
Spare parts and other supplies	8,537	8,111
	75,659	100,308
Less: Provision for slow moving inventory	(3,798)	(2,885)
	<u>71,861</u>	<u>97,423</u>

Movement in provision for slow moving inventory is as follow:

	<u>2025</u>	<u>2024</u>
Balance as at 1 January	2,885	2,147
Charge for the year	913	738
Balance as at 31 December	<u>3,798</u>	<u>2,885</u>

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**11. TRADE RECEIVABLES**

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Trade receivables	909,262	811,301
Less: Allowance for expected credit losses	<u>(232,778)</u>	<u>(199,927)</u>
	<u>676,484</u>	<u>611,374</u>

Movement in the Allowance for expected credit losses is as follows:

	<u>2025</u>	<u>2024</u>
Balance as at 1 January	199,927	58,965
Acquisition through business combination	-	133,922
Write-off during the year	(579)	(4,138)
Charge for the year	33,430	11,178
Balance as at 31 December	<u>232,778</u>	<u>199,927</u>

Trade receivables are non-interest-bearing and are generally due on 30 to 90-day terms. Note (33) illustrates how the Group manages and measures the credit quality of trade receivables that are neither past due nor impaired.

The top five customers represent 11% of the outstanding trade receivables as at 31 December 2025 (2024: 31%).

**12. PREPAYMENTS AND OTHER CURRENT ASSETS**

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Prepaid expenses	31,341	26,299
Employee loans and others	7,622	8,732
Advance to suppliers	6,858	10,328
Value added tax	-	13,588
Others	<u>12,284</u>	<u>10,839</u>
	<u>58,105</u>	<u>69,786</u>

**13. CASH AND CASH EQUIVALENT**

	Note	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash in hand		3,415	2,260
Cash at banks	13.1	48,952	71,615
Short term deposits	13.2	<u>4,246</u>	<u>12,000</u>
		<u>56,613</u>	<u>85,875</u>

**13.1** At each reporting date, all bank balances are assessed to have low credit risk as they are held with reputable and high credit rating domestic banking institutions (A+ to BBB+) as per fitch agency and there has been no history of default with any of the Group's bank balances. Therefore, the probability of default based on forward-looking factors and any loss given defaults are considered to be negligible.

**13.2** Short-term deposits are placed with local commercial bank for the period of 7 days to earn a commission at normal commercial terms. There were matured and encashed during the year 2026.

**14. SHARE CAPITAL AND SHARE PREMIUM**

**14-1 Share Capital:**

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Number of issued shares "In thousands" note (14-1-1)	78,167	78,167
Par value – SAR per share	10	10
The Company's share capital "In thousands SAR"	<u>781,667</u>	<u>781,667</u>

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**14. SHARE CAPITAL AND SHARE PREMIUM (CONTINUED)**

**14-1-1 Increase in Share Capital**

As at 31 December 2025, the authorized, issued, and paid-up share capital of the Parent Company amounted to SAR 781.67 million (31 December 2024: SAR 781.67 million) consisting of 78.17 million shares (31 December 2024: 78.17 million shares) fully paid with a par value of SAR 10 per share. During 2024, the Company issued 70,000 ordinary shares with a par value of SAR 10 per share.

On 8 Dhu al-Hijjah 1446H (corresponding to 4 June 2025), the Board of Directors recommended increasing the Company's share capital by 33.74% to reach SAR 1,045.42 million after the increase, instead of SAR 781.67 million. Accordingly, the number of shares after the increase will be 104,542,224 shares instead of 78,166,668 shares.

The increase, amounting to SAR 263.756 million, will be funded through retained earnings as follows:

**Bonus Shares to Shareholders:**

Allocation of 26,055,556 shares as bonus shares, at a ratio of one share for every three shares held, representing 33.33% of the capital increase.

**Employee Incentive Program Shares:**

Allocation of 320,000 additional shares, representing 0.41% of the increase, for the Long-Term Employee Share Incentive Program.

The Extraordinary General Assembly approved this increase on 2 Ramadan 1447H (corresponding to 19 February 2026) – Note 37."

**14-2 Share Premium:**

As of December 31, 2025, the share premium amounted to SAR 554,400 thousand (2024: SAR 554,400 thousand). This amount represents the difference between the market value of SAR 624,400 thousand and the nominal value of SAR 70,000 thousand for 7 million ordinary shares issued and exchanged on July 18, 2024, for the purpose of acquiring Al Jazira Equipment Company Limited. The fair value per share at the time of the transaction was estimated at SAR 89.20.

**15. DIVIDEND**

On 15 Dhu al-Qi'dah 1445 AH, corresponding to May 23, 2024, the Ordinary General Assembly approved the Board of Directors' recommendation to distribute cash dividends amounting to SAR 71.17 million for the year ended December 31, 2023, equivalent to SAR 1 per share.

On 25 Muharram 1446 AH, corresponding to July 31, 2024, the Board of Directors decided to distribute cash dividends for the first half of 2024 amounting to SAR 35.18 million, equivalent to SAR 0.45 per share.

On Dhul-Qi'dah 24 1446H corresponding to May 22, 2025, the Ordinary General Assembly approved the Board of Directors' recommendation to distribute cash dividends amounting to SAR 78.166 million for the second half of the year 2024, at SAR 1 per share.

On Safar 13 1447H (corresponding to August 7, 2025), the Board of Directors' decided to distribute an interim cash dividend amounting to SAR 39.083 million for the first half of the year 2025, at SAR 0.5 per share.

**16. OTHER RESERVES**

In accordance with the Companies Law in the Kingdom of Saudi Arabia and the Company's previous Bylaws, the Company was required to transfer 10% of its annual net profit to a statutory reserve until such reserve reached 30% of its share capital. Such transfers were previously made by the Company at the end of each financial year. However, following the issuance of the new Companies Law via Royal Decree M/132 dated 01/12/1443H (corresponding to 30 June 2022) (hereinafter referred to as the "Law") which came into effect on 26/06/1444H (corresponding to 19 January 2023), Management has decided to change its position by ceasing the transfer from net profit to the statutory reserve, as such transfers have become optional under the newly issued Law. The previously recorded balance is retained as other reserves, and the General Assembly of shareholders has not yet decided on the disposal of such reserve.

