

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

Interim Condensed Consolidated Financial Statements  
For the three-month and nine-months periods ended 30 September 2024 (Unaudited)

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

### Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of MBC Group ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 30 September 2024, and the related interim condensed consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2024, and the related interim condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### Scope of Review

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

### Conclusion

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

for Ernst & Young Professional Services

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

Riyadh: 8 Jumada al-Ula 1446  
10 November 2024



**MBC Group (A Listed Joint Stock Company) And Its Subsidiaries**  
**Interim Condensed Consolidated Statement of Comprehensive Income**  
**For the three-months and nine-months periods ended 30 September 2024**

	Note	Three-months period ended 30 September		Nine-months period ended 30 September 2024	Period from inception (20 April) till 30 September 2023*
		2024	2023*		
		(Unaudited) SAR'000	(Unaudited) SAR'000	(Unaudited) SAR'000	(Unaudited) SAR'000
Revenue from contracts with customers	4	686,074	517,343	2,603,981	517,343
Other operating revenues	5	71,006	131,995	352,719	131,995
Direct costs	6	(564,601)	(474,611)	(2,065,293)	(474,611)
<b>Gross profit</b>		<b>192,479</b>	<b>174,727</b>	<b>891,407</b>	<b>174,727</b>
General and administrative expenses		(225,891)	(216,903)	(767,602)	(216,903)
<b>Operating (loss) / profit</b>		<b>(33,412)</b>	<b>(42,176)</b>	<b>123,805</b>	<b>(42,176)</b>
Other income		31,101	31,815	68,833	31,815
Finance income / (costs) – net		17,159	(2,371)	37,951	(2,371)
Share of results in associates and joint venture		3,057	19,312	26,761	19,312
Unrealised loss on investment in financial assets at fair value through profit or loss		(3,361)	(5,273)	(2,903)	(5,273)
<b>Profit before tax</b>		<b>14,544</b>	<b>1,307</b>	<b>254,447</b>	<b>1,307</b>
Income tax		(1,797)	(626)	(3,929)	(626)
<b>Profit for the period</b>		<b>12,747</b>	<b>681</b>	<b>250,518</b>	<b>681</b>
Attributable to:					
Equity holders of the parent		9,056	5,755	221,118	5,755
Non-controlling interests		3,691	(5,074)	29,400	(5,074)
		<b>12,747</b>	<b>681</b>	<b>250,518</b>	<b>681</b>
<b>Other comprehensive income</b>					
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):</i>					
Exchange differences on translating foreign operations, net		(765)	13	(6,134)	13
Share of other comprehensive income of associates, net		-	514	(53)	514
<i>Other comprehensive income that may not be reclassified to profit or loss in subsequent periods (net of tax):</i>					
Remeasurement actuarial (loss) / gain on defined benefits obligations		-	2,748	(2,987)	2,748
<b>Other comprehensive (loss) / income for the period</b>		<b>(765)</b>	<b>3,275</b>	<b>(9,174)</b>	<b>3,275</b>
<b>Total comprehensive income for the period</b>		<b>11,982</b>	<b>3,956</b>	<b>241,344</b>	<b>3,956</b>
Attributable to:					
Equity holders of the parent		8,617	9,018	214,437	9,018
Non-controlling interests		3,365	(5,062)	26,907	(5,062)
		<b>11,982</b>	<b>3,956</b>	<b>241,344</b>	<b>3,956</b>
<b>Earnings per share ("EPS"):</b>					
Basic and diluted, attributable to ordinary equity holders of the parent (SAR)	14	<b>0.03</b>	0.02	<b>0.67</b>	0.02

\*The comparative figures for the period from 20 April 2023 to 30 September 2023 include the revenues and expenses of the subsidiaries of the Group only for the period from the date of acquisition (30 June 2023) to 30 September 2023. Please refer to Note 15 for additional financial information.



**Chairman - Waleed Al Ibrahim**



**CEO – Samuel Barnett**



**CFO – Hussam Eddin Alnouri**

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements.

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

## Interim Condensed Consolidated Statement of Financial Position

As at 30 September 2024

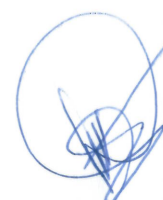
	Notes	30 September 2024 (Unaudited) SAR'000	31 December 2023 (Audited) SAR'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		184,230	116,275
Intangible assets		75,263	67,121
Right-of-use assets		35,587	59,347
Investments in associates and joint venture	7	1,314,910	1,201,204
Investment in financial asset at fair value through profit or loss (FVTPL)		12,988	15,891
Employees' end of service benefits plan assets	11	113,613	107,943
Deferred tax assets		1,958	1,397
Other non-current assets		21	21
		<u>1,738,570</u>	<u>1,569,199</u>
<b>Current assets</b>			
Inventories		2,579,126	2,590,326
Trade receivables, prepayments and other assets	8	2,131,585	2,733,318
Due from related parties	9	584,458	433,573
Derivative financial instruments		6,028	6,028
Bank balances and cash		1,779,093	826,803
		<u>7,080,290</u>	<u>6,590,048</u>
<b>TOTAL ASSETS</b>		<u><b>8,818,860</b></u>	<u><b>8,159,247</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	10	3,325,000	2,992,500
Share premium		431,250	-
Proposed share capital increase		-	763,750
Retained earnings		240,487	22,357
Foreign currency translation reserve		(3,068)	625
<b>Equity attributable to equity holders of the parent</b>		<u>3,993,669</u>	<u>3,779,232</u>
Non-controlling interests		18,264	11,636
<b>Total equity</b>		<u><b>4,011,933</b></u>	<u><b>3,790,868</b></u>
<b>Non-current liabilities</b>			
Lease liabilities		14,544	32,524
Employees' end of service benefits	11	162,996	158,510
Loan from a related party	9	63,792	64,167
Deferred tax liability		6	9
		<u>241,338</u>	<u>255,210</u>
<b>Current liabilities</b>			
Lease liabilities		24,896	30,574
Trade and other payables	12	4,014,842	3,350,150
Due to related parties	9	28,601	47,695
Loan from a shareholder	9	497,250	497,250
Borrowings		-	187,500
		<u>4,565,589</u>	<u>4,113,169</u>
<b>TOTAL LIABILITIES</b>		<u><b>4,806,927</b></u>	<u><b>4,368,379</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>8,818,860</b></u>	<u><b>8,159,247</b></u>



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CEO - Samuel Barnett



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The attached notes 1 to 16 form part of these interim condensed consolidated financial statements.

