

# A Bright Future Shaped by Achievements



In The Name of Allah  
The Most Merciful, The Most Gracious



The Custodian of the Two Holy Mosques  
**King Salman Bin Abdulaziz Al Saud**

May Allah protect him



His Royal Highness Crown Prince, Prime Minister,  
**Mohammad Bin Salman Bin Abdulaziz Al Saud**

May Allah protect him

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لتأجير السيارات  
Rent a Car

# A Bright Future, Shaped by Achievements

This year, Theeb Rent a Car set new benchmarks with record-high revenues, showcasing our unwavering commitment to excellence. In a dynamic environment, we stayed ahead by embracing digital solutions, reinforcing our position as an industry leader. Our customer-first approach led to the introduction of enhanced insurance options, delivering greater protection and peace of mind. Expanding our fleet and services to include heavy trucks reflects our agility in addressing diverse market demands. These achievements are more than milestones—they're the foundation of a bold, promising future shaped by innovation, adaptability, and an unrelenting focus on growth.

# About the Company

Established in 1991, Theeb Rent a Car has become a leading car rental provider in the Kingdom of Saudi Arabia, offering over 30 years of expertise in delivering exceptional service. Operating across 61 branches, 10 maintenance centers, and two used vehicle showrooms, the Company serves a diverse customer base, with a fleet of more than 35,000 vehicles.

Theeb's journey showcases its resilience in navigating the evolving economic and social landscape of the Kingdom of Saudi Arabia. The Company's unwavering commitment to customer satisfaction has helped it maintain a leading position in the market, even in challenging times.

Theeb prioritizes a seamless customer experience by offering premium vehicles, rigorous safety standards, and transparent communication. Its dedicated team ensures a reliable and enjoyable journey for every customer.

## Service Offerings

- **Vehicle Rental Services:** Short-Term Rental and other related services.
- **Vehicle Leasing (corporate):** Customized leasing solutions designed to meet the unique needs of corporate and governmental clients, offering a wide range of Vehicles including standard cars, light and large trucks, and Theeb heavy trucks.
- **Used Vehicle Sales:** High-quality pre-owned Vehicles available at dedicated Theeb showrooms.

## Value added services

- **Extra Insurance:** Daily insurance coverage to minimize deductibles in case of an accident.
- **Msafat Packages:** Unlimited mileage on selected Vehicles, for long distance travel.
- **One-Way Rentals:** Convenient vehicle pick up and drop off, at multiple locations – perfect for flexible travel.
- **Cross-Border Services:** Enabling travel to select GCC countries and neighboring Arab nations.
- **Roadside Assistance:** Round the clock support in the event of a breakdown or accident.
- **Comfort Service:** Wheelchair-accessible Vehicles for enhanced inclusivity.



# At a Glance



## Sponsorships

**25** Orphans through the Ensan Orphan Care Association

## Awards

- Awarded the Bronze Award for Corporate Social Responsibility (CSR) from the Ministry of Human Resources and Social Development.
- Recognised among Forbes Middle East's Top 50 CSR Companies for the third consecutive year.
- Received two prestigious accolades in the car rental sector at the Global Economics Awards 2024 – for “Best New Practices in Sustainability” and “Most Outstanding Company in Social Responsibility”.

**New memberships**  
**150k+**

(+15% increase compared to 2023)