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**17. BANK BORROWINGS**

	<b>2025</b>	2024
Opening balance at	<b>1,422,188</b>	552,224
Proceeds during the year	<b>913,572</b>	1,139,000
Repayment during the year	<b>(862,293)</b>	(1,002,296)
Additions through business combinations	-	729,022
Interest accrued during the year	<b>87,489</b>	62,726
Repayment of interest portion during the year	<b>(89,739)</b>	(58,488)
Closing balance at	<b>1,471,217</b>	1,422,188
Total borrowings	<b>1,471,217</b>	1,422,188
Less: Current portion	<b>(741,530)</b>	(600,536)
Non-current portion	<b>729,687</b>	821,652

17.1 Group's bank borrowings consist of long-term bank debts under different Islamic Finance Products with commercial banks in the Kingdom of Saudi Arabia. Such debt bears financing charges at the prevailing market rates ranging from 5.20% to 6.18% when entering into debt contracts. These loans are secured by demand promissory notes. The loan agreements include covenants, which, among other things, require certain financial ratios to be maintained and these covenants are monitored on a monthly basis by the management. In the event of a possible breach or violation of these covenants, the management takes action to ensure that these covenants are fulfilled. Bank borrowings are repayable in monthly variable instalments, with the last instalment payable on 21 December 2028.

**17-2 Derivative financial instruments**

The Company has engaged in profit rate swap contracts with two local commercial banks to economically hedge interest rates fluctuations on floating rates borrowings. As at 31 December 2025, the net fair value of these profit rate swaps amounted to SAR 1.80 million (31 December 2024: SAR 0.14 million) and net fair value loss for the year ended 31 December 2025 amounted to SAR 1.66 million (31 December 2024: SAR 0.14 million). The notional amount of profit rate swap contracts as at 31 December 2025 amounted to SAR 1,100 million (31 December 2024: SAR 894.42 million)

**18. TRADE PAYABLES**

	<b>December 31, 2025</b>	December 31, 2024
Suppliers for vehicles	<b>270,288</b>	265,615
Suppliers for spares, and other supplies	<b>22,575</b>	37,200
	<b>292,863</b>	302,815

Trade payables are non-interest bearing and are normally settled on 60-day terms.

**19. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES**

	<b>Note</b>	<b>December 31, 2025</b>	December 31, 2024
Accrued expenses		<b>72,327</b>	87,287
Contract liabilities	19.1	<b>41,442</b>	25,990
Employees' related accruals		<b>26,074</b>	33,942
Value added tax		<b>5,311</b>	-
Others		<b>20,991</b>	28,688
		<b>166,145</b>	175,907

19.1 Contract liabilities consist of payments received from customers for rental services not yet rendered and sales of used vehicles not yet delivered to customers. The following are the revenues recognized during the year:

	<b>December 31, 2025</b>	December 31, 2024
Balance as at January 1	<b>25,990</b>	85,857
Amount recognised as contract liabilities during the year	<b>61,602</b>	3
Performance obligations satisfied during the year	<b>(46,150)</b>	(59,870)
Balance as at December 31	<b>41,442</b>	25,990

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**20. EMPLOYEES DEFINED BENEFITS OBLIGATIONS**

The Group operates an unfunded employees' end of service benefits plan for its employees as required by the Saudi Arabia Labour Law. The movement in for the year ended is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Balance as at 1 January	103,216	77,573
<b>Recognized in the profit or loss</b>		
Current service costs	13,379	10,761
Interest costs, net	5,357	3,872
	<u>18,736</u>	<u>14,633</u>
<b>Included in the other comprehensive income</b>		
Actuarial gains:		
Effect of change in financial assumptions	(210)	(2,616)
Experience gain	(2,702)	(1,524)
Remeasurement of employee defined benefit liabilities	(2,912)	(4,140)
	<u>119,040</u>	<u>88,066</u>
Acquisition through business combination	-	18,412
Benefits paid during the year	(7,739)	(3,262)
Balance as at 31 December	<u>111,301</u>	<u>103,216</u>

**Actuarial assumptions**

The following were the principal actuarial assumptions applied at the reporting date:

	<u>2025</u>	<u>2024</u>
Discount rate	5.5%	5.5%
Future salary growth / Expected rate of salary increases - Year 1	6.5%	6%
Future salary growth / Expected rate of salary increases - Year 2 & onwards	6.5%	6.5%
Mortality rate	0.79 - 10.54 per thousand	0.79 - 10.54 per thousand
Employee turnover/withdrawal rates	0 - 132 per thousand	0 - 132 per thousand
Retirement age	60 years	60 years

The quantitative sensitivity analysis for principal assumptions is as follows:

31 December 2025	Impact on Increase / (decrease)		
	Change in assumption by	Increase in assumption by	Decrease in assumption by
Discount rate	1%	(10,308)	8,296
Future salary growth / Expected rate of salary increases	1%	8,150	(10,341)
Mortality rate	10%	(316)	331
Employee turnover/withdrawal rates	10%	(25)	25
Retirement age	1 year	(16,745)	(18,596)

The quantitative sensitivity analysis for principal assumptions is as follows:

31 December 2024	Impact on EOSB Increase / (decrease)		
	Change in assumption by	Increase in assumption by	Decrease in assumption by
Discount rate	1%	(9,156)	11,008
Future salary growth / Expected rate of salary increases	1%	10,828	(9,546)
Mortality rate	10%	(246)	258
Employee turnover/withdrawal rates	10%	(27)	26
Retirement age	1 year	(2,350)	(4,645)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another. The weighted average duration of the defined benefit obligation is 8.5 years (2024: 8.5 years).

