

MBC Group
(A Listed Joint Stock Company)
And Its Subsidiaries

Interim Condensed Consolidated Financial Statements
For the three-months period ended 31 March 2025 (Unaudited)

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF MBC GROUP (A LISTED JOINT STOCK COMPANY)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of MBC Group ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 31 March 2025, and the related interim condensed consolidated statement of comprehensive income, changes in equity and cash flows for the three-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated 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 consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" 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 consolidated 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: 13 Thul-Qi'dah 1446H
(11 May 2025)

MBC Group (A Listed Joint Stock Company) And Its Subsidiaries

Interim Condensed Consolidated Statement of Comprehensive Income

For the three-months period ended 31 March 2025

	Note	Three-months period ended 31 March	
		2025 (Unaudited) SAR'000	2024 (Unaudited) SAR'000
Revenue from contracts with customers	4	1,614,681	1,087,241
Other operating revenues	5	429,136	148,512
Direct costs	6	(1,507,156)	(889,113)
Gross profit		536,661	346,640
General and administrative expenses		(282,828)	(282,326)
Operating profit		253,833	64,314
Other income		2,983	20,771
Finance income – net		14,853	8,131
Share of results in associates and joint venture		15,017	15,044
Unrealised (loss) / gain on investment in financial assets at fair value through profit or loss		(2,414)	14,210
Profit before tax		284,272	122,470
Income tax		(20,758)	(1,188)
Profit for the period		263,514	121,282
Attributable to:			
Equity holders of the parent		231,804	109,502
Non-controlling interests		31,710	11,780
		263,514	121,282
Other comprehensive income			
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Exchange differences on translating foreign operations, net		(2,003)	(5,477)
<i>Other comprehensive income that may not be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Share of other comprehensive income of associates		(1,819)	-
Remeasurement actuarial loss on defined benefits obligations		-	(1,843)
Other comprehensive loss for the period		(3,822)	(7,320)
Total comprehensive income for the period		259,692	113,962
Attributable to:			
Equity holders of the parent		228,880	104,397
Non-controlling interests		30,812	9,565
		259,692	113,962
Earnings per share (“EPS”):			
Basic and diluted, attributable to ordinary equity holders of the parent (SAR)	15	0.70	0.33


Chairman - Waleed Al Ibrahim


CEO – Mike Sneesby


CFO – Hussam Eddin Alnouri

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

MBC Group (A Listed Joint Stock Company) And Its Subsidiaries

Interim Condensed Consolidated Statement of Financial Position

As at 31 March 2025

	Notes	31 March 2025 (Unaudited) SAR'000	31 December 2024 (Audited) SAR'000
ASSETS			
Non-current assets			
Property and equipment		348,027	271,180
Intangible assets		74,932	73,860
Right-of-use assets		42,148	50,102
Investments in associates and joint venture	7	1,097,051	1,083,853
Investment in financial asset at fair value through profit or loss (FVTPL)		10,176	12,591
Employees' end of service benefits plan assets	11	116,259	115,000
Other non-current assets		2,876	1,827
		<u>1,691,469</u>	<u>1,608,413</u>
Current assets			
Inventories		2,312,792	2,716,242
Trade receivables, prepayments and other assets	8	2,712,702	2,010,579
Due from related parties	9	954,124	728,200
Cash and cash equivalents		1,214,572	1,493,987
Derivative financial instruments		191	182
		<u>7,194,381</u>	<u>6,949,190</u>
TOTAL ASSETS		<u>8,885,850</u>	<u>8,557,603</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	10	3,325,000	3,325,000
Share premium		431,250	431,250
Retained earnings		654,902	424,917
Foreign currency translation reserve		(9,573)	(8,468)
Equity attributable to equity holders of the parent		<u>4,401,579</u>	<u>4,172,699</u>
Non-controlling interests		45,971	15,159
Total equity		<u>4,447,550</u>	<u>4,187,858</u>
Non-current liabilities			
Lease liabilities		29,674	29,017
Employees' end of service benefits	11	142,032	144,922
Loan from a related party	9	63,792	63,792
		<u>235,498</u>	<u>237,731</u>
Current liabilities			
Lease liabilities		15,580	21,516
Trade and other payables	12	2,408,616	1,991,431
Deferred Revenue	5	1,715,751	2,007,774
Due to related parties	9	62,855	111,293
		<u>4,202,802</u>	<u>4,132,014</u>
TOTAL LIABILITIES		<u>4,438,300</u>	<u>4,369,745</u>
TOTAL EQUITY AND LIABILITIES		<u>8,885,850</u>	<u>8,557,603</u>


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MBC Group (A Listed Joint Stock Company) And Its Subsidiaries

Interim Condensed Consolidated Statement of Cash Flows

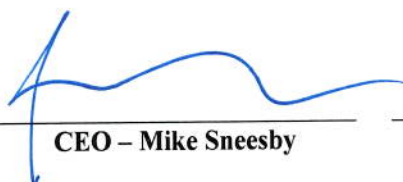
For the three-months period ended 31 March 2025

