

Theeb Rent a Car Company
(A Saudi Joint Stock Company)

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025

Theeb Rent a Car Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF THEEB RENT A CAR COMPANY (A SAUDI JOINT STOCK COMPANY)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Theeb Rent a Car Company (a Saudi Joint Stock Company) ("the Company") as at 30 June 2025, and the related interim condensed statement of comprehensive income for the three-month and six-month periods ended 30 June 2025, and the related interim condensed statements of changes in shareholders' equity and cash flows for the six-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of review

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

Conclusion

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

for Ernst & Young Professional Services

Fahad M. Al-Toaimi
Certified Public Accountant
License No. (354)



Riyadh: 17 Safar 1447H
(11 August 2025)

Theeb Rent a Car Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the three-month and six-month periods ended 30 June 2025

	Notes	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2025 (Unaudited) S	2024 (Unaudited) S	2025 (Unaudited) S	2024 (Unaudited) S
Revenues	12	364,874,728	321,781,156	701,551,449	628,355,139
Cost of revenues		(246,831,605)	(215,952,848)	(470,327,440)	(423,662,553)
GROSS PROFIT		118,043,123	105,828,308	231,224,009	204,692,586
Selling and marketing expenses		(18,799,935)	(16,608,684)	(39,296,074)	(32,812,329)
General and administrative expenses		(15,336,475)	(14,195,047)	(31,362,944)	(28,539,086)
Provision for expected credit losses		(10,560,355)	(8,568,990)	(19,737,654)	(16,132,636)
Other operating income		1,896,224	2,626,517	3,907,978	4,373,243
INCOME FROM OPERATIONS		75,242,582	69,082,104	144,735,315	131,581,778
Finance cost		(26,194,971)	(20,606,299)	(49,158,566)	(39,543,265)
INCOME BEFORE ZAKAT		49,047,611	48,475,805	95,576,749	92,038,513
Zakat	3	(1,255,081)	(3,895,291)	(2,422,050)	(6,982,007)
NET INCOME FOR THE PERIOD		47,792,530	44,580,514	93,154,699	85,056,506
Other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		47,792,530	44,580,514	93,154,699	85,056,506
Earnings per share:					
Basic and diluted earnings per share for the period	5	1.11	1.04	2.17	1.98

Chairman

Chief Executive Officer

Chief Financial Officer

The accompanying notes from 1 to 17 form an integral part of these interim condensed financial statements.

Theeb Rent a Car Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	30 June 2025 (Unaudited) S	31 December 2024 (Audited) S
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	2,255,971,179	2,038,042,934
Right-of-use assets	7	81,797,411	84,924,461
TOTAL NON-CURRENT ASSETS		2,337,768,590	2,122,967,395
CURRENT ASSETS			
Inventories	6	25,534,945	17,474,793
Accounts receivable	8	338,695,460	283,468,731
Prepayments and other current assets		122,575,732	110,497,104
Contract assets		6,743,036	6,248,964
Bank balances and cash		51,439,677	34,983,515
TOTAL CURRENT ASSETS		544,988,850	452,673,107
TOTAL ASSETS		2,882,757,440	2,575,640,502
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	10	430,000,000	430,000,000
Statutory reserve		67,982,523	67,982,523
Retained earnings		377,879,842	332,455,143
TOTAL SHAREHOLDERS' EQUITY		875,862,365	830,437,666
LIABILITIES			
NON-CURRENT LIABILITIES			
Non-current portion of term loans	11	814,874,869	682,672,892
Employees' defined benefit liabilities		45,292,720	42,884,771
Non-current portion of lease obligation	7	47,450,144	46,810,061
TOTAL NON-CURRENT LIABILITIES		907,617,733	772,367,724
CURRENT LIABILITIES			
Current portion of term loans	11	814,688,672	698,774,795
Current portion of lease obligation	7	26,562,678	40,131,078
Car dealership payable		97,384,367	111,064,772
Accounts payable		29,065,098	13,453,663
Accrued expenses and other current liabilities		106,760,433	104,607,029
Dividends payable	13	22,360,000	-
Zakat payable	3	2,456,094	4,803,775
TOTAL CURRENT LIABILITIES		1,099,277,342	972,835,112
TOTAL LIABILITIES		2,006,895,075	1,745,202,836
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		2,882,757,440	2,575,640,502

Chairman

Chief Executive Officer

Chief Financial Officer


The accompanying notes from 1 to 17 form an integral part of these interim condensed financial statements.

