

**SAUDI PUBLIC TRANSPORT COMPANY AND  
ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)**

**CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)  
CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S  
REPORT  
For the year ended 31 December 2025

---

<b>TABLE OF CONTENTS</b>	<b><u>Pages</u></b>
Independent Auditor's Report	-
Consolidated Statement of Financial Position	8
Consolidated Statement of Profit or Loss	9
Consolidated Statement of Other Comprehensive Income	10
Consolidated Statement of Changes in Equity	11
Consolidated statement of Cash Flows	12
Notes to the Consolidated Financial Statements	13-70



**Shape the future  
with confidence**

**Ernst & Young Professional Services (Professional LLC)**  
**Paid-up capital (ﷲ5,500,000 – Five million five hundred thousand Saudi Riyal)**

Head Office  
Financial Boulevard 3126, Al Aqeeq Dist. 6717, Riyadh 13519  
KAFD 1.11 B, South Tower, 8<sup>th</sup> Floor  
P.O. Box 2732, Riyadh 11461  
Kingdom of Saudi Arabia

C.R. No.: 1010383821  
Unified No.: 7000117205

Tel: +966 11 215 9898  
+966 11 273 4740  
Fax: +966 11 273 4730

[ey.ksa@sa.ey.com](mailto:ey.ksa@sa.ey.com)  
[ey.com](http://ey.com)

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Shareholders of Saudi Public Transport Company (A Saudi Joint Stock Company)**

#### **Report on the Audit of the Consolidated Financial Statements**

##### **Opinion**

We have audited the consolidated financial statements of Saudi Public Transport Company (the “Company”) and its subsidiaries (the “Group”), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with 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, as applicable to audit of consolidated financial statements of public interest entities. 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.

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.



Shape the future  
with confidence

**INDEPENDENT AUDITOR’S REPORT**  
**To the Shareholders of Saudi Public Transport Company**  
**(A Saudi Joint Stock Company) (Continued)**

**Key Audit Matters (Continued)**

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue recognition</b></p> <p>The Group’s revenue consist primarily of a) revenue from passenger transport, b) revenue from specialized services, c) revenue from urban services, d) service concession arrangements with third parties, e) revenue from technical services, and f) revenue from digital mobility solution.</p> <p>During the year ended 31 December 2025, the Group recognized total revenue of <b>ﷲ</b> 1,827 million (31 December 2024: <b>ﷲ</b> 1,459 million).</p> <p>Revenue is a key indicator for measuring performance, and this implies the presence of inherent risks to overstate the Group’s performance. Therefore, revenue recognition was considered a key audit matter in taking into consideration the following:</p> <ul style="list-style-type: none"> <li>• Diversity of revenue streams,</li> <li>• Determining whether the performance obligations are satisfied over time or at a point in time.</li> <li>• Estimation of total costs required to meet performance obligations under the contracts with customers, for the overtime performance obligations satisfaction.</li> </ul> <p><i>Refer to note 4 to the consolidated financial statements for the accounting policy relating to revenue recognition, note 5 for the critical accounting estimates and judgements and note 30 to the consolidated financial statements for the related disclosures.</i></p>	<p>Our procedures included, among others, were 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 Saudi Organization for Chartered and Professional Accountants (SOCPA);</li> <li>• Assessed the design and implementation of management’s controls around revenue recognition on service concession arrangements;</li> <li>• Inspected the key terms and conditions of contracts with major customers, on a sample basis, to assess if there were any terms and conditions that may have affected the accounting treatment of the contracts revenue.</li> </ul> <p>For revenue from service concession arrangements, the following procedures were performed:</p> <ul style="list-style-type: none"> <li>• Reviewed the contract for service concession arrangement to identify the performance obligation under the contract and assessing whether these performance obligations are satisfied over time or at a point in time base on the criteria specified under IFRS 15;</li> <li>• Recalculated revenue recognized using the percentage of completion for the concession arrangements by referring to cost incurred to date compared to the estimated total costs, where the performance obligation is satisfied over time;</li> <li>• For the actual cost incurred, testing, on a sample basis, significant items of cost components by comparing these to the relevant supporting documents including payments where applicable to ascertain the completeness and accuracy of the costs of work done;</li> </ul>



Shape the future  
with confidence

**INDEPENDENT AUDITOR'S REPORT**  
**To the Shareholders of Saudi Public Transport Company**  
**(A Saudi Joint Stock Company) (Continued)**

**Key Audit Matters (Continued)**

Key audit matter	How our audit addressed the key audit matter
<b>Revenue recognition (Continued)</b>	<ul style="list-style-type: none"><li>• Tested, on a sample basis, components of cost to complete to underlying contracts, purchase orders and other evidence.</li></ul> <p>For other revenue streams, the following procedures were performed:</p> <ul style="list-style-type: none"><li>• Tested, on a sample basis, revenue transactions made during the year and inspecting underlying supporting evidence;</li><li>• Tested, on a sample basis, credit notes post the year-end, where applicable, to assess that the revenue is recorded in the correct period;</li><li>• Tested, on a sample basis, transactions which took place before and after year-end to check that revenue is recognized in the appropriate period;</li><li>• Performed analytical procedures by comparing expectations of revenues with actual results and investigated variances.</li></ul> <p>Further performed the following procedures for all revenue streams:</p> <ul style="list-style-type: none"><li>• Tested journal entries which were considered to be material or met other specified risk-based criteria, on a sample basis, and inspecting its related supporting documents;</li><li>• Performed correlation analysis between revenue, receivables and cash by using data analytics; and</li><li>• Assessed the adequacy of the related disclosures made by the management in the accompanying Group's consolidated financial statements.</li></ul>



Shape the future  
with confidence

**INDEPENDENT AUDITOR'S REPORT**  
**To the Shareholders of Saudi Public Transport Company**  
**(A Saudi Joint Stock Company) (Continued)**

**Key Audit Matters (Continued)**

Key audit matter	How our audit addressed the key audit matter
<p><b>Potential impairment of cash generating units (CGUs)</b></p> <p>As at 31 December 2025, the management performed an impairment assessment by comparing the carrying value of the cash generating units (CGUs) for buses, trucks and related assets amounting to <del>₹</del> 837 million (31 December 2024: <del>₹</del> 740 million), to their recoverable amount.</p> <p>The recoverable amount of the identified CGU was determined based on Value-In-Use ("VIU") calculations using discounted cash flows forecast.</p> <p>Estimating the value in use includes projections of future discounted cash flows of the cash generating units, estimations of growth rates and discount rates which are inherently subject to significant uncertainty due to changing economic conditions, regulatory environment, historical performance, management intent and trends.</p> <p>We considered the assessment of impairment of buses, trucks, and related assets as a key audit matter because such assessment involves significant assumptions and judgment.</p> <p><i>Refer to note 4 to the consolidated financial statements for the accounting policy relating to Impairment of non-financial assets and note 7 to the consolidated financial statements for the related disclosures.</i></p>	<p>Our procedures included, among others, with the involvement of our independent expert were the following:</p> <ul style="list-style-type: none"><li>• Assessed the design and implementation of management's controls around assessing potential impairment of Group's CGUs;</li><li>• Obtained and reviewed the management report that relates to the assessment of impairment of the Group's assets and ensured reflecting the impairment impact, if any, on the consolidated financial statements adequately;</li><li>• Understood the Group's process for preparing cash flow projections and evaluating whether the process is consistent with prior years and internal budgeting processes;</li><li>• Tested the mathematical accuracy and performing sensitivity analysis on the key assumptions used in the value in use, including the discount rate used in the discounted cash flow forecast;</li><li>• Assessed the reliability of cash flow forecasts through comparison with actual past performance and previous forecasts and comparing the forecasts with approved budgets;</li><li>• Reviewed internal reports (including Board of Directors minutes of meetings) to consider any future plans for the assets;</li><li>• Obtained and discussed with management and evaluated the key assumptions underlying management's assessment of potential impairment of CGUs; and</li></ul>



Shape the future  
with confidence

**INDEPENDENT AUDITOR'S REPORT**  
**To the Shareholders of Saudi Public Transport Company**  
**(A Saudi Joint Stock Company) (Continued)**

**Key Audit Matters (Continued)**

Key audit matter	How our audit addressed the key audit matter
<b>Potential impairment of cash generating units (CGUs) (Continued)</b>	<ul style="list-style-type: none"><li>Assessed the adequacy of the related disclosures made by the management in the accompanying Group's consolidated financial statements.</li></ul>

**Other Matter**

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 18 Ramadan 1446H (corresponding to 18 March 2025).

**Other information included in The Group's 2025 Annual Report**

Other information consists of the information included in the Group's 2025 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.

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.



Shape the future  
with confidence

## **INDEPENDENT AUDITOR'S REPORT**

**To the Shareholders of Saudi Public Transport Company  
(A Saudi Joint Stock Company) (Continued)**

### **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.

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.



**INDEPENDENT AUDITOR'S REPORT**  
**To the Shareholders of Saudi Public Transport Company**  
**(A Saudi Joint Stock Company) (Continued)**

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


- 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.

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

  
Hesham A. Alatiqi  
Certified Public Accountant  
License No. (523)



Riyadh: 12 Shawwal 1447H  
(31 March 2026)

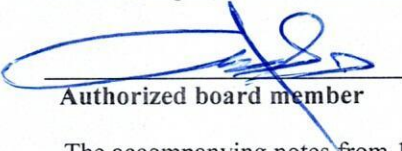
SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

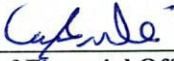
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

(All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated)

	<i>Note</i>	<b>31 December 2025</b>	31 December 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	7	1,083,246	1,073,657
Investment Properties	8	307,122	307,122
Intangible assets	9	628,406	622,914
Right-of-use assets	10	37,557	39,104
Due from related parties	26	40,586	37,224
Investment in associates and a joint venture	11	20,207	4,581
Deferred tax assets	28(c)	1,002	635
Other non-current assets	12	3,673	40,622
<b>Total non-current assets</b>		<b>2,121,799</b>	<b>2,125,859</b>
<b>Current assets</b>			
Inventories	13	36,867	29,772
Due from related parties	26	345	28,469
Trade receivables and unbilled receivables	14	1,528,715	1,010,844
Prepayments and other current assets	15	99,788	95,434
Other investments and derivative financial assets	16	1,581	1,336
Cash and short-term deposits	17	187,531	549,743
<b>Total current assets</b>		<b>1,854,827</b>	<b>1,715,598</b>
Assets held for sale	35	250	14,177
<b>TOTAL ASSETS</b>		<b>3,976,876</b>	<b>3,855,634</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	18	1,250,000	1,250,000
General reserve	19	-	-
Accumulated losses		(273,132)	(328,119)
<b>Equity attributable to equity holders of the Parent Company</b>		<b>976,868</b>	<b>921,881</b>
Non-controlling interests	39	59,304	29,442
<b>Total equity</b>		<b>1,036,172</b>	<b>951,323</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Murabaha financing	20	491,467	646,879
Contract liabilities	21	550,217	733,196
Employees' benefits liabilities	22	138,984	124,203
Lease liabilities	23	30,088	27,076
<b>Total non-current liabilities</b>		<b>1,210,756</b>	<b>1,531,354</b>
<b>Current Liabilities</b>			
Current portion of Murabaha financing	20	268,225	248,250
Short-term Murabaha financing	20	553,443	355,762
Trade payables	25	109,645	70,557
Due to related parties	26	63,847	18,920
Lease liabilities	23	7,957	13,181
Accrued expenses and other current liabilities	27	426,581	400,639
Derivative financial liabilities	16(c)	4,842	5,829
Contract liabilities	21	250,021	235,672
Zakat and income tax payable	28	45,387	24,147
<b>Total current liabilities</b>		<b>1,729,948</b>	<b>1,372,957</b>
<b>Total liabilities</b>		<b>2,940,704</b>	<b>2,904,311</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,976,876</b>	<b>3,855,634</b>

  
Authorized board member

  
Chief Financial Officer

The accompanying notes from 1 to 44 form an integral part of these consolidated financial statements.

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year end 31 December 2025

(All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated)

	<i>Note</i>	<b>31 December 2025</b>	31 December 2024
Revenues	30	<b>1,826,576</b>	1,459,637
Cost of revenues	31	<b>(1,416,324)</b>	(1,156,072)
<b>Gross profit</b>		<b>410,252</b>	303,565
Selling and distribution expenses	32	<b>(7,155)</b>	(15,987)
General and administrative expenses	33	<b>(160,368)</b>	(141,961)
Reversal of impairment loss on assets held for sale	35	<b>764</b>	2,959
Impairment loss on property and equipment	7	<b>(52,700)</b>	-
Impairment reversal/ (loss) on trade receivables and other current assets	14&15	<b>9,301</b>	(13,328)
Other income	36	<b>19,421</b>	11,455
<b>Operating Profit</b>		<b>219,515</b>	146,703
Finance income	34	<b>15,762</b>	17,407
Finance costs	34	<b>(99,059)</b>	(115,198)
Share in result of associates and a joint venture	11	<b>9,746</b>	(19,922)
<b>Profit before zakat, income and deferred tax</b>		<b>145,964</b>	28,990
Zakat, income and deferred tax	28	<b>(32,686)</b>	(13,874)
<b>Profit for the year</b>		<b>113,278</b>	15,116
<b>Profit for the year attributable to:</b>			
Equity holders of the parent		<b>58,287</b>	(9,628)
Non-controlling interests	39	<b>54,991</b>	24,744
<b>Profit for the year</b>		<b>113,278</b>	15,116
<b>Earnings per share:</b>			
Basic and diluted, from the profit/ (loss) for the year attributable to ordinary equity holders of the parent	37	<b>0.47</b>	(0.08)



Authorized board member



Chief Financial Officer

The accompanying notes from 1 to 44 form an integral part of these consolidated financial statements.

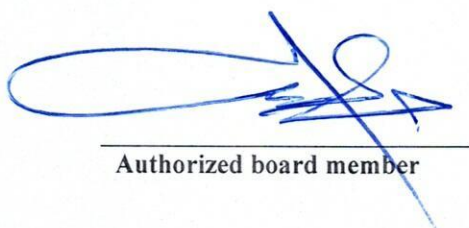
SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year end 31 December 2025

(All amounts in Saudi Riyals (ﷻ) thousands unless otherwise stated)

	<i>Note</i>	<b>31 December 2025</b>	31 December 2024
<b>Profit for the year</b>		<b>113,278</b>	15,116
<b>Other comprehensive income:</b>			
<i>Items that will not be reclassified subsequently to the consolidated statement of profit or loss:</i>			
Re-measurement (loss)/ gain on defined benefit obligation	22	<b>(3,583)</b>	17,216
<i>Total items that will not be reclassified subsequently to the consolidated statement of profit or loss:</i>		<b>(3,583)</b>	17,216
<b>Total comprehensive income for the year</b>		<b>109,695</b>	32,332
<b>Total comprehensive income for the year attributable to:</b>			
Equity holders of the parent		<b>54,987</b>	7,796
Non-controlling interests		<b>54,708</b>	24,536
<b>Total comprehensive income for the year</b>		<b>109,695</b>	32,332



Authorized board member



Chief Financial Officer

**SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES**  
**(A Saudi Joint Stock Company)**

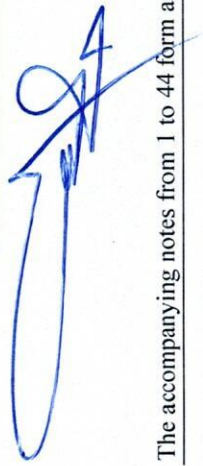
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the year end 31 December 2025

(All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated)

	Equity attributable to parent company		Non-controlling interests (non-Saudi Shareholders)	Total equity
	Share capital	Accumulated losses		
<b>As at 1 January 2025</b>	1,250,000	(328,119)	29,442	951,323
Profit before Zakat, income and deferred tax	-	75,257	70,707	145,964
Income tax expenses	-	-	(16,084)	(16,084)
Zakat	-	(16,970)	-	(16,970)
Deferred tax credit	-	-	368	368
Profit for the year	-	58,287	54,991	113,278
Other comprehensive loss for the year	-	(3,300)	(283)	(3,583)
<b>Total comprehensive income for the year</b>	-	54,987	54,708	109,695
Dividends paid to non-controlling interest (note 41)	-	-	(24,846)	(24,846)
<b>As at 31 December 2025</b>	<b>1,250,000</b>	<b>(273,132)</b>	<b>59,304</b>	<b>1,036,172</b>
<b>As at 1 January 2024</b>	1,250,000	(335,915)	7,605	921,690
(Loss)/ profit before Zakat, income and deferred tax	-	(2,228)	31,218	28,990
Income tax expenses	-	-	(6,766)	(6,766)
Zakat	-	(7,400)	-	(7,400)
Deferred tax credit	-	-	292	292
(Loss)/ profit for the year	-	(9,628)	24,744	15,116
Other comprehensive profit/ (loss) for the year	-	17,424	(208)	17,216
<b>Total comprehensive income for the year</b>	-	7,796	24,536	32,332
Dividends paid to non-controlling interest (note 41)	-	-	(2,699)	(2,699)
<b>As at 31 December 2024</b>	<b>1,250,000</b>	<b>(328,119)</b>	<b>29,442</b>	<b>951,323</b>

Authorized board member



Chief Financial Officer



The accompanying notes from 1 to 44 form an integral part of these consolidated financial statements.