	Note	Three-months period ended	
		31 March 2025 (Unaudited) SAR'000	2024 (Unaudited) SAR'000
OPERATING ACTIVITIES			
Profit before tax		284,272	122,470
Adjustments for:			
Depreciation on property and equipment		9,703	10,112
Depreciation on right-of-use assets		7,986	7,588
Allowance for expected credit loss, net		35,103	6,718
Amortisation of intangible assets		5,576	3,004
Remeasurement of lease liabilities		(338)	-
Share of results in associates and joint venture		(15,017)	(15,044)
Unrealised gain on fair value of derivative financial instruments		(9)	-
Unrealised loss / (gain) on investment in financial asset at fair value through profit or loss (FVTPL)		2,414	(14,210)
Provision for employees' end of service benefits	11	8,126	8,630
Finance income – net		(14,853)	(8,131)
		<u>322,963</u>	<u>121,137</u>
Working capital changes:			
Inventories		403,448	(52,097)
Trade receivables, prepayments and other assets		(736,993)	(206,222)
Due from related parties		(226,486)	(148,373)
Trade and other payables		395,379	287,036
Deferred revenue		(292,021)	(59,380)
Due to related parties		(48,438)	(10,782)
		<u>(182,148)</u>	<u>(68,681)</u>
Employees' end of service benefits paid	11	(11,687)	(8,747)
Interest received		15,911	8,769
Net cash flows used in operating activities		<u>(177,924)</u>	<u>(68,659)</u>
INVESTING ACTIVITIES			
Purchase of property and equipment		(86,812)	(26,314)
Proceeds from sale of property and equipment		-	147
Purchase of intangible assets		(6,647)	(7,980)
Net cash flows used in investing activities		<u>(93,459)</u>	<u>(34,147)</u>
FINANCING ACTIVITIES			
Proceeds from initial public offering	10	-	763,750
Repayment of principal lease liability		(6,005)	(15,753)
Repayment of borrowings		-	(187,500)
Net cash flows (used in) / generated from financing activities		<u>(6,005)</u>	<u>560,497</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS			
Net foreign exchange differences		(277,388)	457,691
Cash and cash equivalents at beginning of the period (audited)		(1,766)	(7,084)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (UNAUDITED) *		<u>1,494,274</u>	<u>827,686</u>
		<u>1,215,120</u>	<u>1,278,293</u>

*This amount is stated gross of provision for expected credit loss amounting to SAR 548 thousand as at 31 March 2025 (31 March 2024: SAR 430 thousand)



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The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

MBC Group (A Listed Joint Stock Company) And Its Subsidiaries

Interim Condensed Consolidated Statement of Changes in Equity

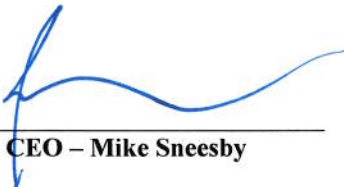
For the three-months period ended 31 March 2025


	Attributable to equity holders of the Parent					Non-controlling interests (NCI)	Total Equity	
	Share capital SAR'000	Share premium SAR'000	Proposed share capital increase SAR'000	Foreign currency translation reserve SAR'000	Retained earnings SAR'000			Total SAR'000
1 January 2025 (audited)	3,325,000	431,250	-	(8,468)	424,917	4,172,699	15,159	4,187,858
Total comprehensive income for the period:								
- Profit for the period (unaudited)	-	-	-	-	231,804	231,804	31,710	263,514
- Other comprehensive loss (unaudited)	-	-	-	(1,105)	(1,819)	(2,924)	(898)	(3,822)
	-	-	-	(1,105)	229,985	228,880	30,812	259,692
Balance at 31 March 2025 (unaudited)	3,325,000	431,250	-	(9,573)	654,902	4,401,579	45,971	4,447,550

	Attributable to equity holders of the Parent					Non-controlling interests (NCI)	Total Equity	
	Share capital SAR'000	Share premium SAR'000	Proposed share capital increase SAR'000	Foreign currency translation reserve SAR'000	Retained earnings SAR'000			Total SAR'000
1 January 2024 (audited)	2,992,500	-	763,750	625	22,357	3,779,232	11,636	3,790,868
Transfer from proposed share capital increase to share capital and share premium (unaudited)	332,500	431,250	(763,750)	-	-	-	-	-
Total comprehensive income for the period:								
- Profit for the period (unaudited)	-	-	-	-	109,502	109,502	11,780	121,282
- Other comprehensive loss (unaudited)	-	-	-	(3,262)	(1,843)	(5,105)	(2,215)	(7,320)
	-	-	-	(3,262)	107,659	104,397	9,565	113,962
Adjustments to non-controlling interest*	-	-	-	-	-	-	(20,279)	(20,279)
Balance at 31 March 2024 (unaudited)	3,325,000	431,250	-	(2,637)	130,016	3,883,629	922	3,884,551

* This represents the portion of the dividend declared by MMS FZ attributable to the minority shareholders.


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MBC Group (A Listed Joint Stock Company) And Its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements

31 March 2025

1 CORPORATE INFORMATION

MBC Group (A listed joint stock company) (the “Company”) was formed under Saudi laws that was incorporated as a Saudi closed joint stock company registered in Riyadh, Kingdom of Saudi Arabia (“KSA”) under commercial registration number 1010876295 dated 29 Ramadan 1444H (corresponding to 20 April 2023) and unified identification number 7035184642. The accompanying interim condensed consolidated financial statements consolidate the financial statements of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”). The principal activity of the Group is to provide broadcasting services, to operate free-to-air Pan-Arab entertainment channels and over-the-top (OTT) platform, and to produce content.

On 12 November 2023, the Extraordinary General Assembly approved the increase of the share capital from SAR 2,992,500,000, divided into 299,250,000 ordinary shares with a nominal value of SAR 10 per share to SAR 3,325,000,000 through the issuance of 33,250,000 new ordinary shares (representing 10% of the Company’s share capital after the increase) for subscription through an initial public offer (IPO) on the Saudi Stock Exchange Market (“Tadawul”) in KSA.

The new commercial registration of the Company, transforming it from a closed joint stock company into a listed joint stock company was issued on 1 January 2024. The trading of shares was officially announced on 8 January 2024.