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**21. RELATED PARTY TRANSACTIONS AND BALANCES**

In the ordinary course of business, the Group conducts transactions with other entities that fall within the definition of a related party as contained in International Accounting Standard 24 (IAS 24). Related parties comprise major shareholders, members of the Board of Directors, senior management personnel of the Group, and entities over which these parties exercise joint control or significant influence. Transactions with related parties are conducted under commercial terms similar to those applied to third parties (non-related parties).

**A) The following are the significant related party transactions and their balances included within bank borrowings:**

Related Party	Nature of transactions	Nature of relationship	Amounts of transactions		Balance	
			2025	2024	2025	2024
Saudi National Bank	Loan proceed	Joint board member	50,000	600,000	365,237	536,267
Saudi National Bank	Finance cost	Joint board member	26,186	21,076	-	-
Saudi Fransi Bank	Loan proceed	Joint board member	145,000	-	129,183	39,303
Saudi Fransi Bank	Finance cost	Joint board member	4,463	4,363	-	-

**B) The following are the significant related party transactions and their balances included within trade receivables:**

Related Party	Nature of transactions	Nature of relationship	Amounts of transactions		Balance	
			2025	2024	2025	2024
Food & Fine Pastries Manufacturing Company	Sales	Joint board member	3,675	4,630	3,678	3,899
Royal Commission for Jubail & Yanbu	Sales	Joint board member	13,672	11,853	4,476	5,467
Catrion Catreing Holding Company	Sales	Joint board member	14,595	15,432	3,989	1,027

**C) The following are the significant related party transactions and their balances included within trade payables:**

Related Party	Nature of transactions	Nature of relationship	Amounts of transactions		Balance	
			2025	2024	2025	2024
Bupa Arabia for Cooperative Insurance Co.	Insurance Services	Joint board member	10,069	-	-	-

**D) Remuneration and allowances of Board of Directors members and senior executives**

The top management of the company consists of senior employees or executives in the administration and members of the board of directors who have powers and responsibilities for planning, directing, and supervising the activities of the company. The total salaries and remuneration for senior management and senior executives were as follows:

Related Party	Nature of relationship	Nature of transactions	Amounts of transactions	
			2025	2024
Key management personnel	Employees	Short term benefits	20,512	19,112
		Long term benefits	2,906	3,921
Board of Directors'	Board of Directors'	Board of Directors' remuneration	3,000	3,000

Balances due to key management personnel and board of directors are classified under accrued expenses and other liabilities in the consolidated statement of financial position.

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**22. ZAKAT AND INCOME TAX**

**A) Status of Zakat position**

Below is the Zakat position for the Group and its subsidiaries:

***The Company***

The Company has filed its Zakat returns for all years up to December 31, 2024 and settled its zakat liabilities accordingly. Furthermore, the company has filed its Withholding tax (WHT) returns till December 2025 and settled its WHT liabilities accordingly. ZATCA had issued a final assessment up to the year 2023 while 2024 is still under review from ZATCA, The Company has not yet filled its return for the year ended 2025.

***Subsidiary- Aljozoor Alrasekha Trucking Company Limited (Rahaal)***

The Group filed its zakat returns (self-assessment) for all the years starting from 31 December 2018, under the consolidated zakat return. Prior to filing the consolidated zakat returns, Aljozoor Alrasekha Trucking Company Limited had filed a separate zakat returns up to the financial year ended 31 December 2017.

ZATCA had issued a final assessment up to the year ended 31 December 2016. ZATCA has so far not issued a final assessment for the year ended 31 December 2017, filed under standalone zakat return.

***Subsidiary- Overseas Development Company Limited***

The Company filed its zakat returns for all the years up to 31 December 2024 and settled its zakat liabilities accordingly. ZATCA has issued the final assessment on the years 2018 to 2019 while the rests of the years are still under review. The Company has not yet filled its return for the year ended 2025.

***Subsidiary- Al-Jazira Equipment Company Limited***

The Company has submitted the zakat returns up to year 31 December 2024 and obtained zakat certificates. The company received final zakat assessment till year 2016 and finalized its position with ZATCA. The return for the years 2017 to 2023 have been filed and no assessment has been issued by the ZATCA.

**B) Tax assessment**

***Subsidiary- Unitrans Infotech Services India Private Limited***

The subsidiary has filed an application for the settlement of all pending assessments up to 31 March 2020 with the Income Tax Department of India, and payment has also been made during the year in this regard. However, the final order from the Tax Authorities is still awaited.

***Subsidiary- Overseas Development Company LLC UAE***

The Company has filed its tax return for the year 2024; however, the return for the year ended 31 December 2025 has not yet been filed.

**C) Zakat expense charged for the year**

The Group Companies submit consolidated zakat return to ZATCA excluding the Overseas Development Company of Kingdom of Saudi Arabia and United Arab Emirates where they submit separate zakat and income tax returns based on their standalone financial statements.

Zakat charge for the year consists of:

	<u>2025</u>	<u>2024</u>
Zakat for the year	<b>8,406</b>	10,998
Zakat expense is calculated based on the following:		
Equity	<b>2,957,653</b>	2,580,365
Provisions and other adjustments	<b>1,394,866</b>	951,738
Book value of long-term assets (net of related financing)	<b>(4,317,461)</b>	(4,036,540)
	<b>35,058</b>	(504,437)
Adjusted income for the year	<b>354,998</b>	311,536
Total	<b>390,056</b>	(192,901)
Adjusted income for the year	<b>354,998</b>	311,536
Zakat Base	<b>354,998</b>	311,536

The differences between financial and Zakat results are mainly due to certain adjustments in accordance with the relevant financial regulations.