Theeb Rent a Car Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six-month period ended 30 June 2025

	Share Capital ﷲ	Statutory Reserve ﷲ	Retained earnings ﷲ	Total ﷲ
As at 31 December 2023 (Audited)	430,000,000	52,414,964	247,261,511	729,676,475
Net income for the period	-	-	85,056,506	85,056,506
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	85,056,506	85,056,506
Transfer to statutory reserve	-	8,505,651	(8,505,651)	-
Dividends (note 13)	-	-	(37,840,000)	(37,840,000)
As at 30 June 2024 (Unaudited)	430,000,000	60,920,615	285,972,366	776,892,981
As at 31 December 2024 (Audited)	430,000,000	67,982,523	332,455,143	830,437,666
Net income for the period	-	-	93,154,699	93,154,699
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	93,154,699	93,154,699
Dividends (note 13)	-	-	(47,730,000)	(47,730,000)
As at 30 June 2025 (Unaudited)	430,000,000	67,982,523	377,879,842	875,862,365


 Chairman


 Chief Financial Officer

The accompanying notes from 1 to 17 form an integral part of these interim condensed financial statements.

Theeb Rent a Car Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2025

	Notes	2025 (Unaudited) ﷲ	2024 (Unaudited) ﷲ
OPERATING ACTIVITIES			
Income before zakat		95,576,749	92,038,513
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Depreciation on property and equipment	4	168,993,108	139,482,206
Depreciation on right-of-use assets	7	26,313,307	23,115,176
Provision for expected credit losses		19,737,654	16,132,636
Provision for employees' defined benefit liabilities		3,032,571	3,664,229
Finance costs		47,383,470	37,367,509
Finance cost on lease liabilities	7	1,775,096	2,175,756
Write down of inventories	6	4,436,831	2,084,712
		<u>367,248,786</u>	<u>316,060,737</u>
<i>Working capital adjustments:</i>			
Inventories		135,973,978	125,817,024
Accounts receivable		(75,568,372)	(61,378,539)
Prepayments and other current assets		(12,078,628)	17,385,742
Contract assets		109,917	410,062
Car dealership payable		(13,680,405)	28,418,752
Accounts payable		15,611,435	4,971,021
Accrued expenses and other current liabilities		618,487	3,898,721
		<u>418,235,198</u>	<u>435,583,520</u>
Additions of motor vehicles	4	(532,024,196)	(412,355,570)
Employees' defined benefit obligations paid		(624,622)	(642,145)
Zakat paid	3	(4,769,731)	(13,918,343)
Net cash flows (used in) from operating activities		<u>(119,183,351)</u>	<u>8,667,462</u>
INVESTING ACTIVITY			
Additions of other property and equipment	4	(3,368,118)	(5,230,294)
Net cash flows used in investing activity		<u>(3,368,118)</u>	<u>(5,230,294)</u>
FINANCING ACTIVITIES			
Finance costs paid relating to term loans		(45,848,553)	(36,338,469)
Proceeds from term loans		652,761,240	381,314,516
Repayments of term loans		(404,645,386)	(314,197,658)
Payments of lease liabilities	7	(37,889,670)	(27,060,360)
Interim dividends paid	13	(25,370,000)	(37,840,000)
Net cash flows from (used in) financing activities		<u>139,007,631</u>	<u>(34,121,971)</u>
Net increase (decrease) in bank balances and cash		<u>16,456,162</u>	<u>(30,684,803)</u>
Bank balances and cash at the beginning of the period		<u>34,983,515</u>	<u>52,011,938</u>
Bank balances and cash at the end of the period		<u>51,439,677</u>	<u>21,327,135</u>

The accompanying notes from 1 to 17 form an integral part of these interim condensed financial statements.


