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ANNUAL REPORT 2024

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ANNUAL REPORT 2024

EMPOWERING STORIES,  
ENABLING GROWTH

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**KING SALMAN BIN  
ABDULAZIZ AL SAUD**

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Custodian of the Two Holy Mosques  
King of the Kingdom of Saudi Arabia



**HIS ROYAL HIGHNESS  
PRINCE MOHAMMAD BIN SALMAN  
BIN ABDULAZIZ AL SAUD**

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Crown Prince and Prime Minister



# CHAIRMAN'S STATEMENT

## HERALDING A NEW ERA OF GROWTH AND VALUE CREATION



WALEED IBRAHIM AL IBRAHIM

Founder and Chairman  
of MBC GROUP

2024 has been a momentous year for MBC GROUP. We made history as the first broadcasting company in the Middle East to go public, marking a major milestone in our growth journey. Our listing on the Saudi Exchange Main Market in January marked the beginning of a new phase of MBC GROUP's trajectory as a media and entertainment leader in Saudi Arabia, and the Middle East and North Africa (MENA) region.

The initial public offering (IPO) was met with overwhelming investor demand from local, regional, and international institutions. Retail investor participation was equally robust, underscoring broad market confidence.

The Group's outstanding performance in the first financial year after listing resulted in a remarkable increase in revenues and profitability, validating the market's confidence in our brand and its ability to create and sustain value for our stakeholders.

### Delivering on Vision 2030

The year also marked MBC GROUP's steadfast progress in delivering on Saudi Vision 2030's media and entertainment goals. These goals include expanding the sector through diversification such as the growth of digital media and technology, fostering international partnerships, developing local talent, and promoting national cultural heritage. These advancements have positioned Saudi Arabia as the region's premier media and entertainment hub, driving significant socioeconomic impact.

This year, we expanded our television productions in the Kingdom, launched a world-class studio in Al Narjis, Riyadh, and advanced talent development through MBC Academy and MBC Talent. These initiatives underscore our commitment to Saudi

Vision 2030, aligning with the Kingdom's leadership to establish Saudi Arabia as the region's premier content hub. Through compelling storytelling, job creation, and professional development, we are shaping the future of the media and entertainment sector.

*"These advancements have positioned Saudi Arabia as the region's premier media and entertainment hub."*

### Content at Our Core

Superior content remains the cornerstone of our growth and evolution. With over 150 million weekly viewers across our diverse channels, we are expanding into new and existing verticals through strategic investments in content production and digitisation. In a rapidly evolving digital landscape, we continuously innovate and adopt emerging technologies to enhance the viewer experience, while ensuring that our content resonates with audiences from various backgrounds and cultures.

Our focus on high-quality, multi-platform shows positions us for sustained growth. A key milestone in this journey is the launch of MBC's state-of-the-art studios in Riyadh—strengthening our ability to produce large-scale, globally competitive media content while enriching the local media production ecosystem.

### Changing Media Landscape

Globally, the media landscape is evolving rapidly, powered by AI advancements, shifting consumer behaviours and the rise of streaming-first models. In recent years, we have witnessed a surge in personalised content, interactive experiences, and AVOD growth as platforms adapt to audience demands.

Content localisation and strategic partnerships are key to global expansion, ensuring that premium storytelling resonates across diverse markets. MBC GROUP is at the forefront of this transformation, leveraging innovation to expand our digital footprint and deepen our audience engagement.

The growing demand for high-quality Arabic-language content is a major driver of MENA's evolving media industry, and MBC Studios is at the forefront of this shift, increasing the production of Arabic originals, scripted dramas, and international co-productions.

Meanwhile, the Middle East—particularly Saudi Arabia—is strengthening intellectual property protections by combating piracy and supporting content monetisation. Enhanced regulatory frameworks are transforming the industry, allowing us to expand original content offerings and forge strategic partnerships, reinforcing our leadership in the region's dynamic media landscape.

### Outlook for the Future

As 2025 begins, MBC GROUP enters the year with confidence, ready to leverage the strategic investments made across its various business units. Despite a dynamic geopolitical environment, the Group remains focused on unlocking new opportunities for expansion and accelerating its growth trajectory.

The company's performance in 2024 demonstrated its agility in adapting to shifting market conditions, further reinforcing the adaptability that has defined its strategy for over three decades. This resilience allows MBC GROUP to navigate challenges while maintaining steady growth.

As the leading media and entertainment conglomerate in the MENA region, MBC GROUP remains committed to delivering high-quality content, driving digital innovation, and expanding its global audience.

Its continued focus on Saudi Arabia, aligned with Vision 2030, underscores the Group's pivotal role in shaping the country's media landscape. With a young, digitally native population, increasing regional affluence, and strong government backing, the MENA media market offers significant growth

potential. Positioned at the forefront, MBC GROUP is well-equipped to seize this momentum, further strengthening its trusted brand across emerging platforms and new regions. The growing demand for high-quality Arabic-language content is a major driver of MENA's evolving media industry.

### Conclusion

I would like to take this opportunity to acknowledge the support and guidance we have received from our Board of Directors and express my gratitude for their unwavering commitment to meeting the highest standards of corporate governance.

It is important to acknowledge that everything we have achieved in 2024, as well as over the years, has been made possible by the expertise and dedication of MBC Group's seasoned management team and hardworking workforce, who have consistently delivered excellence across the organisation. Without their creativity and dedication, we would not have succeeded in creating the MBC brand that resonates with millions around the world.

Finally, I extend my sincere thanks to our shareholders for their trust as MBC GROUP continues to grow and lead as the MENA region's media and entertainment leader.

**Waleed bin Ibrahim AlIbrahim**

Founder and Chairman of MBC GROUP



# WELCOME TO MBC GROUP

## The leading media and entertainment conglomerate in the Middle East and North Africa

Enriching lives through information, interaction, and entertainment.

**30+**

Founded over 30 years ago, MBC has a rich history of innovation and expansion, starting with the launch of the first pan-Arab private TV channel, in 1991.

**150+ MN**

A household name, boasting an extensive presence that draws in 150 million viewers every week.

DISCOVER MORE AT:  
[mbc.net](http://mbc.net)



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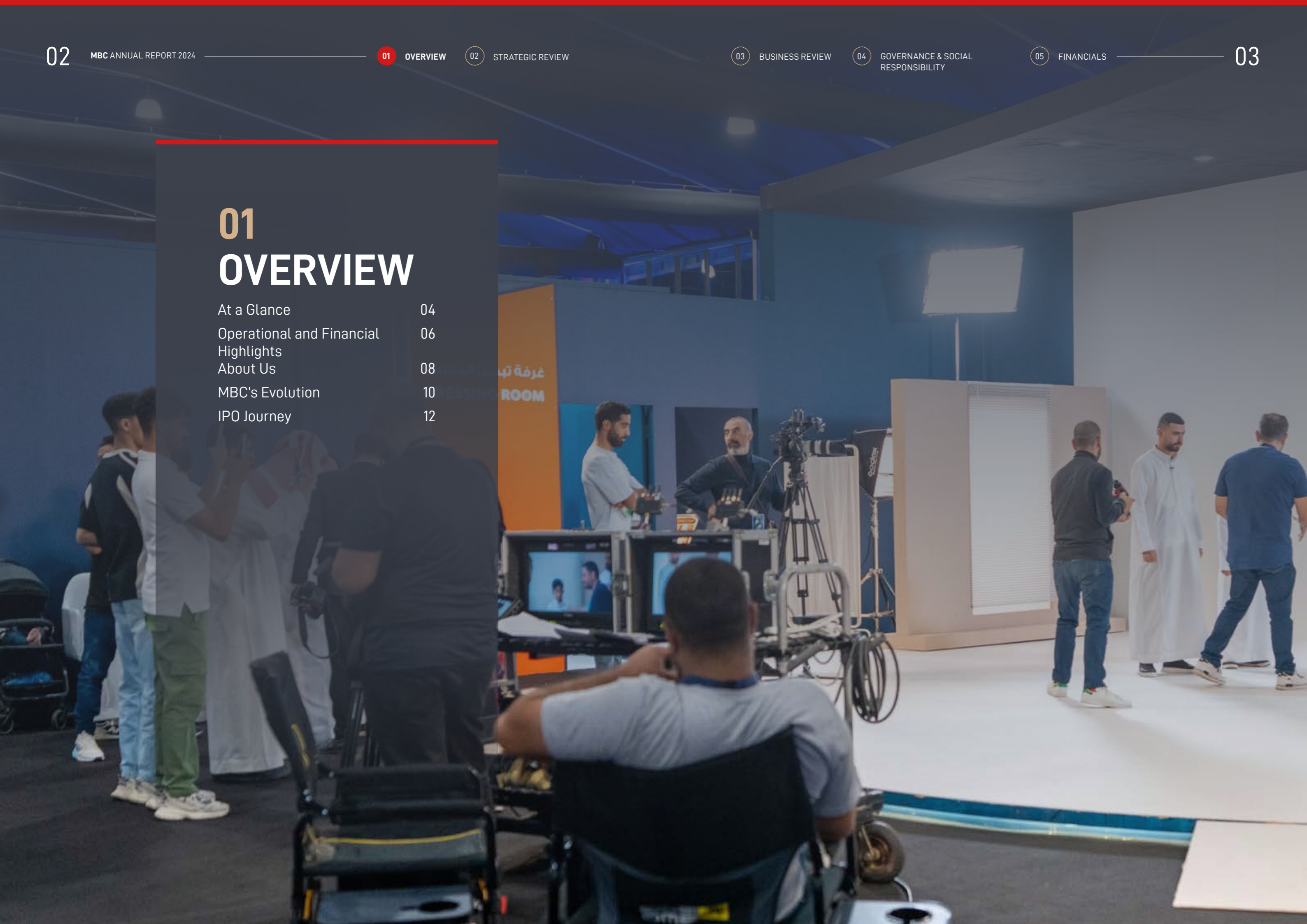
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# AT A GLANCE

**2,000+**

employees

**9,000+**

titles in content library  
including acquired  
content

**700+ MN**

followers  
on social media  
in 2024

**13**

13 free-to-air  
TV channels

**150+ MN**

viewers per week

**4**

production offices  
in 4 cities

**1,000+ hrs**

produced by  
MBC STUDIOS

**86**

MBC programmes  
ranked in top  
100 shows  
in KSA

# OPERATIONAL AND FINANCIAL HIGHLIGHTS

## Operational

### #1

#1 TV broadcaster in key MENA markets including KSA

### c.90

potential household reach in the MENA region

### 750+

advertisers across MENA in 2024

### #1 SVOD

by number of subscribers as of September 2024

### 85%

is Arabic content, produced by MBC STUDIOS or acquired

## Financial

### SAR 4.2 BN

(+13.1% YoY)

total group revenue

### +20.1%

SVOD revenue growth YoY

### 65.4%

AVOD revenue growth YoY

### SAR 1.2 BN

(+30.7% YoY)

total group gross profit

### SAR 426.1 MN

(+515.2% YoY)

group net profit

### 25.6%

SVOD subscriber base growth YoY

# ABOUT US

## ENRICHING LIVES THROUGH INFORMATION, INTERACTION AND ENTERTAINMENT

MBC GROUP is the leading media and entertainment conglomerate in the Middle East and North Africa (MENA) region. With a global audience and significant potential for expansion, the Group is entering an exciting new phase of growth.

With a rich history of innovation and expansion, MBC began its journey in 1991 with the launch of the first pan-Arab private TV channel. In 2002, the company relocated its headquarters to Dubai Media City, United Arab Emirates. Two decades later, MBC strengthened its presence in Saudi Arabia with the establishment of its new headquarters in Riyadh.

MBC serves diverse and engaged audiences worldwide. As the home of iconic brands, departments and entities, MBC offers TV and radio broadcasting, a streaming platform, production studios, talent development, and more.

### TV, Radio, Streaming, Production and Education

MBC operates 13 free-to-air TV channels and three radio stations, including its flagship MBC1, alongside MBC2, MBC3, MBC4, MBC DRAMA, MBC MASR and MBC FM.

SHAHID is the Group's premier Arabic streaming platform. SHAHID is home to highly rated original productions from the Arab world, including a wide range of exclusive series, movies and other premieres. Additionally, the platform offers live TV channels, sports, children's content, and international programming.

MBC also includes MBC STUDIOS, a global production powerhouse that thrives on the Middle East's unrivalled, untapped storytelling potential.

MBC acknowledges its role in mentoring, educating, and developing future talent. With this vision in mind, MBC established MBC ACADEMY, an educational and training platform designed to discover, upskill, and nurture Saudi talent in the media and production industry. Since its launch in 2020, MBC ACADEMY has trained over 80,000 people in these sought-after fields.



## VISION

With its heart in the Arab world, MBC GROUP is forging a global media group that enriches people's lives through information, interaction and entertainment.



## MISSION

MBC GROUP commits to being the leading multi-platform provider of innovative information and entertainment, produced by professionals performing in a culture of excellence.

# MBC'S EVOLUTION

## THREE DECADES OF CONTINUOUS INNOVATION IN MEDIA AND ENTERTAINMENT

With a history of over 30 years, MBC has built a strong and trusted relationship with its pan-Arab audience, transitioning together as the sector evolved. One of the most highly regarded brands in the region and the go-to service for superb content.

30+

Founded over 30 years ago, MBC GROUP is the leading media and entertainment conglomerate in the Middle East and North Africa region.

150+

A household name, boasting over 150 million weekly viewers.



**Definitions**

**OTT (Over-the-top)** – A content delivery method that bypasses traditional distribution channels such as cable or satellite.  
**AVOD (Advertising-based Video on Demand)** – A streaming model where viewers can access content for free in exchange for watching advertisements.  
**SVOD (Subscription-based Video on Demand)** – A streaming model where viewers pay a recurring fee to access a library of content on-demand.

MBC has built a strong and trusted relationship with its pan-Arab audience, adapting as the industry has evolved.

# IPO JOURNEY

## EFFICIENT STRUCTURING AND EXECUTION, POSITIVE MARKET RESPONSE

On 21 November 2023, Saudi Arabia's Capital Market Authority (CMA) approved MBC's plan to list 33,250,000 ordinary shares, representing 10 percent of its share capital, on the Saudi Exchange – Main Market. The initial public offering (IPO) was launched on the 8th of January 2024, marking a significant development in the region's capital markets.

This section revisits MBC's IPO journey, covering five key aspects: market context, strategic rationale, structuring, execution, and outcome. As the first-ever IPO of a broadcasting company in Saudi Arabia and the wider Middle East, the listing followed MBC's strategic relocation from the UAE to Saudi Arabia in early 2023.

### Market Context

MBC's IPO took place amid strong investor interest in Saudi Arabia's capital markets, supported by economic reforms under Vision 2030. The Saudi Exchange had seen increasing activity across multiple sectors, reflecting broader market confidence. In the media industry, digital transformation was reshaping consumer behaviour, with over-the-top (OTT) streaming services experiencing rapid growth. MBC, as a leading broadcaster in the Middle East, was well positioned to capitalise on this trend through its digital platform, SHAHID. The IPO provided investors with an opportunity to gain exposure to a company operating at the intersection of traditional broadcasting and digital streaming.



### Strategic Rationale

The IPO formed a key part of MBC's long-term strategy to strengthen its capital base and accelerate growth initiatives. The decision to go public was driven by several strategic priorities, including expanding investment in high-quality content, particularly for SHAHID, while supporting broader digital transformation efforts. It also aligned with Saudi Arabia's Vision 2030 objectives, which encourage private sector participation and capital market expansion. Additionally, listing on the Saudi Exchange enhanced MBC's corporate governance and transparency, opening the company to a broader base of institutional and retail investors.

### Structuring

Extensive preparations were undertaken to define the IPO's objectives, pricing strategy, and investor base. The offering was structured to attract both institutional and retail investors, with an international component compliant with Regulation S under the US Securities Act of 1933.

MBC appointed HSBC Saudi Arabia, JP Morgan Saudi Arabia, and SNB Capital as joint financial advisors, bookrunners, and underwriters, while GIB Capital served as the financial advisor to substantial shareholders. Arab National Bank, Banque Saudi Fransi, Riyad Bank, and Saudi National Bank acted as receiving agents for retail investors.

The offering was divided into two tranches. The institutional tranche, initially allocated all 33,250,000 shares, was subject to reduction if retail demand required reallocation. The retail tranche consisted of 3,325,000 shares, made available to Saudi and GCC nationals and eligible non-Saudi residents. MBC outlined that proceeds from the offering would be used to support working capital, fund content investment, particularly for SHAHID, repay outstanding debt, and finance new initiatives.

**Execution**

MBC engaged extensively with institutional investors throughout the IPO process. A structured investor engagement strategy was implemented, including early-look sessions, pre-deal investor education (PDIE) meetings, and roadshows to clarify MBC's business model and growth potential.

To enhance investor communication, MBC produced a video presentation featuring its CEO and CFO, complementing traditional investor materials. Additionally, financial advisors released research reports that provided key financial analysis.

A waiver granted by the CMA allowed MBC to list with a 10 percent public float at the time of the IPO. As part of its commitment to expanding public ownership, MBC's substantial shareholders pledged to increase this to 15 percent within three years and 30 percent within ten years.

**Outcome**

MBC's IPO generated significant demand from both institutional and retail investors. The institutional tranche saw strong interest, with the book-building process generating SAR 54.5 billion in total orders, resulting in a subscription rate of 66 times the number of shares offered. Retail participation was also robust,

with total retail orders reaching SAR 1.47 billion, reflecting an oversubscription rate of 17.6 times.

The IPO raised SAR 831 million at an offer price of SAR 25 per share. Institutional investors accounted for 82.5 percent of demand from local investors, 5.7 percent from regional investors, and 11.8 percent from international investors. Following the listing on the 8th of January 2024, MBC's share price demonstrated strong market performance. On the first day of trading, the share price increased by 30 percent. A week later, it had risen by 99.2 percent, and by the end of the first month, it was up by 156.4 percent.

**Post-IPO Strategy**

With the IPO complete, MBC remains focused on executing its growth strategy. The company plans to expand SHAHID's premium content offering to drive subscriber growth while continuing to invest in high-quality productions for its free-to-air network. In addition, MBC is exploring strategic partnerships to enhance its regional and global reach, while further developing its digital and data-driven advertising capabilities.

The IPO has positioned MBC for long-term growth, enabling the company to leverage its market leadership in media and entertainment while delivering value to shareholders.

*On the first day of trading, the share price increased by 30 percent. A week later, it had risen by nearly 100 percent, and by the end of the first month, it was up by more than 150 percent.*



**+30%**

Share price surge on day 1 of trading

**+99%**

Share price increase after 1 week of trading

**+156%**

Share price increase after 1 month of trading

**54.5 BN**

Total orders (SAR)

**1.47 BN**

Total retail orders (SAR)

**SAR 831 MN**

Raised by IPO at SAR 25 per share

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# CEO'S STATEMENT

## STRENGTHENING MARKET LEADERSHIP THROUGH STRATEGIC GROWTH

MBC GROUP commenced 2024 with a historic milestone—its public listing on the Saudi Stock Exchange—reinforcing its commitment to sustainable growth and long-term value creation. In its first year post-IPO, the Group's financial performance and strategic direction have laid a strong foundation for the future.

In a dynamic market environment, MBC GROUP identified and capitalised on new opportunities while responding effectively to geopolitical developments. The Group refined its broadcasting strategy to align with evolving consumer preferences, leveraging its strengths and operational excellence to deliver robust financial and operational results while maintaining its industry leadership.

### Major Achievements

MBC GROUP's success is driven by the three business segments that define its operations, each of which demonstrated significant progress throughout 2024.

All three segments – Broadcasting and Other Commercial Activities (BOCA), SHAHID, and Media & Entertainment (M&E) Initiatives – exceeded revenue and profitability targets for the year. A key achievement was SHAHID's strengthened leadership position in the Middle East and North Africa (MENA) over-the-top (OTT) industry and its improved financial performance.

BOCA remained the Group's largest segment, benefiting from steady advertising growth and the continued success of MBC Media Solutions. Meanwhile, the M&E segment successfully met all governmental key performance indicators (KPIs) under Vision 2030. Beyond these achievements, the Group began generating commercial returns in line with its strategic guidance, further reinforcing its long-term growth trajectory.

Towards the end of the year, MBC GROUP entered two Memoranda of Understanding (MoUs) to build a partnership with the social media platform TikTok. The first partnership enables MBC and TikTok to combine expertise in creating and delivering world-class content in Saudi Arabia across diverse genres, themes, and audiences, including entertainment,

**SAM BARNETT**  
Chief Executive Officer



lifestyle, and music. This collaboration presents an opportunity to engage new demographics using innovative formats and approaches. The second MoU designates MBC MEDIA SOLUTIONS as TikTok's official advertising partner in Saudi Arabia, with the potential for substantial reach expansion.

*"BOCA remained the Group's largest segment, benefiting from steady advertising growth and the continued success of MBC MEDIA SOLUTIONS."*

### Financial Performance

MBC GROUP delivered a strong financial performance in 2024, demonstrating strategic resilience and agility while capitalising on opportunities for sustainable growth.

Annual revenue grew by 13.1 percent to SAR 4,196.4 million, while net profit surged by 515.2 percent from SAR 69.3 million in 2023 to SAR 426.1 million. This performance reflects the dedication of MBC GROUP's management, creative leaders, and teams in driving year-on-year growth through high-quality content, strategic programming, disciplined cost management, and diversified revenue streams.

SHAHID delivered particularly strong results, reducing net loss by 53.8 percent year-on-year to SAR 129.1 million, driven by growth in SVOD subscriptions and AVOD digital advertising revenue. These achievements reinforce SHAHID's position as a key player in the regional OTT market.

BOCA and M&E also recorded substantial net profit growth of 54.6 percent and 526.3 percent, respectively, further underscoring the strength and resilience of MBC GROUP's diversified business model.

### Diversified Content

MBC GROUP has built a reputation for high-quality local content across all platforms, and we remain committed to this standard. In 2024, we expanded our local content offering while developing a strong pipeline of new productions for the next three years.

Our partnerships with international production companies continue to deliver successful content. In Saudi Arabia, we collaborated with Turkish producers, including O3 Medya, to develop a local adaptation of Khareef Al Qalb, which resonated with regional audiences. In Egypt, our Ramadan series El Atawla and Al Maddah strengthened MBC MASR's leadership in the country. In Morocco, Bayn Al Qosour was well received, while in Iraq, our mix of local dramas and entertainment shows ensured MBC remained the most-watched channel.

SHAHID expanded its content offering, adding 115 new Arabic series and a library of over 60,000 hours of premium content. In 2024, we laid the foundations for future growth by enhancing the Saudi production ecosystem while reinforcing our leadership position in the industry through vertical integration. This included enhancing in-house production capabilities, collaborating with content creators, studios, and post-production companies, and integrating broadcasting, streaming, and distribution platforms within a unified ecosystem.

### Operational Changes

To enhance efficiency, we implemented two key operational changes in 2024. First, we consolidated our TV and drama production studios under a single management structure, improving resource allocation and collaboration.

We also inaugurated phase one of MBC's STUDIOS in Al Narjis hosting the latest edition of Arabs Got Talent in November, further optimising operations and reinforcing MBC's leadership in Arabic content production. This strategic move expands our leadership in premium Arabic content by maximising the impact of MBC's top production talent, integrating resources, and elevating content quality.

Second, we integrated research and business intelligence resources across business segments. This change improves our ability to assess media impact across TV, SHAHID, and social media, using machine-learning techniques to optimise scheduling, content commissioning, and promotional strategies. These improvements are already delivering promising results.

### ESG Commitments

As climate change continues to impact societies and economies, MBC recognises its influence in driving positive change. In 2024, Environmental, Social, and Governance (ESG) considerations became part of our strategy, reinforcing our commitment to sustainable business operations. We are leveraging our media platform to inform and engage audiences on ESG-related topics.

Our ESG strategy focuses on three areas: climate action, social impact, and responsible operations. Key initiatives include improving energy efficiency, environmental stewardship, waste management, sustainability content, employee well-being, and community engagement.

To uphold good governance, our Board of Directors and Committees oversee MBC GROUP's corporate governance framework, ensuring transparency, ethical business conduct, risk management, and regulatory compliance.

### Looking Forward

MBC GROUP remains positive about future growth opportunities across its business segments in the global market. The Group's strategy focuses on leveraging high-quality local content, expanding production capacity, and strengthening partnerships.

MBC GROUP expects further collaborations that will help diversify its content portfolio with premium local and regional content. The expansion of studios and the development of Saudi Arabia's media and entertainment ecosystem will support content production and ensure a steady pipeline.

As MBC GROUP adapts to audience preferences and industry trends, SHAHID's subscriber base and advertising revenue are projected to grow, reinforcing its market position. The BOCA segment is expected to see stable revenue growth from advertising and business services, while M&E's earnings are anticipated to increase through media and entertainment initiatives under Vision 2030 in coordination with the Saudi government.

*"MBC GROUP remains positive about future growth opportunities across its business segments in the global market."*

### Acknowledgements

I extend my gratitude to our Founder and Chairman, Waleed bin Ibrahim Albrahim, for his leadership and support. I also thank our Board of Directors and Committees for their guidance, our multinational workforce for their dedication, and the families of employees who relocated to Riyadh over the past year.

Finally, I am grateful to our shareholders for their trust and confidence, which continue to drive our success and future growth.

### Sam Barnett

Chief Executive Officer





## CFO'S STATEMENT

### COST CONTROL AND DIVERSE REVENUE STREAMS ENABLE STRONG PERFORMANCE

**HUSSAM ALNOURI**  
Chief Financial Officer



MBC GROUP's strong financial performance in our first financial year after listing on the Saudi Stock Exchange exceeded the targets we had set during the initial public offering (IPO). Our Group revenue, net profit and margins have grown significantly over a year despite the turbulent geopolitical backdrop.

We are also successfully growing our diversified revenue streams, which have helped offset unexpected market volatility. The Group's strategic resilience, agility and management prudence are at the core of this success.

Key drivers of this strong performance included a 6.9 percent year-on-year growth in TV advertising revenues, 104.8 percent increase in our Broadcasting

and Technical Services contracts coupled with a growing subscriber base across our OTT platform; SHAHID added one million subscribers in 2024 alone, achieving compound annual growth rate (CAGR) of 32 percent over the last three years. Our cost-management initiatives and diversified revenue streams played a pivotal role in our resilience and agility, with all three business segments outperforming expectations.

The general slowdown stemming from geopolitical events did have an impact on advertising spend in some parts of our media sector as expected; but we managed to offset the decline through our diversification of revenue streams, which enabled us to deliver an increase in revenue and bottom-line profitability from our Broadcasting and Other Commercial Activities (BOCA) and SHAHID segments.

In the media sector, seasonality is a known factor, with Ramadan typically driving strong linear TV and digital advertising revenues as well as subscriber revenues, while the summer months tend to see a contraction in audience volumes by nature. The Group's focus remains on year-on-year growth, with our BOCA revenues grew by 21.0 percent, SHAHID by 27.9 percent, and our Media and Entertainment Initiatives (M&E) segment declining 19.8 percent due to delayed revenue recognition of ongoing projects when accounting for

a full year's performance. This represents overall revenue of SAR 4,196.4 million, a 13.1 percent increase compared to the previous fiscal year, and a net profit of SAR 426.1 million marking a 515.2 percent increase from the previous fiscal year.

*"The general slowdown stemming from geopolitical events did have an impact on advertising spend in some parts of our media sector as expected."*

Our balance sheet remains strong, with total assets of SAR 8,558 million. We generated SAR 566.5 million in cash flow from operations which contributed significantly to the group's ability to repay all of its loans. Our cash and cash equivalents stand at SAR 1,494.3 million.

A key focus in 2024 was driving efficiency and cost savings across the Group by streamlining our operations, allowing us to reduce Group's overheads as a percentage of revenue. These initiatives have positively impacted our bottom line and will continue to be a priority going forward.

Beyond the financial metrics, we recognise the importance of our brand value, which positions us as the region's leader in the media and entertainment sector. We have continued to invest in the areas where

we are already known to excel while diversifying our offerings based on trends, data and opportunities.

#### SHAHID's Performance

SHAHID, our over-the-top (OTT) platform, emerged as a standout performer, achieving a 25.6 percent year-on-year growth in subscriber numbers and reducing losses by 53.8 percent. This notable progress reinforces MBC GROUP's position as a leader in digital content and supports our long-term strategy for SHAHID to achieve break-even within the next three years.

In 2024, SHAHID made a significant contribution to MBC GROUP's overall revenue growth, accounting for a 27.9 percent growth in its revenues and further solidifying its position as the region's leading OTT platform. SHAHID revenue accounted for 25.7 percent of the Group's total revenue in 2024, up from 22.7 percent in 2023.

The platform achieved a remarkable 27.9 percent year-on-year growth in revenues, driven by a 65.4 percent increase in advertising-based video on demand (AVOD) revenues and a 20.1 percent rise in subscription video on demand (SVOD) revenues. SVOD subscriber numbers grew by 25.6 percent year-on-year, while AVOD user growth reached 22.1 percent year-on-year, underlining SHAHID's ability to attract and retain a fast-expanding audience base while strategically reducing churn.

This impressive growth in subscription and advertising revenues underscores SHAHID's role in diversifying the Group's revenue streams. In 2025, SHAHID is expected to further solidify its position by diversifying its content offerings. We anticipate that this focus on high-quality content will expand SHAHID's reach and audience engagement, unlocking additional revenue opportunities across both subscription and advertising streams.

SHAHID's strong performance is perfectly aligned with MBC GROUP's broader goals of digital transformation, market leadership, and delivering value to both viewers and advertisers.

#### BOCA's Performance

BOCA has always been the cornerstone of MBC GROUP's operations and in 2024, the BOCA segment achieved remarkable success, delivering a 21.0 percent year-on-year growth in revenues across multiple areas. Specifically, BOCA's TV revenues grew by 6.9 percent year-on-year, reflecting the continued strength of our traditional broadcast business.

Broadcasting and technical services revenues surged by 104.8 percent, driven by the delivery of key mega-media projects secured in Saudi Arabia including projects with Saudi Sport Company (SSC), the Ministry of Culture (MOC), the General Entertainment Authority (GEA), and other major clients. These projects contributed significantly to BOCA's growth and demonstrated our ability to meet the needs of large-scale media initiatives, reinforcing MBC's leadership in the sector.

Looking ahead to 2025, the revenue growth from BOCA is expected to be sustained by steady growth in linear TV advertising and the continuation of our existing technical services contracts. Our commitment to delivering high-quality broadcasting and technical services remains strong, and we anticipate further growth driven by ongoing partnerships and the expanding demand for media services across the region.

BOCA's continued success is crucial to MBC GROUP's overall strategy, providing a solid foundation for future growth and diversification in both traditional and emerging media landscapes.

*"Our commitment to delivering high-quality broadcasting and*

*technical services remains strong, and we anticipate further growth driven by ongoing partnerships and the expanding demand for media services across the region."*

#### M&E

The M&E segment includes a series of projects where MBC partners with the Saudi Government. In 2024, MBC delivered all the key performance indicators (KPIs) set by the government for a series of ongoing projects in line with the Kingdom's strategic media and entertainment goals under Vision 2030. The M&E segment reinforces MBC GROUP's status as a trusted government partner and highlights our role as a media innovator in the region.

The revenue decline in M&E in 2024 was primarily due to the timing of revenue recognition under the accounting method for the segment, as revenues are recognised upon the delivery of specific projects or services. This led to a delay in revenue recognition for a few projects in 2024.

However, net profit — the primary driver of the M&E segment's financial performance for the year — increased by 526.3 percent year-on-year to deliver a 3.2 percent margin. Management fees granted to MBC GROUP for these projects will continue, and our focus remains on consistently delivering high-quality outputs that align with the established project KPIs.

Net profit margins for M&E are expected to continue to grow in 2025, supported by the ongoing delivery of key projects and the recognition of associated management fees. The focus on profitability and cost efficiency across the M&E segment will ensure continued margin expansion in the coming year.

#### Guidance for 2025

The guidance for 2025 remains strong, unchanged from the guidance revision provided after the third quarter of 2024. Specifically, the guidance for SHAHID is in line with previous projections that focused on continued growth and profitability. SHAHID is on track to reach break-even within three years, which will be a key milestone in its path toward long-term sustainability and profitability.

For BOCA, we expect high single-digit revenue growth for 2025, with net profit margins projected in the range of around 18 percent. This is supported by the continued execution of key contracts and strong demand for broadcasting and technical services.

The guidance for M&E, too, remains consistent, with expectations that net profit margins will reach five percent in the mid-term, reflecting strong management fees and cost efficiencies anticipated as key projects are delivered.

SHAHID's growth, BOCA's strong performance, and M&E's profitability are all expected to continue in 2025, positioning MBC GROUP for another year of robust financial performance.

#### Key Growth Drivers

We anticipate continued growth in 2025, centred on SHAHID and our BOCA and M&E segments, which have demonstrated significant success for MBC GROUP.

In the coming year, SHAHID will remain the key engine of growth for MBC GROUP. The platform will continue to deliver premium, compelling content, leveraging untapped opportunities such as targeting specific demographic segments. Content diversification

based on carefully crafted strategies is expected to drive growth in both AVOD and SVOD revenues, enhancing SHAHID's performance and supporting the Group's overall financial objectives.

*"SHAHID is on track to reach break-even within three years, which will be a key milestone in its path toward long-term sustainability and profitability."*

In the BOCA segment, we will focus on growing market share, diversifying revenue streams, and securing incremental revenues through key broadcasting and technical services. Cost control will continue to be a priority to maintain profitability while managing the scale of growth.

The M&E segment will continue to build on its momentum by initiating more projects in Saudi Arabia that are aligned with Saudi Arabia's Vision 2030 for the media sector. MBC GROUP is committed to its role as a key player in the Kingdom's media industry and will continue to drive innovation and growth through strategic partnerships and new initiatives.

**Hussam Alnouri**  
Chief Financial Officer



# INVESTMENT CASE

## 01. STRONG MACRO-ECONOMIC FUNDAMENTALS DRIVING SUSTAINABLE GROWTH.

MBC operates in the dynamic MENA region, home to a young, vibrant population with a growing appetite for diverse entertainment across multiple platforms. This demographic shift, combined with increasing GDP per capita, underpins long-term growth in the media and entertainment sector.

The Group is poised to benefit from rising advertising expenditure across TV, AVOD, radio, music, and gaming. The AVOD OTT market continues to expand rapidly, fuelled by increasing digital consumption. Despite global growth in OTT penetration, MENA remains an underpenetrated market, presenting a significant opportunity for accelerated adoption.

## 03. SHAHID: THE MENA REGION'S LEADING STREAMING PLATFORM.

Since its relaunch in 2020, SHAHID has cemented its position as the region's leading OTT platform, demonstrating robust subscriber growth and engagement. As the market leader, SHAHID boasts the highest subscriber base and strong audience retention in its free-to-watch AVOD offering.

As of September 2024, SHAHID held 27 percent of the SVOD market share in the MENA region. Since then, SHAHID has increased its subscribers to a total of five million and reached nearly 19 million AVOD active users by year-end.

SHAHID's success is driven by its compelling content library, including exclusive SHAHID Originals, blockbuster drama series, and premium live sports. The platform continues to enhance its subscriber base by focusing on premium content, expanding into high-demand niches, and refining its user experience to drive differentiation and engagement. With tailored market strategies for key geographies such as KSA, Egypt, the GCC, and Morocco, SHAHID is well-positioned for sustained growth.

## 02. UNRIVALLED MARKET LEADERSHIP IN BROADCASTING WITH UNMATCHED AUDIENCE REACH.

As the leading broadcaster in the MENA region, MBC commands a vast audience of over 150 million weekly viewers, extending beyond the region to connect with Arab communities worldwide. This extensive reach makes MBC the preferred advertising partner, securing the largest TV advertising revenue share in the region. MBC's estimated TV advertising market share stands at 43 percent in MENA as of 2024.

The Group has successfully expanded into key markets, including Egypt, and Morocco, rapidly establishing dominance. In Saudi Arabia, MBC maintains a leading position, consistently securing a significant share of the country's viewership.



## 04. A HUB FOR PREMIUM CONTENT WITH WORLD-CLASS PRODUCTION CAPABILITIES.

MBC captivates audiences across generations with an extensive portfolio of expertly crafted content, ranging from comedy to drama, catering to diverse tastes and preferences.

With an extensive content library of over 9,000 titles, MBC dominates the regional entertainment landscape, featuring 86 of the top 100 programmes ranked in Saudi Arabia in 2024. Leveraging cutting-edge in-house production capabilities, the Group delivers high-quality, immersive storytelling that resonates with audiences across the region.



## 05. STRATEGIC GROWTH LEVERS DRIVING EXPANSION IN THRIVING ENTERTAINMENT SECTORS.

MBC is strategically positioned to capitalise on the evolving media landscape, leveraging growth opportunities across subscriptions, advertising, and adjacent entertainment markets.

SHAHID remains a core driver of expansion, tapping into the fast-growing regional streaming market while offering premium advertising opportunities for brands targeting a highly engaged audience. MBC's subscription model provides a reliable and scalable revenue stream, with significant potential as the customer base continues to grow.

With online viewership surging, advertising spend on OTT is experiencing rapid expansion, creating significant opportunities for AVOD market penetration. Beyond streaming, MBC is broadening its footprint in complementary segments such as gaming, music, and events, unlocking cross-promotional opportunities and diversifying its revenue streams.

## 06. SUSTAINABLE GROWTH BACKED BY PROFITABLE BROADCASTING AND DIGITAL INNOVATION.

MBC's strong financial foundation is underpinned by a profitable broadcasting segment and rapidly expanding digital initiatives. In 2024, revenue reached SAR 4,196.4 million, reflecting a 13.1 percent year-on-year increase. The remarkable expansion of SHAHID has been a key contributor, delivering a 40 percent CAGR between 2022 and 2024.

The Broadcasting and Other Commercial Activities (BOCA) segment remains a cornerstone of financial stability, driving consistent cash flow generation. Net income from BOCA stood at SAR 533.2 million, translating to a solid net income margin of 22.6 percent.

## 07. A VISIONARY TEAM STEERING MBC'S CONTINUED SUCCESS.

MBC's executive management team brings decades of expertise in the media and entertainment industry, with deep insights into regional market dynamics. Under strong leadership, the Group has maintained its market-leading position in MENA, navigating industry shifts with strategic foresight.

Backed by influential shareholders, including Waleed bin Ibrahim AlIbrahim and Al Istedamah Holding (IHC), MBC benefits from a strong governance structure and a clear vision for sustained growth and innovation.



# MBC'S STRATEGY IN ACTION

## RESILIENCE IN THE FACE OF GLOBAL CHALLENGES

In a year marked by major geopolitical turmoil and the resulting rapid shifts in consumer behaviour and content preferences in the Middle East, MBC GROUP displayed its resilience by addressing the challenges head-on and adapting to current global realities.

Agility and adaptability, core elements of the Group's strategy, enabled us to achieve revenue growth while maintaining cost efficiency across the Group, reinforcing its leadership role in Saudi Arabia and the Middle East and North Africa (MENA) region.

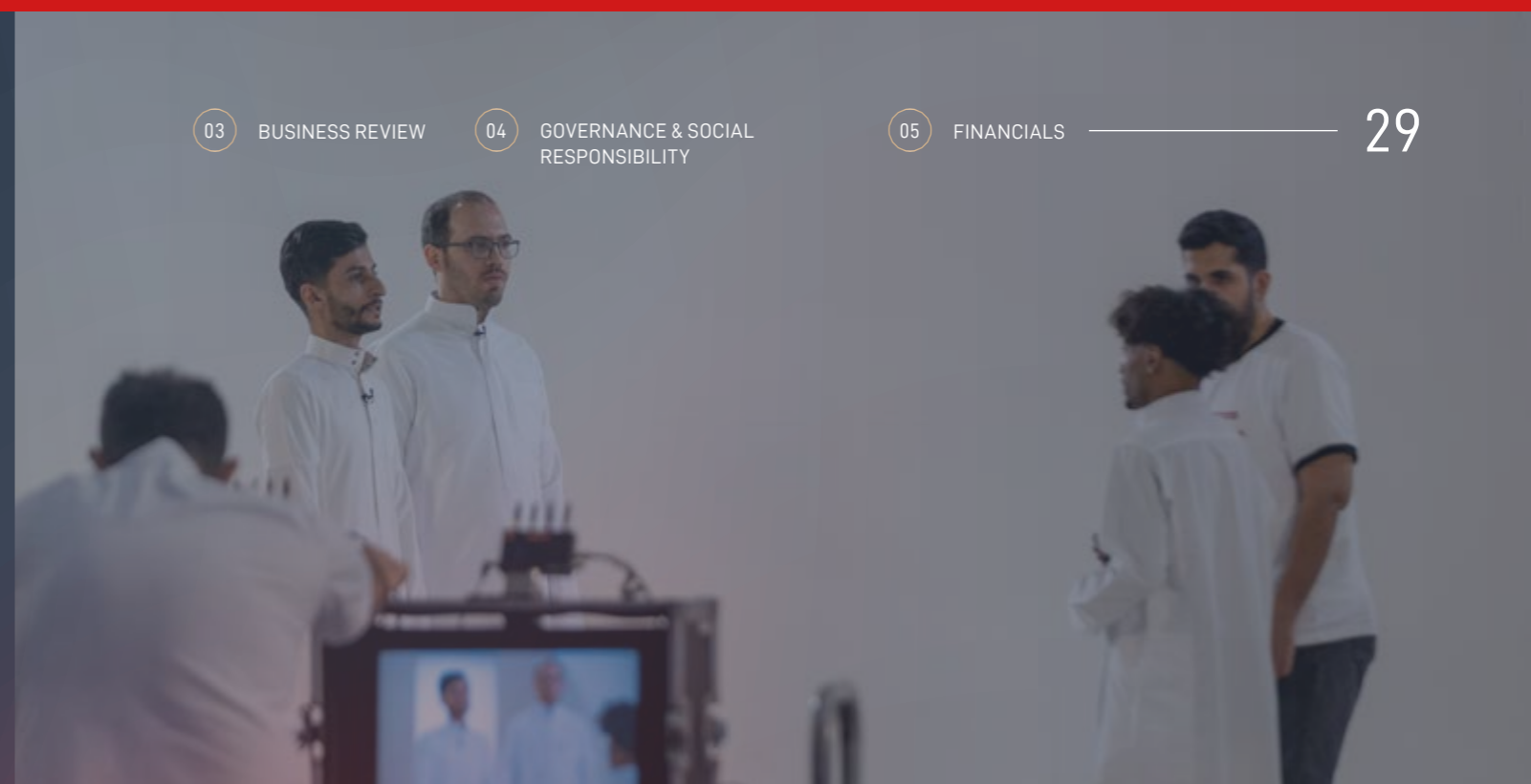
### Leadership Role

In 2024, MBC GROUP achieved success in multiple verticals. Like many in the region, it also faced inevitable challenges but its agility and responsiveness, combined with the leadership and expertise within the Group, enabled it to thrive.

Geopolitical dynamics primarily affected the media by driving a sharp consumer focus on news content while prompting a more cautious approach to advertising spend. The Group responded swiftly to the growing demand for up-to-date news from regional flashpoints, adjusting its content and distribution strategy and effectively maintaining audience engagement. The MENA region saw a prevailing caution around advertising spend; despite this the Group accomplished growth in media sales.

MBC GROUP's success in adapting efficiently to the global media industry trend of shifting from traditional media to digital platforms is another testament to its strategic agility. MBC has consistently optimised its content windowing strategy to maximise audience reach across free-to-air (FTA) television, subscription video on demand (SVOD) and advertising-based video on demand (AVOD).

MBC GROUP's leadership role in the media and entertainment sector in Saudi Arabia is a central theme of its strategy. As a strategic partner of the Saudi government in pursuing the media and entertainment goals of Vision 2030, the Group is committed to further developing the media ecosystem in Saudi Arabia and the wider region. Its national role aligns perfectly with its well-established status as the regional media and entertainment leader.



The success of MBC GROUP's decision to become a publicly listed company by floating 10 percent of its share on the Saudi Stock Exchange in early 2024, and its performance that year, validates its strategic direction. This was part of its strategy to achieve further growth as the national and regional media industry leader.

### Progress Made in 2024

#### 1. Broadcasting Leadership

MBC GROUP achieved its aims to sustain its viewership dominance and advertising market share in the MENA region across its various businesses under the broadcasting segment, particularly the FTA channels.

MBC Media Solutions (MMS), which is driving its advertising sales, enjoys an enviable market position in the region. MBC earns advertising revenues from television, radio and social media as well as the AVOD offering on SHAHID (see 'SHAHID's success' below).

The MMS strategy has evolved in line with global advertising trends, particularly with advanced technologies in media sales and audience measurement. MBC GROUP's unique combination of diverse FTA channels serving the region, along with country-specific FTA channels, radio stations and social media pages, enables MMS to build a powerful advertising portfolio. On FTA, MMS turned an increase in market share to 42.5 percent, up from 34.4 percent in 2023.

The Group continues to capture the highest radio audience in Saudi Arabia, and the newly launched MBC Loud FM ranks as the leading English-language radio for expatriates living in the country.

Going forward, MBC GROUP remains strategically positioned to sustain its leadership position in its core markets and explore potential expansion into new ones.

#### 2. SHAHID's Success

SHAHID has experienced significant growth in both AVOD and SVOD, both of which have rapidly gained in popularity over the past few years. This growth has been fuelled by the increasing interest of the region's predominantly young and tech-savvy population in digital platforms, helped by pockets of economic prosperity.

In 2024, SHAHID was able to maintain its position as the leading SVOD player in MENA. SHAHID's subscriber base grew to five million, up from four million in 2023, leading to a substantial increase in subscription revenue. Its partnerships with telecom providers in several countries have enabled SHAHID to expand its offerings (offering mobile-only packages, for example), further expanding its customer base. The Group has identified significant potential for OTT growth in the MENA region in the upcoming few years. Moving forward, SHAHID's SVOD strategy will focus on further improving the content strategy and enhancing customer experience. This will help it to continue acquiring new subscribers while retaining the existing subscriber base.

In terms of AVOD, the growing popularity of SHAHID also resulted in significant growth in advertising revenue and increased SHAHID's contribution to the overall Group's earnings from media sales. In 2024, SHAHID enhanced its AVOD offering with a broader content range to attract audiences from diverse demographics and geographic regions while also strengthening its advertising efforts by exploring new advertising opportunities.

Going forward, MBC is adopting a fresh approach to its AVOD model, aiming to strengthen it, drive growth and bridge the market share gap between its FTA channels and MBC's digital advertising platforms. The Group plans to realise this by driving growth in advertising inventory and monthly active users while exploring additional innovative advertising opportunities.

### 3. Content Strategy

MBC GROUP has long recognised that its growth in advertising revenue and subscriber base can only be sustained through high-quality content. This principle has been at the core of the Group's commitment to a significant investment in content production and acquisition. Its content strategy is designed to offer multiple choices for its viewers around the world with a mixture of MBC's own creative productions and premium content sourced from MENA region's creative and entertainment diversity.

MBC GROUP's content mix features highly acclaimed SHAHID originals, popular and strategically selected sports offerings, exclusive local language content and programmes tailored for children and youth.



Among the external partnerships MBC has nurtured, its decision to include pan-Arab Turkish adaptations has proven very popular, exceeding performance expectations across all key metrics. In 2024, the Group invested in the Saudi Turkish adaptation Khareef Al Qalb, which became a resounding success, ranking as the #1 programme across all MBC offerings since its October debut.

### The return of MBC's flagship show Arabs Got Talent was also a major success in 2024, driving significant audience engagement and talent recruitment.

Aside from this programme mix, newer technologies are playing a pivotal role in enhancing MBC GROUP's content strategy. MBC is leveraging Artificial Intelligence (AI), machine learning, and data analytics to consistently improve audience engagement. This, in turn, leads to the retention and expansion of its subscriber base. Data analytics provide valuable insights that enable the Group to refine its content selection and distribution.

MBC's data-driven approach allows it to set clear key performance indicators (KPIs) and guidelines to maximise both audience appeal and the financial performance of the shows. In distribution, it uses analytics to assess the best opportunities for revenue generation by placing content in high-value markets. MBC GROUP tracks audience engagement and its success in reaching target audiences by monitoring metrics such as viewership, time spent and the number of plays.

MBC GROUP intends to retain its focus on creating original content and offering rich content across diverse categories to drive viewership and revenue growth. It will continue to leverage new opportunities to further strengthen its content across multiple platforms and geographies.

#### Other Growth Opportunities

MBC GROUP's other growth opportunities, such as gaming and event management, complement its core media and entertainment business. While these initiatives support diversification, they serve to enhance the Group's offering without shifting its primary focus.

These opportunities contribute to the local and regional entertainment landscape, aligning with Saudi Arabia's Vision 2030 goal of promoting culture and entertainment. The Group has also benefited from synergies created by these business sectors, leading to new partnerships and acquisitions in select areas.

#### Vision 2030 Partner

Under its Media and Entertainment Initiatives (M&E) segment, MBC STUDIOS and MBC Academy continue to implement several programmes that have been designed to deliver Vision 2030 goals for the sector. MBC has commissioned the first phase of a world-class production studio complex in Narjis, Riyadh, with the aim of bringing about significant improvements in the media and entertainment ecosystem in Saudi Arabia.

MBC GROUP takes great pride in the knowledge that MBC Studios has been producing high-quality content for a wide range of audiences, contributing significantly to the socioeconomic and cultural landscape of Saudi Arabia. MBC's portfolio includes a diverse array of cultural and entertainment shows, with a particular focus on sports content, especially football.

A key highlight for MBC Studios in 2024 was the successful development of a robust content pipeline for 2025-2026. Notable progress has been made, with 50 scripted projects in the pipeline, 26 in development and 13 in production. Additionally, 37 unscripted projects have been delivered, with 17 currently in production, and 54 projects are in the ideation phase.

The Group's commitment to the future of high-quality entertainment is also evident. MBC Academy is focused on nurturing and developing Saudi talent within the media and entertainment industry. The Academy provided training for more than 30,000 individuals in 2024, offering more than 20,000 virtual courses and conducting more than 7,000 auditions for various roles in the sector.

All its initiatives under M&E, particularly the programmes under MBC Academy, MBC Talent and MBC Game Studios, exceeded their 2024 targets.



**Organisational Synergies**

MBC GROUP has introduced several organisational changes to capture internal synergies and improve efficiency and performance. In early 2024, MBC consolidated its TV and drama production studios under a single management structure to foster in-house local talent and increase the production of premium Arabic shows.

The opening of the first phase of its Al Narjis studio in the fourth quarter of 2024 further streamlined the Group's resource pool and talent.

MBC also consolidated its research and business intelligence resources into a single unit. This allows the Group's AI, data and analytics resources to deploy new technologies more effectively and leverage business intelligence more efficiently in scheduling, programme promotion and content commissioning decisions.