The movement in the zakat provision for the year is as follows:

	<u>2025</u>	<u>2024</u>
Balance as at 1 January	<b>12,670</b>	9,364
Acquisition through business combination	-	120
Formed during the year	<b>8,406</b>	10,998
Paid during the year	<b>(10,633)</b>	(7,812)
Balance as at 31 December	<b>10,443</b>	12,670

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**23. REVENUE**

**Disaggregated revenue information**

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	<u>2025</u>	<u>2024</u>
<b><u>Revenue from Leases</u></b>		
Vehicle lease arrangements	1,134,407	833,642
Vehicle rental arrangements	461,802	433,006
	<u>1,596,209</u>	<u>1,266,648</u>
	<u>2025</u>	<u>2024</u>
<b><u>Revenue from contracts with customers</u></b>		
Revenue from sale of used vehicles	653,134	574,812
Revenue from workshops and service centres	18,292	8,530
Logistics and international freight services*	151,260	121,111
	<u>822,686</u>	<u>704,453</u>
Total	<u>2,418,895</u>	<u>1,971,101</u>

\* All the revenue from Logistics and international freight services is derived from the Overseas Development Company Limited in the Kingdom of Saudi Arabia and Overseas Development Company Limited in the United Arab Emirates.

**Timing of revenue recognition**

	<u>2025</u>	<u>2024</u>
Services transferred over time	1,747,469	1,387,759
Services transferred at a point in time	18,292	8,530
Products transferred at a point in time	653,134	574,812
	<u>2,418,895</u>	<u>1,971,101</u>

**Operating leases - the Group as lessor**

The Group has entered into leases on its fleet of vehicles. The vehicle leases typically have lease terms of between 2 and 5 years. Future minimum undiscounted rentals receivable under operating leases as at the reporting date is as follows:

	<u>2025</u>	<u>2024</u>
Within one year	1,020,060	960,469
After one year, but not more than five years	1,640,767	1,544,600
	<u>2,660,827</u>	<u>2,505,069</u>

**Geographical markets**

Bifurcation of revenue on the basis of geographical market information is as follow:

	<u>2025</u>	<u>2024</u>
Kingdom of Saudi Arabia	2,389,602	1,971,101
United Arab Emirates	29,293	-
	<u>2,418,895</u>	<u>1,971,101</u>

There is no significant financing component in revenue and payments terms are generally 30 to 90 days.

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**24. COST OF REVENUE**

	<u>Note</u>	<u>2025</u>	<u>2024</u>
Cost of sale of vehicles		634,400	532,292
Depreciation on property and equipment	5	487,601	380,817
Operational costs		215,069	191,006
Employees' related expenses		136,288	92,245
Repairs and maintenance		92,257	71,070
Insurance		60,092	56,549
Depreciation on right-of-use assets	6	49,769	39,618
Expense relating to short-term leases	6	23,224	16,544
Commission and franchise fees		20,204	17,608
Communication expenses		7,110	5,601
Amortization of intangible assets	8	1,948	1,230
Allowance for slow moving inventory		913	738
Others		4,115	6,207
		<u>1,732,990</u>	<u>1,411,525</u>

**25. GENERAL AND ADMINISTRATIVE EXPENSES**

	<u>Note</u>	<u>2025</u>	<u>2024</u>
Employees' related expenses		95,729	70,919
Subscriptions		17,665	10,907
Legal and professional fees		10,545	8,676
Repairs and maintenance		7,782	2,829
Impairment of intangible assets	8	5,975	-
Security Expenses		5,859	5,509
Depreciation of property and equipment	5	4,973	2,220
Board of directors' remuneration		3,000	3,000
Depreciation of right to use assets	6	2,014	790
Amortisation of Intangible assets	8	2,371	1,153
Communication expenses		1,740	602
Expense relating to short-term leases	6	1,560	886
Others		20,813	12,223
		<u>180,026</u>	<u>119,714</u>

**26. SELLING AND MARKETING EXPENSES**

	<u>Note</u>	<u>2025</u>	<u>2024</u>
Employees' related expenses		75,482	60,044
Advertisement costs		18,247	16,660
Depreciation of right-of-use assets	6	2,025	518
Depreciation of property and equipment	5	1,837	790
Other		2,917	11,018
		<u>100,508</u>	<u>89,030</u>

**27. OTHER OPERATING INCOME**

	<u>Note</u>	<u>2025</u>	<u>2024</u>
Insurance claims		56,117	40,774
Gain On disposal of fixed assets		372	19
Other Income	27.1	30,987	16,647
		<u>87,476</u>	<u>57,440</u>

27.1 Other income include provisions that are no longer required and support from the Human Resources Development Fund.

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**28. FINANCE COSTS**

	Note	2025	2024
Finance costs and others – net		<b>87,489</b>	62,726
Finance costs on lease liabilities	6	<b>14,793</b>	9,031
Interest on employees’ defined benefit liabilities	20	<b>5,357</b>	3,872
		<b>107,639</b>	75,629

**29. EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the profit for the year attributable to shareholders of the parent Company by the weighted average number of ordinary shares outstanding during the year.

The calculation of diluted earnings per share is not applicable to the Group. Also, no separate earning per share calculation from continuing operations has been presented since there were no discontinued operations during the year.

The weighted average number of shares outstanding during the year (in thousands) are as follows:

	Note	2025	2024
Issued ordinary shares as at 1 January		<b>78,167</b>	71,167
Impact of shares issued for acquisition of subsidiary		-	3,175
Weighted average number of shares before taking impact of bonus shares issued subsequent to year end		<b>78,167</b>	74,342
Impact of bonus shares issued subsequent to year end	29.1	<b>26,056</b>	26,056
Weighted average number of ordinary shares outstanding during the year		<b>104,223</b>	100,398

The basic earnings per share is calculated as follow

	2025	2024
Profit attributable to shareholders of the Parent Company	<b>345,767</b>	314,635
Weighted average number of ordinary shares outstanding during the year	<b>104,223</b>	100,398
Basic earnings per share	<b>3.32</b>	3.13

29.1 For the purposes of calculating the weighted average number of ordinary shares for basic earnings per share, the effect of the bonus shares approved by the Extraordinary General Assembly on 2 Ramadan 1447 AH (corresponding to 19 February 2026 AD) is taken into account (Note 37-2).