**77**  
**Heavy transport trucks**

introduced into fleet

**19**  
**Electric vehicles**

**1,600+**  
employees

## Serving its diversified customer base across the Kingdom through:

**61** Vehicle rental branches

**10** Vehicle maintenance centers

**02** Used vehicle sales showrooms

**14** Airport branches

**21** Branches operate 24/7

**5,000+** New vehicles in the fleet in 2024 (+15% increase compared to 2023)

More than **12,000** vehicles purchased

Rental segment  
**₪ 487.5 mn**



Leasing segment  
**₪ 501.3 mn**

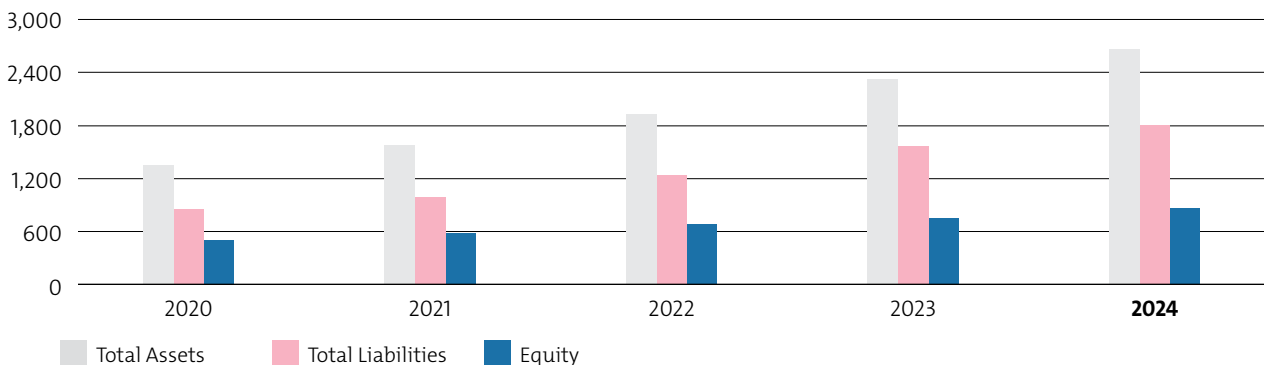


Sales of used vehicles segment  
**₪ 313.9 mn**



Theeb total revenue  
**₪ 1,302.7 mn**  
(14.7% YoY)

## Statement of Financial Position for the previous five years (₪ mn)



# Vision, Mission and Values



## Vision

The company aims at achieving leadership and excellence in all vehicle rental and vehicle lease services in the Kingdom of Saudi Arabia.



## Mission

The company seeks to gain customer satisfaction and trust and to continuously develop vehicle rental and vehicle lease services by providing various and distinct packages that serve all the needs of its customers.