In an era of hacking and cyber-attacks, it is extremely important for MBC to ensure that its enterprise and creative studios and platforms remain secure. The Group takes cyber security incredibly seriously so have been updating and strengthening its digital systems to pre-empt any ransomware or other online attacks.

**ESG**

Environmental, Social and Governance (ESG) considerations are an important element of the Group's overall strategy and is committed to using its power and influence as a media organisation to

promote sustainability in all walks of life. The Group has embedded ESG principles in its core business practices, including its programming.

In 2024, MBC GROUP extended its commitment to sustainability by integrating relevant themes into its shows and initiatives, fostering awareness and positive change. It focused on three important themes to be woven into its sustainability content: promotion of mental well-being, promotion of climate awareness and celebration of cultural heritage.

Corporate governance is another major focus area for the Group, where MBC's Chairman, Board of Directors and senior management are involved in guiding the organisation's progress in updating and sustaining progressive governance policies and practices. MBC's governance framework is led by strict compliance with Saudi government laws and consists of the following key elements: by-laws and governance manual, well-defined and clear roles for the Board and its committees, assurance on shareholder engagement and regular disclosures.

**Outlook for 2025**

MBC GROUP will continue to concentrate on strengthening its market position and driving sustainable growth by capitalising on emerging market opportunities across the MENA region. MBC GROUP will achieve new milestones under each of its strategic pillars as it pursues its vision of enriching people's lives through information, interaction and entertainment.

**OUR THREE KEY PILLARS**

The Group's core strategic objectives for the next five years are built on three key pillars:

**MARKET DOMINANCE**

MBC GROUP aims to sustain its leadership in broadcast viewership and advertising market share while also capitalising on its expertise to continue offering services to external clients.

**SHAHID'S LEADERSHIP**

MBC GROUP's goal is to strengthen and reinforce SHAHID's leadership status in the MENA video streaming market, across both AVOD and SVOD platforms.

**HIGH-QUALITY CONTENT**

MBC GROUP will continue to deliver premium and diverse content that meets the demands of MENA audiences.

Additionally, MBC GROUP will continue expanding into high-potential adjacent businesses that complement its core operations, leveraging its existing capabilities for growth.



# MARKET OVERVIEW

## Macroeconomic Environment

The Middle East and North Africa (MENA) region's Gross Domestic Product (GDP) per capita is forecast to grow at a 2.7 percent Compounded Annual Growth Rate (CAGR), reaching USD 9.5 thousand (SAR 35.6 thousand) by 2027, outpacing the growth rate of other global economies.

In turn, improvements in the MENA region's affluence are expected, as indicated by disposable income levels, which are forecast to grow at a 4.7 percent CAGR, reaching USD 12.2 thousand (SAR 45.8 thousand). The strength in the MENA region's disposable income levels is mainly attributed to high Gulf Cooperation Council (GCC) income levels, specifically the United Arab Emirates (UAE) due to its strong consumer base and its position as the Middle East's financial and trade hub, as well as Qatar due to its large hydrocarbon reserves. In addition, disposable income in the Kingdom of Saudi Arabia (KSA) is anticipated to continue its upward growth trajectory, aided by structural reforms and economic diversification efforts.

## Demographics

The MENA region's population is forecast to register among the highest growth relative to other global regions, at a 1.4 percent Compound Annual Growth Rate (CAGR), reaching 512 million by 2027. The population is characterised by a young, tech-savvy demographic with a median age of 28, which lies on the lower end when compared globally, making it more open to the adoption of digital and innovative products.

Despite having a relatively young population, the MENA region's 40+ age bracket is expected to increase its share from 30.1 percent in 2022 to 33.3 percent of the total MENA population by 2027. The GCC's 40+ age group is expected to increase by 4.8 percentage points between 2022 and 2027, reaching 39.6 percent of the total GCC population.

## MENA Entertainment and Media Market Overview

The MENA region's entertainment and media (E&M) market is expected to continue being the fastest

growing in the region, with a forecast growth rate of 7.1 percent CAGR and reaching USD 22.1 billion (SAR 82.9 billion) by 2027. The MENA region's relatively high E&M market growth is underpinned by a positive economic and demographic outlook, as well as the GCC countries' continuous developments in digital infrastructure, including broadband expansion and smartphone penetration, which are set to outpace global benchmarks.

In addition, media players across the MENA region continue to invest in growing local video libraries with a concerted push for more premium and tailored content.

As the region's leading media powerhouse, MBC GROUP is well positioned to capitalise on these changes, leveraging its extensive portfolio across the traditional competitive market.

In the coming years, digital entertainment is expected to dominate the industry, with over-the-top (OTT) platforms such as SHAHID, MBC GROUP's flagship

streaming service, experiencing accelerated growth. The proliferation of high-speed internet, mobile-first consumption habits, and increasing investment in Arabic content are expected to drive media revenues across the region.

Furthermore, Saudi Arabia's Vision 2030 initiative serves as a catalyst for media expansion, particularly in digital content creation, cinema, and esports. With a focus on strengthening MBC GROUP's market position, strategic roadmap prioritises content localisation, audience engagement, advertising innovation, and digital transformation.

## The Rise of Arabic Content Production

One of the most significant trends shaping the MENA media industry is the growing demand for high-quality Arabic-language content. Historically, premium content production has been centred in Egypt and Lebanon, but recent investments in Saudi Arabia's domestic entertainment industry have shifted this dynamic. The Saudi Film Commission aims to increase the number of annual film releases, with financial incentives supporting this initiative.

MBC Studios plays a central role in this evolution, ramping up the production of Arabic originals, scripted dramas, and international co-productions. With consumers increasingly prioritising culturally relevant and localised storytelling, the demand for scripted dramas, reality TV, and feature films is expected to surge.

MBC GROUP's strategic focus on co-productions with Hollywood and regional studios is designed to enhance the global appeal of Arabic entertainment while maintaining authenticity.



### TV Advertising

Advertising remains a crucial revenue driver for the MENA media industry, and while traditional TV advertising has stabilised post-pandemic, digital ad spend is expected to surpass linear TV in 2025. The introduction of Nielsen's People Meter in Saudi Arabia, which provides enhanced audience measurement tools, is anticipated to increase transparency and improve ad-pricing efficiency.

Total advertising spend in the MENA region is projected to grow significantly, led by advertising-based video on demand (AVOD) leading at a 25 percent CAGR from 2022 to 2025. This growth is expected to be driven by mobile-first advertising and AI-driven programmatic ad solutions, which enhance efficiency and engagement. Retail and SME-focused digital advertising are becoming more prominent, with regional e-commerce platforms increasing their marketing investments in targeted and performance-based ads.

The increasing adoption of free ad-supported streaming TV (FAST) channels is further reshaping the market, offering consumers cost-effective digital entertainment while enabling advertisers to reach a larger audience.

### Over-the-top Subscriber Video-on-Demand (SVOD)

Growth in OTT penetration rates is expected to taper as user growth normalises. Going forward, the market is forecast to grow at a 4.37 percent CAGR according to PwC's Global Entertainment and Media Outlook 2024-2028.

The UAE has emerged as the primary catalyst for the growth in this segment, driven by intense competition and the emergence of new OTT platforms. Moreover, improved connectivity and a young consumer base with evolving preferences for digital entertainment options have further propelled this upward trend.

The KSA market is forecast to expand rapidly, to reach roughly the same size as the UAE market by 2027, supported by telecommunications partnerships. Egypt's OTT market remains largely underdeveloped due to limited broadband infrastructure, which could contribute to delays in the launch and uptake of international streaming services. Nonetheless, the Egyptian market is still forecast to grow at a 13.9 percent CAGR by 2027.

### Advertising-Based Video-on-Demand (AVOD)

This growth is expected to continue until 2027 as more streaming platforms explore AVOD revenue models. Based on PwC's Global Entertainment and Media Outlook 2024-2028, the MENA region's in-stream and out-stream market is expected to grow at a 9.38 percent CAGR until 2027.

KSA is expected to remain a market leader growing at a 14.2 percent CAGR, underpinned by its high mobile internet penetration and its position among the world leaders in 5G implementation.

Egypt is expected to experience a relatively high growth rate of 21.6 percent CAGR as the country has the potential to increase its internet penetration, which will support growth in the AVOD market.

### Radio Advertising

Based on PwC's Global Entertainment and Media Outlook 2024-2028, the radio advertising market is forecast to continue growing at a 4.86 percent CAGR, with strength coming from the UAE and Egypt.

The leading radio channels in the UAE demonstrate high engagement with the target audience as they offer relevant content to the large expat population in the country, making radio advertising increasingly attractive.

Additionally, advertising spend on radio in KSA is forecast to continue to grow over the coming years, supported by the country's commitment to reforming and development of the audio broadcasting industry through investments in new transmission technologies such as Digital Audio Broadcasting (DAB+), online streaming, and 5G.

The radio advertising market in Egypt is forecast to outpace other countries in the region and grow at a 7.1 percent CAGR by 2027, largely due to funding received by the National Media Authority (NMA), the body responsible for broadcasting around 20 of the state's radio stations.

### Digital and Recorded Music Digital Music Streaming Advertising

The music ad-supported streaming segment in the MENA region is expected to continue growing, and increase at a 6.77 percent CAGR between 2024-2028 according to PwC's Global Entertainment and Media Outlook.



While ad-based music streaming is gaining popularity, it coexists alongside subscription-based models that offer ad-free listening experiences and additional features. The availability of both models allows streaming platforms to cater to a broader range of users and monetisation strategies in the MENA region.

The region's growth is attributed to its largest markets, Egypt and KSA, with KSA leading the expansion, expected to grow at a 10.5 percent CAGR until 2027. The growth in the KSA market is mainly due to the relaxation of Saudi social and cultural norms, as well as its relatively young population, which is increasingly turning to music streaming services.

### Digital Music Streaming and Downloading Market

The digital music streaming market is expected to continue its growth trajectory through 2027, albeit at a slower pace, due to the convenience, accessibility, and vast music catalogue offered by streaming platforms, along with localised content and personalised recommendations.

The digital music download market in the MENA region is expected to decline at an annual rate of 28.2 percent between 2022 and 2027, reaching USD 0.32 million (SAR 1.2 million), due to a shift towards music streaming, as consumers increasingly prefer subscription-based platforms for an uninterrupted, personalised music experience and a more convenient and accessible way of listening to music.

### Physical Recorded Music and Record Labels Physical Recorded Music

Sales of physical recorded music have experienced a decline of 16.4 percent CAGR since 2019 and are not expected to recover in the future, reaching USD 8.6 million (SAR 32.3 million) in 2027. This decline is a consequence of the rise of digital music formats, such as streaming services, and the convenience of not having to carry around a physical record.

While the overall outlook for physical recorded music remains subdued, it may continue to find a limited market among collectors, enthusiasts, and dedicated fans of specific artists or genres.

### Music Synchronisation

Another segment of physical recorded music and record labels is music synchronisation, which represents earnings from the use of music in films, advertising, games, and television programmes.

The segment is expected to grow at a 4.2 percent CAGR, reaching USD 2.4 million (SAR 9.0 million) by 2027, primarily driven by the significant increase in streamed content.

The growth in the music synchronisation market suggests a rising demand across various platforms, such as TV shows, movies, commercials, and video games, resulting in a diversified revenue streams for record labels and opportunities for emerging artists.

### Music Performing Rights

The music performing rights market represents revenues generated for record companies and performers using recorded music by broadcasters and in public venues. The market is forecast to grow at a 5.0 percent CAGR, reaching USD 8.9 million (SAR 33.4 million) by 2027, driven by a growing entertainment industry in the UAE and the KSA.

### Video Games Global Market

The global traditional video game market is expected to continue growing steadily, albeit at a slower pace due to a shift in user preferences towards mobile gaming. Games that were previously exclusive to PCs or consoles are now available on mobile. Driven by a rising number of gaming titles and advancements in technology, revenue from traditional gaming is forecast to grow at a 3.4 percent CAGR, reaching USD 76.2 billion (SAR 286.8 billion) by 2027.



### MENA Market

The MENA region is expected to continue experiencing a shift from traditional gaming (PC and console) to mobile gaming, with the market projected to reach USD 2.2 billion (SAR 8.1 billion) by 2027.

Looking ahead, the traditional video gaming market in the MENA region is anticipated to experience stable growth of 10.42 percent CAGR between 2024-2028 according to PwC's Global Entertainment and Media Outlook, which is below the global average. This reflects a shift in consumer preferences towards mobile and VR/AR gaming, encouraged by the expansion of network coverage and the increase in smartphone penetration.

On the other hand, esports, the competitive form of video gaming, has experienced significantly faster growth in the MENA region, especially in KSA, with a projected increase of 28.3 percent CAGR from 2022 to 2027. This growth is primarily driven by an increasing interest in the sport and investment in supporting infrastructure. KSA alone has plans to invest USD 38 billion (SAR 143 billion) to turn the country into an esports hub by 2030.

### Regulatory and Infrastructure Developments

The expansion of the MENA digital media ecosystem is heavily influenced by regulatory policies and infrastructure investments. Saudi Arabia has already committed USD 15 billion (SAR 56.3 billion) to ICT infrastructure since 2017, ensuring widespread high-speed internet access, which is critical for digital media growth.

Additionally, the UAE and Saudi governments are enhancing intellectual property (IP) protection to curb piracy and support monetisation efforts for original content. These regulatory advancements are expected to attract more international studios and media investors to the region, further accelerating content production and distribution.

### Events in KSA

The Saudi government is working towards establishing the Kingdom as the leading entertainment hub in the region by activating key initiatives in the events sector. In recent years, significant progress has been made towards achieving this vision through the launch of major events and sector-supporting initiatives, such as the introduction of the 11 Saudi Seasons programme, the first MDLBEAST concert, the launch of the Saudi Arabian Grand Prix in Jeddah, and many others.

The development of the entertainment sector, in turn, is driving growth in the event management industry in KSA. The rise of mega-events such as international conferences, music festivals, and sporting events has attracted global attention and increased demand for professional event management services in KSA. The market is therefore expected to grow at a 9.8 percent CAGR, reaching USD 867 million (SAR 3.3 billion) by 2027.

Additionally, the 2030 FIFA World Cup and Expo 2030, which KSA successfully bid for and secured, are expected to have a significant impact on the event management sector.

### Competitor Landscape

The MENA region's leading media conglomerates consist of groups operating across various media segments and reaching most households across the region. These groups typically operate across TV and OTT segments, as well as radio in some cases.

The leading regional media players include MBC GROUP, OSN, BeIN Media Group, and Egyptian Media Group, which broadcast content in both Arabic and English and maintain a strong presence in general entertainment, with dedicated news and sports channels.

Other media outlets that hold a strong presence in the MENA region's TV market include international OTT players such as Netflix, Amazon Prime video, and Apple TV+. These platforms have successfully gained popularity and penetrated regional household viewership due to their large and continuously expanding library sizes and their investment in original Arabic content.

### The MBC GROUP Opportunity

As the MENA media and entertainment industry shifts towards a digital-first model, MBC GROUP remains at the forefront of this transformation. With a clear focus on scaling digital media, producing high-quality Arabic content, and innovating in advertising and audience engagement, the company is well positioned to define the next phase of the region's media evolution.

By aligning with emerging trends, regulatory advancements, and consumer preferences, MBC GROUP aims to continue setting industry benchmarks and driving sustainable growth beyond 2024.

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# BUSINESS SEGMENTS OVERVIEW

### MBC's Unique Model

MBC's operating model consists of three business segments: Broadcasting and Other Commercial Activities (BOCA), SHAHID, and Media & Entertainment Initiatives (M&E).

### Broadcasting and Other Commercial Activities

BOCA serves as MBC's foundational pillar. This segment comprises the core services on which the Group was established over 30 years ago. These activities encompass 13 FTA channels, three radio stations, MBC Media Solutions (MMS), Broadcasting and Technical Services, along with several entertainment verticals.

### SHAHID

SHAHID, MBC's over-the-top (OTT) platform and a key growth driver, plays a pivotal role in the Group's strategy. With both subscription video-on-demand (SVOD) and advertising-based video-on-demand (AVOD) revenue streams, SHAHID remains focused on delivering engaging content through advanced digital platforms.

### M&E

Through MBC's M&E segment, the Group prioritises its partnership with the Saudi government to help achieve Vision 2030 objectives for the media and entertainment sector. The M&E initiatives contribute to Saudi Arabia's development goals, enhancing the country's media landscape. These initiatives underscore MBC's commitment to supporting societal progress by strengthening the media and entertainment sector.



### BOCA – Foundation

The commercial activities of MBC GROUP generate solid and sustainable revenues from broadcasting and related sectors, including a diversified portfolio of entertainment verticals. These include:

- 13 free-to-air (FTA) channels
- MMS
- Radio
- Social media
- Gaming
- Music
- Events
- E-media



### SHAHID – Growth

SHAHID follows a dual-revenue approach, leveraging subscription and advertising revenue, supported by favourable market dynamics and increasing OTT penetration in the region. The platform offers two primary ways for viewers to access content:

- Subscription video-on-demand (SVOD)
- Advertising-based video-on-demand (AVOD)



### M&E – Partnerships

MBC GROUP is the Saudi government's preferred media partner, entrusted with advancing the media ecosystem in the Kingdom of Saudi Arabia (KSA) and executing large-scale entertainment projects. The MBC verticals relevant to this include:

- MBC STUDIOS
- MBC ACADEMY
- MBC TALENT
- MBC IRAQ, MBC PERSIA, MBC CINQ

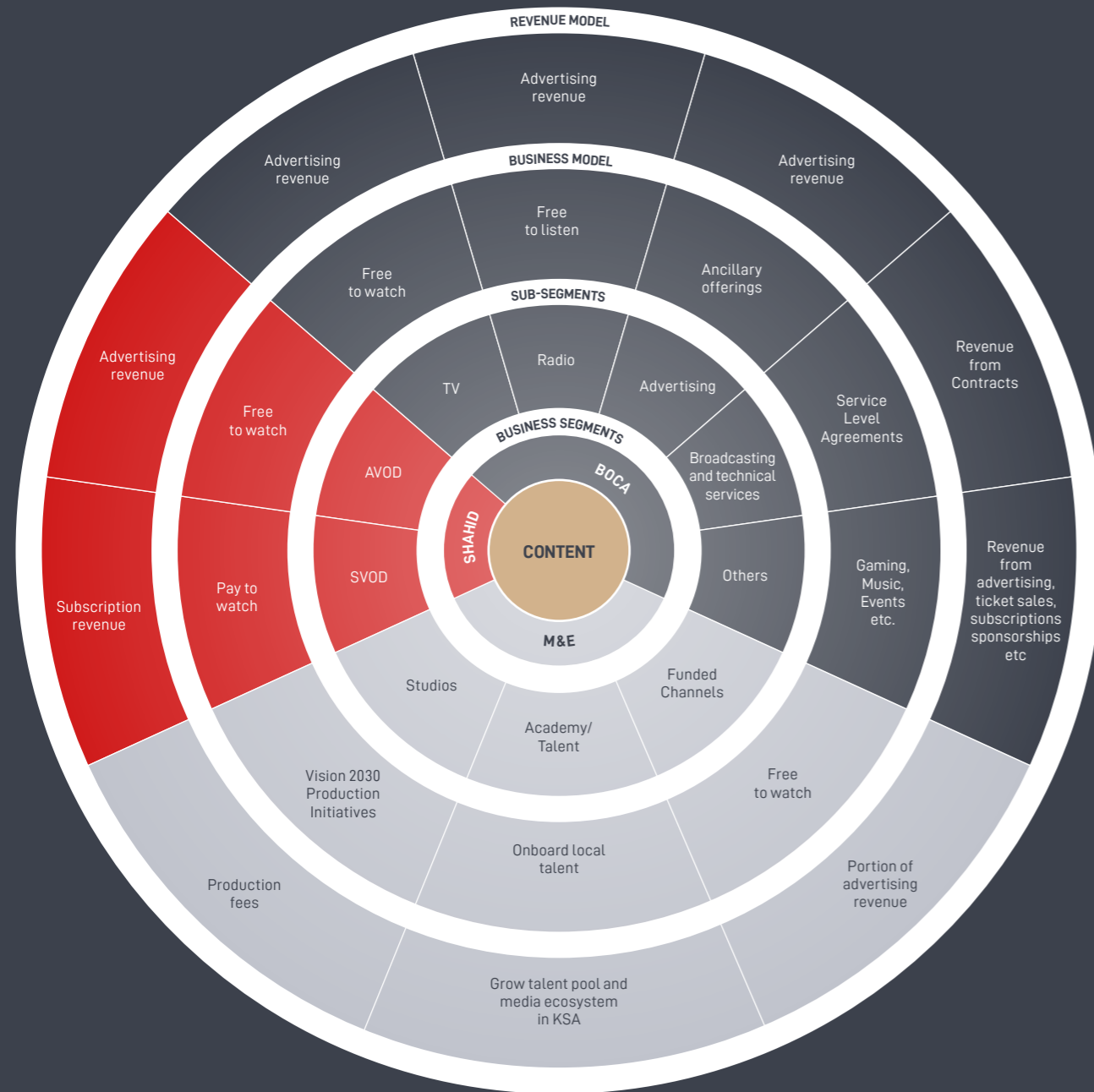


خريف القلب  
KHAREEF AL QALB



# MBC'S BUSINESS MODEL

MBC's business model articulates how the company creates, delivers, and captures value from its content, leveraging a diversified approach to drive sustained growth and audience engagement.



BOCA – Broadcasting and Other Commercial Activities    M&E – Media & Entertainment Initiatives    SHAHID – OTT (Over the Top)

# COMPELLING CONTENT

## FUEL FOR GROWTH

MBC's BOCA channels and SHAHID thrive on high-quality content. The immense popularity of this content across the channels and OTT platform drive the core advertising and subscription business operations and revenues in these segments.

The key customer value proposition is to consistently deliver new, engaging, and compelling content.

In 2024, MBC offered a diverse range of content categories across its TV channels and OTT streaming platform. A total of 86 titles from the network ranked in the top 100 programmes in Saudi Arabia. The Group follows a strategy of optimising content value by broadcasting across all available channels and platforms.

### Scripted and Unscripted Formats, Sports Coverage, Live Programming, and Current Affairs

MBC's scripted content includes SHAHID originals and adaptations of novels, presented in formats such as series, movies, plays, concerts, podcasts (exclusive to digital platforms), and documentaries. Unscripted content includes large flagship formats such as Arabs Got Talent Season 7 and Top Chef Season 8.

### Large Flagship Formats and Game Shows

The network produces and broadcasts localised large formats of renowned international shows such as Arabs Got Talent. These productions involve licensing internationally successful formats, incorporating branding and guidelines from intellectual property owners. The licence agreements typically span multiple seasons, drawing significant audiences and substantial advertising investments.

### Drama Series, Soap Operas, and Adaptations

Engaging in drama production and acquisition, MBC focuses on a genre highly favoured in the Middle East, with a special emphasis on commercially significant dramas aired during Ramadan. The network frequently secures third-party licences for drama series. Some of the most well-received shows in 2024 include Khareef Al Qalb, Al Ameel, Lo'abat Hob, and Al.

### HIGHLIGHTS

Thanawiyat Al Naseem    Arabs Got Talent S7

Khareef AL Qalb    AL Ameel

### Other International Acquisitions

MBC secures rights for TV series catering to audiences in regions such as Korea, India, Latin America, and Turkey. Following the acquisition, MBC dubs or adds Arabic subtitles to the content. Notable titles include Leyla, Ana Oum, and Fareed Season 3.

### Western Movies and Series

MBC's content offering extends to Western movies and series. Over the years, MBC has obtained broadcasting licences for this genre, primarily from renowned Hollywood studios. These are broadcast with Arabic subtitles.

### Sports Coverage

SSC delivers sports content through subscriptions on the MBC GROUP OTT platform, SHAHID. Viewers on SHAHID can opt for special packages to access these channels. Coverage includes leagues and events such as:

- Roshn Saudi League (RSL)
- AFC Champions League Elite
- AFC Champions League Two
- Copa del Rey (Spanish King's Cup)
- Portuguese Premier League
- FIFA CAF (Confédération Africaine de Football)
- Women's Premier League (WPL)
- Saudi Basketball League (SBL)
- FIBA WASL
- Formula E, European Cricket League, LIV Golf, Sail GP

### Anime

MBC acquires anime content for broadcast on its TV channels and SHAHID platform.

### Regional Content

MBC selects content to cater to the preferences of regional markets beyond the Gulf region. Egyptian-focused channels such as MBC MASR require a distinct content offering. Similarly, channels targeted at audiences in Iraq and Morocco require tailored content, although their commercial characteristics and the scale of programming expenditure are smaller compared to those of MBC MASR.

### Strategic production categories

MBC continually invests in content production, focusing on quality to boost viewership and attract more subscribers. The Group has adopted a segmented strategy to optimise viewership across different content types, including.



### Scripted TV series:

- Pan-Arab Turkish adaptations such as Al Ameer, Lo'abat Hob, and Al Qadr.
- Saudi-Turkish adaptations such as Khareef Al Qalb, with two new titles scheduled for release in 2025.
- SHAHID Originals: Thanawiyat Al Naseem, Fursan Graih, and Mawdou' A'eli Season 3.

### Unscripted TV Shows:

- Arabs Got Talent, Top Chef.

### Sports Content Offering

Sports content is available as a supplementary service to SHAHID SVOD subscribers through an optional sports subscription. This service is provided under existing agreements, including an exclusive partnership with the Saudi Sports Company, which holds the rights to broadcast the Saudi Premier League.

### MBC Content Board – Comprehensive Evaluation Process

MBC employs a rigorous project selection process, taking into account several key factors, including:

- The alignment of a concept or idea with the needs of MBC or its platforms and the preferences of the target audience.
- The suitability of a concept or idea for platforms operated by MBC.
- Analysis of historical data, market trends, and predictive analytics to gauge engagement for the proposed content.
- Evaluation of estimated production costs, licensing fees, marketing and distribution expenses, and anticipated revenue streams associated with the proposed content.
- Assessment of the projected return on investment for the proposed content.
- Monitoring the accuracy of forecast return on investment and comparing actual results against predicted metrics.

## OVERVIEW OF MBC'S TV CHANNELS

(Excluding those under M&E)

MBC offers a diverse selection of TV programmes and channels. Each channel has a distinct identity, enabling the Group to cater to different demographics and interests.

### MBC

MBC is the Group's first free-to-air (FTA) TV channel. It debuted in 1991 as the first commercial channel in the Middle East and North Africa (MENA) region, with a particular focus on Gulf countries.

### MBC MASR & MBC MASR 2

Launched in 2012, MBC MASR provides a variety of content, including dramas, series, movies, and documentaries, catering to a broad audience.

In 2014, MBC MASR strengthened its presence in Egypt, one of the largest markets in the MENA region, by introducing MBC MASR 2. This channel features sports and entertainment programmes. The expansion underscores the significance of MBC's strategic presence in Egypt, a country with a population exceeding 115 million.

### MBC 2

Launched in 2002 with a broad spectrum of programming, MBC 2 was transformed in 2005 to become the first 24-hour FTA movie channel in the MENA region.

### MBC3

Introduced in 2004, MBC3 is a dedicated children's entertainment channel offering a blend of educational and entertaining content. Its programming includes animated series, educational programmes, and popular children's movies.

### MBC Drama

Launched in 2010, MBC Drama is a family entertainment channel that broadcasts Arabic drama series around the clock.

### MBC Action

Introduced in 2007 to cater to a young Arab audience, MBC Action features a mix of action movies, dramas, thrillers, and popular sports content.

### MBC4

MBC4 was launched in 2005, making history as the first channel in the Arab world exclusively designed for young Arab families, with a dedicated focus on women's entertainment and lifestyle content.

### MBC Max

Launched in 2008 as MBC's second 24-hour movie channel, MBC Max is tailored to a younger audience.

### MBC Bollywood

Introduced in 2013, MBC Bollywood airs daily drama series, premium celebrity magazine shows, and Bollywood movies, with all content either dubbed or subtitled in Arabic.



## OTHER BUSINESS

### Game Development

Digital games are a major global industry, offering an interactive alternative to traditional passive media consumption. This sector appeals strongly to younger demographics, a crucial target audience in KSA and throughout the MENA region.

To capitalise on this growing market, MBC is expanding its presence in the gaming industry, positioning itself within this dynamic and fast-evolving sector.

MBC first entered the gaming industry in 2007 with the introduction of SMS competitions and interactive products, later broadening its offerings to include mobile applications. WIZZO, a mobile gaming social platform in the MENA region, serves as a hub where players can create profiles, chat, upload content, download games, and make in-app purchases.

Leveraging WIZZO, the Group actively engages in game publishing and collaborates with prominent gaming publishers such as Activision, Garena, Netmarble, and IGG, forming strategic alliances within the gaming sector.

Additionally, MBC, in a joint venture with NEOM, is developing MBC Game Studio. This initiative represents a strategic move toward positioning MBC as a leading video game developer and publisher, with a primary focus on creating original, high-budget games.

### Radio (FM, Panorama)

MBC operates three FM radio stations: MBC FM, Panorama FM, and LOUD FM, the latter of which launched in 2023. Established in 1994, MBC FM Radio was the first private radio station in KSA and has played a pivotal role in shaping radio consumption habits in the country.

As the leading secular radio station, MBC FM Radio curates a selection of Gulf region music, poetry, and entertainment tailored to listeners in KSA and the wider Gulf region.

As of 2024, MBC FM and Panorama FM collectively maintain a dominant position in KSA, commanding approximately 36 percent of the radio market share. LOUD FM, the KSA-based station broadcasting Western music content in English, is specifically designed to engage a younger audience.



### Music

MBC recognises the natural synergy between the music industry and its core business. The company launched Platinum Records, a music label dedicated to talent scouting, career development, and music publishing. Platinum Records leverages its access to a diverse talent pool across the MENA region, supported by popular music shows such as The Voice and Arab Idol, which are broadcast on the Group's TV platforms.

Additionally, the MBC TALENT initiative is focused on identifying and nurturing young Saudi musicians. Through this programme, MBC actively contributes to sourcing and developing musical talent for Platinum Records.

MBC's involvement in the music business extends to event management. The company organises concerts and events, fostering key industry connections, and remains actively engaged in various facets of the music sector. MBC holds a 13.7 percent stake in the music streaming platform Anghami and operates its 24-hour music channel, Wanasah, in collaboration with artist Rashed Al Majed.

### Event Management

MBC organises live events, such as concerts, international shows, and exhibitions across KSA, the United Arab Emirates (UAE), and Egypt, ensuring a diverse range of entertainment experiences. These events, which welcome audiences ranging from 2,000 to 15,000 attendees, also serve as content sources for both linear and digital distribution platforms. Revenue is generated through ticket sales and sponsorships, complemented by income from broadcasting event content on MBC's channels.

Industry experts predict substantial expansion in KSA's event management sector, with projections indicating growth from USD544 million (over SAR 2 billion) in 2022 to an estimated USD867 million (SAR 3.25 billion) by 2027 (Mordor Intelligence). This positions KSA as an emerging regional hub for large-scale events, aligning with the objectives of Vision 2030.

The rapid expansion of the industry is largely driven by government initiatives and significant investment aimed at enhancing the sector's development.



As of 31 December 2024, MBC maintains a strong presence across multiple social media platforms:



Facebook

**c.382 million  
followers**



X (formerly Twitter)

**c.67 million  
followers**



TikTok

**c.54 million  
followers**



YouTube

**c.123 million  
followers**



Instagram

**c.63 million  
followers**



Snapchat

**c.25 million  
followers**

#### Social Media

MBC is committed to business diversification and adapting to emerging trends in media and entertainment. The Group actively explores opportunities on major social media platforms to strategically monetise its digital presence.

MBC's engagement on social media serves two primary objectives:

- Promoting MBC's TV and SHAHID streaming content, attracting a wider audience to its platforms and channels.
- Generating incremental revenue by sharing aired content segments and exclusive behind-the-scenes material on social media.

#### GOBX Service

The GOBX service grants users access to all free-to-air channels and provides an option to subscribe to Pay TV packages. Positioned as a freemium equivalent for the digital landscape, GOBX primarily targets satellite TV households, with a specific focus on KSA.

#### Licensing and Merchandising

MBC licenses and merchandises its intellectual property across various business segments. This strategy supports other divisions, particularly MBC STUDIOS, and the merchandise is primarily targeted at children.

#### Other Investments

MBC holds investments in associates and joint ventures. The joint ventures include:

- **Wego** – an online travel platform
- **Anghami** – a music streaming platform
- **Tapmad** – an OTT platform
- **Arabian Contracting Services Company (ACSC)** – a Saudi-based outdoor advertising company

The investments in associates include:

- **O3 Turkey**
- **MBC Game Studio**

#### Wego

Wego is an online travel platform in which MBC holds a 9.46 percent stake. MBC has played a key role in the development and promotion of the Wego brand across the MENA region.

#### Anghami

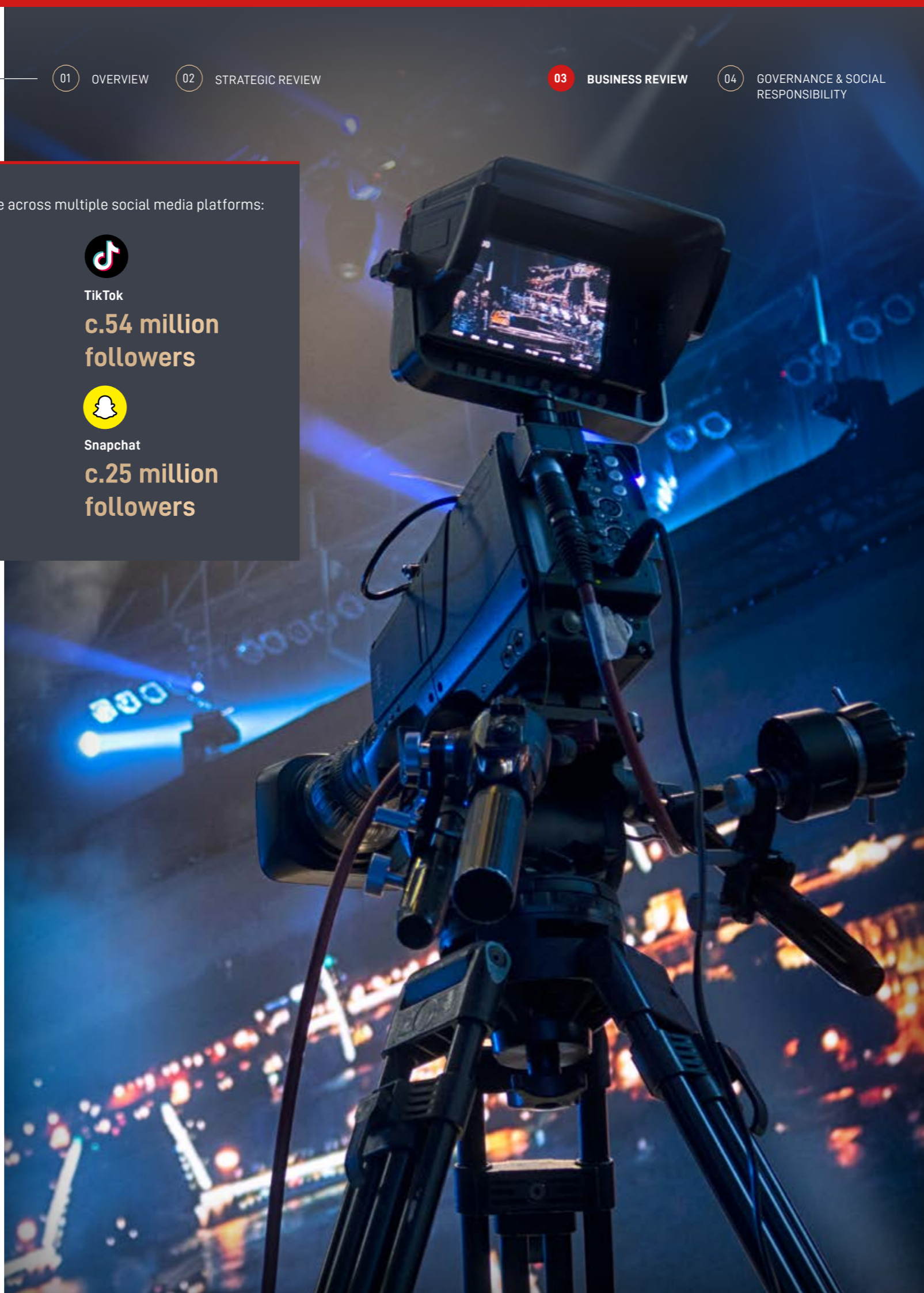
Anghami is a digital entertainment and online music streaming platform in which MBC holds a 6.1 percent stake. Anghami provides users with access to music, podcasts, music videos, and live events.

#### Tapmad

Tapmad is an established OTT player in Pakistan, primarily focused on subscription-based streaming services.

#### Arabian Contracting Services Company (ACSC)

The Arabian Contracting Services Company (ACSC) is a leading Saudi-based outdoor advertising firm listed on the Saudi Stock Exchange, holding a strong market position in KSA's out-of-home advertising sector. ACSC holds a leadership position in KSA's out-of-home advertising market, with MBC owning a 15.1 percent stake in the company.



# Broadcasting and other Commercial Activities

## HIGH-QUALITY CONTENT DRIVES ALL-ROUND GROWTH

### Financial Highlights

(SAR Million)

**2,424**

+21%  
Revenue  
FY 2024

**870**

+10%  
Gross Profit  
FY 2024

**533**

+55%  
Net Profit  
FY 2024

**22%**

Net Profit Margin

MBC GROUP's broadcasting journey began in 1991 with a single free-to-air (FTA) satellite TV station. Today, the Broadcasting and Other Commercial Activities (BOCA) segment encompasses 13 FTA channels, three radio stations, MBC Media Solutions (MMS), Broadcasting and Technical Services, along with several entertainment verticals.

BOCA is the foundational pillar of the Group, built over 34 years since the launch of its first channel.

In 2024, BOCA's total revenues surged, reaching SAR 2,424.1 million—up 21.0 percent year-on-year—while net profit grew by 54.6 percent to SAR 533.2 million. BOCA's strong performance in FY 2024 was driven by revenue growth across its traditional broadcast business and significant expansion in broadcasting and technical services revenues, which more than doubled due to key projects under Service-Level Agreements (SLAs), such as SSC. Additionally, MBC GROUP's unique content distribution model, broad audience reach, and localised storytelling—exemplified by hit programmes such as Arabs Got Talent and Top Chef—further reinforced BOCA's market leadership, while AI-driven efficiencies enhanced operations in content moderation, dubbing, and scheduling.

BOCA holds a 40 percent audience market share in Saudi Arabia, maintains a strong presence across the Middle East and North Africa (MENA) region, and boasts more than 700 million followers across social media platforms.

MBC GROUP provides extensive advertising inventory and client support across all MBC platforms to create impactful advertising campaigns. Data and analytics are leveraged for advertisements and audience measurement, optimising volume and pricing for MBC inventory.

MBC's unique model allows the Group to distribute content through all of its channels. SHAHID subscribers gain access to all MBC channels. MBC's broadcasting activities serve audiences across the MENA region and beyond, including tailored local channels in Egypt, Iraq, Iran, and Morocco.

MBC's channels and OTT platform, SHAHID, offer a blend of pan-Arab and locally relevant content, either produced in-house or sourced externally. Viewers can access MBC's channels through network platforms or via an OTT subscription. Saudi Arabia and Egypt constitute the largest audience shares for MBC's linear TV content.

This crucial combination of locally focused and pan-Arab content helped the Group achieve its most important KPIs for 2024 in terms of audience reach in Saudi Arabia, Iraq, and Egypt. MBC1 led all television channels with the highest audience share in Saudi Arabia, while MBC Drama remained a top performer. Both MBC Iraq and MBC Masr (Egypt) emerged as the number one channels in those countries.

#### Flagship Programmes

2024 was a landmark year for MBC GROUP's programming, marked by the return of flagship shows such as Arabs Got Talent and Top Chef, and the breakout success of Khareef Al Qalb, a Saudi-Turkish adaptation tailored to local audience preferences. The series debuted in October on MBC1 and the OTT platform SHAHID, quickly rising to the top of MBC's viewership rankings.

Al Kha'en, a pan-Arab Turkish adaptation, was another standout success, captivating audiences across the region with its compelling storyline. Ramez also delivered exceptional performance across Saudi and pan-Arab audiences.

These flagship programmes, anchored in a strategy of localised storytelling, reinforced MBC channels as essential entertainment destinations across MENA, setting new benchmarks for sustained audience engagement. They, along with other programmes, ensured that MBC dominated viewership in the region, maintaining leadership in key timeslots and audience segments.

### Embracing Innovation

MBC GROUP has integrated Artificial Intelligence (AI) into its operational processes, significantly enhancing production efficiency and content delivery. We are progressing in benefiting from the AI technologies in different areas such as subtitling, scheduling tasks and generating synopsis..

Having demonstrated its value, AI will become an even more integral part of operations and management in 2025, enabling the Group to meet the evolving demands of modern audiences and optimise workflows.

Another key technological advancement is the automation of routine processes and the refinement of resource allocation to drive efficiency and reduce costs. One notable example is the automation of the Greenlight Process, which streamlines the evaluation and selection of content for TV channels. This streamlined approach has reduced manual effort while improving decision-making speed and accuracy, ensuring content aligns optimally with audience preferences and business objectives.

### New Studio

The first phase of MBC GROUP's new state-of-the-art studio in Riyadh's Al Narjis district was completed in the last quarter of 2024, marking a major milestone for the Group. Arabs Got Talent Season 7 became the first major show filmed at the studio, underscoring the Group's commitment to strengthening the local media and entertainment production ecosystem. Expectations are high that this new studio will further reinforce MBC's leadership role in innovative media production within the region.

### Outlook for the Future

Over the coming years, MBC GROUP is set to benefit from continued growth in the MENA media and entertainment sector, particularly in advertising, music, gaming, and events.

Total advertising spend in the MENA region is forecast to grow at a 7.31 percent CAGR from 2024 to 2028. The radio advertising market is also expected to expand at a 4.86 percent CAGR, with notable growth in the UAE and Egypt.

The radio advertising market, which remains resilient for MBC GROUP in its core regions, is projected to grow at 6.5 percent in the coming year. Through MBC FM and Panorama FM, MBC GROUP holds a 36 percent share of the Saudi Arabian radio market.

The MENA region will continue shifting from traditional gaming (PC and console) to mobile gaming, with the market expected to reach SAR 8.1 billion (USD 2.2 billion) by 2027.

The rise of mega-events, including international conferences, music festivals, and sporting events, has drawn global attention and increased demand for professional event management services in Saudi Arabia. This market is anticipated to grow at a 9.8 percent CAGR, reaching SAR 3.3 billion (USD 867 million) by 2027.

**In 2025, MBC GROUP will further cement its leadership in the media and entertainment sector, with BOCA focusing on three key areas:**

**1.**

Strengthening social media activities, placing greater emphasis on community management and initiatives designed to deepen audience engagement.

**2.**

Completing the transition of MBC's headquarters and key operations from Dubai to Riyadh, aligning with Saudi Vision 2030 and establishing Riyadh as the central hub for the Group's operations.

**3.**

Expanding its portfolio of scripted and unscripted formats tailored for Arab audiences across MENA, including the much-anticipated pan-Arab adaptation of Ezel, the return of The Voice, Million Dollar Land, and a new season of Top Chef.



# MBC MEDIA SOLUTIONS

## EFFICIENT MIX OF INITIATIVES AND PARTNERSHIPS

MBC Media Solutions (MMS) plays a pivotal marketing and sales role for all of MBC GROUP's entertainment channels and platforms, generating advertising revenues for the Group through media sales.

### MMS' Role

MMS sells advertising spots, sponsorships, brand integrations and product placement solutions to media-buying agencies and clients across the Middle East and North Africa (MENA) region. Gulf Cooperation Council (GCC) countries — especially Saudi Arabia and the UAE — and Egypt are the leading markets in the region. Working with MMS, advertisers gain access to the audiences of all MBC GROUP platforms, including its free-to-air (FTA) channels, SHAHID, radio, events, and social media.

The division also participates in the Content Board, Greenlight Committee, and Content Commissioning Unit (CCU) so that marketing insights contribute to ensuring the commercial viability of the content. This

level of integration between teams facilitates better strategic targeting of audiences to attain commercial success, in line with the Group's broader goals.

### Leadership Status in MENA

In the four years since its establishment in 2021 as MBC GROUP's in-house agency, MMS has emerged as a clear leader in the MENA television industry with a 42.5 percent market share, up from 34.4 percent in 2023. Higher advertising revenues from all MBC GROUP platforms, coupled with the excellent performance of MBC Masr, enabled MMS to achieve this growth in regional market share. Egyptian operations surpassed targets, despite ongoing currency rate challenges.

In 2024, MMS achieved a 34 percent year-on-year increase in the volume of advertisers for MMS. The split between government and private sector advertisers, and regional and international clients remained unchanged from 2023. Estimates from IPSOS, the global market-research firm, show an overall increase of 21 percent in 2024 in monitored total TV advertising. This figure is directional, as it is based on gross figures across the market. MMS' own growth rate for monitored TV advertising stood at 58.6 percent, far above the global average. Digital advertising is not yet measured in the MENA market.

Strategic partnerships with five major agency holding groups grew stronger in 2024, proving the efficacy of MBC GROUP's collaborative approach with business partners. The geopolitical instability in the Levant region caused several brands to adjust their advertising investments, which did have an impact on MMS' performance. However, strong partnerships and other initiatives cutting across marketing and operations enabled MMS to nevertheless retain its leadership position.

Advertiser interest increased notably, with key sectors such as technology and electronics contributing significantly to this expansion. Looking at MBC GROUP's performance in 2024, the relevance of its ability to attract a diverse range of brands while delivering customised advertising solutions tailored to market needs becomes evident.

MMS completed a strategic restructuring that began in 2023, allowing it to benefit from an improved operational framework during most of 2024. The restructuring streamlined operations and optimised resource allocation to align with evolving market demands.



*MBC's strategic partnerships with five major agency holding groups grew stronger in 2024, proving the efficacy of MBC GROUP's collaborative approach to business partners. The geopolitical instability in the Levant region caused several brands to adjust their advertising investments, which did have an impact on MBC's performance.*

### New Initiatives

The division launched several key initiatives in 2024. For the over-the-top (OTT) platform SHAHID, a new content and advertising offering was introduced, aimed at expanding the audience base and diversifying advertising solutions. As part of this, MMS has been releasing diverse content genres on advertising-based video on demand (AVOD) to attract audiences based on their interests.

New advertising services include content hosting, enabling brands to tell their stories and convey their messages on the OTT platform. As part of this content extension and advertising solution, SHAHID has been broadcasting new types of branded docuseries, documentaries, and branded entertainment.

MMS also launched MMS Sports, consolidating advertising solutions across major sporting events, matches, and shows from Saudi Sports Company (SSC), MBC GROUP, and Al Arabiya under one umbrella, providing brands with exceptional opportunities to engage with the passionate sports audience in MENA.

Additionally, MMS partnered with Happydemics to launch a new offering, the 'Brand Lift Study,' to generate comprehensive insights for advertisers about consumer perceptions and the effectiveness of campaigns, helping the division ensure that clients maximise their advertising impact.



### Impactful Marketing

Understanding how crucial stakeholder engagement and advertising efficiency is, has allowed MMS to excel in providing the very best for both consumers and advertisers in 2024.

MMS hosted several B2B events across key markets such as Riyadh, Cairo and Dubai, raising stakeholder engagement to new heights. MMS also signed Memoranda of Understanding (MOUs) with leading entities across the region to reinforce the advertising arm's strategic partnerships.

MMS launched its new website ([www.mms.net](http://www.mms.net)) in 2024, offering another client interface platform that provides access to tools to enhance advertising efficiency. MMS also developed new marketing assets including the creation of client case studies, go-to-market decks, and sizzle reels, all designed to drive sustainable business growth.

The introduction of three new client-focused advertising product packages marked a major enhancement of MMS' digital portfolio. First, 'Branded Collections', under which a client can choose television series that broadcast under one branded collection. Second, 'Thematic Bundles', under which icons of series on SHAHID's home page change based on a client's product, a timer on the home screen over the hero banner, and QR codes are placed on pause ads and hero banners. Third, the 'Live and Hosting' package, which allows advertisers to host content or broadcast live events on SHAHID.

MMS also launched an industry benchmark dashboard, which provides the sales team with insights into strategies adopted by SHAHID's competitors. On the social media front, new sponsorship packages were introduced on YouTube and X Amplify, along with a social media-specific 'Brand Integration' product.

### Outlook for 2025

MMS is approaching the challenges and opportunities that 2025 will present with clear strategic plans to play its part in contributing to MBC GROUP's ambitious goals. MMS's 2025 approach aligns with the Group's overarching strategy, which focuses on adaptability and seizing market opportunities. Specifically, MMS has lined up a series of measures to be implemented in 2025.

These include:

### Television Audience Measurement (TAM)

Starting in January 2025, MMS is adopting KSA TAM, Saudi Arabia's official benchmark for TV and streaming audience measurement. KSA TAM delivers in-depth insights into TV consumption and campaign performance to advertisers, offering a precise and comprehensive view of audience behaviour that empowers brands to make informed decisions.

### Brand, attention & attribution studies

MMS is deploying independent third-party studies from globally renowned partners to further substantiate the TAM data and to ensure that advertisers see the extensive value of long-form content beyond the range of audience rating parameters provided by TAM.

### CRM

Having implemented the Microsoft AI-enabled customer relationship management (CRM) solution in the second half of 2024, this system will be the backbone of all efforts in 2025 to further enhance communication across teams and geographies to manage revenue opportunities.

### SHAHID

MMS will continue to consolidate all digital solutions under one team. Efforts will focus on reinforcing SHAHID's position as a key platform in the MENA digital ecosystem for clients across their marketing plans.

# SHAHID OTT Platform

## SHAHID CONTINUES TO GROW FROM STRENGTH TO STRENGTH

### Financial Highlights

(SAR Million)

**1,079**

+28%  
Revenue  
FY 2024

**143**

+393%  
Gross Profit  
FY 2024

**129**

-54%  
Net Loss  
FY 2024

**12%**

Net Loss Margin



SHAHID, the leading over-the-top (OTT) platform in the Middle East and North Africa (MENA) region, has been a key growth driver for MBC GROUP in recent years, offering two robust revenue streams: subscription video on demand (SVOD) and advertising-based video on demand (AVOD). The platform's high-quality, entertaining, and engaging content continues to drive SHAHID's growing popularity and expanding subscription base. SHAHID's strong performance in 2024 led to a significant reduction in its losses, placing it firmly on the path to breakeven.

#### Growth Engine

SHAHID's achievement of building a subscriber base of five million across the MENA region underscores its role as the Group's growth engine. This extensive geographical reach also makes it an extremely attractive AVOD option for advertisers. The subscriber base has steadily increased in recent years, rising from one million in 2020 to 2.9 million in 2022, just under four million by the end of 2023, and reaching five million by the end of 2024.