**30. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

**Contingent Liabilities**

At 31 December 2025, the Group has outstanding letters of guarantee amounting to SAR 84.15 million (2024: SAR 77.53 million) issued by the local banks on behalf of the Group in the ordinary course of business.

As at 31 December 2025, there are contingent liabilities representing eight (8) promissory notes amounting to SAR 3,832 million (31 December 2024: 8 promissory notes amounting to SAR 3,311 million). The agreements with banks include financial covenants which are monitored by management on a monthly basis. In the event of a potential breach of these covenants, management takes necessary actions to ensure compliance.

**Capital commitments**

As at December 31, 2025, The Group had no capital commitments (December 31, 2024: SAR 25.19 million).

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**31. SEGMENTAL INFORMATION**

The Group has five main reportable segments, as shown below, which represent the Group's strategic business units. These strategic business units offer different products and services and are managed separately as they require different marketing strategies. The Group's Chairman, Chief Executive Officer, Chief Corporate Affairs Officer, Head of Sales and Operations, and the Group's Chief Financial Officer monitor the results of the Group's operations for the purpose of making decisions regarding resource allocation and performance assessment. Collectively, these individuals constitute the Group's Chief Operating Decision Maker.

For each of the strategic business units, the Chief Operating Decision Maker reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segment

- Lease segment - represents cars leased out to customers under medium to longer-term rental arrangements.
- Rental segment - represents cars leased out to customers under short-term rental arrangements
- Used car sales - represents sale of vehicles which have completed their economic life as per management policy.
- Logistics and International Freight Forwarding Segment – represents the activities of transporting goods and equipment domestically and internationally, including heavy transport services, customs clearance, storage, unloading, and related services.
- Other includes revenue from workshop and service centres.

No operating segments have been aggregated to form the above reportable operating segments.

Segment results that are reported to Chief Operating Decision Maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment revenues, as included in the internal management reports that are reviewed by the Chief Operating Decision Maker. There is no inter segment revenue reported during the year. The following table presents segment information for the year ended 31 December:

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**31. SEGMENTAL INFORMATION (CONTINUED)**

The following table presents segment information for the year ended December 31:

Particulars	Lease		Rent		Used car sales		Logistics and International Freight		Others		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Revenues- External clients	<b>1,134,407</b>	833,642	<b>461,802</b>	433,006	<b>653,134</b>	574,812	<b>151,260</b>	121,111	<b>18,292</b>	8,530	<b>2,418,895</b>	1,971,101
Depreciation of vehicles	<b>(335,516)</b>	(255,862)	<b>(136,887)</b>	(113,386)	-	-	<b>(2,057)</b>	(860)	-	-	<b>(474,460)</b>	(370,108)
Cost of sale of vehicles	-	-	-	-	<b>(634,400)</b>	(532,292)	-	-	-	-	<b>(634,400)</b>	(532,292)
Segment profit	<b>798,891</b>	577,780	<b>324,915</b>	319,620	<b>18,734</b>	42,520	<b>149,203</b>	120,251	<b>18,292</b>	8,530	<b>1,310,035</b>	1,068,701

**Unallocated income / (expenses):**

	2025	2024
Segment profit	<b>1,310,035</b>	1,068,701
Cost of revenue	<b>(624,130)</b>	(509,125)
Other operating income	<b>87,476</b>	57,440
Selling and marketing expenses	<b>(100,508)</b>	(89,030)
General and administrative expenses	<b>(180,026)</b>	(119,714)
Bargain purchase gain	-	1,367
Expected credit loss	<b>(33,430)</b>	(11,178)
Loss on financial derivatives	<b>(1,656)</b>	(140)
Finance costs	<b>(107,639)</b>	(75,629)
<b>Net profit before zakat</b>	<b>350,122</b>	322,692

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**31. SEGMENTAL INFORMATION (CONTINUED)**

Details of segment assets, segment liabilities is given below:

	Allocated			Unallocated	
	Lease	Rental	Used car sales	Others	Total
<b>December 31, 2025</b>					
Segment assets	<b>3,198,808</b>	<b>858,511</b>	<b>67,122</b>	<b>1,163,595</b>	<b>5,288,036</b>
Segment liabilities	-	-	-	<b>2,306,377</b>	<b>2,306,377</b>
Capital expenditures	<b>903,439</b>	<b>451,752</b>	-	<b>27,710</b>	<b>1,382,901</b>
<b>December 31, 2024</b>					
Segment assets	2,083,045	852,608	92,197	1,981,030	5,008,880
Segment liabilities	-	-	-	2,268,176	2,268,176
Capital expenditures	676,021	454,463	-	41,591	1,172,075

Capital expenditure consists of additions of property and equipment and intangible assets.

Finance income and costs, and gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis. Zakat & tax and financial assets and liabilities are not allocated to those segments as they are also managed on the Group basis.

**32. SUPPLEMENTAL INFORMATION NON-CASH TRANSACTIONS**

**Supplemental information non-cash transactions**

	Note	2025	2024
Property and equipment transferred to inventories	5	<b>614,917</b>	580,915
Addition of right to use asset and lease liabilities	6	<b>54,413</b>	161,791
Issuance of shares to acquire a subsidiary		-	624,400
Acquisition of subsidiaries, net non-cash assets acquired		-	526,389

**33. FINANCIAL INSTRUMENTS RISK MANAGEMENT**

The Group's principal financial liabilities comprise, trade payables and other payables, lease liabilities, derivative financial liabilities and bank borrowings. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include trade and other receivables, financial assets at fair value through other comprehensive income, derivative financial assets and Cash and cash equivalents.

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risks, currency risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on robust liquidity management as well as monitoring of various relevant market variables, thereby consistently seeking to minimize potential adverse effects on the Group's financial performance.

**Risk management framework**

Risk management is carried out by senior management under policies approved by the Board of Directors. Senior management identifies, evaluates, and hedges financial risks in close cooperation with the Group's operating units. The most important types of risk are credit risk, currency risk, and fair value risk.