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

	Note	31 December 2025	31 December 2024
<b>OPERATING ACTIVITIES</b>			
Profit before Zakat, income and deferred tax		145,964	28,990
<i>Adjustments to reconcile profit before Zakat, income and deferred tax to net cash flows:</i>			
Depreciation of property and equipment	7	191,202	176,535
Amortization of right of-use of assets	10	12,842	12,768
Amortization of intangible assets	9	8,609	11,102
Write off property and equipment	7&36	4,658	-
Write off of projects under progress	7.2&36	5,776	-
Write off of intangible assets	9&36	7,942	6,422
Impairment loss on property and equipment	7	52,700	-
Impairment (reversal)/ loss on trade receivables and other current assets	14&15	(9,301)	13,328
Reversal of provision of impairment of inventories	13	(5,435)	(12,194)
Share in loss of a joint venture	11	1,969	30,148
Share in profit of associates	11	(11,715)	(10,226)
Reversal of impairment loss on assets held for sale	35	(764)	(2,959)
Finance cost	34	90,902	95,951
Interest on lease liabilities	34	1,906	2,079
Finance income	34	(15,517)	(5,214)
Gain on termination of lease		(230)	(530)
Provision for employees' benefits liabilities	22	26,809	20,469
Loss/ (gain) from sale of property and equipment	36	(77)	(3,897)
Change in fair value of derivative instruments and FVTPL investments		(1,232)	6,914
<b>Cash flow after adjustments for non-cash items</b>		<b>507,008</b>	<b>369,686</b>
<b>Working capital changes:</b>			
Inventories	13	(1,660)	10,241
Trade receivables and unbilled receivables	14	(509,889)	187,288
Amounts due from related parties	26	23,124	11,523
Prepayments and other current assets	15	(3,035)	(20,353)
Trade payables	25	39,088	8,835
Amounts due to related parties	26	44,927	4,687
Contract liabilities	21	(168,631)	(163,821)
Accrued expenses and other current liabilities	27	25,944	3,417
<b>Cash flows (used in)/ generated from operating activities</b>		<b>(43,124)</b>	<b>411,503</b>
Zakat and income tax paid	28(a & b)	(11,814)	(8,522)
Employees' defined benefits liabilities paid	22	(16,400)	(24,891)
<b>Net cash flows (used in)/ generated from operating activities</b>		<b>(71,338)</b>	<b>378,090</b>
<b>INVESTING ACTIVITIES</b>			
Proceeds from sale of Investments in equity instruments through FVTPL	16	-	11,456
Proceeds from sale of assets held for sale	35	14,691	37,337
Advances paid for capital expenditure under other non-current assets	12	-	(38,588)
Proceeds from sale of property and equipment		2,232	4,110
Purchase of property and equipment,	7	(229,130)	(111,194)
Purchase of intangible assets	9	(22,045)	(15,781)
Proceeds from Finance income		12,063	7,531
<b>Net cash used in investing activities</b>		<b>(222,189)</b>	<b>(105,129)</b>
<b>FINANCING ACTIVITIES</b>			
Dividends paid to non- controlling interest		(24,846)	(2,699)
Proceeds from Murabaha financing	20	2,594,776	1,471,412
Payment of Murabaha financing	20	(2,532,332)	(1,517,241)
Payment of principle portion of lease liabilities	23	(13,275)	(12,648)
Payment of interest on lease liabilities		(1,906)	(2,079)
Payment of finance costs	20	(91,102)	(94,211)
<b>Net cash used in financing activities</b>		<b>(68,685)</b>	<b>(157,466)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(362,212)</b>	<b>115,495</b>
Cash and cash equivalents at 1 January	17	549,743	434,248
<b>Cash and cash equivalents at 31 December</b>	17	<b>187,531</b>	<b>549,743</b>
<b>Significant non-cash transaction</b>			
Right-of-use assets	10	13,444	16,087
Lease liability on right-of-use assets	23	13,444	16,123
Transferred from property and equipment to assets held for sale		-	9,245
Discounting impact of due from related party loan	34	3,454	3,201
Derivative financial assets interest rate SWAP		245	1,336
Derivative financial Liabilities Callable Range		987	5,453
Non - current assets transferred to property and equipment	12	36,949	-

**Authorized board member**

**Chief Financial Officer**

The accompanying notes from 1 to 44 form an integral part of these consolidated financial statements.

# SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

### 1. REPORTING ENTITY

Saudi Public Transport Company (“SAPTCO”, the “Parent Company”, or the “Company”) is a Saudi Joint Stock Company, registered in Riyadh, Kingdom of Saudi Arabia and formed under the Royal Decree No. M/11 dated on 7 Rabi’ Alawwal 1399H (corresponding to 5 February 1979) whose shares are publicly traded on the Saudi Stock Exchange. The formation was declared pursuant to the resolution of his Excellency, The Minister of Commerce, No. 254 dated 14 Sha’aban 1399H (corresponding to 9 July 1979). The Company operates under unified national number 7000501747 and Commercial Registration number 1010024335 issued on 5 Ramadan 1399H (corresponding to 29 July 1979). The Parent Company’s head office’s address is Al-Nakheel neighborhood, Al-Takhasusi Street, Building No. 7995, P.O. Box 10667 Riyadh 11443, KSA.

The principal activities of the Group are passenger’s buses transport both intra and inter-city throughout and outside the Kingdom of Saudi Arabia, as well as transfer of non-postal parcels, cargo, school transport, teachers transport, car rental and private transport, dealership of busses, repair and maintenance of busses, and operating and maintaining of trains, metros, motor vehicles and trucks, organizing tours, transporting pilgrims and visitors inside and outside of the Kingdom of Saudi Arabia and importing spare parts and chemical detergents of vehicles.

The Parent company has invested in the following subsidiaries (collectively referred to as the “Group”), which are included in these consolidated financial statements:

Subsidiaries	Year of incorporation	Shareholding		Principal activity	Country of incorporation
		31 December 2025	31 December 2024		
Public Transportation Company (PTC)	2014	80%	80%	Executing King Abdulaziz Project for Public Transport in Riyadh	Kingdom of Saudi Arabia
Digital Mobility Solutions Company for Investments (DMS) (*) (**) (***)	2021	100%	100%	Systems analysis and self-mobility technologies	Kingdom of Saudi Arabia
SAT Transport Company	2023	85%	85%	Intercity Transportation Services	Kingdom of Saudi Arabia
Al-Riyadah World Training Company	2024	100%	100%	Driver training	Kingdom of Saudi Arabia
SAPTCO Driving Academy (SAPTCO LLC)	2025	100%	-	Driver training	Kingdom of Saudi Arabia
Merabb Company for Vehicle Maintenance	2025	100%	-	Repair and maintenance services	Kingdom of Saudi Arabia

Public Transportation Company (“PTC”) (20% owned by RATP Development (French company)) is a Limited Liability Company registered in Riyadh, the Kingdom of Saudi Arabia under unified national number 7009243952 and commercial registration number 1010429250 dated 8 Rabi’ Alawwal 1436H (corresponding to 31 December 2014). The Company is engaged in importing, operating and maintaining buses in Riyadh according to license issued by the Ministry of Investment No. 10608351147347 dated on 8 Thul-Qi’dah 1435H (corresponding to 4 September 2014).

The paid up capital of the Company is ﷲ 10 million. The principal activity of the company is executing King Abdulaziz Project for Public Transport in Riyadh.

Digital Mobility Solutions Company for Investments which is 100% owned by Saudi Public Transport Company is a limited liability company registered in Riyadh, Kingdom of Saudi Arabia under unified national number 7025303418 and commercial registration number 1010732875 dated 1 Muharram 1443H (corresponding to 10 August 2021). The paid up capital of the Company is ﷲ 5 million. The Company is engaged in the activities of systems analysis and mobility technologies.

# SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

### 1. REPORTING ENTITY (continued)

- \* Rekab Solutions For Transportation Services Company which is 100% owned by Digital Mobility Solutions Company for Investments is a limited liability company registered in Riyadh, Kingdom of Saudi Arabia under unified national number 7028690043 and commercial registration number 1010795911 dated 16 Ramadan 1443H (corresponding to 17 April 2022). The paid up capital of the Company is ﷲ 10,000. The Company is engaged in the activities of shared rides transportation services.
- \*\* Fast Mile Company is 100% owned by Digital Mobility Solutions Company for Investments is a limited liability company registered in Riyadh, Kingdom of Saudi Arabia under unified national number 7031773992 and commercial registration number 1010840763 dated 22 Rabi' Alawwal 1444H (corresponding to 18 October 2022). The paid up capital of the Company is ﷲ 10,000. The Company is engaged in logistic services.
- \*\*\* Rahlati Lalhaloul Raqmiah is 100% owned by Digital Mobility Solutions Company for Investments, a limited liability company registered in Riyadh, Kingdom of Saudi Arabia, under unified national number 7034005616 and commercial registration number 1010888366, dated 24 Thul-Qi'dah 1444 (corresponding to 13 June 2023). The Company's paid-up capital amounts to ﷲ 10,000. The Company specializes in providing religious transportation and facilitation services.

SAT Transport Company ("SAT") (15% owned by NEX Continental Holdings (A company incorporated in Spain) is a Limited Liability Company registered in Riyadh, the Kingdom of Saudi Arabia under unified national number 7035740682 and commercial registration number 1010919499 dated 26 Safar 1445H (corresponding to 11 September 2023). The Company is engaged for the procurement, operation, and maintenance of intercity bus services across the Kingdom of Saudi Arabia. The paid up capital of the Company is ﷲ 10 million.

Al-Riyadah World Training Company which is 100% owned by Saudi Public Transport Company is a limited liability company registered in the Kingdom of Saudi Arabia under unified national number 7039007526 and commercial registration number 1009023001 dated 20 Shawwal 1445H (corresponding to 30 April 2024) with a share capital of ﷲ 100,000. The Company is primary engaged in the activities of driver training. The company has not started commercial operations yet.

SAPTCO LLC is 100% owned by Saudi Public Transport Company is a limited liability company registered in the Kingdom of Saudi Arabia under unified national number 7003784860 and commercial registration number 4030297150. The Company operates under an existing commercial license with commercial registration number 4030297150, originally issued on 2 Safar 1439H (corresponding to 22 October 2017), with a share capital of ﷲ 100,000. The renewed commercial registration, which represents the incorporation date of the new entity, was issued on 23 Safar 1447H (corresponding to 17 August 2025). The Company's principal activity is driver training; however, it has not yet commenced commercial operations.

Merabb Vehicle Maintenance Company which is 100% owned by Saudi Public Transport Company is a limited liability company registered in the Kingdom of Saudi Arabia under unified national number 7004747858. The Company operates under an existing commercial license with commercial registration number 2050118240, originally issued on 10 Muharram 1440H (corresponding to 20 September 2018), with a share capital of ﷲ 100,000. The renewed commercial registration, representing the incorporation date of the new entity, was issued on 14 Safar 1447H (corresponding to 8 August 2025). The Company is primary engaged in the activities of providing vehicle maintenance services. The company has started commercial operations in October 2025.

The Company has the following equity account investees:

Equity account investees	Relationship	Shareholding		Principal activity	Country of incorporation
		31 December 2025	31 December 2024		
Saudi Bahraini Transport Company (*)	Associate	40%	40%	Transportation activities	Kingdom of Saudi Arabia
Capital Metro Company Limited (CAMCO)	Associate	20%	20%	Road construction works and maintenance	Kingdom of Saudi Arabia
Saudi Emirates Integrated Transport Limited Company (SEITCO)	Joint Venture	50%	50%	Educational transportation services	Kingdom of Saudi Arabia

\* The Saudi Bahraini Transport Company is under liquidation since 31 December 2015.

# SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

### 2. BASIS OF PREPARATION AND CONSOLIDATION

#### a) Statement of compliance

The accompanying consolidated financial statements have been prepared 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.

#### b) Basis of measurement

These Consolidated Financial Statements have been prepared on the historical cost basis except for the following material items in the Consolidated Statement of Financial Position:

- Derivative financial instruments- interest rate SWAP and Callable SWAP are measured at fair value
- The employee retirement benefit is recognised at the present value of future obligations using the Projected Unit Credit Method.

#### c) Functional and presentation currency

The consolidated financial statements are presented in Saudi Riyals (“ﷲ”), which is also the Group’s functional currency. All amounts have been rounded to the nearest thousands of Saudi Riyals (ﷲ), unless otherwise indicated.

#### d) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2025 and collectively referred to as (“the Group”). 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 into line with the Group’s accounting policies.

All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognized at fair value. The non-controlling interest is measured at its proportional share of the acquiree's net assets.

# SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

### 3. STANDARDS, INTERPRETATIONS AND AMENDMENTS

#### *New and amended standards and interpretations*

Following are the standards and amendments effective on 1 January 2025 or after (unless otherwise stated) and do not have a material impact on the Group's consolidated financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

#### *Lack of exchangeability - Amendments to IAS 21*

For annual reporting periods beginning on or after 1 January 2025, Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of the entity's financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments had no impact on the Group's consolidated financial statements.

#### *New and amended standards and interpretations not yet effective*

The new amended, issued standards and interpretations, which are not effective yet have not been adopted early by the Group and will be adopted on their effective date as applicable. The adoption of these standards and interpretations is not expected to have any material impact on the Group on the effective date, except IFRS 18, which the Group is currently evaluating the impact of its adoption on the consolidated financial statements.

<u><i>Standard, Amendment or Interpretation</i></u>	<u><i>Effective date</i></u>
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
- Annual Improvements to IFRS Accounting Standards - Volume 11	1 January 2026
- IFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027

#### *IFRS 19 Subsidiaries without Public Accountability: Disclosures*

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Group's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

### 4. MATERIAL ACCOUNTING POLICY INFORMATION

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

#### **4.1 Equity accounting in investee**

An associate is an entity over which the Group has significant influence. Significant influence is defined as the ability to participate in the financial and operating policies and decisions of the investee but is not 'control' or 'joint control' of those policies.

A joint venture is a form 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.

# SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### 4.1 Equity accounting in investee (continued)

The considerations established to ensure whether there is a significant influence or joint control are similar to those necessary considerations to determine control over the subsidiaries.

The Group's investments in its associates and joint venture are accounted according to the equity method.

Under the equity method, the investment in an associate or joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not nor individually tested for impairment. The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there is any change that is directly recognized in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity.

The aggregate of the Group's share of profit or loss of the associate or joint venture is shown in the consolidated statement of Profit or loss outside operations profit and represents the income or loss after tax and the non-controlling interest in the subsidiaries of the associate or joint venture.

The financial statements of the associates or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After applying the equity method, the Group determines whether it is necessary to recognize any impairment loss in the value of its investment in its associate or joint venture. At the date of the preparation of each consolidated financial statements, the Group ensures that there is objective evidence that the investment in an 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, then recognizes the loss as "share in earnings of an associate or joint venture" in the consolidated statement of Profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes the retained investment at fair value. The 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 retaining investment and disposal proceeds is recognized in the consolidated statement of Profit or loss.

#### 4.2 Classification of assets and liabilities as "current" and "non-current"

The Group presents assets and liabilities in the consolidated statement of financial position as current/ non-current.

Assets are current when they are:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle.
- If it is acquired mainly for trading purposes.
- Expected to be realized within twelve months after the reporting period, or Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- When it is expected to be settled in the normal operating cycle.
- If it is acquired mainly for trading purposes.
- It is due to be settled within twelve months after the reporting period, or
- There is no right to defer the settlement of the liability for at least twelve months after the financial period.

The Group classifies all other liabilities as "non-current".

# SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### 4.3 Revenue from contracts with customers

The Group provides transportation services within and outside the Kingdom of Saudi Arabia, as well as the related services. If the services under a single arrangement are rendered during different financial periods, then it is allocated on standalone selling price basis between the different services.

Some tickets are neither used for travel and nor refundable. This is often referred to as "tickets breakage". In cases in which the Group is expected to be entitled to breakage, the estimated amount is recognized as revenue to the extent it is highly probable that there will be no significant revenue reversal. Where the Group cannot accurately estimate the breakage that there will be no significant revenue reversal, then the respective revenue is recognized only when the likelihood of the customer exercising its remaining rights becomes remote.

Revenue is recognized upon when services are rendered to customers.

The Group generates revenue from the following areas:

#### (a) Revenue from passenger transport

Revenue from passenger transport represent inside city, intercity and international transportation services is recognized when the customer obtains transportation service which occurs upon completion of trip.

#### (b) Revenue from specialized services

The key services provided through specialized services are as follows: -

Short period contracts to provide transport specialized services to direct beneficiaries or special programs organizers.

Continuous contract services represented in contracting with government authorities, companies and universities to transfer their employees and students.

Revenue is recognized when the customer obtains the transportation service which occurs upon completion of trip.

#### (c) Revenue from urban services

This represents contract revenues with municipalities and Royal commissions for public transport services inside cities the revenue is recognized over time since municipalities and Royal commissions receive and consume the benefits provided by the company's performance.

#### (d) Revenue from Technical Shared Services

Technical shared services encompass maintenance and repair services offered to customers in transport sector, the revenue is recognized over time since customers receive and consume the benefits provided by the company's performance.