While TV remains a key pillar with a loyal and extensive audience, digital entertainment platforms have become increasingly popular due to their convenience and flexibility. SHAHID has effectively leveraged this trend by providing diverse content that appeals to a broad audience, including families and individuals across different demographics. The OTT platform complements and enhances MBC's core TV business by expanding access to high-quality programming through a seamless viewing experience.

One of the key features of OTT is its ability to adapt to evolving viewing habits across all age groups, offering viewers the flexibility to watch shows and events at their convenience using the catch-up facility. MBC's integrated model ensures that both TV and digital audiences benefit from a unified content strategy. SHAHID subscribers gain access to all of MBC's channels and programmes, further strengthening audience engagement across platforms.

#### 2024 Performance

In 2024, SHAHID earned revenues of SAR 1,078.9 million, marking a sharp 27.9 percent year-on-year increase from SAR 843.7 million in 2023. This strong growth enabled SHAHID to reduce its net loss for the year to SAR 129.1 million, positioning the platform well on its course to breakeven within three years.

SHAHID has steadily expanded its share of MBC GROUP's total revenue, accounting for 25.7 percent in 2024, excluding eliminations. This compares with 22.7 percent in 2023 and 16 percent in 2022. The OTT platform's significant impact on the Group's financial performance is further demonstrated by its Compounded Annual Growth Rate (CAGR) of 40 percent from 2021 to 2024.

MBC launched the current version of SHAHID in 2020 with the goal of making it the world's premier Arabic streaming platform. By the end of 2024, SHAHID held an OTT subscriber market share of approximately 26 percent in MENA, surpassing other leading platforms such as Netflix, Amazon Prime, and Starz Play Arabia. In addition to leading the SVOD sector, SHAHID also dominates the AVOD market, having reached a peak of 5 million active users during 2024.

SHAHID achieved remarkable growth across both SVOD and AVOD platforms in 2024, driven by a strong mix of long-running soaps on AVOD and exclusive originals, children's content, and sports programming

on SVOD. SHAHID released several standout titles, including the Saudi original series *Thanawiyat Al Naseem*, the Saudi-Turkish adaptation *Khareef Al Qalb*, and pan-Arab Turkish hits *Al-Kha'en* and *Alameel*.

Subscriber growth was consistent throughout 2024, with the exception of a seasonal dip during June and July. A growth surge during Ramadan in the first quarter was followed by a brief slowdown in the summer months. Growth resumed in August, supported by back-to-school momentum, popular shows, and the launch of Roshn Saudi League (RSL) football Season 4.

### Content Strategy

The variety and richness of SHAHID's content remain the single most important factor driving the platform's subscription growth. The content strategy is carefully designed to cater to a broad range of audience demographics. SHAHID relies heavily on audience behaviour analysis to continually review and refine its approach to content and programming.

SHAHID's content strategy prioritises aligning its offerings with audience preferences, ensuring engagement across key demographic segments such as adult male and female audiences, as well as younger, digitally inclined viewers.



SHAHID also aligns its content and programming with seasonal periods (e.g. summer and back-to-school) and other important external events such as Ramadan and sports tournaments. This approach ensures that content is fine-tuned to deliver engaging entertainment year-round. Leading shows on SHAHID highlight the platform's commitment to offering a rich content library tailored to the diverse tastes of MENA audiences.

### Key Drivers of Excellence

Beyond content and programming, SHAHID's focus on excellence and best practices played a pivotal role in boosting both SVOD and AVOD performance in 2024. These measures can be summarised as the five key drivers of excellence:

- **Data-Driven Decisions:** Advanced models and dashboards were developed to guide content selection, marketing strategies, and user behaviour analysis.
- **Enhanced User Experience:** A revamped sign-up process was introduced, offering a seamless and intuitive experience for user registration, subscription, and login.



- **Improved Sports Engagement:** A richer sports experience was introduced, allowing fans to track team progress, navigate live matches effortlessly, and access key game highlights.
- **New Advertising Formats:** Innovative ad formats were launched to provide a more engaging experience for viewers while enabling MBC Media Solutions to maximise media sales revenues.
- **Advanced Content Curation:** A new Think Analytics-powered content curation system was adopted, providing personalised and mood-based content recommendations to enhance audience engagement.

### Outlook for 2025

By 2025, the number of OTT subscribers in the MENA region is set to grow at 5.1% CAGR. OTT personal spending in the region is growing at 7 percent annually and is projected to reach USD 2.1 billion. The MENA OTT AVOD market is also expected to expand at a 9.36 percent CAGR between 2024–2028.

This rapid growth, driven by increasing digitalisation and smartphone adoption, bodes well for SHAHID, which is well-positioned to strengthen its leadership as the MENA region's top OTT platform. The strategy for 2025 includes key measures to enhance the SVOD and AVOD offerings:

- **SVOD Expansion:** More originals and premium content will be introduced to attract new subscribers. AI-driven subtitling will be expanded to improve accessibility for a wider audience.
- **B2B Strategy Enhancement:** SHAHID will refine its B2B partnerships with telecom providers, device manufacturers, banks, and streaming platforms to expand reach.
- **AVOD Growth:** SHAHID will continue investing in broad-reach content to attract advertisement-supported viewers and launch new advertising formats to maximise monetisation opportunities.

SHAHID will also leverage advanced data analytics to provide highly relevant, personalised content recommendations for SVOD and AVOD users, reinforcing audience engagement and brand loyalty.

# Media & Entertainment Initiatives

## DELIVERING HIGH-QUALITY CONTENT AND NURTURING LOCAL TALENT

### Financial Highlights

(SAR Million)

693

-20%  
Revenue  
FY 2024

191

+7%  
Gross Profit  
FY 2024

22

+526%  
Net Profit  
FY 2024

3%

Net Profit Margin

MBC GROUP's Media and Entertainment Initiatives (M&E) delivered a strong performance in 2024, driven by a strategic focus on expanding the Group's content pipeline, optimising production processes through digitalisation, and nurturing and managing talent through MBC Academy and MBC Talent. These initiatives contributed significantly to Saudi Vision 2030 goals.

#### Market Leadership

M&E recorded notable achievements in 2024, with strategic planning and operational execution playing a key role. MBC STUDIOS, MBC Academy, and MBC Talent worked together to consolidate the Group's position as a media and entertainment leader in the Middle East and North Africa (MENA) region, while also expanding its influence globally.

A five-year strategic plan was finalised, and business support functions were centralised following the merger of STUDIOS with MBC Productions. MBC STUDIOS continued to produce a diverse range of high-quality content, including scripted dramas and films, enhancing both MBC's SHAHID platform and free-to-air (FTA) channels.

Key achievements include the delivery of eight scripted projects, comprising 40 episodes and 41 production hours. Talent development remained a core focus, with over 20,000 individuals trained, 7,084 auditions conducted, and 390 trainees gaining hands-on industry experience.

#### Financial Performance

M&E generated SAR 693.3 million in total revenue for 2024, reflecting a 19.8 percent year-on-year decline. Nonetheless, the segment's net profit grew 526.3 percent year-on-year to SAR 22.0 million.

M&E's financial results are closely tied to the project delivery schedule, which varies due to the complexity of creative productions. This year, fewer projects were delivered, leading to a decline in revenues. However, the Group was able to apply margins on completed projects, a shift from past practice. As a result, despite lower revenues, profits increased. Looking ahead, a new set of projects is expected to be delivered, with margins continuing to be applied, supporting sustained profitability growth.

#### Content Pipeline and Strategic Partnerships

MBC GROUP remains committed to producing high-quality content that engages audiences across the region. In 2024, MBC STUDIOS developed a strong content pipeline for 2025-2026, with 50 scripted projects in progress—26 in development and 13 in production.

The structured approach to content development ensures a steady stream of programming for the next two years. Collaboration across the Group enabled early involvement from SHAHID and the FTA channels in the creative process, leading to improved planning and greater efficiencies.

MBC STUDIOS also formed a partnership with the Saudi production company Telfaz to co-develop and co-produce projects focused on Saudi storytelling. This initiative aligns with MBC's commitment to fostering regional narratives and strengthening the Saudi entertainment industry.

#### Operational Efficiencies and Technology Integration

A focus on production efficiency and cost optimisation resulted in significant savings in 2024. Advances in artificial intelligence, digitalisation, and automation improved workflows across the segment's operations.

MBC STUDIOS introduced a centralised idea-submission portal to streamline the content development process, ensuring greater transparency and efficiency. Oracle budgeting tools were implemented to automate financial management and optimise budgeting for productions. A revised budgeting process introduced in the second quarter strengthened collaboration between creative teams and producers, leading to further cost optimisations.

## Key Achievements at a Glance

Scripted Titles

**8**  
projects

**40**  
episodes

**41**  
total production hours

Unscripted Titles

**65**  
projects

**1,063**  
episodes

**1,044**  
total production hours

Financial Performance

**526.3% to SAR 22 million**  
net profit surge

Talent Development

**20,000+**  
individuals trained

**7,084**  
auditions conducted

**390**  
trainees gaining hands-on experience

M&E generated SAR 693.3 million in total revenue for 2024, reflecting a 19.8 percent year-on-year decline due to project timeline shifts delaying revenue recognition. However, strong net profit growth of 526.3 percent underscores continued operational efficiency and financial resilience.

Additionally, a new contract management system was finalised, automating legal contracting processes to enhance efficiency. In 2025, AI-driven initiatives will be introduced across production, post-production, sales, and distribution to improve operational effectiveness and workflow efficiency.

These advancements lay the groundwork for significant improvements in production and distribution, ensuring that the Group remains at the forefront of technological innovation in the entertainment sector.

### MBC Academy: Developing Future Talent

MBC Academy and MBC Talent played a central role in developing the next generation of media professionals, including actors, writers, and directors. The Academy provided over 20,000 individuals with industry-relevant skills, offering practical experience in acting, screenwriting, and production.

A series of roadshows across Saudi Arabia introduced aspiring professionals to career opportunities in media and entertainment. Participation in major industry events and collaborations with educational institutions expanded the Academy's reach. The Academy's online masterclasses, led by industry professionals, enhanced accessibility to expert knowledge.

### Diverse Programmes

2024 marked the launch of MBC Academy's audition and casting programme. Over 7,000 auditions were conducted, offering aspiring talents opportunities to showcase their skills and potentially secure roles in MBC GROUP productions across television, film, and radio.

Another professional development initiative provided more than 500 trainees with practical experience on MBC projects. Selected participants trained on television shows, movies, and radio productions.

For students passionate about filmmaking and television, MBC Academy introduced an intensive training programme to help them master industry skills. Certified graduates were offered employment opportunities in acting, screenwriting, and other media disciplines. A total of 5,400 students participated in 2024.

### International Collaboration

MBC Academy strengthened its international partnerships, providing students with opportunities to gain global industry exposure. The Academy partnered with the Korean Academy of Film Arts (KAFA) to host a filmmaking bootcamp, from which 18 students graduated. Other international partnerships included filmmaking scholarships at the New York Film Academy in Italy, an acting scholarship at Blueprint in Egypt, and a documentary filmmaking programme in Korea for individuals committed to long-term careers in the industry.

In total, 42 students benefited from these global programmes, gaining exposure to international industry standards and expanding their professional networks. The media and entertainment industries benefited from the contributions of these emerging talents.

### Masterclasses

MBC Academy embraced online learning, offering masterclasses and courses led by industry leaders. These masterclasses provided practical advice from

experienced instructors across different disciplines, who shared lessons based on their professional experiences.

### MBC Talent

MBC Talent supports artists in the region through tailored career development initiatives. Two major initiatives were launched in 2024: one providing direct support to managed talent and another maintaining a database of talent.

MBC Talent offers networking opportunities, performance feedback, contract and financial management assistance, and support in resolving assignment-related issues.

A new talent database was launched to streamline artist bookings, casting, and job placements across MBC's productions. MBC Talent collaborates internally with MBC Productions and externally with third-party projects to connect talented individuals with opportunities across the industry.



### Expanding International Collaboration

MBC Academy continued to expand its global partnerships, providing students with opportunities to gain industry exposure. Key initiatives included collaborations with the Korean Academy of Film Arts, the New York Film Academy in Italy, and the Blueprint Acting School in Egypt. Through these programmes, 42 students received advanced training, equipping them with industry-specific skills and expanding their professional networks.

MBC Academy also launched an intensive training programme for students interested in filmmaking and television production. More than 5,400 students participated in 2024, with certified graduates offered employment opportunities within MBC GROUP.

### MBC Talent: Supporting Artists and Creators

MBC Talent supported emerging and established artists through tailored career development initiatives. A talent database was launched to streamline artist bookings, casting, and job placements across MBC's productions.

To enhance talent management, MBC Talent provided direct support to artists, offering guidance on performance feedback, contract management, and

financial planning. These initiatives strengthened MBC's ability to nurture and promote talent within the region's creative industries.

### Performance and Market Reach

MBC STUDIOS continued to meet production targets, delivering a robust pipeline of scripted content. MBC Academy expanded its impact, increasing its number of trainees by 30 percent compared to the previous year. Engagement with Saudi citizens also grew, rising from 5.5 million in 2023 to 7.5 million in 2024.

MBC Iraq exceeded audience share expectations, while MBC Persia and MBC Cinq performed in line with targets. These channels continue to serve as strategic platforms for expanding MBC GROUP's reach and driving audience engagement for SHAHID.

### Alignment with Vision 2030

MBC's achievements in 2024 contributed to Saudi Vision 2030's objectives for the media and entertainment sector. By delivering premium content, optimising costs, and developing a sustainable project pipeline, MBC strengthened its role in supporting industry growth. Investments in talent development ensured a skilled workforce, while collaborations with Saudi production companies reinforced the country's cultural identity through locally produced content.

### Future Outlook

MBC GROUP is focused on four key objectives for 2025: enhancing financial performance, improving customer experience, refining internal processes, and investing in people and culture. Revenue growth will be supported by expanding content offerings and maintaining cost efficiencies. Standardised talent rate cards and a pre-approved development budget will ensure financial discipline while upholding high production standards.

The Group remains committed to fostering a seamless work environment and enhancing audience engagement. Strengthening strategic partnerships, improving content quality, and maintaining brand loyalty will be central to maintaining MBC's competitive position.

Efforts to refine content creation, streamline production workflows, and uphold compliance standards will continue, ensuring efficiency across operations. Additionally, MBC will invest in workforce planning and talent retention, ensuring a strong pipeline of skilled professionals for future growth.

### Market and Business Opportunities

M&E is well-positioned for growth in high-potential entertainment sectors. MBC GROUP continues to leverage its FTA channels to expand into new markets and promote SHAHID, strengthening both AVOD and SVOD revenue streams. This strategy extends the Group's global reach, enhances brand recognition, and provides valuable market insights to optimise content and operations.

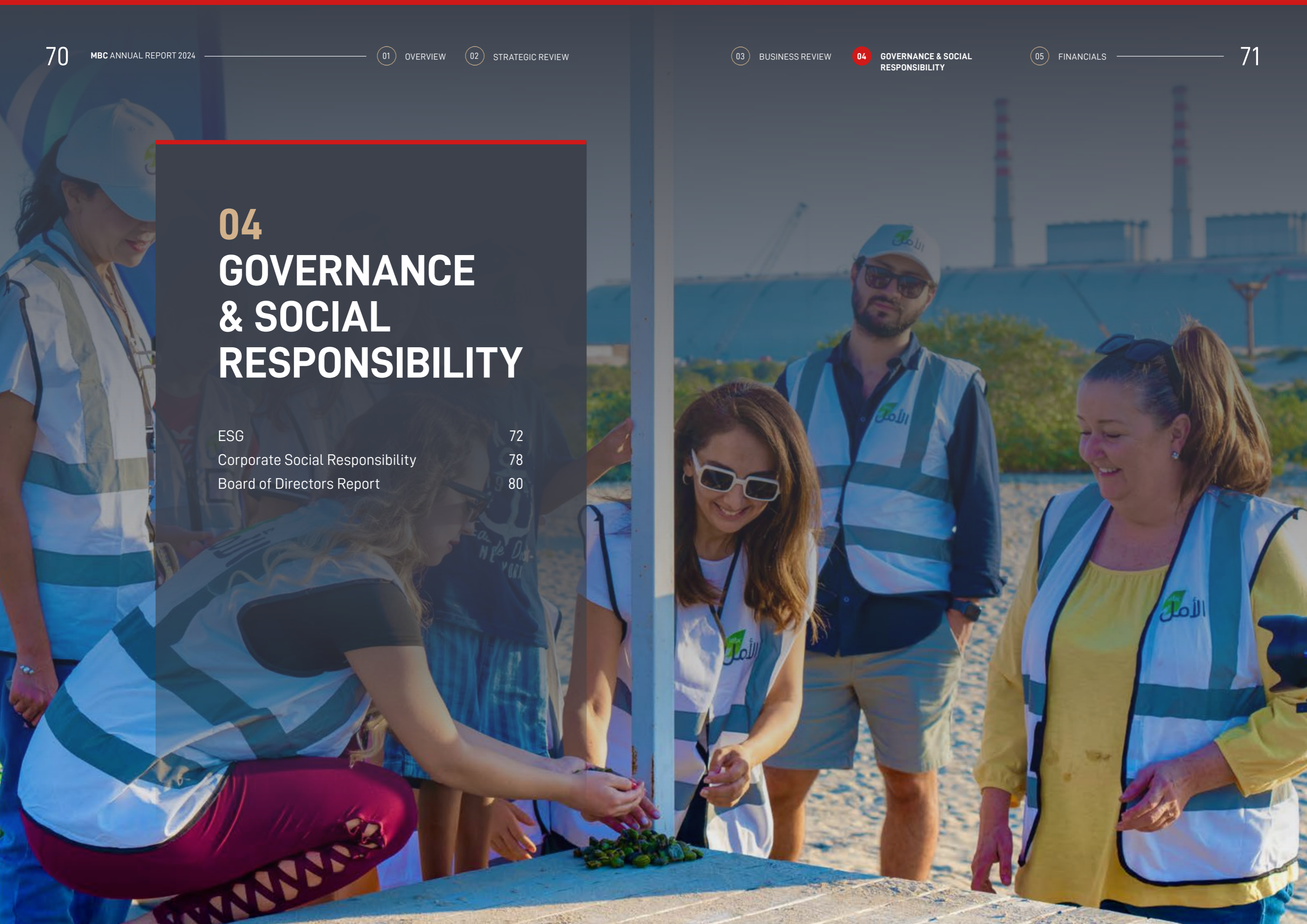
With Saudi Arabia's entertainment sector expected to grow, driven by increasing household spending and significant investment in media infrastructure, MBC anticipates strong opportunities for content production and talent development.

For M&E, this creates opportunities to produce high-quality, differentiated content that engages new and existing audiences. It also broadens the scope of MBC Academy and MBC Talent to develop and promote local talent, driving further growth in STUDIOS and the wider entertainment sector. Confident in its capabilities and strong brand presence, MBC GROUP is poised to capitalise on these opportunities and expand its regional and global impact.



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# ENVIRONMENTAL, SOCIAL AND GOVERNANCE

## Commitment to Sustainability

MBC GROUP integrates Environmental, Social, and Governance (ESG) principles into its operations. MBC GROUP's ESG reporting framework is informed by relevant international standards, such as the Global Reporting Initiative (GRI) and the Task Force on Climate-Related Financial Disclosures (TCFD).

The ESG framework is structured around three key pillars—Climate Action, Social Impact, and Responsible Operations—ensuring transparency, accountability, and tangible results.

## ESG Governance and Oversight

The ESG Committee, chaired by the CEO and comprising senior executives from Public Relations, Corporate Social Responsibility, and Operations, oversees the execution of ESG initiatives. MBC's Social purpose goals align with nine UN Sustainable Development Goals (SDGs), reflecting a commitment to long-term value creation for all stakeholders.



- **Recycling and Waste Management:** Installation of reverse vending machines for plastic recycling in Riyadh, alongside office-wide recycling initiatives in Dubai and Riyadh, including the reuse of outdated equipment.

Climate-related risks include natural disasters, emerging regulations, and periodic increases in costs associated with the global transition to a low-carbon economy. Internal and external risk assessments are conducted on an ongoing basis, with preventative and adaptive measures adopted to manage these risks. When evaluated using the enterprise risk-management methodology, no standalone climate-related risk has been identified as significant for the Group.

MBC GROUP collaborates with a diverse network of thousands of reputable suppliers to support operations, productions, and construction projects, while ensuring that sourcing from conflict zones is avoided. Suppliers are expected to adhere to the high standards outlined in the Supply Chain Code of Conduct. Sustainability considerations are incorporated early in project planning and design phases, influencing supplier selection and investment decisions.

## Climate Action

MBC GROUP aims to reduce its environmental footprint through measurable initiatives.

- **Energy Efficiency:** Migration of 85 percent of on-premises workloads to the cloud, reducing energy consumption.
- **Sustainable Transport:** Introduction of electric vehicles to the company fleet, minimising fuel consumption and emissions.
- **Resource Efficiency:** Implementation of office-wide energy optimisation, transition to paperless workflows, and repurposing of outdated equipment to reduce waste.
- **Biodiversity Conservation:** Partnership with The Storey Group and Emirates Marine Environmental Group to plant mangrove trees in Jebel Ali, UAE, supporting coastal ecosystem restoration and carbon sequestration.

## Social Impact

MBC GROUP is home to some of the region's most talented and creative individuals. Its culture is built on the pillars of integrity, creativity, collaboration, empowerment, community, and inclusion, fostering a positive and supportive workforce experience.

- **Sustainable Media and Content Development:** ESG themes, including climate awareness, mental health, and cultural heritage, are integrated into programming to educate and inspire audiences.

- **Diversity and Inclusion:** The workforce includes employees from over 60 nationalities, with women representing 28 percent of the workforce and 19 percent of senior leadership roles. Structured leadership development programmes support diversity and growth.
- **Training Programmes:** In 2024, nearly 700 employees participated in a total of 1,784 hours of training and learning courses, covering areas such as career development, personal branding, leadership development, and women's empowerment.
- **Employee Well-being:** Regular wellness initiatives, including mental health support sessions, health fairs, blood donation drives, and career development programmes, enhance workplace well-being. The Organisational Health Index monitors and tracks employee engagement and satisfaction.
- **Data Privacy and Cyber Security:** The Information Security Management System is designed to secure the digital environment as the business expands. Compliance is ensured with global security standards (NIST CSF, GDPR, Saudi PDPL) and a Supply Chain Cyber Security Programme to protect vendor and business data. MBC GROUP's privacy policies safeguard personal information belonging to customers, employees, job applicants, and third-party partners. The global privacy programme is built on the principles of privacy by design, accountability, and transparency, empowering individuals with meaningful control over their data.

#### CSR and Community Programmes:

- **Education and Youth Empowerment:** Path of Hope supports orphaned high-school graduates with training, mentorship, and job placement.
- **Healthcare Support:** Funding of cochlear implant surgeries, partnerships with Saudi German Hospital for medical aid, and provision of free mammogram vouchers for breast cancer screenings.
- **Humanitarian Aid:** Annual Ramadan food distribution campaigns delivering thousands of food boxes to underserved communities in Saudi Arabia and Egypt.
- **MBC Academy:** Training of over 20,000 individuals in media production, content creation, and technical skills, with 7,000 auditions hosted and career development workshops conducted to nurture industry talent.



#### Responsible Operations

MBC GROUP's strong governance framework ensures transparent and ethical operations, adhering to regional and relevant international regulations.

- A seasoned and diverse leadership team drives MBC's responsible operations, guided by a comprehensive Code of Business Conduct. The Speak-Up platform is an anonymous and independent whistleblowing system that allows employees and stakeholders to report ethical concerns or workplace misconduct, fostering transparency, accountability, and compliance.
- Rigorous oversight of financial and tax practices is maintained through regular internal and external audits, ensuring alignment with regulatory requirements. The enterprise risk management framework is integral to maintaining a robust risk governance system, facilitating ongoing risk monitoring and periodic reporting to the Board. This reinforces accountability and informed decision-making, ensuring the Group achieves its strategic objectives.
- The compliance function monitors adherence to regulations and internal policies, reporting to executive management and the Board, solidifying governance and internal controls.
- A range of policies guide MBC's responsible and ethical operations, including the Code of Conduct and Ethics Policy, Speak Up Policy, Risk Management Policy, Insider Trading Policy, IT Policies, MBC Disclosure and Transparency Policy, MBC Related Party Transactions and Conflict of Interest Policy, MBC GROUP Compliance Manual and Data Privacy, Administrative and Financial Policies, CSR and ESG Policy, Internal Control System Policy, Stakeholder Management Policy, Distribution of Dividend Policy and Remuneration Policy, among others.

Additionally, clear guidelines define the strategy and procedures for Board membership. Collectively, these policies ensure that MBC GROUP's corporate governance practices comply with relevant regulations and requirements while aligning with regional and global best practices.

## ESG SCOPE

MBC will achieve sustainable development by incorporating the three pillars of ESG:

PILLAR
01

**ENVIRONMENTAL**

MBC considers its environmental impact and the potential risks and opportunities it faces due to environmental issues. MBC is conscious of climate change and promotes policies that protect natural resources.

PILLAR
02

**SOCIAL**

MBC is mindful of the social factors that influence how a company treats different groups of people. MBC addresses this impact on employees, suppliers, customers and community members.

PILLAR
03

**GOVERNANCE**

Governance is defined as the way an organisation is controlled and directed. MBC examines its internal controls and practices closely to comply with regulations, industry best practices, and corporate policies.

## STRATEGIC OBJECTIVES

MBC's commitment to ESG integrates environmental, social, and governance considerations into its core business practices.



# MBC AL AMAL INITIATIVES

MBC AL AMAL, the Group's Corporate Social Responsibility (CSR) arm, has been leading the Group's environmental stewardship and community engagement programmes. In 2024, its efforts promoted public health, environmental protection, and supported social well-being.

## Partnership with Grace Preservation

In January 2024, MBC AL AMAL signed a strategic agreement with the Grace Preservation Foundation to drive waste reduction, promote recycling, and enhance food sustainability. This collaboration underscores MBC AL AMAL's commitment to fostering an eco-conscious and resilient future.

As part of the initiative, a reverse vending machine for plastic bottle recycling was installed at MBC GROUP's Diplomatic Quarter office in Riyadh, alongside multi-compartment recycling bins at its

offices in Dubai and Riyadh. Employee participation has been strong, with the reverse vending machine collecting 11,000 plastic bottles over the year, leading to a reduction of 1.6 tonnes of CO<sub>2</sub> emissions. These efforts contribute to MBC GROUP's broader environmental sustainability goals.

## Zikra Saleh's Art Exhibition

MBC AL AMAL partnered with the Wareef Charity Foundation of King Faisal Specialist Hospital and Research Centre to grant the wish of a young patient, Zikra, through the 'My Wish' charitable programme. The initiative culminated in an art exhibition showcasing Zikra's work, broadcast on MBC1's Sabah El Kheir Ya Arab, raising awareness of her talent and resilience in the face of a chronic illness.

This initiative highlights MBC AL AMAL's dedication to social impact, providing a platform for young individuals to share their creativity while inspiring others with their perseverance.

## Eid Campaign in Riyadh and Egypt

During Ramadan, MBC AL AMAL launched Eid campaigns in Riyadh and Egypt, reinforcing its commitment to social responsibility. In Riyadh, partnerships with Panda Supermarket and Al Sultan Men's Fabrics enabled the distribution of food supplies, men's fabrics, and gift cards to families in need.

In Egypt, collaboration with the Al-Masry Foundation facilitated the delivery of 1,000 food boxes to vulnerable households. These campaigns embody MBC AL AMAL's ongoing efforts to support communities in meaningful ways.

## Omani Students' Visit

Media students from Sultan Qaboos University, Oman, visited MBC GROUP's studios in Riyadh, including MBC FM, MBC LOUD, Panorama FM, and Sabah Al Khair Ya Arab. The visit provided hands-on exposure to broadcasting and media production, offering students an opportunity to experience radio hosting and television presenting. This initiative aligns with MBC AL AMAL's commitment to nurturing the next generation of media professionals.

## Mangrove Planting Campaign

MBC AL AMAL, in collaboration with The Storey Group and Emirates Marine Environmental Group (EMEG), planted 5,500 mangrove trees in Jebel Ali, UAE, in June 2024. This initiative supports coastal ecosystem restoration, biodiversity conservation, and carbon sequestration, reinforcing MBC GROUP's role in environmental stewardship.

## Cochlear Implants in Turkey

As part of its humanitarian efforts, MBC AL AMAL partnered with King Salman Humanitarian Aid and Relief Centre and Al-Ameen Organisation to provide cochlear implants, medical aid, and rehabilitation for hearing-impaired individuals affected by the earthquake in Turkey and Syria. Extensive media coverage on MBC1's Dream programme highlighted the impact of this initiative, amplifying awareness and engagement.

Additionally, MBC AL AMAL collaborated with Saudi German Hospital and MED-EL, an Austrian hearing implant systems company, to perform five cochlear implant surgeries, offering discounted devices and rehabilitation support. This initiative

demonstrates MBC AL AMAL's commitment to health and accessibility.

## Global Wellness Week

MBC AL AMAL marked Global Wellness Week with a series of workshops and free health screenings, promoting physical and mental well-being. Sessions covered workplace wellness, sound therapy, and practical health tips. Employees benefited from personalised consultations, reinforcing MBC AL AMAL's dedication to employee well-being.

## Blood Donation Campaigns

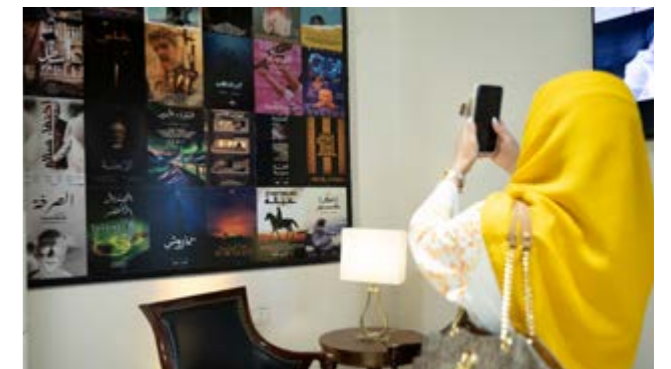
In August, we launched a blood donation campaign in collaboration with King Abdullah bin Abdulaziz University Hospital. The campaign received enthusiastic participation employees, highlighting the collective spirit of giving and community support among MBC staff.

## Path of Hope Programme

Building on its 2023 initiative, MBC AL AMAL continued the Path of Hope programme, providing career training, psychological support, and life skills development to 66 orphaned high-school graduates. Participants engaged in field trips, including a visit to the Esports World Cup in Riyadh, gaining exposure to emerging career opportunities in digital industries. This initiative plays a critical role in empowering youth through education and mentorship.

## Breast Cancer Awareness Campaign

In October, MBC AL AMAL partnered with healthcare, charity, and real estate organisations to launch a breast cancer awareness campaign across Riyadh, Jeddah, Dubai, and Cairo. The programme featured expert medical panels, live music, and the distribution of hundreds of free mammogram vouchers, with financial support extended to 20 breast cancer patients. This initiative aligns with MBC AL AMAL's commitment to public health advocacy.



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# MBC GROUP BOARD OF DIRECTORS REPORT 2024

# BOARD OF DIRECTORS

MBC GROUP is proud to be the MENA region's leading media and entertainment company.

Following a successful IPO, we are ready for the next phase of growth which will be focused on capitalizing on favorable macroeconomic and market conditions to capture greater market share and further expand audience reach, investing in our popular streaming platform, SHAHID, and expanding into promising entertainment verticals. Importantly, we are deepening our commitment to realizing Vision 2030 by supporting the growth and development of the dynamic media and entertainment sector.

On behalf of the Board of Directors, we affirm our commitment to acting in the best interests of our shareholders and our wider stakeholder universe, and to unlocking greater, sustainable value for all.



**Mr. Waleed bin Ibrahim Albrahim**  
Chairman  
Non-executive/non-independent



**H.E. Mr. Hindi bin Abdullah ALSohimi**  
Vice Chairman  
Non-executive/non-independent



**H.E. Mr. Khaled bin Abdullah AlMolhem**  
Member  
Non-executive/Independent member



**Mr. Abdulrahman bin Ibrahim AlRowaita**  
Member  
Non-executive/non-independent



**Mr. Abdullah bin Nasser AlDawood**  
Member  
Non-executive/non-independent



**Mr. Nasser bin Minahi Albiqami**  
Member  
Non-executive/non-independent



**Mr. Mansoor bin Abdulaziz Almansoor**  
Member  
Non-executive/Independent member



**Mr. Mosa bin Omran Alomran**  
Member  
Non-executive/non-independent



**Mr. Majed bin Abdulaziz Albrahim**  
Member  
Non-executive/Independent member



**Mr. Ali bin Ibrahim Alhedeithy**  
Board Secretary

## BOARD OF DIRECTORS' REPORT

### 1. Implemented and non-implemented provisions of the Corporate Governance Regulations issued by the Capital Markets Authority (CMA) and justifications therefore.

Based on the Compliance Monitoring activities performed to assess the implementation status of the Corporate Governance requirements stipulated in the Kingdom of Saudi Arabia (KSA) Companies Law and the Corporate Governance Regulations (CGR) issued by the Capital Market Authority (CMA), nothing came to the attention of the Board regarding any significant deficiencies in the Corporate Governance Framework. Accordingly, the results provide reasonable assurance that the Company is in compliance with the mandatory articles of the above-stated laws and regulations.

### 2. Names, qualifications, experience, current and former responsibilities of the Board, Committee and Executive Management members.

#### A. Summary of Board Members

#### Mr. Waleed bin Ibrahim Albrahim



#### Current Positions

- Chairman, MBC GROUP Listed JSC and chairman of the Executive Committee.
- Chairman, Saudi Sports Company, a closed joint stock company in the KSA operating in the Media Sports Sector, from 2023 to present.
- Chairman, MBC Media Solutions FZ LLC, a limited liability company in the UAE Free Zone operating in the media sector, from 2023 to present.
- Chairman, MBC Events, a limited liability company in the KSA operating in the event management sector, from 2022 to present.
- Chairman, MBC Game Studio, a limited liability company in the KSA operating in the game development sector, from 2021 to present.
- Chairman, MBC International, a limited liability company in the Cayman Islands operating in the media sector, from 2014 to present.
- Chairman, MBC FZ LLC, a limited liability company in the UAE operating in the media sector, from 2013 to present.
- Chairman, News24 Holding Company, a limited liability company in the British Virgin Islands operating in the media sector, from 2011 to present.
- Chairman, Al Arabiya News Holding, a limited liability company in the British Virgin Islands operating in the media sector, from 2011 to present.
- Chairman, MBC GROUP Holdings, a limited liability company in the British Virgin Islands operating in the investment sector, from 2011 to present.
- Director, MBC Holdings (Cyprus), a limited liability company in Cyprus operating in the investment sector, from 2001 to present.
- Chairman, ARA Group International Holding Company, a limited liability company in the KSA operating in the investment sector, from 1994 to present.

#### Qualifications

- Bachelor's degree in Business Management and Media, Portland State University, USA, 1984.

#### No Previous Positions

### 3. Names of the companies inside and outside KSA in which a Board Member is a member of their current or previous Boards or a manager thereof.

Names of companies in which the member of the Board of Directors is a director or manager of its current Board of Directors	Inside the Kingdom / Outside the Kingdom	Legal Entity (Listed/Unlisted / Limited Liability)	Names of companies in which the member of the Board of Directors was a director or manager of its previous Board of Directors		
			Inside the Kingdom / Outside the Kingdom	Legal Entity (Listed / Unlisted / Limited Liability)	
MBC GROUP Listed JSC	Inside	Listed joint stock company	–	–	–
Saudi Sports Company	Inside	Closed Joint Stock Company	–	–	–
MBC Media Solutions FZ LLC.	Outside	Limited Liability Company	–	–	–
MBC Events	Inside	Limited Liability Company	–	–	–
MBC Game Studio	Inside	Limited Liability Company	–	–	–
MBC International	Outside	Limited Liability Company	–	–	–
Al Arabiya News Holding Limited	Outside	Limited Liability Company	–	–	–
News 24 Holding Limited	Outside	Limited Liability Company	–	–	–
MBC GROUP Holdings	Outside	Limited Liability Company	–	–	–
MBC Holdings (Cyprus)	Outside	Limited Liability Company	–	–	–
ARA Group International Holding	Inside	Limited Liability Company	–	–	–
MBC FZ LLC.	Outside	Limited Liability Company	–	–	–

## BOARD OF DIRECTORS' REPORT CONT.

### H.E. Mr. Hindi bin Abdullah AlSohimi



#### Current Positions

- Vice Chairman, MBC GROUP Listed JSC, Chairman of the Audit Committee and Member of the Executive Committee.
- Director and Executive Committee Member, Almadinah Almunawarah Development Authority, a government agency in the KSA operating in the government sector, from 2023 to present.
- Chairman, Istedamah Holding Company, a closed joint stock company in the KSA operating in the investment sector, from 2022 to present.
- Director, Qiddiya Investment Company, a single-Shareholder closed joint stock company in the KSA operating in the investment sector, from 2022 to present.
- Director and Chairman of the Audit Committee, Saudi Entertainment Ventures, a single-person closed joint stock company in the KSA operating in the entertainment sector, from 2022 to present.
- Director, Qiddiya Coast Company, a limited liability company in the KSA operating in the investment sector, from 2022 to present.
- Director and Chairman of the Audit Committee, MBC Game Studio Ltd., a limited liability company in the KSA operating in the game development sector, from 2022 to present.
- Member of the Audit Committee, Qiddiya Investment Company, a single-Shareholder closed joint stock company in the KSA operating in the investment sector, from 2021 to present.
- Chairman of the Audit Committee and Member of the Executive Committee, Al Arabiya News Holding Ltd, a limited liability company in the British Virgin Islands operating in the media sector, from 2021 to present.
- Chairman of the Audit Committee, Saudi Authority for Data and Artificial Intelligence, a government agency in the KSA operating in the government sector, from 2020 to present.
- Director, Tourism Development Council, a government agency in the KSA operating in the government sector, from 2020 to present.
- Director, ARA Group International Holding Company, a limited liability company in the KSA operating in the media sector, from 2020 to present.
- Director, Al Arabiya News Holding Ltd, a limited liability company in the British Virgin Islands operating in the media sector, from 2019 to present.
- Director, News24 Holding Ltd, a limited liability company in the British Virgin Islands operating in the media sector, from 2019 to present.
- Director, Middle East News FZ, a limited liability company in the UAE Free Zone operating in the media sector, from 2019 to present.
- Director, Saudi Broadcasting Authority, a government agency in the KSA operating in the government sector, from 2019 to present.
- Director, Al Arabiya Network FZ LLC., a limited liability company in the UAE operating in the media sector, from 2019 to present.
- Director, Chairman of the Audit Committee and Member of the Executive Committee, MBC GROUP Holdings (BVI), a limited liability company in the British Virgin Islands operating in the investment sector, from 2018 to present.
- Assistant Minister of Finance, Ministry of Finance, a ministry in the KSA operating in the government sector, from 2018 to present.
- Director, General Authority for Survey and Geospatial Information, a government agency in the KSA operating in the government sector, from 2017 to present.

#### Qualifications

- Bachelor's degree in Accounting, King Saud University, KSA, 1997.
- Master's degree in Accounting, King Saud University, KSA, 2004.

#### Previous Positions

- Assistant Minister of Finance of Financial and Technical (Acting), Ministry of Finance, a ministry in the KSA operating in the government sector, from 2017 to 2018.
- Deputy for Financial Affairs, Budget, and Organization (Acting), Ministry of Finance, a ministry in the KSA operating in the government sector, from 2017 to 2018.
- Deputy for Account Affairs (Acting), Ministry of Finance, a ministry in the KSA operating in the government sector, from 2017 to 2018.

Names of companies in which the member of the Board of Directors is a director or manager of its current Board of Directors	Inside the Kingdom / Outside the Kingdom	Legal Entity (Listed/Unlisted / Limited Liability)	Names of companies in which the member of the Board of Directors was a director or manager of its previous Board of Directors		Legal Entity (Listed / Unlisted / Limited Liability)
			Inside the Kingdom / Outside the Kingdom	Legal Entity (Listed / Unlisted / Limited Liability)	
MBC GROUP Listed JSC.	Inside	Listed	-	-	-
Almadinah Almunawarah Development Authority	Inside	Government	-	-	-
Istedamah Holding Company	Inside	Closed joint-stock company	-	-	-
Qiddiya Investment Company	Inside	Closed joint-stock company	-	-	-
Saudi Entertainment Ventures	Inside	Closed joint-stock company	-	-	-
Qiddiya Coast Company	Inside	Limited liability company	-	-	-
MBC Game Studio Ltd.	Inside	Limited liability company	-	-	-
Tourism Development Council	Inside	Government	-	-	-
ARA Group International Holding Company	Inside	Limited liability company	-	-	-
Al Arabiya News Holding Ltd.	Outside	Limited liability company	-	-	-
News24 Holding Ltd.	Outside	Limited liability company	-	-	-
Middle East News FZ.	Outside	Limited liability company	-	-	-
Saudi Broadcasting Authority	Inside	Government	-	-	-
Al Arabiya Network FZ LLC.	Outside	Limited liability company	-	-	-
MBC GROUP Holdings (BVI)	Outside	Limited liability company	-	-	-
General Authority for Survey and Geospatial Information	Inside	Government	-	-	-

## BOARD OF DIRECTORS' REPORT

### H.E. Mr. Khaled bin Abdullah AlMolhem



#### Current Positions

- Director, MBC GROUP Listed JSC and Chairman of the Investment Committee and member of the Audit Committee.
- Director and Chairman of the Executive Committee, Al-Uqair Development Company, a closed joint-stock company in the KSA operating in the real estate development sector, from 2022 to present.
- Director, Qiddiya Coast Company, a limited liability company in the KSA operating in the real estate development sector, from 2021 to present.
- Director, Chairman of the Investment Committee and Chairman of the Benefits and Compensation Committee, Kidana Development Company, a closed joint-stock company in the KSA operating in the real estate development sector, from 2020 to present.
- Chairman, Alawwal Invest, a closed joint-stock company in the KSA operating in the investment sector, from 2020 to present.
- Vice Chairman, Riyadh Cement, a listed joint-stock company in the KSA operating in the cement sector, from 2004 to present.

#### Qualifications

- Bachelor's degree in Engineering Management, University of Evansville, Indiana, USA, 1980.

#### Previous Positions

- General Manager, Saudia Airlines, a government institution in the KSA operating in the aviation sector, from 2006 to 2014.
- Chairman, Saudi Telecom Company, a listed joint-stock company in the KSA operating in the communications sector, from 2001 to 2006.
- Vice President of Finance, Saudi Telecom Company, a listed joint-stock company in the KSA operating in the communications sector, from 1998 to 2001.
- CEO, Almarai, a listed joint-stock company in the KSA operating in the agriculture, dairy products and food supply sectors, from 1997 to 1998.
- Senior Account Manager, Regional General Manager and Executive General Manager for Investment, SABB, a listed joint-stock company in the KSA operating in the banking sector, from 1983 to 1989.
- Engineer, Maintenance and Operation Department at Dhahran International Airport and King Abdulaziz Air Base, Royal Saudi Air Force, from 1981 to 1983.

Names of companies in which the member of the Board of Directors is a director or manager of its current Board of Directors	Legal Entity (Listed/Unlisted / Limited Liability)		Names of companies in which the member of the Board of Directors was a director or manager of its previous Board of Directors	Legal Entity (Listed / Unlisted / Limited Liability)	
	Inside the Kingdom / Outside the Kingdom			Inside the Kingdom / Outside the Kingdom	
Al-Uqair Development Company	Inside	Closed joint stock company	Saudi Airlines	Inside	Government
Qiddiya Coast Company	Inside	Limited liability company	Saudi Telecom Company (STC)	Inside	Listed joint-stock company
Kidana Development Company	Inside	Closed joint stock company	Almarai	Inside	Listed joint-stock company
Alawwal Invest	Inside	Closed joint stock company	SABB	Inside	Listed joint-stock company
Riyadh Cement	Inside	Listed joint-stock company	-	-	-
MBC GROUP Listed JSC.	Inside	Listed joint-stock company	-	-	-

## BOARD OF DIRECTORS' REPORT CONT.

### Mr. Abdulrahman bin Ibrahim AlRowaita



#### Current Positions

- Board member, member of the Nominations and Rewards Committee, and member of the Investment Committee at MBC Group, a public joint-stock company listed operating in the media sector, from 2018 to present.
- Member of the Board of Directors, Chairman of the Nominations and Rewards Committee, and member of the Investment Committee at MBC Group Holdings Limited, a limited liability holding company in the British Virgin Islands operating in the investment sector, from 2018 to present.
- Member of the Board of Directors and Chairman of the Nominations Committee at Al Arabiya News Holding Company Limited, a limited liability holding company in the British Virgin Islands operating in the media sector, from 2021 to present.
- Member of the Board of Directors at News 24 Holding Company Limited, a limited liability company in the British Virgin Islands operating in the media sector, from 2021 to present.
- Member of the directors at ARA International Holding Group, a limited liability company in Saudi Arabia operating in the media sector, from 2020 to present.
- Chairman of the Board and Chairman of the Executive Committee / Non-Executive at the Saudi Research and Media Group, a public joint-stock company listed in Saudi Arabia operating in the media sector, from 2018 to present.
- Board member and Chairman of the Audit and Risk Management Committee / Non-Executive at Jadwa Investment, a closed joint-stock company in Saudi Arabia operating in the investment sector, from 2006 to present.
- Board member and Chairman of the Executive Committee at the General Commission for Audiovisual Media, a government entity in the media sector, from 2024 to present.
- Member of the Board of Trustees and Chairman of the Audit and Compliance Committee at King Fahd National Library, a government entity, from 2024 to present.

#### Qualifications

- Bachelor's degree in industrial engineering, University of Southern California, USA, 1980.
- Master's degree in industrial engineering, University of Southern California, USA, 1982.

#### Previous Positions

- Non-executive Director, Emaar, The Economic City, a listed joint stock company in the KSA operating in the real estate development sector, from 2011 to 2020.
- Director, Wilaya Investment Company, a closed joint stock company in the KSA operating in the investment sector, from 2016 to 2018.
- Non-executive Director, General Authority of Civil Aviation, a government agency in the KSA operating in the civil aviation sector, from 2015 to 2018.
- Non-executive Director, Amlak International Real Estate Finance Company, a closed joint stock company in the KSA operating in the finance sector, from 2013 to 2018.
- Non-executive Director, Alessa Industries Company, a closed joint stock company in the KSA operating in the industrial sector, from 2013 to 2018.
- Non-executive Chairman, Halwani Bros Company, a listed joint stock company in the KSA operating in the food sector, from 2008 to 2018.
- General Manager, Aseer Company for Trading, Tourism, Industry, Agriculture, Real Estate and Contracting, a listed joint stock company in the KSA operating in the investment sector, from 2005 to 2018.
- Executive Vice President and Chairman of the Management Committee, Dallah Albaraka, a limited liability company in the KSA operating in the investment sector, from 1989 to 2018.
- Non-executive Director, Al Khozama Management Company, a closed joint stock company in the KSA operating in the real estate development sector, from 2007 to 2017.

- Member of the Economic Advisory Board, Council of Economic Affairs, a government agency in the KSA operating in the government sector, from 2011 to 2015.
- Non-executive Director, Saudi Printing and Packaging Co., a listed joint stock company in the KSA operating in the printing and packaging sector, from 2003 to 2011.
- Managing Director, Alsamaha Trading, a limited liability company in the KSA operating in the investment sector, from 1990 to 2010.
- Non-executive Director, Saudi Industrial Export Company (SADIRAT), a listed joint stock company in the KSA operating in the trade sector, from 1995 to 1998.

Names of companies in which the member of the Board of Directors is a director or manager of its current Board of Directors	Inside the Kingdom / Outside the Kingdom	Legal Entity (Listed/Unlisted / Limited Liability)	Names of companies in which the member of the Board of Directors was a director or manager of its previous Board of Directors		
			Inside the Kingdom / Outside the Kingdom	Legal Entity (Listed / Unlisted / Limited Liability)	
MBC GROUP Listed JSC.	Inside	Listed joint-stock company	Emaar, The Economic City	Inside	Listed joint-stock company
Al Arabiya News Holding Ltd.	Outside	Limited liability company	Wilaya Investment Company	Inside	Closed joint-stock company
News24 Holding Ltd.	Outside	Limited liability company	General Authority of Civil Aviation	Inside	Government
ARA Group International Holding Company	Inside	Limited liability company	Amlak International Real-estate Finance Company	Inside	Closed joint-stock company
Saudi Research and Media Group	Inside	Listed joint-stock company	Alessa Industries Company	Inside	Closed joint-stock company
Jadwa Investment	Inside	Listed joint-stock company	Halwani Bros Company	Inside	Listed joint-stock company
The General Commission for Audiovisual Media	Inside	Government	Aseer Company for Trading, Tourism, Industry, Agriculture, Real-estate and Contracting	Inside	Listed joint-stock company
King Fahd National Library	Inside	Government	Dallah Albaraka	Inside	Limited liability company
MBC GROUP Holdings Ltd.	Outside	Limited liability company	Al Khozama Management Company	Inside	Closed joint-stock company
			Council of Economic Affairs	Inside	Government
			Saudi Printing and Packaging Co.	Inside	Listed joint-stock company
			Alsamaha Trading	Inside	Limited liability company
			Saudi Industrial Export Company (SADIRAT)	Inside	Listed joint-stock company

## BOARD OF DIRECTORS' REPORT CONT.

### Mr. Abdullah bin Nasser AlDawood



#### Current Positions

- Director, MBC GROUP Listed JSC and Member of the Audit committee and the Executive committee.
- Non-executive Director, Lumi, a closed joint-stock company in the KSA operating in the car rental sector, from 2022 to present.
- Director, Thiqah, a closed joint-stock company in the KSA operating in the IT sector, from 2022 to present.
- Director and Managing Director, Qiddiya Investment Company, a closed joint-stock company in the KSA operating in the investment sector, from 2021 to present.
- Non-executive Member of the Supreme Committee for Transport and Logistics Services, a committee affiliated with the Council of Economic and Development Affairs in the KSA operating in the economic affairs and development sector, from 2021 to present.
- Non-executive Director, News24 Holding, a limited liability company in the British Virgin Islands operating in the media sector, from 2021 to present.
- Non-executive Director, Al Arabiya News Holding, a limited liability company in the British Virgin Islands operating in the media sector, from 2021 to present.
- Non-executive Director, ARA Group International Holding Company, a limited liability company in the KSA operating in the media sector, from 2020 to present.
- Non-executive Director, Hotel Management Company, a closed joint-stock company in the KSA operating in the hospitality sector, from 2020 to present.
- Non-executive Chairman, Saudi Entertainment Ventures, a single-person closed joint-stock company in the KSA operating in the entertainment sector, from 2018 to present.
- Non-executive Director, MBC GROUP Holdings, a limited company in the British Virgin Islands operating in the investment sector, from 2018 to present.
- Non-executive Chairman, Alraedah Finance, a closed joint-stock company in the KSA operating in the finance sector, from 2015 to present.
- Non-executive Director, Careem Inc., a closed joint-stock company in the British Virgin Islands operating in the IT sector, from 2014 to present.
- Director and Managing Director, Seera Group Holding Co., a listed joint-stock company in the KSA operating in the tourism sector, from 2012 to present.