Theeb Rent a Car Company
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INTERIM CONDENSED STATEMENT OF CASH FLOWS (continued)

For the six-month period ended 30 June 2025

	Notes	2025 (Unaudited) S	2024 (Unaudited) S
Non-cash transactions:			
Transfer of vehicles from property and equipment to inventories	4	148,470,961	138,364,355
Write off of total loss cars	6	4,436,831	2,084,712
Addition of right-of-use assets and lease liabilities	7	23,186,257	12,977,669
Dividends declared not paid	13	22,360,000	-


Chairman


Chief Executive Officer


Chief Financial Officer

The accompanying notes from 1 to 17 form an integral part of these interim condensed financial statements.

Theeb Rent a Car Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) 30 June 2025

1. CORPORATE INFORMATION AND ACTIVITIES

Theeb Rent a Car Company (the “Company”) is a Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia under commercial registration numbered 1010150661 and unified number 7001393979 dated 12 Rabi Thani 1419H (corresponding to 6 August 1998). The Company is engaged in car rental and leasing as per license numbered 010102000200 issued by the Ministry of Transportation in the Kingdom of Saudi Arabia.

The Company’s registered office is located at the following address:
6709 Eastern ring branch road, at Rawdah district
Riyadh 13211 – 2394
Kingdom of Saudi Arabia.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 STATEMENT OF COMPLIANCE

These interim condensed financial statements for the three-month and six-month periods ended 30 June 2025 have been prepared in accordance with International Accounting Standard 34 ‘Interim Financial Reporting’ (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia (“KSA”) and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”). The Company has prepared these interim condensed financial statements on the basis that it will continue to operate as a going concern. Management considers that there are no material uncertainties that may cast significant doubt over this assumption. Management has formed a judgement that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The significant accounting policies adopted in the preparation of these interim condensed financial statements are consistent with those followed in the preparation of the annual financial statements for the year ended 31 December 2024, except for the new standards and amendments effective from 1 January 2025 as disclosed in note 2.4.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2024. In addition, results for the three-month and six-month periods ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

2.2 BASIS OF MEASUREMENT

The interim condensed financial statements have been prepared on a historical cost basis.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

The interim condensed financial statements are presented in Saudi Riyals (“**ﷲ**”), which is the functional and presentation currency of the Company.

2.4 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

2.4.1 New standards and amendments adopted by the Company

Several amendments apply for the first time in 2025, but do not have an impact on the interim condensed financial statements of the Company.

Lack of exchangeability - Amendments to IAS 21

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments did not have a material impact on the Company’s financial statements.

Theeb Rent a Car Company
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
(continued)
30 June 2025

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.4 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (continued)

2.4.2 Standards, amendments and interpretations issues but not yet effective

Standards, amendments, interpretations	Description	Effective date
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	1 January 2026
IFRS 18 - presentation and disclosure in financial statements	This standard sets out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure the entity provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.	1 January 2027
IFRS 19 - Reducing subsidiaries' disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	1 January 2027

Theeb Rent a Car Company
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

30 June 2025

3. ZAKAT

Movement in provision during the period/year

The movement in zakat provision was as follows:

	30 June 2025 (Unaudited) S	31 December 2024 (Audited) S	30 June 2024 (Unaudited) S
At the beginning of the period/year	4,803,775	23,428,744	23,428,744
Provided during the period/year	2,456,094	4,803,775	6,982,007
Prior year reversal of reassessment	(34,044)	(411,920)	-
Paid during the period/year	(4,769,731)	(23,016,824)	(13,918,343)
At the end of the period/year	<u>2,456,094</u>	<u>4,803,775</u>	<u>16,492,408</u>