These interim condensed consolidated financial statements of the Group include activities of the following entities:

<i>Name of entity</i>	<i>Principal activities</i>	<i>Legal and beneficial ownership interest</i>	
		<i>2025</i>	<i>2024</i>
MBC FZ LLC (“MBC FZ LLC”)	The principal activity of MBC FZ LLC is to provide broadcasting services and to operate free-to-air Pan-Arab entertainment channels. Its registered office address is MBC Building, Dubai Media City, P.O. Box 72627, Dubai, United Arab Emirates.	100%	100%
MBC Studios FZ LLC (“MBC Studios”)	The main activities of MBC Studios (formerly known as O3 Productions FZ LLC) are production and post-production of television programmes. It also acquires television content for resale purposes. Its registered office address is MBC Building, Dubai Media City, P.O. Box 72627, Dubai, United Arab Emirates.	100%	100%
MBC IP FZ LLC (“MBC IP”)	The main activity of MBC IP is to provide broadcast support services. Its registered office address is MBC Building, Dubai Media City, Dubai, United Arab Emirates.	100%	100%
MBC Studios Projects FZ LLC (“MBC Studios Projects”)	The principal activity of MBC Studios Projects (formerly known as Eventique FZ LLC) is event management services and media content production. Its registered office address is P.O. Box 72627, Dubai, United Arab Emirates.	100%	100%
Platinum Records FZ LLC (“Platinum”)	Platinum is mainly engaged in music label and rights management. Its registered office address is MBC Building, Dubai Media City, P.O. Box 72627, Dubai, United Arab Emirates.	100%	100%

MBC Group (A Listed Joint Stock Company) And Its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements

31 March 2025

1 CORPORATE INFORMATION (continued)

<i>Name of entity</i>	<i>Principal activities</i>	<i>Legal and beneficial ownership interest</i>	
		<i>2025</i>	<i>2024</i>
Wanasah FZ LLC (“Wanasah”)	Wanasah is mainly engaged in broadcasting services. It operates as Wanasah TV, a music television channel specialising in Arabic music. Its registered office address is MBC Building, Dubai Media City, P.O. Box 72627, Dubai, United Arab Emirates.	51%	51%
MBC Holding Cyprus Limited (“MBC Holding Cyprus”)	MBC Holding Cyprus serves as a holding company for Middle East Broadcasting Centre (Lebanon SAL) and has no operations.	100%	100%
MBC Ventures Limited (“MBC Ventures”)	MBC Ventures is incorporated in the British Virgin Island and engages in the business of investing in companies and start-ups.	100%	100%
MBI FZ LLC (“MBI”)	The main activity of MBI is broadcasting TV segments. Its registered office address is MBC Building, Dubai Media City, Dubai, United Arab Emirates.	100%	100%
MBC Media FZ-LLC (“MBC Media”)	The main activity of MBC Media is to provide broadcast support services. Its registered office address is MBC Building, Dubai Media City, Dubai, United Arab Emirates.	100%	100%
MBC Initiatives LLC (“MBC Initiatives”)	MBC Initiatives is incorporated in the Kingdom of Saudi Arabia. The main activity of MBC Initiatives is management and development of artistic and entertainment talents.	100%	100%
MBC Media Services BVI Limited (“MMS BVI”)	The main activity of MMS BVI is to provide advertising services for the Group.	100%	100%
MBC Events Limited (“MBC Events”)	MBC Events is incorporated in the Kingdom of Saudi Arabia. The main activity of MBC Events is events and exhibitions management.	100%	100%
MBC Media Saudi Arabia Co. Ltd. (“MBC KSA”)	The principal activity of MBC KSA is to provide broadcasting services in the Kingdom of Saudi Arabia.	100%	100%
MBC Real Estate Co. Ltd. (“MBC Real Estate”)	The main activity of MBC Real Estate is management of real estate properties owned and leased.	100%	100%

MBC Group (A Listed Joint Stock Company) And Its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements

31 March 2025

1 CORPORATE INFORMATION (continued)

Following are the subsidiaries of MBC FZ LLC:

<i>Name of entity</i>	<i>Principal activities</i>	<i>Legal and beneficial ownership interest</i>	
		<i>2025</i>	<i>2024</i>
MBC Group Holding Hungary Limited Liability Company (“MBC Hungary”)	The principal activity of MBC Hungary is to manage certain distribution contracts. Its registered address is 1074 Budapest, Dohány utca 12, Hungary.	99.45%*	99.45%*
MBC Jordan LLC (“MBC Jordan”)	The principal activity of MBC Jordan is to provide e-commerce services such as technical management of web sites and mobile applications, and other activities including brokerage, production and distribution of artwork. Its registered address is P.O. Box 855143, Amman, Jordan, 11855.	100%	100%
MBC Media Cyprus Limited (“MBC Cyprus”)	MBC Media Cyprus was established in 2018, and its principal activity is to provide technical support services to the Group.	100%	100%
Middle East Production Company (“MEP Egypt”)	The main activity of MEP Egypt is the production of television, cinema, broadcasting and media arts works.	90%**	90%**

* MBC FZ LLC owns 99.45% of the equity interest in MBC Hungary whilst the remaining 0.55% equity interest is owned by companies within the Group.

** MBC FZ LLC owns 90% of the equity interest in MEP Egypt whilst the remaining 10% equity interest is owned by companies within the Group.

Following are the subsidiaries of MBC Studios Projects FZ LLC:

<i>Name of entity</i>	<i>Principal activities</i>	<i>Legal and beneficial ownership interest</i>	
		<i>2025</i>	<i>2024</i>
MBC Studios BVI Limited (“MBC Studios BVI”)	MBC Studios BVI is incorporated in the British Virgin Islands and engaged in entering into agreements relating to MBC Studios for writers who are registered under Writers Guild of America (WGA).	100%	100%
Desert Warriors Holdings Limited	A fully owned subsidiary of MBC Studios Projects FZ LLC. The main activity of Desert Warriors Holdings Limited is content production and is incorporated in Abu Dhabi, United Arab Emirates.	100%	100%
CG Drama Project Holdings Limited	A fully owned subsidiary of MBC Studios Projects FZ LLC. The main activity of CG Drama Project Holdings Limited is content production and is incorporated in the Abu Dhabi, United Arab Emirates.	100%	100%
MBC Studios Projects Saudi Limited	A fully owned subsidiary of MBC Studios Projects FZ LLC. The main activity of MBC Studios Projects Saudi Limited is content production and is incorporated in the Kingdom of Saudi Arabia.	99%*	99%*

MBC Group (A Listed Joint Stock Company) And Its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements

31 March 2025

1 CORPORATE INFORMATION (continued)

Following are the subsidiaries of MBC Studios Projects FZ LLC (continued):

* MBC Studio Projects FZ LLC owns 99% of the equity interest in MBC Studios Projects Saudi Limited whilst the remaining 1% equity interest is owned by companies within the Group.