#### Qualifications

- Bachelor's degree in Business Administration, King Saud University, KSA, 2002.
- Master of Science in Foreign Service, Walsh School of Foreign Service, Georgetown University, USA, 2007.
- Master's degree in Business Administration, Corporate finance and strategy, McDonough School of Business, Georgetown University, USA, 2007.

#### Previous Positions

- Non-executive Chairman, Almosafer, a closed joint-stock company in the KSA operating in the tourism sector, from 2016 to 2021.
- Non-executive Director, Rua Al Madinah Holding Company, a closed joint-stock company in the KSA operating in the real estate sector, from 2016 to 2021.
- CEO, Seera Group Holding Co., a listed joint-stock company in the KSA operating in the tourism sector, from 2015 to 2021.
- Non-executive Director, Saudi Exchange Company (Tadawul), a listed joint-stock company in the KSA operating in the investment sector, from 2018 to 2020.
- Non-executive Director, E-Commerce Council, a government council in the KSA operating in the government sector, from 2019 to 2024.
- Acting Executive Vice President, Deutsche Bank (MENA), a listed joint-stock company in Germany operating in the banking sector, from 2007 to 2014.

Names of companies in which the member of the Board of Directors is a director or manager of its current Board of Directors	Inside the Kingdom / Outside the Kingdom	Legal Entity (Listed/Unlisted / Limited Liability)	Names of companies in which the member of the Board of Directors was a director or manager of its previous Board of Directors		
			Inside the Kingdom / Outside the Kingdom	Legal Entity (Listed / Unlisted / Limited Liability)	
MBC GROUP Holdings	Outside	Limited liability company	Almosafer	Inside	Closed joint stock company
Lumi	Inside	Closed joint stock company	Rua Al Madinah Holding Company	Inside	Closed joint stock company
Thiqah	Inside	Closed joint stock company	Saudi Exchange Company (Tadawul)	Inside	Listed joint stock company
Qiddiya Investment Company	Inside	Closed joint stock company	Deutsche Bank (MENA)	Outside	Listed joint stock company
Council of Economic and Development Affairs	Inside	Government	-	-	-
MBC GROUP Listed JSC	Inside	Listed joint stock company	-	-	-
News24 Holding	Outside	Limited liability company	-	-	-
Al Arabiya News Holding	Outside	Limited liability company	-	-	-
ARA Group International Holding Company	Outside	Limited liability company	-	-	-
Hotel Management Company	Inside	Government	-	-	-
E-Commerce Council	Inside	Government	-	-	-
Saudi Entertainment Ventures	Inside	Closed joint stock company	-	-	-
Alraedah Finance	Inside	Closed joint stock company	-	-	-
Careem Inc.	Outside	Closed joint stock company	-	-	-
Seera Group Holding Co.	Inside	Closed joint stock company	-	-	-

## BOARD OF DIRECTORS' REPORT

### Mr. Nasser bin Minahi Albiqami



#### Current Positions

- Board Member, MBC GROUP Listed JSC
- Board Member, ARA Group International Holding Company, a limited liability company in the KSA operating in the media sector from 2023 to present.
- Board Member, News24 Holding Ltd, a limited liability company operating in the media sector, from 2023 to present.
- Board Member, Al Arabiya News Holding Ltd, a limited liability company operating in the media sector, from 2023 to present.

#### Qualifications

- Bachelor's degree in Accounting, Umm Al-Qura University, KSA, 1994.
- Master's degree in Information Systems, Loughborough University, UK, 1997.
- Ph.D. in Information Systems, University of Nottingham, UK, 2001.

#### Previous Positions

- Advisor, Ministry of Education, a government agency in the KSA operating in the government sector, from 2013 to 2016.
- Assistant Professor, Umm Al-Qura University, a public university in the KSA operating in the education sector, from 1994 to 2015.
- Consultant, private sector in the KSA operating in the IT and media sectors, from 2008.
- General Manager of Administrative Development, Emirate of Makkah Province, a government agency in the KSA operating in the government sector, from 2006 to 2008.
- General Manager of IT, Emirate of Makkah Province, a government agency in the KSA operating in the government sector, from 2004 to 2008.

Names of companies in which the member of the Board of Directors is a director or manager of its current Board of Directors	Inside the Kingdom / Outside the Kingdom	Legal Entity (Listed/Unlisted / Limited Liability)	Names of companies in which the member of the Board of Directors was a director or manager of its previous Board of Directors		
			Inside the Kingdom / Outside the Kingdom	Legal Entity (Listed / Unlisted / Limited Liability)	Legal Entity (Listed / Unlisted / Limited Liability)
News24 Holding Ltd.	Outside	Limited liability company	-	-	-
MBC GROUP Listed JSC.	Inside	Listed joint-stock company	-	-	-
Al Arabiya News Holding Ltd.	Outside	Limited liability company	-	-	-
ARA Group International Holding	Inside	Limited liability company	-	-	-

## BOARD OF DIRECTORS' REPORT

### Mr. Mansoor bin Abdulaziz Almansoor



#### Current Positions

- Director, MBC GROUP Listed JSC and Chairman of the Nomination and Remuneration Committee
- Founder and Owner of Najd Pearl for Real Estate Development and Investment
- Director, Etihad Etisalat Mobily, listed JSC and member of AC and NRC Committees
- Director and Vice Chairman, Saudi Air Navigation Services, a government company in KSA operating in the aviation sector.
- Director, Aljazeera Rent a Car, CJSC and member of Audit Committee
- Chairman of Nominations and Remunerations Committee, Al Ula Development Company, CJSC
- Chairman of the management and compensation committee in MBC Media Solutions FZ LLC
- Nominations and Remunerations Committee Member, Bank Saudi Fransi, Listed JSC
- Nominations and Remunerations Committee Member, Knowledge Economic City company, Listed JSC
- Nominations and Remunerations Committee Member, Saudi Information Technology Company (SITE), CJSC
- Nominations and Remunerations Committee Member, Saudi Tourism Authority, Government Tourism Authority

#### Qualifications

- Bachelor's degree in English Language, King Faisal University, KSA
- Master's of Science in Administration/Human Resources, University of Central Missouri, USA
- Master's Arts in English, University of Central Missouri, USA
- Ph.D. in Applied Linguistics, Ball State University, USA, 2004.
- Executive Diploma in Finance Harvard Business School, Harvard University, USA
- Executive Diploma in Energy, Oxford University, UK.

#### Previous Positions

- Chief Support Services Officer, Qiddiya Investment Company, a closed joint-stock company operating in the investment sector, from 2021 to 2024.
- Vice President of Finance and Operations, King Abdullah Petroleum Studies and Research Center (KAPSARC), a government entity in the KSA operating in the petroleum research sector, from 2016 to 2021.
- Deputy Director General, Human Resources Development Fund (HRDF), a government fund in the KSA which aims to support the efforts of qualifying and employing the workforce in the private sector, from 2014 to 2016.
- Vice President of Human Resources, Arabian Pipes Company, a listed joint-stock company in the KSA operating in the industrial sector, from 2006 to 2014.
- Chairman, Riyadh Airports Company, a government company operating in the airport management and operation sector, from 2018 to 2022.
- Chairman, of KAPSARC Investment Management, a company owned by a government entity in the KSA operating in the investment sector, from 2018 to 2022.

Names of companies in which the member of the Board of Directors is a director or manager of its current Board of Directors	Legal Entity (Listed/Unlisted / Limited Liability)		Names of companies in which the member of the Board of Directors was a director or manager of its previous Board of Directors	Legal Entity (Listed / Unlisted / Limited Liability)	
	Inside the Kingdom / Outside the Kingdom			Inside the Kingdom / Outside the Kingdom	
MBC GROUP Listed JSC.	Inside	Listed joint-stock company	Riyadh Airports Company	Inside	Government
Saudi Air Navigation Services	Inside	Government	KAPSARC Investment Management	Inside	Government
Etihad Etisalat Mobily	Inside	Listed joint-stock company			
Al Jazeera Rent a Car	Inside	joint-stock company			

## BOARD OF DIRECTORS' REPORT

### Mr. Mosa bin Omran Alomran



#### Current Positions

- Director, MBC GROUP Listed JSC and Member of the Investment Committee and Nomination and Remuneration Committee
- Director, Omran Mohammed Al Omran & Partners Investment Company, a closed joint stock Company in the KSA operating in the investment sector, from 2023 to present.
- Director, Saudi Entertainment Ventures, a single person closed joint stock company in the KSA operating in the entertainment sector, from 2023 to present.
- Director, Al Arabiya News Holding Ltd, a limited liability company in the British Virgin Islands operating in the media sector, from 2021 to present.
- Director, News24 Holding Ltd, a limited liability company in the British Virgin Islands operating in the media sector, from 2021 to present.
- Director, Qiddiya Investment Company, a closed joint stock company in the KSA operating in the investment sector, from 2021 to present.
- Director, ARA Group International Holding Company, a limited liability company in the KSA operating in the media sector, from 2020 to present.
- Director, Saudi Research and Media Group, a listed joint stock company in the KSA operating in the media sector, from 2019 to present.
- Director, Royal Commission for AlUla (RCU), a government agency in the KSA operating in the government sector, from 2018 to present.
- Director, MBC GROUP Holdings, a limited liability company in the British Virgin Islands operating in the investment sector, from 2018 to present.

#### Qualifications

- Bachelor's degree in Industrial Engineering, King Saud University, KSA, 1991.
- Master's degree in Business Administration, St. Edward's University, USA, 1993.

#### Previous Positions

- Director, Almarai, a listed joint stock company in the KSA operating in the food sector, from 2007 to 2017.
- Director, Banque Saudi Fransi, a listed joint stock company in the KSA operating in the banking sector, from 2007 to 2016.
- Director, Savola, a joint stock company listed in the KSA operating in the food sector, from 2004 to 2013.
- Director, Arabian Cement Company, a listed joint stock company in the KSA operating in the cement sector, from 2009 to 2010.
- Director, Western Bakeries Co., a limited liability company in the KSA operating in the food sector, from 1994 to 2007.

Names of companies in which the member of the Board of Directors is a director or manager of its current Board of Directors	Names of companies in which the member of the Board of Directors was a director or manager of its previous Board of Directors		Legal Entity (Listed/Unlisted / Limited Liability)		
	Inside the Kingdom / Outside the Kingdom	Legal Entity (Listed/Unlisted / Limited Liability)	Names of companies in which the member of the Board of Directors was a director or manager of its previous Board of Directors	Inside the Kingdom / Outside the Kingdom	Legal Entity (Listed / Unlisted / Limited Liability)
MBC GROUP Holdings	Outside	Limited liability company	Almarai	Inside	Listed joint-stock company
Omran Mohammed Al Omran & Partners Investment Company	Inside	Closed joint stock company	Banque Saudi Fransi	Inside	Listed joint-stock company
Saudi Entertainment Ventures	Inside	Closed joint stock company	Savola	Inside	Listed joint-stock company
Al Arabiya News Holding Ltd.	Outside	Limited liability company	Arabian Cement Company	Inside	Listed joint-stock company
News24 Holding Ltd.	Outside	Limited liability company	Western Bakeries Co.	Inside	Limited liability company
Qiddiya Investment Company	Inside	Closed joint stock company	-	-	-
MBC GROUP Listed JSC.	Inside	Listed joint-stock company	-	-	-
ARA Group International Holding Company	Inside	Limited liability company	-	-	-
Saudi Research and Media Group	Inside	Listed joint-stock company	-	-	-
Royal Commission for Al Ula (RCU)	Inside	Government	-	-	-

## BOARD OF DIRECTORS' REPORT

### Mr. Majed bin Abdulaziz Allbrahim



#### Current Positions

- Director, MBC GROUP Listed JSC and member of the Investment Committee
- Director, MBC Game Studio, a limited liability company in the KSA operating in the game development sector, from 2021 to present.

#### Qualifications

- Bachelor's degree in Investment and Financial Risk Management, Cass University, UK, 2008.
- Master's degree in Public Administration, Harvard Kennedy School, USA, 2017.
- Master's degree in Business Administration, MIT, USA, 2017.

#### Previous Positions

- Director, MBC GROUP Holdings, a limited liability company in the British Virgin Islands operating in the investment sector.
- Director, ARA Group International Holding Company, a limited liability company in the KSA operating in the media sector.
- Director, Saudi Ports Authority, a government agency in the KSA operating in the government sector, from 2021 to 2024.

Names of companies in which the member of the Board of Directors is a director or manager of its current Board of Directors	Legal Entity (Listed/Unlisted / Limited Liability)		Names of companies in which the member of the Board of Directors was a director or manager of its previous Board of Directors	Legal Entity (Listed / Unlisted / Limited Liability)	
	Inside the Kingdom / Outside the Kingdom			Inside the Kingdom / Outside the Kingdom	
MBC Game Studio	Inside	Limited liability company	MBC GROUP Holding	Outside	Limited liability company
MBC GROUP Listed JSC.	Inside	Listed joint-stock company	-	-	-

### B. Summary of Board Secretary

### Mr. Ali bin Ibrahim Alhedeithy



#### Current Positions

- Board Secretary, MBC GROUP Listed JSC.
- General Manager, MBC STUDIOS FZ, a limited liability company in the UAE operating in the media sector, from 2023 to present.
- Director, Middle East News UK, a limited liability company in the UK operating in the media sector, from 2022 to present.
- Director, MBC GROUP Holdings, a limited liability company in the British Virgin Islands operating in the investment sector, from 2023 to present.
- Director, ARA Group International Holding Company, a limited liability company in the KSA operating in the media sector, from 2023 to present.
- Director and General Manager, MBC Media FZ, a limited liability company in the UAE operating in the media sector, from 2019 to present.
- Director and General Manager, MBI FZ, a limited liability company in the UAE operating in the media sector, from 2019 to present.
- Director, MBC International Limited, a limited liability company in the British Virgin Islands operating in the media sector, from 2014 to present.
- Director and General Manager, Platinum Records FZ, a limited liability company in the UAE operating in the media sector, from 2008 to present.
- Director and General Manager, MBC IP FZ, a limited liability company in the UAE operating in the media sector, from 2007 to present.
- Director and General Manager, Wanasah FZ, a limited liability company in the UAE operating in the media sector, from 2007 to present.
- Director and General Manager, MBC International FZ, a limited liability company in the UAE operating in the media sector, from 2006 to present.
- Director, MEN US Inc, an incorporation in the US operating in the media sector, from 2005 to present.
- Director and General Manager, MBC STUDIOS Projects FZ, a limited liability company in the UAE operating in the media sector, from 2004 to present.
- Director and General Manager, MBC FZ, a limited liability company in the UAE operating in the media sector, from 2002 to present.
- Director, MBC Holdings (Cyprus), a limited liability company in Cyprus operating in the media sector, from 2002 to present.

#### Qualifications

- Bachelor's degree in business and economics, University of Puget Sound, USA, 1981.

#### Previous Positions

- Director, MBC Media Solutions FZ, a limited liability company in the UAE operating in the media sector, from 2021 to 2023.
- Director, Al Arabiya Network FZ, a limited liability company in the UAE operating in the media sector, from 2005 to 2019.
- Director, Middle East News FZ, a limited liability company in the UAE operating in the media sector, from 2002 to 2019.

## BOARD OF DIRECTORS' REPORT CONT.

### C. Summary of non-director Audit Committee Member

#### Mr. Mohammad bin Abdulaziz Alshayea



#### Current Positions

- Member of the Audit Committee, MBC Group a listed joint stock company.
- Member of the Audit Committee of the Events Investment Fund, a government entity in the Kingdom of Saudi Arabia operating in the government sector, since 2023 until now.
- Member of the Board of Directors since 2022, Chairman of the Audit Committee and member of the Nomination and Remuneration Committee since 2023, in the Gulf Plateaus Company, a closed joint stock company in the Kingdom of Saudi Arabia engaged in the ceramic trade until now.
- Member of the Audit Committee, in Kadanah Company, a closed joint stock company in the Kingdom of Saudi Arabia operating in the real estate development sector, since 2022 until now.
- Chairman, Saudi Steel Pipe Company, a joint stock company listed in the Kingdom of Saudi Arabia operating in the industrial sector, since 2022 until now.
- Board Member Since 2021, Chairman of the Audit Committee since 2015, and Member of the Risk Committee since 2016 in Amlak International Finance Company, a joint stock company listed in the Kingdom of Saudi Arabia operating in the finance sector until now.
- Member of the Audit Committee, Saudi Spring Food Company, a closed joint stock company in the Kingdom of Saudi Arabia operating in the food sector, from 2021 until now.
- Member of the Audit Committee, National Transformation Program Center, a government entity in the Kingdom of Saudi Arabia operating in the government sector, from 2019 till now.
- Member of the Audit Committee, Riyadh Cement Company, a joint stock company listed in the Kingdom of Saudi Arabia operating in the cement sector, since 2015 until now.

#### Qualifications

- Bachelor of Accounting, Imam Muhammad bin Saud Islamic University, Saudi Arabia, 1990.
- Master of Accounting, University of Illinois, United States of America, 1998.
- Many professional certifications in management and accounting.

#### Previous Positions

- Member of the Board of Directors and Chairman of the Audit Committee, General Authority for Competition, a government entity in the Kingdom of Saudi Arabia operating in the government sector, from 2018 to May 2024.
- Board Member, Saudi Gelatin and Capsules Company, a limited liability company in the Kingdom of Saudi Arabia operating in the industrial sector, from 2023 to May 2024.
- Chairman of the Audit Committee, Alissa Industries, a closed joint stock company in the Kingdom of Saudi Arabia operating in the industrial sector, from 2020 to 2023.
- Board Member from 2019, and Chairman of the Audit Committee from 2020 in Alissa Industries, a closed joint stock company in the Kingdom of Saudi Arabia operating in the industrial sector, to 2023.
- Board Member and Chairman of the Audit Committee, HSBC Saudi Arabia, a closed joint stock company in Saudi Arabia operating in the investment sector, from 2015 to year 2023.
- Chairman and Chairman of the Executive Committee, SABB Takaful, a (formerly) listed joint stock company in the Kingdom of Saudi Arabia operating in the insurance sector, from year 2018 to year 2022.
- Chairman of the Audit Committee, Najm Insurance Services Company, a closed joint stock company in the Kingdom of Saudi Arabia operating in the insurance sector, from 2017 to 2019.
- Board Member From 2016, and Chairman of the Audit Committee from 2017 in Najm Insurance Services Company. It is a closed joint stock company in the Kingdom of Saudi Arabia operating in the insurance sector, until 2019.

#### Previous Positions (continued)

- Member of the Board of Directors, Chairman of the Audit Committee and Member of the Executive Committee, Saudi Ground Services Company, a public joint stock company in the Kingdom of Saudi Arabia operating in the aviation services sector, from year 2015 to year 2019.
- Chief Executive Officer, The Mediterranean & Gulf Cooperative Insurance & Reinsurance Company (MEDGULF Insurance), a joint stock company listed in the Kingdom of Saudi Arabia operating in the insurance sector, from year 2016 to year 2017.
- Director General of Finance Companies Control, Saudi Arabian Monetary Agency (currently Saudi Central Bank), a government entity in the Kingdom of Saudi Arabia operating in the government sector, from year 2012 to year 2014.
- Member of the Board of Directors, Public Pension Agency, a government entity in the Kingdom of Saudi Arabia operating in the government sector, from 2011 to 2014.
- Member of the Board of Directors and Chairman of the Audit Committee of the Tunisian Saudi Tunisian Bank (Banque Stocide), a closed joint stock company in Tunisia operating in the banking sector, from year 2008 to year 2013.
- Vice Chairman of the Anti-Money Laundering Standing Committee, a government committee in the Kingdom of Saudi Arabia that operates in the government sector, from year 2006 to year 2013.
- Director General of Insurance Companies Supervision, Saudi Arabian Monetary Agency (currently Saudi Central Bank), a government entity in the Kingdom of Saudi Arabia operating in the government sector, from year 2007 to year 2012.
- Director General of Banking Supervision, Saudi Arabian Monetary Agency (currently the Saudi Central Bank), a government entity in the Kingdom of Saudi Arabia operating in the government sector, from year 2004 to year 2007.
- Inspector Bank, in the Saudi Arabian Monetary Agency (currently the Saudi Central Bank), a government entity in the Kingdom of Saudi Arabia operating in the government sector, from year 1999 to year 2004.
- Accountant, Saudi Arabian Monetary Agency (currently Saudi Central Bank), a government entity in the Kingdom of Saudi Arabia operating in the government sector, from year 1992 to year 1999.
- Accountant, Saudi Unified Electricity Company (now Saudi Electricity Company), a joint stock company listed in the Kingdom of Saudi Arabia operating in the electricity sector, from 1990 to 1992.

## BOARD OF DIRECTORS' REPORT CONT.

### D. Summary of Committees Members CV's

#### i. Audit Committee

The implementation of an effective internal control system is one of the responsibilities assigned to the Board of Directors. The main task of the Audit Committee is to verify the adequacy and effective implementation of the internal control system and to make any recommendations to the Board of Directors that would actuate and develop the system to achieve the Company's objectives. The Committee is also responsible for reviewing risk management policies, the annual risk report and risk reduction plans before presenting the same to the Board of Directors. The Committee is responsible for ensuring compliance with the Company's Corporate Governance Regulations and Practices issued by the Capital Market Authority and the Company's Corporate Governance Manual and Policy.

#### Audit Committee Members

Name	Title
1 H.E. Mr. Hindi bin Abdullah ALSohimi	Chairman
2 H.E. Mr. Khaled bin Abdullah AlMolhem	Member
3 Mr. Abdullah bin Nasser ALDawood	Member
4 Mr. Mohammed bin Abdulaziz Alshaya	Member

- H.E. Mr. Hindi bin Abdullah ALSohimi: his current and previous positions and qualifications were mentioned earlier in this report.
- H.E. Mr. Khaled bin Abdullah AlMolhem: his current and previous positions and qualifications were mentioned earlier in this report.
- Mr. Abdullah bin Nasser ALDawood: his current and previous positions and qualifications, were mentioned earlier in this report.
- Mr. Mohammed bin Abdulaziz Alshaya: his current and previous positions and qualifications, were mentioned earlier in this report.

#### ii. Nomination and Remuneration Committee Members

The main function of the Nomination and Remuneration Committee is to identify qualified candidates who are eligible for Board membership. The Committee is also responsible for assisting the Board in benchmarking and establishing remuneration packages for C suite employees and developing staff incentive plans.

#### Nomination and Remuneration Committee Members

Name	Title
1 Mr. Mansoor bin Abdulaziz Almansoor	Chairman
2 Mr. Abdulrahman bin Ibrahim AlRowaita	Member
3 Mr. Mosa bin Omran Alomran	Member

- Mr. Mansoor bin Abdulaziz Almansoor: his current and previous positions and qualifications were mentioned earlier in this report.
- Mr. Abdulrahman bin Ibrahim AlRowaita: his current and previous positions and qualifications were mentioned earlier in this report.
- Mr. Mosa bin Omran Alomran: his current and previous positions and qualifications, were mentioned earlier in this report.

#### iii. Executive Committee

The Committee plays a crucial role in the Company's governance by reviewing and recommending strategic, financial, and operational plans to the Board of Directors, ensuring alignment with the Company's goals. It also oversees budgets, annual plans, performance evaluations, and capital investments, while monitoring the Group's CEO and Executive Management performance.

#### Executive Committee Members

Name	Title
1 Mr. Waleed bin Ibrahim Allbrahim	Chairman
2 H.E. Mr. Hindi bin Abdullah ALSohimi	Member
3 Mr. Abdullah bin Nasser ALDawood	Member

- Mr. Waleed bin Ibrahim Allbrahim: his current and previous positions and qualifications were mentioned earlier in this report.
- H.E. Mr. Hindi bin Abdullah ALSohimi: his current and previous positions and qualifications were mentioned earlier in this report.
- Mr. Abdullah bin Nasser ALDawood: his current and previous positions and qualifications, were mentioned earlier in this report.

#### iv. Investment Committee

The Committee is tasked with recommending a capital allocation framework to the Board of Directors, aligning investment activities with the Company's strategic objectives, return targets, and risk parameters. It oversees the Company's performance against these guidelines, regularly reviews and updates the investment policy, and offers advice on investment decisions, acquisitions, and partnerships.

#### Investment Committee Members

Name	Title
1 H.E. Mr. Khaled bin Abdullah AlMolhem	Chairman
2 Mr. Abdulrahman bin Ibrahim AlRowaita	Member
3 Mr. Mosa bin Omran Alomran	Member
4 Mr. Majed bin Abdulaziz Allbrahim	Member

- H.E. Mr. Khaled bin Abdullah AlMolhem: his current and previous positions and qualifications were mentioned earlier in this report.
- Mr. Abdulrahman bin Ibrahim AlRowaita: his current and previous positions and qualifications, were mentioned earlier in this report.
- Mr. Mosa bin Omran Alomran: his current and previous positions and qualifications were mentioned earlier in this report.
- Mr. Majed bin Abdulaziz Allbrahim: his current and previous positions and qualifications, were mentioned earlier in this report.

# EXECUTIVE MANAGEMENT

MBC GROUP is proud to be the MENA region's leading media and entertainment company.



**Samuel James Kilion Barnett**  
Chief Executive Officer



**Joseph Michael Igoe**  
Chief Operating Officer



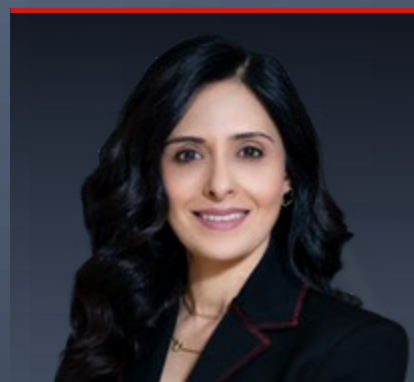
**Hussam Eddin Alnouri**  
Chief Financial Officer



**Ahmed bin Attaf bin Abdul Malik Al Sahhaf**  
CEO, MBC Media Solutions



**Ali Mustapha Mouin Jaber**  
Chief Content Officer



**Samar Abdallah Akrouk**  
Group Director of Production and MBC Studios



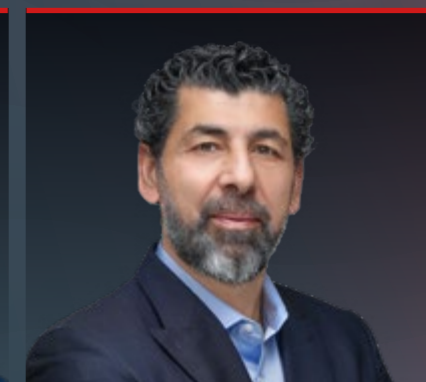
**Omar Amin El Barrage**  
General Counsel



**Natasha Ventura Matos - Hemingway**  
Chief Commercial & Marketing Officer - SHAHID



**Dominic James Farrell**  
Chief Technology Officer



**Fadel Zahreddine**  
Group Director of Emerging Media



**Mohamed Abdelmotaal Salem Ashour**  
General Manager of MBC MASR



**Ziad Fawzi Hamze**  
Group Director of Audio Music and Radio



**Karim Ben Salah**  
Director of Investments



**Bann Ousama Yousif Zoraigat**  
Director of Internal Audit and Assurance



**Nasser Omar Othman Al-Somali**  
Head of Human Resources

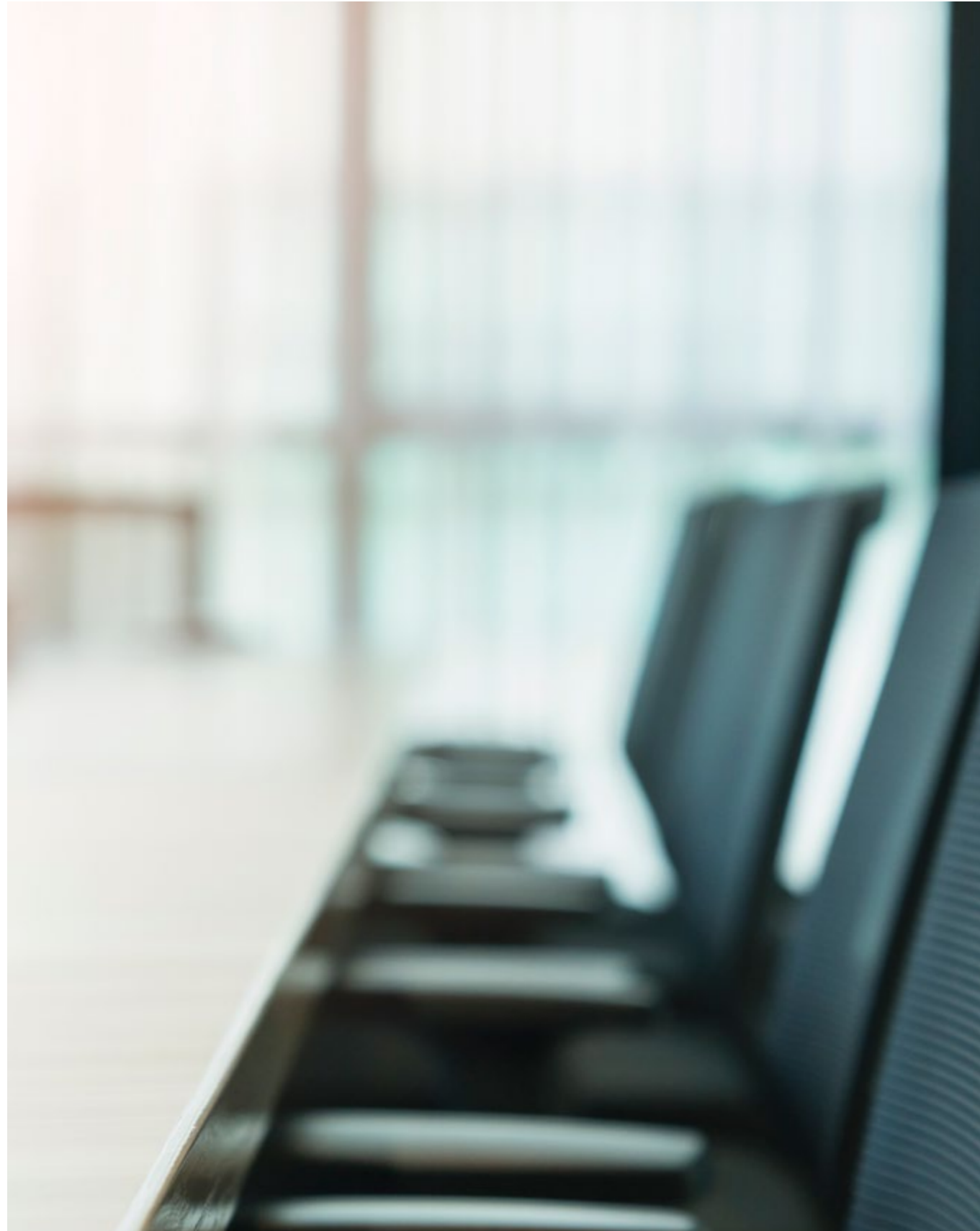


**Bassam Taufeq Abdulaziz Albraikan**  
Director of Corporate Communications and PR & MBC Hope



**Ziad Skaff**  
Director of Group Research and Media Analytics

## BOARD OF DIRECTORS' REPORT CONT.



### E. Executive Management

#### Samuel James Kilion Barnett



##### Current Positions

- CEO, MBC GROUP Listed Joint stock Company.
- Non-executive Director, Artem Group Limited, a limited liability company in the British Virgin Islands operating in the arts sector, from 2023 to present.
- Non-executive Director, MBC Game Studio, a limited liability company in the KSA operating in the game development sector, from 2022 to present.
- Non-executive Director, Antenna Group, a private company in the Netherlands operating in the media sector, from 2022 to present.
- Non-executive Director, Arabian Contracting Services, a listed joint stock company in the KSA operating in the advertising sector, from 2021 to present.
- Non-executive Director, MBC Media FZ, a limited liability company in the UAE Free Zone operating in the media sector, from 2021 to present.
- Non-executive Director, O3 Medya Prodüksiyon Hizmetleri Ticaret Anonim Şirketi'ni, a Joint Stock Company in Turkey operating in the production sector, from 2021 to present.
- Non-executive Director, Middle East News, a corporation in the US operating in the media sector, from 2005 to present.

##### Qualifications

- Bachelor's degree in History and Economics, University of Cambridge, UK, 1993.
- Master's degree in Business Administration, INSEAD University, France, 1997.

##### Previous Positions

- CEO, Al Arabiya Network, a limited liability company in the UAE Free Zone operating in the media sector, from 2022 to 2024.
- Non-executive Director, Pawame, a private limited liability company operating in the solar energy sector, from 2021 to 2023.
- COO, MBC, a limited liability company in the UAE Free Zone operating in the media sector, from 2005 to 2011.
- Director of Operations, MBC, a limited liability company in the UAE Free Zone operating in the media sector, from 2002 to 2005.
- Senior Manager, Arthur Andersen Company, a joint venture company in the UK operating in the consultancy sector, from 2000 to 2002.
- Manager, PricewaterhouseCoopers, a joint liability company in the Republic of Tanzania operating in the consultancy sector, from 1997 to 2000.
- Consultant, Kalchas Group, a joint liability company in the UK operating in the consultancy sector, from 1993 to 1996.

## BOARD OF DIRECTORS' REPORT CONT.

### Joseph Michael Igoe



#### Current Positions

- Chief Operating Officer, MBC GROUP Listed Joint Stock Company.
- Member of the Board of Directors, Saudi Media Ratings Company, a limited liability company in the KSA operating in the media measurement sector, from 2021 to present.
- Member of the Board of Directors, MBC Media Cyprus Limited, a limited liability company in Cyprus operating in the media operations sector, from 2018 to present.

#### Qualifications

- Bachelor's degree in Electrical Engineering, Rochester Institute of Technology, USA, 1994.
- Master's degree in Business Administration, California State University, Northridge, USA, 2001.

#### Previous Positions

- Chief Operating Officer, MBC FZ, a limited liability company in the UAE operating in the media and data centres sector, from 2016 to 2022.
- Chief Technology Officer, MediaCorp Technologies Pte Ltd, a limited liability company in Singapore operating in the media and data centre sector, from 2013 to 2016.
- Chief Technology Officer, WGBH, a non-profit company in the USA operating in the non-profit public media sector, from 2008 to 2013.
- Vice President, Fox Networks Group, a public company in the USA operating in the media sector, from 2000 to 2008.
- Senior Engineering Manager, Disney Channel, a public company in the USA operating in the media sector, from 1995 to 2000.
- Design Engineer, NTC, a private company in the USA operating in the media engineering sector, from 1994 to 1995.

### Hussam Eddin Alnouri



#### Current Positions

- Chief Financial Officer, MBC GROUP Listed Joint stock Company.

#### Qualifications

- Bachelor's degree in Accounting, Damascus University, Syria, 1996.
- Certified Management Accounting-CMA, IMA, Institute of Management Accountants, Inc. NJ.USA, 2012
- Master's degree in Global Business Administration, University of Manchester, UK, 2014.

#### Previous Positions

- Group CFO, MBC FZ, a limited liability company in the UAE Free Zone operating in the media sector, from 2017 to 2023.
- Financial Controller, MBC FZ, a limited liability company in the UAE Free Zone operating in the media sector, from 2010 to 2017.
- Senior Finance Manager, MBC FZ, a limited liability company in the UAE Free Zone operating in the media sector, from 2008 to 2010.
- Finance Manager, Middle East News (Al Arabiya), a limited liability company in the UAE Free Zone operating in the media sector, from 2002 to 2007.
- Sector Head, Commercial Bank of Syria, Branch 12, a governmental institution operating in the banking sector, from 1991 to 2001.

## BOARD OF DIRECTORS' REPORT CONT.

### Ahmed bin Attaf bin Abdul Malik Al Sahhaf



#### Current Positions

- CEO of MBC Media Solutions Saudi Limited.
- Member of the Supervisory Board, Engineer Holding Group, a closed joint stock company in the KSA operating in the investment sector, from 2022 to present.
- Director, Arabiya United Digital, a closed joint stock company in Egypt operating in the advertising sector, from 2022 to present.
- President, International Advertising Association (IAA) Saudi chapter, from October 2024 to present.

#### Qualifications

- Bachelor's degree in Business Administration (majored in Management and Marketing), American University of Sharjah, UAE, 2005.
- Attended several executive courses, most notably at Harvard University and INSEAD.

#### Previous Positions

- General Manager of Consumer Marketing Communication, STC Group, a listed joint stock company in the KSA operating in the telecommunications sector, from 2010 to 2020.
- Corporate Communication Manager, Arabian Capital, a closed joint stock company in the KSA operating in the banking sector, from 2008 to 2010.
- Manager of the Communication and Events Department, STC Group, a listed joint stock company in the KSA operating in the telecommunications sector, from 2007 to 2008.
- International Money Market Executive in the Treasury Department, Samba Financial Group, a (formerly) listed joint stock company in the KSA operating in the banking sector, from 2006 to 2007.
- Marketing Operations Executive, Nestle Middle East, a public joint stock company in Switzerland operating in the consumer goods sector, from 2005 to 2006.

### Ali Mustapha Mouin Jaber



#### Current Positions

- Chief Content Officer, MBC GROUP listed joint stock company.
- Dean, Mohammed Bin Rashid School of Communication, American University in Dubai, from 2008 to present.
- Chairman, Academic Council of the Dubai Institute of Design and Innovation. He was also a former advisor and founding member and then the Head of Content at Dubai Media Incorporated, which manages Dubai TV Network, from 2018 to present.

#### Qualifications

- Bachelor's degree in Business Administration, American University, Lebanon, 1984.
- Master's degree in Communications, Syracuse University, USA, 1986.

#### Previous Positions

- Managing Editor, Dubai Media Incorporated – Dubai TV, a semi-governmental institution in the UAE operating in the media sector, from 2003 to 2011.
- Founder, Future TV Co., a joint stock company in Lebanon operating in the media sector, from 1993 to 2003.

### Samar Abdallah Akrouk



#### Current Positions

- Group Director of Production and MBC Studios, MBC GROUP Listed Joint stock Company.

#### Qualifications

- Bachelor's Degree in International Politics and Law, Georgetown University, USA, 1995.

#### Previous Positions

- General Manager, MBC Lebanon, a limited liability company in Lebanon operating in the media sector, from 2001 to 2007.

## BOARD OF DIRECTORS' REPORT CONT.

### Omar Amin El Barrage



#### Current Positions

- General Counsel, MBC GROUP listed joint stock company.
- Director, CG Drama Holdings, a limited liability company in the UAE operating in the media sector, from 2023 to present.
- Director, Desert Warrior Holdings, a limited liability company in the UAE operating in the media sector, from 2023 to present.
- Director, MBC Holding Cyprus, a limited liability company in Cyprus operating in the media sector, from 2023 to present.
- Managing Director, MBC GROUP Holding, a limited liability company in Hungary operating in the media sector, from 2022 to present.
- Director, MBC Media, a limited liability company in Cyprus operating in the media operations sector, from 2022 to present.
- Director, MBC Media Services, a limited liability company in the British Virgin Islands operating in the media sector, from 2022 to present.
- Director, MBC STUDIOS (BVI), a limited liability company in the British Virgin Islands operating in the media sector, from 2022 to present.
- Board Member, MBC Studios Masr for Production, a S.A.E company in the Arab Republic of Egypt operating in the media sector, from 2023 to present
- Board Member, Middle East Production Company a S.A.E company in the Arab Republic of Egypt operating in the media sector, from 2023 to present

#### Qualifications

- Bachelor's degree in law, Lebanese University, Lebanon, 2004.

#### Previous Positions

- Attorney, Fichte & Co., a limited liability company in the UAE operating in the legal services sector, from 2007 to 2009.

### Natasha Ventura Matos-Hemingway



#### Current Positions

- Chief Commercial and Marketing Officer – SHAHID, MBC GROUP Listed Joint stock Company.

#### Qualifications

- Bachelor's degree with honors in Human Biosciences, University of Cape Town, South Africa, 2006.
- Bachelor's degree in Physiology, University of Witwatersrand, South Africa, 2007
- Postgraduate diploma in Business Administration, University of Witwatersrand, South Africa, 2008

#### Previous Positions

- Chief Marketing Officer, Showmax, a listed company in South Africa operating in the VOD sector, from 2019 to 2021.
- Director of Commerce and Marketing – M365 Middle East and Africa, Microsoft, a listed company in NASDAQ, based in Johannesburg and operating in the technology sector in the Middle East and Africa, from 2018 to 2019.
- Director of Marketing and Operations for Sub-Saharan Africa, Microsoft, a listed company in NASDAQ, based in Johannesburg and operating in the technology sector in the Middle East and Africa region, from 2015 to 2017.
- Regional Sales Manager, Google, based in Dublin/Europe, Middle East, Africa, Greece and Sub-Saharan Africa, from 2014 to 2015.
- Sales Manager for South Africa, the Czech Republic and Slovakia at Google, a listed company in Ireland operating in the technology sector, from 2013 to 2014.
- Industry Manager, Google, a listed company in NASDAQ operating in the technology sector, from 2011 to 2013.
- Senior Business Analyst, Fever Tree Consulting, a private company in South Africa operating in the strategic consulting sector, from 2009 to 2010.

## BOARD OF DIRECTORS' REPORT CONT.

### Dominic James Farrell



#### Current Positions

- Chief Technology Officer, SHAHID, MBC GROUP Listed Joint stock Company.

#### Qualifications

- Bachelor's degree in Information Systems, Brunel University, UK, 1996.

#### Previous Positions

- Vice President of Product Development, OSN, a limited liability company in the UAE Free Zone operating in the media sector, from 2015 to 2018.
- Head of Product Development, Sky, a limited liability company in the UK operating in the media sector, from 2004 to 2015.
- Senior Software Consultant, Liberate Technologies, a limited liability company in the UK operating in the technology sector, from 2002 to 2004.
- Pre-Sales Engineer, Portal Software, a limited liability company in the UK operating in the technology sector, from 2001 to 2002.
- Software Team Leader, Oracle Corp., a limited liability company in the UK operating in the technology sector, from 1998 to 2001.
- Software Developer, ESAMS, a limited liability company in the UK operating in the defence sector, from 1996 to 1997.

### Fadel Zahreddine



#### Current Positions

- Group Director of Emerging Media, MBC GROUP Listed Joint stock Company.
- Chairman and General Manager, MFZ Holding S.A. L, a holding company in Lebanon operating in the investment sector, from 2015 to present.
- Director, Al-Fursan International S.A. L, a holding company in Lebanon operating in the food sector, from 2015 to present.

#### Qualifications

- Master's degree in TV Production and Development, University of Winchester, England, 1995.
- Bachelor's degree in Mass Communication – TV and Film Production, Beirut University, Lebanon, 1991.

#### Previous Positions

- Group Director of Brand Management, MBC FZ, a limited liability company in the UAE operating in the media sector, from 2010 to 2018.
- Group Director of Creative Services, MBC FZ, a limited liability company in the UAE operating in the media sector, from 2008 to 2010.
- Director of Creative Services, MBC FZ, a limited liability company in the UAE operating in the media sector, from 2002 to 2008.
- Head of Promotions, MBC, a limited liability company in the UK operating in the media sector, from 1999 to 2002.
- Producer Special Programs – Current Affairs, MBC, a limited liability company in the UK operating in the media sector, from 1996 to 1999.

## BOARD OF DIRECTORS' REPORT CONT.

### Mohamed Abdelmotaal Salem Ashour



#### Current Positions

- General Manager of MBC MASR from 2013 to present
- Group Director MBC Cinq From 2019 to present
- Vice Chairman and General Manager of the Middle East Production Company (MBC Egypt), a joint stock company in Egypt operating in the media sector, from 2018 to present.

#### Qualifications

- Bachelor's degree in Mass Media, Cairo University, Egypt, 1990.

#### Previous Positions

- Experienced Member of the Board of Trustees, Egyptian Radio and Television Union, a public company in Egypt operating in the media sector, from 2016 to 2016.
- Vice Chairman and General Manager, Sigma Media (Al Hayat TV), a joint stock company in Egypt operating in the media sector, from 2008 to 2013.
- General Manager, El Mehwar TV, a joint stock company in Egypt operating in the media sector, from 2006 to 2007.
- Responsible Officer for supervising the launch and establishment of Nahrain TV, the first private Iraqi channel (Baghdad), operating in the media sector, from 2004 to 2006.
- Executive Director of the Public Channel of Nile Specialty Channels, Radio and Television Union, a public institution in Egypt, from 1999 to 2004.
- Member of the Broadcasters, Reporters, Filmmakers and Editors Selection Committee for the Nile Specialty Channels, Radio and Television Union, a public institution in Egypt, from 1997 to 2004.
- Director of Preparation and Implementation for Nile News Channel, Radio and Television Union, a public institution in Egypt operating in the radio and television sector, from 1998 to 2002.
- Member of the Committee responsible for launching and establishing the Nile Specialty Channels, Radio and Television Union, a public institution in Egypt operating in the radio and television sector, from 1997 to 1999.
- Head of the Cultural Department of the Information Channel, Radio and Television Union, a public institution in Egypt operating in the radio and television sector, from 1992 to 1996.
- Member of the Committee responsible for launching and establishing Nile TV International in English and French, Radio and Television Union, a public institution in Egypt operating in the radio and television sector, from 1993 to 1994.
- Research Assistant for Studies and Strategy, Al Ahram Foundation, a public institution in Egypt operating in the journalism sector, from 1991 to 1992.

### Ziad Fawzi Hamze



#### Current Positions

- Group Director of Audio and Music Radio MBC GROUP, Listed Joint Stock Company

Executive Leader for strategic planning and operations across:

**Radios:** MBC FM, Panorama FM, and MBC LOUD FM

**Digital Platforms:** MBC MOOD application and website, MBC Podcast

**Media Divisions for Music:** Group TV, Shahid, and Wanasah

- Member of the General Entertainment Authority committee in the Kingdom of Saudi Arabia

#### Qualifications

- Business Administration (BA) – Charisma University, Turks and Caicos Islands, 2013.

#### Previous Positions

- Director of Audio & Music, MBC FZ, a limited liability company in the UAE Free Zone operating in the media sector, from 2010 to 2017.
- Senior Manager of the Music Office of MBC Group, Radios, and Wanasah, MBC FZ LLC, a limited liability company in the UAE Free Zone operating in the media sector, from 2002 to 2010.
- Music Office, Studios and DJs Manager, MBC LTD, a limited liability company registered in London, from 1998 to 2002.
- Music office and events Manager for MBC 1, MBC LTD, a limited liability company registered in London, from 1998 to 2002
- Music Studios and DJs Supervisor of MBC FM, MBC LTD, a limited liability company registered in London, from 1994 to 1998.
- Member of the Royal Committee for Intellectual and Literary Property in the Kingdom of Saudi Arabia (Year 2019)
- General Supervisor of the Annual DIAFA Awards Ceremony (from 2017 to 2021)
- General Supervisor of the CAEL Awards Ceremony (from 2019 to 2020)

## BOARD OF DIRECTORS' REPORT CONT.

### Karim Ben Salah



#### Current Positions

- Director of Investments, MBC GROUP Listed Joint stock Company.
- Non-executive Director, O3 Medya Prodüksiyon Hizmetleri Ticaret Anonim Şirketi'ni, a Joint stock Company in Turkey operating in the production sector, from 2024 to present.
- Non-executive Director, O3 Media Production, a limited liability company in the KSA operating in the production sector, from 2023 to present.
- Non-executive Director, Medyapim Middle East, a limited liability company in the KSA operating in the production sector, from 2024 to present.
- Non-executive Director, Ay Yapim Middle East, a limited liability company in the KSA operating in the production sector, from 2024 to present.
- Non-executive Director, Antenna Greece BV, a limited liability company in the Netherlands operating in the TV broadcasting sector, from 2022 to present.
- Non-executive Director, Introspect Capital, a limited liability company in the Cayman Islands operating in the investment sector, from 2023 to present.

#### Qualifications

- Master's degree in Economics and Social Sciences, University of Geneva, Switzerland, 1993.

#### Previous Positions

- Non-executive Director, ABC, a limited liability company in Tunisia operating in the entertainment sector, from 2014 to 2020.
- CEO, Tell Limited DIFC, a limited liability company in the UAE Free Zone operating in the financial sector, from 2015 to 2018.
- Executive Director, Tell Limited DIFC, a limited liability company in the UAE Free Zone operating in the financial sector, from 2015 to 2018.
- Head of Fund, Malaz Capital, a limited liability company in the KSA operating in the financial sector, from 2013 to 2015.
- Private Equity Director, Swicorp, a limited liability company in the UAE Free Zone operating in the financial sector, from 2006 to 2013.
- Non-executive Director, Arab Cotton Ginning Company, a joint stock company listed in Egypt operating in the industrial sector, from 2007 to 2013.
- Non-executive Director, United Sugar Company of Egypt, a limited liability company in Egypt operating in the industrial sector, from 2009 to 2010.
- Manager, Philip Morris International, a publicly traded company listed in the USA operating in the consumer goods sector, from 1996G to 2004G.

### Bann Ousama Yousif Zoraigat



#### Current Positions

- Director of Internal Audit and Assurance, MBC GROUP Listed Joint stock Company.

#### Qualifications

- Bachelor's degree in Management Information Systems, University of Jordan, 2008.

#### Previous Positions

- Senior Director, Ernst & Young, a limited liability company in the UAE, from 2016 to 2023.
- Senior Manager, Deloitte & Touche Middle East, a limited liability company, from 2008 to 2015.

### Nasser Omar Othman Al-Somali



#### Current Positions

- Head of Human Resources, MBC GROUP Listed Joint stock Company.

#### Qualifications

- Bachelor's degree in business administration, Imam Mohammad Ibn Saud University, KSA, 2016.

#### Previous Positions

- Director of Human Resources, Fist Company, a limited liability company in the KSA operating in the training sector, from 2012 to 2014.
- Human Resources Specialist, Al Moammar Information Systems Co. (MIS), a limited liability company in the KSA operating in the technology sector, from 2011 to 2012.
- Administrative Clerk, Ministry of Justice, a government agency in the KSA operating in the government sector, from 1992 to 1997.

## BOARD OF DIRECTORS' REPORT CONT.

### Bassam Taufeq Abdulaziz Albraikan



#### Current Positions

- Director of PR and Corporate Communication and MBC Hope.