Status of assessments

- The Company has filed its zakat returns and financial statements to the Zakat, Tax and Customs Authority ("ZATCA") for all years up to 31 December 2024 and obtained zakat certificate for those years. The Company has finalized its zakat position with ZATCA for all years up to 2018 while the years from 2019 to 2024 are under ZATCA review.
- During the year ended 31 December 2021, management received a correspondence from ZATCA, regarding the previous ownership of shares by Growth Opportunities Company for Trading, one of the former shareholders in the Company, that there are certain possible taxes on the Company. ZATCA's view based on certain assumptions, is that the Company is partially subject to income tax. In the above-mentioned correspondence, ZATCA assumed that the above-mentioned former shareholder is fully owned directly or indirectly by non-GCC nationals and accordingly, the total amount of income tax exposure as stated by ZATCA is S 29.76 million for income tax and withholding tax exposure was set out by ZATCA at S 3.94 million, covering the years from 2013 to 2018 and are excluding delay and other related fines. As at the date of the approval of these interim condensed financial statements by the Board of Directors, no official assessment has been received from ZATCA. Additional potential exposure for the years ended 31 December 2019 and 2020, and for the period from 1 January 2021 to date of disposition of the former shareholders' shares could arise if ZATCA imposes the above-mentioned principle to all assessment years.

The Company is currently registered with ZATCA as a 100% zakatable company on the basis of its ownership structure with all direct and indirect shareholders being either GCC nationals, or companies that were established within the GCC and whose shareholders consist wholly of GCC nationals. Further, dividends distributions to the above-mentioned former shareholder, in management view, are not subject to withholding tax as it is a resident company in the Kingdom of Saudi Arabia.

During September 2021, the Company has replied to ZATCA after receiving the correspondence and no response was received since then. Moreover, in case of any imposed position by ZATCA, in addition to any relevant fines and delay penalties, the above-mentioned former shareholder has provided to the Company an indemnity undertaking letter to bear any tax related liability that might be imposed on the Company by ZATCA in connection with the above matter.

During the year ended 31 December 2023, management has reassessed their position and accordingly made accruals of S 33,703,203 with the same impact on receivable from the former shareholder.

Theeb Rent a Car Company
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

30 June 2025

4. PROPERTY AND EQUIPMENT

	30 June 2025 (Unaudited)			31 December 2024 (Audited)		
	Vehicles ﷲ	Other ﷲ	Total ﷲ	Vehicles ﷲ	Other ﷲ	Total ﷲ
Opening net book value	1,921,395,022	116,647,912	2,038,042,934	1,562,185,029	110,873,889	1,673,058,918
Additions during the period/year	532,024,196	3,368,118	535,392,314	923,327,377	12,204,013	935,531,390
Transfer of vehicles to inventories	(148,470,961)	-	(148,470,961)	(277,096,599)	-	(277,096,599)
Depreciation for the period/year	(165,040,511)	(3,952,597)	(168,993,108)	(287,020,785)	(6,429,990)	(293,450,775)
Closing net book value	<u>2,139,907,746</u>	<u>116,063,433</u>	<u>2,255,971,179</u>	<u>1,921,395,022</u>	<u>116,647,912</u>	<u>2,038,042,934</u>

5. EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing net income for the period attributable to the shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Earnings per share are calculated as follows:

	For the three-month period ended 30 June (Unaudited)		For the six-month period ended 30 June (Unaudited)	
	2025 ﷲ	2024 ﷲ	2025 ﷲ	2024 ﷲ
Net income for the period	<u>47,792,530</u>	<u>44,580,514</u>	<u>93,154,699</u>	<u>85,056,506</u>
Weighted average number of ordinary shares outstanding	<u>43,000,000</u>	<u>43,000,000</u>	<u>43,000,000</u>	<u>43,000,000</u>
Basic and diluted earnings per share	<u>1.11</u>	<u>1.04</u>	<u>2.17</u>	<u>1.98</u>

Theeb Rent a Car Company
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

30 June 2025

6. INVENTORIES

Inventories mainly represent vehicles available for sale and operating spare parts. During the six-month period ended 30 June 2025, the Company wrote down ~~ﷲ~~ 4.4 million (30 June 2024: ~~ﷲ~~ 2.08 million) of inventories resulted from accidents, the reimbursement received from insurance companies related to this was ~~ﷲ~~ 4.6 million (30 June 2024: ~~ﷲ~~ 1.99 million), both write down and reimbursements are presented on net basis in cost of revenues in the interim condensed statement of comprehensive income.