The Board of Directors has overall responsibility for establishment and oversight of the Group's risk management framework. The executive management team is responsible for developing and monitoring the Group's risk management policies. The team regularly meets, and any changes and compliance issues are reported to the Board of Directors through the audit committee.

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**33. FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)**

**Risk management framework (Continued)**

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees compliance by management with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Financial instruments carried on the consolidated statement of financial position include investments at financial assets at fair value through other comprehensive income, cash and cash equivalents, account receivables, other receivables, lease liabilities, trade payables, other payables, bank borrowings and derivative financial liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk:

- Foreign currency exchange risk,
- Commission (interest) rate risk.

The Group's overall risk management program focuses on the unpredictability of the financial market and seeks to minimize potential adverse effects on the Group's financial performance

**a) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group manages the interest rate risk by regularly monitoring the interest rate profiles of its interest-bearing financial instruments.

The Group's receivables and payables are not subject to interest rate risk as defined in IFRS 7, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. Hence, the Group is not exposed to fair value interest rate risk.

At the reporting date, there are hedging contracts for certain loans using fixed-rate profit rate swaps to cover interest rate risks.

**b) Foreign currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's functional and reporting currency is in Saudi Arabian Riyals. The Group's transactions are principally in Saudi Arabian Riyals. Management monitors the fluctuations in currency exchange rates and believes that the currency risk is not significant. The Group is not exposed to any significant foreign currency risk from Saudi Arabian Riyals, and US Dollars denominated financial instruments. However, the Group has investments in foreign associates and subsidiaries, whose net assets are exposed to currency translation risk. Currently, such exposures are mainly related to exchange rate movements between local currencies against United Arab Emirates Dirham and Indian Rupees. The Group's management monitors such fluctuations and manages its effect on the consolidated financial statements accordingly. As at 31 December 2025 the exposures related to foreign associates were not significant.

**Other price risk**

The risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Group is not affected by price risk as there is no investment of the Group in equity shares or commodities except investment in Syarah Limited.

**Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and will cause the other party to incur a financial loss. The Group is exposed to credit risk on trade and other receivables, investments at fair value through OCI and cash at banks.

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**33. FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)**

**Credit risk (Continued)**

**a) Concentration risk**

The Group has no significant concentration of credit risk. Concentration risk arises when a number of counterparties engage in similar business activities or activities in the same geographical region or have economic features that would cause them to fail their contractual obligations.

To reduce exposure to credit risk, the Group has developed a formal approval process whereby credit limits are applied to its customers. The management also continuously monitors the credit exposure towards the customers and makes allowances against those balances considered doubtful of recovery.

To mitigate the risk, the Group has a system of assigning credit limits to its customers based on an extensive evaluation based on customer profiles and payment history.

The creditworthiness of counterparties is assessed based on an analysis of quantitative and qualitative data regarding financial standing and business risks, together with the review of any relevant third party and market information.

The Groups gross maximum exposure to credit risk at the reporting date is as follows:

<b>Financial assets</b>	<b>Note</b>	<b>2025</b>	<b>2024</b>
Investment at fair value through OCI	7	<b>28,275</b>	15,000
Derivative financial assets	17.2	<b>870</b>	1,647
Trade receivables	11	<b>909,262</b>	811,301
Cash and cash equivalents (excluding cash in hand)	13	<b>53,198</b>	83,615
		<b>991,605</b>	911,563

With respect to credit risk arising from the financial assets of the Group, including bank balances and cash, the Group's exposure to credit risk arises from the default of the counterparty, with a maximum exposure equal to the carrying amounts as disclosed in the consolidated statement of financial position. The credit risk in respect of bank balances is considered by management to be insignificant, as the balances are mainly held with reputable banks in the Kingdom of Saudi Arabia.

**b) Trade receivables**

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures, and control relating to customer credit risk management. The credit quality of a customer is assessed based on an extensive credit rating scorecard, and individual credit limits are defined in accordance with this assessment. The five largest customers account for 11% of outstanding accounts receivable at 31 December 2025 (2024: 31%).

The receivables are shown net of allowance expected credit loss of trade receivables. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped into low risk, fair risk, doubtful, and loss based on shared credit risk characteristics and the days past due. The historical loss rates are adjusted to retroflect current and forward-looking information on macroeconomic factors (such as GDP forecast and industry outlook) affecting the ability of the customers to settle the receivables. The calculation reflects the probability-weighted outcome, the time value of money, and reasonable and supportable information that is available at the reporting date about past events, current conditions, and forecasts of future economic conditions.

The following table provides information on the exposure to credit risk and the expected credit losses on trade receivables.

<b>2025</b>	<b>Weighted average loss rate</b>	<b>Gross carrying amount</b>	<b>Expected credit loss allowance</b>
0 – 180 days	<b>7.62%</b>	<b>525,487</b>	<b>40,054</b>
180 – 270 days	<b>27.53%</b>	<b>47,421</b>	<b>13,055</b>
271 – 360 days	<b>36.43%</b>	<b>38,725</b>	<b>14,106</b>
Above 360 days	<b>55.63%</b>	<b>297,629</b>	<b>165,563</b>
		<b>909,262</b>	<b>232,778</b>

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**33. FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)**

**Credit risk (Continued)**

<u>2024</u>	<b>Weighted average loss rate</b>	<b>Gross carrying amount</b>	<b>Expected credit loss allowance</b>
0 – 180 days	2.88%	483,239	13,917
180 – 270 days	11.51%	48,542	5,588
271 – 360 days	14.83%	47,282	7,013
Above 360 days	74.67%	232,238	173,409
		811,301	199,927

**Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and under normal and exceptional circumstances conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group also monitors the levels of expected cash inflows on trade and other receivables together with the expected cash outflows on trade and other payables. The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