#### Qualifications

- Bachelor's Degree in Media practice & advertising activities and societies, University of Sussex, UK, 1998
- Associate Degree in communication and media studies, New York Film Academy, USA, 2009
- Diploma Degree in Crisis/ emergency/Disaster management, London School of Public Relations, UK, 2017
- Diploma Degree in Commercial and advertising art, Digital Media Arts College, UK, 2017

#### Previous Positions

- Head of Public Relation, King Faisal Specialist Hospital and Research Center, a government company in KSA operating in Hospitals and Health Care sector, from 2003 to 2007.
- Marcom head, Riyadh second health cluster, a private company in KSA operating in Banking Sector, from 2007 to 2011.
- Director of TV Planning, Saudi Broadcasting Authority, a government company in KSA operating in Media Sector, from 2011 to 2013
- Communication Manager, Mobily, a Private company in KSA operating in Telecommunication sector from 2013 to 2015
- Director of Corporate Communication, King Fahad Medical KFMC, A government company in KSA operating in Hospitals and Health care sector, from 2015 to 2018.
- General Manager Corporate Communication, Riyadh Second Health Cluster, A government company in KSA operating in Hospitals and Health care sector, from 2018 to 2020.
- Chief Brand Officer, Confidential, A government company in KSA, from 2017 to 2020
- Executive director of PR & Corporate Communications, Saudi Health Council, a government company in KSA operating in the Health Sector, from 2019 to 2021
- Corporate Communication General Manager at Saudi Space agency 2021- 2023.

### Ziad Skaff



#### Current Positions

- Director of Group Research and Media Analytics , MBC GROUP Listed Joint stock Company.

#### Qualifications

- Doctorate in Global Business Administration, Thesis focus on Marcom Conversion Model, Durham University(UK) and EM Lyon Business School (France)
- Certificate in Advanced Data Analytics, Ambeone institute for AI and Analytics, Dubai
- Certificate, Leading for Results Executive Program, INSEAD, Singapore
- Certificate, Advanced Market Research, The Market Research Society, London
- Masters in International Business, Grenoble Graduate School of Business, France
- Bachelor in Business Administration – Major Marketing, USEK University, Lebanon

Languages: Arabic, Dutch, English, French

#### Previous Positions

##### Ipsos Group

- 2005: Advertising Research Manager – Ipsos UAE
- 2004: Senior Research Analyst – Ipsos UAE
- 2003: Senior Research Analyst – Ipsos KSA
- 2002: Market Research Analyst – Ipsos KSA

##### Omnicom Group

- 2015: Managing Director – Hall&Partners, Omnicom Group
- 2012: Regional Executive Director – Research and Insights, OmnicomMediaGroup
- 2009: Group Director – Integral, OmnicomMediaGroup
- 2007: Director – Integral, OmnicomMediaGroup

##### MBC Group

- 2020: Director of Group Research and Audience Intelligence, MBC Group

## BOARD OF DIRECTORS' REPORT CONT.

### 4. Composition of the Board and classification of its members.

MBC GROUP, a Listed joint stock company, is governed and run by a Board of Directors comprising of nine (9) members, of whom seven (7) members were appointed in accordance with the decision of the Shareholders' Resolution on 28/09/1444 AH (corresponding to 19/04/2023), while two (2) members were appointed in accordance with the decision of the Shareholders' General Assembly on 05/03/1445 AH (corresponding to 20/09/2023).

The table below delineates the names and respective classifications of the members of the Company's Board of Directors:

#### Board of Directors of the Company:

Name	Classification	Status
Mr. Waleed bin Ibrahim AlIbrahim	Chairman	Non-executive/non-independent
H.E. Mr. Hindi bin Abdullah AlSohimi	Vice Chairman	Non-executive/non-independent
H.E. Mr. Khaled bin Abdullah AlMolhem	Member	Non-executive/independent member
Mr. Abdulrahman bin Ibrahim AlRowaita	Member	Non-executive/non-independent
Mr. Abdullah bin Nasser AlDawood	Member	Non-executive/non-independent
Mr. Nasser bin Minahi Albiqami	Member	Non-executive/non-independent
Mr. Mansoor bin Abdulaziz Almansoor	Member	Non-executive/Independent member
Mr. Mosa bin Omran Alomran	Member	Non-executive/non-independent
Mr. Majed bin Abdulaziz AlIbrahim	Member	Non-executive/Independent member

### 5. Procedures taken by the Board to inform its members, particularly Non-Executive Members, of shareholder suggestions and remarks concerning the Company and its performance.

According to the procedures implemented by the Company, shareholders express their opinions and proposals through investor relations and at the General Assembly meetings of shareholders, where they are discussed with the members of the Board of Directors present at the General Assembly meetings. In the event of any new proposals, they are presented at the first meeting of the Board of Directors following the General Assembly meeting.

### 6. Brief description of the competencies and duties of the committees, including committee names, the names of Chairmen, members and the number of their respective meetings, dates thereof and the members in attendance.

#### A. Audit Committee

The implementation of an effective internal control system is one of the responsibilities assigned to the Board of Directors. The main task of the Audit Committee is to verify the adequacy and effective implementation of the internal control system and to make any recommendations to the Board of Directors that would enhance and develop the system to achieve the Company's objectives. The Committee is also responsible for reviewing risk management policies, the annual risk report and risk reduction plans before presenting them to the Board of Directors. The Committee is responsible for ensuring compliance with the Company's Corporate Governance Regulations and Practices issued by the Capital Market Authority and the Company's Corporate Governance Manual and Policy.

In fulfilling the above mandate, the scope of the Committee's work includes, among other things:

1. Reviewing and recommending finance and accounting policies and changes thereto, including suitability of such policies in terms of their effective application and the adoption of significant changes to the applicable financial reporting standards.
2. Reviewing and recommending the external auditors' fees and terms of engagement and agreeing on the engagement letter issued by the external auditors before the start of the corresponding annual audit.
3. Recommending to the Board the appointment, re-appointment, or removal of the external auditors prior to the commencement of the next audit cycle.
4. Ensuring that appropriate plans and scopes are in place for the external audit, and that the planned materiality and proposed audit resources are adequate.
5. Assessing the independence, objectivity and performance of the external auditors.

6. Reviewing and recommending significant accounting and reporting issues highlighted by the external auditors, including complex or unusual transactions and highly judgemental areas, as well as recent professional and regulatory pronouncements, and understanding their impact on the financial statements.
7. Reviewing financial statements and consider whether they are complete, consistent with information known to the Committee members and reflect appropriate accounting principles.
8. Reviewing the results of the audit, including any difficulties encountered, with management and the external auditors.
9. Reviewing all matters required to be communicated to the Board of Directors under generally accepted auditing standards, in consultation with management and the external auditors.
10. Reviewing the audited financial statements prior to approval by the Board.
11. Recommending the provision of permissible non-audit services by firms engaged as external auditors, ensuring that the non-audit service does not impair the external auditors' independence or objectivity.
12. Reviewing and approving the Internal Audit objectives, plans and activities. Once approved, the Committee delegates the implementation of all the above to the Director of Internal Audit.
13. Approving the Internal Audit Plan (IAP) and any major subsequent changes to the plan prior to their implementation and execution.
14. Receiving and reviewing all Internal Audit reports.
15. Reviewing the effectiveness of the Internal Audit function, including alignment with the Institute of Internal Auditors' (IIA) Standards for the Professional Practice of Internal Auditing (IPPF).
16. Approving the Internal Audit Charter and Manual, including revisions to the existing Charter and Manual.
17. Approving the appointment, replacement or dismissal of, and compensation for, the Director of Internal Audit.
18. Reviewing and approving the ERM policy, risk appetite, risk governance model, and risk documentation such as risk tolerances, consequences and likelihood matrices.
19. Evaluating the rigour and suitability of risk assessments and risk management practices.
20. Reviewing and recommending revisions to the internal controls over the financial reporting policy when necessary.
21. Overseeing the adequacy of the systems of internal controls.
22. Overseeing the adequacy of periodic internal management performance reports and ensuring compliance with internal policies, plans and procedures.
23. Monitoring progress in addressing internal control deficiencies identified through risk assessment and Internal Audit reviews and reporting material changes to MBC's risk and internal control profile to the Board.
24. Overseeing the effectiveness of the regulatory compliance framework, including compliance risk assessment and the monitoring programme in place to verify compliance with laws and regulations.
25. Obtaining regular updates regarding regulatory compliance matters, including potential findings of examinations by regulatory agencies.
26. Reviewing the results of compliance assessments and follow-ups (including disciplinary actions where applicable) related to instances of non-compliance.
27. Periodically reviewing policies on ethics, the code of conduct and fraud.
28. Overseeing the existence of an appropriate and confidential mechanism for whistleblowers to provide complaints and tip-offs to facilitate fraud detection.
29. Overseeing the review and investigation of matters pertaining to the integrity of senior management including conflicts of interest or adherence to standards of conduct.
30. Reviewing the findings of investigations conducted, including those related to misconduct and fraud.

The Audit Committee comprises four members appointed by the Board of Directors for a period of four years.

## BOARD OF DIRECTORS' REPORT CONT.

### Audit Committee Members

Name	Title
1 H.E. Mr. Hindi bin Abdullah ALSohimi	Chairman
2 H.E. Mr. Khaled bin Abdullah AlMolhem	Member
3 Mr. Abdullah bin Nasser AlDawood	Member
4 Mr. Mohammed bin Abdulaziz Alshaya	Member

### Audit Committee Meeting Attendance (2024)

Member	Audit Committee meetings					
	1-2024.	2-2024.	3-2024.	4-2024.	5-2024.	6-2024.
	14/2/2024	21/3/2024	26/3/3024	13/5/2024	7/8/2024	7/11/2024
H.E. Mr. Hindi bin Abdullah ALSohimi	A	P	P	P	P	P
H.E. Mr. Khaled bin Abdullah AlMolhem	P	P	P	P	P	P
Mr. Abdullah bin Nasser AlDawood	P	A	A	P	P	P
Mr. Mohammed bin Abdulaziz Alshaya	P	P	P	A	P	P

P= Present / A= Absent

### B. Nomination and Remuneration Committee

The primary function of the Nomination and Remuneration Committee is to identify qualified candidates for membership of the Board of Directors. The Committee is also responsible for reviewing the appointment of key management employees, for benchmarking and establishing the remuneration packages of key executives and for developing an overall remuneration policy for the Company. The scope of the Committee's work includes all actions that enable it to fulfil its functions.

In fulfilling the above mandate, the scope of work of the Committee includes, among other things:

- Proposing clear policies and criteria for membership of the Board of Directors and the Executive Management.
- Providing recommendations to the Board of Directors on the nomination and reappointment of Directors in accordance with the approved policies and standards, taking into account the requirement not to nominate any person previously convicted of committing a crime involving moral turpitude or dishonesty.
- Preparing a description of the skills and qualifications required for membership of the Board of Directors and for holding Executive Management positions.
- Determining the time that Directors should allocate to Board activities.
- Undertaking an annual review of the skills and experience required for members of the Board and Executive Management.
- Ensuring the independence of the Independent Directors on an annual basis and ensuring that there is no conflict of interest if a Director serves as a Director at another company.
- Providing job descriptions for executive, non-executive, and independent Directors, and Executive Management.
- Evaluating the strengths and weaknesses of the Board and proposing solutions to address such weaknesses, in line with the interests of the Company.
- Reviewing the organisational structure, size and composition of the Company's Board (including skills, knowledge, experience and diversity) on a regular basis (at least annually) and providing the appropriate recommendations to the Board (which, in turn, will submit such recommendations to the General Assembly).
- Developing the procedures to be followed in the event of a Board or Senior Executive vacancy.

- Preparing, disclosing and ensuring a clear policy for the remuneration of Directors and Board Committees established by the Board and the Executive Management, and submitting the same to the Board for approval by the General Assembly, provided that such policy takes into account performance-related standards.
- Clarifying the relationship between the remuneration granted and the applicable remuneration policy, indicating any material deviation from such policy.
- Periodically reviewing the remuneration policy and evaluating its effectiveness in achieving its objectives.
- Making recommendations to the Board of Directors regarding the remuneration of the Directors, Board Committees and Senior Executives of the Company, in accordance with the approved policy.

The Nomination and Remuneration Committee shall comprise of at least three members appointed by the Company's Board of Directors for a period of four years.

### Nomination and Remuneration Committee Members

Name	Title
1 Mr. Mansoor bin Abdulaziz Almansoor	Chairman
2 Mr. Abdulrahman bin Ibrahim AlRowaita	Member
3 Mr. Mosa bin Omran Alomran	Member

### Nomination and Remuneration Committee Meeting Attendance (2024)

Member	Nomination & Remuneration	
	1/2024/1	1/2024/2
	8/2/2024	2/12/2024
Mr. Mansoor bin Abdulaziz Almansoor	P	P
Mr. Abdulrahman bin Ibrahim AlRowaita	P	P
Mr. Mosa bin Omran Alomran	P	P

P= Present / A= Absent

### C. Executive Committee

The Committee plays a crucial role in the Company's governance by reviewing and recommending strategic, financial and operational plans to the Board of Directors, ensuring alignment with the Company's goals. It also oversees budgets, annual plans, performance evaluations, and capital investments while monitoring the Group's CEO and Executive Management performance. The Committee is responsible for forming partnerships, updating technologies and fostering effective communication between Executive Management and key department heads. Additionally, it approves contracts within specified limits, reviews administrative activities and the progress of the major projects, and makes recommendations on resolutions beyond its scope as assigned by the Board of Directors. This comprehensive oversight and advisory function strengthens the governance framework and contribute to the Company's strategic direction and operational efficiency.

In fulfilling this mandate, the scope of work of the Committee includes, among other things:

- Reviewing and providing recommendations on the Company's strategy and commercial, financial and operational plans proposed to the Board of Directors.
- Reviewing budgets and annual plans and providing recommendations to the Board of Directors regarding them, as well as verifying any material differences in the approved plan.
- Reviewing the Company's performance based on management reports to determine whether the Company is achieving its short- and long-term goals.

## BOARD OF DIRECTORS' REPORT CONT.

4. Participating in the review of proposals for new capital investments and projects that fall within the Committee's remit.
5. Forming or restructuring any partnerships or joint projects.
6. Reviewing and providing recommendations to the Board of Directors on any projects related to enhancing and updating the Company's technologies and technical support.
7. Ensuring the coordination and appropriate communication of information and opinions between the Executive Management and the heads of key departments.
8. Monitoring the performance of the Group's CEO and Executive Management.
9. Reviewing and approving contracts beyond the powers of the Group CEO within the limits of the approved budget and in accordance with the Company's Delegation of Authority Matrix.
10. Reviewing periodic administrative activities and reports on the implementation and completion of the Company's major projects.
11. Providing recommendations to the Board of Directors regarding any other resolutions beyond the scope of the Committee's powers.
12. Performing other duties assigned to it by the Board in line with the Committee's purpose.

The Executive Committee comprises of three members appointed by the Board of Directors for a period of four years.

### Executive Committee Members

Name	Title
1 Mr. Waleed bin Ibrahim AlIbrahim	Chairman
2 H.E. Mr. Hindi bin Abdullah ALSohimi	Member
3 Mr. Abdullah bin Nasser AlDawood	Member

### Executive Committee Meeting Attendance (2024)

Member	Executive Committee meetings			
	1/2024/1 25/3/2024	1/2024/2 15/5/2024	1/2024/3 9/10/2024	1/2024/4 18/12/2024
Mr. Waleed bin Ibrahim AlIbrahim	P	P	P	P
H.E. Mr. Hindi bin Abdullah ALSohimi	P	P	P	P
Mr. Abdullah bin Nasser AlDawood	P	P	P	P

P= Present / A= Absent

### D. Investment Committee

The Committee is tasked with recommending a strategic framework to the Board of Directors, aligning investment activities with the Company's strategic objectives. It oversees the Company's performance against these guidelines, regularly reviewing and updating the investment policy, and providing advice on investment decisions, acquisitions and partnerships. The Committee evaluates the financial impact of proposed transactions and monitors investment risks. Furthermore, it monitors investment processes and resources and carries out additional duties as assigned by the Board. This comprehensive approach ensures prudent capital deployment, effective risk management and optimal performance in the Company's investment activities.

In fulfilling this mandate, the scope of work of the Committee includes, among other things:

1. Recommending a strategy to the Board of Directors on capital allocation for the investment activities of the Company, taking into consideration aspects such as the Group's strategic objectives, return on invested capital targets, criteria, allocations and risk limits.
2. Reviewing the Company's performance against the standards set in the framework on a regular basis.
3. Periodically developing and reviewing the investment policy and guidelines.
4. Providing recommendations to the Board of Directors regarding investment opportunities, acquisitions, joint ventures and liquidation of investments.
5. Evaluating the impact of proposed specific investment transactions on the Company.
6. Monitoring investment-related risks.
7. Monitoring the Company's investment processes and resources.
8. Performing other duties assigned to it by the Board in line with the Committee's purpose.

The Investment Committee comprises of four members appointed by the Board of Directors for a period of four years.

### Investment Committee Members

Name	Title
1 H.E. Mr. Khaled bin Abdullah AlMolhem	Chairman
2 Mr. Abdulrahman bin Ibrahim AlRowaita	Member
3 Mr. Mosa bin Omran Alomran	Member
4 Mr. Majed bin Abdulaziz AlIbrahim	Member

### Investment Committee Meeting Attendance (2024)

Member	Investment Committee meetings			
	1-2024-1 24/1/2024	1-2024-2 7/5/2024	1-2024-3 9/10/2024	1-2024-4 28/10/2024
H.E. Mr. Khaled bin Abdullah AlMolhem	P	P	P	P
Mr. Abdulrahman bin Ibrahim AlRowaita	P	P	P	P
Mr. Mosa bin Omran Alomran	P	P	P	P
Mr. Majed bin Abdulaziz AlIbrahim	A	A	P	P

P= Present / A= Absent

## BOARD OF DIRECTORS' REPORT CONT.

### 7. Board Performance Assessment.

- A.** Based on the recommendation of the Company's Nomination and Remuneration Committee, the Board develops the required mechanism to annually assess the performance of the Board, its committees and Executive Management.
- B.** The annual assessment evaluates the skills and experiences of the Board and committees, identifies weaknesses and strengths, and seeks to resolve such weaknesses.

### 8. Disclosure of the remuneration of Board members and Executive Management.

As per Article (90) of the CMA's Corporate Governance Regulations, the following section outlines the details of the remuneration paid to Directors and Senior Executives:

- A.** Disclosure of the details of the remuneration policies and mechanisms for determining compensation paid to the Company's Board members and Executive Management:

The bylaws and regulations governing the remuneration of the Board of Directors and its committees, as approved by the Shareholders' General Assembly, establish clear criteria for calculating the compensation provided to Board members and Executive Management, including any direct or indirect benefits. This information is presented in a transparent and accurate manner, with no omissions or misleading details.

- B.** The relationship between the remunerations granted and the applicable remuneration policy:

The Company calculates compensations and remunerations for the Board of Directors in accordance with the guidelines outlined in the Company's remuneration policy. These guidelines are in line with the approved remuneration policy for Board members, Board Committees and Executive Management, which has been approved by the Shareholders' General Assembly. The Board of Directors confirms that the remunerations provided are entirely consistent with the applicable remuneration policy, without any deviations or discrepancies.

The remuneration of the Board and Senior Executives is determined based on the following principles:

- Remuneration shall be sufficiently competitive to attract, motivate, and retain talent possessing the appropriate competence and experience.
- The Nomination and Remuneration Committee shall conduct periodic reviews, taking into consideration market practices.
- The remuneration of different Board members may vary depending on several factors, such as the number of meetings they attended, in addition to other considerations.
- The remuneration of Executive Management shall be determined in accordance with the Company's internal policies, considering the relevant job level, duties and responsibilities, educational qualifications (whether mandatory or otherwise), practical experience, skills and level of performance.

#### Board of Directors' remuneration – FY2024

Total due and paid remuneration was SAR 2,890,000 for the Board of Directors in the year 2024.

\* The Chairman of the Board of Directors waived his compensation for the year 2024.

#### Committees Members' remuneration – FY2024

Total due and paid remuneration was SAR 4,580,000 for the Committees Members in the year 2024.

\* The Chairman of Executive Committee waived his compensation for the year 2024.

#### Senior Executives' remuneration – FY2024

The five highest-paid Senior Executives, including the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO), receive remuneration in accordance with employment contracts signed with them. The following table illustrates the details of remuneration and compensation paid to Senior Executives.

	Fixed remuneration			Total
	Salaries	Allowances	In-kind benefits	
	10,727,775	3,145,089	432,688	14,305,552

Periodic remunerations	Profits	Variable remuneration			Total
		STIP 2023	LTIP	Equity grants	
–	–	10,682,012	–	–	10,682,012
End of services rewards	Total remuneration for Executives in the Board (if any)	Grand total	Funded relocation allowances	Grand total with relocation allowances	
624,472	300,000	25,912,036	7,865,038	33,777,074	

\* The Company committed to disclose total remuneration of Senior Executive Management in accordance with the requirements of Article 93(4-b) of the Corporate Governance Rules. In order to protect the interests of the Company, its shareholders and its employees, and to avoid any damage that may result from detailed disclosure by job titles and positions, the description of remuneration is not presented pursuant to Appendix (1) Remuneration Schedule of the Corporate Governance Rules related to Senior Executives.

### 9. Results of the annual review of the effectiveness of the Company's internal control procedures and the opinion of the Audit Committee with respect to the adequacy of the Company's internal control system.

The management of the Company is responsible for establishing and maintaining an adequate and efficient internal control system. An internal control system encompasses the policies, procedures and processes that are designed in consultation with the Audit Committee and the Board of Directors to accomplish the Company's strategic objectives.

The scope of the IAD (Internal Audit Department), which is independent of line management, includes the evaluation of the competency and efficacy of the internal control system across the Company and the assessment of compliance with established policies and procedures. All significant and substantial findings of the IAD (Internal Audit Department) are reported to the Audit Committee.

Rigorous and integrated efforts are undertaken by all departments of the Company to avoid and rectify any control deficiencies. These procedures are continuously reviewed and streamlined to improve the control environment.

Each department, under the supervision of Executive Management, is assigned the responsibility to overseeing rectification of control deficiencies identified by the IAD.

The Company's internal control system is designed to provide reasonable assurance to the Audit Committee, the Board and the Management that risks are adequately managed to achieve the Company's long-term objectives.

The Audit Committee has reviewed the updated inherent risk assessment report prepared by the Risk Management Department and other departmental Internal Audit reports prepared by the Internal Audit Team.

In light of the aforementioned scope of work, and based on the periodic review reports submitted by the Company's IAD, the External Auditor, and the Executive Management of the Company, along with Management's assurances regarding the integrity of the Company's control system, the Audit Committee is of the opinion that the Company's internal control systems are efficient and adequate, and that there are no pervasive weaknesses in the control environment that may affect the achievement of strategic goals.

### 10. The Audit Committee's recommendation on appointing an internal auditor for the Company.

The Company already has an in-house team performing all the necessary Internal Audit activities and, where deemed required, appoints Internal Audit service providers to deliver Internal Audit services in a co-sourcing approach. The Audit Committee has continued to recommend the appointment of the Internal Audit service providers in 2024.

### 11. Any Audit Committee's recommendations that conflict with Board resolutions, or those that the Board rejects in relation to the appointment, dismissal, assessment or remuneration of an External Auditor.

During 2024, there were no instances of any conflict between the Audit Committee's recommendations and Board resolutions in relation to any matter, including the appointment and remuneration of the External Auditor.

## BOARD OF DIRECTORS' REPORT CONT.

### 12. Details of the Company's social contributions.

In 2024, a total of SAR 1,242,413 was spent on all Corporate Social Responsibility (CSR) activities, including the 'Path of Hope' programme, a primary initiative supporting orphaned students. This comprehensive programme provided beneficiaries with personalised career counselling, specialised upskilling sessions over a year and academic mentorship, all aimed at facilitating their educational transitions and promoting sustainable growth.

### 13. A list of General Assembly meeting dates held during the last financial year and the names of Board members who attended them.

#### General Assembly Meeting: 7/1/2024 (Pre-listing)

Attending Shareholders	Mr. Waleed bin Ibrahim Allbrahim Istedamah Holding Company
Attending Board Member	Mr. Waleed bin Ibrahim Allbrahim

#### General Assembly Meeting: 26/6/2024

Attending Board Members	
Mr. Waleed bin Ibrahim Allbrahim	
H.E. Mr. Hindi bin Abdullah AlSohimi	
H.E. Mr. Khaled bin Abdullah AlMolhem	
Mr. Abdulrahman bin Ibrahim AlRowaita	
Mr. Abdullah bin Nasser AlDawood	
Mr. Nasser bin Minahi Albiqami	
Mr. Mansoor bin Abdulaziz Almansoor	
Mr. Mosa bin Omran Alomran	
Mr. Majed bin Abdulaziz Allbrahim	

### 14. A description of the Company and its Subsidiaries' main scope of business activities.

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

Broadcasting & Other Commercial Activities	TV, Radio and Social Media and Ancillary Activities
	The Broadcasting & Other Commercial Activities segment is the largest of the Group's business segments with revenues earned primarily from advertising on its free-to-air (FTA) TV, radio channels and social media, collectively referred to as broadcasting activities. Broadcasting also generates a variety of additional non-advertising revenues, such as carriage agreements and interactive games for viewers.
	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.
SHAHID	Video Streaming on the SHAHID Platform

One of the Group's main operating segments is SHAHID, which the Group is currently making significant investments strongly investing in to drive future growth. The Group's Shahid over-the-top (OTT) platform is available both as a subscription-video-on-demand (SVOD) service (also called SHAHID VIP) as well as a "free" advertising-based video-on-demand (AVOD) service alongside broadcasting services.

#### Media & Entertainment Initiatives ("M&E Initiatives")

#### Media and Entertainment

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 aimed at developing the media ecosystem in the KSA and the region in line Saudi Vision 2030.

The Group receives funding for these projects from the government [represented by its majority shareholder, Istedamah Holding Company ("Istedamah"), a KSA government-owned entity], in consideration for the Group's commitment to implementing such projects in accordance with specified performance indicators and other obligations that 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, through its relocation to the KSA, is directly creating new employment opportunities for individuals in the entertainment industry in the KSA.

The effect of the above key activities on the size of the Company's business and its contributions as a percentage of revenues is as follows:

Segment	Revenue FY-2024 (SAR MN)	Percentage 2024	Revenue FY-2023 (SAR MN)	Percentage 2023
Broadcasting & Other Commercial Activities	2,424.1	58%	2,003.7	54%
Shahid	1,078.9	26%	843.7	23%
Media & Entertainment Initiatives	693.3	17%	864.5	23%
<b>Total</b>	<b>4,196.3</b>	<b>100%</b>	<b>3,711.8</b>	<b>100%</b>

### 15. A description of the Company's significant plans and decisions and future expectations.

#### A. Company Structural Changes

The Company was established on 8 April 2023. The acquisition of the shares in the subsidiaries and associates by the Company was effectively concluded during June 2023. Accordingly, the acquisition was accounted for as of 30 June 2023, through "Additional Shareholder Contributions" account. Starting from that date, revenues, expenses, assets and liabilities of the Company and its subsidiaries have been consolidated, after eliminating intercompany transactions and balances.

On 21 November 2023, the Capital Market Authority (CMA) announced the approval of MBC GROUP Company's application for the registration and the offering of 33,250,000 shares representing 10% of the Company's share capital for public subscription. On 08 January 2024, the Company's shares were successfully listed for trading on the Main Market of the Saudi Exchange.

#### B. The Company's Business Expansions – Operational Activities and Strategic Decisions

##### Broadcasting Leadership

The Broadcasting and Other Commercial Activities (BOCA) segment encompasses 13 free-to-air (FTA) channels, three radio stations, MBC Media Solutions (MMS), Broadcasting and Technical Services, along with several entertainment verticals. BOCA serves as the foundational pillar of the Group, built over 33 years since the launch of its first channel.

In 2024, BOCA's traditional broadcast business, as well as its broadcasting and technical services revenues, grew significantly. MBC Group's unique content distribution model, broad audience reach, and localized storytelling further reinforced BOCA's market leadership. The segment's performance benefited from AI-driven efficiencies, which improved operations in content moderation, dubbing, and scheduling.

BOCA offers extensive advertising inventory and client support across all MBC platforms to create high-impact advertising campaigns. It also leverages data and analytics for advertising and audience measurement, optimizing both advertising volume

## BOARD OF DIRECTORS' REPORT CONT.

and pricing for MBC inventory.

MBC Group aims to further strengthen its viewership dominance and advertising market share in the Middle East and North Africa (MENA) region, particularly through its FTA channels. The Group will also focus on increasing advertising revenues while continuing to grow its Broadcasting and Technical Services business. Additionally, it will strengthen its digital and social media engagement, placing greater emphasis on community management and initiatives that foster deeper audience engagement.

As part of its strategic initiatives, the Group will complete MBC's headquarters transition and key operations relocation from Dubai to Riyadh, aligning with Saudi Vision 2030 and establishing Riyadh as the central hub for its operations. Lastly, it will roll out a diverse range of scripted and unscripted content aimed at Arab audiences across MENA.

MBC Group also intends to sustain its leadership in core markets while exploring potential regional and international expansion opportunities.

### SHAHID's Success

SHAHID, the leading over-the-top (OTT) platform in the MENA region, has been a key growth engine for MBC Group in recent years, offering two strong revenue streams: subscription video on demand (SVOD) and advertising-based video on demand (AVOD).

MBC Group's IPO strategy prioritized expanding its OTT subscriber base and revenues, leveraging economies of scale to achieve breakeven in the mid-term. In Q3 2024, the Group announced that SHAHID could reach breakeven in 2027, a year earlier than anticipated, driven by its strong performance and growth in both subscription and advertising revenues.

SHAHID has experienced significant growth in both AVOD and SVOD, driven by a young, tech-savvy audience and economic growth in the region. In 2024, its subscriber base increased to 5 million from 4 million in 2023, boosting subscription revenues and reinforcing its position as MENA's leading SVOD platform. Through telecom partnerships and mobile-only packages it expanded its reach further, with a continued focus on content enhancement and customer experience improvements to drive future growth.

SHAHID is well-positioned to build on its strengths and reinforce its leadership in the MENA OTT industry. Its 2025 strategy includes targeted measures to enhance the SVOD and AVOD value propositions.

On the SVOD side, SHAHID intends to expand its content library with additional originals and premium shows aimed at boosting its subscriber base. AI-driven subtitling and localization will be expanded to ensure broader audience appeal. Additionally, SHAHID's B2B partnerships are being refined to strengthen distribution, and bundle deals with telecom companies, device manufacturers, retailers, banks, and other streaming platforms.

These initiatives will also enhance AVOD performance. SHAHID's AVOD offerings will focus on high-engagement content to attract more advertisement-supported viewers. The platform is also investing in short-form content that resonates with younger audiences. Innovative advertising formats are being explored to optimise monetisation strategies. To support these efforts, targeted awareness campaigns will be launched to expand SHAHID's AVOD user base.

In 2025, SHAHID will continue leveraging advanced data analytics to offer personalised content recommendations for both AVOD and SVOD users, particularly younger audiences who favour digital media. This data-driven approach not only enhances revenue but also strengthens brand positioning and customer loyalty, creating a dynamic community experience across social media.

### Content Strategy

MBC Group understand that consistent advertising revenue and subscriber growth depend on high-quality content. This commitment drives continued investments in original production and content acquisition, ensuring a diverse and engaging offering for global audiences.

The content mix includes SHAHID Originals, strategic sports programming, exclusive local-language productions, and youth-focused entertainment. The Saudi-Turkish adaptation Khareef Al Qalb became the #1 MBC programme since its October 2024 launch, demonstrating the success of pan-Arab content. Additionally, the return of Arabs Got Talent significantly increased audience engagement and talent discovery.

MBC Group is leveraging AI, machine learning, and data analytics to refine content distribution, enhance audience engagement, and increase subscriber retention. Data-driven insights help optimise content selection, set key performance indicators (KPIs), and maximise financial outcomes by targeting high-value demographics.

The company remains dedicated to expanding original programming across multiple platforms and regions. Additionally, MBC maintains robust content moderation policies to uphold ethical standards, regulatory compliance, and audience expectations, ensuring that content remains engaging while avoiding controversy.

MBC Group aims to broaden its content portfolio, extend its global footprint, and optimise monetisation strategies, adapting to evolving audience preferences and digital trends.

### Expansion of New Verticals

MBC Group has expanded beyond its core media and entertainment business into gaming, music, and event management. In gaming, MBC Group is partnering with NEOM. These sectors provide both local and regional entertainment experiences, aligning with Saudi Vision 2030 to promote culture development and entertainment.

The gaming sector is a focus, with MBC Group partnering with NEOM to establish a high-quality game development studio in Saudi Arabia. As part of this initiative, the Company is developing an open-world, action-adventure game, reinforcing its position in the evolving gaming industry.

In event management, MBC Group is actively organising musical concerts, theatrical performances, international shows, and media exhibitions across Saudi Arabia, the United Arab Emirates (UAE), and Egypt. The entertainment sector, particularly in Saudi Arabia, has grown significantly and is expected to expand further in the coming years.

By leveraging synergies across these new business sectors, MBC Group continues to form strategic partnerships and acquisitions, strengthening its position in the broader entertainment ecosystem.

### Aligning with Vision 2030

MBC Group's Media and Entertainment Initiatives (M&E) segment, which includes MBC STUDIOS and MBC Academy, continues to drive significant advancements in Saudi Arabia's media and entertainment industry, aligning closely with Vision 2030. The commissioning of a world-class production studio complex in Al Narjis, Riyadh, marks a major step in strengthening the country's entertainment ecosystem.

MBC STUDIOS has been instrumental in producing high-quality content catering to diverse audiences, with a strong focus on cultural, entertainment, and sports programming.

MBC Academy has also played a crucial role in fostering Saudi talent, equipping individuals with the necessary skills to succeed in media and entertainment. In 2024, the Academy trained over 20,000 individuals, offered 4,500 virtual courses, and conducted 7,000 auditions for various roles, reflecting the growing demand for industry professionals.

By exceeding all its 2024 targets, MBC Group's initiatives have demonstrated their effectiveness in driving talent development and content production. These efforts position the Group as a key player in the transformation of Saudi Arabia's media landscape, paving the way for further growth and innovation in the sector.

The M&E segment is well-positioned to capitalise on further growth through investments in high-growth entertainment verticals. The segments growth strategy includes producing high-quality, differentiated content that resonates with both new and existing audiences. Additionally, it broadens the scope of MBC Academy and MBC Talent to identify, develop, and promote local talent, supporting the growth of MBC STUDIOS and the wider entertainment sector. MBC is confident that these strategic initiatives will drive further success, allowing the Group to leverage its capabilities and strong brand presence to strengthen its regional leadership.

### Outlook for 2025

MBC Group will focus on strengthening its market position and driving sustainable growth by leveraging emerging opportunities across the MENA region. The Group remains committed to its vision of enriching lives through information, interaction, and entertainment, with a strategic roadmap centred on three key priorities.

Market dominance remains a core objective, with MBC Group aiming to sustain its leadership in broadcast viewership and advertising market share while expanding its services to external clients.

In the video streaming sector, SHAHID's leadership will be reinforced as MBC continues to expand both its AVOD and SVOD platforms, ensuring its dominance in the MENA streaming market.

Delivering high-quality content will continue to be a major focus, with MBC committed to producing premium and diverse programming that caters to the region's evolving audience preferences.

At the same time, the Group will pursue business diversification, expanding into adjacent industries that complement its core operations, including gaming, music, and event management, while leveraging existing capabilities to fuel further growth.

As MBC Group moves forward, its strategic direction for the next five years is designed to sustain market leadership, expand digital offerings, enhance content quality, and explore new business opportunities, ensuring continued success in the evolving media landscape.

## BOARD OF DIRECTORS' REPORT CONT.

### 16. Information on any risks facing the Company and the policy of managing and monitoring these risks.

Set out below are the principal strategic, operational, financial, compliance and market-related risks faced by the Company and the manner in which it seeks to mitigate these risks. The commentary does not include risks arising from force majeure events that are endemic to every business, or risks that are not material to the Company's operations in terms of their impact on financial performance, as discussed more fully in the Financial Risk section.

The Board of Directors affirms that the risks described below are not presented in any assumed order of priority reflecting their expected impact on the Company. There may be additional risks and uncertainties, including those that are presently unknown or considered immaterial, that could have similar consequences to those outlined in this section and negatively impact the Company. As a result, the risks highlighted in this section may not reflect all potential risks that could affect the Group, its operations, assets and the markets in which it conducts business.

#### 1. Risks related to the Expansion Project Agreements and the extent of the Group's reliance on the agreements with the KSA government (represented by Istedamah Holding Company).

The Group has implemented various plans aimed at growing and developing the media and entertainment sector in the KSA, which involve several media and entertainment projects and initiatives that develop the media ecosystem in the KSA and the wider region in line with the Saud Arabia's Vision 2030 (the "Expansion Projects").

To implement the Expansion Projects, the Group has entered into agreements with the KSA government (represented by Istedamah Holding Company) under the framework of a Strategic Cooperation Agreement to implement these Expansion Projects and the media and entertainment initiatives. Under such agreements, the Group receives funding to implement the relevant initiatives in exchange for the cost of such initiatives. The Group's receipt of the relevant funding amounts is linked to several obligations to be fulfilled by the Group, including the achievement of key performance indicators and certain milestones, and the adherence to several other restrictions and conditions specified in such agreements.

The Group's long-term growth path and its budgets for implementing the Expansion Projects may be influenced by the amounts paid under the relevant agreements. If the amounts payable under the Expansion Projects are substantially reduced or fully discontinued, the Group may need to wind down such projects or shift to self-funded projects, which may impact their commercial feasibility. This could result in at least a temporary setback for the Group, which may negatively impact its business and ongoing projects in the short-term. Such potential setbacks could also negatively impact the Group's reputation in its markets.

If the Group fails to achieve the agreed key performance indicators, implement the agreed initiatives, or comply with the terms and conditions of the agreements, or if the Expansion Projects are terminated for any reason, this could lead to the funding being suspended or reduced.

If the Group's position in the market changes, if it loses its status as a leading national company in the media and entertainment sectors in the KSA, or if for any other reason the Group does not procure further funding under the Expansion Projects, this could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

#### 2. Risks related to the Group's ability to generate advertising revenue due to the ongoing shift towards digital media advertising.

The Group's revenue heavily relies on advertising, with its broadcasting segment being a significant contributor. Over the years, there has been a shift from traditional TV to digital content, impacting advertising spending.

Advertisers are moving towards digital platforms like Google, YouTube, Meta and TikTok, leading to a potential decline in the Group's advertising revenue from free-to-air channels. The Group launched the SHAHID platform to adapt to this shift. Despite efforts to invest in content for traditional TV and increase revenue from the AVOD platform, there are concerns about long-term profitability due to competition and the AVOD business model.

Failure to maintain advertising spending levels on TV programmes or the AVOD platform could negatively impact the Group's business, financial position, and share price.

#### 3. Risks related to the Group's advertising sales arm, MBC Media Solutions (MMS).

MMS is the Group's advertisement revenue generation arm, selling advertising spots to agencies and directly to clients across the UAE, the KSA and Egypt on all MBC platforms (via TV, radio, SHAHID and social media). MMS purchases airtime from the Group and is responsible for the direct negotiation and onward sale of airtime to customers. The Group relies on the commercial competitiveness of MMS's customer deals, its management process, the integrity and completeness of its revenue data and its implemented sales management framework and system. The efficient and successful operations of MMS are vital for the overall performance of the Group, considering that the Group generates a substantial part of its revenue from advertising.

Additionally, MMS faces operational risks such as the loss of key staff or key accounts, technical disruptions to booking systems and difficulties in collecting receivables from agencies in a timely manner or at all. Furthermore, the variability of geopolitical factors in the MENA region such as economic sanctions, political shifts or regulatory changes, impacts advertising demand, client budgets and payment cycles, further complicating MMS's revenue forecasting and collections.

If MMS is unable to continue selling airtime profitably to the maximum extent envisioned, fails to achieve its milestones in terms of targeted advertising revenue, or if the agreement between MMS and the Group changes, then this could have a material adverse effect on the Group's business, profitability, financial condition, results of operations or prospects, and therefore on the Company's share price.

To mitigate these risks, MMS actively monitors its internal competencies, the maturity of its technological landscape, geopolitical developments and regulatory bodies to ensure compliance, and diversifies its client base to reduce over-reliance on any single market.

#### 4. Risks related to the Group being unable to grow SHAHID's SVOD and AVOD streaming services and reach a level of subscribers across its target countries that is necessary for SHAHID's sustained profitability.

The Group launched the SHAHID SVOD platform in 2014, which saw significant growth during the COVID-19 pandemic in 2020 and 2021. The number of subscribers increased from 0.1 million in 2019 to 4.8 million, reflecting a year-on-year growth of 22.2%, while SHAHID's AVOD active monthly users grew by 13.7% year-on-year, reaching 17.8 million as of Q3 2024.

The Group's core viewer base is primarily in the KSA, the Gulf Cooperation Council (GCC) countries and Egypt, with plans to expand across the MENA region. While the customer adoption rate of online streaming is increasing in the MENA region, the Group faces competition and the challenge of attracting enough subscribers to make the platform profitable. Revenue for SHAHID has increased over the years, but significant spending on content has led to losses. If the subscriber base does not grow sufficiently, it could impact the Group's business and financial prospects.

The Group airs content and produces sports coverage in the format of sports channels. Such channels are available to viewers on SHAHID to purchase as a special package. As a significant number of SHAHID subscribers are sports and football fans, a significant loss of sports coverage could negatively and materially affect the business of the Group.

#### 5. Risks related to retaining streaming subscribers for SHAHID and addressing customer churn.

The Group's success in attracting and retaining subscribers for its SHAHID streaming business relies on providing compelling content choices, effective marketing and a quality user experience. While marketing costs are low, resources are being invested in expanding content offerings. The Group aims to grow its subscriber base by offering promotional trials, although it faces a high churn rate where many new subscribers cancel during the trial phase. Despite this, the Group has seen significant growth in overall subscribers. However, if the churn rate is not managed effectively, long-term growth and profitability may be impacted. Issues related to content availability timing, known as "windowing," can also contribute to the churn rate. When content is available for free on other platforms or TV channels, subscribers may cancel their SHAHID subscription. This overlap could deter potential subscribers from joining SHAHID, affecting the Group's business and financial performance.

#### 6. Risks related to the timely delivery and quality standards of original content.

The Group's ability to attract and retain audiences depends heavily on the consistent delivery of high-quality original content. Delays in production, challenges in securing top-tier talent, or issues with content quality could impact the Group's reputation and competitive positioning. Factors such as unforeseen logistical issues, regulatory restrictions or disruptions in the supply chain for production resources may lead to delays or increased costs in delivering original content.

To address these risks, the Group employs rigorous project management practices, engages with reputable production partners, and invests in state-of-the-art studio such as Al Narjis to ensure timely delivery of content that meets its quality standards. Regular quality checks, creative oversight and audience feedback mechanisms are integrated into the production process to align with viewer expectations and preferences.

By maintaining a consistent focus on excellence in content creation and delivery, the Group continues to strengthen its brand equity and position itself as a trusted provider of premium entertainment experiences across its platforms.

#### 7. Risk related to hiring and retaining key employees.

The Group provides specialised services that require highly competent employees. The quality of those services, which the Group aims to further expand in the future (such as event management), depends on the skills and competencies of its employees. If the Group does not hire highly competent employees, it may be unable to provide the quality of services that it envisions.

## BOARD OF DIRECTORS' REPORT CONT.

Retaining key employees and attracting additional employees to support the Group's growth may become more difficult as the Group moves its operations to the KSA. The requirement to relocate to the KSA can be a significant commitment for employees and may have a cost impact for the Group; the Group may have to offer higher salaries to compensate for its employees' relocation costs and the potentially higher cost of living in the KSA compared to other countries of operation.

If key employees are not incentivised to move to the KSA, the Group may have difficulties finding substitutes with adequate skills and qualifications for this developing sector, either in the local KSA labour market or in other markets, which could adversely impact the Group's profitable growth.

### 8. Risks related to increasing costs and operating expenses.

The majority of the Group's expenses and costs relate to content acquisition and content creation. In particular, a large amount of the Group's costs relate to the creation of content. The Group's operating expenses could increase as a result of several factors.

Prolonged periods of cost inflation may negatively impact the Group's profit margins and earnings if such cost increases are not translated into an increase in the Group's prices and passed on to advertisers or subscribers of SHAHID.

The Group's business model requires it to make substantial investments upfront for programming (either through production costs or acquisition licence fees) before collecting revenue from such content. However, the Group's annual cash flow is negatively impacted due to the practice of front-loading costs, meaning the Group may experience extended periods of limited liquidity.

Because the Group must first spend to create or acquire content and then generate subscribers and revenue, the Group can only recoup its investments later. Thus, this uneven delay in the Group's cash flow (with respect to its free-to-air segment) and the Group's substantial investment in SHAHID prior to knowing the profitability of such content could have a material adverse effect on the Group's business, results of operations, financial condition, and future prospects and therefore the Company's share price.

### 9. Risks related to any significant disruption in or unauthorised access to the Group's computer systems.

As a broadcasting and streaming service, the Group's operations can be severely impacted if there are disruptions to its internal IT systems, external providers or broadcasting infrastructure including satellite availability. Disruptions to IT systems, cyber-attacks and other external risks for IT systems, and outages of satellites and broadcasting systems are among the key risks that may occur in this respect.

### 10. Risks related to content piracy and unauthorised distribution of the Group's intellectual property.

The Group's content is vulnerable to piracy and unauthorised distribution, which can undermine its revenue streams and brand value. The prevalence of digital platforms and the ease of access to pirated content, particularly in the MENA region, pose significant challenges to safeguarding the Group's intellectual property. Unauthorised streaming, downloading or redistribution of the Group's content may lead to a loss of subscription revenue and reduced demand for its offerings. To mitigate these risks, the Group has implemented a robust anti-piracy strategy, including advanced digital rights management (DRM) systems, watermarking technologies and regular monitoring of online platforms to detect and remove pirated content. The Group also collaborates with governmental agencies to strengthen intellectual property protection across the MENA region.

The Group continuously monitors online platforms and digital channels to identify and address instances of pirated content promptly. Leveraging advanced detection tools and partnerships with specialised agencies, the Group ensures that unauthorised distributions are swiftly taken down, safeguarding its intellectual property. Through these proactive measures, the Group reinforces its commitment to protecting its content, maintaining the trust of its customers and partners and establishing itself as a leader in combating content piracy within the industry.

### 11. Risks related to intense competition in the production of content and the broadcasting and streaming industry in the region.

The Group faces intense competition from various international and local competitors in the media industry, particularly in terms of content, audiences and advertising. Competition also comes from broadcast television, free-to-air channels, subscription streaming services, social media platforms and other entertainment outlets.

Limited availability of Arabic-language content producers for collaboration may lead to higher production costs. The Group's SHAHID platform competes with major players like Disney+, Netflix and others, which have larger budgets and a global reach. Increased competition for quality programming acquisition could raise negotiation complexities and costs.

Competitors like Netflix offering Arabic content may attract customers in the MENA market. The Group's ability to compete effectively depends on achieving a competitive cost structure alongside an effective content management capability across all its platforms. Failure to do so could impact its business, profitability and overall prospects.

### 12. Risks related to weak economic conditions within the countries in the MENA region in which the Group operates.

The Group's performance is closely tied to the financial well-being of its customers, which is influenced by the economic conditions in the markets it operate in. A significant portion of the Group's revenue comes from customers whose spending habits are susceptible to economic fluctuations. Weak economic conditions in the MENA region or globally could lead to reduced demand for the Group's products and services, impacting its operational results.

This could result in customers cutting back on discretionary spending, potentially leading to subscription cancellations or decreased usage of other products and services. Additionally, weak economic conditions may also affect the Group's advertising revenue as advertisers reduce spending due to lower consumer demand during economic downturns. Disruptions in global financial markets could hinder the Group's ability to secure financing or refinance existing debt. Inflationary pressures in the MENA region and globally could impact the Group's cost structure and pricing strategies, potentially affecting the ability of third parties to meet their obligations to the Group. These factors could have a significant adverse effect on the Group's business, profitability, financial condition, and share price.

### 13. Risks related to fluctuations in foreign exchange rates.

The Group operates in various Middle Eastern countries where most currencies are pegged to different standards, such as the USD. The Group conducts transactions in currencies like the Egyptian Pound, Moroccan Dirham, Iraqi Dinar and Lebanese Pound. The value of such currencies fluctuates relative to the Saudi Riyal and the US dollar.

As a result, the Group is exposed to exchange rate fluctuations, which have had, and may continue to have, an adverse effect on its results of operations in a given period.

### 14. Risks relating to the KSA economy, the global economy, and the political and economic conditions in the KSA and the countries in which the Company sells its products.

The Company's business performance is heavily influenced by economic and political conditions in the Kingdom of Saudi Arabia (KSA), where it generates a significant portion of its revenue and incurs a large portion of its operating costs. Additionally, the Company's performance is impacted by economic and political conditions in the countries where it sells its products and trades.

Any changes in the political situation in countries where the products of the Group are sold, or where viewers of the Group's channels or SHAHID platform subscribers are located, or in countries with which the Group trades, including, but not limited to, changes in governments or administrations, changes in public policy, changes in laws or incentives (including restricting foreign products or disincentivising them), wars (including the ongoing conflicts in the region), geopolitical and political stability and other matters, could have a material adverse effect on the Group's business, profitability, financial condition, results of operations or prospects, and therefore the Company's share price.

### 15. Risks related to changes in the regulatory environment and operating in many jurisdictions with different legal regimes.

The Group is subject to a range of laws and regulations administered by a number of government entities in accordance with government policies and directives in the countries where the Group operates. The Group's business depends on its ability to comply with the requirements of these laws to maintain the required licences, manage its operations and execute projects.

The Group cannot foresee changes in the regulatory environment in the KSA and in the other regions where it operates in, which may be subject to many changes, including changes to data localisation, data protection and cybersecurity controls and the introduction of other technology-specific regulations and laws, changes to the media and tax laws, and the adoption of tougher antitrust, pricing and corporate governance regulations, among others.

If the relevant government and administrative authorities impose new obligations on the Group companies in any of the countries in which the Group operates, requiring them to obtain certain licences to continue carrying out their business, there is no guarantee that the Group companies will be able to fulfil all the licensing requirements without incurring additional expenses, which may be substantial and whose potential impact is unknown.

The Group's failure to comply with all the requirements and provisions of the laws to which it is subject may cause the Group to incur fines or penalties or to lose its operational licences, which would have a material adverse effect on the Group's business, financial position, results of operations, and prospects.

## BOARD OF DIRECTORS' REPORT CONT.

16. Risks related to the Group not being able to successfully implement its growth plans including events management, gaming development and music production.

The Group is expanding its operations and investing in and developing various types of ancillary business areas outside of its core free-to-air TV channels, radio stations and its SHAHID platform. The Group has specifically decided to keep investing in its gaming development business.