#### (e) Service concession arrangements

The subsidiary (Public Transportation Company "PTC", "the Operator") entered into a contract with Royal Commission for Riyadh City ("RCRC" or the "Grantor") on 20 November 2014 for executing King Abdul-Aziz Project for public transport in Riyadh. The original contract period was twelve years, which is extended to 22 December 2028 through the variation order (Variation Order# 3). Under the arrangement, the Company will procure buses, construct depots and manage operations (i.e., running of buses - transporting public in various transport lines) and management of transport lines for RCRC. The contract is divided into two phases, i.e., mobilization phase and operational phase. At the end of the contract period, the Grantor has an option either to purchase the infrastructure (buses and depots) along with other assets or transfer the legal right to the Company. The rights of the Grantor to terminate the agreement include termination for cause and optional termination.

Based on the arrangement with RCRC, the Company has an unconditional right to receive cash during the mobilization and operational period and it does not have any right to use the infrastructure to recover cash from public. The Company recognizes a financial asset arising from a service concession arrangement when it has an unconditional contractual right to receive cash from the Grantor for the construction or upgrade services provided.



# SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### 4.4 Financial instruments (continued)

##### Classification

The Group classifies its financial assets and liabilities in the following measurement categories: 1) those to be measured subsequently at fair value either through other comprehensive income, or through profit or loss, and 2) Those to be measured at amortized cost.

The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those measured at amortized cost unless designated as liabilities subsequently measured at FVTPL. For assets and liabilities measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income (“OCI”).

The Group reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

The Group has implemented the following classifications:

##### Financial statements item

Investments at fair value through Profit or loss  
Derivative financial instruments – Interest Rate SWAP and  
Callable SWAP  
Investments in Murabaha deposits  
Trade receivables, unbilled receivables and other receivables  
Cash and cash equivalents  
Amounts due from a related party  
Murabaha financing  
Lease liabilities  
Trade and other payables

##### Classification under IFRS 9

Fair value through profit or loss (FVTPL)  
  
Fair value through profit or loss (FVTPL)  
Amortized cost  
Amortized cost  
Amortized cost  
Amortized cost  
Amortized cost  
Amortized cost  
Amortized cost

##### Financial assets

##### *Initial recognition and measurement*

Financial assets are initially measured at their fair values. The subsequent measurement of financial assets depends on its classification either at amortized cost, at fair value through other comprehensive income (FVOCI) or at fair value through profit or loss (FVTPL). Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are generally recognised in profit or loss.

The classification of financial assets at initial recognition depends on the contractual cash flow characteristics of the financial asset 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.

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.

The Group’s business model for managing financial assets refers to how it manages 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.

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

# SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### 4.4 Financial instruments (continued)

##### Financial assets (continued)

##### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into following categories:

Financial assets carried at fair value through profit or loss	These assets are subsequently measured at fair value. Net gains and losses, including any interest revenue or dividend income, are recognized in profit or loss.
Financial assets amortised cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest revenue, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.
Equity investment at fair value through other comprehensive income	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

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 the consolidated statement of profit or loss. Dividends are recognized as other income in the consolidated statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

##### Financial assets at FVTPL:

Financial assets at fair value through the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of profit or loss.

##### **De-recognition**

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

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognized to the extent of the Group continuing involvement. In that case, the Group also continues to recognize the associated liabilities. The transferred asset and the associated liabilities are measured on a basis that reflects the rights and liabilities the Group has retained.

##### **Impairment**

The Group recognizes loss allowances for Expected Credit Losses (ECLs) on:

- Financial assets that are measured at amortised cost; and
- Contract assets (as defined in IFRS 15).

# SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### 4.4 Financial instruments (continued)

##### Financial assets (continued)

##### Impairment (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort.

This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

##### Measurement of ECLs

ECLs are probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

##### Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract, including default or overdue payments exceeding 360 days.
- It is probable that the borrower will enter bankruptcy or other financial reorganization; or the disappearance of the active market for a security because of financial difficulties.

##### Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

#### Financial liabilities

##### Initial recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans or borrowings, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans, other payables and borrowings, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

##### Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (long-term payables and lease liabilities).

# SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### 4.4 Financial instruments (continued)

##### Financial liabilities (continued)

##### *Subsequent measurement (continued)*

##### Financial liabilities at fair value through profit or loss

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

Financial liabilities are classified as held for trading when they are acquired for the purpose of repurchasing in the near future. This category also includes derivative financial instruments used by the Group that are designated as hedging instruments in hedge relationships as defined by IFRS 9 (Financial Instruments). Separated embedded derivatives are classified as held for trading unless they are designated as effective hedging instruments.

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

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

##### Financial liabilities at amortized cost

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

Amortized cost is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the consolidated statement of profit or loss. This category applies to all interest-bearing loans.

##### **De-recognition**

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

##### **Write-off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written-off could still be subject to enforcement activities to comply with the Group's procedures for recovery of amounts due.

#### 4.5 Cash and short-term deposits

Cash and short-term deposits shown in the consolidated statement of financial position include cash at banks, cash on hand and short-term deposits with an original maturity of three months or less and are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and short-term deposits include of cash at bank, cash on hand and short-term deposits, as defined above, less bank overdrafts, if any as they are considered as an integral part of the Group's cash management.

#### 4.6 Dividends Payable

The Group recognizes a liability to make cash or non-cash distributions to the shareholders when the distribution is approved and the distribution is no longer at the discretion of the Group.

# SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### 4.7 Provisions

##### *General*

Provisions are recognized when the Group has a legal present or expected obligation 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 recognized 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 profit or loss 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, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

#### 4.8 Assets held for sale

The Group classifies non current assets as held for sale if their carrying amounts will be recovered principally through sale rather than through continuing use. Non - current assets held for sale are measured at the lower of their carrying amount or fair value less costs to sell.

The criteria for classification of assets held for sale are met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be cancelled. The Management must be committed to the plan to sell the asset and which is expected take place within one year from the date of the classification

#### 4.9 Inventories

Inventory includes service materials and spare parts that are recorded at the lower of cost or net realizable value. Costs are assigned to the items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is considered as the estimated selling price in ordinary course of business, less estimated costs to completion and the estimated costs necessary to complete the sale.

#### 4.10 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any. This cost includes the cost of replacing part of property and equipment and borrowing costs relating to long-term construction projects if the recognition criteria are met. If replacement of important parts of equipment is required in stages, the Group depreciate these parts separately over their useful lives. In contrast, when a major test is performed, its cost is recognized in the carrying amount of equipment as a replacement if its recognition criteria are met. All other repairs and maintenance costs are recognized in the consolidated statement of profit or loss when incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

<u>Asset categories</u>	<u>Estimated useful lives</u>
Buildings and lease hold improvements	3 – 33 years
Buses, trucks and trailers	5 – 12 years
Machines and equipment	2 - 20 years
Furniture and Fixture	3 - 10 years
Motor Vehicles	3 - 6 years

Depreciation is not calculated on lands.

An item of property and equipment, buses, trucks and any significant part that is initially recognized on derecognition or where there are no future benefits expected from use or disposal. Any gain or loss arising on derecognition of an asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the consolidated statement of profit or loss in the year the asset is derecognized

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

# SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### 4.10 Property and equipment (continued)

Projects under construction are stated at incurred cost until the assets are prepared for its intended purpose. Then, such cost is capitalized on the relevant assets. This includes the cost of contractors, materials, services.

#### 4.11 Advances to customers against the property and equipment

Advances paid to customers for the procurement of buses and other non-current assets are classified as long-term capital advances.

#### 4.12 Leases

The Group shall assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### 4.12.1 Group as a lessee

The Group applies a single recognition and measurement model for all leases, except for short-term leases and leases of low-value assets. The Group recognizes a lease liability to make lease payments and right-of-use assets represent the right to use the assets.

##### a) Right-of-use assets

The Group recognizes right-of-use assets at the lease commencement date (i.e., the date of availability of right-of-use asset). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs, 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 lease term.

##### b) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments 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 against 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 terms give the Group right to terminate the lease. Variable lease payments that depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition of payment occurs.

##### 4.12.2 Group as a lessor

Leases in which substantially all the risk and rewards of ownership are transferred to the Group are classified as operating lease. The arising rental income is calculated on a straight-line basis over the term of the lease and recognized under income in the consolidated statement of profit or loss due to its operating nature. Initial direct costs resulting from negotiating and arranging an operating lease are charged to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rental income are included as revenue in the period in which they are earned.

#### 4.13 Investment properties

Investments held to earn rentals or capital appreciation are classified as investment properties. Investment properties are measured initially at cost including transaction costs less any accumulated depreciation and accumulated impairment losses, if any.

Depreciation is calculated on a straight-line basis over the estimated useful lives. Depreciation is not calculated on lands. Investment properties are derecognized either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefits is expected from it. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the consolidated statement of income in the year of de-recognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment properties to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investments property, the Group accounts for this property in accordance with the policy stated under property and equipment up to the date of change in use.

# SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### 4.14 Intangible assets

On initial recognition, intangible assets acquired separately are measured at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is charged to consolidated statement of profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. Amortization expenses of intangible assets with finite lives are included in the consolidated statement of profit or loss as an expense and in line with the function of intangible assets.

Intangible assets with indefinite useful lives are not amortized but are tested annually for impairment either individually or at the cash-generating unit level. The assessment of indefinite useful life is reviewed annually to ensure that the assessment made for the indefinite useful life is still supported, otherwise the change from "indefinite useful life" to "definite useful life" is made prospectively.

Gain or losses arising on de-recognition of intangible assets are measured as a difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit or loss when the asset is derecognized.

#### *Software*

Computer software are recognized at cost less accumulated amortization and accumulated impairment losses. Historical cost comprises all costs attributable directly to the acquisition of the items.

#### *Research and development*

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortization and any accumulated impairment loss.

Amortization is charged to consolidated statement of profit or loss using the straight-line method in order to allocate the costs over the respective assets less the residual value over their estimated useful lives, as following:

- Computer software 3 -10 years
- DMS application system 5 years
- Other intangible assets 2 – 3 years

#### 4.15 Foreign currencies

##### **Foreign currency translation**

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

# SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### 4.15 Foreign currencies (continued)

##### *Foreign operations*

Foreign operations are translated into Saudi Riyal (ﷲ) at the relevant exchange rates. The income and expenses of foreign operations are translated into ﷲ at the average exchange rates for the relevant period.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant portion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

#### 4.16 Employee benefits

The Group has defined contribution plan with General Organization for Social Insurance (“GOSI”) where the Group and the employees contribute fixed percentage of their salary towards the retirement of its employees. The Group implements defined benefit plans under the Saudi Arabian Labor Law applicable based on employees' accumulated periods of service at the date of the consolidated statement of financial position.

The cost of providing the benefits under the identified benefits programs separately for each program using the projected unit credit method.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment.
- The date that the Group recognizes restructuring-related costs.

Net interest is calculated by applying the discount rate to the net benefits obligations or assets. The Group recognizes the following changes in the net defined benefit obligation under “cost of revenue and administrative expenses” in the consolidated statement of profit or loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements.
- Net interest expense or income.
- Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the consolidated statement of financial position with a corresponding deduction or entry to retained earnings through OCI in the year end in which they occur. Re-measurement is not reclassified to profit or loss in subsequent periods

#### 4.17 Finance costs

General and specific loan costs and Murabaha financing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized over the period of time required to complete and prepare the asset for use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. The finance cost consists of other bank commissions that an entity incurs in connection with issuing letters of guarantee and credit transactions, along with other financial transactions, interest expenses related to lease liabilities, changes in the fair value of derivative instruments, and interest incurred in relation to derivative instruments.

# SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### 4.18 Zakat and income tax

##### *Zakat*

The Group are subject to Zakat in accordance with the regulations of the Zakat, Tax and Customs Authority (“ZATCA”) in the Kingdom of Saudi Arabia. Zakat provision is calculated according to the consolidated Zakat base of the Group and its directly or indirectly wholly owned subsidiaries. Any differences between the provision and the final assessment are recorded when the final assessment is approved. Provision for zakat is charged to consolidated statement of profit or loss.

##### *Income tax*

Non-Saudi partner of the subsidiary is subject to corporate income tax in the Kingdom of Saudi Arabia based on his share of the results, which is included as an expense in the consolidated statement of profit or loss.

Deferred tax is calculated using the liability method on temporary differences between the tax bases and liabilities and their carrying amounts for the consolidated financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except for:

- Where the deferred tax liabilities arise from the initial recognition of goodwill or of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable income or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized on all deductible temporary differences, carry forward of unused taxes and unused tax losses only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax assets relating to the deductible temporary difference arise from the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized 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 utilized.

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 assets to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it is likely to result in future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax regulations) that have been issued and effective on the date of the consolidated financial statements preparation.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes related to the same taxable entity and the same taxation authority.

##### Deferred tax

The assessment of deferred tax assets and liabilities is based on management judgment. Deferred tax assets are only recognized if they can be utilized. Whether or not they can be used depends on whether the carry forward tax losses can be offset against future taxable profits. In order to assess the probability of their use future use, estimates are made of various factors such as future operating results etc. If actual values differ from the estimates, this can lead to a change in the assessment of recoverability of the deferred tax assets.

Additional Zakat liability, if any, related to prior years’ assessments by ZATCA is accounted for in the year in which the assessments are finalized.

# SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### 4.18 Zakat and income tax (continued)

##### *Value Added Tax (VAT)*

Revenues, expenses and assets are recognized net of the amount of VAT, except:

- Where VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- Receivables and payables are stated with the amount of VAT included.

The net amount of value added tax (VAT) recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

##### *Withholding Tax*

The Group withholds taxes on some transactions with non-resident parties in the Kingdom of Saudi Arabia in accordance with the income tax law in force in the Kingdom of Saudi Arabia.

#### 4.19 Earnings per share

Basic and diluted earnings per share is calculated by dividing:

- The profit attributable to the shareholders of the Group;
- By the weighted average number of ordinary shares outstanding during the financial period.

The Group has not issued any potential ordinary shares; therefore, the basic and diluted earnings per share are the same.

#### 4.20 Impairment of non-financial assets

The Group assesses at each reporting date, whether there is an indication of impairment. 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 value in use. The recoverable amount is determined for an individual asset, unless the asset does generate cash inflows into the Group that are largely independent of those from other assets or group 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 the context of assessing value in use, the estimated future cash flows are discounted to arrive at their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks of the asset. In the context of determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, a valuation model appropriate for this purpose is used.

Impairment losses of continuing operations are included in the consolidated statement of profit or loss or in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, the Group assesses at each reporting date to determine the extent to which previously recognized impairment losses continue to exist or have decreased. If any such indication exists, the Group estimates the assets or CGU's recoverable amount. A previously recognized impairment loss is reversed, except for impairment losses relating to goodwill, only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that have been previously determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is included in the consolidated statement of profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as an increase in the revaluation.

#### 4.21 Finance income

Finance income is recognized using effective commission rate method which represents the rate under which the estimated future cash receipts are discounted over the expected life of a financial instrument (or a shorter period, whichever is more appropriate, for the net book value of the financial asset) including interest on derivative financial instruments, interest on short term deposits and loans on advances recognised on amortised cost basis.

# SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### 4.22 Dividends receivable

Dividends are recognized when the Group's right to receive the payment is established, which is generally when the shareholders approve the dividends.

#### 4.23 Borrowings

Borrowings are recognised initially at the transaction price (that is, the present value of cash payable to the bank, including transaction costs). Borrowings are subsequently stated at amortised cost. Commission expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowing are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. All borrowing costs including commission expense are recognised in profit or loss in the period in which they are incurred.

#### 4.24 Operating profit

Operating profit is the profit from core business activities, calculated as revenue minus operating expenses, excluding financing costs, zakat and income tax, and non-operating items.

#### 4.25 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of finance and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalized is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amount capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Interest is capitalized as from the commencement of the development work until the date of practical completion, when substantially all of the development work is completed. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted. Borrowing costs is also capitalized on the purchase cost of a site of property acquired specifically for redevelopment, but only where activities necessary to prepare the asset for redevelopment are in progress.

#### 4.26 Fair value measurements

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial assets takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

# SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### 4.26 Fair value measurements (continued)

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

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

For assets and liabilities that are recognized in the Consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### 4.27 Onerous contract

Provision against onerous contracts are recognized when the Group expects that the costs of meeting the obligations under a contract exceed the economic benefits expected to be received under it. Such provisions are charged to "Cost of revenue" in the consolidated statement of profit or loss.

### 5. SIGNIFICANT ASSUMPTIONS, ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements in accordance with IFRSs that are endorsed in the Kingdom of Saudi Arabia requires the use of certain critical estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the reporting period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and underlying assumptions are reviewed on an ongoing basis. The differences arising on revisions to estimates are recognized prospectively.

#### 5.1 Significant assumptions and estimates

##### *Fair value measurement*

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

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

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

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

# SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

### 5. SIGNIFICANT ASSUMPTIONS, ESTIMATES AND JUDGEMENTS (continued)

#### 5.1 Significant assumptions and estimates (continued)

##### *Impairment on non-financial assets*

An impairment exists when the carrying value of an asset or cash generating units (CGU) 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 for disposing of the asset. The value in use is based on a Discounted Cash Flow ("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.