7. RIGHT-OF-USE ASSETS

The Company has lease contracts for leasehold buildings (i.e. workshops, accommodations and showrooms).

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

Set out below are the carrying amount of right-of-use assets recognized and the movements during the period/ year:

	30 June 2025 (Unaudited) ﷲ	31 December 2024 (Audited) ﷲ
At the beginning of the period / year	84,924,461	96,207,857
Additions	23,186,257	41,321,134
Depreciation expense	(26,313,307)	(51,330,590)
Derecognition of right-of-use asset	-	(1,273,940)
At the end of the period/ year	<u>81,797,411</u>	<u>84,924,461</u>

Set out below the carrying amounts of lease obligations and the movements during the period/ year:

	30 June 2025 (Unaudited) ﷲ	31 December 2024 (Audited) ﷲ
At the beginning of the period/ year	86,941,139	105,340,175
Additions	23,186,257	41,321,134
Accretion of interest	1,775,096	4,185,519
Payments (*)	(37,889,670)	(62,855,310)
Derecognition of lease liability	-	(1,050,379)
At the end of the period/ year	<u>74,012,822</u>	<u>86,941,139</u>
Less: Current portion	<u>(26,562,678)</u>	<u>(40,131,078)</u>
Non-current portion	<u>47,450,144</u>	<u>46,810,061</u>

(*) Payment of lease liabilities includes repayment of principal portion of ~~ﷲ~~ 36,114,574 (31 December 2024: ~~ﷲ~~ 58,669,791) and payment of interest amounted to ~~ﷲ~~ 1,775,096 (31 December 2024: ~~ﷲ~~ 4,185,519).

Theeb Rent a Car Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

30 June 2025

8. ACCOUNTS RECEIVABLE

	<i>30 June 2025 (Unaudited) ﷲ</i>	<i>31 December 2024 (Audited) ﷲ</i>
Accounts receivable	518,712,064	443,143,692
Less: allowance for expected credit losses	(180,016,604)	(159,674,961)
	<u>338,695,460</u>	<u>283,468,731</u>

The movements in the allowance for expected credit losses during the period/year were as follows:

	<i>30 June 2025 (Unaudited) ﷲ</i>	<i>31 December 2024 (Audited) ﷲ</i>
At the beginning of the period/ year	159,674,961	133,694,615
Provided during the period/ year	20,341,643	25,980,346
At the end of the period/ year	<u>180,016,604</u>	<u>159,674,961</u>

9. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties of the Company include shareholders, Board of Directors, key management personnel and entities of which they are principal owners.

The terms of the transactions with related parties are approved by the Company's management and Board of Directors. The transactions with the related parties are carried out in the normal course of business and their settlements take place in the normal course of business as well. Following is the list of related parties of the Company:

<i>Related Party</i>	<i>Nature of relationship</i>
Mohammed Ahmed Abdullah Al-Theeb	Shareholder
Naif Mohammed Ahmed Abdullah Al-Theeb	Shareholder
Mohammed Hamoud Al-Theeb	Shareholder
Mohammad Ahmed Al-Theeb Contracting Company	Affiliate – (Related party to shareholders)
Madareem Company	Affiliate – (Related party to shareholders)

Following are the details of related party transactions for the six-month period ended:

<i>Related Party</i>	<i>Nature of transactions</i>	<i>30 June 2025 (Unaudited) ﷲ</i>	<i>30 June 2024 (Unaudited) ﷲ</i>
Mohammad Ahmed AlTheeb	Rent charged	(500,000)	(500,000)
Mohammad Ahmed Al-Theeb Contracting Company	Expenses charged	(240,970)	(158,138)
Mohammed Hamoud Al-Theeb	Car rental	5,828	-
Naif Mohammed Al-Theeb	Car rental	18,058	17,053