As part of this initiative, the Group has set up a joint venture with NEOM (MBC Game Studios) to develop high-end gaming software. In addition, the Group also aims to expand its music production business and event organisation business.

These plans require funding, part of which has already been provided by the KSA government (through Istedamah Holding Company). Even though the Group has already signed agreements for some of these initiatives, it may not be able to obtain further financing to execute and support its growth plan.

Furthermore, these new initiatives, while media related, are partially outside of the established competencies of the Group as they are not part of its historical core business. That means that the Group may not have the required management and operational personnel with the skills necessary for carrying out the Group's plans and may need to source external talent or may be unable to execute its growth plans for these ancillary businesses at all.

17. Risks related to enablers granted by the government to the Group.

Pursuant to a framework agreement between the Company and a government entity dated 6 May 2023, and for the purpose of stimulating and encouraging investment, the KSA government agreed to grant the Group, amongst numerous other participants in the private sector, a number of enablers in relation to Saudi taxes and governmental fees applicable to the Group in return for certain commitments made by the Company to develop the local media ecosystem in the KSA, identify and develop local talent, and attract investments in this sector.

However, there are several risks associated with such arrangements, which mainly include risks of certain compensatory amounts not being fully paid in a timely manner or not covering all actual costs and expenses, risks related to the Group's inability to perform its obligations under the agreement, and the possibility that the enablers granted to the Group may be terminated if the Company materially breaches the provisions of the framework agreement with the government entity or applicable laws and regulations, and does not remedy such breach during the period agreed upon by the parties.

Additionally, the government enablers may also be terminated or revoked at any time in the future upon the issuance of a legal instrument by the government in this respect, and certain taxes and fees that may be imposed in the future may not be captured by this arrangement and, in such cases, the Group will be liable to bear such amounts, which it may not have accounted for.

It is difficult to accurately determine the financial effects of these enablers, as they relate to taxes, fees and other future costs and other factors that are difficult to foresee.

Additionally, the Group has obtained certain incentives to facilitate the Group's operations and relocation to the KSA, including, for example, expediting and facilitating government procedures related to licensing, customs, visa issuance and employment, in consideration for the Group's fulfilment of a number of obligations relating to the development of the local media ecosystem in the KSA.

There are risks related to the Group's inability to benefit from these incentives in full or as expected, which may have a material and negative effect on the Group's business, profitability and expanding market share and, as a result, on the Group's business, profitability, financial condition, results of operations or prospects, and therefore the Company's share price.

### Risk Management and Monitoring Policy

The Board of Directors has duly authorised the implementation of the Risk Policy delegating all risk management responsibilities to the Audit Committee within its purview and accountability. To perform risk assessments, the Company has engaged its enterprise risk management unit that periodically submits reports to the Audit Committee, which then presents the findings to the Board of Directors.

17. A summary of the Company's assets, liabilities and results during the last five financial years or since its incorporation date, whichever is shorter.

As the Company was incorporated in April 2023 and acquired its subsidiaries effective 30 June, the table below presents total assets, liabilities and results for the period from incorporation to 31 December 2024.

	Total assets (SAR million)	Total liabilities (SAR million)	Sales (SAR million)	Net income (SAR million)
Period ended 31 December 2023	8,159	4,368	1,712	18
Year ended 31 December 2024	8,558	4,370	4,196	426

Note: The total revenues mentioned above exclude other operating revenue of the Group, which represents government grants.

18. Geographical analysis of the Company and its Subsidiaries' revenues.

Geographic information

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

Revenue from contracts with customers:	Amount in SAR million	
	FY2024	FY2023
GCC*	2,961	1,100
Egypt	268	84
Others**	308	158
<b>Total</b>	<b>3,537</b>	<b>1,342</b>

Note: The total revenues mentioned above exclude other operating revenue of the Group, which represents government grants.

\* GCC includes revenue earned mainly in the UAE and the Kingdom of Saudi Arabia, where various revenue types are generated.

\*\* 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.

19. Any material differences in operational results compared to the preceding year's results.

Description	2024 (SAR thousand)	2023 (SAR thousand)	Changes (+) (-)	Change rate
Sales / revenues	4,196,373	1,712,062	2,484,311	145%
Sales / revenues costs	(2,992,197)	(1,239,063)	(1,753,134)	141%
Total profit	1,204,176	472,999	731,177	155%
Other operational revenues	-	-	-	-
Other operational expenses	(1,086,954)	(557,019)	(529,935)	95%
Operational profit (loss)	117,222	(84,020)	201,242	240%

20. Any inconsistencies with the standards approved by the Saudi Organisation for Chartered and Professional Accountants.

Financial Statements have been prepared in accordance with International Financial Reporting Standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organisation for Chartered and Professional Accountants ("SOCPA"). Thus, no inconsistencies have been noted.

## BOARD OF DIRECTORS' REPORT CONT.

21. Name of each subsidiary company, its capital, the Company's ownership percentage, the main scope of business, country of operation and country of incorporation.

Affiliate	CR number	Capital (SAR)	Company's direct ownership	Company's indirect ownership	Country of operation	Country of incorporation	Main scope of business
MBC STUDIOS Projects FZ-LLC	31322	100,000 (AED)	100%	-	UAE	UAE	Post Production Pre-Production Production – Film, TV & Radio
MBC IP FZ-LLC	16040	50,000 (AED)	100%	-	UAE	UAE	TV/Radio – Sales and Marketing
MBC FZ-LLC	30391	500,000 (AED)	100%	-	UAE	UAE	Radio Network – Satellite TV Network – Satellite (Direct to Home & Cable Head End) Business Events Management Destination Management Exhibition Organisation & Management Live Theatrical Shows Management & Promotion Social Event Management Festival Organization & Management Sports Management & Promotion Equipment Rental Event Production Event Ticketing
MBC Media KSA LLC	1010699548	1,000,000 (SAR)	100%	-	KSA	KSA	Organising and managing crowds Operating exhibition and conference centres and facilities Electronic games industry Visual arts activities Operating entertainment event facilities Deploy ready-made software Operating systems Movies and video programmes Producing television commercials Operating an audio and video studio Film editing includes translation, montage and subtitles Computer graphics and animation production Special effects and film processing development Film distribution to exhibitors and television networks Video distribution to exhibitors and television networks Recording distribution to retailers Radio program production and audio recordings Internet radio broadcasting (Internet radio stations) Cable, satellite, and other subscription services Channel subscription programming activities Operation of satellite uplink services for the distribution of audio and video content Operation of a satellite channel distribution and management platform via satellite receivers, and distribution of direct broadcasts via satellite using CAS

Affiliate	CR number	Capital (SAR)	Company's direct ownership	Company's indirect ownership	Country of operation	Country of incorporation	Main scope of business
MBC STUDIOS FZ-LLC	30474	500,000 (AED)	100%	-	UAE	UAE	Post Production Production – Film, TV & Radio
Platinum Records FZ-LLC	16455	50,000 (AED)	100%	-	UAE	UAE	Business Events Management Destination Management Festival Organisation and Management Live Theatrical Shows Management & Promotion Social Event Management Event Production Music Label and Rights Management
Wanasah FZ-LLC	16244	1,275,000 (AED)	51%	-	UAE	UAE	TV Station – Satellite
MBC Ventures Limited	1671372	50,000 (USD)	100%	-	BVI	BVI	Holding Company
MBC Events LLC	1010843231	5,000,000 (SAR)	100%	-	KSA	KSA	Booking and ticket-selling activities for sporting and entertainment events, exhibitions and conferences Organising and managing exhibitions and conferences Organising and managing crowds Operating exhibition and conference centres and facilities Organising entertainment events Inspection activities of events and recreational facilities Operating entertainment event facilities Production activity in the theater and performing arts sector Theatre and performing arts activities
MBC Media FZ-LLC	95885	50,000 (AED)	100%	-	UAE	UAE	Broadcasting Consultants
MBI FZ-LLC	95886	1,000,000 (AED)	100%	-	UAE	UAE	TV Network – Satellite (Direct to Home and Cable Head End)

## BOARD OF DIRECTORS' REPORT CONT.

Affiliate	CR number	Capital (SAR)	Company's direct ownership	Company's indirect ownership	Country of operation	Country of incorporation	Main scope of business
MBC Initiatives LLC (KSA)	1010596563	20,000 (SAR)	100%	-	KSA	KSA	Advertising and publicity agencies Providing marketing services on behalf of others Higher training institutes Training institutes Training centres E-training Management and development of artistic and entertainment talents Activities of cultural artists Activity of production in the theatre and performing arts sector Theatre and performing arts activities Organizing entertainment events Operating entertainment facilities Producing motion pictures, including traditional animation Television programs Producing television commercials Operating a sound and video studio Film editing, including subtitling, editing, and subtitles Special effects and film processing development Distributing films to exhibitors and television networks Television activities Arts associations
MBC Media Services (BVI) Ltd	2044926	100 (USD)	100%	-	BVI	BVI	Holding Company
O3 Medya Prodüksiyon Hizmetleri Ticaret Anonim Şirketi'ni	914151-0	4,400,000 (TL)	51%	-	Turkey	Turkey	Motion picture, video and television programme production activities (including documentary filmmaking)
MBC STUDIOS (BVI) Limited	2001446	-	-	100%	BVI	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).
Desert Warrior Limited	2862	10,000 (USD)	-	100%	UAE	UAE	Special Purpose
CG Drama Project Holdings Limited	5176	10,000 (USD)	-	100%	UAE	UAE	Special Purpose Vehicle

Affiliate	CR number	Capital (SAR)	Company's direct ownership	Company's indirect ownership	Country of operation	Country of incorporation	Main scope of business
MBC STUDIOS Projects Saudi Limited	1010752855	500,000 (SAR)	-	100%	KSA	KSA	Film production includes traditional animation Operating an audio and video studio Film editing, which includes translation, editing and putting titles Production of computer graphics and animation Distributing films to exhibitors and television networks Production of radio programmes and audio recordings TV broadcast TV activities General stores that stock a variety of goods
Middle East Production Company, MBC Egypt, SAE (Egypt)	4199	1,000,000 (USD)	-	100%	Egypt	Egypt	Producing artistic works for radio, television, cinema, and media from all forms of artistic production and media and information materials. Satellite, television, radio and information broadcasting
MBC Jordan LLC	200122790	5,000 (JOD)	-	100%	Jordan	Jordan	Owning trademarks Owning commercial agencies E-commerce/except for dealing in global stock exchanges Owning movable and immovable assets Borrowing the funds necessary to achieve the company's objectives with a maximum amount of four times the capital with a maximum of twenty thousand Jordanian dinars Artistic and television production and distribution Guaranteeing the debts of others and employees and issuing guarantees to achieve the company's objectives and not exceeding four times the capital with a maximum of twenty thousand Jordanian dinars
MBC Media Cyprus Limited (Cyprus)	387772	1,000 (EURO)	-	100%	Cyprus	Cyprus	MBC Media Cyprus was established in 2018 and its principal activity is to provide technical support services to the Group
MBC GROUP Holding Hungary KFT (Hungary)	01-09-885510	18,200 (USD)	-	100%	Hungary	Hungary	Agents specialised in the sale of other particular products Television programming and broadcasting activities Wireless telecommunications activities Satellite telecommunications activities Business and other management consultancy activities Media representation Market research and public opinion polling Leasing of intellectual property and similar products, except copyrighted works Other business support service activities n.e.c. Renting and leasing of other machinery, equipment and tangible goods n.e.c. Activities of head offices

## BOARD OF DIRECTORS' REPORT CONT.

Affiliate	CR number	Capital (SAR)	Company's direct ownership	Company's indirect ownership	Country of operation	Country of incorporation	Main scope of business
MBC Game Studio LTD LLC (KSA)	3563100030	500,000 (SAR)	-	70%	KSA	KSA	Computer games Development of electronic games
O3 Media Production LLC (KSA)	1010858255	50,000 (SAR)	-	100%	KSA	KSA	Producing cinematic films that include traditional animation TV Shows Production of television commercials Operating an audio and video studio Film editing includes translation, editing, and setting titles Special effects and film processing development Distributing films to exhibitors and television networks TV activities Channel subscription programming activities
MBC Media Solutions Egypt LLC	183098	1,000,000 (EGP)	-	100%	Egypt	Egypt	Advertising through all audio, print and visual means Designing billboards
MBC Media Solutions FZ-LLC (MMS)	98148	50,000 (AED)	-	60%	UAE	UAE	Advertising & communication Agency E-services Outdoor advertising Media & marketing Consultancy Media buying and placement Media monitoring Media representation Digital signage development and management
Al Meeza for Promotion & Advertising	4660	50,000 (EGP)	-	100%	Egypt	Egypt	Advertising through all audio, print and visual means
Middle East Broadcasting Center – Lebanon – SAL (Lebanon)	76647	30,000,000 (LL)	-	99.98%	Lebanon	Lebanon	Production and trade in television, radio and theatrical programmes, video films, advertising and documentary films, and recordings of all kinds. Importing and exporting production equipment used in the audio, visual, video and information fields, renting them, and concluding contracts of all kinds related to cinematic and television rights. Radio, video and audio broadcasting in Lebanon and abroad, and registering these rights with the Intellectual Property Protection Authority in the Ministry of Economy Carrying out all activities related or connected to the above. Contributing to and participating in other companies established or under establishment, whether in Lebanon or abroad. Renting, using, and investing in all types of offices and real estate necessary to carry out the company's business. Generally, carrying out all commercial, import, and export activities, whether in Lebanon or abroad.

Affiliate	CR number	Capital (SAR)	Company's direct ownership	Company's indirect ownership	Country of operation	Country of incorporation	Main scope of business
Anghami	266308	50,000 (USD)	--	13.7%	Cayman	Cayman	Digital entertainment and online music streaming platform
Tapmad Holdings PTE.Ltd	20183439 0K	4,999,911.5838 (SGD)		30%	Singapore	Singapore	OTT player in Pakistan
Wego PTE.Ltd	20050607 4G	1,399,995.11 (USD)	-	10%	Singapore	Singapore	Online travel platform
Al Arabiya Contracting Services Co.	1010048419	500,000,000 (SAR)	20%	-	KSA	KSA	General construction of residential buildings, construction of roads, streets, sidewalks and road supplies, construction of bridges and tunnels, construction of railway lines, pouring foundations and bases, laying electrical wires, laying communication wires
Ze Qar Art Prod. Ltd	1010669291	10,000 (SAR)	-	100%	KSA	KSA	Film production including traditional animation Operation of a sound and video studio Production of computer graphics and animation Special effects and film processing Video distribution to exhibitors and television networks Television activities
MBC Media Solutions Limited – KSA	1010565903	50,000 (SAR)	-	100%	KSA	KSA	Advertising institutions and agencies
MBC Holdings (Cyprus) Limited	121055	1,710 (EURO)	100%	-	Cyprus	Cyprus	MBC Holding Cyprus serves as a holding company for Middle East Broadcasting Centre (Lebanon SAL) and has no operations
MBC Real Estate Company LLC	1009158864	50,000 (SAR)	100%	-	KSA	KSA	Buying, selling and dividing land and real estate and off-plan sales activities Management and leasing of residential owned or leased real estate Management and leasing of non-residential owned or leased real estate Management and leasing of self-storage warehouses Real estate development of residential buildings using modern construction methods Real estate development of commercial buildings using modern construction methods Real estate brokerage Property management Real estate eye registration services Marketing of tourist real estate units using the time-share system Real estate auctions Real estate facilities management Real estate marketing and advertising Real estate analysis

## BOARD OF DIRECTORS' REPORT CONT.

### 22. Details of shares and debt instruments issued for each Subsidiary company.

Name of subsidiary company	No. of shares	Share value	Debt instruments (SAR)
MBC FZ LLC	100	5,000 AED	NA
MBC STUDIOS FZ LLC	500	1,000 AED	NA
MBC IP FZ LLC	50	1,000 AED	NA
MBC STUDIOS Projects FZ LLC	100	1,000 AED	NA
Platinum Records FZ LLC	50	1,000 AED	NA
Wanasah FZ LLC	2,500	1,000 AED	NA
MBC Holding Cyprus Limited	1,000	2 EUR	NA
Middle East Broadcasting Center – Lebanon – SAL	30,000	1,000 LBP	NA
MBC Ventures Limited	50,000	1 USD	NA
MBI FZ LLC	2,000	500 AED	NA
MBC Media FZ-LLC	100	500 AED	NA
MBC Initiatives LLC	10,000	10 USD	NA
MBC Media Services BVI Limited	100	1 USD	NA
MBC Events Limited	5,000	1,000 SAR	NA
MBC Media Saudi Arabia Co. Ltd.	1,000,000	1 SAR	NA
MBC GROUP Holding Hungary Limited Liability Company	182	100 USD	NA
MBC Jordan LLC	5,000	1 JD	NA
MBC Media Cyprus Limited	1,000	1 EUR	NA
Middle East Production Company	10,000	100 USD	NA
MBC STUDIOS BVI Limited	1,000	0 USD	NA
Desert Warriors Holdings Limited	100	100 USD	NA
Ze Qar Art Productions Limited	10,000	1 SAR	NA
CG Drama Project Holdings Limited	100	100 USD	NA
MBC STUDIOS Projects Saudi Limited	20,000	3 SAR	NA
MBC Media Solutions FZ-LLC	50	1,000 AED	NA
MBC Media Solutions Limited	1	50,000 SAR	NA
Al Miza Co. for Advertising	1	50,000 EGP	NA
MBC Media Solutions for Advertising Services LLC	10,000	100 EGP	NA
MBC Real Estate (One Person LLC)	50,000	1 SAR	NA

### 23. A description of the dividends distribution policy.

As per the CGRs, a shareholder is vested with all rights attached to their shares, which include, in particular, the right to receive a share in the dividends declared for distribution.

- A. The Board of Directors shall recommend declaring and paying any dividends prior to the shareholders' approval at the meeting of the General Assembly. Disclosure of dividends: The Board discloses dividend distribution in the annual report and fulfils regulatory requirements by informing the CMA, the public, and publishing it on Tadawul website. The policy is accessible on the company's website.
- B. The Company is obligated to declare dividends, but the distribution will depend on a range of factors including, but not limited to:
  - the Company's historic and anticipated earnings and cash flow, financing and capital requirements;
  - the Company's zakat position;
  - market and general economic conditions;
  - any covenants or undertakings made by the Company or any of its subsidiaries that may restrict the distribution; and
  - other legal and regulatory considerations.
- C. Dividends distribution shall be subject to the restrictions set out in the Company's bylaws.
- D. Dividends shall be distributed in Saudi Riyals (SAR).

The Company's annual net income shall be allocated as follows:

1. The General Assembly, based on a proposal by the Board, may decide to form voluntary reserves to the extent that serves the interests of the Company or guarantees a steady distribution of profits to shareholders. The General Assembly may also deduct amounts from the net income, amounts for the establishment of social institutions for the Company's employees or to help existing institutions.
2. The remaining amount shall be distributed to registered shareholders in an amount as decided by the General Assembly as a percentage of the Company's profits, as well as to the Board in the form of a bonus, provided that the entitlement of such remuneration shall be commensurate with the number of meetings attended by the Board member, in alignment with the Remuneration Policy.

### 24. A description of any interest in a class of voting shares held by persons (other than the company's Directors, Senior Executives and their relatives) who have notified the Company of their holdings pursuant to Article (45) of the Listing Rules, along with any change to such rights during the last fiscal year.

During 2024, there were no interests in any class of voting shares held by persons who have officially notified the Company of their holdings pursuant to Article 45.

### 25. A description of any interest, contractual securities or rights issues held by Board members, senior executives and their relatives in the Company's or any of its Subsidiaries' shares or debt instruments.

#### Board members

Names of the persons of interest, contractual securities or rights issue	Beginning of the year		End of the year		Net change in percentage of holding	Change ratio in percentage of holding
	Number of shares	Debt instruments	Number of shares	Debt instruments		
(1) Mr. Waleed bin Ibrahim Allbrahim	119,700,000 (40%)	N/A	133,000,000 (36%)	N/A	-4%	-10%

\* Mr. Waleed bin Ibrahim Allbrahim initially held a 40% ownership stake upon the Company's incorporation in April 2023, equivalent to 20,000 shares.

By the close of the year, the Company capitalised on the value of subsidiaries transferred to MBC GROUP as part of a reorganisation effort, resulting in Mr. Waleed bin Ibrahim Allbrahim's ownership increasing to 119,700,000 shares.

After the IPO capital increase and listing, these developments materialised during 2024, resulting in the dilution of his ownership percentage to 36%.

## BOARD OF DIRECTORS' REPORT CONT.

### Senior Executives

A description of any interest, contractual securities or rights issue of Senior Executives and their relatives in shares or debt instruments of the Company's subsidiaries.

A description of any interest, contractual securities or rights issue of Board members and their relatives on shares or debt instruments of the Company						
Names of the persons of interest, contractual securities or rights issue	Beginning of the year		End of the year		Net change in percentage of holding	Change ratio in percentage of holding
	Number of shares	Debt instruments	Number of shares	Debt instruments		
(1) Ali Ibrahim Al-Rashid Al-Hedeithy	1	Nil	1	Nil	0	0%
(2) Samar Abdallah Akrouk	1	Nil	1	Nil	0	0%

\* Ali bin Ibrahim bin Al-Rashid Al-Hedeithy, serving as the General Manager and Board Secretary, holds one share, representing 0.003% of the share capital of MBC Lebanon. His ownership in the subsidiary is solely to fulfil the legal requirements applicable in Lebanon.

\* Samar Abdallah Akrouk serving as the Group Director of Production, holds one share, representing 0.003% of the share capital of MBC Lebanon. Her ownership in the subsidiary is solely to fulfil the legal requirements applicable in Lebanon.

Except as disclosed above, none of the Directors, Senior Executives or Board Secretary have any direct or indirect interest in the shares or debt instruments of the Company or its Subsidiaries or in any other matter that may affect the Company's business. It is also worth noting that none of the relatives of the Directors have any direct or indirect interest in the shares or debt instruments of the Company or its Subsidiaries, or in any other matter that may affect the Company's business.

### 26. Information on any loans, a statement of the total indebtedness of the Company and its subsidiaries, any loan payments made by the Company during the year, the amount of the principal debts, the creditor's name, the loan term and remaining amount.

Creditor's name	Amount of principal debt (SAR thousands)	Loan term	Amounts paid by the Company in repayments of loans during the year	Remaining amount	Total indebtedness of company and its affiliates
(1) MBC GROUP Holdings Limited	64,167	Repayable on demand	375	63,792	63,792
(2) Loan from Istedamah Holding Company for the acquisition of shares in Arabian Contracting Services Company	497,250	Repayable on demand with 12-month notice period	497,250	–	–

Amount in SAR					
Facility	Facility amount	Utilisation	Short-term	Medium-term	Description
Revolving facility	187,500	0	Yes	No	Facility agreement carries a variable interest at 1.25% + Secured Overnight Financing Rate ("SOFR") von the date of drawdown – Penalty rate 2%

### 27. The number of Board meetings held during the last financial year, their dates and the attendance record of each meeting listing the names of attendees.

#### Board meeting attendance (2024)

Member	Board meetings				
	(1/2024/1)	(1/2024/2)	(1/2024/3)	(1/2024/4)	(1/2024/5)
	12/2/2024	26/3/2024	15/5/2024	9/10/2024	18/12/2024
Mr. Waleed bin Ibrahim Allbrahim	Present	Present	Present	–	Present
H.E. Mr. Hindi bin Abdullah AlSohimi	Present	Present	Present	Present	Present
H.E. Mr. Khaled bin Abdullah AlMolhem	Present	Present	Present	Present	Present
Mr. Abdulrahman bin Ibrahim AlRowaita	Present	–	Present	Present	Present
Mr. Abdullah bin Nasser AlDawood	Present	Present	Present	Present	Present
Mr. Nasser bin Minahi Albiqami	Present	Present	Present	–	Present
Mr. Mansoor bin Abdulaziz Almansoor	Present	Present	Present	Present	Present
Mr. Mosa bin Omran Alomran	Present	Present	Present	Present	Present
Mr. Majed bin Abdulaziz Allbrahim	Present	Present	Present	Present	Present

Report to the Board of Directors (as part of its Annual Report), on the Compliance activities, including but not limited to the results of the compliance risk assessment, the compliance annual plan, the compliance Self-Assessment, and the status of the high-risk potential Conflict of Interest Cases.

### 28. The number of the Company's requests of shareholders registry, dates and reasons thereof.

During 2024, the Company requested 14 shareholder registries—13 were used for monthly shareholder analysis, and one was used for the Annual General Assembly Meeting.

## BOARD OF DIRECTORS' REPORT CONT.

### 29. A description of any transaction between the Company and any Related Party

Related Party	Type of relationship with company	Transaction type	Transaction term	Transaction value
Ministry of Finance, Government of the Kingdom of Saudi Arabia	Ultimate Controlling Party	Other income	Compensation for loss of business	67,729
Al Istedamah Holding Company	Intermediate Parent Company	Other operating revenues	Funding of initiatives subject to certain KPIs	664,583
Middle East News and Al Arabiya News Channel	Under common control	Admin services	Under market conditions	88,326
Middle East News and Al Arabiya News Channel	Under common control	Revenues	Under market conditions	10,127
Middle East News and Al Arabiya News Channel	Under common control	Cost	Under market conditions	65,486
Middle East News and Al Arabiya News Channel	Under common control	Rent income	Under market conditions	9,764
Al Arabiya News Channel	Under common control	Cost of news programmes	Under market conditions	1,875
MBC Game Studio	Joint venture	Admin services	Under market conditions	676
ARA International Production Company	Under common control	Revenues	Under market conditions	367,057
ARA International Production	Under common control	Cost	Under market conditions	18,180
Al Sadaf for Sonic and Audiovisual Production	Under common control	Purchases	Under market conditions	118,006
O Three Media Production Company	Under common control	Cost	Under market conditions	3,324
Arabian Contract Services Company	Associate	Revenues	Under market conditions	3,789
Saudi Media Company	Related party	Revenues	Under market conditions	7,369
Antenna TV	Under common control	Purchases	Under market conditions	56,598

### 30. Information relating to any business or contract to which the Company is a party and in which a Director of the Company, a senior executive or any person related to any of them had an interest.

There are no transactions with related parties that took place during the period from 1 January 2024 to 31 December 2024, in which a Board member has an interest other than those listed below, which will be presented to the Annual General Assembly Meeting for approval.

* Third party	Board member	Transaction nature	Transaction term	Transaction value (SR'000)
(1) Middle East News and Al Arabiya News Channel	Mr. Waleed bin Ibrahim Allbrahim	Revenues	Under market conditions	108,217
(2) Middle East News and Al Arabiya News Channel	Mr. Waleed bin Ibrahim Allbrahim	Cost	Under market conditions	67,361
(3) ARA International Production Company	Mr. Waleed bin Ibrahim Allbrahim	Revenues	Under market conditions	367,057
(4) ARA group International Holding	Mr. Waleed bin Ibrahim Allbrahim	Purchases	Under market conditions	136,186

\* All of the entities mentioned above are considered related parties, as they share common ownership through the major shareholders of MBC Group, Mr. Waleed bin Ibrahim Allbrahim, and Istedamah Holding.

### 31. A description of any arrangements or agreements under which a Director or a Senior Executive of the Company has waived any remunerations.

The Chairman of the Board of Directors and Executive Committee has waived his compensation for the year 2024.

### 32. A description of any arrangements or agreements under which a shareholder of the Company has waived any rights to dividends.

None of the shareholders has waived their compensation for the year 2024.

## BOARD OF DIRECTORS' REPORT CONT.

33. A statement of the value of any paid and outstanding statutory payments pertaining to Zakat, taxes, fees, or any other charges that have not been paid as at the end of the financial year with a brief description and the reasons therefor.

Description	2024		Brief description	Reasons
	Paid amount (SAR'000)	Outstanding amount until the end of the annual financial period (SAR'000)		
Zakat	1,568	71,489	The outstanding balance represents the Zakat payable for the KSA entities under the Group.	The outstanding amount is provisional and actual amount will be settled upon timely filing zakat returns.
Taxes	10,964	15,983	The outstanding balance represents the Tax payable for the Group's subsidiaries outside the KSA.	The outstanding amount is provisional and actual amount will be settled upon filing the tax returns.
GOSI – KSA	10,012	147	It represents the cost of insurance protection for workers and providing benefits to them and their family members paid during the year.	The amount due is a provisional amount and the actual amount will be settled upon receiving invoices.
Visas and Passports Costs – KSA	1,800	–	Represents government fees for exit and re-entry visas and passport fees paid during the year. Some amounts related to government fees are covered from government grants.	–
Labor Office fees – KSA	8,125	–	Represents residency and work permit fees paid during the year. Some amounts related to Labor Office fees are covered from government grants.	–

34. A statement as to the value of any investments made or any reserves set up for the benefit of the Company employees.

The Group has set aside assets in a plan specifically for the purpose of funding employees' end-of-service benefits obligations.

Contributions to the plan are upon the discretion of the Group. The plan is deemed a saving fund. The interest received on the plan is accrued as part of the provision of the employees' end-of-service indemnity payable. During the year, the plan assets earned interest amounting to SAR 7,057 thousand. The average interest rate was 6.54% per annum (2023: 5.26% per annum).

The carrying value of the plan as of 31 December 2024 amounted to SAR 115,000 thousand.

35. If the Board recommended replacing the external auditor before the end of its term, the report shall indicate this mentioning the reasons for the replacement recommendation.

The Board did not recommend replacing the external auditor before the end of its term.

36. Declarations.

The Board confirms that:

The Board of Directors has taken care to ensure the professional performance of the Company during 2024 and confirms the following:

1. The Company's internal control system has been designed to provide reasonable assurance to the Audit Committee, the Board and the Management that risks are managed effectively to achieve the Company's long-term objectives.
2. The accounting records were prepared and updated correctly, and the internal control system was prepared based on sound foundations and applied effectively, including the policies and procedures that were established in consultation with the Audit Committee and the Board of Directors, to achieve the Company's strategic objectives.
3. There are no significant doubts concerning the Company's ability to continue as a going concern.
4. The Company did not provide loans or credit facilities to any member of the Board of Directors.
5. We did not receive any request from shareholders owning 5% or more of the Company's share capital or the external auditors to call a meeting of the General Assembly during 2024.
6. The Company has no penalty, precautionary procedure or preventive measure imposed on it by the CMA or any other, supervisory regulatory or judicial body to report in 2024.
7. The Company has not issued any convertible debt instruments, contractual securities, pre-emptive rights or similar rights issued or granted by the Company during the financial period ended 31 December 2024.
8. The Company has not issued any convertible debt instruments, contractual securities, pre-emptive rights or similar rights issued or granted by the Company during the financial period ended 31 December 2024.
9. Neither the Company nor its subsidiaries have issued any redeemable debt instruments.
10. The Company has prepared and maintained a comprehensive register of shareholders at its headquarters in line with the KSA Companies Law.
11. There were no reservations contained in the External Auditor's report concerning the annual financial statements for FY2024.
12. There was no redemption, purchase, or cancellation by the Company of any redeemable debt instruments, and the value of such securities outstanding, distinguishing between those listed securities purchased by the Company and those purchased by its affiliates, was none.
13. The external auditor's report did not contain reservations on the annual financial statements.
14. There were no treasury shares maintained by the Company.
15. The Company has prepared the Board's Report for FY2024 in line with the guidelines set out in the Corporate Governance Regulations of CMA.

## 05 FINANCIALS

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Ernst & Young Professional Services (Professional LLC)  
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**INDEPENDENT AUDITOR’S REPORT  
 To the Shareholders of MBC Group (A Saudi Joint Stock Company)**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the consolidated financial statements of MBC Group (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming auditor’s opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



**INDEPENDENT AUDITOR’S REPORT  
 To the Shareholders of MBC Group (A Saudi Joint Stock Company) (Continued)**

**Key Audit Matters (Continued)**

We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
<b>Recognition of revenue from contracts with customers</b>	
<p>As disclosed in the consolidated financial statements, the Group has total revenue from contracts with customers amounting to SR 3.5 billion comprising of multiple streams primarily advertising revenue and digital revenue. As reported in the explanatory notes, revenues are recognized subject to the fulfillment of performance obligations as required under IFRS 15. Advertising revenue is recognized over the period of contract, generally when the advertisement is aired on related platform while digital revenue is recognized over the subscription period after taking into account discounts and offers.</p> <p>We considered this a key audit matter as the application of accounting standard for revenue recognition includes number of key judgements mainly relating to the time when performance obligations are satisfied including variable consideration estimation due to the existence of volume rebates and the resulting refund liabilities</p> <p>Refer to note 2.4 and 26 for the accounting policy and judgements applied with respect to recognition of revenue from contracts with customers. Refer note 4 for related disclosures.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>Assessed the Group’s revenue recognition policies, for compliance with IFRS Accounting Standards as endorsed by SOCPA;</li> <li>Obtained an understanding of the relevant controls adopted by the Group on revenue recognition;</li> <li>Verification of the implementation and tests of the operating effectiveness of relevant controls;</li> <li>Involved our IT specialists to test the design, implementation and operating effectiveness of system internal controls;</li> <li>For air time slots revenue, performed test of details by vouching the underlying contracts, reports, invoices and reconciliations;</li> <li>For digital revenues, performed test of details by verifying the amounts in payment gateway reports and reconciled with bank statements;</li> <li>Evaluated management’s assessment of principal vs agency relationship;</li> <li>Tested volume rebates by recomputing the expected amounts and reconciled with accounting records;</li> <li>Performed analytical procedures including trend and variance analysis; and</li> <li>Assessed the adequacy of the relevant disclosures in the consolidated financial statements.</li> </ul>



## INDEPENDENT AUDITOR'S REPORT To the Shareholders of MBC Group (A Saudi Joint Stock Company) (Continued)

### Other information included in The Group's 2024 Annual Report

Other information consists of the information included in the Group's 2024 annual report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report. The Group's 2024 annual report is expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

Those charged with governance i.e, the Audit Committee is responsible for overseeing the Group's financial reporting process.

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

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



## INDEPENDENT AUDITOR'S REPORT To the Shareholders of MBC Group (A Saudi Joint Stock Company) (Continued)

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

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

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

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



Building a better  
working world

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of MBC Group (A Saudi Joint Stock Company) (Continued)

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

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

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

for Ernst & Young Professional Services

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



Riyadh: 27 Ramadan 1446 H  
27 March 2025 G

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	For the Year Ended 31 December 2024 SAR'000	For the Period from 20 April 2023 (inception) to 31 December 2023 SAR'000
Revenue from contracts with customers	4	3,536,943	1,342,572
Other operating revenues	5	659,430	369,490
Direct costs	6	(2,992,197)	(1,239,063)
<b>Gross profit</b>		<b>1,204,176</b>	<b>472,999</b>
General and administrative expenses	7	(1,086,954)	(557,019)
<b>Operating profit/ (loss)</b>		<b>117,222</b>	<b>(84,020)</b>
Other income	8	88,384	71,511
Realized gain on sale of investment in an associate	14.2	170,674	-
Share of results of associates and joint ventures	14a	12,557	28,895
Unrealised loss on investment in financial asset at fair value through profit or loss (FVTPL)	14.3	(3,300)	(882)
(Loss) / Gain on derivative financial instruments	23	(5,846)	2,961
Finance income / (costs) – net	9	56,282	(3,095)
<b>Profit before tax</b>		<b>435,973</b>	<b>15,370</b>
Income tax and zakat (expense) / income	10	(9,843)	2,185
<b>Profit for the year</b>		<b>426,130</b>	<b>17,555</b>
Attributable to:			
Equity holders of the parent		399,962	19,020
Non-controlling interests	20	26,168	(1,465)
		<b>426,130</b>	<b>17,555</b>
<b>Other comprehensive income</b>			
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent years (net of tax):</i>			
Exchange differences on translating foreign operations, net		(11,262)	142
Share of other comprehensive (loss) / income of associates, net	14.2.1	(53)	1,467
<i>Other comprehensive income that may not be reclassified to profit or loss in subsequent years (net of tax):</i>			
Remeasurement actuarial gain on defined benefits obligations	21	2,454	1,531
<b>Other comprehensive (loss) / income for the year</b>		<b>(8,861)</b>	<b>3,140</b>
<b>Total comprehensive income for the year</b>		<b>417,269</b>	<b>20,695</b>
Attributable to:			
Equity holders of the parent		393,467	22,310
Non-controlling interests	20	23,802	(1,615)
		<b>417,269</b>	<b>20,695</b>
		<b>2024</b>	<b>2023</b>
		<b>SR</b>	<b>SR</b>
<b>Earnings per share ("EPS"):</b>			
Basic, attributable to ordinary equity holders of the parent	29	1.20	0.17
Diluted, attributable to ordinary equity holders of the parent	29	1.20	0.13

Chairman – Waleed Al Ibrahim

CEO – Samuel Barnett

CFO – Hussam Eddin Alnouri

The attached notes 1 to 32 form part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 SAR'000	2023 SAR'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	11	271,180	116,275
Intangible assets	12	73,860	67,121
Right-of-use assets	13	50,102	59,347
Investments in associates and joint ventures	14	1,083,853	1,201,204
Investment in financial asset at fair value through profit or loss (FVTPL)	14.3	12,591	15,891
Employees' end of service benefits plan assets	21	115,000	107,943
Deferred tax assets	10	1,806	1,397
Other non-current assets		21	21
		<b>1,608,413</b>	<b>1,569,199</b>
<b>Current assets</b>			
Inventories	15	2,716,242	2,590,326
Trade receivables, prepayments and other assets	16	2,010,579	2,733,318
Due from related parties	17	728,200	433,573
Cash and cash equivalents	18	1,493,987	826,803
Derivative financial instruments	23	182	6,028
		<b>6,949,190</b>	<b>6,590,048</b>
<b>TOTAL ASSETS</b>		<b>8,557,603</b>	<b>8,159,247</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	19	3,325,000	2,992,500
Share premium		431,250	-
Proposed share capital increase	19.2	-	763,750
Retained earnings		424,917	22,357
Foreign currency translation reserve		(8,468)	625
<b>Equity attributable to equity holders of the parent</b>		<b>4,172,699</b>	<b>3,779,232</b>
Non-controlling interests	20	15,159	11,636
<b>Total equity</b>		<b>4,187,858</b>	<b>3,790,868</b>
<b>Non-current liabilities</b>			
Lease liabilities	13	29,017	32,524
Employees' end of service benefits	21	144,922	158,510
Loan from a related party	17	63,792	64,167
Deferred tax liability	10	10	9
		<b>237,741</b>	<b>255,210</b>
<b>Current liabilities</b>			
Lease liabilities	13	21,516	30,574
Trade and other payables	22	1,991,421	1,441,449
Deferred revenue	5	2,007,774	1,908,701
Due to related parties	17	111,293	47,695
Loan from a shareholder	17	-	497,250
Borrowings	28	-	187,500
		<b>4,132,004</b>	<b>4,113,169</b>
<b>Total liabilities</b>		<b>4,369,745</b>	<b>4,368,379</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,557,603</b>	<b>8,159,247</b>

Chairman - Waleed Al Ibrahim

CEO - Samuel Barnett

CFO - Hussam Eddin Alnouri

The attached notes 1 to 32 form part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Notes	2024 SAR'000	2023 SAR'000
<b>OPERATING ACTIVITIES</b>			
<b>Profit before tax</b>		<b>435,973</b>	<b>15,370</b>
Adjustments for:			
Gain on disposal of property and equipment		(263)	-
Depreciation of property and equipment	6,7	41,586	21,570
Depreciation of right-of-use assets	6,7	32,605	8,470
Remeasurement of right-of-use assets and lease liabilities, net	13	(224)	-
Allowance for expected credit loss, net	7	30,348	19,964
Amortisation of intangible assets	7	24,957	5,593
Share of results of associates and joint ventures, net	14	(12,557)	(28,895)
Unrealised loss on investment in financial asset at fair value through profit or loss (FVTPL)	14.3	3,300	882
Unrealised loss / (gain) on derivative financial instruments	23	5,846	(2,961)
Provision for employees' end of service benefits	21	35,844	12,835
Finance (income) / cost - net	9	(56,282)	3,095
Realized gain on sale of investment in associate	14	(170,674)	-
		<b>370,459</b>	<b>55,923</b>
Working capital changes:			
Inventories		(125,916)	200,445
Trade receivables, prepayments and other assets		(73,530)	(153,049)
Due from related parties		(294,116)	(62,870)
Trade and other payables		531,896	(367,614)
Deferred revenue		99,073	530,133
Due to related parties		63,598	27,760
		<b>571,464</b>	<b>230,728</b>
Employees' end of service benefits paid	21	(52,134)	(19,803)
Interest received / (paid)		59,746	(1,855)
Income tax and zakat paid	10	(12,532)	(5,020)
<b>Net cash flows generated from operating activities</b>		<b>566,544</b>	<b>204,050</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property and equipment	11	(198,031)	(40,199)
Proceeds from disposal of property and equipment		1,580	18
Other non-current assets		-	88
Purchase of intangible assets	12	(31,696)	(20,712)
Proceeds from sale of investment in associate	14	415,861	-
Investments in joint ventures	14	(115,332)	(102,230)
Dividend received		-	4,000
<b>Net cash flows from / (used in) investing activities</b>		<b>72,382</b>	<b>(159,035)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from initial public offering	1	763,750	-
Repayment of principal lease liability	13	(38,101)	(9,030)
Repayment of loan from shareholder and a related party		(497,625)	-
Repayment of borrowings		(187,500)	(18,750)
<b>Net cash flows from / (used in) financing activities</b>		<b>40,524</b>	<b>(27,780)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>			
Net foreign exchange difference		(12,862)	10,734
Cash and cash equivalents transferred on reorganisation		-	799,717
Cash and cash equivalents at the beginning of the year / period		827,686	-
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR / PERIOD</b>	<b>18</b>	<b>1,494,274</b>	<b>827,686</b>

Chairman - Waleed Al Ibrahim

CEO - Samuel Barnett

CFO - Hussam Eddin Alnouri

The attached notes 1 to 32 form part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Attributable to equity holders of the Parent								
	Share capital SAR'000	Proposed share capital increase SAR'000	Shareholders' contribution SAR'000	Foreign currency translation reserve SAR'000	Share premium SAR'000	Retained earnings SAR'000	Total SAR'000	Non-controlling interests (NCI) SAR'000	Total Equity SAR'000
Issuance of shares	500	-	-	-	-	-	500	-	500
Additional shareholders' contribution (Note 19.1):	-	-	2,992,672	-	-	-	2,992,672	13,251	3,005,923
Acquisition as a part of reorganisation under common control (Note 19.1)	2,992,000	-	(2,992,672)	-	-	672	-	-	-
Proposed share capital increase (Note 19.2)	-	763,750	-	-	-	-	763,750	-	763,750
Total comprehensive income for the year:									
- Profit for the year	-	-	-	-	-	19,020	19,020	(1,465)	17,555
- Other comprehensive income	-	-	-	625	-	2,665	3,290	(150)	3,140
	-	-	-	625	-	21,685	22,310	(1,615)	20,695
<b>Balance at 31 December 2023</b>	<b>2,992,500</b>	<b>763,750</b>	<b>-</b>	<b>625</b>	<b>-</b>	<b>22,357</b>	<b>3,779,232</b>	<b>11,636</b>	<b>3,790,868</b>
<b>1 January 2024</b>	<b>2,992,500</b>	<b>763,750</b>	<b>-</b>	<b>625</b>	<b>-</b>	<b>22,357</b>	<b>3,779,232</b>	<b>11,636</b>	<b>3,790,868</b>
Transfer from proposed share capital increase to share capital and share premium (Note 19.2)	<b>332,500</b>	<b>(763,750)</b>	<b>-</b>	<b>-</b>	<b>431,250</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total comprehensive income for the year:									
- Profit for the year	-	-	-	-	-	399,962	399,962	26,168	426,130
- Other comprehensive income	-	-	-	(9,093)	-	2,598	(6,495)	(2,366)	(8,861)
	-	-	-	(9,093)	-	402,560	393,467	23,802	417,269
Adjustments to non-controlling interest*	-	-	-	-	-	-	-	(20,279)	(20,279)
<b>Balance at 31 December 2024</b>	<b>3,325,000</b>	<b>-</b>	<b>-</b>	<b>(8,468)</b>	<b>431,250</b>	<b>424,917</b>	<b>4,172,699</b>	<b>15,159</b>	<b>4,187,858</b>

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

  
Chairman – Waleed Al Ibrahim

  
CEO – Samuel Barnett

  
CFO – Hussam Eddin Alnouri

The attached notes 1 to 32 form part of these consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

### 1 CORPORATE INFORMATION

MBC Group (A listed joint stock company) (the "Company") is a newly formed Company 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). The accompanying 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 20 April 2023, pursuant to the reorganisation of the Group (the "reorganisation"), the shareholders established the Company as a closed joint stock company with a share capital of SAR 500,000 at SAR 10 per share, and transferred ownership of the Group entities, as listed below, to the Company.

The ownership of the Group entities was transferred from the previous holding company, MBC Group Holdings Limited (a company registered in the British Virgin Islands), to the Company – being new holding company, for nil consideration. The legal procedures to transfer ownership were completed on 22 June 2023.

As a result of the aforesaid transfer of shares, on 20 September 2023 the General Assembly of the Company approved to increase the share capital by SAR 2,992,000 thousand at a par value of SAR 10 per share (as a result the total share capital post increase amounted to SAR 2,992,500 thousand).

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. The majority shares of the Company, before and after the IPO, are held by Al Istedamah Holding Company and Waleed Bin Ibrahim Al Brahim. The shareholding of the Company is further described in Note 19.

The consolidated financial statements of the Group include activities of the following entities:

Name of entity	Principal activities	Legal and beneficial ownership interest 2024	Legal and beneficial ownership interest 2023
<b>MBC FZ LLC and its subsidiaries</b> ("MBC FZ LLC")	The principal activity of MBC FZ LLC and its subsidiaries 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%
<b>MBC Studios FZ LLC</b> ("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%
<b>MBC IP FZ LLC</b> ("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%
<b>MBC Studios Projects FZ LLC</b> ("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%
<b>Platinum Records FZ LLC</b> ("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%

Name of entity	Principal activities	Legal and beneficial ownership interest 2024	Legal and beneficial ownership interest 2023
<b>Wanasah FZ LLC</b> ("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%
<b>MBC Holding Cyprus Limited</b> ("MBC Holding Cyprus")	MBC Holding Cyprus serves as a holding company for Middle East Broadcasting Centre (Lebanon SAL) and has no operations.	100%	100%
<b>MBC Ventures Limited</b> ("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%
<b>MBI FZ LLC</b> ("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%
<b>MBC Media FZ-LLC</b> ("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%
<b>MBC Initiatives LLC</b> ("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%
<b>MBC Media Services BVI Limited</b> ("MMS BVI")	The main activity of MMS BVI is to provide advertising services for the Group.	100%	100%
<b>MBC Events Limited</b> ("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%
<b>MBC Media Saudi Arabia Co. Ltd.</b> ("MBC KSA")	The main activity of MBC KSA is to provide broadcasting services in the Kingdom of Saudi Arabia.	100%	100%
<b>MBC Real Estate Co. Ltd.</b> ("MBC Real Estate")	The main activity of MBC Real Estate is management of real estate properties owned and leased.	100%	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

For the year ended 31 December 2024

### 1 CORPORATE INFORMATION (CONTINUED)

Following are the subsidiaries of MBC FZ LLC:

Name of entity	Principal activities	Legal and beneficial ownership interest 2024	Legal and beneficial ownership interest 2023
<b>MBC Group Holding Hungary Limited Liability Company, Hungary</b> ("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%*
<b>MBC Jordan LLC</b> ("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%
<b>MBC Media Cyprus Limited</b> ("MBC Cyprus")	MBC Media Cyprus was established in 2018 and its principal activity is to provide technical support services to the Group.	100%	100%
<b>Middle East Production Company</b> ("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:

Name of entity	Principal activities	Legal and beneficial ownership interest 2024	Legal and beneficial ownership interest 2023
<b>MBC Studios BVI Limited</b> ("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%
<b>Desert Warriors Holdings Limited</b>	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%
<b>CG Drama Project Holdings Limited</b>	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%
<b>MBC Studios Projects Saudi Limited</b>	A partially 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 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:

Name of entity	Principal activities	Legal and beneficial ownership interest 2024	Legal and beneficial ownership interest 2023
<b>MBC Media Solutions FZ-LLC</b> ("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:

Name of entity	Principal activities	Legal and beneficial ownership interest 2024	Legal and beneficial ownership interest 2023
<b>MBC Media Solutions Limited</b> ("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%
<b>Al Miza Co. for Advertising</b> ("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%
<b>MBC Media Solutions for Advertising Services LLC</b> ("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:

Name of entity	Principal activities	Legal and beneficial ownership interest 2024	Legal and beneficial ownership interest 2023
<b>Middle East Broadcasting Center – Lebanon – SAL</b> (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%

Following is the subsidiary of MBC Studios Projects Saudi Limited:

Name of entity	Principal activities	Legal and beneficial ownership interest 2024	Legal and beneficial ownership interest 2023
<b>ZE Qar Art Productions Limited</b> (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 consolidated financial statements of the Group were authorised for issue by the Board of Directors of the Company on 26 March 2025 (corresponding to 26 Ramadan 1446H).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

For the year ended 31 December 2024

### 2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") endorsed in the Kingdom of Saudi Arabia ("KSA") and other standards and pronouncements that issued by the Saudi Organization for Chartered and Professional Accountants "SOCPA" (collectively referred to as "IFRS endorsed by SOCPA").

The reorganisation in previous year did not result in any change of economic substance and is considered a business combination under common control, not covered by IFRS 3 Business Combination. Accordingly, the acquisition of the Group entities was accounted for at the book values of the net assets as at the acquisition date. For accounting of the acquisition, the Group considered the acquisition date to be the end of the month on which the transfer of the acquired Group entities was completed, i.e. 30 June 2023.

Pursuant to directives issued by SOCPA, considering the Company (being the new holding company of the Group) to be legally existing only from the date of incorporation, retrospective presentation of the consolidated financial statements as if the holding company had always owned its subsidiaries could not be used, and only prospective presentation must be used. Accordingly, the comparative period of these consolidated financial statements cover the period from 20 April 2023 (incorporation) to 31 December 2023 and consolidate the subsidiaries prospectively from the aforementioned date of acquisition. Note 30 to the consolidated financial statements provide additional financial information.

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 recognised at fair value through profit or loss, the consolidated financial statements are prepared under the historical cost convention and have been presented in Saudi Riyal (SAR).

### 2.2 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries as at 31 December 2024. 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

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 year are included in the 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

The accounting policies adopted are consistent across each year presented, except as follows:

#### New and amended standards and interpretations

The Group applied for the first time certain standards and amendments, which are effective for annual years beginning on or after 1 January 2024 (unless otherwise stated). The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The adoption of the above amendments and improvements had no significant impact on the consolidated financial statements of the Group.