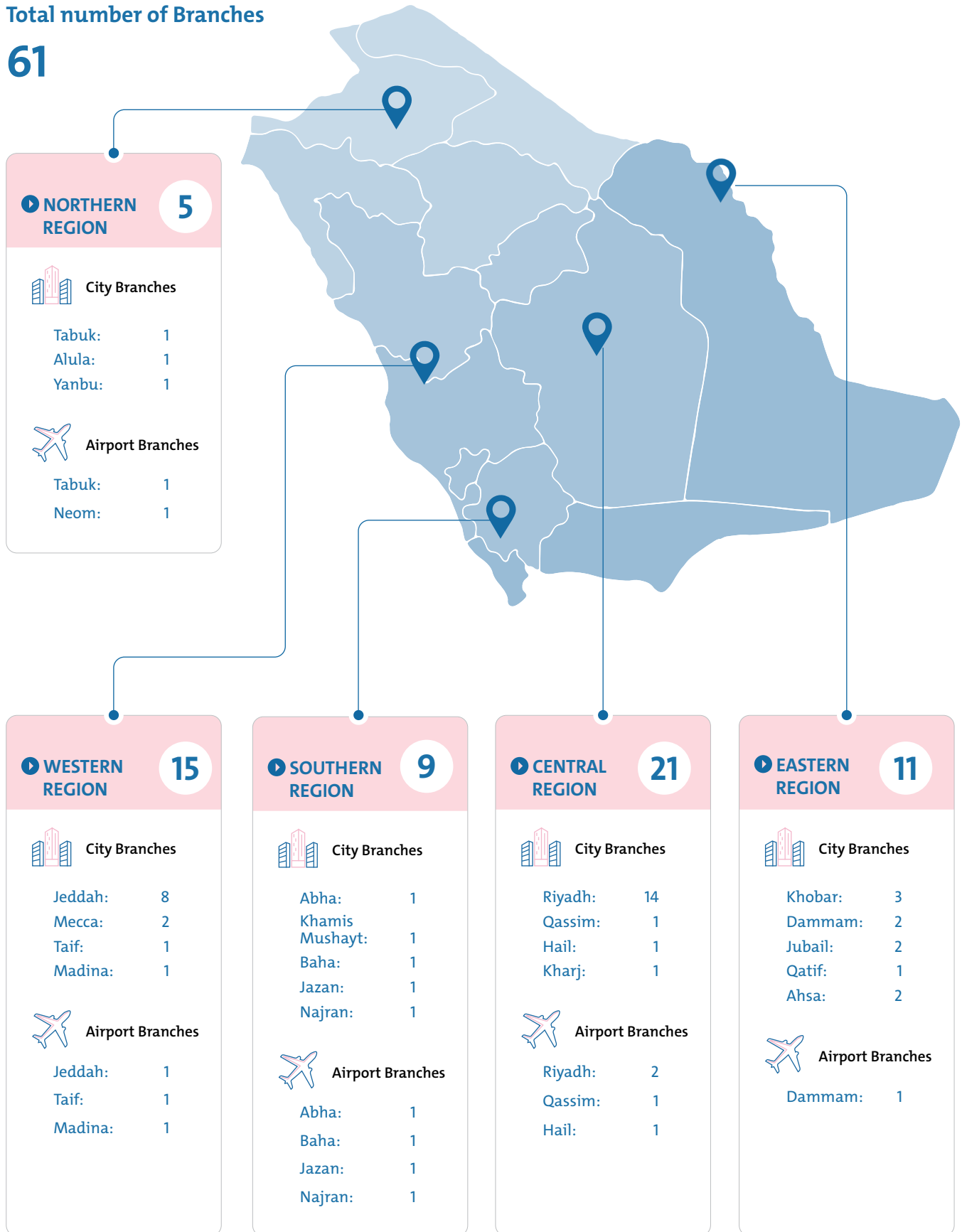
## Values

- Honesty and integrity in dealing with clients
- Compliant with public regulations and traditions
- Effective contribution in serving the community and its growth