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

## Interim Condensed Consolidated Statement of Cash Flows

For the nine-months periods ended 30 September 2024

	Note	Nine-months period ended 30 September 2024 (Unaudited) SAR'000	Period from inception (20 April) till 30 September 2023 (Unaudited) SAR'000
<b>OPERATING ACTIVITIES</b>			
Profit before tax		254,447	1,307
Adjustments for:			
Depreciation on property and equipment		30,934	10,326
Depreciation on right-of-use assets		24,074	9,115
Allowance for expected credit loss, net		29,022	1,009
Amortisation of intangible assets		18,656	2,218
Share of results in associates and joint venture		(26,761)	(19,312)
Unrealised loss on investment in financial asset at fair value through profit or loss (FVTPL)		2,903	5,273
Provision for employees' end of service benefits	11	27,689	7,770
Finance (income) / costs – net		(37,951)	2,371
		<u>323,013</u>	<u>20,077</u>
Working capital changes:			
Inventories		11,200	(47,131)
Trade receivables, prepayments and other assets		574,110	11,418
Due from related parties		(150,589)	(83,168)
Trade and other payables		639,888	6,865
Due to related parties		(19,094)	10,969
		<u>1,378,528</u>	<u>(80,970)</u>
Employees' end of service benefits paid	11	(32,000)	(10,307)
Interest received/(paid)		39,128	(1,933)
Income tax paid		-	(1,435)
<b>Net cash flows generated from / (used in) operating activities</b>		<u>1,385,656</u>	<u>(94,645)</u>
<b>INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(99,230)	(14,905)
Proceeds from sale of property and equipment		136	77
Purchase of intangible assets		(26,798)	(15,586)
Net movement in non-current assets		-	(180)
Additional investments in joint ventures and associates		(86,998)	(76,619)
<b>Net cash flows used in investing activities</b>		<u>(212,890)</u>	<u>(107,213)</u>
<b>FINANCING ACTIVITIES</b>			
Repayment of principal lease liability		(24,956)	(18,458)
Repayment of related party loan		(375)	-
Repayment of borrowings		(187,500)	(56,250)
<b>Net cash flows used in financing activities</b>		<u>(212,831)</u>	<u>(74,708)</u>
<b>NET INCREASE / (DECREASE) IN BANK BALANCES AND CASH</b>		<u>959,935</u>	<u>(276,566)</u>
Net foreign exchange difference		(7,982)	9,294
Bank balances and cash transferred on reorganisation		-	799,717
Bank balances and cash at beginning of the year		827,686	-
<b>BANK BALANCES AND CASH AT THE END OF THE PERIOD*</b>		<u>1,779,639</u>	<u>532,445</u>

\*This amount is stated gross of provision for expected credit loss amounting to SAR 546 thousand as at 30 September 2024 (30 September 2023: SAR 405 thousand)



Chairman - Waleed Al Ibrahim



CEO – Samuel Barnett



CFO – Hussam Eddin Alnouri

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements.

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

## Interim Condensed Consolidated Statement of Changes in Equity

For the nine-months period ended 30 September 2024

	Attributable to equity holders of the Parent						Non-controlling interests (NCI)	Total Equity
	Share capital	Share premium	Proposed share capital increase	Foreign currency translation reserve	Retained earnings	Total		
	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000
1 January 2024 (audited)	2,992,500	-	763,750	625	22,357	3,779,232	11,636	3,790,868
Transfer from proposed share capital increase to share capital and share premium (unaudited)	332,500	431,250	(763,750)	-	-	-	-	-
Total comprehensive income for the period:								
- Profit for the period (unaudited)	-	-	-	-	221,118	221,118	29,400	250,518
- Other comprehensive loss (unaudited)	-	-	-	(3,693)	(2,988)	(6,681)	(2,493)	(9,174)
	-	-	-	(3,693)	218,130	214,437	26,907	241,344
Adjustments to non-controlling interest*	-	-	-	-	-	-	(20,279)	(20,279)
<b>Balance at 30 September 2024 (unaudited)</b>	<b>3,325,000</b>	<b>431,250</b>	<b>-</b>	<b>(3,068)</b>	<b>240,487</b>	<b>3,993,669</b>	<b>18,264</b>	<b>4,011,933</b>

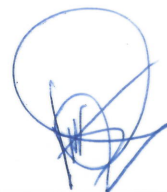
\* This represents the portion of the dividend declared by MMS FZ attributable to the minority shareholders.



Chairman - Waleed Al Ibrahim



CEO - Samuel Barnett



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

## **Notes to the Interim Condensed Consolidated Financial Statements**

**30 September 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 interim condensed consolidated financial statements consolidate the financial statements of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”). The principal activity of the Group is to provide broadcasting services, to operate free-to-air Pan-Arab entertainment channels and over-the-top (OTT) platform, and to produce content.

On 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.

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

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

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

## Notes to the Interim Condensed Consolidated Financial Statements

30 September 2024

### 1 CORPORATE INFORMATION (continued)

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

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

## **Notes to the Interim Condensed Consolidated Financial Statements**

**30 September 2024**

### **1 CORPORATE INFORMATION (continued)**

Following are the subsidiaries of MBC FZ LLC:

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

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

Following are the subsidiaries of MBC Studios Projects FZ LLC:

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

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

## Notes to the Interim Condensed Consolidated Financial Statements

30 September 2024

### 1 CORPORATE INFORMATION (continued)

Following is the subsidiary of MBC Media Services BVI Limited:

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

Following are the subsidiaries of MMS UAE:

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

The interim condensed consolidated financial statements of the Group were authorised for issue by the Board of Directors of the Company on 8 November 2024 (corresponding to 6 Jumada Alawwal 1446H).

### 2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the nine-months ended 30 September 2024 have been prepared in accordance International Accounting Standard (IAS) 34, “Interim Financial Reporting”, that is endorsed in the Kingdom of Saudi Arabia (“KSA”), and other standards and pronouncements announced by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

The results for the interim periods are unaudited and include all adjustments necessary for a fair presentation of the results for the periods presented. This condensed consolidated interim financial report should be read in conjunction with the annual consolidated financial statements and related notes for the year December 31, 2023, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) that are endorsed in the Kingdom, and other standards and pronouncements issued by SOCPA.