Following is the subsidiary of MBC Media Services BVI Limited:

<i>Name of entity</i>	<i>Principal activities</i>	<i>Legal and beneficial ownership interest</i>	
		<i>2025</i>	<i>2024</i>
MBC Media Solutions FZ-LLC (“MMS UAE”)	A subsidiary of MBC Media Services BVI Limited. The principal activity is to provide advertising services. The registered office address of the Company is P.O. Box 72627, Dubai, United Arab Emirates.	60%	60%

Following are the subsidiaries of MMS UAE:

<i>Name of entity</i>	<i>Principal activities</i>	<i>Legal and beneficial ownership interest</i>	
		<i>2025</i>	<i>2024</i>
MBC Media Solutions Limited (“MMS KSA”)	A subsidiary of MMS UAE which is incorporated in the Kingdom of Saudi Arabia. The main activity of MMS KSA is to provide advertising services. Its registered address is 3074 Prince Mohammed bin Abdulaziz Road, Olaya, Riyadh 8022-12213, Kingdom of Saudi Arabia	100%	100%
Al Miza Co. for Advertising (“MMS Egypt”)	A fully owned subsidiary of MMS UAE which is incorporated in Egypt. The main activity of MMS Egypt is to provide advertising services. Its registered address is 3rd floor, Building 5,7 Gezeriet El-Arab Street, Agouza, Giza, Egypt.	100%	100%
MBC Media Solutions for Advertising Services LLC (MMS EGY)	The principal activity of MMS EGY is to provide advertising services. Its registered address is Star Capital Building, 4th floor, 5&7 Gezeiret El-Arab street, EL-Mohandesein, Cairo, Egypt.	99%	99%

Following is the subsidiary of MBC Holding Cyprus:

<i>Name of entity</i>	<i>Principal activities</i>	<i>Legal and beneficial ownership interest</i>	
		<i>2025</i>	<i>2024</i>
Middle East Broadcasting Center - Lebanon – SAL (Lebanon)	The principal activity of the Company to produce and trade in all TV, radio and theatres programs video, advertising and documentary films and recordings and other related activities	100%	100%

MBC Group (A Listed Joint Stock Company) And Its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements

31 March 2025

1 CORPORATE INFORMATION (continued)

Following is the subsidiary of MBC Studios Projects Saudi Limited:

<i>Name of entity</i>	<i>Principal activities</i>	<i>Legal and beneficial ownership interest</i>	
		<i>2025</i>	<i>2024</i>
ZE Qar Art Productions Limited (KSA)	The principal activity of the Company is motion picture production, including traditional animation, audio visual studio operation, computer graphics and animation production, special effects and film processing development, video distribution to viewers and television networks, and television activities.	100%	100%

The interim condensed consolidated financial statements of the Group were authorised for issue by the Board of Directors of the Company on 8 May 2025 (corresponding to 10 Dhul-Qa'da 1446H).

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the three-months ended 31 March 2025 have been prepared in accordance International Accounting Standard (IAS) 34, "Interim Financial Reporting", that is endorsed in the Kingdom of Saudi Arabia ("KSA"), and other standards and pronouncements announced by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

The results for the interim periods are unaudited and include all adjustments necessary for a fair presentation of the results for the periods presented. This condensed consolidated interim financial report should be read in conjunction with the annual consolidated financial statements and related notes for the year ended 31 December 2024, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom, and other standards and pronouncements issued by SOCPA.

Except for the defined employees' benefits liabilities which are recognized at the present value of future liabilities using the projected unit credit method, derivative financial instruments, and investment in financial asset which are recognized at fair value through profit or loss, the interim condensed consolidated financial statements are prepared under the historical cost convention and have been presented in Saudi Riyal (SAR).

2.2 BASIS OF CONSOLIDATION

The interim condensed consolidated financial statements incorporate the financial statements of the Company and its subsidiaries as at 31 March 2025. Control is achieved when the Group 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 Group controls an investee if, and only if, the Group 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
- The ability to use its power over the investee to affect its returns

MBC Group (A Listed Joint Stock Company) And Its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements

31 March 2025

2.2 BASIS OF CONSOLIDATION (CONTINUED)

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

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

The Group 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 Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the interim condensed consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent 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 in 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 profit or loss. Any investment retained is recognised at fair value.

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

There are new standards and number of amendments to standards which are effective from 1 January 2024 which has been explained in Group annual consolidated financial statements, furthermore, there was no material impact on the group's interim condensed consolidated financial statements.

3 OPERATING SEGMENTS

A segment is a separate and distinct unit of the Group's engagement in business activities that result in recognition of revenues or expenses. Operating segments are disclosed on the basis of internal reports reviewed by the Chief Executive Officer, Chief Financial Officer and other key management personnel, who are the Chief Operating Decision Makers (CODM), and responsible for resource allocation, performance evaluation, and strategic decision making on operational segments. Operating segments with similar economic characteristics, products, services, and similar customer categories are aggregated and recorded where possible as units to be reported.

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3 OPERATING SEGMENTS (CONTINUED)

Segment basis

The Group generates its revenue primarily from: (i) advertising revenue, predominantly from advertisers placing advertisements on its free-to-air TV channels, radio channels, and on the Group's advertising-video-on-demand streaming platform ("AVOD"), (ii) revenue from subscriptions of the Group's Shahid VIP subscription-video-on-demand ("SVOD") service, and (iii) ancillary revenue from its other business operations. The Group also benefits from funding received through its majority shareholder for various projects and initiatives, including for production of its content.

The Group has the following strategic segments which provide different services, have different economic characteristics – such as sales growth trends, rates of returns, capital investment levels – and are managed separately.