##### *Employee' defined benefit liabilities*

Defined benefit obligations to employees are determined using actuarial valuation processes. An actuarial valuation involves making various assumptions, which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation ("DBO") is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

##### *Useful lives and residual values of property and equipment*

The useful life of each item of the Group's property and equipment is estimated based on the period during which the asset is expected to be available for use. This estimate is based on a collective evaluation of practices in similar businesses, internal technical evaluation, past experience with similar assets and application of judgments when the asset becomes available for use and computation of the depreciation cost.

The estimated useful life of each asset is periodically reviewed and updated in the event that expectations differ from previous estimates as a result of normal depreciation of the asset, technical and commercial obsolescence, legal or other restrictions on the use of the asset. Any change in the estimated useful life or depreciation pattern will be accounted for prospectively.

##### *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 or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

##### *Estimate over cost to complete the project*

As part of application of over time method on contract accounting, the cost to complete the project is estimated by the management. These estimates include, amongst other items, the mobilization costs, procurement costs, construction costs, operation costs, variation orders by the Grantor and the cost of meeting other contractual obligations to the Grantor. Such estimates are reviewed at regular intervals. Any subsequent changes in the estimated cost to complete may affect the results of the subsequent periods.

During the year, management has revisited the variable consideration and cost to complete estimates which has resulted in a reduction in the remaining costs to complete and a corresponding increase in the profit margin for the bus operation performance obligation by ﷲ 344 million. Conversely, the reassessment resulted in an increase in the remaining cost to complete and a reduction in profit margins for the facility management and traffic control center performance obligations by ﷲ 16 million and 8 million, respectively. The cumulative impact of these changes in estimates has been recognized in the statement of profit or loss for the year ended 31 December 2025, resulting in an increase in revenue of ﷲ 171 million for the bus operations and reductions of ﷲ 7 million and ﷲ 4 million for the facility management and traffic control center, respectively.

# SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

### 5. SIGNIFICANT ASSUMPTIONS, ESTIMATES AND JUDGEMENTS (continued)

#### 5.1 Significant assumptions and estimates (continued)

##### *Going concern*

These consolidated financial statements have been prepared under the going concern basis. The Group's 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.

##### *5.2 Significant judgments*

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes.

Information about assumptions and estimation uncertainties at 31 December 2025 that have a significant risk that may lead to a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 14/ policy 4.4: measurement of impairment loss on trade and unbilled receivables and contract assets: key assumptions in determining the weighted-average loss rate; and.
- Note 7.1/ policy 4.20: impairment test on cash generating units; key assumptions underlying recoverable amounts;
- Note 22/ policy 4.16: measurement of defined benefit obligations: key actuarial assumptions.
- Note 30: The application of IFRS 15 has required management to make the judgement for estimate over cost to complete.

### 6. SEGMENT INFORMATION

The Group Chief Executive Officer (CEO) monitors the results of the Group's operations for the purpose of making decisions about resource allocation and performance assessment and is the Chief Operating Decision Makers (CODM) for the Group.

For management purposes, the Group is organized into business units based on their operations and has the following reportable segments:

- Inter City Transport- It includes scheduled transport services, representing passenger transport services inter cities including international transport services.
- Specialized Services - It includes transport services agreements entered into by the Group with third parties, whether government or non-government parties, inside or outside the Kingdom of Saudi Arabia. It also includes Limo services.
- Urban transport- It includes the financial results of the Public Transportation Company and the Urban Transport business of SAPTCO (the Parent Company). The activities primarily relate to the execution of the King Abdulaziz Project for Public Transport in Riyadh, as well as the provision of urban transportation services across the Kingdom of Saudi Arabia.
- Digital mobility solutions provides technologies-based mobility solutions such as on demand services and shared ride services.
- Technical shared services encompass maintenance and repair services offered to both internal and external customers.

These operating segments are identified based on internal reports that the entity regularly reviews for allocating resources to segments and assessing their performance "management method". The management method is based on how the management organizes the segments within the entity for making operating decisions and assessing performance. The management of SAPTCO, at the end of every reporting period, reviews the above segments for setting quantitative thresholds as well as criteria for presenting the revenues and expenses of each segment.

# SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES (A Saudi Joint Stock Company)

---

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

### 6. SEGMENT INFORMATION (continued)

The activities of the Company and its subsidiaries are primarily conducted in the Kingdom of Saudi Arabia.

Inter-segment and inter business units' revenues are eliminated upon consolidation and reflected in the "adjustments and eliminations" column.

Management monitors the operating results of business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on consolidated statement of profit or loss and is measured consistently with the consolidated statement of profit or loss in the consolidated financial statements.

The Group's revenues are affected by seasons with high operating rates. These seasons are during the periods of Hajj, summer vacation, holy month of Ramadan and public holidays. For the year ended 31 December 2025, total revenues amounted to ﷲ 1,827 million, comprised of ﷲ 1,163 million from government entities and ﷲ 664 million from private entities (total revenues for the year ended 31 December 2024 were ﷲ 1,460 million, with ﷲ 877 million from government entities and ﷲ 583 million from private entities).

As of 31 December 2025, total receivables amounted to ﷲ 1,589 million, including ﷲ 1,476 million from government entities and ﷲ 113 million from private entities. (31 December 2024: ﷲ 1,085 million, which included ﷲ 935 million from government entities and ﷲ 150 million from private entities).

For geographical distribution of revenue refer to note 30.

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

6. SEGMENT INFORMATION (continued)

Information on reportable segments

The financial information included for these segments is as follows:

For the year ended 31 December 2025	Intercity transport	Specialized services	Technical shared services	Digital mobility solutions	Urban transport	Total segments	Adjustments and eliminations	Total
Operating revenue	174,704	362,848	19,346	66,604	1,203,074	1,826,576	-	1,826,576
Inter segment revenue	-	-	177,452	-	-	177,452	(177,452)	-
Inter segment cost	-	(50,981)	-	-	(126,471)	(177,452)	177,452	-
Cost of revenue	(125,188)	(386,685)	(166,668)	(46,998)	(598,313)	(1,323,852)	-	(1,323,852)
Impairment on trade and other receivables	(6)	3,444	4,429	42	1,392	9,301	-	9,301
Impairment loss on property and equipment	-	(52,700)	-	-	-	(52,700)	-	(52,700)
Depreciation and amortization	(23,585)	(116,873)	(18,043)	(9,199)	(45,428)	(213,128)	-	(213,128)
Financial cost	(5,381)	(35,956)	(1,627)	(207)	(55,888)	(99,059)	-	(99,059)
Finance income	1,655	4,776	184	-	9,147	15,762	-	15,762
Share of equity accounted investee	-	(1,969)	-	-	11,715	9,746	-	9,746
Other expenses	(16,075)	(6,656)	(73)	(14,777)	(8,522)	(46,103)	-	(46,103)
Other income	1,909	417	255	689	16,151	19,421	-	19,421
Income/(loss) before zakat and income tax	8,033	(280,335)	15,255	(3,846)	406,857	145,964	-	145,964
Zakat and Income Tax	(313)	(412)	(578)	(653)	(30,730)	(32,686)	-	(32,686)
<b>Net profit /(loss) for the year</b>	<b>7,720</b>	<b>(280,747)</b>	<b>14,677</b>	<b>(4,499)</b>	<b>376,127</b>	<b>113,278</b>	<b>-</b>	<b>113,278</b>

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷻ) thousands unless otherwise stated

6. SEGMENT INFORMATION (continued)

Information on reportable segments (continued)

For the year ended 31 December 2024	Intercity transport	Specialized services	Technical shared services	Digital mobility solutions	Urban transport	Total segments	Adjustments and eliminations	Total
Operating revenue	163,417	453,748	43,492	53,916	745,120	1,459,693	-	1,459,693
Inter segment revenue	-	-	120,192	-	-	120,192	(120,192)	-
Inter segment cost	(31,917)	(44,719)	-	-	(43,556)	(120,192)	120,192	-
Cost of revenue	(76,319)	(180,630)	(114,866)	(56,193)	(545,524)	(973,532)	-	(973,532)
Impairment on trade and other receivables	(899)	(5,774)	(1,055)	(2,958)	(2,642)	(13,328)	-	(13,328)
Depreciation and amortization	(18,558)	(137,626)	(15,386)	(3,326)	(25,508)	(200,404)	-	(200,404)
Financial cost	(8,096)	(43,927)	(10,427)	(346)	(52,026)	(114,822)	-	(114,822)
Finance income	2,621	9,806	-	-	4,604	17,031	-	17,031
Share of equity accounted investee	-	(30,148)	-	-	10,226	(19,922)	-	(19,922)
Other expenses	(24,207)	(51,553)	(12,472)	(14,641)	(40,730)	(143,603)	-	(143,603)
Other income	704	918	4,138	541	11,576	17,877	-	17,877
Income/(loss) before zakat and income tax	6,746	(29,905)	13,616	(23,007)	61,540	28,990	-	28,990
Zakat and Income Tax	(374)	(2,082)	(735)	(361)	(10,322)	(13,874)	-	(13,874)
<b>Net profit /(loss) for the year</b>	<b>6,372</b>	<b>(31,987)</b>	<b>12,881</b>	<b>(23,368)</b>	<b>51,218</b>	<b>15,116</b>	<b>-</b>	<b>15,116</b>

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

6. SEGMENT INFORMATION (continued)

Information on reportable segments (continued)

As at 31 December 2025	Intercity transport	Specialized services	Technical Shared Services	Digital mobility solutions	Urban transport	Total segments	Adjustments and eliminations	Total
Property and equipment	78,556	466,407	179,574	5,086	353,623	1,083,246	-	1,083,246
Current assets	29,473	213,648	175,626	33,509	1,796,972	2,249,228	(394,401)	1,854,827
Equity accounted investees	-	1,251	818	-	18,138	20,207	-	20,207
Assets held for sales	-	-	-	-	250	250	-	250
Other Assets	22,978	88,395	63,233	19,287	1,128,564	1,322,457	(304,111)	1,018,346
<b>Total liabilities:</b>								
Loans	59,060	374,236	88,869	-	790,970	1,313,135	-	1,313,135
Other long-term liability	16,466	40,375	39,757	1,402	623,609	721,609	(2,320)	719,289
Current liabilities	34,160	316,840	95,478	244,974	808,181	1,499,633	(591,353)	908,280
<b>As at 31 December 2024</b>	<b>Intercity transport</b>	<b>Specialized services</b>	<b>Technical Shared Services</b>	<b>Digital mobility solutions</b>	<b>Urban transport</b>	<b>Total segments</b>	<b>Adjustments and eliminations</b>	<b>Total</b>
Property and equipment	78,227	655,413	164,258	2,872	172,887	1,073,657	-	1,073,657
Current assets	30,003	322,030	206,079	40,154	1,362,364	1,960,630	(245,032)	1,715,598
Equity accounted investees	-	643	-	-	3,938	4,581	-	4,581
Assets held for sales	-	-	-	-	14,177	14,177	-	14,177
Other Assets	30,066	183,596	95,978	24,261	856,820	1,190,721	(143,100)	1,047,621
<b>Total liabilities:</b>								
Loans	68,500	498,417	68,366	-	615,609	1,250,891	-	1,250,891
Other long-term liability	7,403	54,296	38,143	3,900	780,734	884,475	-	884,475
Current liabilities	36,813	314,081	115,626	247,423	484,381	1,198,323	(429,378)	768,945

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

7. PROPERTY AND EQUIPMENT

	Land	Buildings and lease hold improvements	Buses, trucks and trailers	Furniture & Fixture	Motor vehicles	Machines and equipment	Total
<b>Cost</b>							
<b>Balance as at 1 January 2024</b>	90,264	560,775	1,438,769	25,033	69,099	135,483	2,319,423
Additions during the year	-	222	59,701	5,648	-	8,417	73,988
Transfers from projects in progress	-	57,349	(172)	-	172	8,898	66,247
Transfer to assets held for sale (note 35)	-	-	(30,020)	-	-	-	(30,020)
Disposal during the year	-	(21,292)	(5,121)	(6,862)	(6,234)	(27,778)	(67,287)
<b>Balance as at 31 December 2024</b>	<b>90,264</b>	<b>597,054</b>	<b>1,463,157</b>	<b>23,819</b>	<b>63,037</b>	<b>125,020</b>	<b>2,362,351</b>
Additions during the year	-	9,275	171,268	5,690	3,903	31,013	221,149
Transfers from projects in progress	-	19,251	3,304	-	-	6,684	29,239
Write off of property and equipment	-	(9,719)	(157)	(447)	(1,998)	(651)	(12,972)
Disposal during the year	-	(133,310)	(2,009)	(4,206)	(3,345)	(9,482)	(152,352)
<b>Balance as at 31 December 2025</b>	<b>90,264</b>	<b>482,551</b>	<b>1,635,563</b>	<b>24,856</b>	<b>61,597</b>	<b>152,584</b>	<b>2,447,415</b>
<b>Accumulated depreciation and impairment</b>							
Balance as at 1 January 2024	-	438,776	617,277	18,592	56,938	95,224	1,226,807
Depreciation during the year	-	13,040	146,973	2,081	3,752	10,689	176,535
Transfer to assets held for sale (note 35)	-	-	(20,775)	-	-	-	(20,775)
Disposal during the year	-	(20,598)	(5,105)	(6,707)	(6,143)	(27,520)	(66,073)
<b>Balance as at 31 December 2024</b>	-	<b>431,218</b>	<b>738,370</b>	<b>13,966</b>	<b>54,547</b>	<b>78,393</b>	<b>1,316,494</b>
Depreciation during the year	-	18,771	153,005	2,884	3,311	13,231	191,202
Write off of property and equipment	-	(5,551)	(156)	(278)	(1,998)	(331)	(8,314)
Disposal during the year	-	(132,628)	(1,864)	(3,532)	(3,220)	(8,954)	(150,198)
Impairment during the year	-	-	52,700	-	-	-	52,700
<b>Balance as at 31 December 2025</b>	-	<b>311,810</b>	<b>942,055</b>	<b>13,040</b>	<b>52,640</b>	<b>82,339</b>	<b>1,401,884</b>
<b>Net book value</b>							
<b>As at 31 December 2025</b>	<b>90,264</b>	<b>170,741</b>	<b>693,508</b>	<b>11,816</b>	<b>8,957</b>	<b>70,245</b>	<b>1,045,531</b>
As at 31 December 2024	90,264	165,836	724,787	9,853	8,490	46,627	1,045,857

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

7. PROPERTY AND EQUIPMENT (continued)

	31 December 2025	31 December 2024
Property and equipment	1,045,531	1,045,857
Projects under construction (note 7.2)	37,715	27,800
	<u>1,083,246</u>	<u>1,073,657</u>

The items classified under property and equipment are not encumbered or pledged as collateral for any financial obligations or financing arrangements. These assets remain unassociated with loans, ensuring that they are free from claims by creditors or lenders.

7.1 Impairment test of cash generating units (CGUs)

The Group assesses, at each reporting date, whether there is any indication that its cash-generating units (“CGUs”) may be impaired in accordance with IAS 36 Impairment of Assets.

The Group has determined three cash-generating units, which are as follows:

Public Transport, comprising passenger transport services and related assets operating on the road network connecting the Kingdom’s various cities and villages; Specialized Services, comprising transportation and related services provided under specific customer contracts and programs designed to meet the needs of beneficiaries; and Technical Shared Services, comprising technical and support services provided based on the Group’s technical expertise.

During the year ended 31 December 2025, the Group performed an impairment test for all operating CGUs. As a result of this assessment, an impairment loss of ﷲ 52.7 million (2024: nil) was recognized in respect of the Specialized Services CGU, as its recoverable amount was determined to be lower than its carrying amount. No impairment was identified for the Public Transport or Technical Shared Services CGUs.

In determining the recoverable amount, the Group used the value-in-use (“VIU”) method, as there was no binding agreement to sell the underlying assets and no active market from which fair value less costs of disposal could be reliably determined. The VIU calculations were based on discounted future cash flows derived from management-approved business plans. The key assumptions used in the VIU calculations include forecast revenues, operating margins, cost escalation assumptions, and asset utilization levels. These assumptions are based on management’s past experience, approved budgets, and expectations of future market conditions.

The recoverable amount of each CGU was determined based on value in use, calculated using discounted cash flow projections covering a five-year forecast period. Cash flows beyond the forecast period were extrapolated using a terminal growth rate of nil percent (0%).

The cash flow projections were discounted using weighted average cost of capital of 10.4%, reflecting current market assessments of the time value of money and the risks specific to the CGUs.

The value in use was used to arrive at the recoverable amount and is as follows:

Cash-generating units and associated assets	Carrying amount	Recoverable amount (value in use)	Impairment loss
Public transport	235,119	248,081	-
Specialized services	497,673	444,983	(52,690)
Technical shared services	156,599	230,213	-
	<u>889,391</u>	<u>923,277</u>	<u>(52,690)</u>

The impairment loss recognized during the year relates primarily to buses, trucks, and related assets within the Specialized Services CGU. No impairment was identified for the Public Transport or Technical Shared Services CGUs.