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, comparative figures in respect of the statements of comprehensive income and cash flows were presented from inception date to period end of the comparative period. Note 15 to the interim condensed consolidated financial statements provide additional financial information.

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

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## **Notes to the Interim Condensed Consolidated Financial Statements**

**30 September 2024**

### **2.1 BASIS OF PREPARATION (continued)**

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

### **2.2 BASIS OF CONSOLIDATION**

The interim condensed consolidated financial statements incorporate the financial statements of the Company and its subsidiaries as at 30 September 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 period are included in the interim condensed consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

### **2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES**

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

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

## Notes to the Interim Condensed Consolidated Financial Statements

30 September 2024

### 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
<ul style="list-style-type: none"><li>• <b>Broadcasting and other commercial Activities</b></li></ul>	<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>
<ul style="list-style-type: none"><li>• <b>Shahid</b></li></ul>	<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>
<ul style="list-style-type: none"><li>• <b>Media &amp; Entertainment Initiatives ("M&amp;E Initiatives")</b></li></ul>	<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>

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

## Notes to the Interim Condensed Consolidated Financial Statements

30 September 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 interim condensed consolidated financial statements. Also, the Group's financing (including finance costs, finance income and other income) and income tax are managed on a Group basis and are not allocated to operating segments.

#### For the three-months period ended 30 September 2024 (unaudited)

	<i>Broadcasting and Other Commercial Activities SAR'000</i>	<i>Shahid SAR'000</i>	<i>M&amp;E Initiatives SAR'000</i>	<i>Total SAR'000</i>
Revenue from contracts with customers	427,474	248,349	10,251	686,074
Other operating revenues	2,888	-	68,118	71,006
Total revenue	430,362	248,349	78,369	757,080
Operating costs*	(414,140)	(280,936)	(72,252)	(767,328)
Other income	22,175	8,002	924	31,101
Share of results in associates and joint venture (net)	8,272	-	(5,215)	3,057
Unrealised loss on investment in financial asset at fair value through profit or loss (FVTPL)	(3,361)	-	-	(3,361)
Finance income – net	12,319	-	4,840	17,159
Depreciation and amortisation	(9,497)	(13,422)	(245)	(23,164)
Segment results before income tax	<u>46,130</u>	<u>(38,007)</u>	<u>6,421</u>	<u>14,544</u>

#### For the nine-months period ended 30 September 2024 (unaudited)

	<i>Broadcasting and Other Commercial Activities SAR'000</i>	<i>Shahid SAR'000</i>	<i>M&amp;E Initiatives SAR'000</i>	<i>Total SAR'000</i>
Revenue from contracts with customers	1,762,242	805,674	36,065	2,603,981
Other operating revenues	8,662	-	344,057	352,719
Total revenue	1,770,904	805,674	380,122	2,956,700
Operating costs*	(1,564,124)	(857,186)	(362,529)	(2,783,839)
Other income	58,103	9,773	957	68,833
Share of results in associates and joint venture (net)	39,238	-	(12,477)	26,761
Unrealised loss on investment in financial asset at fair value through profit or loss (FVTPL)	(2,903)	-	-	(2,903)
Finance income – net	29,894	-	8,057	37,951
Depreciation and amortisation	(28,835)	(19,451)	(770)	(49,056)
Segment results before income tax	<u>302,277</u>	<u>(61,190)</u>	<u>13,360</u>	<u>254,447</u>

\*Operating costs include Direct costs and General and administrative expenses except for depreciation of property and equipment and amortization of intangible assets which are presented as separate line items.

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

## Notes to the Interim Condensed Consolidated Financial Statements

30 September 2024

### 3 OPERATING SEGMENTS (continued)

#### Segment financial information (continued)

*For the three-months period ended 30 September 2023 (unaudited)*

	<i>Broadcasting and Other Commercial Activities SAR'000</i>	<i>Shahid SAR'000</i>	<i>M&amp;E Initiatives SAR'000</i>	<i>Total SAR'000</i>
Revenue from contracts with customers	317,716	197,225	2,402	517,343
Other operating revenues	36,090	-	95,905	131,995
Total revenue	353,806	197,225	98,307	649,338
Operating costs*	(308,873)	(275,101)	(94,996)	(678,970)
Other income	32,075	(260)	-	31,815
Share of results in associates and joint venture (net)	14,841	-	4,471	19,312
Unrealised loss on investment in financial asset at fair value through profit or loss (FVTPL)	(5,273)	-	-	(5,273)
Finance costs – net	(2,364)	-	(7)	(2,371)
Depreciation and amortisation	(8,789)	(2,878)	(877)	(12,544)
Segment results before income tax	<u>75,423</u>	<u>(81,014)</u>	<u>6,898</u>	<u>1,307</u>

*For the period from inception (20 April 2023) till 30 September 2023 (unaudited)*

	<i>Broadcasting and Other Commercial Activities SAR'000</i>	<i>Shahid SAR'000</i>	<i>M&amp;E Initiatives SAR'000</i>	<i>Total SAR'000</i>
Revenue from contracts with customers	317,716	197,225	2,402	517,343
Other operating revenues	36,090	-	95,905	131,995
Total revenue	353,806	197,225	98,307	649,338
Operating costs*	(308,873)	(275,101)	(94,996)	(678,970)
Other income	32,075	(260)	-	31,815
Share of results in associates and joint venture (net)	14,841	-	4,471	19,312
Unrealised loss on investment in financial asset at fair value through profit or loss (FVTPL)	(5,273)	-	-	(5,273)
Finance costs – net	(2,364)	-	(7)	(2,371)
Depreciation and amortisation	(8,789)	(2,878)	(877)	(12,544)
Segment results before income tax	<u>75,423</u>	<u>(81,014)</u>	<u>6,898</u>	<u>1,307</u>

\*Operating costs include Direct costs and General and administrative expenses except for depreciation of property and equipment and amortization of intangible assets which are presented as separate line items.