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30 June 2025

9. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Following are the details of related party transactions for the three-month period ended:

<i>Related Party</i>	<i>Nature of transactions</i>	30 June 2025	30 June 2024
		(Unaudited)	(Unaudited)
		ﷲ	ﷲ
Mohammad Ahmed AlTheeb	Rent charged	(220,000)	(220,000)
Mohammad Ahmed AlTheeb Contracting Company	Expenses charged	(2,100)	(155,198)
Naif Mohammed Al-Theeb	Car rental	6,094	9,676

Key management personnel of the Company comprise of key members of the management having authority and responsibility for planning, directing and controlling the activities of the Company. Following are the details of compensation of key management personnel for the six-month period ended:

<i>Related party</i>	<i>Nature of transaction</i>	30 June 2025	30 June 2024
		(Unaudited)	(Unaudited)
		ﷲ	ﷲ
Key management personnel	Short term employees' benefits	3,714,900	3,369,279
	Long term employees' benefits	119,928	118,427
Board of Directors	Board of Directors' remuneration	1,383,965	1,849,000

Following are the details of compensation of key management personnel for the three-month period ended:

<i>Related party</i>	<i>Nature of transaction</i>	30 June 2025	30 June 2024
		(Unaudited)	(Unaudited)
		ﷲ	ﷲ
Key management personnel	Short term employees' benefits	1,819,357	1,663,545
	Long term employees' benefits	60,299	59,213
Board of Directors	Board of Directors' remuneration	823,000	673,000

10. SHARE CAPITAL

The Company's Share capital is divided into 43,000,000 shares of ﷲ 10 each (31 December 2024: 43,000,000 shares of ﷲ 10 each).

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11. TERM LOANS

	30 June 2025 (Unaudited) ﷲ	31 December 2024 (Audited) ﷲ
Term loans	1,629,563,541	1,381,447,687
Less: current portion	(814,688,672)	(698,774,795)
Non-current portion	814,874,869	682,672,892

The Company has obtained bank facilities from local banks in the form of term-loans. The term loans are repayable over a period ranging from 24 to 48 months from the date of the drawdown. The installments due within the next 12 months are shown under current liabilities. The Company has other undrawn facilities with banks available in accordance with the signed facility agreements. The Company's bank facilities are Sharia compliant

The Company's current liabilities exceeded its current assets as of 30 June 2025 primarily owing to the loans, used to finance purchase of vehicles classified under non-current assets in the statement of financial position, as part of the normal course of business. This is consistent with previously reported periods.

12. SEGMENTAL REPORTING

Consistent with the Company's internal reporting process, business segments have been approved by the Board of Directors in respect of the Company's activities. Management monitors the following details on a segment wise basis:

<i>For the six-month period ended 30 June 2025 (Unaudited)</i>				
	Short term rental ﷲ	Long term lease ﷲ	Car sales ﷲ	Total ﷲ
Revenue	246,536,481	308,783,854	146,231,114	701,551,449
Depreciation expense (Motor vehicles)	(60,703,708)	(104,336,803)	(135,715,300)	(300,755,811)
Segment profit	<u>185,832,773</u>	<u>204,447,051</u>	<u>10,515,814</u>	<u>400,795,638</u>
<i>For the six-month period ended 30 June 2024 (Unaudited)</i>				
	Short term rental ﷲ	Long term lease ﷲ	Car sales ﷲ	Total ﷲ
Revenue	241,937,656	229,752,486	156,664,997	628,355,139
Depreciation expense (Motor vehicles)	(60,845,961)	(75,702,960)	(127,075,184)	(263,624,105)
Segment profit	<u>181,091,695</u>	<u>154,049,526</u>	<u>29,589,813</u>	<u>364,731,034</u>
<i>For the three-month period ended 30 June 2025 (Unaudited)</i>				
	Short term rental ﷲ	Long term lease ﷲ	Car sales ﷲ	Total ﷲ
Revenue	124,258,465	159,378,163	81,238,100	364,874,728
Depreciation expense (Motor vehicles)	(30,796,550)	(54,354,611)	(77,024,153)	(162,175,314)
Segment profit	<u>93,461,915</u>	<u>105,023,552</u>	<u>4,213,947</u>	<u>202,699,414</u>