Sensitivity analysis was performed on the key assumptions used in the impairment assessment. A reasonably possible increase of one percentage point in the discount rate, or a reduction in forecast cash inflows, would not result in an impairment for the Public Transport or Technical Shared Services CGUs. For the Specialized Services CGU, the recoverable amount is sensitive to changes in key assumptions; however, no further impairment would arise unless there is a significant adverse change in these assumptions.

# SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

### 7. PROPERTY AND EQUIPMENT (continued)

#### 7.2 Projects under construction

Projects under progress include development of buildings and stations.

Movement in projects under progress during the year is as follows:

	<b>31 December 2025</b>	31 December 2024
At the beginning of the year	<b>27,800</b>	56,841
Additions during the year	<b>53,501</b>	37,206
Write off of projects under progress	<b>(5,776)</b>	-
Transfers during the year	<b>(37,810)</b>	(66,247)
<b>At the end of the year</b>	<b>37,715</b>	27,800

The Group expects to complete the projects in progress during the year ending on 31 December 2026.

### 8. INVESTMENT PROPERTIES

Investment properties of the Group comprise of lands in the Kingdom of Saudi Arabia amounting to ﷲ 307 million as at 31 December 2025 and 31 December 2024. This balance represents parcels of land located in various cities across the Kingdom of Saudi Arabia. The Group intends to hold these lands for the purposes of appreciation in value. Such lands are carried at cost less impairment, if any.

The fair value of investment properties have been determined by external and independent property valuers. The lands were assessed by "Qiam real estate Valuation Company", license number (1210000052) at the Saudi Authority for Accredited Valuers, having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued. The independent valuator determines the fair value of the Group's investment properties portfolio on an annual basis or upon request by the management. The recent fair valuation was performed as at 31 December 2025, and the fair value determined at ﷲ 496 million (31 December 2024: ﷲ 457 million).

The Fair Value Measurement in its entirety is classified into Level 2 based on the valuation techniques used in estimating the fair value and related inputs.

The cost of the land was assessed using a market comparison approach, where the valuation was based on the prices of observable similar pieces of land in the relevant market.

This method involves analyzing recent transactions of comparable land parcels to establish a reasonable and accurate value by considering the characteristics, location, size, frontage/visibility, view. The Key inputs under this approach are the price per square meter from Current year sales of comparable lots of the land in the area.

#### 31 December 2025

<b>Property</b>	<b>Fair value</b>	<b>Valuation Technique</b>	<b>Significant unobservable input</b>	<b>Range</b>
Owned lands	<b>496,011</b>	Market comparable	Average price per Square Meter	543-12,000

#### 31 December 2024

<b>Property</b>	<b>Fair value</b>	<b>Valuation Technique</b>	<b>Significant unobservable input</b>	<b>Range</b>
Owned lands	456,567	Market comparable	Average price per Square Meter	521- 9,287

The sensitivity analysis of changes in the per square meter market price assumption will have the following impact on the property valuation:

<b>Property</b>	<b>Increase</b>	<b>Decrease</b>	<b>Increase in valuation</b>	<b>Decrease in valuation</b>
Owned lands - 2025	<b>1%</b>	<b>1%</b>	<b>4,960</b>	<b>(4,960)</b>
Owned lands – 2024	1%	1%	4,566	(4,566)

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

9. INTANGIBLE ASSETS

	31 December 2025	31 December 2024
Software, applications and licenses (a)	39,935	36,682
Other intangible assets (b)	588,471	586,232
	<u>628,406</u>	<u>622,914</u>

a) Software, applications and licenses

	Software, applications and licenses
<b>Cost</b>	
Balance as at 1 January 2024	132,240
Additions	14,316
Balance as at 31 December 2024	146,556
Additions	11,233
Transfer from asset under construction	8,571
Write off during the year	(49,400)
<b>Balance as at 31 December 2025</b>	<u>116,960</u>
<b>Accumulated amortization</b>	
Balance as at 1 January 2024	92,350
Additions	11,102
Write off during the year	6,422
Balance as at 31 December 2024	109,874
Additions	8,609
Write off during the year	(41,458)
<b>Balance as at 31 December 2025</b>	<u>77,025</u>
<b>Net book value</b>	
<b>As at 31 December 2025</b>	<u>39,935</u>
As at 31 December 2024	<u>36,682</u>

b) Other intangible assets

The intangible assets represent PTC's right in the residual value of the project's buses, Demand Responsive Transport (DRTs) and depots after the end of the project. As per the contract, the Grantor (Royal Commission of Riyadh City) has an option to purchase the buses and depots at their residual value. If this option is not exercised, PTC has the right to retain the buses and depots.

	Right in the residual value of the buses	Right in the residual value of the DRT Vans	Right in the residual value of the depots	Total
Balance as at 1 January 2024	400,519	-	184,246	584,765
Additions	-	1,464	-	1,464
Balance as at 31 December 2024	400,519	1,464	184,246	586,229
Additions	-	2,241	-	2,241
<b>Balance as at 31 December 2025</b>	<u>400,519</u>	<u>3,705</u>	<u>184,246</u>	<u>588,470</u>

During the year 2025, the Group bought 56 DRT Vans (2024: 77 DRT Vans) as part of the contract. The residual value of these vehicles are recorded as intangible assets amounting to ﷲ 2.24 million. (2024: ﷲ 1.46 million) .

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

**10. RIGHT-OF-USE ASSETS**

The Group has leases for buildings (office premises, workshops, and sites) and cars. The lease terms range from 2 to 10 years. The Group depreciates these contracts over the lease term on a straight-line basis. The Group also has some leases for residential buildings of 12 months or less and low-value leases. The Group applies for an exemption from recognition for these short-term leases and leases of low-value assets. The Group has recognized a rental expense for these contracts of ﷲ 11.7 million for the year ended 31 December 2025 (31 December 2024: ﷲ 17.9 million).

	<u>Buildings</u>	<u>Cars</u>	<u>Total</u>
<b>Cost</b>			
<b>Balance as at 1 January 2024</b>	45,419	42,501	87,920
Additions	15,968	119	16,087
Disposals during the year	(12,298)	-	(12,298)
<b>Balance as at 31 December 2024</b>	<b>49,089</b>	<b>42,620</b>	<b>91,709</b>
Additions	13,446	-	13,446
Disposal during the year	-	(2,151)	(2,151)
<b>Balance as at 31 December 2025</b>	<b>62,535</b>	<b>40,469</b>	<b>103,004</b>
<b>Accumulated depreciation</b>			
<b>Balance as at 1 January 2024</b>	17,916	30,033	47,949
Charge for the year	7,385	5,383	12,768
Disposal during the year	(8,112)	-	(8,112)
<b>Balance as at 31 December 2024</b>	<b>17,189</b>	<b>35,416</b>	<b>52,605</b>
Charge for the year	8,046	4,796	12,842
<b>Balance as at 31 December 2025</b>	<b>25,235</b>	<b>40,212</b>	<b>65,447</b>
<b>Net book value</b>			
<b>As at 31 December 2025</b>	<b>37,300</b>	<b>257</b>	<b>37,557</b>
As at 31 December 2024	31,900	7,204	39,104

**11. INVESTMENT IN ASSOCIATES AND A JOINT VENTURE**

	<u>31 December 2025</u>	<u>31 December 2024</u>
Share in joint venture (SEITCO) (a)	4,725	644
Share in an associate (CAMCO) (b)	15,482	3,937
Share in an associate (Saudi Bahraini Transport Company) (c)	-	-
<b>Balance at the end of the year</b>	<b>20,207</b>	<b>4,581</b>

(a) Movement of investment in joint venture (SEITCO) during the year was as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance at beginning of the year	644	30,274
Share of losses	(1,969)	(30,148)
Share in comprehensive income	959	518
Unwinding interest *	5,091	-
<b>Balance at the end of the year</b>	<b>4,725</b>	<b>644</b>

\* During the year 2025, the Group rescheduled a non-interest-bearing loan extended to SEITCO. As part of the restructuring, the loan terms were modified, resulting in a significant change in the estimated future cash flows. The modification was treated as a substantial modification, resulting in derecognition of the original loan and recognition of a new financial asset at fair value.

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

**11. INVESTMENT IN ASSOCIATES AND A JOINT VENTURE (continued)**

The resultant difference between the carrying amount of the original loan and the fair value of the modified loan represents, in substance, a capital contribution to the joint venture.

**The investment balance in joint venture is as follows:**

Saudi Emirates Integrated Transport Limited Company (SEITCO) is a joint venture in which the Group has joint control and a 50% ownership interest. SEITCO is engaged in providing school transport services, owning vehicles including buses, managing companies' vehicle fleet and providing transport by vehicles. SEITCO started its activities during the third quarter of 2014. In accordance with SEITCO's articles of association, the Group and the other investor in the joint venture have agreed to distribute dividends, net of the statutory reserve in accordance with their capital structure, which is currently 50% of each, respectively.

The Group's share in SEITCO is accounted for under the equity method in these consolidated financial statements based on SEITCO's financial statements.

The following table summarizes SEITCO's financial information:

	<b>31 December 2025</b>	31 December 2024
<b>Statement of balance sheet</b>		
<b>Assets</b>		
Cash and cash equivalents	3,866	20,146
Current assets	83,725	42,201
Non-current assets	137,122	169,201
<b>Total assets</b>	<b>224,713</b>	<b>231,548</b>
<b>Liabilities</b>		
Current financial liabilities	73,232	81,118
Other current liabilities	48,202	61,427
Non-current financial liabilities	81,171	74,448
Non-current other liabilities	12,658	13,268
<b>Total liabilities</b>	<b>215,263</b>	<b>230,261</b>
Net Equity	9,450	1,287
Group's share of investment	50%	50%
Share attributable to group	4,725	644

Continuation to the table of SEITCO's financial information:

	<b>31 December 2025</b>	31 December 2024
<b>Statement of Income</b>		
Revenues	246,996	214,593
Depreciation and amortization	(32,177)	(33,261)
Other operating expenses	(206,302)	(233,120)
Operating profit/ (loss)	8,517	(51,788)
Finance costs	(12,320)	(8,460)
Zakat	(135)	(48)
Loss after Zakat	(3,938)	(60,296)
Total loss attributable to the Group	(1,969)	(30,148)
Other comprehensive income	1,917	1,034
Total comprehensive loss	(2,021)	(59,261)
Total comprehensive loss attributable to the Group	(1,010)	(29,630)

No dividends were distributed by SEITCO during the years ended 31 December 2025 and 31 December 2024.

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

11. INVESTMENT IN ASSOCIATES AND A JOINT VENTURE (continued)

(b) Movement of investment in an associate (CAMCO) is as follows:

	31 December 2025	31 December 2024
Balance at beginning of the year	3,937	(6,469)
Share of profit for the year	11,715	10,226
Share in other comprehensive (loss)/ income	(170)	180
Balance at the end of the year	<u>15,482</u>	<u>3,937</u>

On 2 Rabi' I 1439H (corresponding to 20 November 2017), the Saudi Public Transport Company has entered into as a new partner in the Capital Metro Company Limited ("CAMCO") through an acquisition of 3600 new shares issued by CAMCO amounting to ﷲ 3.6 million which represents 20% of the company's capital. The contribution to the Company's capital was made on 24 Rabi' II 1439H (corresponding to 11 January 2018).

CAMCO is an associate which was established in accordance with the Saudi Regulations with a share capital of ﷲ 18 million divided into 18,000 shares of ﷲ 1,000 each. The purpose of the company is construction works and road maintenance. The Group's share in CAMCO is accounted for using equity method.

The following table summarizes the financial information of CAMCO:

	31 December 2025	31 December 2024
<b>Statement of balance sheet</b>		
<b>Assets</b>		
Cash and cash equivalents	124,040	342,827
Current assets	1,057,494	191,915
Non-current assets	16,641	21,692
Total assets	<u>1,198,175</u>	<u>556,434</u>
<b>Liabilities</b>		
Current financial liabilities	37,500	73,935
Other current liabilities	1,013,921	349,936
Non-current financial liabilities	65,625	103,124
Non-current non - financial liabilities	22,982	14,621
Total liabilities	<u>1,140,028</u>	<u>541,616</u>
Net Equity	58,147	14,818
Group's share of investment	20%	20%
Share attributable to the Group	<u>15,482</u>	<u>3,937</u>

	31 December 2025	31 December 2024
<b>Statement of income</b>		
Revenues	860,208	706,553
Depreciation and amortization	(2,550)	(2,550)
Other expenses	(786,871)	(643,221)
Finance costs	(15,774)	(18,486)
Finance income	4,021	10,175
Net profit before zakat and income tax	59,034	52,471
Zakat and income tax	(12,456)	(8,862)
Net profit after zakat and income tax	46,578	43,609
Total profit attributable to the Group	11,715	10,226
Other comprehensive income	(848)	899
Total comprehensive profit	45,730	44,508
Total comprehensive profit attributable to the Group	<u>11,545</u>	<u>10,406</u>

**SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES**  
**(A Saudi Joint Stock Company)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

**11. INVESTMENT IN ASSOCIATES AND A JOINT VENTURE (continued)**

**(c) The balance of the investment in an associate (Saudi Bahraini Transport Company) is as follows:**

	<b>31 December 2025</b>	31 December 2024
Investment in associate (Saudi Bahraini Transport Company)	7,459	7,459
Less: impairment of investment	<u>(7,459)</u>	<u>(7,459)</u>
	<u>-</u>	<u>-</u>

The Group has 40% share in Saudi Bahraini Transport Company, a limited liability company registered in the Kingdom of Saudi Arabia. Group's share in associate is accounted for using the equity method in the consolidated financial statements. On 31 December 2015, the partners' extraordinary general assembly in Saudi Bahraini Transport Company decided to dissolve and liquidate the company and appoint a liquidator to liquidate it. As of 31 December 2025, liquidation of Saudi Bahraini Transport Company is still under process.

Accordingly, the entire value of the investment has been reduced as the Group is unable to determine the recoverable amount of such investment. The Group expects that no provision would be made as a result of liabilities on Saudi Bahraini Transport Company. The Company has no constructive or legal obligation to settle any liabilities of Saudi Bahraini Transport Company.

**12. OTHER NON - CURRENT ASSETS**

	<b>31 December 2025</b>	31 December 2024
Capital advance*	3,275	39,407
Other non – current assets	398	1,215
	<u>3,673</u>	<u>40,622</u>

\* Capital advances represent payments made to suppliers for the procurement of buses and other items that will be subsequently classified under property and equipment.

**13. INVENTORIES**

	<b>31 December 2025</b>	31 December 2024
Spare parts inventory	40,552	38,892
Less: Expected adjustments of net realizable value	<u>(3,685)</u>	<u>(9,120)</u>
Net inventory	<u>36,867</u>	<u>29,772</u>

An analysis of the movement in the expected adjustments of net movement in net realizable value for the year ended is as follows:

	<b>31 December 2025</b>	31 December 2024
Balance at beginning of the year	9,120	48,445
(Reversed)/ charged during the year	(5,435)	695
Write off during the year	-	(40,020)
Balance at the end of the year	<u>3,685</u>	<u>9,120</u>

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

14. TRADE RECEIVABLES AND UNBILLED RECEIVABLES

	<u>31 December 2025</u>	<u>31 December 2024</u>
<b>Trade and unbilled receivables:</b>		
Government and semi-government institutions	665,258	255,030
Unbilled receivables*	811,373	679,081
Receivable from related parties	10,554	35,049
Private sector	<u>102,259</u>	<u>115,397</u>
<b>Total trade and unbilled receivables</b>	<b>1,589,444</b>	<b>1,084,557</b>
Less: Impairment loss	<u>(60,729)</u>	<u>(73,713)</u>
<b>Trade and unbilled receivables</b>	<b><u>1,528,715</u></b>	<b><u>1,010,844</u></b>

On 31 December 2025, the impaired trade receivables amounted to ﷲ 60.7 million (31 December 2024: ﷲ 73.7 million).

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

**14. TRADE RECEIVABLES AND UNBILLED RECEIVABLES (continued)**

The movement of trade receivables' allowance for impairment loss during the year is as follows:

	<b>31 December 2025</b>	31 December 2024
Balance at beginning of the year	73,713	62,042
(Reversal)/ charge for the year	(7,981)	11,828
Amounts written off during the year	(5,003)	(157)
Balance at the end of the year	<b>60,729</b>	<b>73,713</b>

**\*Unbilled Receivables**

Movement summary of unbilled receivables is as follows:

	<b>31 December 2025</b>	31 December 2024
Balance at the beginning of the year	679,081	848,762
Revenue recognized during the year	1,323,442	610,457
Revenue billed during the year	(1,191,150)	(780,138)
Balance at the end of the year	<b>811,373</b>	<b>679,081</b>

The unbilled receivables represent the revenue recognized and have not been billed yet. The Public Transport Company (PTC) will bill the customer as per the agreed billing schedule.

During the year ended 31 December 2025, as per the payment schedule, the Company received approximately ﷲ 457 million (31 December 2024: ﷲ 737 million) from Royal Commission for Riyadh City ("RCRC").