Segment	Operations
<ul style="list-style-type: none">• Broadcasting and other commercial Activities	<p>TV, radio, and social media and ancillary activities</p> <p>Broadcasting and other commercial activities segment is the largest of the Group's business segments with revenues earned primarily from advertising on its FTA TV, radio channels and social media, collectively as broadcasting activities. Broadcasting also generates a variety of additional non-advertising revenues, such as from carriage agreements and interactive games for viewers.</p> <p>The Group is also engaged in varied range of media-related activities such as interactive games, events, music publishing, and talent management. The Group is in the process of further diversifying its revenue base by building up its events management business and developing its own video games. The Group aims to leverage its brand and its long-standing know-how in these additional businesses to expand its activities in these areas.</p>
<ul style="list-style-type: none">• Shahid	<p>Video streaming on the Shahid platform</p> <p>One of the Group's main operating segment is Shahid for which the Group is currently strongly investing in to drive future growth. The Group's Shahid OTT platform is available both as an SVOD service (also called Shahid VIP) as well as a "free" AVOD service and broadcasting services.</p>
<ul style="list-style-type: none">• Media & Entertainment Initiatives ("M&E Initiatives")	<p>Media and Entertainment</p> <p>Given the Group's capabilities and position in the media sector and the successes it has achieved historically, it has been chosen as a strategic partner of the KSA government for the implementation of media and entertainment projects and initiatives that will develop the media ecosystem in the KSA and the region in accordance with Saudi Vision 2030.</p> <p>The Group receives funding for these projects from the government [represented by its majority shareholder Istedamah Holding Company ("Istedamah"), a KSA government-owned company], in consideration for the Group's commitment to implement such projects in accordance with specified performance indicators and other obligations which it must fulfil. The Group contributes to the development of the local KSA media and entertainment industry by continuously investing in various entertainment and media initiatives in the KSA including high-quality Arabic content production, broadcasting of certain TV channels, gaming, developing talent and events management in the KSA. Furthermore, the Group is, through its move to the KSA, directly creating new employment opportunities for individuals in the entertainment industry in the KSA.</p>

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3 OPERATING SEGMENTS (continued)

Segment financial information

Financial results of each segment are presented below. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the interim condensed consolidated financial statements. Also, the Group's financing (including finance costs, finance income and other income) and income tax are managed on a Group basis and are not allocated to operating segments.

For the three-months period ended 31 March 2025 (unaudited)

	<i>Broadcasting and Other Commercial</i>	<i>Shahid</i>	<i>M&E Initiatives</i>	<i>Total</i>
	<i>Activities SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>
Revenue from contracts with customers	1,202,439	391,322	20,920	1,614,681
Other operating revenues	2,887	-	426,249	429,136
Total revenue	1,205,326	391,322	447,169	2,043,817
Direct costs*	(798,041)	(308,498)	(394,980)	(1,501,519)
General and administrative expenses*	(177,621)	(63,612)	(31,953)	(273,186)
Other income	2,648	270	65	2,983
Share of results in associates and joint venture (net)	22,493	-	(7,476)	15,017
Unrealised loss on investment in financial asset at fair value through profit or loss (FVTPL)	(2,414)	-	-	(2,414)
Finance income – net	14,324	-	529	14,853
Depreciation and amortisation	(8,871)	(6,217)	(191)	(15,279)
Segment results before income tax	257,844	13,265	13,163	284,272

For the three-months period ended 31 March 2024 (unaudited)

	<i>Broadcasting and Other Commercial</i>	<i>Shahid</i>	<i>M&E Initiatives</i>	<i>Total</i>
	<i>Activities SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>
Revenue from contracts with customers	771,997	298,185	17,059	1,087,241
Other operating revenues	2,887	-	145,625	148,512
Total revenue	774,884	298,185	162,684	1,235,753
Direct costs*	(522,903)	(243,662)	(117,585)	(884,150)
General and administrative expenses*	(175,960)	(58,016)	(40,197)	(274,173)
Other income	20,634	104	33	20,771
Share of results in associates and joint venture (net)	18,944	-	(3,900)	15,044
Unrealised gain on investment in financial asset at fair value through profit or loss (FVTPL)	14,210	-	-	14,210
Finance income – net	6,618	-	1,513	8,131
Depreciation and amortisation	(9,697)	(3,086)	(333)	(13,116)
Segment results before income tax	126,730	(6,475)	2,215	122,470

*This amount excludes depreciation of property and equipment and amortization of intangible assets which are presented as separate line items.

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3 OPERATING SEGMENTS (continued)

Segment assets

The table below summarizes the key assets per segment:

As of 31 March 2025 (unaudited)

	<i>Broadcasting and Other Commercial Activities SAR'000</i>	<i>Shahid SAR'000</i>	<i>M&E Initiatives SAR'000</i>	<i>Total SAR'000</i>
Inventories	505,227	782,788	1,024,777	2,312,792
Property and equipment	256,401	84,055	7,571	348,027
Investments in associates and joint Venture	1,097,051	-	-	1,097,051
Investment in financial asset at fair value through profit or loss (FVTPL)	10,176	-	-	10,176

As of 31 December 2024 (audited)

	<i>Broadcasting and Other Commercial Activities SAR'000</i>	<i>Shahid SAR'000</i>	<i>M&E Initiatives SAR'000</i>	<i>Total SAR'000</i>
Inventories	709,145	743,389	1,263,708	2,716,242
Property and equipment	199,785	65,495	5,900	271,180
Investments in associates and joint venture	1,083,853	-	-	1,083,853
Investment in financial asset at fair value through profit or loss (FVTPL)	12,591	-	-	12,591

Geographic information

The table below summarizes geographic information of the Group's revenue from contracts with customers based on where the service is provided.

	<i>Three-months period ended 31 March</i>	
	<i>2025 (Unaudited) SAR'000</i>	<i>2024 (Unaudited) SAR'000</i>
Revenue from contracts with customers:		
GCC*	1,310,833	923,236
Egypt	200,836	75,679
Others**	103,012	88,326
Total	1,614,681	1,087,241

* GCC includes revenue earned mainly in UAE and Kingdom of Saudi Arabia where various revenue types are provided.

** Others include North Africa and Iraq where the Group broadcasts two of its TV channels, as well as other countries outside of GCC and Egypt where subscribers to its OTT platform, Shahid, are based.