#### Standards and interpretations issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (Effective for annual periods beginning on or after 1 January 2026)
- IFRS 18 – Presentation and Disclosure in Financial Statements (Effective for annual periods beginning on or after 1 January 2027)
- Lack of exchangeability – Amendments to IAS 21 (Effective for annual periods beginning on or after 1 January 2025)

The above standards, amendments and interpretations are not expected to have any material impact on the consolidated financial statements of the Group.

### 2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

#### Business combinations and Goodwill

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

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

For the year ended 31 December 2024

### 2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### Business combinations and Goodwill (continued)

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred; the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

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

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

#### Accounting for business combinations involving entities or businesses under common control

Accounting for business combinations involving entities or businesses under common control is outside the scope of IFRS 3 Business Combinations. In the case of an absence of a specific guidance in IFRS, the management use their judgement in developing and applying an accounting policy that is relevant and reliable. In making that judgement the management may also consider the most recent pronouncement of other standard setting bodies that use a similar conceptual framework to develop accounting standards, to the extent that they do not conflict with the IFRS.

Management have adopted the pooling of interest method to account for the business combination of entities under common control other than combinations with substance. Acquisition method of accounting is explained in the business combinations policy.

This method involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts;
- No goodwill is recognised as a result of combination. The only goodwill recognised is relating to the combining entities. Any difference between the consideration paid/transferred and the equity 'acquired' is reflected within equity.

Pursuant to the directive issued by SOCPA in respect of business combination under common control, retrospective presentation of the consolidated financial statements as if the holding company had always owned its subsidiaries is not allowed, and only prospective presentation must be used. Accordingly, the comparative period of these consolidated financial statements covers the period from the date of 20 April 2023 (incorporation) to 31 December 2023.

#### Investments in Associates and Joint Ventures

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

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investment in its associates are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of comprehensive income reflects the Group's share of the results of operations of the associates. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture. The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting year as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profits/losses of associates and joint venture' in the consolidated statement of comprehensive income. Upon loss of significant influence over the associate or joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

#### Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### Revenue from contracts with customers

The principal activities of the Group are to provide broadcasting services and to operate free-to-air Pan-Arab entertainment channels. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenues when it transfers control over a product or service to a customer as per the underlying contractual terms. The specific recognition criteria described below must also be met before revenue is recognised:

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

For the year ended 31 December 2024

### 2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### Revenue from contracts with customers (continued)

##### Advertising revenue

Advertising revenue is recognised over the year of contract, generally when the advertisement is aired on the related platforms.

##### Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The Group also provides retrospective volume rebates to certain customers once the quantum of advertising slots purchased during the year exceeds the threshold specified in the contract. The volume rebates give rise to variable consideration.

##### Volume rebates

The Group applies either the most likely amount method or the expected value method to estimate the variable consideration in the contract. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The most likely amount is used for those contracts with a single volume threshold, while the expected value method is used for those with more than one volume threshold. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue. A refund liability is recognised for the expected future rebates (i.e. the amount not included in the transaction price). The refund liability is clubbed under accrued expenses as part of trade and other payables.

##### Interactivity revenue

Interactivity revenue represents income from the use of interactive services and is recognised based on interactive transaction volumes from internal reports, adjusted for estimated uncertainties based on management's prior experience. The Group recognises the associated revenue over the year of underlying contracts.

##### Barter revenue

Barter transactions are recorded at the fair value at contract inception of cash and noncash consideration received or promised from the customer. Revenue from barter transactions, involving the exchange of dissimilar goods or services, are only recognised if the amount of revenue can be reliably measured. The Group, where appropriate, measures barter related revenue by estimating the economic value of the goods or services received in the barter transaction. The Group recognises the associated revenue over the period of underlying contracts.

##### Programme revenue

Programme revenue represents income earned from the sale of filmed events, concerts, and other related television programmes owned by the Group to the customers and is recognised at the point in time when control of the programme is transferred to the customers, generally at the time of passing the title to the customers.

##### Distribution revenue

Distribution revenue represents income from the licensing of TV channels and the Over-The-Top (OTT) platform subscription income generated through business-to-business channels. The performance obligation is satisfied over the underlying contractual year or subscription year, and therefore, the Group recognises the associated revenue as the service is provided over the period of contract.

##### Event management revenue

Event management revenue represents income from events and concerts held by the Group and is recognised at point in time, generally when the event takes place.

##### Digital revenue

Digital revenue represents the business-to-consumer subscription fees earned from the Group's digital platform, Shahid, and is recognised over the year of the subscription.

#### Contract balances

##### Contract assets

A contract asset is the right to consideration in exchange for services provided to the customer. If the Group provides services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract assets are initially recognised for revenue earned from various services performed as receipt of consideration is conditional on successful completion of contractual milestones. Upon completion of contractual obligations and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

##### Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Financial instruments – initial recognition and subsequent measurement.

##### Contract liabilities

A contract liability is the obligation to provide services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group provides services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

#### Interest income

Interest income is recognised as the interest accrues using the effective interest rate (EIR), under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset. Interest income is included in finance income in the consolidated statement of comprehensive income.

#### Value Added Tax (VAT)

Revenue, expenses and assets are recognised at amounts net of VAT except:

- where VAT incurred on purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or part of the expense items, as applicable.
- where receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from or payable to the taxation authority is included as part of other receivables or other payables in the consolidated statement of financial position.

#### Cost of advertising sales

Cost of advertising sales represent costs of commercials, and costs incurred for the airtime purchased from Al Arabiya News Channel FZ LLC. The Group recognises cost on the basis of price agreed per contract for the airtime utilized during the year.

#### Inventories

Inventories consist of programmes acquired from third parties and related parties, and programmes which are produced in-house. Inventories are stated at cost less accumulated amortisation and allowance for impairment, if any.

##### Acquired programmes

Represents the costs incurred in acquiring the right to telecast the programmes, net of amortisation.

##### Developed programmes

Represents the expenses incurred and recharged to develop the programmes, net of amortisation (based on expected usage of the programme).

##### Production work in progress

Cost represents direct costs incurred for the development of programmes not completed as at year-end.

##### Amortisation

The cost of programmes is amortised based on each category and when the related content is broadcasted and aired to public. Based on past experience, management believes that substantially all benefits from the sale (licensing) of programmes are realised upon first airing and a significant majority of those benefits are realised during the first two years of that year. Shahid content inventory is amortised on an accelerated basis which is the lesser of six years or the license year and most of the content is amortised within first three years.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

For the year ended 31 December 2024

### 2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### Government grants

Government grants are recognised where there is reasonable assurance that the funding will be received, and all attached conditions will be complied with. When the funding relates to an expense item, it is recognised as income on a systematic basis over the years that the related costs, for which it is intended to compensate are expensed. When the funding relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset. The related portion of the government funding is recognised under other operating revenues or netted off against the related specific line item of expense (as further explained in note 5), and the related receivable, if any, is recorded under due from related parties.

#### Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical costs include expenditure that is directly attributable to the acquisition of the items including installation costs. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenditure are charged to the consolidated statement of other comprehensive income during the year in which they are incurred.

Work-in-progress is not depreciated. Depreciation is calculated using the straight-line method to reduce the carrying cost of each asset to its residual value over its estimated useful life as follows:

	Years
Leasehold improvements	5
Technical equipment	3 – 5
Motor vehicles	3 – 4
Furniture and fixtures	3 – 5

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

An item of property and equipment is derecognised upon disposal or when no future benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the consolidated statement of comprehensive income in the year the asset is derecognised. The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year-end and adjusted prospectively if appropriate.

#### Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the year in which the expenditure is incurred. The intangible assets in the consolidated financial statements are related to trademarks and development and upgrade costs of Shahid platform.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation year and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation year or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of comprehensive income in the expense category that is consistent with the function of the intangible assets.

The estimated economic useful lives of trademark and Shahid platform costs are 10 years and 3 years, respectively.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of comprehensive income when the asset is derecognised.

#### Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the year of expected future benefit. Amortisation is recorded in direct costs. During the year of development, the asset is tested for impairment annually.

#### Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a year of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the consolidated statement of comprehensive income in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

For the year ended 31 December 2024

### 2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### Cash dividend

The Group recognises liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Group. A distribution is authorised when it is approved by the general assembly. A corresponding amount is recognised directly in equity.

#### Financial instruments – Initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### i. Financial assets

#### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policy in Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

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

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

Financial assets consist of derivative financial instruments, bank balances and deposits, amounts due from related parties and trade and other receivables.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

#### Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the EIR method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost include bank balances, trade and other receivables and due from related parties.

#### Financial assets designated at fair value through OCI (equity instruments)

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

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

The Group elected to classify irrevocably the related non-listed equity investments under this category.

#### Financial assets at fair value through profit and loss (equity instruments and derivatives)

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

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss.

Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

The Group carries its call options on its investments in associates (Note 23) as derivative financial instruments which are recognised as financial assets at fair value through profit and loss.

#### Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a 'pass-through' arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred assets to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

For the year ended 31 December 2024

### 2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### Financial instruments – Initial recognition and subsequent measurement (continued)

##### i. Financial assets (continued)

###### *Derecognition of financial assets (continued)*

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

###### *Impairment of financial assets*

The Group recognises an allowance for ECL for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integrated to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

For trade receivables, contract assets, bank balance and due from related parties, the Group applies a simplified approach in calculating ECLs based on lifetime expected credit losses at each reporting date. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The expected credit losses are recognised in the consolidated statement of comprehensive income.

###### **Cash and cash equivalents**

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and on hand and treasury bills and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash on hand and cash at banks, as defined above, as they are considered an integral part of the Group's cash management.

##### ii. Financial liabilities

###### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include amounts due to related parties, trade and other payables, borrowings and lease liabilities.

###### *Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:

###### **Financial liabilities at amortised cost**

###### *Trade and other payables*

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

###### ***Derecognition of financial liabilities***

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

###### **iii. Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position.

Income and expenses will not be offset in the consolidated statement of comprehensive income unless required or permitted by any accounting standard or interpretation.

###### **iv. Fair value measurement**

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

###### **Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised in the consolidated statement of comprehensive income.

###### **Employees' end of service benefits**

The Group primarily has end of service benefits which qualify as defined benefit obligations.

The employee's defined benefit liability is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting year. Re-measurements, comprising actuarial gains and losses, are reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the year in which they occur. Remeasurements recognised in other comprehensive income are not reclassified. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service costs. Interest is calculated by applying the discount rate at the beginning of the year to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service costs, past service cost, as well as gains and losses on curtailment and settlement)
- Interest expense, and
- Re-measurements

The Group presents the first two components of defined benefit costs in the consolidated statement of comprehensive income in relevant lines.

Further, the Group operates a defined contribution plan, for which the contribution is upon the discretion of the Group. The plan is deemed a saving fund. All interest received in the plan shall be accrued as part of the provision of employees' end of service indemnity payable at the end of the year of service.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

For the year ended 31 December 2024

### 2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### Taxes

##### (a) Income tax

The tax currently payable is based on taxable profit for the year of those Group entities located in taxable jurisdictions. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting year in those jurisdictions where tax is applicable.

##### (b) Deferred tax

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

##### (c) Value added tax

Expenses and assets are recognised net of the amount of value added tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable;
- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

##### (d) Zakat

Zakat is provided for in accordance with the regulations of Zakat, Tax, and Customs Authority ("ZATCA"). The provision for zakat is charged to the consolidated statement of comprehensive income on an accrual basis. Any differences between the provision and the final assessment are recorded when the final assessment is approved.

#### Foreign currencies

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

##### i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

##### ii) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into SAR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

#### Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a year of time in exchange for consideration.

##### Group as lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

For the year ended 31 December 2024

### 2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### Leases (continued)

##### Group as lessee (continued)

##### Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	Years
Leasehold building	3 – 20
Motor vehicles	1 – 4
Satellites	2

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policy for impairment of non-financial assets.

##### Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the year in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

##### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

##### Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases.

Rental income arising is accounted for on a straight-line basis over the lease terms and is included in the consolidated statement of comprehensive income. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the year in which they are earned.

##### Contingencies

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the

possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

### 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 Maker (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.

#### 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
<b>Broadcasting and other commercial Activities</b>	<p><b>TV, radio, and social media and ancillary activities</b></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>
<b>Shahid</b>	<p><b>Video streaming on the Shahid platform</b></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>
<b>Media &amp; Entertainment Initiatives ("M&amp;E Initiatives")</b>	<p><b>Media and Entertainment</b></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>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

For the year ended 31 December 2024

### 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 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.

	Broadcasting and Other Commercial Activities SAR'000	Shahid SAR'000	M&E Initiatives SAR'000	Total SAR'000
<b>For the year ended 31 December 2024</b>				
Revenue from contract with customers	2,412,591	1,078,904	45,448	3,536,943
Other operating revenues	11,550	-	647,880	659,430
Total revenue	2,424,141	1,078,904	693,328	4,196,373
Operating costs*	(2,161,725)	(1,189,373)	(661,510)	(4,012,608)
Realized gain on sale of investment in an associate	170,674	-	-	170,674
Other income	79,448	7,422	1,514	88,384
Share of results in associates and joint ventures (net)	32,048	-	(19,491)	12,557
Loss on financial assets and derivative instruments (net)	(9,146)	-	-	(9,146)
Finance income – net	45,156	-	11,126	56,282
Depreciation and amortisation (Notes 6 and 7)	(39,528)	(26,029)	(986)	(66,543)
Segment results before income tax	541,068	(129,076)	23,981	435,973

\* Operating costs include direct costs and general and administrative expenses except for depreciation of fixed assets and amortization of intangible assets which are presented as separate line items.

#### Segment assets

The table below summarizes the key assets per segment:

	Broadcasting and Other Commercial Activities SAR'000	Shahid SAR'000	M&E Initiatives SAR'000	Total SAR'000
<b>As of 31 December 2024</b>				
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 ventures	1,083,853	-	-	1,083,853
Investment in financial asset at fair value through profit or loss (FVTPL)	12,591	-	-	12,591

	Broadcasting and Other Commercial Activities SAR'000	Shahid SAR'000	M&E Initiatives SAR'000	Total SAR'000
<b>For the Period From 20 April 2023 to 31 December 2023</b>				
Revenue from contract with customers	818,616	448,019	75,937	1,342,572
Other operating revenues	71,791	-	297,699	369,490
Total revenue	890,407	448,019	373,636	1,712,062
Operating costs*	(844,589)	(561,606)	(362,724)	(1,768,919)
Other income	77,091	(6,157)	577	71,511
Share of results in associates and joint ventures (net)	36,147	-	(7,252)	28,895
Loss on financial assets and derivative instruments (net)	2,079	-	-	2,079
Finance income/(costs) – net	(3,419)	-	324	(3,095)
Depreciation and amortisation (Notes 6 and 7)	(20,050)	(5,913)	(1,200)	(27,163)
Segment results before income tax	137,666	(125,657)	3,361	15,370

\* Operating costs include direct costs and general and administrative expenses except for depreciation of fixed assets and amortization of intangible assets which are presented as separate line items.

#### Segment assets

The table below summarizes the key assets per segment:

	Broadcasting and Other Commercial Activities SAR'000	Shahid SAR'000	M&E Initiatives SAR'000	Total SAR'000
<b>As of 31 December 2023</b>				
Inventories	643,063	654,830	1,292,433	2,590,326
Property and equipment	85,663	28,083	2,529	116,275
Investments in associates and joint ventures	1,201,204	-	-	1,201,204
Investment in financial asset at fair value through profit or loss (FVTPL)	15,891	-	-	15,891

#### Geographic information

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

	For the Year Ended 31 December 2024 SAR'000	For the Period From 20 April 2023 to 31 December 2023 SAR'000
Revenue from contracts with customers:		
GCC*	2,961,290	1,100,011
Egypt	267,847	84,492
Others**	307,806	158,069
<b>Total</b>	<b>3,536,943</b>	<b>1,342,572</b>

\* 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

For the year ended 31 December 2024

### 4 REVENUE FROM CONTRACTS WITH CUSTOMERS

	<i>For the Year Ended 31 December 2024 SAR'000</i>	<i>For the Period From 20 April 2023 to 31 December 2023 SAR'000</i>
Advertising revenue	1,345,165	502,955
Digital revenue	848,147	377,030
Broadcast and technical services revenue (i)	915,440	157,411
Distribution revenue	122,472	58,797
Interactivity revenue	74,083	41,640
Programme revenue	73,116	61,502
Event management revenue	32,243	25,182
Barter revenue	6,212	17,543
Artists management revenue	1,970	1,875
Other revenues (ii)	118,095	98,637
	<b>3,536,943</b>	<b>1,342,572</b>

#### (i) Broadcast and technical services revenue

Broadcast and technical services revenue represent mainly the Group's revenue from providing broadcast and technical services to customers in the Kingdom.

#### (ii) Other revenues

Other revenue mainly represents commission income earned from providing advertising services on behalf of customers, box subscription revenues and merchandising revenues among other similar services.

### 4.1 DISAGGREGATED REVENUE INFORMATION

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

	<i>For the Year Ended 31 December 2024 SAR'000</i>	<i>For the Period From 20 April 2023 to 31 December 2023 SAR'000</i>
<i>Timing of revenue recognition</i>		
Services provided over a period of time	3,431,584	1,255,887
Services transferred at a point in time	105,359	86,685
	<b>3,536,943</b>	<b>1,342,572</b>

### 4.2. CONTRACT BALANCES

	<i>2024 SAR'000</i>	<i>2023 SAR'000</i>
Trade receivables (Note 16)	1,027,710	790,502
Contract assets (Note 16)	363,102	528,118
Contract liabilities (Note 22)	565,846	396,671

### 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 consolidated statement of comprehensive income on a systematic basis over the years in which the entity recognises as expenses the related costs for which the funds are intended to compensate.

During the year, the Group has assessed (in accordance with the accounting judgment for the other operating revenues in Note 26) the following as government grants and accordingly they have been recognised as other operating revenues related to the following initiatives:

	<i>For the Year Ended 31 December 2024 SAR'000</i>	<i>For the Period From 20 April 2023 to 31 December 2023 SAR'000</i>
TV channels initiatives and MBC Academy initiatives (a)	320,329	200,722
Production related initiatives (a)	308,060	89,726
Funding of broadcasting rights (b)	-	65,625
Gaming initiative (c)	19,491	7,252
Relocation cost (d)	11,550	5,776
Funding of other government related projects	-	389
	<b>659,430</b>	<b>369,490</b>

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:

- On TV channels initiatives and MBC Academy initiatives, production related initiatives and relating to funding of other government related projects, the vast majority of the related costs are included within 'Direct costs' (Note 6).
- On funding of broadcasting rights, the related costs are included within 'Direct costs' (Note 6).
- On gaming initiative, the related costs are adjusted against the 'Share of results in associates and joint ventures'.
- On relocation cost, the related costs are included within 'General and administrative expenses' and 'Finance Income / (Costs) – Net' (Notes 7 and 9).

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

For the year ended 31 December 2024

### 5 OTHER OPERATING REVENUES (CONTINUED)

Below is the reconciliation of other operating revenues with the deferred revenues and with due from related parties (Note 17):

	<i>TV channels initiatives and MBC Academy initiatives SAR'000</i>	<i>Production related initiatives SAR'000</i>	<i>Funding of broadcasting rights SAR'000</i>	<i>Funding of other government related projects SAR'000</i>	<i>Gaming initiative SAR'000</i>	<i>Riyadh head office capital expenditure SAR'000</i>	<i>Relocation cost SAR'000</i>	<i>Total SAR'000</i>
<b>For the year ended 31 December 2024:</b>								
As at 1 January 2024:								
Due from the Intermediate Parent Company	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 year (Note 5)	320,329	308,060	-	-	19,491	-	11,550	659,430
Add: Income netted off against related expense (Note 7,9)	-	84,669	-	-	-	-	105,440	190,109
Less: Advance / cash collected during the year	(200,202)	(415,831)	-	-	(58,693)	(111,893)	-	(786,619)
<b>As at 31 December 2024:</b>								
<b>Due from the Intermediate Parent Company (Note 17a)</b>	<b>128,009</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>66,459</b>	<b>194,468</b>
<b>Deferred revenue</b>	<b>(2,112)</b>	<b>(1,450,322)</b>	<b>-</b>	<b>-</b>	<b>(262,697)</b>	<b>(292,643)</b>	<b>-</b>	<b>(2,007,774)</b>

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

Below is the reconciliation of other operating revenues with the deferred revenues and with due from related parties (Note 17):

	<i>TV channels initiatives and MBC Academy initiatives SAR'000</i>	<i>Production related initiatives SAR'000</i>	<i>Funding of broadcasting rights SAR'000</i>	<i>Funding of other government related projects SAR'000</i>	<i>Gaming initiative SAR'000</i>	<i>Riyadh head office capital expenditure SAR'000</i>	<i>Relocation cost SAR'000</i>	<i>Total SAR'000</i>
<b>For the period ended 31 December 2023:</b>								
As at 20 April 2023:								
Due from the Intermediate Parent Company	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-
Transfer on reorganisation (Note 30)								
Due from the Intermediate Parent Company	4,928	29	-	-	-	-	5,775	10,732
Deferred revenue	(23,473)	(1,414,190)	(65,625)	(389)	(196,936)	(53,688)	(88,253)	(1,842,554)
Add: Income recognised during the period (Note 5)	200,722	89,726	65,625	389	7,252	-	5,776	369,490
Add: Income netted off against related expense (Note 7,9)	-	-	-	-	-	-	47,276	47,276
Less: Advance / cash collected during the period	(176,407)	(102,785)	-	-	(33,811)	(127,062)	(21,105)	(461,170)
<b>As at 31 December 2023:</b>								
<b>Due from the Intermediate Parent Company (Note 17a)</b>	<b>24,921</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,554</b>	<b>32,475</b>
<b>Deferred revenue</b>	<b>(19,151)</b>	<b>(1,427,220)*</b>	<b>-</b>	<b>-</b>	<b>(223,495)</b>	<b>(180,750)</b>	<b>(58,085)</b>	<b>(1,908,701)</b>

\* The deferred amount mainly relates to inventories which remain as work-in-progress (WIP) as of 31 December 2023.

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### 6 DIRECT COSTS

	For the Year Ended 31 December 2024 SAR'000	For the Period From 20 April 2023 to 31 December 2023 SAR'000
Cost of programmes	1,436,131	633,855
Digital costs	328,103	139,561
Broadcast and technical services costs	673,016	139,753
Marketing costs	145,696	62,724
Cost of advertising sales*	72,720	29,339
Technical costs	44,779	28,618
Programme overheads	64,662	37,753
Interactivity costs	33,510	21,495
Transmission expenses (Note 13)	20,642	7,836
Programme stocks write-off	12,252	8,505
Distribution costs	6,648	3,581
Other expenses**	154,038	126,043
	<b>2,992,197</b>	<b>1,239,063</b>

\* Cost of advertising sales represent costs of commercials, and costs incurred for the airtime purchased from Al Arabiya News Channel FZ LLC.

\*\* Includes depreciation of property and equipment amounting to SAR 27,162 thousand for the year ended 31 December 2024 (2023: SAR 14,106 thousand) and depreciation of right-of-use assets amounting to SAR 3,618 thousand (2023: SAR 1,615 thousand).

### 7 GENERAL AND ADMINISTRATIVE EXPENSES

	For the Year Ended 31 December 2024 SAR'000	For the Period From 20 April 2023 to 31 December 2023 SAR'000
Staff costs**	809,217	400,846
Legal and professional fees**	78,905	41,185
IT equipment and maintenance costs	63,673	28,015
Building occupancy costs (Note 13)**	42,684	28,468
Travel costs**	36,588	19,047
Allowance for expected credit loss, net (Notes 16, 17, 18)	30,348	19,964
Depreciation on property and equipment (Note 11)	14,424	7,464
Depreciation on right-of-use assets (Note 13)***	11,669	6,855
Amortisation of intangible assets (Note 12)	24,957	5,593
Communication costs	6,351	4,386
Foreign exchange loss / (gain), net	44,509	(7,179)
Recharges to related parties (Note 17c)*	(77,914)	(49,210)
Other expenses	1,543	51,585
	<b>1,086,954</b>	<b>557,019</b>

\* The Group incurs costs on behalf of other related parties. These costs consist principally of staff costs and shared facilities and are recharged to the individual entities based on the estimated time spent by employees on each entity and usage of shared facilities by each entity.

\*\* Amounts of SAR 85,221 thousand, SAR 2,243 thousand, SAR 8 thousand, and SAR 38 thousand (2023: SAR 35,547 thousand, SAR 11,280 thousand, SAR 206 thousand, and SAR 243 thousand) relating to staff costs, building occupancy costs, legal and professional costs and travel costs, respectively, have been reimbursed by the Intermediate Parent Company to the Group during the year (Note 5).

\*\*\* The depreciation of right-of-use assets included an amount of SAR 17,318 thousand (2023: nil) which was offset against its related reimbursement.

### 8 OTHER INCOME

	For the Year Ended 31 December 2024 SAR'000	For the Period From 20 April 2023 to 31 December 2023 SAR'000
Compensation for loss of business* (Note 17c)	67,729	54,375
Rental income (Note 17 c)	9,764	4,363
Other income	10,891	12,773
	<b>88,384</b>	<b>71,511</b>

\* The Group has received compensation for the loss of business in relation to launching and operating a TV channel. As at 31 December 2024 SAR 669,039 thousand (2023: SAR 669,039 thousand) has been received. During the year, the Group recognised SAR 67,729 thousand (2023: SAR 54,375 thousand).

### 9 FINANCE INCOME/(COSTS) - NET

	For the Year Ended 31 December 2024 SAR'000	For the Period From 20 April 2023 to 31 December 2023 SAR'000
Finance income	60,355	3,127
Finance costs*	(4,073)	(6,222)
	<b>56,282</b>	<b>(3,095)</b>

\* Includes interest expense on lease liabilities amounting to SAR 3,464 thousand (2023: SAR 1,239 thousand) (Note 13.1). Amount of SAR 612 thousand (2023: SAR nil thousand) relating to interest expense on lease liabilities has been reimbursed by the Intermediate Parent Company to the Group during the year (Note 5).

### 10 INCOME TAX AND ZAKAT

Income tax and zakat charge (benefit) for the year / period consists of the following:

	For the Year Ended 31 December 2024 SAR'000	For the Period From 20 April 2023 to 31 December 2023 SAR'000
Income tax (a)	10,251	(579)
Zakat (b)	-	(306)
Deferred tax (c)	(408)	(1,300)
	<b>9,843</b>	<b>(2,185)</b>

The breakdown of the provision for income tax, zakat and deferred tax asset and liability is as follows:

	2024 SAR'000	2023 SAR'000
Income tax (a)	15,983	7,319
Zakat (b)	71,489	1,554
Provision for income tax and zakat (Note 22)	<b>87,472</b>	<b>8,873</b>
Deferred tax liability (c)	10	9
Deferred tax asset (c)	<b>1,806</b>	<b>1,397</b>

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For the year ended 31 December 2024

### 10 INCOME TAX AND ZAKAT (CONTINUED)

#### (a) Income Tax:

The movement of provision for income tax is as follows:

	2024 SAR'000	2023 SAR'000
As at 1 January/20 April	7,319	-
Transfer on reorganisation (Note 30)	-	9,571
Provided during the year / period*	20,862	3,466
Payments during the year / period	(10,964)	(5,434)
Adjustments during the year / period	-	(781)
Foreign exchange differences	(1,234)	497
<b>As at 31 December</b>	<b>15,983</b>	<b>7,319</b>

\* In the consolidated statement of comprehensive income, income tax charge for the year amounting to SAR 20,862 thousand (2023: SAR 3,466 thousand) is presented net of income tax relief amounting to SAR 10,611 thousand (2023: SAR 4,045 thousand), resulting in income tax charge of SAR 10,251 thousand (2023: relief of SAR 579 thousand) as disclosed in this note above. The related receivable balance is presented under other receivables (Note 16).

The applicable tax rates for the Group companies vary from 20% in the Kingdom, 9% in United Arab Emirates, to 22.5% in Egypt.

#### (b) Zakat:

The movement of provision for zakat is as follows:

	2024 SAR'000	2023 SAR'000
As at 1 January/20 April	1,554	-
Transfer on reorganisation (Note 30)	-	485
Provided during the year / period*	71,503	746
Payment during the year / period	(1,568)	-
Refund received during the year / period	-	414
Adjustment	-	(91)
<b>As at 31 December</b>	<b>71,489</b>	<b>1,554</b>

\* In the consolidated statement of comprehensive income, zakat for the year amounting to SAR 71,503 thousand (2023: SAR 746 thousand) is presented net of zakat relief amounting to SAR 71,503 thousand (2023: SAR 1,052 thousand), resulting in zakat charge of SAR nil (2023: relief of SAR 306 thousand) as disclosed in this note above. The related receivable balance is presented under other receivables (Note 16).

Zakat charge for the year arises from the following companies:

	2024 SAR'000	2023 SAR'000
MBC Group – parent	65,911	-
Subsidiaries of the parent company in the Kingdom	5,592	746
Zakat expense for the year	71,503	746

Below is a summary of the zakat calculation for MBC Group (parent) for the year / period:

	2024 SAR'000	2023 SAR'000
Net zakat base including zakatable foreign investments	2,636,440	-
Zakat rate	2.5%	2.5%
Zakat charge for the year	65,911	-

#### (c) Deferred tax

The movement of deferred tax asset is as follows:

	2024 SAR'000	2023 SAR'000
As at 1 January/20 April	1,397	-
Transfer on reorganisation (Note 30)	-	273
Provided during the year	408	1,208
Adjustment	1	(84)
<b>As at 31 December</b>	<b>1,806</b>	<b>1,397</b>

The movement of deferred tax liability is as follows:

	2024 SAR'000	2023 SAR'000
As at 1 January/20 April	9	-
Transfer on reorganisation (Note 30)	-	16
Reversal during the year	-	(92)
Foreign currency translation adjustment	1	85
<b>As at 31 December</b>	<b>10</b>	<b>9</b>

Deferred tax liability arises from the following subsidiaries of Company: Al Miza for Advertising and MBC Media Solutions for Advertising, Egypt

Deferred tax asset arises from the following subsidiary of the Company: MBC Media Solutions Limited, KSA

### 11 PROPERTY AND EQUIPMENT

	Leasehold improvements SAR'000	Technical equipment SAR'000	Motor vehicles SAR'000	Furniture and fixtures SAR'000	Capital work in progress (a) SAR'000	Total SAR'000
<b>2024:</b>						
<b>Cost:</b>						
As at 1 January 2024	131,130	754,688	3,237	36,636	12,927	938,618
Reclassification during the year	-	(11,920)	488	2	11,430	-
Additions during the year	9,623	29,282	520	953	157,653	198,031
Disposals during the year	(1,741)	(304)	-	(356)	(1,034)	(3,435)
Foreign currency translation adjustment	(621)	(6,836)	(7)	(282)	-	(7,746)
<b>As at 31 December 2024</b>	<b>138,391</b>	<b>764,910</b>	<b>4,238</b>	<b>36,953</b>	<b>180,976</b>	<b>1,125,468</b>
<b>Accumulated depreciation:</b>						
As at 1 January 2024	119,759	664,702	3,217	34,665	-	822,343
Charge for the year (b)	6,041	33,547	699	1,299	-	41,586
Relating to disposals	(1,741)	(25)	-	(352)	-	(2,118)
Foreign currency translation adjustment	(573)	(6,661)	(7)	(282)	-	(7,523)
<b>As at 31 December 2024</b>	<b>123,486</b>	<b>691,563</b>	<b>3,909</b>	<b>35,330</b>	<b>-</b>	<b>854,288</b>
<b>Net carrying amount:</b>						
<b>At 31 December 2024</b>	<b>14,905</b>	<b>73,347</b>	<b>329</b>	<b>1,623</b>	<b>180,976</b>	<b>271,180</b>

(a) Capital work in progress mainly includes cost incurred to date towards the construction of new studios located in the KSA.

(b) Depreciation charge during the year are net of government fundings amounting to SAR 6,627 thousand.

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### 11 PROPERTY AND EQUIPMENT (CONTINUED)

2023:	Leasehold improvements SAR'000	Technical equipment SAR'000	Motor vehicles SAR'000	Furniture and fixtures SAR'000	Capital work in progress (a) SAR'000	Total SAR'000
<b>Cost:</b>						
As at 20 April 2023	-	-	-	-	-	-
Transfer on reorganisation (Note 30)	128,037	723,673	3,237	36,024	8,638	899,609
Additions during the period	3,085	31,796	-	756	4,562	40,199
Disposals during the period	-	(796)	-	(144)	-	(940)
Transfers during the period	-	-	-	-	(273)	(273)
Foreign currency translation adjustment	8	15	-	-	-	23
<b>As at 31 December 2023</b>	<b>131,130</b>	<b>754,688</b>	<b>3,237</b>	<b>36,636</b>	<b>12,927</b>	<b>938,618</b>
<b>Accumulated depreciation:</b>						
As at 20 April 2023	-	-	-	-	-	-
Transfer on reorganisation (Note 30)	116,654	647,942	3,153	33,989	-	801,738
Charge for the period (b)	3,111	17,559	64	836	-	21,570
Relating to disposals	-	(777)	-	(144)	-	(921)
Foreign currency translation adjustment	(6)	(22)	-	(16)	-	(44)
As at 31 December 2023	119,759	664,702	3,217	34,665	-	822,343
<b>Net carrying amount:</b>						
<b>At 31 December 2023</b>	<b>11,371</b>	<b>89,986</b>	<b>20</b>	<b>1,971</b>	<b>12,927</b>	<b>116,275</b>

(a) Capital work in progress mainly includes costs incurred to date towards the construction of a new studio located in the KSA.

(b) Depreciation charge during the year are net of government fundings amounting to SAR 6,250 thousand.

Depreciation has been apportioned as follows:

	2024 SAR'000	2023 SAR'000
Direct costs (Note 6)	27,162	14,106
General and administrative expenses (Note 7)	14,424	7,464
	<b>41,586</b>	<b>21,570</b>

### 12 INTANGIBLE ASSETS

The movement in the intangible assets during the year/period is as follows:

	2024 SAR'000	2023 SAR'000
As at 1 January/ 20 April	67,121	-
Transfer on reorganisation (Note 30)	-	52,002
Additions during the year / period	31,696	20,712
Amortisation during the year / period (Note 7)	(24,957)	(5,593)
<b>As at 31 December</b>	<b>73,860</b>	<b>67,121</b>

During the year, the Group capitalised an amount of SAR 28,045 thousand (2023: SAR 11,120 thousand) representing costs incurred to develop and upgrade features of the Shahid platform including applications compatible with mobile devices, analytical models and architectural prototype implementation.

### 13 LEASES

#### 13.1 GROUP AS LESSEE

The Group has lease contracts for units, vehicles, infrastructures, and satellites used in its operations. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

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

Further, the Group has entered into a long-term finance lease contract with Dubai Development Authority, previously known as Technology, Electronic Commerce and Media Free Zone, to lease a building, along with the associated fit outs. The contract carries an option to buy the property at any time during the lease year at the option price as calculated in the contract.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	2024 SAR'000	2023 SAR'000
As at 1 January/ 20 April	59,347	-
Transfer on reorganisation (Note 30)	-	40,080
Additions during the year / period	23,734	27,919
Depreciation (Notes 6 and 7)	(32,605)	(8,470)
Remeasurement of right-of-use assets	240	(187)
Foreign exchange difference (net)	(614)	5
<b>As at 31 December</b>	<b>50,102</b>	<b>59,347</b>

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2024 SAR'000	2023 SAR'000
As at 1 January/ 20 April	63,098	-
Transfer on reorganisation (Note 30)	-	44,613
Additions during the year/period	22,740	26,472
Accretion of interest (Note 9)	3,464	1,239
Remeasurement of lease liabilities	16	(187)
Payments during the year/period	(38,101)	(9,030)
Foreign exchange difference (net)	(684)	(9)
<b>As at 31 December</b>	<b>50,533</b>	<b>63,098</b>

	2024 SAR'000	2023 SAR'000
Current	21,516	30,574
Non-current	29,017	32,524
	<b>50,533</b>	<b>63,098</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

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### 13 LEASES (CONTINUED)

#### 13.1 GROUP AS LESSEE (CONTINUED)

The maturity analysis of lease liabilities is disclosed in Note 24. The following are the amounts recognised in consolidated statement of comprehensive income:

	2024 SAR'000	2023 SAR'000
Depreciation expense of right-of-use assets – direct costs (Note 6)	3,618	1,615
Depreciation expense of right-of-use assets – general and administrative expenses (Note 7)	28,987	6,855
Interest expense on lease liabilities (Note 9)	3,464	1,239
Other expenses related to leases – general and administrative expenses (Note 7)	42,684	28,468
Other expenses related to leases – direct costs (Note 6)	20,642	15,638
Total amount recognised in consolidated statement of comprehensive income	99,395	53,815

During the year, the Group had total cash outflows for leases, excluding short-term and low value leases, of SAR 38,101 thousand (2023: SAR 9,030 thousand) and non-cash additions to right-of-use assets and lease liabilities amounted to SAR 23,734 thousand and SAR 22,740 thousand respectively (2023: SAR 27,919 thousand and SAR 26,472 thousand).

### 14 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

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

	2024 SAR'000	2023 SAR'000
Investment in equity accounted joint ventures (14.1)	305,203	209,362
Investment in associates (14.2)	778,650	991,842
	1,083,853	1,201,204

The following are the amounts recognised in the consolidated statement of comprehensive income:

	2024 SAR'000	2023 SAR'000
Share of results in investments in associates and joint ventures (PL) (14a)	12,557	28,895
Share of results in investments in associates (OCI) (14.2.1)	(53)	1,467
	12,504	30,362

#### 14a SHARE OF RESULTS IN INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (PL)

	2024 SAR'000	2023 SAR'000
Share of results in investments in joint ventures (14.1)	(19,491)	(7,258)
Share of results in investments in associates (14.2.1)	32,048	36,153
	12,557	28,895

### 14.1) INVESTMENTS IN JOINT VENTURES

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

	2024 SAR'000	2023 SAR'000
MBC Game Studio (a)	305,203	209,362
	305,203	209,362

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

	2024 SAR'000	2023 SAR'000
As at 1 January/ 20 April	209,362	–
Transfer on reorganisation (Note 30)	–	114,390
Additional investment during the year / period*	115,332	102,230
Share of results**	(19,491)	(7,258)
<b>At 31 December</b>	<b>305,203</b>	<b>209,362</b>

\* The additional investment is fully covered by virtue of government funding. Accordingly, deferred revenues include an equivalent balance in this regard as at the year-end date.

\*\* As per Note 5, the share of results has been reimbursed by the Intermediate Parent Company.

a) MBC Initiatives LLC, a fully owned subsidiary, jointly controls MBC Game Studio with another shareholder whereby it owns 70% and the other shareholder owns 30%. The investment is an investment in joint venture and accounted for under the equity method. As of 31 December 2024, the carrying value of this investment amounted to SAR 305,203 thousand (2023: SAR 209,362 thousand).

The following table illustrates the summarised financial information at the reporting date of the Group's investment in MBC Game Studio:

	2024 SAR'000	2023 SAR'000
<b>Statement of financial position</b>		
Current assets	129,265	56,177
Non-current assets	402,751	280,768
Current liabilities	(95,790)	(37,791)
Non-current liabilities	(222)	(65)
Equity	436,004	299,089
Group's share in net assets at 70%	305,203	209,362

	2024 SAR'000	2023 SAR'000
<b>Statement of comprehensive income</b>		
Revenue	–	–
Direct costs	(6,919)	(2,446)
General and administrative expenses	(20,924)	(7,923)
Total comprehensive loss for the year / period	(27,843)	(10,369)
Group's share of results at 70%	(19,491)	(7,258)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

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### 14 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

#### 14.2) INVESTMENTS IN ASSOCIATES

The Group's investment in associates as of 31 December is as follows:

	2024 SAR'000	2023 SAR'000
Wego (a)	16,467	16,512
Tapmad (b)	13,831	14,127
ACSC (c)	748,352	961,203
<b>As at 31 December</b>	<b>778,650</b>	<b>991,842</b>

The movement in the investments in associates during the year is as follows:

	Year ended 31 December 2024			
	Wego SAR'000	Tapmad SAR'000	ACSC SAR'000	Total SAR'000
As at 1 January	16,512	14,127	961,203	991,842
Disposals	-	-	(245,187)	(245,187)
Share of results (Note 14.2.1)	(45)	(296)	32,336	31,995
<b>As at 31 December</b>	<b>16,467</b>	<b>13,831</b>	<b>748,352</b>	<b>778,650</b>

	Period ended 31 December 2023			
	Wego SAR'000	Tapmad SAR'000	ACSC SAR'000	Total SAR'000
As at 20 April	-	-	-	-
Transfer on reorganisation (Note 30)	15,885	13,519	924,818	954,222
Share of results (Note 14.2.1)	627	608	36,385	37,620
<b>As at 31 December</b>	<b>16,512</b>	<b>14,127</b>	<b>961,203</b>	<b>991,842</b>

#### 14.2.1 Share of results in investment in associates is presented as follows in the consolidated statement of comprehensive income:

	2024 SAR'000	2023 SAR'000
Share of results in investment in associates, net (PL)	32,048	36,153
Share of results in investment in associates, net (OCI)	(53)	1,467
	<b>31,995</b>	<b>37,620</b>

##### a) Wego

Wego PTE LTD ("Wego"), is a Company incorporated and domiciled in Singapore. Wego's principal activities are to carry on business of providing information on travel products by the use of the travel search engine. As at 31 December 2024, MBC owns 9.46% (2023: 10%) on a fully diluted basis.

Based on the evaluation of terms of investment, the Group has significant influence over the investee and has recorded its investment in Wego as an equity accounted associate.

##### b) Tapmad

Tapmad Holdings PTE LTD ("Tapmad") was incorporated in the Republic of Singapore on 8 October 2018. The principal activity of the Company is to provide Over the Top (OTT) and Subscription Videos on Demand (SVOD) services in Pakistan.

Effective 17 October 2021, MBC increased its ownership from 25.08% to 29.76% with a consideration payable amounting to SAR 7,500 thousand. As part of the agreement, MBC has an option to purchase an extra 10% of the total issued shares (Note 23). Furthermore, the agreement gives the Group an additional right to increase their shareholding in Tapmad to 51% or more. This option is treated as a derivative financial instrument (Note 23) as at 31 December 2023. During the year ended 31 December 2024, this option has expired resulting to loss on derivative financial instruments amounting to SAR 6,012 thousand. As at 31 December 2024, MBC has 28.78% ownership stake with Tapmad.

##### c) ACSC

Effective August 2020, the Group acquired a 5% stake in Arabian Contracting Services Company ("ACSC"), which is a joint stock company registered in Riyadh, Kingdom of Saudi Arabia under Commercial Registration No. 1010048419. The main activity of ACSC is advertising. The consideration paid was SAR 46,081 thousand. Furthermore, the Group had an option to increase its shareholding percentage to 20% within a certain timeframe (Note 23). Based on the evaluation of terms of investment, the Group assessed that it had significant influence over the investee and has recorded its investment in ACSC as an equity accounted associate.

On 11 November 2021, ACSC listed its shares on Tadawul, the Saudi Stock Exchange. The Group did not sell any of its shares and still held its 5% ownership at the time of ACSC's listing. As of 31 December 2021, the Group held 5% shareholding in ACSC and reassessed its terms of the investment and concluded that it still has significant influence over ACSC.

On 10 October 2022, the Group exercised its call option and acquired an additional 15% shareholding in ACSC thereby increasing the total shareholding to 20%. The exercise price of SAR 497,250 thousand which has been paid was based on the terms agreed between the Group and Engineer Holding Group ("the other shareholder") in their agreement entered into in August 2020. At the date of the transaction, the market value of the additional shares acquired amounted to SAR 829,500 thousand. The call option to acquire an additional 15% interest in ACSC, which was valued at SAR 337,500 thousand as at 31 December 2021 (Note 23), was reclassified into investment in associates upon exercise of the call option. Consequently, an amount of SAR 5,250 thousand was recognised as a loss on exercise of the call option in the consolidated statement of comprehensive income during the year ended 31 December 2022.

The acquisition of the additional 15% in ACSC was financed by a shareholder loan amounting to SAR 497,250 thousand. The loan was interest-free and is repayable on demand with 12 month-notice year. The loan was repaid in full during the year ended 31 December 2024 Note 17 (f).

During the year ended 31 December 2024, the Group has sold part of its stake in ACSC, comprising 2,450,000 shares, which represent 4.9% of ACSC's share capital to a number of investors (the "Transaction"). The Transaction was executed as a negotiated deal in accordance with the applicable procedures. The Transaction completed with a total value of SAR 416,500 thousand. The gain arising from the Transaction amounted to SAR 170,674 thousand.

As at 31 December 2024, the fair value of Group's interest in ACSC was SAR 1,205,886 thousand (2023: SAR 2,410,000 thousand) based on the quoted market price available on the stock exchange which is a level 1 input in terms of IFRS 13.

The following table illustrates the latest summarised financial information available for the year 2024 of the Group's investment in ACSC which is Q3 2024:

Statement of financial position	30 September 2024 SAR'000	31 December 2023 SAR'000
Current assets	2,307,374	1,576,947
Non-current assets	2,196,115	2,968,427
Current liabilities	(1,616,081)	(1,131,543)
Non-current liabilities	(1,583,832)	(2,297,117)
Equity	1,303,576	1,116,714
Group's share in net assets at 15.1% / 20%	196,840	223,343

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### 14 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

#### 14.2) INVESTMENTS IN ASSOCIATES (CONTINUED)

	<i>For the nine-months period ended 30 September 2024 SAR'000</i>	<i>For the year ended 31 December 2023 SAR'000</i>
<b>Statement of comprehensive income</b>		
Revenue	1,166,015	1,279,861
Direct costs	(720,911)	(681,689)
General and administrative expenses (including zakat)	(119,316)	(170,189)
Finance costs	(160,097)	(114,366)
Other income, net of tax	34,107	7,566
Loss from discontinued operations	(237)	(2,213)
Other comprehensive income	(12,850)	(5,206)
Total comprehensive income for the period	186,711	313,764

Above financial information was based on the latest available financial statements of ACSC.

#### 14.3) INVESTMENT IN FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

##### Investment in Anghami

Anghami is a limited liability company incorporated in the Cayman Islands on 14 February 2012. Anghami's principal activities consist of facilitating a platform for music and video streaming, entertainment, social, through mobile, web, computer, applications and other supported programs and related media. As at 31 December 2021, MBC's shareholding was 18.15%.

On 4 February 2022, Anghami listed its shares on NASDAQ, New York. The Group reassessed its influence in Anghami based on the listing particulars and concluded that the investment in Anghami shall be treated as an investment at fair value through profit and loss (FVTPL). The fair value of the investment in Anghami as at 31 December 2024 and loss on the FVTPL is as below:

	<i>2024 SAR'000</i>	<i>2023 SAR'000</i>
Carrying value of investment as at 1 January / 20 April	15,891	-
Transfer on reorganisation (Note 30)	-	13,709
Additional investment during the year / period	-	3,064
Unrealised loss due to change in fair value	(3,300)	(882)
Fair value of investment as at 31 December	12,591	15,891

### 15 INVENTORIES

	<i>2024 SAR'000</i>	<i>2023 SAR'000</i>
Acquired and developed programmes	1,112,219	1,113,125
Production work-in-progress	1,604,023	1,477,201
	2,716,242	2,590,326

Acquired and developed programmes are net of accumulated programme amortisation and write-offs.

Programme amortisation and write-offs recognised in the consolidated statement of comprehensive income for the year ended 31 December 2024 amounted to SAR 1,704,663 thousand (For the period from 20 April 2023 to 31 December 2023: SAR 637,947 thousand) and are included within 'Direct costs' (Note 6).

### 16 TRADE RECEIVABLES, PREPAYMENTS AND OTHER ASSETS

	<i>2024 SAR'000</i>	<i>2023 SAR'000</i>
Trade receivables (Note 4.2)	1,027,710	790,502
Contract assets (Note 4.2)	363,102	528,118
Less: allowance for expected credit loss (Note 16.1)	(242,924)	(211,892)
	1,147,888	1,106,728
Advance for programme rights	404,029	465,536
Deposits*	17,633	15,998
Advance to suppliers	47,066	54,985
Prepaid expenses	45,102	27,344
Staff receivables	3,220	8,000
Other receivables**	345,641	1,054,727
	2,010,579	2,733,318

\* The deposit amounts are net of allowance for expected credit loss amounting to SAR 91 thousand (2023: SAR 65 thousand). During the year, an allowance was made amounting to SAR 26 thousand (2023: reversal of allowance amounting to SAR 76 thousand).

\*\* Included in Other receivables is balance receivable from the Ultimate Controlling Party of 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 year ended 31 December 2024 and during the period ended 31 December 2023, no amount of compensation was received by the Group. In addition to the above, other receivables include a balance of SAR nil (2023: SAR 763,750 thousand) with respect to the proposed share capital increase. Please refer to Note 19.2 for further details in this regard.

#### 16.1 MOVEMENTS IN ALLOWANCE FOR EXPECTED CREDIT LOSS ARE AS FOLLOWS

	<i>2024 SAR'000</i>	<i>2023 SAR'000</i>
As at 1 January / 20 April	211,892	-
Transfer on reorganisation (Note 30)	-	190,663
Allowance made during the year, net (Note 7)	31,501	21,156
Transfer from related party	1,308	16
Write-off	(1,556)	-
Reclassification	-	57
Exchange differences	(221)	-
<b>As at 31 December</b>	<b>242,924</b>	<b>211,892</b>

The typical credit year on trade receivables is 60 to 90 days. No interest is charged on the overdue trade receivables. The Group does not hold any collateral over these balances.

As of 31 December 2024, SAR 189,713 thousand and SAR 53,211 thousand (2023: SAR 163,292 thousand and SAR 48,600 thousand) was recognised as allowance for expected credit losses on trade receivables and contract assets, respectively.

See Note 24 on credit risk of trade receivables reflecting how the Group manages and measures quality of trade receivables that are neither past due nor impaired. In determining the recoverability of a trade receivable, the Group considers changes in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. Management believes that there is no further credit allowance required in excess of the provision for expected credit loss.

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### 17 RELATED PARTY TRANSACTIONS, BALANCES AND LOAN

Related parties represent the shareholders, directors and key management personnels of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of transactions with these related parties are approved by the shareholders and the Group's management.