**15. PREPAYMENTS AND OTHER CURRENT ASSETS**

	<b>31 December 2025</b>	31 December 2024
Prepaid insurance and prepaid short-term rents	25,930	18,033
Added value tax	23,870	23,416
Advances to suppliers	22,112	25,760
Employees loans	21,054	11,417
Other receivables	9,916	21,399
Guarantee	2,345	2,350
	<b>105,227</b>	<b>102,375</b>
Less: Impairment loss on other current assets	(5,439)	(6,941)
	<b>99,788</b>	<b>95,434</b>

The movement of impairment loss on other current assets:

	<b>31 December 2025</b>	31 December 2024
Balance at beginning of the year	6,941	5,441
(Reversal)/ charge for the year	(1,320)	1,500
write off during the year	(182)	-
Balance at the end of the year	<b>5,439</b>	<b>6,941</b>

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

**16. OTHER INVESTMENTS AND DERIVATIVE FINANCIAL ASSETS**

	<b>31 December 2025</b>	31 December 2024
Derivative financial assets - interest rate SWAP	<b>1,581</b>	1,336
	<b>1,581</b>	1,336

**a) Derivative financial assets - interest rate SWAP**

As at 31 December 2025, the Group had three profit rate swap agreements in place with a local bank with a notional amount of ﷲ 91.4 million, ﷲ 83.8 million and ﷲ 41.9 million respectively (31 December 2024: ﷲ 418.7 million) whereby the Group pays fixed profit rate of approximately 5.75%, 6.38% and 6.36% respectively and receives floating profit rate equal to 1 months SAIBOR plus 1% on the notional amount. These profit rate swaps are classified as derivative instruments and not designated as hedging instruments, but are, nevertheless, intended to reduce the level of interest rate risk for expected interest payment on interest-bearing long- term loans. The carrying amount of the derivative asset was ﷲ 1.6 million as at 31 December 2025 (31 December 2024: ﷲ 1.3 million). The change in fair value gain was recognized in statement of profit and loss as part of the finance cost during the year ended 31 December 2025 ﷲ 245 thousand (31 December 2024: ﷲ 3.4 million). The valuation is done by the bank according to predetermined and market established practices.

	<b>31 December 2025</b>	31 December 2024
Balance at the beginning of the year	<b>1,336</b>	4,752
Movements due to changes in fair value	<b>245</b>	(3,416)
Balance at the end of the year	<b>1,581</b>	1,336

**b) Derivative financial liabilities**

As at 31 December 2025, PTC had Callable Range Accrual Swap agreement and Profit Swap agreement with a notional amount of ﷲ 500 million and ﷲ 322 million respectively (31 December 2024: ﷲ 500 million and ﷲ 472 million respectively).

In Callable Range Accrual Swap agreement, PTC is to pay when the floating profit rate is higher than the floating profit rate plus spread (subject to range) for the applicable period and receive when floating profit rate plus spread (subject to range) is lower than the higher limit of the range as per the agreement. The subjected range as per the agreement is 0%-7%.

In Profit Swap agreement, PTC is to pay fixed rate of 5.2% and receives floating profit rate equal to 1 months SAIBOR plus 1% on the notional amount.

The Callable Range Accrual swap and Profit Swap agreement are classified as derivative instruments (fair value through profit or loss 'FVTPL') and not designated as hedging instruments, but are, nevertheless, intended to reduce the level of interest rate risk for expected interest payment on interest-bearing long-term loans. The carrying amount as at 31 December 2025 and change in fair value loss of the derivative liability is ﷲ 4.1 million (31 December 2024: ﷲ 4.9 million). The valuation is done by the bank according to predetermined and market established practices.

As at 31 December 2025, SAT (one of the other subsidiaries) had Callable Range Accrual Swap agreement and Profit Swap agreement with a notional amount of ﷲ 100 million and ﷲ 65 million respectively (31 December 2024: ﷲ 100 million and ﷲ 90 million respectively).

In Callable Range Accrual Swap agreement, SAT is to pay when the floating profit rate is higher than the floating profit rate plus spread (subject to range) for the applicable period and receive when floating profit rate plus spread (subject to range) is lower than the higher limit of the range as per the agreement. The subjected range as per the agreement is 0%-7%.

In Profit Swap agreement, SAT is to pay fixed rate of 4.8% and receives floating profit rate equal to 1 months SAIBOR plus 1% on the notional amount.

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

**16. OTHER INVESTMENTS AND DERIVATIVE FINANCIAL ASSETS (continued)**

**b) Derivative financial liabilities (continued)**

The Callable Range Accrual swap and Profit Swap agreement are classified as derivative instruments (fair value through profit or loss 'FVTPL') and not designated as hedging instruments, but are, nevertheless, intended to reduce the level of interest rate risk for expected interest payment on interest-bearing long-term loans. The carrying amount as at 31 December 2025 and change in fair value loss of the derivative liability is ﷲ 716 thousand (31 December 2024: ﷲ 929 thousand). The valuation is done by the bank according to predetermined and market established practices.

	<b>31 December 2025</b>	31 December 2024
Balance at the beginning of the year	<b>5,829</b>	-
Movements due to changes in fair value	<b>(987)</b>	5,829
Balance at the end of the year	<b>4,842</b>	5,829

**17. CASH AND SHORT-TERM DEPOSITS**

	<b>31 December 2025</b>	31 December 2024
Cash on hand	<b>806</b>	876
Cash at bank	<b>122,254</b>	420,843
Short-term deposits	<b>64,471</b>	128,024
	<b>187,531</b>	549,743

As of 31 December 2025, the Group holds a designated bank balance of ﷲ 89 million (2024: ﷲ 90 million). This balance is for specific purposes, including distribution to shareholders and serving as collateral for Contractors and agent's deposits.

The average rate on short-term deposits during 2025 is 5% (2024: 5%) per annum with an average maturity of up to one month.

**18. SHARE CAPITAL**

As at 31 December 2025, authorized and fully paid-up share capital of the Company is ﷲ 1,250 million (31 December 2024: ﷲ 1,250 million) divided into 125 million shares (31 December 2024: 125 million shares) of ﷲ 10 each.

**19. GENERAL RESERVE**

In accordance with the Company's by-law, the Ordinary General Assembly held on 14 May 2024, based on the recommendation of the Board of Directors, approved that the management of the Company may set aside any amount of the Company's available funds, for distributions to shareholders, as a general reserve. The objective of creation of general reserve include, providing social benefits to the Company's employees, its subsidiaries, or for other purposes related to the Company as the Board of Directors may deem appropriate and in the interest of the Company.

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

**20. MURABAHA FINANCING**

The Group has entered into Murabaha arrangements with banks to obtain Murabaha facilities. These loans have a maturity of up to five years from the date of the Murabaha financing agreement bearing prevailing commission rates ranging between 1%-2% plus SIBOR, however, in order to cover the uncertainties associated with the SAIBOR, The Group entered into a profit rate swap and Callable agreement as detailed in note 16 (b & c). The Group has obtained these loans in order to finance the procurement of buses.

Short-term Murabaha financing

During current year, the Group obtained short-term bank facilities from local banks amounted to ﷲ 800 million in the form of Murabaha to finance operating activities. These financing are repayable within 3 months from the date of drawdown and are renewable for another 3 months at the end of each maturity date. The entire facility period is less than 360 days.

Murabaha financing, including short term financing.

The Group has availed a total of ﷲ 1,313 million Murabaha financing, including short term financing, from various local bank as at 31 December 2025 (31 December 2024: ﷲ 1,251 million).

Murabaha and long-term financing are as follows:

	Currency of the loan	Maturity date	Credit limit	31 December 2025	31 December 2024
Local Bank 1	ﷲ	2028	512,000	381,060	499,392
Local Bank 4	ﷲ	2025	101,000	-	14,244
Local Bank 5	ﷲ	2027	150,000	48,776	79,300
Local Bank 6	ﷲ	2028	195,950	91,690	130,967
Local Bank 6	ﷲ	2028	159,850	84,051	116,573
Local Bank 6	ﷲ	2029	62,901	42,042	54,653
Local Bank 6	ﷲ	2030	127,000	104,657	-
Local Bank 6	ﷲ	2026	17,700	7,416	-
<b>Total value</b>				<b>759,692</b>	<b>895,129</b>
<b>Less: Current portion of long-term Murabaha</b>				<b>(268,225)</b>	<b>(248,250)</b>
<b>Non-current portion of long-term Murabaha</b>				<b>491,467</b>	<b>646,879</b>

The short-term current Murabaha financing and current portion of long-term Murabaha are as follows:

	Currency of the loan	Credit limit	31 December 2025	31 December 2024
Bank 1 - Current balance of long-term Murabaha	ﷲ	512,000	118,562	118,892
Bank 4 - Current balance of long-term Murabaha	ﷲ	101,000	-	14,244
Bank 5 - Current balance of long-term Murabaha	ﷲ	150,000	32,119	30,588
Bank 6 - Current balance of long-term Murabaha	ﷲ	195,950	39,313	39,333
Bank 6 - Current balance of long-term Murabaha	ﷲ	159,850	32,552	32,567
Bank 6 - Current balance of long-term Murabaha	ﷲ	62,901	12,620	12,626
Bank 6 - Current balance of long-term Murabaha	ﷲ	127,000	25,643	-
Bank 6 - Current balance of long-term Murabaha	ﷲ	17,700	7,416	-
Short-term Murabaha financing from local banks	ﷲ	800,000	553,443	355,762
<b>Total short-term Murabaha financing and current portion of long-term Murabaha</b>			<b>821,668</b>	<b>604,012</b>

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

**20. MURABAHA FINANCING (continued)**

The balance of Murabaha was presented in the consolidated statement of financial position as follows:

	<b>31 December 2025</b>	31 December 2024
Short-term Murabaha financing	553,443	355,762
Current portion of Murabaha financing	268,225	248,250
Non-current portion recognized under non-current liabilities	491,467	646,879
	<b>1,313,135</b>	<b>1,250,891</b>

A summary of the Murabaha transaction is as follows:

	<b>31 December 2025</b>	31 December 2024
Balance at beginning of the year	1,250,891	1,296,277
Proceeds during the year	2,594,776	1,471,412
Interest cost incurred	90,902	94,654
Re-payments during the year	(2,532,332)	(1,517,241)
Interest cost paid	(91,102)	(94,211)
Balance at the end of the year	<b>1,313,135</b>	<b>1,250,891</b>

Murabaha financing terms.

The Group Murabaha is secured by way of promissory notes and carries no restrictive covenants.

**21. CONTRACT LIABILITIES**

Advance from customer has three advance payments received and represents 20% of the total contract value.

During 2020, the Public Transport Company (PTC) received the third advance payment for executing King Abdulaziz Project for public transport in Riyadh amounting to ﷲ 549 million (2019: second advance payment of ﷲ 549 million, 2015: first advance payment of ﷲ 471 million).

	<b>31 December 2025</b>	31 December 2024
Contract liabilities government related (a)	781,296	944,078
Contract liabilities non - government related (note 24)	18,942	24,790
	<b>800,238</b>	<b>968,868</b>
	<b>31 December 2025</b>	31 December 2024
Current portion	250,021	235,672
Non-current portion	550,217	733,196
	<b>800,238</b>	<b>968,868</b>

(a) Movement in government-related contract liabilities:

	<b>31 December 2025</b>	31 December 2024
Balance at the beginning of the year	944,078	1,123,147
Recognized during the year	(162,782)	(179,069)
	<b>781,296</b>	<b>944,078</b>

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

**22. EMPLOYEES' BENEFITS LIABILITIES**

	<b>31 December 2025</b>	31 December 2024
Balance at the beginning of the year	<b>124,203</b>	145,143
Current service cost	<b>20,848</b>	14,342
Interest cost	<b>5,961</b>	6,127
Benefits paid	<b>(16,400)</b>	(24,891)
Re-measurement of defined benefits obligations	<b>4,372</b>	(16,518)
Balance at the end of the year	<b>138,984</b>	124,203

*Employees' benefits liabilities*

	<b>31 December 2025</b>	31 December 2024
Current service cost	<b>20,848</b>	14,342
Interest cost incurred	<b>5,961</b>	6,127
<b>Total employee benefit liabilities recognized in profit or loss</b>	<b>26,809</b>	20,469

Curtailed gains reflects the redundancies as a result of end of concession during last quarter of 2025 as detailed in note 1 to the financial statements.

Gains on revaluation recognized in OCI:

	<b>31 December 2025</b>	31 December 2024
<b>Gains on revaluation in defined benefit scheme:</b>		
Financial assumptions	<b>503</b>	(6,890)
Demographic assumptions	<b>101</b>	(1,518)
Experience adjustments	<b>3,767</b>	(8,110)
<b>Total re-measurement recognized in OCI</b>	<b>4,371</b>	(16,518)

The re-measurement gains on defined benefit liabilities account appears in the statement of other comprehensive income is the amount of ﷲ 3.6 million (2024: ﷲ 17.2 million) after adding / deducting the Group's share in the equity accounted investees which is as follows:

	<b>31 December 2025</b>	31 December 2024
Group's share of gain	<b>4,371</b>	(16,518)
Share of gain of equity accounted investees in the re-measurement of end of service liability	<b>(788)</b>	(698)
<b>Total re-measurement recognized in OCI</b>	<b>3,583</b>	(17,216)

The weighted average duration of the defined benefit obligation as at 31 December 2025 is 4.9 years (2024: 3.90 years). An analysis of the maturity of the undiscounted benefit payments is as follows:

	<b>31 December 2025</b>	31 December 2024
Within one year	<b>36,466</b>	32,342
After one year but not more than five years	<b>61,395</b>	55,524
More than five years	<b>89,029</b>	76,921
	<b>186,890</b>	164,787

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷻ) thousands unless otherwise stated

**22. EMPLOYEES' BENEFITS LIABILITIES (continued)**

The significant assumptions used in determining the defined benefits obligations are as follows:

<b>Key actuarial assumption</b>	<b>31 December 2025</b>	31 December 2024
Financial assumptions:		
- Discount rate - present value of the defined benefit obligation	<b>5.10%</b>	5.10%
- Future salary increases	<b>4.80%</b>	4.80%
- Withdrawal rate	<b>High</b>	High
Demographic assumptions:		
- Retirement age	<b>60 years</b>	60 years
- Employee turnover rates:		
a. Service up to 6 years	<b>30%</b>	30%
b. Service from 7 to 25 years	<b>16%</b>	11%
c. Service more than 25 years	<b>10%</b>	6%

The mortality rate used is the Group's reinsurance mortality rate. The average rate for the next year is 0.36%. A quantitative sensitivity analysis for significant assumptions on the employees' benefits are shown below:

	<b>31 December 2025</b>	31 December 2024
	<b>Impact on defined benefit scheme</b>	Impact on defined benefit scheme
<b>Discount rate</b>		
Increase by 1%	<b>(6,319)</b>	6,416
Decrease by 1%	<b>7,049</b>	(4,554)
<b>Future salary increase</b>		
Increase by 1%	<b>7,404</b>	(4,856)
Decrease by 1%	<b>(6,763)</b>	6,792
<b>Withdrawal rate</b>		
Increase by 1%	<b>(1,097)</b>	1,689
Decrease by 1%	<b>1,219</b>	680
<b>Mortality rate</b>		
Increase by 1%	<b>19</b>	1,505
Decrease by 1%	<b>(4,010)</b>	893

**23. LEASE LIABILITIES**

	<b>31 December 2025</b>	31 December 2024
Balance as at beginning of the year	<b>40,257</b>	41,739
Additions during the year	<b>13,444</b>	16,123
Transfer during the year	-	(1,400)
Disposal during the year	<b>(2,381)</b>	(3,557)
Paid during the year (*)	<b>(15,181)</b>	(14,727)
Annual interest cost	<b>1,906</b>	2,079
Balance as at the end of the year	<b>38,045</b>	40,257
	<b>31 December 2025</b>	31 December 2024
Current portion	<b>7,957</b>	13,181
Non-current portion	<b>30,088</b>	27,076
Total	<b>38,045</b>	40,257

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

**23. LEASE LIABILITIES (continued)**

(\*) Payment of lease liability includes repayment of principal portion of ﷲ 13,275 (31 December 2024: ﷲ 12,648) and payment of interest amounted to ﷲ 1,906 (31 December 2024: ﷲ 2,079).

The maturity analysis of lease liabilities is disclosed in note 40.

<b>Future minimum lease payments 2025</b>	<b>Future lease payments</b>	<b>Interest</b>	<b>Present value of the minimum lease payments</b>
Within one year	11,601	1,786	9,815
Two to five years	18,832	2,406	16,426
Later than 5 years	12,366	562	11,804
<b>Total</b>	<b>42,799</b>	<b>4,754</b>	<b>38,045</b>

Future minimum lease payments 2024	Future lease payments	Interest	Present value of the minimum lease payments
Within one year	15,373	1,736	13,637
Two to five years	24,005	3,678	20,327
Later than five years	7,023	730	6,293
<b>Total</b>	<b>46,401</b>	<b>6,144</b>	<b>40,257</b>

**24. CONTRACT LIABILITIES OTHERS**

Following is the movement in the non-government related contract liabilities

	<b>31 December 2025</b>	31 December 2024
Balance at the beginning of the year	24,790	9,542
Cash collected from customers	394,100	337,553
Revenue recognized during the year	<b>(399,948)</b>	<b>(322,305)</b>
	<b>18,942</b>	24,790

Revenue recognised during current year included contract liabilities pertaining to the prior year amounting to ﷲ 24.8 million (2024: ﷲ 9.5 million).