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(continued)

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12. SEGMENTAL REPORTING (continued)

For the three-month period ended

30 June 2024

(Unaudited)

	<i>Short term rental</i>	<i>Long term lease</i>	<i>Car sales</i>	<i>Total</i>
	ﷲ	ﷲ	ﷲ	ﷲ
Revenue	123,404,481	119,968,865	78,407,810	321,781,156
Depreciation expense (Motor vehicles)	(30,595,519)	(40,446,346)	(63,939,132)	(134,980,997)
Segment profit	<u>92,808,962</u>	<u>79,522,519</u>	<u>14,468,678</u>	<u>186,800,159</u>

Reconciliation of profit:

	<i>For the three-month period ended 30 June (Unaudited)</i>		<i>For the six-month period ended 30 June (Unaudited)</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	ﷲ	ﷲ	ﷲ	ﷲ
Segment profit	202,699,414	186,800,159	400,795,638	364,731,034
Other expenses (*)	(154,906,884)	(142,219,645)	(307,640,939)	(279,674,528)
Net income for the period	<u>47,792,530</u>	<u>44,580,514</u>	<u>93,154,699</u>	<u>85,056,506</u>

(*) Other expenses represent mainly employees' salaries and other benefits, amortization of right-of-use assets, insurance, provision for ECL, zakat charge, maintenance and other expenses.

Detail of segment assets and liabilities:

	<i>Allocated</i>		<i>Unallocated</i>	
<i>30 June 2025 (Unaudited)</i>	<i>Short term lease</i>	<i>Long term lease</i>	<i>Others</i>	<i>Total</i>
	ﷲ	ﷲ	ﷲ	ﷲ
Segment assets	597,244,725	1,542,663,021	742,849,694	2,882,757,440
Segment liabilities	-	-	2,006,895,075	2,006,895,075

	<i>Allocated</i>		<i>Unallocated</i>	
<i>31 December 2024 (Audited)</i>	<i>Short term Lease</i>	<i>Long term Lease</i>	<i>Others</i>	<i>Total</i>
	ﷲ	ﷲ	ﷲ	ﷲ
Segment assets	571,265,472	1,350,129,550	654,245,480	2,575,640,502
Segment liabilities	-	-	1,745,202,836	1,745,202,836

Other disclosures:

	<i>Allocated</i>		<i>Unallocated</i>	
<i>30 June 2025 (Unaudited)</i>	<i>Short term lease</i>	<i>Long term lease</i>	<i>Others</i>	<i>Total</i>
	ﷲ	ﷲ	ﷲ	ﷲ
Capital expenditures	155,774,913	376,249,283	3,368,118	535,392,314

	<i>Allocated</i>		<i>Unallocated</i>	
<i>31 December 2024 (Audited)</i>	<i>Short term Lease</i>	<i>Long term lease</i>	<i>Others</i>	<i>Total</i>
	ﷲ	ﷲ	ﷲ	ﷲ
Capital expenditures	231,794,788	691,532,589	12,204,013	935,531,390

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30 June 2025

12. SEGMENTAL REPORTING (continued)

Capital expenditure consists of additions of property and equipment.

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 Company basis. Zakat and financial assets and liabilities are not allocated to those segments as they are also managed on a Company basis.

The following summary describes the operation in each of the Company's reportable segments:

- Short term rental segment represents activities involving leasing of cars to customers under short term rental arrangements (daily and monthly).
- Long term lease segment represents activities involving leasing of cars to customers under medium to longer term operating lease arrangements.
- Car sales represents the sales of vehicles that were previously held as a part of lease or rental fleet.