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4 REVENUE FROM CONTRACTS WITH CUSTOMERS

	<i>Three-months period ended 31 March</i>	
	<i>2025</i>	<i>2024</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>SAR'000</i>	<i>SAR'000</i>
Advertising revenue	716,022	497,958
Digital revenue	241,396	216,130
Broadcast and technical services revenue*	513,927	280,985
Distribution revenue	60,966	29,401
Programme revenue	33,945	9,968
Interactivity revenue	16,583	14,969
Other revenues	31,842	37,830
	1,614,681	1,087,241

* Broadcast and technical services revenue includes reclassified amounts previously grouped under other revenues in the interim condensed consolidated financial statements for the 3 months ended 31 March 2024.

5 OTHER OPERATING REVENUES

The Group receives from the Government of the KSA, government funding to implement a number of expansion initiatives which contribute to the overall KSA vision to build up the media sector in the KSA. The funding covers the costs of implementation of these initiatives in various entertainment and media initiatives in the KSA including broadcasting of certain TV channels dedicated to viewers outside of KSA, content production, gaming, developing talent and events management in the KSA, as well as by creating new employment opportunities for individuals in the entertainment industry in the KSA. Receipt by the Group of the relevant amounts is linked to pre-agreed KPIs that must be satisfied, or milestones that must be reached. The Group has in the past been able to achieve such KPIs and requirements. Amounts received towards these initiatives are recognised in the interim condensed consolidated statement of comprehensive income on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the funds are intended to compensate.

During the period, the Group has assessed (in accordance with the accounting judgment for the other operating revenues) the following as government grants and accordingly they have been recognised as other operating revenues related to the following initiatives:

	<i>Three-months period ended</i>	
	<i>31 March</i>	
	<i>2025</i>	<i>2024</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>SAR'000</i>	<i>SAR'000</i>
TV channels initiatives and MBC Academy initiatives (a)	136,338	118,171
Production related initiatives (a)	282,435	23,555
Gaming initiative (b)	7,476	3,899
Relocation cost (c)	2,887	2,887
	429,136	148,512

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5 OTHER OPERATING REVENUES (continued)

As disclosed above, the Group receives funding, from Government of KSA, subject to satisfactory performance against certain criteria. The funding is based on annual pre-approved expenditure which also sets a maximum entitlement limit. Depending upon the nature of the funding the related costs have been accounted for as follows:

- (a) On TV channels initiatives and MBC Academy initiatives, production related initiatives and relating to other government related projects, the vast majority of the related costs are included within 'Direct costs' (Note 6).
- (b) On gaming initiative, the related costs are adjusted against the 'Share of results in associates and joint venture'.
- (c) On relocation cost, the related costs are included within 'General and administrative expenses'.

To the extent government fundings have been recognized within income, there are no unfulfilled conditions or contingencies attached to the above fundings.

Below is the reconciliation of other operating revenues with the deferred revenues and due from related parties (Note 9):

For the period ended 31 March 2025	<i>TV channels initiatives and MBC Academy initiatives</i>	<i>Production related initiatives</i>	<i>Gaming initiative</i>	<i>Capital Expenditure</i>	<i>Relocation cost</i>	<i>Total</i>
	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>
1 January 2025 (audited)						
Due from Istedamah (Note 9)	128,009	-	-	-	66,459	194,468
Deferred revenue	(2,112)	(1,450,322)	(262,697)	(292,643)	-	(2,007,774)
Add: Income recognised during the period	136,338	282,435	7,476	-	2,887	429,136
Add: Income netted off against related expense	-	-	-	-	32,570	32,570
As at 31 March 2025 (unaudited):						
Due from Istedamah (Note 9)	<u>262,235</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,916</u>	<u>364,151</u>
Deferred revenue	<u>-</u>	<u>(1,167,887) *</u>	<u>(255,221)</u>	<u>(292,643)</u>	<u>-</u>	<u>(1,715,751)</u>

* The deferred amount mainly relates to inventories which remain as work-in-progress (WIP) as of 31 March 2025.

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5 OTHER OPERATING REVENUES (continued)

For the period ended 31 March 2024	<i>TV channels initiatives and MBC Academy initiatives</i>	<i>Production related initiatives</i>	<i>Gaming initiative</i>	<i>Capital Expenditure</i>	<i>Relocation cost</i>	<i>Total</i>
	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>
1 January 2024 (audited)						
Due from Istedamah	24,921	-	-	-	7,554	32,475
Deferred revenue	(19,151)	(1,427,220)	(223,495)	(180,750)	(58,085)	(1,908,701)
Add: Income recognised during the period	118,171	23,555	3,899	-	2,887	148,512
Add: Income netted off against related expense	-	-	-	-	20,194	20,194
As at 31 March 2024 (unaudited):						
Due from Istedamah	134,248	-	-	-	7,554	141,802
Deferred revenue	(10,307)	(1,403,665) *	(219,596)	(180,750)	(35,004)	(1,849,322)

* The deferred amount mainly relates to inventories which remain as work-in-progress (WIP) as of 31 March 2024.

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6 DIRECT COSTS

	<i>Three-months period ended 31 March</i>	
	<i>2025</i>	<i>2024</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>SAR'000</i>	<i>SAR'000</i>
Cost of programmes	760,393	385,732
Cost of broadcasting and technical services*	487,234	269,993
Digital costs	108,609	96,504
Marketing costs	51,227	42,484
Cost of advertising sales	26,987	19,745
Programme overheads	13,127	15,740
Technical costs	11,022	13,199
Transmission expenses	5,942	5,060
Programme stocks write-off	4,577	1,254
Interactivity costs	4,113	3,177
Distribution costs	1,952	1,955
Other expenses	31,973	34,270
	<u>1,507,156</u>	<u>889,113</u>

* Cost of broadcasting and technical services includes reclassified amounts previously grouped under other expenses, marketing costs, transmission expenses and cost of programs in the interim condensed consolidated financial statements for the 3 months ended 31 March 2024

7 INVESTMENTS IN ASSOCIATES AND JOINT VENTURE

The Group has the following investments in associates and joint venture on the interim condensed consolidated statement of financial position:

	<i>31 March 2025</i>	<i>31 December 2024</i>
	<i>(unaudited)</i>	<i>(audited)</i>
	<i>SAR'000</i>	<i>SAR'000</i>
Investment in equity accounted joint venture (7.1)	297,727	305,203
Investment in associates (7.2)	799,324	778,650
	<u>1,097,051</u>	<u>1,083,853</u>

7.1) Investments in a joint venture:

The Group has the following investment in equity accounted joint venture:

	<i>31 March 2025</i>	<i>31 December 2024</i>
	<i>(unaudited)</i>	<i>(audited)</i>
	<i>SAR'000</i>	<i>SAR'000</i>
MBC Game Studio	297,727	305,203
	<u>297,727</u>	<u>305,203</u>

The movement in the investment in joint venture during the period is as follows:

	<i>31 March 2025</i>	<i>31 December 2024</i>
	<i>(unaudited)</i>	<i>(audited)</i>
	<i>SAR'000</i>	<i>SAR'000</i>
Balance as at 1 January	305,203	209,362
Additional investment	-	115,332
Share of results (Note 5)	(7,476)	(19,491)
Balance as at end of the period / year	<u>297,727</u>	<u>305,203</u>

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7 INVESTMENTS IN ASSOCIATES AND JOINT VENTURE (continued)

7.2) Investments in associates:

The Group's investment in associates as of period end reporting date is as follows:

	<i>31 March 2025</i> <i>(unaudited)</i> <i>SAR'000</i>	<i>31 December 2024</i> <i>(audited)</i> <i>SAR'000</i>
Arabian Contracting Services Company ("ACSC")	768,347	748,352
Others	30,977	30,298
	<u>799,324</u>	<u>778,650</u>

	<i>Period ended 31 March 2025 (unaudited)</i>		
	<i>ACSC</i> <i>SAR'000</i>	<i>Others</i> <i>SAR'000</i>	<i>Total</i> <i>SAR'000</i>
As at 1 January (audited)	748,352	30,298	778,650
Share of results	19,995*	679	20,674
As at 31 March (unaudited)	<u>768,347</u>	<u>30,977</u>	<u>799,324</u>

*This balance includes share of results in investments in associate relating to OCI amounting to SAR 1,819 thousand.

	<i>Year ended 31 December 2024 (audited)</i>		
	<i>ACSC</i> <i>SAR'000</i>	<i>Others</i> <i>SAR'000</i>	<i>Total</i> <i>SAR'000</i>
As at 1 January (audited)	961,203	30,639	991,842
Share of results	32,336	(341)*	31,995
Disposals	(245,187)	-	(245,187)
As at 31 December (audited)	<u>748,352</u>	<u>30,298</u>	<u>778,650</u>

*This balance includes share of results in investments in associate relating to OCI amounting to SAR 53 thousand.

8 TRADE RECEIVABLES, PREPAYMENTS AND OTHER ASSETS

	<i>31 March 2025</i> <i>(unaudited)</i> <i>SAR'000</i>	<i>31 December 2024</i> <i>(audited)</i> <i>SAR'000</i>
Trade receivables	1,807,821	1,027,710
Contract assets	346,056	363,102
Less: allowance for expected credit loss (Note 8.1)	(277,774)	(242,924)
	<u>1,876,103</u>	<u>1,147,888</u>
Advance for programme rights	332,652	404,029
Deposits	17,398	17,633
Advance to suppliers	73,122	47,066
Prepaid expenses	48,838	45,102
Staff receivables	2,412	3,220
Other receivables*	362,177	345,641
	<u>2,712,702</u>	<u>2,010,579</u>

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8 TRADE RECEIVABLES, PREPAYMENTS AND OTHER ASSETS (Continued)

* Included in Other receivables is balance receivable from the Ultimate Controlling Party of SAR 71,625 thousand (31 December 2024: SAR 71,625 thousand) representing remaining balance of compensation for loss of business granted in 2018. The compensation to be received, which has been estimated at SAR 187,500 thousand was recognised in 2018 within the Group's consolidated statement of comprehensive income. During the period ended 31 March 2025 and during the year ended 31 December 2024, no amount of compensation has been received by the Group. The compensation has been recognised up to the amount that management is reasonably certain will be received. The Group expects to receive the remaining amount within 12 months from the interim condensed consolidated statement of financial position date.

8.1 Movements in allowance for expected credit loss are as follows:

	<i>31 March 2025</i> <i>(unaudited)</i> <i>SAR'000</i>	<i>31 December 2024</i> <i>(audited)</i> <i>SAR'000</i>
Balance as at 1 January	242,924	211,892
Allowance during the period / year, net	34,694	31,501
Transfer	156	1,308
Write-off	-	(1,556)
Foreign exchange differences	-	(221)
Balance as at end of the period / year	<u>277,774</u>	<u>242,924</u>

9 RELATED PARTY TRANSACTIONS, BALANCES AND LOAN

a) Balances with related parties included in the consolidated statement of financial position are as follows:

Due from related parties:

	<i>31 March 2025</i> <i>(unaudited)</i> <i>SAR'000</i>	<i>31 December 2024</i> <i>(audited)</i> <i>SAR'000</i>
<i>Shareholder</i>		
Intermediate Parent Company	364,151	194,468
<i>Companies under common control</i>		
MBC Group Holdings Ltd	187,897	182,875
ARA International Productions Company LLC	124,388	127,974
Middle East News FZ LLC	178,045	150,118
Middle East News UK LTD	286	352
Al Sadaf for Sonic Visual Production	8,534	-
Al Arabiya Media Network Company	5,271	4,678
<i>Joint ventures and associates</i>		
O3 Turkey Medya Produksiyon, Turkey	11,461	19,328
O Three Media Production Co.	10,749	-
MBC Game Studio Limited KSA	3,897	-
<i>Others</i>		
O2 Production	16	16
Saudi Media Advertising Company	10,944	22
MBC International FZ LLC	48,369	48,369
Medyapim Middle East For Media Visual & Audio Production	116	-
	<u>954,124</u>	<u>728,200</u>