**25. TRADE PAYABLES**

	<b>31 December 2025</b>	31 December 2024
Trade payables	104,173	61,447
Contractors and agents' deposits	5,472	9,110
	<b>109,645</b>	70,557

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

**26. RELATED PARTIES**

Related parties of the Group comprise of shareholders having control, joint control, or significant influence over the entity, key management personnel and companies where shareholders have control, joint control, or significant influence. The transactions with related parties are made on terms approved by the Board of Directors of the Group. The Group and its related parties engage in transactions with one another in the normal course of business. The key transactions and balances between the Group and its related parties are outlined as follows:

<u>Related parties</u>	<u>Relationship</u>	<u>Nature of Transactions</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Saudi Emirates Integrated Transport Limited Company (SEITCO)	Joint Venture	Finance income (note 34b)	3,454	3,201
		Collection	(61,250)	(3,166)
		Services rendered	15,749	31,173
Capital Metro Company Ltd (CAMCO)	Associate	Services rendered	-	806
		Collection	(2,350)	-
RATP Development (French company)	Companies with significant influence over subsidiary	Services rendered	6,114	8,055
RATP Dev Saudi Arabia (LLC)	Companies with significant influence over subsidiary	Services rendered	32,523	30,504
NEX Continental Holdings	Companies with significant influence over subsidiary	Services rendered	4,950	4,284
		Dividends	394	-
		Payments	(2,868)	-
		Payments on behalf	1,518	-

Significant balances resulted from the above transactions between the Group and its related parties are as follows:

**A- Due from related parties**

	<u>31 December 2025</u>	<u>31 December 2024</u>
<b><u>Non-current portion</u></b>		
Saudi Emirates Integrated Transport Limited Company*	40,586	37,224
<b><u>Current portion</u></b>		
Saudi Emirates Integrated Transport Limited Company**	345	26,119
Capital Metro Company Ltd (CAMCO)	-	2,350
Total current receivable	345	28,469
<b>Total due from related parties</b>	<b>40,931</b>	<b>65,693</b>

**B- Due to related parties**

	<u>31 December 2025</u>	<u>31 December 2024</u>
<b><u>Current portion</u></b>		
RATP Development (French company)	19,481	2,747
RATP Dev Saudi Arabia (LLC)	41,247	14,012
NEX Continental Holdings	3,119	2,161
<b>Total due to related parties</b>	<b>63,847</b>	<b>18,920</b>

# SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

### 26. RELATED PARTIES (continued)

#### The joint venture

\* During 2014, the Parent Company has funded the operating activities of SEITCO by an amount of ﷲ 30 million. This amount is not subject to any interest and ﷲ 20 million from the value of the loan has been repaid during prior years and management expects to recover the remaining amount of ﷲ 10 million during 2025, 2026 and 2027. The loan has been recognized at the present value. In addition, during 2016, the Company has provided two additional finances totaling to ﷲ 40 million to finance operations for the implementation of government school transport contracts. The loan has been recognized at the present value. During year ended 31 December 2025, loan was rescheduled with first installment due dated 30 April 2028.

\*\* In 2019, the Parent Company sold 350 buses for a total of ﷲ 33.6 million to Saudi Emirates Integrated Transport Limited Company (SEITCO). The Parent Company collected all the amounts in 2025. Additionally, the current balance includes amounts related to technical services provided, as well as rental and employee expenses incurred on behalf of the joint venture.

The Group is a government related entity since Public Investment Fund (PIF), being the sovereign wealth fund of the Kingdom of Saudi Arabia has significant influence on the Group. The Group transacts business with related parties which include transactions with entities which are either controlled or jointly controlled by PIF. The Group has used the exemptions in respect of related party disclosures for government-related entities in IAS 24 "Related Party Disclosures"

During the year ended 31 December 2025, the Group had recorded revenue by ﷲ 1,163 million from government entities (31 December 2024: ﷲ 877 million). As of 31 December 2025, receivables included ﷲ 1,476 million from government entities (2024: ﷲ 935 million).

The significant transactions between the Group and key management personnel are as follows:

#### Transactions with key management personnel:

	<b>31 December 2025</b>	31 December 2024
Board expenses and allowances	<b>3,608</b>	5,393
Compensations of the key management personnel (*)	<b>20,904</b>	24,261

(\*) Compensations of the key management personnel:

	<b>31 December 2025</b>	31 December 2024
Short-term employees' benefits	<b>19,988</b>	23,475
Long-term benefits	<b>916</b>	786
	<b>20,904</b>	24,261

Key management personnel compensation includes salaries and employees defined benefit liabilities.

### 27. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	<b>31 December 2025</b>	31 December 2024
Accrued expenses	<b>104,371</b>	105,424
Employee accruals	<b>100,260</b>	89,888
Dividends payable	<b>79,415</b>	81,419
VAT payable	<b>63,157</b>	90,534
Advance from customers	<b>7,333</b>	2,206
Other payables	<b>72,045</b>	31,168
	<b>426,581</b>	400,639

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

**28. ZAKAT AND INCOME TAX**

**a. Zakat**

The Zakat charge for the year amounts to ﷲ 16.9 million (31 December 2024: ﷲ 7.4 million).

***Movement in Zakat Provision***

The movement in the provision for zakat is as follows:

	<b>31 December 2025</b>	31 December 2024
Balance at the beginning of the year	17,231	15,552
Zakat provision for the year	16,970	7,400
Paid during the year	<b>(5,039)</b>	(5,721)
Balance at the end of the year (a)	<b>29,162</b>	17,231

Zakat has been calculated based on the zakat base for the company and its subsidiaries, each separately. The company has submitted its zakat returns up to 2024 and obtained the required zakat certificates up to the end of April 2026. The Zakat, Tax and Customs Authority (the Authority) has issued its final zakat assessments for the company up to the year 2020.

The main components of the zakat base for the Saudi Public Transport Company and its subsidiaries are as follows. The company's zakat base is calculated as follows:

<b>Description</b>	<b>31 December 2025</b>	31 December 2024
Share capital	1,250,000	1,250,000
Total adjusted loss	(17,926)	18,795
Provisions and reserves carried forward	109,666	180,290
Murabaha loans	491,467	646,879
Others	917,060	1,050,104
Total	<b>2,750,267</b>	3,146,068
Less:		
Property and equipment, net	1,083,246	992,558
Long term investments	315,247	147,679
Inventories of spare parts	36,867	10,477
Carried forward losses	193,494	335,915
Others	442,613	1,363,439
Zakat base	<b>678,800</b>	296,000
<b>Zakat payable</b>	<b>16,970</b>	7,400

**b. Income tax**

***Movement of Provision for income tax***

The movement in the provision for income tax was as follows:

	<b>31 December 2025</b>	31 December 2024
Balance at the beginning of the year	6,916	2,951
Charged during the year	16,084	6,766
Paid during the year	<b>(6,775)</b>	(2,801)
Balance at the end of the year (b)	<b>16,225</b>	6,916
Total Zakat and tax payable at the end of the year (a+b)	<b>45,387</b>	24,147

The subsidiary filed the Zakat and tax return to the Zakat, Tax and Customs Authority ("ZATCA") up to the year 2024. No Zakat assessment has yet been made by the ZATCA. However, SAPTCO has completed the primary assessment for 2021, 2022 and 2023 and provide all ZATCA requirements. For DMS Zakat assessment has been completed by the ZATCA up to 31 December 2025. For PTC ZATCA returns have been filed up to 2023 and awaiting confirmation of assessment by ZATCA. SAT will file their first return in the year 2025 corresponding to the period ended 31 December 2025.

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

**28. ZAKAT AND INCOME TAX (continued)**

**b. Income tax (continued)**

***Movement of Provision for income tax (continued)***

Charged to statement of profit or loss is as follows:

	<b>31 December 2025</b>	31 December 2024
Zakat charged during the year	<b>16,970</b>	7,400
Income tax	<b>16,084</b>	6,766
Deferred tax payable from subsidiary	<b>(368)</b>	(292)
Expense charged to profit or loss	<b>32,686</b>	13,874

**c. Deferred tax assets**

**Deferred tax asset is recognized in respect of following**

	<b>31 December 2025</b>	31 December 2024
<b>Deductible temporary differences</b>		
Employee benefits	<b>3,748</b>	15,507
Impairment on trade receivables	<b>3,696</b>	-
Tax depreciation	<b>1,289</b>	(6,326)
Inventory provision	<b>65</b>	-
	<b>8,798</b>	9,181
<b>Foreign Shareholding – 20%</b>		
Accumulated losses	-	3,176
Total deductible differences	<b>1,835</b>	635
Deferred tax asset @20%	<b>368</b>	292
	<b>31 December 2025</b>	31 December 2024
<b>Deferred tax movement</b>		
Balance at beginning of the year	<b>635</b>	343
Deferred tax credit	<b>368</b>	292
	<b>1,002</b>	635

**d. Status of assessments for the Parent Company and its Subsidiaries**

**Status of assessments for the Parent Company**

The Company has submitted its zakat returns for all fiscal years up to and including 2024 and has obtained a valid zakat certificate effective until 2026. The Parent Company has also settled all zakat liabilities for the years through 2024.

Moreover, Zakat, Tax and Customs Authority (ZATCA) issued final zakat assessments for the years 2021 and 2022. The total zakat differences compared to the preliminary assessments amounted to ﷲ 11 million. However, following discussions and meetings with ZATCA, these differences were reduced to ﷲ 4.1 million. The Parent Company has submitted an official objection to these assessments within the legally prescribed timeframe.

The Parent Company has made adequate provisions to cover the zakat differences. Furthermore, all required data for the years 2023 and 2024 has been submitted to ZATCA, and the Parent Company is currently awaiting the issuance of the final zakat assessments for these years.

**Status of assessments for SAT Transport Company**

SAT Transport Company submitted the first Zakat and income tax return and paid the liabilities. Further, no Zakat and income tax assessment has been raised by ZATCA.

**Status of assessments for Public Transportation Company**

The Company filed its Zakat return for all the years up to 2024 and obtained Zakat certificates that is valid till April 2026 from ZATCA. Additionally, the Authority hasn't issued any final assessments for the periods from 2015 to 2024.

**Status of assessments for Digital Mobility Solutions Company for Investments**

The Company submitted the first Zakat and income tax return and paid on 29 April 2025. Further, no Zakat and income tax assessment has been raised by ZATCA.

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

**29. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS**

**a. Contingent liabilities**

As at 31 December 2025, the Group's bankers have issued on its behalf during the normal course of business guarantees, acceptances and documentary credit with a maximum of ﷲ 1,523 million (31 December 2024: ﷲ 1,582 million). These include performance guarantees given on behalf of subsidiaries and associates.

**b. Capital commitments.**

As at 31 December 2025, the Group had commitment of ﷲ 9.15 million (31 December 2024: ﷲ 61.38) relating to the procurement of buses.

**30. REVENUES**

	<b>31 December 2025</b>	31 December 2024
Revenues from concession arrangements for the King Abdul-Aziz Project for Public Transport in Riyadh	<b>942,541</b>	610,456
Revenues from passenger transport	<b>214,121</b>	199,139
Revenues from specialized services	<b>362,985</b>	453,748
Revenue from technical services	<b>26,346</b>	43,492
Revenues from digital mobility solutions	<b>60,494</b>	55,855
Revenues from urban services	<b>220,089</b>	96,947
	<b>1,826,576</b>	1,459,637

**Geographical markets:**

	<b>31 December 2025</b>	31 December 2024
Revenue from operations within Kingdom of Saudi Arabia	<b>1,822,983</b>	1,451,951
Revenues from international operations	<b>3,593</b>	7,686
	<b>1,826,576</b>	1,459,637

**Timing of revenue recognition:**

	<b>31 December 2025</b>	31 December 2024
Revenue recognized over time	<b>1,249,470</b>	806,750
Revenues recognized point in time	<b>577,106</b>	652,887
	<b>1,826,576</b>	1,459,637

The aggregate amount of unsatisfied or partially unsatisfied performance obligations related to contracts with customers amounted to ﷲ 2,743 million as at 31 December 2025 (2024: ﷲ 3,583 million). The Company expects to recognize approximately 32% (2024: 21%) of these obligations as revenues during the following reporting period..

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

**31. COST OF REVENUES**

	<b>31 December 2025</b>	31 December 2024
Salaries and other related expenses	417,653	396,821
Bus repairs and maintenance	300,972	229,056
Outsource human capital services*	211,079	131,713
Depreciation and amortization expenses	202,973	188,664
Advisory**	116,898	69,403
Visa and iqama fees	34,075	47,091
Property and Buses insurance expense	20,438	26,390
Rent***	11,684	14,068
Fines and Penalties	4,946	-
Reversal of net realizable assessment of Inventory	(5,435)	(12,194)
Others	101,041	65,060
	<b>1,416,324</b>	<b>1,156,072</b>

\*: Represents outsourced drivers, cleaning, security and technical staff cost.

\*\* : This encompasses the technical and operational advisory services provided for the operations of the King Abdulaziz Project by PTC.

\*\*\*: Rents includes short term low value rental contracts including buildings, apartment and busses.

**32. SELLING AND DISTRIBUTION EXPENSES**

	<b>31 December 2025</b>	31 December 2024
Advertisement and promotion	6,443	6,631
Local agents' commissions	678	5,998
International agents' commissions	34	3,358
	<b>7,155</b>	<b>15,987</b>

**33. GENERAL AND ADMINISTRATIVE EXPENSES**

	<b>31 December 2025</b>	31 December 2024
Salaries and other related expenses	90,274	80,288
Management consulting expenses	16,840	8,498
Outsource human capital services	12,822	6,158
Fines and Penalties	11,057	-
Depreciation and amortization expenses	9,680	11,741
Remunerations, expenses and allowances of the Board of Directors and sub-committees (note 26)	3,608	5,393
Telephone and internet expenses	2,449	4,172
Repairs and maintenance expenses	2,141	1,365
Visa and iqama fees	1,672	5,918
Guarantee fees	587	5,442
Property insurance expense	149	2,092
Rent*	26	2,195
IT services expenses	-	671
Others	9,063	8,028
	<b>160,368</b>	<b>141,961</b>

\*: Rents includes short term low value rental contracts including buildings, and apartment.

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

**34. FINANCE COSTS AND INCOME**

**a) Finance cost**

	<b>31 December 2025</b>	31 December 2024
Interest on loans and borrowings	<b>90,902</b>	95,951
Interest on employees defined benefit obligation	<b>5,961</b>	6,127
Interest on lease liabilities	<b>1,906</b>	2,079
Fair value loss on derivative instruments	<b>290</b>	5,829
Interest on profit rate SWAP agreements	<b>-</b>	5,212
	<b>99,059</b>	115,198

**b) Finance income**

	<b>31 December 2025</b>	31 December 2024
Income from short term Murabaha deposits	<b>9,072</b>	5,214
Interest income from loan to related parties	<b>3,454</b>	3,201
Interest income on profit rate SWAP agreements	<b>2,991</b>	8,616
Fair value gain on derivative instruments	<b>245</b>	376
	<b>15,762</b>	17,407

**35. ASSETS HELD FOR SALE**

	<b>31 December 2025</b>	31 December 2024
Assets held for sale recognized in financial position	<b>250</b>	14,177
	<b>31 December 2025</b>	31 December 2024
Reversal of impairment on assets held for sale	<b>764</b>	<b>2,959</b>

During 2024, based on the Board of Directors' approval and after fulfillment of all conditions of classification, the Group's management decided to sell a portion of its buses used in passenger transportation operations. As a result, these assets were reclassified as assets held for sale. As of 31 December 2025, the netbook value of the buses classified as held for sale amounted to ﷲ 0.25 million (31 December 2024: ﷲ 14 million).

During year ended 31 December 2025, the Group continued its efforts to dispose of the buses and successfully completed the sale of all units except one, which resulted in recognition of a gain of ﷲ 0.76 million (31 December 2024: ﷲ 2,959 million).

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

**36. OTHER INCOME**

	<b>31 December 2025</b>	31 December 2024
Fuel cost reimbursement	<b>19,404</b>	6,650
Rental income	<b>5,204</b>	5,876
Gains on sale of property and equipment, buses and truck	<b>77</b>	3,897
Suppliers' penalties	<b>118</b>	127
Gains on sale of scrap	<b>677</b>	-
Write off of intangible assets	<b>(7,942)</b>	(6,422)
Write off of projects under progress	<b>(5,776)</b>	-
Write off of property and equipment	<b>(4,658)</b>	-
Other income	<b>12,317</b>	1,327
	<b>19,421</b>	11,455

The other income has been presented within the operating income as the activities are driven from the Group's main business activity.

**37. EARNINGS/ (LOSS) PER SHARE**

Basic earnings/ (loss) per share (BEPS) is determined by dividing the income for the year attributable to the parent company's ordinary shareholders by the weighted average number of outstanding ordinary shares during the year. Additionally, since there are no dilutive potential ordinary shares, the diluted earnings/ (loss) per share (DEPS) is the same as the basic earnings/ (loss) per share (BEPS).