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

## Notes to the Interim Condensed Consolidated Financial Statements

30 September 2024

### 3 OPERATING SEGMENTS (continued)

#### Segment assets

The table below summarizes the key assets per segment:

#### As of 30 September 2024 (unaudited)

	<i>Broadcasting and Other Commercial Activities</i>	<i>Shahid</i>	<i>M&amp;E Initiatives</i>	<i>Total</i>
	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>
Inventories	574,976	729,234	1,274,916	2,579,126
Property and equipment	135,727	44,495	4,008	184,230
Investments in associates and joint Venture	1,314,910	-	-	1,314,910
Investment in financial asset at fair value through profit or loss (FVTPL)	12,988	-	-	12,988

#### As of 31 December 2023 (audited)

	<i>Broadcasting and Other Commercial Activities</i>	<i>Shahid</i>	<i>M&amp;E Initiatives</i>	<i>Total</i>
	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>
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 venture	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 contracts with customers based on where the service is provided.

	<i>Three-months period ended 30 September</i>		<i>Nine-months period ended 30 September 2024</i>	<i>Period from inception (20 April) till 30 September 2023</i>
	<i>2024</i>	<i>2023</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>
Revenue from contracts with customers:				
GCC*	550,427	409,752	2,159,003	409,752
Egypt	58,925	35,260	210,175	35,260
Others**	76,722	72,331	234,803	72,331
<b>Total</b>	<b>686,074</b>	<b>517,343</b>	<b>2,603,981</b>	<b>517,343</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.

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

## Notes to the Interim Condensed Consolidated Financial Statements

30 September 2024

### 4 REVENUE FROM CONTRACTS WITH CUSTOMERS

	<i>Three-months period ended 30 September</i>		<i>Nine-months period ended 30 September 2024</i>	<i>Period from inception (20 April) till 30 September 2023</i>
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>
Advertising revenue	208,566	193,065	1,047,176	193,065
Digital revenue	202,042	176,308	628,327	176,308
Broadcast and technical services revenue*	170,040	75,085	654,545	75,085
Distribution revenue	29,801	28,711	90,549	28,711
Interactivity revenue	19,955	18,318	51,903	18,318
Programme revenue	13,308	991	28,973	991
Artists management revenue	-	750	83	750
Other revenues	42,362	24,115	102,425	24,115
	<b>686,074</b>	<b>517,343</b>	<b>2,603,981</b>	<b>517,343</b>

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

Comparative figures for current interim period and cumulative interim period are the same since the company acquired the subsidiaries at the end of June 2023.

### 5 OTHER OPERATING REVENUES

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

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

	<i>Three-months period ended 30 September</i>		<i>Nine-months period ended 30 September 2024</i>	<i>Period from inception (20 April) till 30 September 2023</i>
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>
TV channels initiatives and MBC Academy initiatives (a)	46,259	73,000	227,224	73,000
Production related initiatives (a)	16,644	20,230	104,356	20,230
Funding of broadcast rights (b)	-	32,813	-	32,813
Gaming initiative (c)	5,215	2,676	12,477	2,676
Relocation cost (d)	2,888	2,887	8,662	2,887
Funding of other government related projects (a)	-	389	-	389
	<b>71,006</b>	<b>131,995</b>	<b>352,719</b>	<b>131,995</b>

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

### Notes to the Interim Condensed Consolidated Financial Statements

30 September 2024

#### 5 OTHER OPERATING REVENUES (continued)

Comparative figures for current interim period and cumulative interim period are the same since the company acquired the subsidiaries at the end of June 2023.

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 other government related projects, the vast majority of the related costs are included within 'Direct costs' (Note 6).
- On funding of broadcast rights, the related costs are included within 'Direct Cost' (Note 6).
- On gaming initiative, the related costs are adjusted against the 'Share of results in associates and joint venture'.
- On relocation cost, the related costs are included within 'General and administrative expenses'.

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

Below is the reconciliation of other operating revenues with the deferred revenues (Note 12) and due from related parties (Note 9):

<b>For the period ended 30 September 2024</b>	<i>TV channels initiatives and MBC Academy initiatives</i>	<i>Production related initiatives</i>	<i>Gaming initiative</i>	<i>Capital Expenditure</i>	<i>Relocation cost</i>	<i>Total</i>
	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>
1 January 2024 (unaudited)						
Due from Istedamah (Note 9)	24,921	-	-	-	7,554	32,475
Deferred revenue (Note 12)	(19,151)	(1,427,220)	(223,495)	(180,750)	(58,085)	(1,908,701)
Add: Income recognised during the period	227,224	104,356	12,471	-	8,668	352,719
Add: Income netted off against related expense	-	64,969	-	-	66,645	131,614
Less: Advance / cash collected during the period	(200,202)	(413,131)	(58,693)	-	(111,893)	(783,919)
<b>As at 30 September 2024:</b>						
<b>Due from Istedamah (Note 9)</b>	<b>63,087</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,554</b>	<b>70,641</b>
<b>Deferred revenue (Note 12)</b>	<b>(30,295)</b>	<b>(1,671,026)</b>	<b>(269,717)</b>	<b>(180,750)</b>	<b>(94,665)</b>	<b>(2,246,453)</b>

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

### Notes to the Interim Condensed Consolidated Financial Statements

30 September 2024

#### 5 OTHER OPERATING REVENUES (continued)

For the period from inception (20 April) till 30 September 2023	<i>TV channels initiatives and MBC Academy initiatives</i>	<i>Production related initiatives</i>	<i>Funding of broadcast rights</i>	<i>Funding of other government related projects</i>	<i>Gaming initiative</i>	<i>Capital Expenditure</i>	<i>Employee relocation cost</i>	<i>Total (Unaudited)</i>
	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>
From inception 20 April 2023 (unaudited)								
Due from Istedamah (Note 9)	4,928	29	-	-	-	-	5,775	10,732
Deferred revenue (Note 12)	(23,473)	(1,414,190)	(65,625)	(389)	(196,936)	(53,688)	(88,253)	(1,842,554)
Add: Income recognised during the period	73,000	20,230	32,813	389	2,676	-	2,887	131,995
Add: Income netted off against related expense	-	-	-	-	-	-	15,521	15,521
Less: Advance / cash collected during the period	(15,244)	(1,845)	-	-	(33,811)	-	48	(50,852)
<b>As at 30 September 2023:</b>								
<b>Due from Istedamah</b>	<b>71,552</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,554</b>	<b>79,106</b>
<b>Deferred revenue</b>	<b>(32,341)</b>	<b>*(1,395,776)</b>	<b>(32,812)</b>	<b>-</b>	<b>(228,071)</b>	<b>(53,688)</b>	<b>(71,576)</b>	<b>(1,814,264)</b>

\*The deferred amount corresponds to inventories which remain as work-in-progress (WIP) as of 30 September 2024 amounting to SAR 1,274,916 thousand (30 September 2023: SAR 1,326,038 thousand).