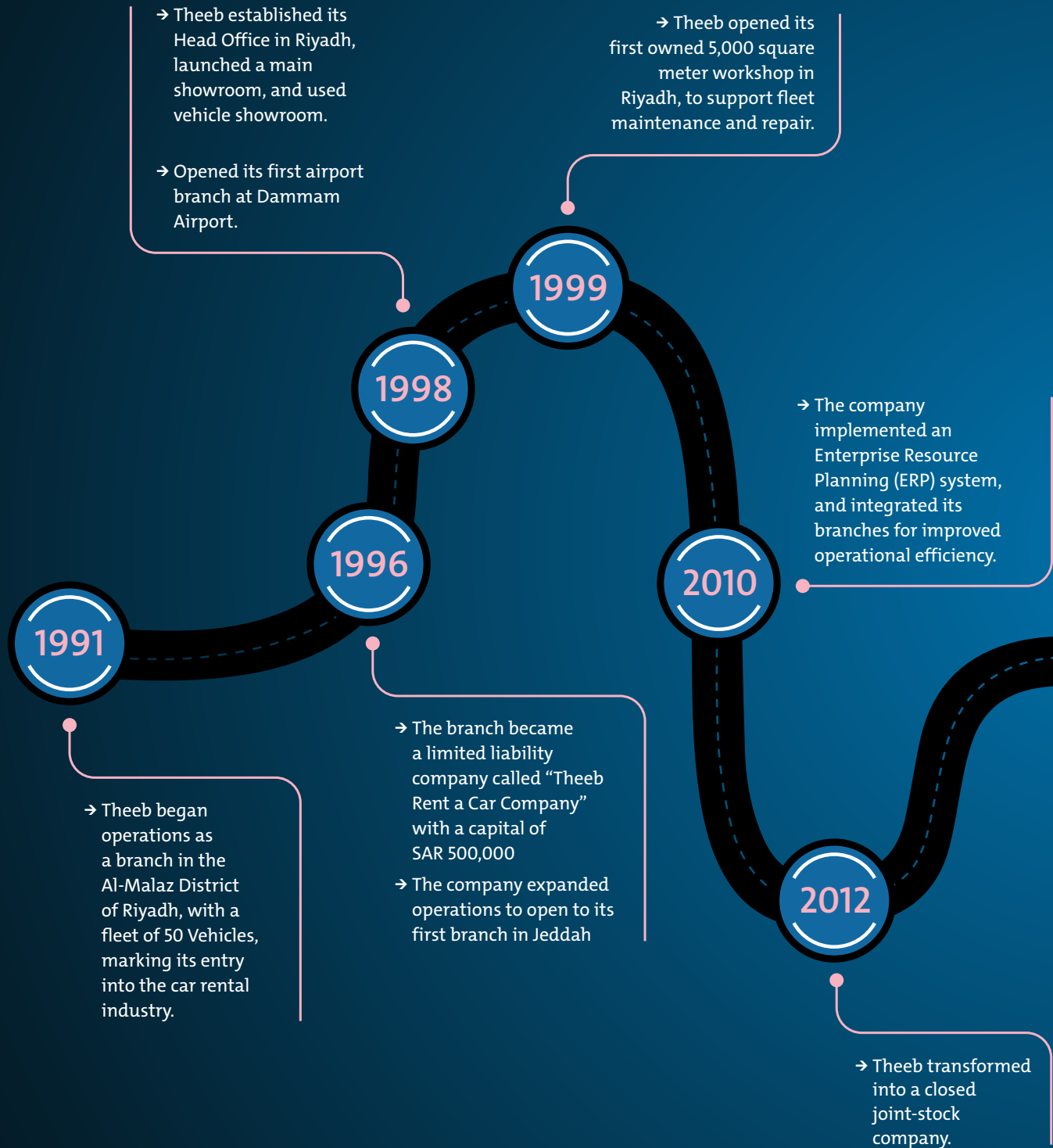
# Geographical Footprint

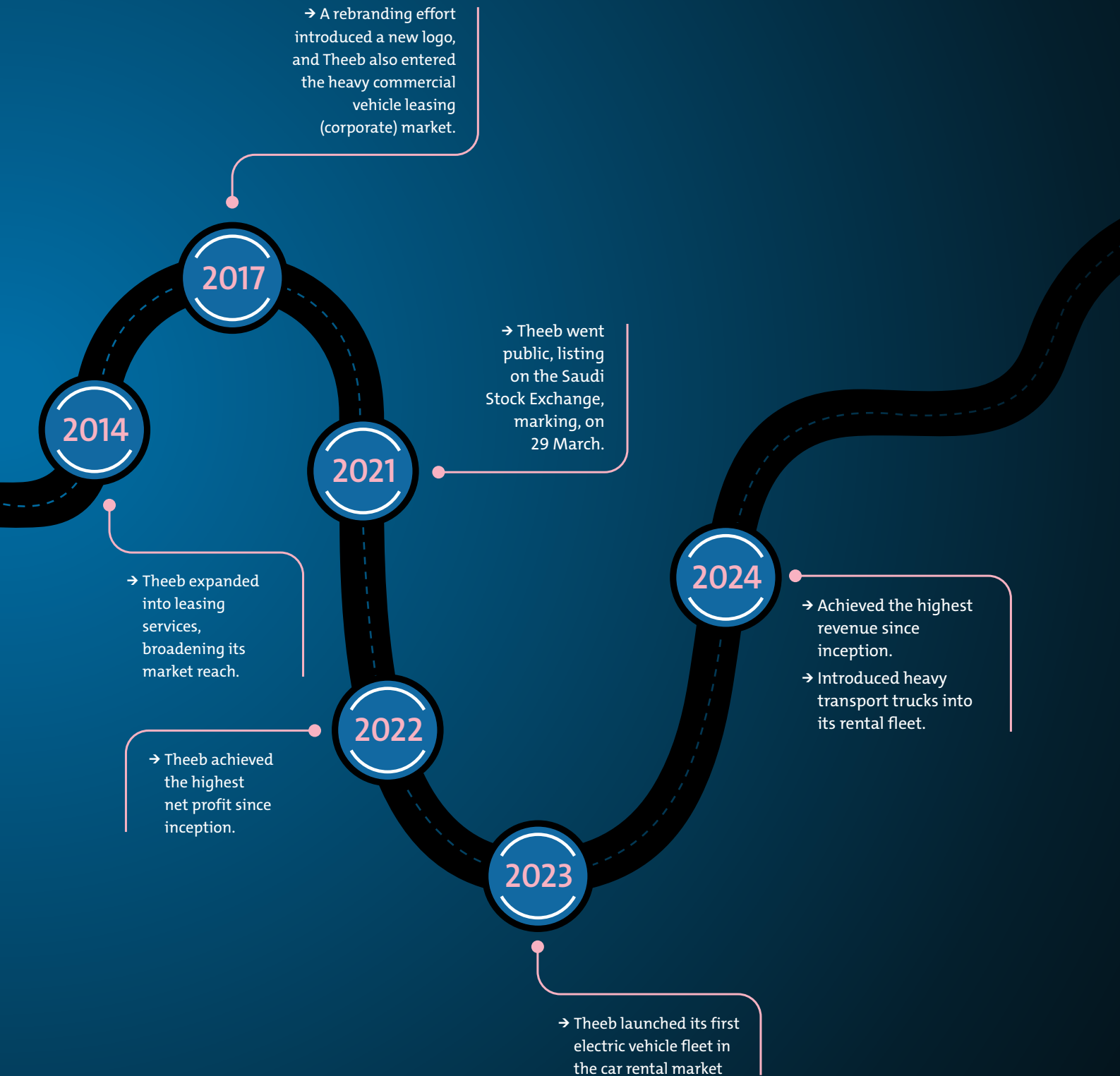
Total number of Branches

61



# Historical Timeline





# 2024 Highlights

## FEBRUARY



- Theeb established a new main maintenance center in the Eastern Province, improving its service capabilities and ensuring faster maintenance turnaround for its growing fleet of vehicles.

## MAY



- Theeb successfully completed a comprehensive renovation of its Al Suwaidi branch, elevating the customer experience and enhancing service efficiency at this key location.

## MARCH



- Theeb Rent a Car company renewed its annual partnership with the Bena Association for Orphan Care, continuing its support for orphan care initiatives.
- Theeb Rent a Car opened its new branch in Tahlia in Jeddah, further expanding its market reach.

## JUNE



- Theeb expanded its operations in the Southern Region by launching a new branch in Abha, offering convenient services to customers in this growing area.

## APRIL



- Theeb renewed its memorandum of understanding with the "Ehsan" platform for the third consecutive year, continuing its charitable efforts by donating one riyal for every rental contract.
- Theeb Rent a Car inaugurated a new branch in Riyadh's Al-Arid district, reinforcing its presence in the capital and providing customers with more convenient access to its services.

## JULY

- The company announced the expansion of its fleet to include reliable heavy transport trucks too cater to the growing and logistics demand in Saudi Arabia.

## 2024 Highlights

### AUGUST



- Theeb reopened its branch in Yanbu, further strengthening its regional presence and ensuring better accessibility to customers in the Western Region.
- Theeb partnered with Al-Shabab Saudi Club as a gold sponsor, aligning with Saudi Arabia's Vision 2030 and its investment in sports.