Timing of revenue recognition

	<i>For the three-month period ended 30 June (Unaudited)</i>		<i>For the six-month period ended 30 June (Unaudited)</i>	
	2025	2024	2025	2024
	ﷲ	ﷲ	ﷲ	ﷲ
Services transferred over time	283,636,628	243,373,346	555,320,335	471,690,142
Services transferred at point in time	81,238,100	78,407,810	146,231,114	156,664,997
	<u>364,874,728</u>	<u>321,781,156</u>	<u>701,551,449</u>	<u>628,355,139</u>

Performance obligations

The performance obligation is satisfied upon availing the vehicle for lease and payment is generally due 60 days for corporate customers from the invoice date. Contracts for the sale of vehicles does not provide customers with any right of return. There are no unsatisfied performance obligations as at the reporting date; therefore, there are no transaction price that are required to be allocated over the remaining or unsatisfied performance obligations.

Operating leases – the Company as lessor

The Company has entered into leases on its fleet of vehicles. The commercial and non-commercial vehicle leases typically have lease terms of between 1 and 5 years and include clauses to enable periodic upward revision of the rental charge according to prevailing market conditions. Some leases contain options to break before the end of the lease term.

Future minimum rentals receivable under non-cancellable operating leases as at the reporting date are, as follows:

	<i>30 June 2025 (Unaudited)</i>	<i>31 December 2024 (Audited)</i>
	ﷲ	ﷲ
Within 1 year	547,665,029	477,698,980
After 1 year, but not more than 5 years	866,876,450	764,515,462
	<u>1,414,541,479</u>	<u>1,242,214,442</u>

Theeb Rent a Car Company
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

30 June 2025

12. SEGMENTAL REPORTING (continued)

Geographical markets

The Company operates exclusively in the Kingdom of Saudi Arabia and therefore no geographical market information is presented in these interim condensed financial statements.

13. DIVIDENDS

The Company's Board of Directors approved in their meeting held on 22 June 2025, to distribute cash interim dividend of ~~ﷲ~~ 0.52 per share totaling ~~ﷲ~~ 22,360,000. The above-mentioned interim dividend has been distributed to the shareholders subsequent to period ended 30 June 2025 on 10 July 2025.

The Company's Board of Directors approved in their meeting held on 11 March 2025, to distribute final cash dividend for the fourth quarter 2024 of ~~ﷲ~~ 0.59 per share totaling to ~~ﷲ~~ 25,370,000. The above-mentioned dividends have been distributed to the shareholders on 26 March 2025.

The Company's Board of Directors approved in their meeting held on 14 March 2024, to distribute final cash dividend for the fourth quarter 2023 of ~~ﷲ~~ 0.41 per share totaling to ~~ﷲ~~ 17,630,000. The above-mentioned dividends have been distributed to the shareholders on 26 March 2024.

The Company's Board of Directors approved in their meeting held on 16 May 2024, to distribute cash interim dividend of ~~ﷲ~~ 0.47 per share totaling ~~ﷲ~~ 20,210,000. The above-mentioned interim dividend has been distributed to the shareholders on 28 May 2024.

14. COMMITMENTS AND CONTINGENCIES

At 30 June 2025, the Company issued letters of guarantees amounting to ~~ﷲ~~ 74.8 million (31 December 2024: ~~ﷲ~~ 75.9 million) mainly in respect of the Company's leased properties and bidding for government contracts.

Other than above, the Company does not have any other commitments or contingencies.

15. SUBSEQUENT EVENTS

In the opinion of management, no events have arisen subsequent to 30 June 2025 and before the date of issuing the interim condensed financial statements that could have a significant effect on the interim condensed financial statements as at 30 June 2025.

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

Management believes that the fair values of the financial assets and liabilities are not materially different from their carrying values, largely due to the short-term maturities of these instruments.

17. APPROVAL OF INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements of the Company were authorised for issuance in accordance with the Board of Directors' resolution dated 07 August 2025 (corresponding to 13 Safar 1447H).