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

## Notes to the Interim Condensed Consolidated Financial Statements

30 September 2024

### 6 DIRECT COSTS

	<i>Three-months period ended 30 September</i>		<i>Nine- months period ended 30 September 2024</i>	<i>Period from inception (20 April) till 30 September 2023</i>
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>(Unaudited) SAR'000</i>	<i>(Unaudited) SAR'000</i>	<i>(Unaudited) SAR'000</i>	<i>(Unaudited) SAR'000</i>
Cost of programmes	<b>211,303</b>	224,119	<b>917,939</b>	224,119
Digital costs	<b>78,353</b>	66,518	<b>249,719</b>	66,518
Cost of broadcasting and technical services*	<b>143,668</b>	34,217	<b>523,069</b>	34,217
Marketing costs	<b>31,000</b>	25,567	<b>103,377</b>	25,567
Programme overheads	<b>16,801</b>	19,217	<b>46,532</b>	19,217
Cost of advertising sales	<b>14,543</b>	15,483	<b>48,351</b>	15,483
Technical costs	<b>7,847</b>	15,436	<b>29,800</b>	15,436
Interactivity costs	<b>11,275</b>	7,537	<b>18,653</b>	7,537
Transmission expenses	<b>5,543</b>	3,680	<b>15,672</b>	3,680
Distribution costs	<b>312</b>	1,784	<b>4,417</b>	1,784
Programme stocks write-off	<b>672</b>	3,858	<b>6,005</b>	3,858
Other expenses	<b>43,284</b>	57,195	<b>101,759</b>	57,195
	<b><u>564,601</u></b>	<u>474,611</u>	<b><u>2,065,293</u></b>	<u>474,611</u>

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

Comparative figures for current interim period and cumulative interim period are the same since the company acquired the subsidiaries at the end of June 2023.

### 7 INVESTMENTS IN ASSOCIATES AND JOINT VENTURE

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

	<i>30 September 2024 (unaudited) SAR'000</i>	<i>31 December 2023 (audited) SAR'000</i>
Investment in equity accounted joint venture (7.1)	<b>283,889</b>	209,362
Investment in associates (7.2)	<b>1,031,021</b>	991,842
	<b><u>1,314,910</u></b>	<u>1,201,204</u>

#### 7.1) Investments in a joint venture:

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

	<i>30 September 2024 (unaudited) SAR'000</i>	<i>31 December 2023 (audited) SAR'000</i>
MBC Game Studio	<b>283,889</b>	209,362
	<b><u>283,889</u></b>	<u>209,362</u>

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

## Notes to the Interim Condensed Consolidated Financial Statements

30 September 2024

### 7 INVESTMENTS IN ASSOCIATES AND JOINT VENTURE (continued)

#### 7.1) Investments in a joint venture (continued)

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

	30 September 2024 (unaudited) SAR'000	31 December 2023 (audited) SAR'000
Balance as at 1 January / from inception (20 April 2023)	209,362	-
Transfer on reorganisation	-	114,390
Additional investment	86,998	102,230
Share of results (Note 5)	(12,471)	(7,258)
Balance as at end of the period / year	<u>283,889</u>	<u>209,362</u>

#### 7.2) Investments in associates:

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

	30 September 2024 (unaudited) SAR'000	31 December 2023 (audited) SAR'000
Arabian Contracting Services Company ("ACSC")	1,000,736	961,203
Others	30,285	30,639
	<u>1,031,021</u>	<u>991,842</u>

	<i>Period ended 30 September 2024 (unaudited)</i>		
	ACSC SAR'000	Others SAR'000	Total SAR'000
As at 1 January	961,203	30,639	991,842
Share of results	39,533	*(354)	39,179
As at 30 September (unaudited)	<u>1,000,736</u>	<u>30,285</u>	<u>1,031,021</u>

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

	<i>Period ended 31 December 2023 (audited)</i>		
	ACSC SAR'000	Others SAR'000	Total SAR'000
From inception (20 April 2023)	-	-	-
Transfer on reorganization	924,818	29,404	954,222
Share of results	36,385	1,235	37,620
As at 31 December 2023 (audited)	<u>961,203</u>	<u>30,639</u>	<u>991,842</u>

### 8 TRADE RECEIVABLES, PREPAYMENTS AND OTHER ASSETS

	30 September 2024 (unaudited) SAR'000	31 December 2023 (audited) SAR'000
Trade receivables	1,140,498	790,502
Contract assets	311,221	528,118
Less: allowance for expected credit loss (Note 8.1)	(222,545)	(211,892)
	<u>1,229,174</u>	<u>1,106,728</u>
Advance for programme rights	492,934	465,536
Deposits	13,714	15,998
Advance to suppliers	104,876	54,985
Prepaid expenses	56,980	27,344
Staff receivables	3,645	8,000
Other receivables*	230,262	1,054,727
	<u>2,131,585</u>	<u>2,733,318</u>

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

## Notes to the Interim Condensed Consolidated Financial Statements

30 September 2024

### 8 TRADE RECEIVABLES, PREPAYMENTS AND OTHER ASSETS (Continued)

\* Included in Other receivables is balance receivable from the Ultimate Controlling Party of SAR 71,625 thousand (31 December 2023: SAR 71,625 thousand) representing remaining balance of compensation for loss of business granted in 2018. The compensation to be received, which has been estimated at SAR 187,500 thousand was recognised in 2018 within the Group's consolidated statement of comprehensive income. During the period, SAR Nil of this compensation was received. The compensation has been recognised up to the amount that management is reasonably certain will be received. The Group expects to receive the remaining amount within 12 months from the interim condensed consolidated statement of financial position date.