### SEPTEMBER



- Theeb partnered with Al-Fateh Saudi Club as its main sponsor, to increase its brand presence in the Eastern Province.
- Theeb added 60 new 2025 Toyota Camrys, working with its partner, Abdul Latif Jameel, in line with its commitment to sustainable fleet management.

### OCTOBER



- Theeb strengthened its commitment to social responsibility by sponsoring the national campaign to raise awareness of breast cancer and signing an annual deduction agreement.

### NOVEMBER



- Theeb Rent a Car was honored with the 2024 Corporate Social Responsibility Award, recognizing its exceptional commitment to social and environmental responsibilities in Saudi Arabia.
- Theeb strengthened its commitment to social responsibility by sponsoring the Zahra Association's annual ceremony and signing a memorandum of understanding to further its partnership in supporting humanitarian initiatives.

### DECEMBER



- Theeb opened its branch in Al-Kharj, further strengthening its regional presence and ensuring better customer accessibility.
- Theeb opened its branch in Mecca, further strengthening its regional presence and ensuring better accessibility to customers in the Western Region.
- Theeb Rent a Car received two prestigious accolades in the car rental sector at the Global Economics Awards 2024 – for “Best New Practices in Sustainability” and “Most Outstanding Company in Social Responsibility”.
- Theeb Rent a Car debuted the first fleet of all-new 2025 Nissan Patrol vehicles, a first in the Kingdom's car rental industry.
- Theeb Rent a Car added new Range Rover 2025 vehicles to its fleet, aligning with its commitment to sustainable fleet management.

# Achievements and Awards



- In February 2024, Theeb was listed among the top 50 Saudi Arabian brands by Forbes Middle East magazine, for its strong commitment to social responsibility in Saudi Arabia.
- In October 2024, Theeb was honored by Princess Haifa Al-Faisal with the Golden award for its active involvement in the National Breast Cancer Awareness Campaign by the Zahrah Association.

→ In November 2024, Theeb was honored with the Corporate Social Responsibility (CSR) Bronze Award from the Ministry of Human Resources and Social Development, recognizing its significant contribution to the national Breast Cancer Awareness Campaign. This accolade highlights Theeb’s unwavering commitment to public health and community welfare, reinforcing its role as a socially responsible organization through impactful initiatives.



→ In December 2024, Theeb won two international awards at The Annual Global Economics Awards held in Dubai – “Outstanding CSR Car Rental Company” and “Best New Sustainable Practices (Car Rental)” – nominated by Global Economics magazine.



# Strategic Direction

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# Message from the Chairman

It is with great pride that I present our annual report for 2024, a transformative year in which Theeb Rent a Car made significant advancements in digitalization, business expansion, and workshop development. These initiatives were complemented by notable revenue growth, further cementing our position as a leader in the Kingdom's car rental sector. As always, we remain focused on harmonizing our efforts with Saudi Vision 2030 through events such as the World Expo 2030 and the 2034 World Cup, while upholding our commitment to community development and sustainability.

**Mr. Mohammed Ahmed Abdullah Al-Theeb**  
Chairman



## Message from the Chairman

### A year of strategic growth and alignment

The key milestones and standout achievements for Theeb Rent a Car in 2024 encompass the heavy trucks, governmental segment, revenue growth, fleet expansion and geographical expansion. To utilize the major opportunities available to the company, we leveraged Saudi Vision 2030 through events such as the World Expo 2030 and the 2034 World Cup catering to seasonal tourism and governmental needs. We focused on business expansion into heavy trucks and governmental segments to diversify revenue streams, strengthened our digital presence by launching and enhancing online reservation systems and mobile applications, and capitalized on increasing tourist arrivals by opening branches in key locations.

Despite challenges in the global and local environment, including supply chain disruptions, and political instability in the MENA region, Theeb Rent a Car navigated these complexities through decisive actions. By forging strategic partnerships, diversifying our supplier network, and maintaining close communication with regulators, we ensured operational continuity and compliance.