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

	2024 SAR'000	2023 SAR'000
<b>Due from related parties</b>		
<i>Shareholder</i>		
Intermediate Parent Company (Note 5)	194,468	32,475
<i>Companies under common control</i>		
MBC Group Holdings Ltd	182,875	168,077
ARA International Productions Company LLC	127,974	52,874
Middle East News FZ LLC	150,118	28,044
Middle East News UK Limited	352	-
Al Sadaf for Sonic Visual Production	-	3,037
Al Arabiya Media Network Company	4,678	1,571
<i>Joint ventures and associates</i>		
O3 Turkey Medya Produksiyon, Turkey	19,328	11,907
O Three Media Production Co.	-	2,850
O2 Production	16	13
<i>Others</i>		
MBC International FZ LLC	48,369	48,369
Saudi Media Advertising Company	22	84,356
<b>At 31 December</b>	<b>728,200</b>	<b>433,573</b>

Outstanding balances at the year-end are unsecured, interest free and settlement generally occurs in cash and arise in the normal course of business. The balances with related parties are net of a cumulative allowance for impairment of SAR 14,097 thousand (2023: SAR 15,595 thousand). During the year, the Group has recorded a reversal of SAR 1,318 thousand (2023: SAR 399 thousand) in the consolidated statement of comprehensive income. Further, the Group has written off allowance for impairments amounting to SAR nil (2023: SAR 5,063 thousand) and has reclassified an allowance of SAR 180 thousand to accrued expenses (2023: SAR 56 thousand to allowance for trade receivables). In addition, there is an outstanding amount of SAR 71,625 thousand (2023: SAR 71,625 thousand) due from a related party as itemised in Note 16.

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

	2024 SAR'000	2023 SAR'000
<b>Due to related parties</b>		
<i>Shareholder</i>		
Waleed Bin Ibrahim Al Brahim	13,759	13,766
<i>Companies under common control</i>		
Al Arabiya News Channel FZ LLC	15,620	8,494
Middle East News UK Limited	-	79
Al Sadaf for Sonic Visual Production	1,307	-
Others	42	8
<i>Joint ventures and associates</i>		
MBC Game Studio Limited KSA	34,086	23,059
Media Rating Company	4,117	-
Arabian Contracting Services Company (ACSC)	19,603	2,289
Antenna TV Single Member SA	21,348	-
O Three Media Production Co.	1,411	-
<b>At 31 December</b>	<b>111,293</b>	<b>47,695</b>

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

	2024 SAR'000	2023 SAR'000
<i>Ultimate Controlling Party</i>		
Other operating revenues (Note 5)	-	65,625
Other income (Note 8)	67,729	54,375
<i>Intermediate Parent Company</i>		
Other operating revenues (Note 5)	659,430	303,865
<i>Entities under common control</i>		
Expenses recharged to related parties (Note 7)*	88,326	49,210
Expenses recharged from related parties (Note 7)*	10,412	-
Rental income (Note 8)	9,764	4,363
Cost of news programmes	1,875	938
Direct costs	88,916	39,515
Revenue from contracts with customers	377,183	12,158
Purchases	174,604	90,700
<i>Others</i>		
Revenue from contracts with customers	11,158	15,660

\* Expenses recharged to / from related parties are on cost basis without margin. These recharges are settled within 30-60 days of billing and are interest-free.

d) Compensation to directors and key management personnel

The remuneration of directors and key management personnels during the year were as follows:

	For the year ended 31 December 2024 SAR'000	For the Period From 20 April 2023 to 31 December 2023 SAR'000
Salaries and short-term benefits	55,668	34,160
Employees' end of service benefits	1,153	717
	<b>56,821</b>	<b>34,877</b>

e) Loan from a related party

Loan from a related party represents loan availed by Group's subsidiaries from MBC Group Holdings Limited, a related party, amounting to SAR 63,792 thousand (2023: SAR 64,167 thousand) and it is interest-free, unsecured with no fixed repayment date. During the year ended 31 December 2024, the Group has repaid SAR 375 thousand.

f) Loan from a shareholder

MBC Group has fully repaid the outstanding loan amount to Istedamah Holding Company, totalling SAR 497,250 thousand pursuant to the loan agreement between the Company and Istedamah Holding Company dated 10/03/1444H (corresponding to 06/10/2022G), as amended on 18/12/1444H (corresponding to 06/07/2023G) Note 14.2 (c).

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### 18 CASH AND CASH EQUIVALENTS

	2024 SAR'000	2023 SAR'000
Cash on hand	25,514	1,931
Bank balances:		
Current accounts	616,135	798,222
Short-term treasury bills*	2,625	27,533
Short-term deposits**	850,000	-
Cash and cash equivalents	1,494,274	827,686
Less: Expected credit losses (Note 18.1)	(287)	(883)
	1,493,987	826,803

\* Short-term treasury bills represent original cost and accrued interest till the date of consolidated financial statements and has maturity of less than 90 days.

\*\* Short term deposits represent fixed term deposits with maturity period ranging between 31 to 90 days and interest ranging between 3.73% to 5.70% per annum.

### 18.1 MOVEMENTS IN THE EXPECTED CREDIT LOSSES WERE AS FOLLOWS

	2024 SAR'000	2023 SAR'000
As at 1 January / 20 April	883	-
Transfer on reorganisation (Note 30)	-	1,601
Provision / (Reversal) of allowance for expected credit losses, net (Note 7)	139	(717)
Foreign exchange differences (net)	(735)	(1)
<b>As at 31 December</b>	<b>287</b>	<b>883</b>

### 19 SHARE CAPITAL

As disclosed in Note 1, the Company was incorporated on 20 April 2023 with a share capital of SAR 500 thousand.

	2024 SAR'000	2023 SAR'000
<b>Authorised shares</b> (332,500 thousand ordinary shares of SAR 10 each)	<b>3,325,000</b>	3,325,000
<b>Ordinary shares issued and fully paid</b> (332,500 thousand ordinary shares as at 31 December 2024 (2023: 299,250 thousand ordinary shares) of SAR 10 each*)	<b>3,325,000</b>	2,992,500

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 fully paid-up ordinary shares include 50 thousand shares issued at the time of incorporation of the Company and 299,200 thousand shares issued subsequently during the year by virtue of additional shareholders' contribution as disclosed below (Note 19.1).

MBC Group has received a notification from Istedamah Holding Company ("Istedamah"), one of the substantial shareholders in the Company, that it has signed a binding share sale and purchase agreement ("SPA") with the Public Investment Fund ("PIF") on Friday November 01, 2024G. Pursuant to the SPA, Istedamah will sell its entire stake in the Company, amounting to one hundred seventy-nine million five hundred fifty thousand (179,550,000) shares (the "Sale Shares"), which represents (54%) of the entire share capital of the Company to PIF, through a private transaction for an aggregate value of SAR 7,469 Million for the Sale Shares, at a price of SAR 41.60 per share (the "Transaction").

The completion of the Transaction is subject to a number of conditions, including obtaining the necessary approvals and non-objections that might be required from the relevant entities (the "Completion"). The Transaction will be executed as a negotiated deal in accordance with the Saudi Exchange's (Tadawul) Trading and Membership Procedures at Completion of the Transaction. PIF will own (54%) of the Company's entire share capital.

### 19.1 ADDITIONAL SHAREHOLDERS' CONTRIBUTION

Based on the effect of reorganisation (Note 1), the entire equity attributable to the Parent Company, net of the issued share capital of the Company prior to reorganisation amounted to SAR 2,992,672 thousand. This balance was treated as additional shareholders' contribution under revised equity structure of the Company at reorganisation.

The aforementioned additional shareholders' contribution was utilised for the acquisition as a part of reorganisation under common control amounting to SAR 2,992,000 thousand as disclosed in this Note above. The remainder balance of SAR 672 thousand was transferred to retained earnings.

### 19.2 PROPOSED SHARE CAPITAL INCREASE

Pursuant to the resolution passed by the shareholders of the Company in the extraordinary general assembly meeting held on 12 November 2023, the total authorised share capital was increased from SAR 2,992,500 thousand, comprising of 299,250 thousand ordinary shares of SAR 10 each, to SAR 3,322,500 thousand, comprising of 332,250 thousand shares of SAR 10 each.

On 21 November 2023, the Company received approval from the CMA to float additional 33,250 thousand shares on Tadawul i.e. 10% of the total authorised share capital post increase as mentioned above. These shares were offered at SAR 25 per share upon completion of the book building process on 12 December 2023 resulting to total proceeds of SAR 831,250 thousand. The net proceeds after deducting the transaction costs, related to financial institutions' advisory and underwriting charges, of SAR 67,500 thousand amounted to SAR 763,750 thousand. The balance of SAR 763,750 thousand has been disclosed as "proposed share capital increase" under equity as of 31 December 2023. The related receivable balance of SAR 763,750 thousand has been disclosed as other receivable under Note 16.

The net proceeds were received during the year ended 31 December 2024. Consequently, upon receipt of the net proceeds, the balance of proposed share capital increase was transferred to share capital and share premium in the following proportion:

	SAR'000
Share capital (33,250 thousand shares at SAR 10 per share)	332,500
Share premium	431,250

The table below shows the ownership structure of the Company before and after issuance of the shares through IPO on Tadawul:

Shareholder	Pre-IPO			Post-IPO		
	No. of Shares ('000)	Ownership (%)	Par Value (SAR'000)	No. of Shares ('000)	Ownership (%)	Par Value (SAR'000)
Al Istedamah Holding Company	179,550	60%	10	179,550	54%	10
Waleed Bin Ibrahim Al Brahim	119,700	40%	10	119,700	36%	10
Public	-	-	-	33,250	10%	10
	<b>299,250</b>	<b>100%</b>		<b>332,500</b>	<b>100%</b>	

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### 20 NON-CONTROLLING INTERESTS

The non-controlling interests represent minority ownership shares of 49% and 40% in Wanasah FZ LLC and MBC Media Solutions FZ-LLC (a subsidiary of MBC Media Services BVI), respectively. MBC Media Services BVI ("MMS BVI") and its subsidiary, MBC Media Solutions FZ-LLC ("MMS UAE"), were both incorporated during the year ended 31 December 2021.

Further, in accordance with the shareholders' agreement between MMS BVI and the minority shareholder, MMS BVI has a call option to acquire all of the non-controlling interest in MMS UAE. MMS BVI is able to exercise the call option at the following dates:

- a) At any time following the third anniversary of the date of the incorporation of MMS UAE.
- b) At any time after the date of the incorporation of MMS UAE if:
  - The Group, or any of its affiliates, submits an official application for an IPO to the competent capital market authority or stock exchange in the jurisdiction in which the IPO is intended to take place;
  - The minority shareholder (including any of its permitted transferees) ceases to hold (in aggregate) at least 30% of the share capital in ACSC by way of selling or otherwise disposing of its shares in ACSC to any other person other than the Group or the minority shareholder's affiliates;
  - The number of directors appointed to the board of directors of ACSC on the nomination of the minority shareholder becomes less than 5.

The transfer price of the option shall be an amount equal to the minority shareholder's pro-rata share (which, for these purposes, shall include any shares held by any permitted transferee) in MMS UAE's EBIT for the last four quarters preceding the date on which the call option is exercised, multiplied by six (6).

As of 31 December 2024, the fair value of the call option is assessed to be SAR 182 thousand (2023: SAR 16 thousand) (Note 23).

Summarised financial information of the entities that have non-controlling interests is set out below. The financial information below represents amounts before intragroup eliminations:

	2024 SAR'000	2023 SAR'000
Revenue	1,411,012	519,911
Direct costs	(1,167,507)	(447,171)
<b>Gross profit</b>	<b>243,505</b>	<b>72,740</b>
General and administrative expenses	(186,020)	(82,390)
<b>Operating profit / (loss)</b>	<b>57,485</b>	<b>(9,650)</b>
Other income	1,435	1,251
Finance income – net	8,812	2,534
<b>Profit / (Loss) before tax</b>	<b>67,732</b>	<b>(5,865)</b>
Income tax and zakat	(3,167)	2,211
<b>Profit / (Loss) for the year</b>	<b>64,565</b>	<b>(3,654)</b>
Other comprehensive income	(5,698)	(281)
<b>Total comprehensive income / (loss) for the year / period</b>	<b>58,867</b>	<b>(3,935)</b>
Profit / (Loss) attributable to owners of the Group	38,397	(2,189)
Profit / (Loss) attributable to the non-controlling interests	26,168	(1,465)
<b>Income / (Loss) for the year / period</b>	<b>64,565</b>	<b>(3,654)</b>
Total comprehensive income / (loss) attributable to owners of the Group	35,065	(2,320)
Total comprehensive income / (loss) attributable to the non-controlling interests	23,802	(1,615)
<b>Total comprehensive income / (loss) for the year / period</b>	<b>58,867</b>	<b>(3,935)</b>

Below is the break-up of the total comprehensive income for non-controlling interests:

	For the year ended 31 December 2024			For the period ended 31 December 2023		
	Wanasah FZ LLC SAR'000	MBC Media Solutions FZ LLC SAR'000	Total SAR'000	Wanasah FZ LLC SAR'000	MBC Media Solutions FZ LLC SAR'000	Total SAR'000
Revenue	2,394	1,408,618	1,411,012	953	518,958	519,911
Direct costs	(1,153)	(1,166,354)	(1,167,507)	(389)	(446,782)	(447,171)
<b>Gross profit</b>	<b>1,241</b>	<b>242,264</b>	<b>243,505</b>	564	72,176	72,740
General and administrative expenses	(1,264)	(184,756)	(186,020)	(819)	(81,571)	(82,390)
<b>Operating loss</b>	<b>(23)</b>	<b>57,508</b>	<b>57,485</b>	(255)	(9,395)	(9,650)
Other income / (expense)	4	1,431	1,435	(133)	1,384	1,251
Finance income – net	–	8,812	8,812	–	2,534	2,534
<b>Profit / (Loss) before tax</b>	<b>(19)</b>	<b>67,751</b>	<b>67,732</b>	(388)	(5,477)	(5,865)
Income tax and zakat	–	(3,167)	(3,167)	–	2,211	2,211
<b>Profit / (Loss) for the year</b>	<b>(19)</b>	<b>64,584</b>	<b>64,565</b>	(388)	(3,266)	(3,654)
Other comprehensive loss	–	(5,698)	(5,698)	–	(281)	(281)
<b>Total comprehensive income / (loss) for the year</b>	<b>(19)</b>	<b>58,886</b>	<b>58,867</b>	(388)	(3,547)	(3,935)
Profit / (Loss) attributable to owners of the Group	(9)	38,406	38,397	(198)	(1,991)	(2,189)
Profit / (Loss) attributable to the non-controlling interests	(10)	26,178	26,168	(190)	(1,275)	(1,465)
<b>Profit / (Loss) for the year</b>	<b>(19)</b>	<b>64,584</b>	<b>64,565</b>	(388)	(3,266)	(3,654)
Total comprehensive income / (loss) attributable to owners of the Group	(9)	35,074	35,065	(198)	(2,122)	(2,320)
Total comprehensive income / (loss) attributable to the non-controlling interests	(10)	23,812	23,802	(190)	(1,425)	(1,615)
<b>Total comprehensive income / (loss) for the year</b>	<b>(19)</b>	<b>58,886</b>	<b>58,867</b>	(388)	(3,547)	(3,935)

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### 20 NON-CONTROLLING INTERESTS (CONTINUED)

Summarised financial information of the entities that have non-controlling interests is set out below. The financial information below represents amounts before intragroup eliminations:

	2024 SAR'000	2023 SAR'000
<b>Assets</b>		
Property and equipment	7,218	4,736
Employees' end of service benefits plan assets	282	271
Deferred tax asset	1,806	1,397
Right-of-use assets	19,522	2,639
Due from related parties	14,591	89,456
Derivative financial instruments	182	16
Trade receivables, prepayments and other assets	642,491	504,572
Cash and cash equivalents	242,428	140,429
<b>Liabilities</b>		
Lease liabilities	(17,583)	(2,732)
Employees' end of service benefits liability	(9,411)	(6,793)
Deferred tax liability	(10)	(9)
Loan from a related party	(24,750)	(24,750)
Due to related parties	(441,186)	(405,081)
Trade and other payables	(387,539)	(263,772)
<b>Equity</b>	48,041	40,379
Equity attributable to the owners of the Company	32,882	28,743
Equity attributable to the non-controlling interests	15,159	11,636

Below is the movement in the non-controlling interests during the year ended 31 December:

	2024 SAR'000	2023 SAR'000
As at 1 January / 20 April	11,636	-
Transfer on reorganisation (Note 30)	-	13,251
Share of total comprehensive income / (loss) for the year / period	23,802	(1,615)
Dividends declared	(20,279)	-
<b>As at 31 December</b>	<b>15,159</b>	<b>11,636</b>

Below is the break-up of the statement of financial position for non-controlling interests:

	As at 31 December 2024			As at 31 December 2023		
	Wanasah FZ LLC SAR'000	MBC Media Solutions FZ LLC SAR'000	Total SAR'000	Wanasah FZ LLC SAR'000	MBC Media Solutions FZ LLC SAR'000	Total SAR'000
<b>Assets</b>						
Property and equipment	-	7,218	7,218	3	4,733	4,736
Employees' end of service benefits plan assets	282	-	282	271	-	271
Deferred tax asset	-	1,806	1,806	-	1,397	1,397
Right-of-use assets	-	19,522	19,522	-	2,639	2,639
Due from related parties	7	14,584	14,591	7	89,449	89,456
Derivative financial instruments	-	182	182	-	16	16
Trade receivables, prepayments and other assets	1,127	641,364	642,491	642	503,930	504,572
Cash and cash equivalents	161	242,267	242,428	192	140,237	140,429
<b>Liabilities</b>						
Lease liabilities	-	(17,583)	(17,583)	-	(2,732)	(2,732)
Employees' end of service benefits liability	(202)	(9,209)	(9,411)	(191)	(6,602)	(6,793)
Deferred tax liability	-	(10)	(10)	-	(9)	(9)
Loan from a related party	(24,750)	-	(24,750)	(24,750)	-	(24,750)
Due to related parties	(3,526)	(437,660)	(441,186)	(3,807)	(401,274)	(405,081)
Trade and other payables	(296)	(387,243)	(387,539)	455	(264,227)	(263,772)
<b>Equity</b>	<b>(27,197)</b>	<b>75,238</b>	<b>48,041</b>	<b>(27,178)</b>	<b>67,557</b>	<b>40,379</b>

### 21 EMPLOYEES' END OF SERVICE BENEFITS

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

	2024 SAR'000	2023 SAR'000
Balance as at 1 January / 20 April	158,510	-
Transfer on reorganisation (Note 30)	-	163,822
Current service cost	27,980	15,857
Interest costs	7,864	(3,022)
Remeasurement actuarial gain	(2,454)	(1,531)
Accrual of benefit plan asset interest	7,057	2,911
Transferred from related parties	(807)	276
Payments during the year	(52,134)	(19,803)
Translation differences	(1,094)	-
<b>Balance as at 31 December*</b>	<b>144,922</b>	<b>158,510</b>

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### 21 EMPLOYEES' END OF SERVICE BENEFITS (CONTINUED)

Details of employees' benefit expense as presented on the consolidated statement of profit or loss and comprehensive income is as follows:

	2024 SAR'000	2023 SAR'000
Current service cost	27,980	15,857
Interest cost	7,864	(3,022)
Recognised in profit or loss	35,844	12,835
Remeasurement actuarial gain	2,454	1,531
Recognised in other comprehensive income	2,454	1,531

The significant assumptions used in determining defined benefits liabilities are shown below:

	2024	2023
Average discount rate – KSA	5.65%	4.8%
Average discount rate – UAE	5.30%	4.85%
Salary increase	3%	3%

#### Sensitivity analysis

The table below shows the change in employee benefits liability based on a reasonable possible change in the base assumption value for discount and increment rates:

	Change (bps)	2024 SAR'000	Change (bps)	2023 SAR'000
Discount rate	1%	(10,610)	1%	(12,960)
	(1)%	12,291	(1)%	15,064
Salary increase	1%	12,942	1%	15,762
	(1)%	(11,333)	(1)%	(13,762)

\* The Group has set aside assets in a plan specifically for the purpose of funding employees' end of service benefits obligations. Contributions to the plan are upon the discretion of the Group. The plan is deemed a saving fund. The interest received in the plan is accrued as part of the provision of employee's end of service indemnity payable.

Equiom, the plan's trustee, has placed the contribution with Barclays Bank, a financial institution in the United Kingdom.

During the year, the plan asset has earned interest amounting to SAR 7,057 thousand (2023: SAR 2,911 thousand). The average interest rate is 6.54% (2023: 5.26%) per annum.

The movement of the plan assets is as follows:

	2024 SAR'000	2023 SAR'000
As at 1 January / 20 April	107,943	-
Transfer on reorganisation (Note 30)	-	105,032
Interest earned during the year	7,057	2,911
<b>As at 31 December</b>	<b>115,000</b>	<b>107,943</b>

The fair value of plan assets is as follows:

	2024 SAR'000	2023 SAR'000
Cash and cash equivalents	115,000	107,943

### 22 TRADE AND OTHER PAYABLES

	2024 SAR'000	2023 SAR'000
Trade payables	568,123	312,831
Accrued expenses	704,824	688,146
Contract liabilities (Note 4.2)	565,846	396,671
Provision for income tax and zakat (Note 10)	87,472	8,873
Other payables	65,156	34,928
	<b>1,991,421</b>	<b>1,441,449</b>

### 23 DERIVATIVE FINANCIAL INSTRUMENTS

As of 31 December 2024, the Group has call options which meet the definition of derivative financial instruments under IFRS 9 – *Financial Instruments* and which are measured at fair value in accordance with IFRS 13 – *Fair Value Measurement*.

The Group also has call options relating to commercial marketing agreements. Those options are deemed insignificant to the Group and are valued at SAR Nil as of 31 December 2024 and 2023. Further, below are the call options with their fair value as of 31 December.

	2024 SAR'000	2023 SAR'000
Tapmad Option (a)	-	6,012
MMS UAE Option (b)	182	16
	<b>182</b>	<b>6,028</b>

#### (a) Tapmad Option

In October 2021, the Group entered into a shareholders' agreement to acquire a further stake in Tapmad shares (Note 14). As part of the agreement, the Group has an option to purchase an extra 10% of the total issued shares. Furthermore, the agreement gives the Group an additional right to increase their shareholding in Tapmad to 51% or more.

Further, the Group has engaged a valuation specialist to estimate the value of the call option as of 31 December 2021. The call option was deemed to be a derivative instrument that is required to be measured at FVTPL in accordance with IFRS 13 – *Fair Value Measurement*. The derivative financial instrument is categorised within Level 3 of the fair value hierarchy.

The valuation methodology used to determine the fair value of the option was the Binomial Option Pricing model. Based on the model, the Tapmad Option was valued at SAR 6,012 thousand. During the year ended 31 December 2024, the call option has expired, and the Group has recognised a loss of SAR 6,012 thousand (2023: unrealised gain amounting to SAR 5,102 thousand) was recognised in the consolidated statement of comprehensive income.

#### (b) MMS UAE Option

In accordance with the shareholders' agreement between MMS BVI, a fully owned subsidiary, and Engineer Holding Group ("the other shareholder"), MMS BVI has a call option to acquire all of the non-controlling interest in MMS UAE. In 2021, Engineer Holding Group transferred its ownership on MMS UAE to Saudi Media Advertising Company (SMAC), a company incorporated in the Kingdom of Saudi Arabia.

The Group has engaged a valuation specialist to estimate the value of the call option. The call option was deemed to be a derivative instrument that is required to be measured at FVTPL in accordance with IFRS 13 – *Fair Value Measurement*.

The fair value of the call option was determined based on the Black-Scholes Option Pricing Model. One of the key inputs to the option pricing model is the current fair value of the equity of MMS UAE which is subject to significant management judgements and estimates, such as the nature and logistics of MMS UAE's business along with its incorporation date. The fair value of the equity of MMS UAE is based on a market participant's viewpoint.

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### 23 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

#### (b) MMS UAE Option (continued)

Based on the model and the consideration of the operations and contracts in place, the MMS UAE Option was assessed to have a value of SAR 182 thousand as of 31 December 2024 (2023: SAR 16 thousand). Accordingly, during the year, an unrealised gain on MMS UAE Option amounting to SAR 166 thousand (2023: unrealised loss of SAR 2,141 thousand) was recognised in the consolidated statement of comprehensive income. The Group will continue to reassess the value of the call option at each reporting date.

### 24 RISK MANAGEMENT

The Group's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the Group. The management provides guidelines covering specific areas, such as market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. The management of the Group reviews and agrees policies for managing each of these risks which are summarised below:

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date, the Group is exposed to interest rate risk as the Group invests cash funds at both fixed and floating interest rates and incurs variable finance charges for its short-term deposits. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate deposits.

#### Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the reporting date. For floating rate assets, the analysis is prepared assuming the amount of the asset outstanding at the reporting date was outstanding for the whole year. A 50-basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates. This includes the Group's short-term deposits.

If interest rates had been 50-basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2024 would increase/decrease by SAR 71 thousand (2023: SAR 192 thousand). This is mainly attributable to the Group's exposure to interest rates on its short-term deposits.

#### Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Group is exposed to credit risk on its bank balances, trade receivables, accrued revenue and due from related parties. The Group seeks to limit its credit risk with respect to bank balances by dealing only with reputable banks and with respect to trade receivable by monitoring outstanding receivables.

With respect to credit risk arising from the other financial assets of the Group, including bank balances, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management and the Group maintains an allowance for doubtful debts based on expected collectability of all receivables.

Credit risk is limited to the carrying values of financial assets in the consolidated statement of financial position:

	2024 SAR'000	2023 SAR'000
Trade and other receivables (excluding advances to suppliers, advance for programme rights, and prepaid expenses) (Note 16)	1,514,382	2,185,453
Due from related parties (Note 17)	728,200	433,573
Derivative financial instruments (Note 23)	182	6,028
Cash and cash equivalents (Note 18)	1,493,987	826,803
	<b>3,736,751</b>	<b>3,451,857</b>

#### Trade receivables and contract assets

Credit risk is managed through the Group's policy, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security.

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix:

	Trade receivables and contract assets						
	Contract assets SAR'000	Current SAR'000	Days past due				Total SAR'000
			<30 days SAR'000	31-60 days SAR'000	61-90 days SAR'000	>90 days SAR'000	
<b>31 December 2024</b>							
Expected credit loss rate	14.65%	0.22%	0.80%	1.05%	1.22%	55.06%	17.47%
Estimated total gross carrying amount at default	363,102	507,681	120,343	41,556	18,585	339,545	1,390,812
<b>Expected credit loss</b>	<b>53,211</b>	<b>1,128</b>	<b>960</b>	<b>438</b>	<b>227</b>	<b>186,960</b>	<b>242,924</b>

	Trade receivables and contract assets						
	Contract assets SAR'000	Current SAR'000	Days past due				Total SAR'000
			<30 days SAR'000	31-60 days SAR'000	61-90 days SAR'000	>90 days SAR'000	
<b>31 December 2023</b>							
Expected credit loss rate	9.2%	0.31%	0.63%	2.10%	1.07%	57.71%	16.07%
Estimated total gross carrying amount at default	528,118	364,983	108,138	19,856	18,765	278,760	1,318,620
<b>Expected credit loss</b>	<b>48,600</b>	<b>1,131</b>	<b>681</b>	<b>417</b>	<b>201</b>	<b>160,862</b>	<b>211,892</b>

#### Due from related parties

Amounts due from related parties are not considered to represent significant credit risk because these amounts are due from the companies owned by the ultimate parent company and therefore do not carry any significant risks of default. The shareholder has resolved to bear losses, if any, that arises on recoverability of the amounts due from related parties. As of reporting date, an amount of SAR 14,097 thousand (2023: SAR 15,595 thousand) was provision for impairment against due from related parties.

#### Bank balances and short-term deposits

Bank balances and short-term deposits are placed with financial institutions whose credit ratings, as assigned by reputable external credit rating agencies, are of a higher grade. These balances are callable on demand and there has been no history of defaults. The Group limits its credit risk with regard to bank balances by only dealing with reputable banks and counterparties with high credit ratings and no history of default. Considering these factors, management has assessed the credit risk on bank balances and has recognised an allowance for expected credit losses of SAR 287 thousand as of 31 December (2023: SAR 883 thousand) (Note 18).

#### Liquidity risk

Ultimate responsibility for liquidity risk management rests with management, which has an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

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### 24 RISK MANAGEMENT (CONTINUED)

#### Liquidity risk (continued)

The table below summarises the maturities of the Group's undiscounted financial liabilities at 31 December, based on contractual payment dates and current market interest rates.

At 31 December 2024	1 to 12 months SAR'000	>1 year SAR'000	Total SAR'000
Lease liabilities	23,768	35,098	58,866
Due to related parties	111,293	-	111,293
Trade and other payables (excluding, provision for income tax and contract liabilities)	1,338,103	-	1,338,103
Loan from a related party	-	63,792	63,792
<b>Total</b>	<b>1,473,164</b>	<b>98,890</b>	<b>1,572,054</b>

At 31 December 2023	1 to 12 months SAR'000	>1 year SAR'000	Total SAR'000
Lease liabilities	17,679	54,419	72,098
Due to related parties	47,695	-	47,695
Trade and other payables (excluding, provision for income tax and contract liabilities)	1,035,905	-	1,035,905
Loan from a shareholder	497,250	-	497,250
Borrowings	187,500	-	187,500
Loan from a related party	-	64,167	64,167
<b>Total</b>	<b>1,786,029</b>	<b>118,586</b>	<b>1,904,615</b>

#### Foreign currency risk

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposure to exchange rate fluctuations arise. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Assets 2024 SAR'000	Liabilities 2024 SAR'000	Assets 2023 SAR'000	Liabilities 2023 SAR'000
Sterling pound	2,349	14,398	(582)	1,997
Egyptian pound	437,977	183,021	52,589	15,170
Euro	14,192	36,412	6,262	8,135
Kuwaiti Dinar	4,435	1,934	1,548	(69)

#### Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 10% increase in the SAR against the relevant foreign currencies. 10% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the reporting date for a 10% change in foreign currency rates. A negative number below indicates a decrease in profit where the SAR increases against the relevant currency. For a 10% weakening of the SAR against the relevant currency, there would be an equal and opposite impact on the profit, and the balances below would be positive.

	2024 SAR'000	2023 SAR'000
Sterling pound	1,205	258
Egyptian pound	(25,496)	(3,742)
Euro	2,222	187
Kuwaiti Dinar	(250)	(162)

This is mainly attributable to the exposure to outstanding trade payables, trade receivables, bank balances, and amounts due from/to related parties at the year end.

#### Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to the shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2023. The capital structure of the Group consists of equity comprising share capital, share premium, proposed share capital increase, retained earnings and foreign currency translation reserve, measured at SAR 4,172,699 thousand as at 31 December 2024 (2023: SAR 3,779,232 thousands).

### 25 FAIR VALUES OF FINANCIAL INSTRUMENTS

#### Financial instruments comprise financial assets and financial liabilities

Financial assets consist of cash and cash equivalents, derivative financial instruments, trade and other receivables and due from related parties. Financial liabilities consist of trade and other payables, excluding provision for income tax and contract liabilities, borrowings, lease liabilities, and due to related parties. Except for the Investment at FVPL and derivative financial instruments explained below, 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 (Note 23).

The Group has call options for some of its investments in its subsidiaries and associates whose fair value are estimated using valuation techniques including the Black-Scholes Option Pricing Model and the Binomial Option Pricing model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. The Group limits its risk regularly reassessing a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

### 26 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

#### Judgements, estimates and assumptions

In the process of applying the Group's accounting policies, management has made the following estimates and judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

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

The Group determines the lease term as the non-cancellable term of the lease, together with any years covered by an option to extend the lease if it is reasonably certain to be exercised, or any years covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset). The Group included the renewal year as part of the lease term for leases of plant and equipment with shorter non-cancellable year (i.e., three to five years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal years for leases of plant and equipment with longer non-cancellable years (i.e., 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised. In addition, the renewal options for leases of motor vehicles are not included as part of the lease term because the Group typically leases motor vehicles for not more than five years and, hence, is not exercising any renewal options. Furthermore, the years covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

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### 26 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

#### Estimations and assumptions

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

#### Allowance for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 24.

#### Impairment of amounts due from related parties

An estimate of the collectible amount of due from related parties is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision is applied according to the length of time past due, based on historical recovery rates. At the reporting date, SAR 14,097 thousand (2023: SAR 15,595 thousand) was impaired to the carrying amount of due from related parties.

#### Classification of inventories

Considering the nature of inventories, which mainly consists of acquired and developed programmes, Group believes that these inventories are expected to be realised or intended to be sold or consumed within the Group's normal operating cycle which is beyond 12 months after the end of the reporting year and hence classified as current.

#### Impairment of inventories

Inventories, which are mainly cost of acquired and developed programmes, are stated at cost less accumulated amortisation and accumulated impairment, if any. Factors influencing the amortisation and impairment include the length of the licence year of the programme and likelihood of the programme being aired.

Based on the above factors, management ensures that the programmes acquired and developed are relevant for transmission or airing requirement and appropriate allowances for slow moving and obsolete inventories are recorded against the cost for those programmes whose licence has expired. Revisions to the allowance for slow moving and obsolete inventories would be required if the outcome of these indicative factors differ from the estimates. Programme amortisation and write-offs recognised in the consolidated statement of comprehensive income for the year ended 31 December 2024 amounted to SAR 1,704,663 thousand (2023: SAR 637,947 thousand) and are included within 'Direct costs' (Note 6).

#### Amortisation of programme inventories

Management has considered the likely year of benefits to be derived from broadcasting programme inventories. Based on past experience, management considers substantially all related benefits from broadcasting an acquired programme right are consumed based on the transmission of the show/series, irrespective of the length of time the broadcasting right has left to run.

#### Amortisation of programme inventories (continued)

The Group also holds inventory of programmes for which it has comprehensive exploitation rights that are typically not limited in time. The programmes are either produced in-house, commissioned from other production houses, or acquired "ready-made" from other parties. The group derives commercial benefit by selling transmission licenses that are limited in terms of time and number of runs to third parties. Based on past experience, management believes that substantially all benefits from the sale (licensing) of programmes are realised within three years from first availability, and a significant majority of those benefits are realised during the first two years of that year.

The cost of programmes is amortised based on an internal agreed percentage for each category and when the related content is broadcasted and aired to public. Shahid content inventory is amortised on an accelerated basis which is the lesser of six years or the license year.

#### Interactivity revenue

Interactivity revenue represents income from the use of interactive services and is recognised based on interactive transaction volumes from internal reports, adjusted for estimated uncertainties based on management's prior experience of differences arising between internal estimates and final reconciliation of external service provider data. Based on management's best estimate of the volume of interactive transactions likely to be confirmed and paid by the third-party service providers, management is satisfied that the recognition of the interactivity revenue is appropriate.

#### Revenue recognition – Estimating variable consideration for volume rebates

The Group estimates variable considerations to be included in the transaction price for the sale of advertising with volume rebates.

The Group's expected volume rebates are analysed on a per customer basis for contracts that are subject to a single volume threshold. Determining whether a customer will be likely entitled to rebate will depend on the customer's historical rebates entitlement and accumulated purchases to date.

The Group applied the statistical model for estimating expected volume rebates for contracts with more than one volume threshold. The model uses the historical purchasing patterns and rebates entitlement of customers to determine the expected rebate percentages and the expected value of the variable consideration. Any significant changes in experience as compared to historical purchasing patterns and rebate entitlements of customers will impact the expected rebate percentages estimated by the Group.

The Group updates its assessment of volume rebates quarterly and the refund liabilities are adjusted accordingly. Estimates of volume rebates are sensitive to changes in circumstances and the Group's past experience regarding rebate entitlements may not be representative of customers' actual rebate entitlements in the future. As at 31 December 2024, the amount recognised as refund liabilities classified as part of accrued expenses for the expected volume rebates is SAR 129,129 thousand (2023: SAR 87,987 thousand).

#### Useful lives of property and equipment and intangible assets

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

#### Valuation of financial instruments

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- **Level 1:** Quoted market price (unadjusted) in an active market for an identical instrument.
- **Level 2:** Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- **Level 3:** Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

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### 26 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

#### Estimations and assumptions (continued)

##### Valuation of financial instruments (continued)

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair value using valuation techniques including simulation and pricing models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

##### Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

##### Determination of significant influence in an associate-Wego

The Group concluded that it has significant influence over Wego (less than 20% shareholding). The shareholder agreement grants the Group voting rights on the board of directors. In addition, the Group concluded that some of the reserved matters are substantive in nature and, accordingly, the Group has significant influence on relevant activities of Wego.

##### Determination of the accounting treatment of other operating revenues

Whenever there is any funding from the Government, the Group performs an assessment under IAS 20 – Government Grants whether the fundings received by the Group from the Government, through an Intermediate Parent Company, was in the capacity of a shareholder or Government, as the Group is ultimately owned by the Government. If the funding or reimbursement is provided to the Group by the Government in the capacity of the Government as part of governmental funding initiatives, the Group recognises the fundings as other operating revenues within the consolidated statement of comprehensive income. However, if the funding or reimbursement is provided to the Group in the capacity of a shareholder then the same is recognised within the consolidated statement of changes in equity as contribution from shareholders. Details of the various funding recognized in the profit or loss statement are described in Note 5 Other operating revenues.

##### Determination of control over MBC Media Solutions FZ-LLC ("MMS UAE")

Though the Group has 60% equity interest in MMS UAE, through a wholly owned subsidiary, it is required to assess whether or not the Group has control over MMS UAE, in accordance with IFRS 10 – Consolidated Financial Statements, as the minority shareholder has certain voting rights including the ability to vote on the approval of the entity's annual budget. After considering all facts and circumstances and the judgment placed in determining whether the approval rights over budgets are substantive or not, the Group has concluded that the budget approval rights held by the minority shareholder are considered protective in nature rather than substantive and hence the Group has control over MMS UAE. Accordingly, the Group has consolidated MMS UAE within these consolidated financial statements. As required by IFRS 10, the Group will reassess the accounting whenever there are any changes in the facts and circumstances.

##### Determination of the fair value of the call option over MBC Media Solutions FZ-LLC ("MMS UAE")

Through a wholly owned subsidiary, the Group has a call option over the non-controlling interest representing 40% ownership of MMS UAE. Incorporated in the valuation methodology referenced to in Note 23, the Group has applied certain judgements and assumptions for the call option pricing. Those include judgements and assumptions over the probability of renewing the sale of airtime contract between MBC FZ LLC and MMS UAE and the volatility on the forecasted results used in the valuation model. Based on those above, the Group concluded that, as of 31 December 2024, the call option was valued at SAR 182 thousand (2023: SAR 16 thousand). The Group will continue to reassess the valuation whenever there are any changes in the facts and circumstances and at each reporting year.

##### Going concern

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

##### Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

##### Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

### 27 COMMITMENTS AND CONTINGENCIES

At the reporting date, the Group has minimum spend contractual commitments as follows:

	2024 SAR'000	2023 SAR'000
Less than one year	2,085,145	1,481,965
Between two and five years	178,813	233,888
More than five years	20,386	31,634
Total commitments	2,284,344	1,747,487

The above commitments include programmes agreements where the Group is committed to acquire the programme inventory for the life of the respective programme.

As of 31 December 2024, in addition to the above commitments, the outstanding bank guarantees issued on behalf of the certain Group entities amounted to SAR 10,995 thousand (2023: SAR 8,656 thousand).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

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### 28 BORROWINGS

During the year ended 31 December 2022, one of the subsidiaries of the Company before the re-organization entered into an agreement ("Original Facility Agreement") with respect to the short-term uncommitted revolving facility for the purpose of financing the working capital requirements in accordance with the terms stipulated therein. The Original Facility Agreement was valid for 12 months from the date of the agreement, which is renewable annually for the same year.

The Original Facility Agreement was renewed during the year ended 31 December 2023. The maximum entitlement under the renewed facility agreement amounted to SAR 375,000 thousand (USD 100,000 thousand), which carries a variable interest at 1.25% + Secured Overnight Financing Rate ("SOFR") on the date of drawdown. As at 31 December 2023, a balance of SAR 187,500 thousand was outstanding in this regard which was subsequently settled during the year ended 31 December 2024.

Furthermore, during the year ended 31 December 2024, the Group has renewed the Original Facility Agreement whereby the maximum entitlement under the renewed facility agreement amounted to SAR 187,500 thousand (USD 50,000 thousand), which carries a variable interest at 1.25% + Secured Overnight Financing Rate ("SOFR") on the date of drawdown and penalty rate of 2%.

### 29 EARNING PER SHARE

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

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 year 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:

	2024 SAR'000	2023 SAR'000
Profit for the year/period attributable to ordinary equity holders of the parent*	399,962	19,020
<i>Weighted average number of shares:</i>		
Weighted average number of ordinary shares outstanding for the year/ period, for basic EPS	332,500	108,744
Impact of dilution due to proposed share capital increase (Note 19.2)	-	33,250
Weighted average number of ordinary shares adjusted for the effect of dilution, for diluted EPS	332,500	141,994
	2024 SAR	2023 SAR
<b>Basic EPS</b>	<b>1.20</b>	<b>0.17</b>
<b>Diluted EPS</b>	<b>1.20</b>	<b>0.13</b>

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

### 30 ADDITIONAL FINANCIAL INFORMATION

#### a. Assets and liabilities transferred

As disclosed in note 1 of these consolidated financial statements, the reorganisation was completed on 22 June 2023 during which the legal ownership of all the Group entities was transferred to the new holding company. With the effect of such transfer, following assets and liabilities of all the subsidiaries were transferred to the Group and hence consolidated from that date onwards.

As a result, the notes for all the relevant account balances include a line item as a part of the movement during the year ended 31 December 2023 as "transfer on reorganisation". This essentially represents the balance of the relevant account balance of each of the Group subsidiaries as at 22 June 2023.

	22 June 2023 (Unaudited) SAR'000
<b>ASSETS</b>	
Property and equipment	97,871
Intangible assets	52,002
Right-of-use assets	40,080
Investments in associates and joint ventures	1,068,612
Investment in financial asset through profit or loss	13,709
Employees' end of service benefits plan assets	105,032
Deferred tax assets	273
Other non-current assets	20
Inventories	2,790,771
Trade receivables, prepayments and other assets	1,842,108
Due from related parties	384,464
Cash and cash equivalents	798,116
Derivative financial instruments	3,067
<b>TOTAL ASSETS</b>	<b>7,196,125</b>
<b>LIABILITIES</b>	
Lease liabilities	44,613
Employees' end of service benefits	163,822
Loan from a related party	64,167
Deferred tax liability	16
Trade and other payables	3,193,647
Due to related parties	19,936
Loan from a shareholder	497,250
Borrowing	206,251
<b>TOTAL LIABILITIES</b>	<b>4,189,702</b>
<b>EQUITY</b>	
Share capital	500
Capital Contribution	2,992,672
Non-controlling interests	13,251
<b>TOTAL EQUITY</b>	<b>3,006,423</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>7,196,125</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

For the year ended 31 December 2024

### 30 ADDITIONAL FINANCIAL INFORMATION (CONTINUED)

#### b. Additional financial information in the event of retrospective financial reporting

In an event of adopting retrospective financial reporting under the principle of 'substance over form' as disclosed in Note 1, that the reorganisation is in substance a combination of the existing Group entities as if the Company had always owned the existing Group entities, the consolidated statement of comprehensive income and consolidated statement of financial position as at 31 December 2024 and 2023 of the Group would have been presented as disclosed below.

	2024 SAR'000	2023 SAR'000
<b>Consolidated statement of comprehensive income:</b>		
Revenue from contracts with customers	3,536,943	2,807,901
Other operating revenues	659,430	903,876
Direct costs	(2,992,197)	(2,790,512)
<b>Gross profit</b>	<b>1,204,176</b>	<b>921,265</b>
General and administrative expenses	(1,086,954)	(1,008,578)
<b>Operating profit / (loss)</b>	<b>117,222</b>	<b>(87,313)</b>
Other income	88,384	120,665
Realized gain on sale of investment in an associate	170,674	-
Share of results of associates and joint venture	12,557	51,214
Unrealised loss on investment in financial asset at fair value through profit or loss (FVTPL)	(3,300)	(5,862)
(Loss) / Gain on derivative financial instruments	(5,846)	3,229
Finance income / (costs) – net	56,282	(7,572)
<b>Profit before tax</b>	<b>435,973</b>	<b>74,361</b>
Income tax and zakat	(9,843)	(5,073)
<b>Profit for the year</b>	<b>426,130</b>	<b>69,288</b>
Attributable to:		
Equity holders of the parent	399,962	65,286
Non-controlling interests	26,168	4,002
	<b>426,130</b>	<b>69,288</b>
<b>Other comprehensive income</b>		
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent years (net of tax):</i>		
Exchange differences on translating foreign operations, net	(11,262)	(1,082)
Share of other comprehensive income of associates, net	(53)	30
<i>Other comprehensive income that may not be reclassified to profit or loss in subsequent years (net of tax):</i>		
Remeasurement gain / (loss) on defined benefits plans	2,454	(799)
<b>Other comprehensive loss for the year</b>	<b>(8,861)</b>	<b>(1,851)</b>
<b>Total comprehensive income for the year</b>	<b>417,269</b>	<b>67,437</b>
Attributable to:		
Equity holders of the parent	393,467	64,107
Non-controlling interests	23,802	3,330
	<b>417,269</b>	<b>67,437</b>

#### Consolidated statement of financial position:

	2024 SAR'000	2023 SAR'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property and equipment	271,180	116,275
Intangible assets	73,860	67,121
Right-of-use assets	50,102	59,347
Investments in associates and joint ventures	1,083,853	1,201,204
Investment in financial asset at fair value through profit or loss (FVTPL)	12,591	15,891
Employees' end of service benefits plan assets	115,000	107,943
Deferred tax assets	1,806	1,397
Other non-current assets	21	21
	<b>1,608,413</b>	<b>1,569,199</b>
<b>Current assets</b>		
Inventories	2,716,242	2,590,326
Trade receivables, prepayments and other assets	2,010,579	2,733,318
Due from related parties	728,200	433,573
Cash and cash equivalents	1,493,987	826,803
Derivative financial instruments	182	6,028
	<b>6,949,190</b>	<b>6,590,048</b>
<b>TOTAL ASSETS</b>	<b>8,557,603</b>	<b>8,159,247</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	3,325,000	2,992,500
Share premium	431,250	-
Proposed share capital increase	-	763,750
Retained earnings	424,917	22,357
Foreign currency translation reserve	(8,468)	625
<b>Equity attributable to equity holders of the parent</b>	<b>4,172,699</b>	<b>3,779,232</b>
Non-controlling interests	15,159	11,636
<b>Total equity</b>	<b>4,187,858</b>	<b>3,790,868</b>
<b>Non-current liabilities</b>		
Lease liabilities	29,017	32,524
Employees' end of service benefits	144,922	158,510
Loan from a related party	63,792	64,167
Deferred tax liability	10	9
	<b>237,741</b>	<b>255,210</b>
<b>Current liabilities</b>		
Lease liabilities	21,516	30,574
Trade and other payables	1,991,421	1,441,449
Deferred revenue	2,007,774	1,908,701
Due to related parties	111,293	47,695
Loan from a shareholder	-	497,250
Borrowing	-	187,500
	<b>4,132,004</b>	<b>4,113,169</b>
<b>Total liabilities</b>	<b>4,369,745</b>	<b>4,368,379</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>8,557,603</b>	<b>8,159,247</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

For the year ended 31 December 2024

### 30 ADDITIONAL FINANCIAL INFORMATION (CONTINUED)

#### b. Additional financial information in the event of retrospective financial reporting (continued)

The revenue from contracts with customers for the year ended 31 December 2024 is presented below:

	2024 SAR'000	2023 SAR'000
Advertising revenue	1,345,165	1,258,536
Digital revenue	848,147	709,225
Broadcast and technical services revenue (i)	915,440	446,983
Distribution revenue	122,472	107,797
Interactivity revenue	74,083	84,535
Programme revenue	73,116	66,486
Event management revenue	32,243	27,584
Barter revenue	6,212	26,219
Artists management revenue	1,970	3,675
Other revenues (ii)	118,095	76,861
	<b>3,536,943</b>	<b>2,807,901</b>

#### (i) Broadcast and technical services revenue

Broadcast and technical services revenue represent mainly the Group's revenue from providing broadcast and technical services to customers in the Kingdom.

#### (ii) Other revenues

Other revenue mainly represents commission income earned from providing advertising services on behalf of customers, box subscription revenues and merchandising revenues among other similar services.

Results of operating segments for the year ended 31 December 2024 are presented below:

	<i>Broadcasting and Other Commercial Activities (a)</i> SAR'000	<i>Shahid (b)</i> SAR'000	<i>M&amp;E Initiatives (c)</i> SAR'000	<i>Total</i> SAR'000
Revenue from contract with customers	2,412,591	1,078,904	45,448	3,536,943
Other operating revenues	11,550	-	647,880	659,430
Total revenue	2,424,141	1,078,904	693,328	4,196,373
Operating costs*	(2,161,725)	(1,189,373)	(661,510)	(4,012,608)
Realized gain on sale of investment in an associate	170,674	-	-	170,674
Other income	79,448	7,422	1,514	88,384
Share of results in associates and joint venture (net)	32,048	-	(19,491)	12,557
Loss on financial assets and derivative instruments (net)	(9,146)	-	-	(9,146)
Finance income – net	45,156	-	11,126	56,282
Depreciation and amortisation (Notes 6 and 7)	(39,528)	(26,029)	(986)	(66,543)
Segment results before income tax	541,068	(129,076)	23,981	435,973

Results of operating segments for the year ended 31 December 2023 are presented below:

	<i>Broadcasting and Other Commercial Activities (a)</i> SAR'000	<i>Shahid (b)</i> SAR'000	<i>M&amp;E Initiatives (c)</i> SAR'000	<i>Total</i> SAR'000
Revenue from contract with customers	1,858,067	843,677	106,157	2,807,901
Other operating revenues	145,535	-	758,341	903,876
Total revenue	2,003,602	843,677	864,498	3,711,777
Operating costs*	(1,788,242)	(1,110,045)	(848,989)	(3,747,276)
Other income	121,286	(1,273)	652	120,665
Share of results in associates and joint ventures (net)	62,937	-	(11,723)	51,214
Loss on financial assets and derivative instruments (net)	(2,633)	-	-	(2,633)
Finance income/(costs) – net	(7,866)	-	294	(7,572)
Depreciation and amortisation	(39,057)	(11,557)	(1,200)	(51,814)
Segment results before income tax	350,027	(279,198)	3,532	74,361

\* Operating costs include direct costs and General and administrative expenses except for depreciation of fixed assets and amortization of intangible assets which are presented as separate line items

**(a) Broadcasting and Other commercial activities** Primarily includes advertising and other broadcasting-related ancillary activities

**(b) Shahid** Represents the results of operations of the Group's OTT platform

**(c) M&E Initiatives** Includes revenues from funding linked to M&E Initiatives across various verticals (channel operations in selected markets, content production, gaming and academy)

### 31 COMPARATIVE FIGURES

Certain reclassifications have been made to the prior period's financial statements to conform to the current year'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.

### 32 SUBSEQUENT EVENTS

No significant subsequent events occurred between 31 December 2024 and the date of authorization of issue of these consolidated financial statements which may have a material impact on these consolidated financial statements.



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