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. The outstanding balance as of 31 December 2023 was settled during the month of January 2024.

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

	<i>30 September</i> <i>2024</i> <i>(unaudited)</i> <i>SAR'000</i>	<i>31 December</i> <i>2023</i> <i>(audited)</i> <i>SAR'000</i>
Balance as at 1 January 2024 / from inception (20 April 2023)	211,892	-
Transfer on reorganization	-	190,663
Allowance during the period, net	27,553	21,156
Transfer	923	16
Reclassification	-	57
Write-off	(17,723)	-
Foreign exchange differences	(100)	-
Balance as at end of the period / year	<u>222,545</u>	<u>211,892</u>

### 9 RELATED PARTY TRANSACTIONS, BALANCES AND LOAN

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

#### Due from related parties:

	<i>30 September</i> <i>2024</i> <i>(unaudited)</i> <i>SAR'000</i>	<i>31 December</i> <i>2023</i> <i>(audited)</i> <i>SAR'000</i>
<i>Shareholder</i>		
Intermediate Parent Company	70,641	32,475
<i>Companies under common control</i>		
MBC Group Holdings Ltd	182,871	168,077
Middle East News FZ LLC	121,335	28,044
ARA International Productions Company LLC	70,349	52,874
Al Sadaf for Sonic Visual Production	2,361	3,037
Al Arabiya Media Network Company	2,466	1,571
Middle East News UK LTD	352	-
<i>Joint ventures and associates</i>		
O Three Media Production Co. KSA	2,850	2,850
MBC Game Studio Limited KSA	4,189	-
O3 Turkey Medya Produksiyon, Turkey	11,269	11,907
<i>Others</i>		
O2 Production	13	13
Saudi Media Advertising Company	67,393	84,356
MBC International FZ LLC	48,369	48,369
	<u>584,458</u>	<u>433,573</u>

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

## Notes to the Interim Condensed Consolidated Financial Statements

30 September 2024

### 9 RELATED PARTY TRANSACTIONS, BALANCES AND LOAN (continued)

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

#### Due to related parties:

	30 September 2024 (unaudited) SAR'000	31 December 2023 (audited) SAR'000
<i>Shareholder</i>		
Waleed Bin Ibrahim Al Brahim	13,809	13,766
<i>Companies under common control</i>		
Al Arabiya News Channel FZ LLC	4,549	8,494
Middle East News UK Limited	-	79
Others	-	8
<i>Joint venture and associates</i>		
MBC Game Studio Limited KSA	-	23,059
Arabian Contracting Services Company (ACSC)	10,243	2,289
	<b>28,601</b>	<b>47,695</b>
Loan from a related party – MBC Group Holdings Ltd	<b>63,792</b>	<b>64,167</b>
Loan from a shareholder - Intermediate Parent Company	<b>497,250</b>	<b>497,250</b>

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

	<i>Three-months period ended 30 September</i>		<i>Nine- months period ended 30 September 2024</i>	<i>Period from inception (20 April) till 30 September 2023</i>
	<b>2024</b> (Unaudited) SAR'000	2023 (Unaudited) SAR'000	<b>2024</b> (Unaudited) SAR'000	2023 (Unaudited) SAR'000
<i>Ultimate Controlling Party</i>				
Other operating revenue (Note 5)	-	32,813	-	32,813
Other income	17,009	34,515	48,617	34,515
<i>Intermediate Parent Company</i>				
Other operating revenues (Note 5)	161,070	114,703	484,333	114,703
<i>Entities under common control</i>				
Expenses recharged to related parties	21,740	22,123	64,544	22,123
Rental income	2,366	1,922	7,099	1,922
Cost of news programmes	469	469	1,406	469
Direct costs	16,585	22,577	57,825	22,577
Revenue from contracts with customers	2,472	8,685	12,707	8,685
Purchases	33,250	38,367	74,114	38,367
<i>Others</i>				
Revenue from contracts with customers	1,755	1,732	10,351	1,732

d) Compensation to directors and key management personnel

Compensation policies for and composition of key management personnel remain consistent with 2023.

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

## Notes to the Interim Condensed Consolidated Financial Statements

30 September 2024

### 10 SHARE CAPITAL

	<i>30 September 2024 (unaudited) SAR'000</i>	<i>31 December 2023 (audited) SAR'000</i>
<i>Authorised shares</i> (332,500 thousand ordinary shares of SAR 10 each)	<u>3,325,000</u>	<u>3,325,000</u>
<i>Ordinary shares issued and fully paid</i> (332,500 thousand ordinary shares (2023: 299,250 thousand ordinary shares) of SAR 10 each)	<u>3,325,000</u>	<u>2,992,500</u>

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

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

### 11 EMPLOYEES' END OF SERVICE BENEFITS

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

	<i>30 September 2024 (unaudited) SAR'000</i>	<i>31 December 2023 (audited) SAR'000</i>
Balance as at 1 January 2024 / 20 April 2023	158,510	-
Transfer on reorganisation	-	163,822
Current service cost	22,081	15,857
Interest costs/(income)	5,608	(3,022)
Remeasurement actuarial loss/(gain)	2,987	(1,531)
Accrual of benefit plan asset interest	5,670	2,911
Transferred from related parties	1,235	276
Payments during the period	(32,000)	(19,803)
Foreign exchange differences	(1,095)	-
Balance as at 30 September 2024 / 31 December 2023	<u>162,996</u>	<u>158,510</u>

The movement of the plan assets is as follows:

	<i>30 September 2024 (unaudited) SAR'000</i>	<i>31 December 2023 (audited) SAR'000</i>
Balance as at 1 January 2024 / 20 April 2023	107,943	-
Transfer on reorganisation	-	105,032
Interest earned during the period	5,670	2,911
As at 30 September 2024 / 31 December 2023	<u>113,613</u>	<u>107,943</u>

### 12 TRADE AND OTHER PAYABLES

	<i>30 September 2024 (unaudited) SAR'000</i>	<i>31 December 2023 (audited) SAR'000</i>
Trade payables	436,778	312,831
Deferred revenue (Note 5)	2,246,453	1,908,701
Accrued expenses	805,876	688,146
Contract liabilities	485,316	396,671
Provision for income tax and zakat	11,579	8,873
Other payables	28,840	34,928
	<u>4,014,842</u>	<u>3,350,150</u>

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

## Notes to the Interim Condensed Consolidated Financial Statements

30 September 2024

### 13 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

#### *Judgements, estimates and assumptions*

The critical judgements and estimates used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the Company's annual financial statements for the year ended 31 December 2023.