The following table reflects the income and share data used in the calculation of basic and adjusted earnings per share:

	<b>2025</b>	2024
Profit/ (loss) after zakat, income and deferred tax attributable to ordinary equity holders of the Parent Company	<b>58,287</b>	(9,628)
	<b>2025</b>	2024
	<b>(000)</b>	(000)
Weighted average number of ordinary shares for basic earnings/ (loss) per share	<b>125,000</b>	125,000
	<b>2025</b>	2024
	<b>ﷲ</b>	<b>ﷲ</b>
Basic and diluted earnings/ (loss) per share	<b>0.47</b>	(0.08)

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

**38. FINANCIAL INSTRUMENTS**

A. The table below shows the carrying values of financial assets and liabilities not held at fair value as their carrying value represents a reasonable estimate of the fair value

	31 December 2025			31 December 2024		
	Financial assets at amortized cost	Financial liabilities at amortized cost	Total	Financial assets at amortized cost	Financial liabilities at amortized cost	Total
<b>Financial assets not measured at fair value</b>						
Trade receivables and unbilled receivables	1,528,715	-	1,528,715	1,010,844	-	1,010,844
Due from related parties	40,931	-	40,931	65,693	-	65,693
Cash and short-term deposits	187,531	-	187,531	549,743	-	549,743
Other receivable	9,916	-	9,916	28,350	-	28,350
	<u>1,767,093</u>	<u>-</u>	<u>1,767,093</u>	<u>1,654,630</u>	<u>-</u>	<u>1,654,630</u>
<b>Financial liabilities not measured at fair value</b>						
Murabaha financing	-	1,313,135	1,313,135	-	1,250,891	1,250,891
Amounts due to related parties	-	63,847	63,847	-	18,920	18,920
Trade payables	-	109,645	109,645	-	70,557	70,557
Accrued expenses and other current liabilities	-	426,581	426,581	-	400,639	400,639
Lease liabilities	-	38,045	38,045	-	40,257	40,257
	<u>-</u>	<u>1,951,253</u>	<u>1,951,253</u>	<u>-</u>	<u>1,781,264</u>	<u>1,781,264</u>

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

**38. FINANCIAL INSTRUMENTS (continued)**

**B. Financial instrument measured at fair value**

The carrying amount and fair value of financial assets measured at fair value is ﷲ 1,581 (2024: ﷲ 1,336).

**C. Derivatives financial instruments**

As at 31 December 2025, the Group had agreements with local banks for Interest Rate Swaps (“IRS”) and callable range Swaps of a notional value of ﷲ 1,204 million (31 December 2024: interest rate Swaps ﷲ 1,581 million) in order to reduce its exposure to interest rate risks against long term financing. The table below shows the fair values of derivatives financial instruments, recorded as positive fair value and their fair value hierarchy.

Notional amount	Derivative instrument	Valuation technique	Fair Value	31 December 2025	31 December 2024
91,443	Interest rate SWAP – SAPTCO Contract 1	Level 2	Positive	159	(302)
83,807	Interest rate SWAP – SAPTCO Contract 2	Level 2	Positive	881	1,069
41,934	Interest rate SWAP – SAPTCO Contract 1	Level 2	Positive	541	569
500,000	Callable Range Accrual Swap agreement – PTC	Level 2	Negative	(2,749)	(2,574)
322,000	Profit Swap agreement - PTC	Level 2	Negative	(1,377)	(2,327)
100,000	Callable Range Accrual Swap agreement – SAT	Level 2	Negative	(471)	376
65,000	Profit Swap agreement - SAT	Level 2	Negative	(245)	(929)
<b>1,204,184</b>				<b>(3,261)</b>	<b>(4,118)</b>

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

**39. NON-CONTROLLING INTERESTS IN THE SUBSIDIARIES**

Following is the summary of financial information of the subsidiaries having non-controlling interests as shown in note 1:

	<b>31 December 2025</b>		
	<b>RATP Development 20%</b>	<b>NEX Continental Holdings 15%</b>	<b>Total</b>
Non-controlling interest percentage			
Assets			
Current assets	1,289,826	29,473	1,319,299
Non-current assets	610,930	101,534	712,464
<b>Total assets</b>	<b>1,900,756</b>	<b>131,007</b>	<b>2,031,763</b>
Liabilities			
Current liabilities	768,366	52,720	821,086
Non-current liabilities	799,613	56,966	856,579
<b>Total liabilities</b>	<b>1,567,979</b>	<b>109,686</b>	<b>1,677,665</b>
Revenues	942,542	174,704	1,117,246
Profit	321,391	7,719	329,110
Total comprehensive income	140,286	7,978	148,264
Cash flow generated from / (used in) from:			
Operating activities	(67,414)	34,278	(33,136)
Investing activities	(11,879)	(3,647)	(15,526)
Financing activities	(202,368)	(29,449)	(231,817)
Net increase in cash and cash equivalents	(281,661)	1,182	(280,479)
Share of non-controlling interests in net assets/ (liabilities)	56,273	3,031	59,304
Share of non-controlling interests in net profit	53,914	1,077	54,991
	<b>31 December 2024</b>		
	<b>RATP Development 20%</b>	<b>NEX Continental Holdings 15%</b>	<b>Total</b>
Non-controlling interests percentage			
Assets			
Current assets	1,115,147	29,627	1,144,774
Non-current assets	605,795	108,293	714,088
<b>Total assets</b>	<b>1,720,942</b>	<b>137,920</b>	<b>1,858,862</b>
Liabilities			
Current liabilities	492,398	55,330	547,728
Non-current liabilities	1,073,001	65,945	1,138,946
<b>Total liabilities</b>	<b>1,565,399</b>	<b>121,275</b>	<b>1,686,674</b>
Revenues	610,456	163,417	773,873
Profit	141,290	6,746	148,036
Total comprehensive income	140,286	6,372	146,658
Cash flow generated from / (used in) from:			
Operating activities	273,950	49,970	323,920
Investing activities	(10,805)	(23,043)	(33,848)
Financing activities	(202,368)	(21,972)	(224,340)
Net (decrease)/ increase in cash and cash equivalents	60,777	4,955	65,732
Share of non-controlling interests in net assets/(liabilities)	27,112	2,330	29,442
Share of non-controlling interests in net profit	23,732	1,012	24,744

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

**40. RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group's activities expose it to a variety of financial risks that include liquidity risk, market risk, and credit risk comprising currency risk, and fair value risk. The Group's risk management focuses on the predictability of financial markets in order to minimize potential adverse effects on the financial performance of the Group.

**Liquidity Risk**

Liquidity risk represents the Group's difficulties in providing funds to meet commitments relating to financial instruments. The Group's policy in managing liquidity risk is to ensure that it will have sufficient cash liquidity and adequate funding to meet its liabilities when due.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	Carrying amount	Less than one year	1-5 years	Total
<b>Financial liabilities as of 31 December 2025</b>				
Trade payables	109,645	109,645	-	109,645
Accrued expenses and other current liabilities	363,424	363,424	-	363,424
Murabaha financing	759,692	293,679	523,599	817,278
Short-term Murabaha financing	553,443	557,940	-	557,940
Due to related parties	63,847	63,847	-	63,847
Lease liabilities	38,045	11,601	31,198	42,799
Derivative financial liabilities	4,842	4,842	-	4,842
	<b>1,892,938</b>	<b>1,404,978</b>	<b>554,797</b>	<b>1,959,775</b>
	Carrying amount	Less than one year	1-5 years	Total
<b>Financial liabilities as of 31 December 2024</b>				
Trade payables	70,557	70,557	-	70,557
Accrued expenses and other current liabilities	310,105	310,105	-	310,105
Murabaha financing	895,129	255,112	683,957	939,069
Short-term Murabaha financing	355,762	359,558	-	359,558
Due to related parties	18,920	18,920	-	18,920
Lease liabilities	40,257	15,373	31,028	46,401
Derivative financial liabilities	5,829	5,829	-	5,829
	<b>1,696,559</b>	<b>1,035,454</b>	<b>714,985</b>	<b>1,750,439</b>

**Market Risk**

Market risk is the risk that changes in market prices, such as currency rates and interest rates that will affect the Group's profit or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

**Interest rate risk**

Interest rate risk is the risk that the value of Group borrowings will fluctuate due to changes in the market interest rates. The Group has interest bearing liabilities at 31 December 2025 and 31 December 2024. As part of the managing the interest rate risk and to mitigate uncertainties and negative variations in interest rates over the period of the Murabaha Financings, the Group has executed interest rate swap agreement and callable accrual swap agreement for some of its Murabaha financing, with one of the local bank, however, for the remaining Murabaha financing, the Group manages its exposure by continuously monitoring movements in interest rates.

The following table demonstrates the sensitivity of the Group exposure to interest rate risk to a reasonably possible change, with all other variables held constant. Below is the impact on Groups loss before zakat (through the impact on floating rate borrowings), excluding interest rate Swaps and callable SWAPs:

	31 December 2025	31 December 2024
<b>Floating rate debt</b>		
SAIBOR +100bps	(5,534)	(3,534)
SAIBOR -100bps	5,534	3,534

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

**40. RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**Foreign currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group is subject to fluctuations in foreign exchange rates in its ordinary course of business. The Group uses foreign currencies, mainly USD and EUR.

The Group is not exposed to significant currency risk with respect to USD as the Saudi Riyal is pegged to the USD, and transactions denominated in other currencies are not considered to represent significant currency risk.

No sensitivity to foreign currency risk is presented due to its minimal effect on the consolidated financial statements.

**Equity price risk**

The Group's investments in listed and unlisted equities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's management on a regular basis. The Group's Investment Committee reviews and approves all equity investment decisions. During the year, the Group sold its portfolio of equity instruments.

**Credit Risk**

Credit risk is the risk that one party will fail to meet its obligation and will cause the other party to incur a financial loss. The Group's exposure to credit risk is mainly influenced by the individual characteristics of each customer, which the Group seeks to manage its credit risk with respect to customers by setting credit limits for individual customers and by monitoring outstanding receivables. However, the management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Because of the nature of the Group's business, significant portion of revenue is collected in cash due to which the Group is not significantly exposed to credit risks.

Concentrations arise when a number of counterparties are engaged in similar business activities, activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. On the date of the consolidated financial statements, no significant concentrations of credit risk were identified by the management, except for transactions with government institutions.

The following is an analysis of information about credit risk exposure on the Group's trade receivables, related party balances and unbilled receivables using the provision matrix:

Carrying amount of trade receivables	31 December 2025			
	Total	Less than 90 days	90 days to 1 year	More than one year
Trade receivables	767,517	425,014	264,183	78,320
Related party balances	10,554	10,554	-	-
Unbilled receivables	811,373	811,373	-	-
<b>Total</b>	<b>1,589,444</b>	<b>1,246,941</b>	<b>264,183</b>	<b>78,320</b>
Expected credit loss as at 31 December 2025	60,729	798	10,441	49,490
Weighted average loss rate		0.1%	3.7%	63.2%
Credit impaired		No	No	Yes

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

**40. RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

***Credit Risk (continued)***

	31 December 2024			
	Trade receivables			
Carrying amount of trade receivables	Total	Less than 90 days	90 days to 1 year	More than one years
Trade receivables	370,427	185,211	51,717	133,499
Related party balances	35,049	15,025	2,452	17,572
Unbilled receivables	679,081	679,081	-	-
<b>Total</b>	<b>1,084,557</b>	<b>879,317</b>	<b>54,169</b>	<b>151,071</b>
Expected credit loss as at 31 December 2024	73,713	2,511	4,131	67,071
Weighted average loss rate		0.3%	7.6%	44.4%
Credit impaired		No	No	Yes

The credit quality of trade and other receivables was determined as follows:

High credit grade pertains to receivables with no default; medium grade pertains to receivables up to 3 defaults; and low grade pertains to receivables with more than 3 defaults. All receivables classified as past due or impaired in the table above are graded “high”.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of the financial assets.

***Unbilled receivables***

An impairment analysis is performed at each reporting date for unbilled receivables using simplified approach calculation. The Group evaluated the risk with respect to unbilled receivables as low, as this balance pertain to Government authority.

***Due from related parties***

An impairment analysis is performed at each reporting date on an individual basis for the major related parties. The maximum, exposure to credit risk at the reporting date is the carrying value of the amount due from related parties. This assessment is undertaking at each financial year through the examination of financial position of related parties and the market in which the related party operates. The Group evaluate the risk with respect to due from related parties as low. As majority of the related parties are owned by the same shareholder.

***Cash and short-term deposits***

As at 31 December 2025, the Group held cash and short-term deposits of ﷲ 187.5 million(2024: ﷲ 549.7 million). Cash and short-term deposits are held with banks and financial institutions having sound credit ratings range from A3 and above. The Group regularly updates its cash flows. Customer credit risk is managed by each business unit subject to the Group’s established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers using internal and external rating criteria. Outstanding customer receivables are monitored regularly.

***Guarantees***

The Group policy is to provide financial guarantees only for subsidiaries and associates at 31 December 2025 and 2024, the Parent Company has issued performance guarantees on behalf of subsidiaries and associates.

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

**40. RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**Capital management**

The policy of the Group is to maintain a strong capital base to maintain investor, creditor and market confidence and to support future development of the Group's business. Management monitors the capital return as well as the level of dividends to the ordinary shareholders.

The Group manages its capital to ensure:

- Its ability to continue as a going concern.
- Financing its working capital and the requirements of strategic investments efficiently and in an optimal manner.
- Increasing returns to the shareholders to the maximum extent possible.
- Maintaining an appropriate composition of debt and equity.

The Group monitors capital using the movement rate, which is net debt divided by total capital plus debt. The Group includes within the debt current and non-current portion of the loans.

To calculate net debt, the Group adds interest-bearing term loans, trade and other payables, and deducts bank balances, cash in hand, and short-term deposits.

	<b>31 December 2025</b>	31 December 2024
Long-term and short-term Murabaha loans	<b>1,313,135</b>	1,250,891
Accounts payable, accrued expenses and other liabilities	<b>536,226</b>	471,196
Less: cash and short-term deposits	<b>(187,531)</b>	(549,743)
Net debt	<b>1,661,830</b>	1,172,344
Equity	<b>1,036,172</b>	951,323
Share capital and net debt	<b>2,698,002</b>	2,123,667
Debt ratio	<b>62%</b>	55%

No changes were made in the Group's objectives, policies or processes during the year ended 31 December 2025 and 2024. The Group has no externally imposed capital requirements as at 31 December 2025 and 2024.

**41. DIVIDENDS**

The Supervisory Committee of Public Transport Company (PTC) approved in their meeting held on 9 April 2025 (corresponding to 11 Shawwal 1446H), to distribute cash dividend for totalling to ﷲ 142.5 million. This includes non-controlling interest share of dividend amounting to ﷲ 24.5 million.

The Board of Directors of one of the other subsidiary of the Group approved in their meeting held on 14 April 2025 (corresponding to 16 Shawwal 1446H), to distribute cash dividend for totalling to ﷲ 3.34 million. This includes non-controlling interest share of dividend amounting to ﷲ 0.42 million.

The Supervisory Committee of Public Transport Company (PTC) approved in their meeting held on 14 April 2024 (corresponding to 5 Shawwal 1445H) to declare and pay dividends of ﷲ 9.03 million and the non-controlling interest portion was ﷲ 2.7 million.

SAUDI PUBLIC TRANSPORT COMPANY AND ITS SUBSIDIARIES  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year end 31 December 2025

All amounts in Saudi Riyals (ﷲ) thousands unless otherwise stated

**42. COMPARATIVE INFORMATION**

Certain comparative information has been reclassified to align with current year presentation.

Impact of reclassifications to the prepayment and current assets for the year ended 31 December 2024:

	For the year ended 31 December		
	As previously reported	Reclassification	As reported currently
Value added tax	23,416	-	<b>23,416</b>
Advances to suppliers	25,760	-	<b>25,760</b>
Prepaid insurance and prepaid short-term rents	18,033	-	<b>18,033</b>
Employees loans	11,417	-	<b>11,417</b>
Other receivables	20,529	870	<b>21,399</b>
Guarantee	2,350	-	<b>2,350</b>
	101,505	870	<b>102,375</b>
	(6,071)	(870)	<b>(6,941)</b>
	95,434	-	<b>95,434</b>

Impact of reclassifications to the other income for the year ended 31 December 2024:

	For the year ended 31 December		
	As previously reported	Reclassification	As reported currently
Fuel cost reimbursement	-	6,650	<b>6,650</b>
Rental income	5,876	-	<b>5,876</b>
Gains on sale of property and equipment	3,897	-	<b>3,897</b>
Penalties on suppliers	127	-	<b>127</b>
Write off of intangible assets	-	-	<b>(6,422)</b>
Other income	7,977	(6,650)	<b>1,327</b>
	17,877	-	<b>11,455</b>

Impact of reclassifications to the consolidated statement of cash flows for the year ended 31 December 2024:

	For the year ended 31 December		
	As previously reported	Reclassification	As reported currently
<b>Operating activities</b>			
Proceeds from finance income	7,531	(7,531)	-
<b>Net cash generated from operating activities</b>	385,621	(7,531)	<b>378,090</b>
<b>Investing activities</b>			
Proceeds from finance income	-	7,531	<b>7,531</b>
<b>Net cash used in investing activities</b>	(112,660)	7,531	<b>(105,129)</b>

**43. SUBSEQUENT EVENTS**

Management believes that there have been no significant subsequent events since the year ended that require disclosure or adjustment in these consolidated financial statements.

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

The consolidated financial statements have been approved by the Board of Directors on 10 Shawwal 1447 H (corresponding to 29 March 2026).