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9 RELATED PARTY TRANSACTIONS, BALANCES AND LOAN (continued)

b) Balances with related parties included in the consolidated statement of financial position are as follows:

Due to related parties:

	31 March 2025 (unaudited) SAR'000	31 December 2024 (audited) SAR'000
<i>Shareholder</i>		
Waleed Bin Ibrahim Al Brahim	13,759	13,759
<i>Companies under common control</i>		
Al Arabiya News Channel FZ LLC	17,310	15,620
Al Sadaf for Sonic Visual Production	-	1,307
Others	48	42
<i>Joint venture and associates</i>		
MBC Game Studio Limited KSA	-	34,086
Media Rating Company	-	4,117
Arabian Contracting Services Company (ACSC)	10,390	19,603
Antenna TV Single Member SA	21,348	21,348
O Three Media Production Co.	-	1,411
	<u>62,855</u>	<u>111,293</u>
Loan from a related party – MBC Group Holdings Ltd	<u>63,792</u>	<u>63,792</u>

c) Significant material transactions with related parties included in the consolidated statement of comprehensive income as follows:

	<i>Three-months period ended 31 March</i>	
	2025 (Unaudited) SAR'000	2024 (Unaudited) SAR'000
<i>Ultimate Controlling Party</i>		
Other income	-	10,349
<i>Intermediate Parent Company</i>		
Other operating revenues (Note 5)	429,136	148,512
<i>Entities under common control</i>		
Expenses recharged with related parties, net	25,025	28,181
Rental income	2,441	2,366
Cost of news programmes	469	819
Direct costs	26,262	26,113
Revenue from contracts with customers	18,395	13,268
Purchases	41,274	27,858
<i>Others</i>		
Revenue from contracts with customers	91	7,025

d) Compensation to directors and key management personnel

Compensation policies for and composition of key management personnel remain consistent with 2024.

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10 SHARE CAPITAL

	<i>31 March 2025</i> <i>(unaudited)</i> <i>SAR'000</i>	<i>31 December 2024</i> <i>(audited)</i> <i>SAR'000</i>
<i>Authorized ordinary shares issued and fully paid</i> (332,500 thousand ordinary shares of SAR 10 each)	3,325,000	3,325,000

The Intermediate Parent Company of the Company is Al Istedamah Holding Company, an entity incorporated in the Kingdom of Saudi Arabia. The Ultimate Controlling Party is the Ministry of Finance, Government of the Kingdom of Saudi Arabia.

The net proceeds of the IPO after deducting the transaction costs, amounted to SAR 763,750 thousand. Capital increase at par value amounted to SAR 332,500 thousand, and the proceeds in excess of par value amounting to SAR 431,250 are presented within equity as share premium.

11 EMPLOYEES' END OF SERVICE BENEFITS

The movements of the employees' end of service benefits liability recognised in the interim condensed consolidated statement of financial position are as follows:

	<i>31 March 2025</i> <i>(unaudited)</i> <i>SAR'000</i>	<i>31 December 2024</i> <i>(audited)</i> <i>SAR'000</i>
Balance as at 1 January	144,922	158,510
Current service cost	6,390	27,980
Interest cost	1,736	7,864
Remeasurement actuarial gain	-	(2,454)
Accrual of benefit plan asset interest	1,259	7,057
Transferred to related parties	(588)	(807)
Payments during the period / year	(11,687)	(52,134)
Translation differences	-	(1,094)
Balance as at 31 March / 31 December	142,032	144,922

The movement of the plan assets is as follows:

	<i>31 March 2025</i> <i>(unaudited)</i> <i>SAR'000</i>	<i>31 December 2024</i> <i>(audited)</i> <i>SAR'000</i>
Balance as at 1 January	115,000	107,943
Interest earned during the period	1,259	7,057
As at 31 March / 31 December	116,259	115,000

12 TRADE AND OTHER PAYABLES

	<i>31 March 2025</i> <i>(unaudited)</i> <i>SAR'000</i>	<i>31 December 2024</i> <i>(audited)</i> <i>SAR'000</i>
Trade payables	950,683	568,123
Accrued expenses	744,130	704,824
Contract liabilities	480,621	565,846
Provision for income tax and zakat	103,522	87,472
Other payables	129,660	65,166
	2,408,616	1,991,431

MBC Group (A Listed Joint Stock Company) And Its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements

31 March 2025

13 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Judgements, estimates and assumptions

The critical judgements and estimates used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2024.

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

Except for the Investment at FVPL and derivative financial instruments, the financial assets and liabilities are recorded at their carrying amounts which are within reasonable approximation of their fair values. The derivatives financial instruments are categorised within Levels 2 and 3 of the fair value hierarchy

15 EARNING PER SHARE

Basic EPS is calculated by dividing the profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	<i>Three-months period ended 31 March</i>	
	<i>2025</i>	<i>2024</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>SAR'000</i>	<i>SAR'000</i>
Profit for the period attributable to ordinary equity holders of the parent*	231,804	109,502
<u>Weighted average number of shares:</u>		
Weighted average number of ordinary shares outstanding for the period, for basic and diluted EPS**	332,500	332,500

* The profit for the period attributable to ordinary equity holders of the parent is same for basic and diluted EPS.

** There is no impact of dilution as the shares were transferred to ordinary share capital on 1 January 2024.

	<i>Three-months period ended 31 March</i>	
	<i>2025</i>	<i>2024</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>SAR</i>	<i>SAR</i>
Basic and diluted, attributable to ordinary equity holders of the parent (SAR)	0.70	0.33

16 COMPARATIVE FIGURES

Certain reclassifications have been made to the prior period's consolidated financial statements to conform to the current period's presentation. These reclassifications had no effect on previously reported consolidated total comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position.

17 SUBSEQUENT EVENTS

There are no significant subsequent events after the period ended 31 March 2025 that could have a material impact on the Group's interim condensed consolidated financial position or the results of its operations, except for signing a Land Transfer Agreement between the Group and Diriyah Company in relation to the transfer and development of certain plots within the Diriyah Project in the City of Diriyah.