### 14 EARNING PER SHARE

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

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

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

	<i>Three-months period ended 30 September</i>		<i>Nine-months period ended 30 September 2024</i>	<i>Period from inception (20 April) till 30 September 2023</i>
	<i>2024 (Unaudited) SAR'000</i>	<i>2023 (Unaudited) SAR'000</i>	<i>(Unaudited) SAR'000</i>	<i>(Unaudited) SAR'000</i>
Profit for the period attributable to ordinary equity holders of the parent*	<b>9,056</b>	5,755	<b>221,118</b>	5,755
<u>Weighted average number of shares:</u>				
Weighted average number of ordinary shares outstanding for the period, for basic and diluted EPS	<b>332,500</b>	299,250	<b>332,500</b>	299,250

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

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

	<i>Three-months period ended 30 September</i>		<i>Nine-months period ended 30 September 2024</i>	<i>Period from inception (20 April) till 30 September 2023</i>
	<i>2024 (Unaudited) SAR'000</i>	<i>2023 (Unaudited) SAR'000</i>	<i>(Unaudited) SAR'000</i>	<i>(Unaudited) SAR'000</i>
Basic and diluted, attributable to ordinary equity holders of the parent (SAR)	<b>0.03</b>	0.02	<b>0.67</b>	0.02

Comparative figures for current interim period and cumulative interim period are the same since the company acquired the subsidiaries at the end of June 2023.

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

## Notes to the Interim Condensed Consolidated Financial Statements

30 September 2024

### 15 ADDITIONAL FINANCIAL INFORMATION

In an event of adopting retrospective financial reporting under the principle of ‘substance over form’ as explained in Note 2.1, 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 for the period ended 30 September 2024 and 2023 of the Group would have been presented to include comparative figures as follows:

#### *Interim condensed consolidated statement of comprehensive income:*

	<i>Three-months period ended</i>		<i>Nine-months period ended</i>	
	<i>30 September</i>	<i>2023</i>	<i>30 September</i>	<i>2023</i>
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>
Revenue from contracts with customers	686,074	517,343	2,603,981	1,982,673
Other operating revenues	71,006	131,995	352,719	666,381
Direct costs	(564,601)	(474,611)	(2,065,293)	(2,026,061)
<b>Gross profit</b>	<b>192,479</b>	<b>174,727</b>	<b>891,407</b>	<b>622,993</b>
General and administrative expenses	(225,891)	(216,903)	(767,602)	(668,462)
<b>Operating profit</b>	<b>(33,412)</b>	<b>(42,176)</b>	<b>123,805</b>	<b>(45,469)</b>
Other income	31,101	31,815	68,833	80,970
Finance income / (costs) – net	17,159	(2,371)	37,951	(6,849)
Share of results in associates and joint venture	3,057	19,312	26,761	41,631
Unrealised loss on investment in financial asset at fair value through profit or loss (FVTPL)	(3,361)	(5,273)	(2,903)	(10,252)
Gain on derivative financial instruments	-	-	-	268
<b>Profit before tax</b>	<b>14,544</b>	<b>1,307</b>	<b>254,447</b>	<b>60,299</b>
Income tax	(1,797)	(626)	(3,929)	(7,883)
<b>Profit for the period</b>	<b>12,747</b>	<b>681</b>	<b>250,518</b>	<b>52,416</b>
Attributable to:				
Equity holders of the parent	9,056	5,755	221,118	52,023
Non-controlling interests	3,691	(5,074)	29,400	393
	<b>12,747</b>	<b>681</b>	<b>250,518</b>	<b>52,416</b>
<b>Other comprehensive income</b>				
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):</i>				
Exchange differences on translating foreign operations, net	(765)	13	(6,134)	(1,212)
Share of other comprehensive income of associates, net	-	514	(53)	(923)
<i>Other comprehensive income that may not be reclassified to profit or loss in subsequent periods (net of tax):</i>				
Remeasurement actuarial gain / (loss) on defined benefits obligations	-	2,748	(2,987)	418
<b>Other comprehensive loss for the period</b>	<b>(765)</b>	<b>3,275</b>	<b>(9,174)</b>	<b>(1,717)</b>
<b>Total comprehensive income for the period</b>	<b>11,982</b>	<b>3,956</b>	<b>241,344</b>	<b>50,699</b>
Attributable to:				
Equity holders of the parent	8,617	9,018	214,437	50,816
Non-controlling interests	3,365	(5,062)	26,907	(117)
	<b>11,982</b>	<b>3,956</b>	<b>241,344</b>	<b>50,699</b>

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

## Notes to the Interim Condensed Consolidated Financial Statements

30 September 2024

### 15 ADDITIONAL FINANCIAL INFORMATION (continued)

The revenue from contracts with customers for the periods ended 30 September 2024 and 2023 is presented below:

	<i>Three-months period ended</i>		<i>Nine-months period ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Advertising revenue (i)	<b>208,566</b>	193,065	<b>1,047,176</b>	948,646
Digital revenue	<b>202,042</b>	176,308	<b>628,327</b>	508,503
Broadcast and technical services revenue (ii)*	<b>170,040</b>	75,085	<b>654,545</b>	317,758
Distribution revenue	<b>29,801</b>	28,711	<b>90,549</b>	77,711
Interactivity revenue	<b>19,955</b>	18,318	<b>51,903</b>	61,213
Programme revenue	<b>13,308</b>	991	<b>28,973</b>	5,976
Artists management revenue	-	750	<b>83</b>	2,550
Event management revenue	<b>6,346</b>	27	<b>19,739</b>	2,429
Other revenues	<b>36,016</b>	24,088	<b>82,686</b>	57,887
	<b>686,074</b>	517,343	<b>2,603,981</b>	1,982,673

\* Broadcast and technical services revenue includes reclassified amounts previously grouped under Other revenues in historical periods.

#### (i) Advertising revenue

Advertising revenue is presented net of volume rebates for the nine-month period ended 30 September 2024 amounting to SAR 83,638 thousand (30 September 2023: SAR 76,415 thousand).