<b>31 December 2025</b>	<b>Contractual cash flows</b>				<b>Total</b>
	<b>Carrying amount</b>	<b>Within 1 year</b>	<b>1 to 5 years</b>	<b>More than 5 years</b>	
Bank borrowings	1,471,217	801,418	726,160	29,747	1,557,325
Derivative financial liabilities	2,666	2,666	-	-	2,666
Lease liabilities	251,742	59,577	171,061	97,998	328,636
Trade and other payables	292,863	292,863	-	-	292,863
Accrued expenses and other payables	98,401	98,401	-	-	98,401
	<b>2,116,889</b>	<b>1,254,925</b>	<b>897,221</b>	<b>127,745</b>	<b>2,279,891</b>

<b>31 December 2024</b>	<b>Contractual cash flows</b>				<b>Total</b>
	<b>Carrying amount</b>	<b>Within 1 year</b>	<b>1 to 5 years</b>	<b>More than 5 years</b>	
Bank borrowings	1,422,188	656,098	856,104	-	1,512,202
Derivative financial liabilities	1,787	1,787	-	-	1,787
Lease liabilities	246,886	58,229	160,482	84,064	302,775
Trade and other payables	302,815	302,815	-	-	302,815
Accrued expenses and other payables	121,330	121,330	-	-	121,330
	<b>2,095,006</b>	<b>1,140,259</b>	<b>1,016,586</b>	<b>84,064</b>	<b>2,240,909</b>

**34. CAPITAL MANAGEMENT**

For the purpose of the Group's capital management, capital includes issued Share premium, Other reserves and retained earnings attributable to the equity holders of the Company. The primary objective of the Company's capital management is to enhance shareholder returns.

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus debt. The Group includes within debt, current and non-current portion of borrowings.

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**34. CAPITAL MANAGEMENT (CONTINUED)**

	<b>December 31, 2025</b>	December 31, 2024
Total liabilities	<b>2,306,377</b>	2,268,176
Cash and cash equivalents	<b>(56,613)</b>	(85,875)
<b>Net debt</b>	<b>2,249,764</b>	2,182,301
Share capital	<b>781,667</b>	781,667
Share premium	<b>554,400</b>	554,400
Other reserves	<b>224,429</b>	224,429
Retained earnings	<b>1,368,383</b>	1,136,910
<b>Equity</b>	<b>2,928,879</b>	2,697,406
<b>Net debt to equity ratio</b>	<b>77%</b>	81%

In order to achieve this overall objective, the Group, through its capital management, aims to ensure that it meets the financial covenants associated with its borrowings, which determine the requirements of the capital structure, among other matters. Non-compliance with these financial covenants may allow the lender to demand immediate repayment of the borrowings. No changes were made to the objectives, policies, or processes of capital management during the two years ended 31 December 2025 and 31 December 2024.

**35. FAIR VALUE OF ASSETS AND LIABILITIES**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement. The fair value of financial instruments does not differ materially from their carrying amounts.

<b>31 December 2025</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at fair value through other comprehensive income	-	-	<b>28,275</b>	<b>28,275</b>
Derivative financial assets	-	<b>870</b>	-	<b>870</b>
Derivative financial liabilities	-	<b>(2,666)</b>	-	<b>(2,666)</b>
	-	<b>(1,796)</b>	<b>28,275</b>	<b>26,479</b>

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**35. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)**

<b>31 December 2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at fair value through other comprehensive income	-	-	15,000	15,000
Derivative financial assets	-	1,647	-	1,647
Derivative financial liabilities	-	(1,787)	-	(1,787)
	-	(140)	15,000	14,860

There were no transfers between levels of the fair value hierarchy during the year ended 31 December 2025 and 31 December 2024. Additionally, there were no changes in the valuation techniques.

The following table illustrates the carrying amounts and fair values of financial assets and financial liabilities.

**31 December 2025**

<b>Description:</b>	<b>Carrying amount</b>			<b>Total</b>
	<b>Amortised cost</b>	<b>Fair value through profit or loss</b>	<b>Fair value through other comprehensive income</b>	
<b><u>Financial assets measured at fair value:</u></b>				
Financial assets at fair value through other comprehensive income	-	-	28,275	28,275
Derivative financial assets at fair value through profit or loss	-	870	-	870
<b><u>Financial assets not measured at fair value:</u></b>				
Trade receivables	909,262	-	-	909,262
Other receivables	19,894	-	-	19,894
Cash at bank	53,198	-	-	53,198
<b><u>Financial liabilities measured at fair value:</u></b>				
Derivative financial liabilities at fair value through profit or loss	-	2,666	-	2,666
<b><u>Financial liabilities not measured at fair value:</u></b>				
Bank borrowings	1,471,217	-	-	1,471,217
Trade and other payables	292,863	-	-	292,863
Accrued expenses and other liabilities	96,964	-	-	96,964
Lease liabilities	251,742	-	-	251,742

**31 December 2024**

<b>Description</b>				
<b><u>Financial assets measured at fair value:</u></b>				
Financial assets at fair value through other comprehensive income	-	-	15,000	15,000
Derivative financial assets at fair value through profit or loss	-	1,647	-	1,647
<b><u>Financial assets not measured at fair value:</u></b>				
Trade receivables	811,301	-	-	811,301
Other receivables	19,694	-	-	19,694
Cash and cash equivalents	83,615	-	-	83,615
<b><u>Financial liabilities measured at fair value:</u></b>				
Derivative financial liabilities at fair value through profit or loss	-	1,787	-	1,787
<b><u>Financial liabilities not measured at fair value:</u></b>				
Bank borrowings	1,422,188	-	-	1,422,188
Trade and other payables	302,815	-	-	302,815
Accrued expenses and other liabilities	121,229	-	-	121,330
Lease liabilities	246,886	-	-	246,886

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**36. BRANCHES**

The company has the following branches:

<b>Sr.</b>	<b>Commercial Registration No.</b>	<b>Location of Branch</b>	<b>Sr.</b>	<b>Commercial Registration No.</b>	<b>Location of Branch</b>
1	1010052751	Riyadh	46	4030366373	Jeddah
2	1010579992	Riyadh	47	3550130558	Tabuk
3	1010589448	Riyadh	48	4030130782	Jeddah
4	1010247720	Riyadh	49	4030169631	Jeddah
5	1010288386	Riyadh	50	4030221293	Jeddah
6	1010669468	Riyadh	51	4031098979	Makkah
7	1131038809	Buridah	52	3552101877	Alwajh
8	2055005127	Jubail	53	3450181419	Arar
9	2050015153	Dammam	54	3451102965	Turaif
10	2051025750	Khobar	55	5860068567	Muhayil
11	2050092741	Dammam	56	4700001394	Yanbu
12	1011138171	AlKharj	57	4650029418	Madinah
13	1010949626	Riyadh	58	4700020216	Yanbu
14	1010949627	Riyadh	59	4700003067	Yanbu
15	1131291649	Buridah	60	4700020217	Yanbu
16	3350139420	Hail	61	4602002374	Rabigh
17	2052001874	Dhahran	62	4650048865	Madinah
18	2252040229	AlMubarraz	63	4650048863	Madinah
19	2031106931	Hassa	64	4650549746	Madinah
20	2511126447	HafirAlBatin	65	4650029417	Madinah
21	3400125435	Sakaka	66	4650029416	Madinah
22	1010960174	Riyadh	67	5950025900	Najran
23	4030135842	Jeddah	68	5855071446	Khamis
24	4030114976	Jeddah	69	5855071445	Khamis
25	4030168973	Jeddah	70	4650057088	Madinah
26	3550038423	Tabuk	71	4700108180	Yanbu
27	3550022946	Tabuk	72	5800103205	AlBaha
28	4031218884	Makkah	73	5851008845	Bishah
29	4031037763	Makkah	74	5850069857	Abha
30	4031037762	Makkah	75	5855021493	Khamis
31	4030292619	Jeddah	76	5850123309	Abha
32	4030292623	Jeddah	77	4650212787	Madinah
33	4030096161	Jeddah	78	5900014036	Jizan
34	4032009574	Taif	79	5900032219	Jizan
35	4030169630	Jeddah	80	4603008840	Al Qunfudhah
36	4030298923	Jeddah	81	5903033796	Baish
37	4030106712	Jeddah	82	4651103923	Alula
38	4030106710	Jeddah	83	4700121091	Yanbu
39	4031222237	Makkah			
40	4030304007	Jeddah			
41	4030610924	Jeddah			
42	4032227594	Taif			
43	4032227595	Taif			
44	4030358776	Jeddah			
45	4031230925	Makkah			

**UNITED INTERNATIONAL TRANSPORTATION COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

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

(ALL AMOUNTS IN SAUDI RIYALS THOUSANDS UNLESS OTHERWISE STATED)

**37. SUBSEQUENT EVENTS**

**37.1 Geopolitical Developments**

Subsequent to the date of the consolidated financial statements, geopolitical tensions in the Middle East have escalated due to military operations and recent reactions thereto, including sporadic incidents affecting countries in the region.

Management continues to closely monitor the situation, as the volatile geopolitical climate may increase risks associated with logistics operations and supply chain routes. As at the report date, no impact on the Group's operations has been identified.

Given the fast-paced nature of these events, it is not possible at this stage to reliably quantify any potential financial impact, whether negative or positive. Accordingly, no adjustments have been made to the consolidated financial statements as at the reporting date, as these are considered non-adjusting subsequent events.

**37.2 Increase in Share Capital**

On 2 Ramadan 1447H (corresponding to 19 February 2026), the Extraordinary General Assembly approved the Board of Directors' recommendation to increase the company's share capital through the issuance of 26,375,556 new shares was approved. The increase will be affected by capitalizing an amount of SAR 263.75 million from retained earnings. Of the new shares, 26,055,556 will be distributed as bonus shares to existing shareholders at a ratio of one share for every three shares held, representing 33.33% of the total capital increase, and 320,000 shares (0.41% of the capital) are allocated for the long-term employee incentive share program.

As a result, the company's share capital after the increase will amount to SAR 1,045.42 million, divided into 104,542,224 shares, compared to a share capital before the increase of SAR 781.67 million divided into 78,166,668 shares.

**37.3 Cash dividend**

On 23 Ramadan 1447H (corresponding to 12 March 2026), the Board of Directors proposed a cash dividend of SAR 0.75 per share for the year ended 31 December 2025.

**38. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with the presentation of the consolidated financial information for the current financial period.

Consolidated statement of financial position for the year ended December 31, 2024.

<b><u>Item</u></b>	<b><u>Balance before adjustment</u></b>	<b><u>Reclassifications</u></b>	<b><u>Balance after adjustment</u></b>
Intangible assets	114,898	(68,700)	46,198
Goodwill	-	68,700	68,700
Deferred tax assets (Non-current assets)	-	657	657
Deferred tax assets (Current assets)	657	(657)	-
Accrued expenses and other current liabilities	178,414	(2,507)	175,907
Bank borrowings – current portion	598,029	2,507	600,536

Consolidated Statement of profit or loss and other comprehensive income for the year ended December 31, 2024.

<b><u>Item</u></b>	<b><u>Balance before adjustment</u></b>	<b><u>Reclassifications</u></b>	<b><u>Balance after adjustment</u></b>
Cost of revenue	1,415,397	(3,872)	1,411,525
Finance cost	71,757	3,872	75,629

Consolidated Statement of Cash Flows for the year ended 31 December 2024

<b><u>Item</u></b>	<b><u>Balance before adjustment</u></b>	<b><u>Reclassifications</u></b>	<b><u>Balance after adjustment</u></b>
Accrued expenses and other current liabilities	(108,707)	(2,507)	(111,214)
Finance costs paid	(61,058)	(6,524)	(67,582)
Payment of the principal portion of lease liabilities	(43,584)	9,031	(34,553)

**39. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial information for the year ended December 31, 2025 were approved by the Board of Directors on Ramadan 23, 1447H (corresponding to March 12, 2026).