#### (ii) Broadcast and technical services revenue

Broadcast and technical services revenue represent mainly the Group's revenue from providing broadcast and technical services for the Saudi Sports Channels, owned by Saudi Sports Company (SSC) and Al Thakafya Channel, owned by the Ministry of Culture (MOC), revenue earned from production and technical services for Joy Awards, among others.

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

## Notes to the Interim Condensed Consolidated Financial Statements

30 September 2024

### 15 ADDITIONAL FINANCIAL INFORMATION (continued)

Results of operating segments for the period ended 30 September 2024 and 2023 are presented below:

#### Three-months period ended 30 September 2024 (unaudited)

	<i>Broadcasting and Other Commercial Activities</i>	<i>Shahid</i>	<i>M&amp;E Initiatives</i>	<i>Total</i>
	<i>(a)</i>	<i>(b)</i>	<i>(c)</i>	
	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>
Revenue from contract with customers	427,474	248,349	10,251	686,074
Other operating revenues	2,888	-	68,118	71,006
Total revenue	<u>430,362</u>	<u>248,349</u>	<u>78,369</u>	<u>757,080</u>
Operating costs*	(414,140)	(280,936)	(72,252)	(767,328)
Other income	22,175	8,002	924	31,101
Share of results in associates and joint venture (net)	8,272	-	(5,215)	3,057
Unrealised loss on investment in financial asset at fair value through profit or loss (FVTPL)	(3,361)	-	-	(3,361)
Finance income – net	12,319	-	4,840	17,159
Depreciation and amortisation	(9,497)	(13,422)	(245)	(23,164)
<b>Segment results before income tax</b>	<b><u>46,130</u></b>	<b><u>(38,007)</u></b>	<b><u>6,421</u></b>	<b><u>14,544</u></b>

#### Three-months period ended 30 September 2023 (unaudited)

	<i>Broadcasting and Other Commercial Activities</i>	<i>Shahid</i>	<i>M&amp;E Initiatives</i>	<i>Total</i>
	<i>(a)</i>	<i>(b)</i>	<i>(c)</i>	
	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>
Revenue from contract with customers	317,716	197,225	2,402	517,343
Other operating revenues	36,090	-	95,905	131,995
Total revenue	<u>353,806</u>	<u>197,225</u>	<u>98,307</u>	<u>649,338</u>
Operating costs*	(308,873)	(275,101)	(94,996)	(678,970)
Other income	32,075	(260)	-	31,815
Share of results in associates and joint venture (net)	14,841	-	4,471	19,312
Unrealised loss on investment in financial asset at fair value through profit or loss (FVTPL)	(5,273)	-	-	(5,273)
Finance cost – net	(2,364)	-	(7)	(2,371)
Depreciation and amortisation	(8,789)	(2,878)	(877)	(12,544)
<b>Segment results before income tax</b>	<b><u>75,423</u></b>	<b><u>(81,014)</u></b>	<b><u>6,898</u></b>	<b><u>1,307</u></b>

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

## Notes to the Interim Condensed Consolidated Financial Statements

30 September 2024

### 15 ADDITIONAL FINANCIAL INFORMATION (continued)

Results of operating segments for the period ended 30 September 2024 and 2023 are presented below (continued):

#### Nine-months period ended 30 September 2024 (unaudited)

	<i>Broadcasting and Other Commercial Activities</i> (a) SAR'000	<i>Shahid</i> (b) SAR'000	<i>M&amp;E Initiatives</i> (c) SAR'000	<i>Total</i> SAR'000
Revenue from contract with customers	1,762,242	805,674	36,065	2,603,981
Other operating revenues	8,662	-	344,057	352,719
<b>Total revenue</b>	<b>1,770,904</b>	<b>805,674</b>	<b>380,122</b>	<b>2,956,700</b>
Operating costs*	(1,564,124)	(857,186)	(362,529)	(2,783,839)
Other income	58,103	9,773	957	68,833
Share of results in associates and joint venture (net)	39,238	-	(12,477)	26,761
Unrealised loss on investment in financial asset at fair value through profit or loss (FVTPL)	(2,903)	-	-	(2,903)
Finance income – net	29,894	-	8,057	37,951
Depreciation and amortisation	(28,835)	(19,451)	(770)	(49,056)
<b>Segment results before income tax</b>	<b>302,277</b>	<b>(61,190)</b>	<b>13,360</b>	<b>254,447</b>

#### Nine-months period ended 30 September 2023 (unaudited)

	<i>Broadcasting and Other Commercial Activities</i> (a) SAR'000	<i>Shahid</i> (b) SAR'000	<i>M&amp;E Initiatives</i> (c) SAR'000	<i>Total</i> SAR'000
Revenue from contract with customers	1,357,167	592,884	32,622	1,982,673
Other operating revenues	109,834	-	556,547	666,381
<b>Total revenue</b>	<b>1,467,001</b>	<b>592,884</b>	<b>589,169</b>	<b>2,649,054</b>
Operating costs*	(1,252,526)	(823,540)	(581,262)	(2,657,328)
Other income	76,270	4,625	75	80,970
Share of results in associates and joint venture (net)	41,631	-	-	41,631
Unrealised loss on investment in financial asset at fair value through profit or loss (FVTPL) and derivative financial instruments	(9,984)	-	-	(9,984)
Finance cost – net	(6,812)	-	(37)	(6,849)
Depreciation and amortisation	(27,796)	(8,522)	(877)	(37,195)
<b>Segment results before income tax</b>	<b>287,784</b>	<b>(234,553)</b>	<b>7,068</b>	<b>60,299</b>

\* 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)

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

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## **Notes to the Interim Condensed Consolidated Financial Statements**

**30 September 2024**

### **16 SUBSEQUENT EVENTS**

As per management opinion, there are no significant subsequent events after the period ended 30 September 2024 that could have a material impact on the Group's interim condensed consolidated financial position or the results of its operations, other than the below:

#### *Repayment of loan from a shareholder*

MBC Group has fully repaid the outstanding loan amount to Istedamah Holding Company, totalling SAR 497,250,000, 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).

#### *Sale of portion of ownership stake in Arabian Contracting Services Company ("ACSC")*

Subsequent to period end, MBC 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 416,500,000.