Theeb's ability to address these challenges not only preserved business stability but also fueled growth, allowing us to achieve significant milestones. These included expanding into the heavy trucks and governmental segments, opening new branches in key locations, and enhancing our digital presence through advanced online reservation systems. By leveraging the opportunities presented by Saudi Vision 2030 through events such as the World Expo 2030 and the 2034 World Cup, we positioned ourselves to meet the demands of seasonal tourism and governmental projects, further strengthening our market leadership.

### Commitment to innovation, sustainability, and customer-centric growth

Our success in 2024 was underpinned by a strong commitment to innovation and sustainability. The transition of critical operations to digital platforms enhanced efficiency and customer experience, while the introduction of heavy trucks and expanded insurance services diversified our offerings to meet market needs. Additionally, advanced data analytics and AI tools enabled us to predict customer trends and optimize fleet utilization, keeping us agile in a dynamic market.

In sustainability, Theeb made significant strides by integrating fuel-efficient and electric vehicles into our fleet and implementing resource-saving measures across our branches and workshops. These initiatives are part of our long-term commitment to reducing our environmental impact and contributing to community development through corporate social responsibility programs.

Customer focus remained at the heart of our operations, as we expanded our presence in strategic locations to cater to increasing tourist arrivals and enhanced digital reservation systems to offer seamless online and mobile booking experiences. This customer-centric approach not only strengthened our brand but also ensured that we met the diverse needs of our growing client base.

### Strengthening operational excellence for future success

The success of 2024 would not have been possible without the dedication of our employees, who played a crucial role in achieving operational excellence. Through targeted training programs and employee-driven initiatives, we enhanced skills in digital tools and service delivery, driving efficiency and innovation across the company.

Looking ahead, Theeb Rent a Car is committed to accelerating efforts in fleet diversification and digital transformation. These initiatives, coupled with our focus on sustainability and customer-centric growth, will be pivotal in achieving our strategic goals for 2025 and beyond.

### In appreciation

As we reflect on Theeb Rent a Car's achievements over the past year, I am deeply humbled by the unwavering trust and support of everyone who has been a part of our journey. To our dedicated employees, esteemed members of the Board of Directors and Board Committees, loyal customers, and valued shareholders – your commitment to our mission has been the driving force behind our success, enabling us to overcome challenges and capitalize on opportunities.

I also extend my heartfelt gratitude to the Transportation General Authority and regulatory authorities for their steadfast guidance and support. Your collaboration has been integral to our continued progress and accomplishments.

# Message from the Chief Executive Officer

Theeb Rent a Car achieved record revenue growth and expansion into new business segments during 2024, while ensuring significant progress in digital transformation and enhanced customer convenience. We demonstrated resilience in overcoming challenges and remained steadfastly focused on our strategic objectives, underscoring our commitment to Saudi Vision 2030 through events such as the World Expo 2030 and the 2034 World Cup.

**Mr. Naif Mohammed Ahmed Al-Theeb**  
Chief Executive Officer



## Message from the Chief Executive Officer

### A year of unprecedented growth

This year has been a landmark for Theeb Rent a Car, achieving record-breaking financial performance and reaffirming our strong profitability and operational excellence. Total revenue reached ₪1.30 bn, reflecting a 14.7% increase compared to 2023, while net profit stood at ₪183 mn. These milestones underscore our robust financial health, operational efficiency, and steadfast commitment to growth.

Our growth was driven by fleet expansion, geographical reach, and increased customer satisfaction. Marketing and branding campaigns enhanced brand awareness, leading to higher traffic at branches and on our digital platforms.

The establishment of a dedicated digitalization department and the automation of systems improved operational efficiency. Simultaneously, investments in employee training aligned with our digital transformation goals, and collaboration with external consultants helped restructure our HR strategy to drive performance improvements.

### Operational resilience: Our cornerstone of success

The year was marked by global supply chain disruptions that affected vehicle procurement timelines. Regulatory adjustments necessitated operational changes to comply with new standards.

Our priorities included expanding market share in high-demand segments such as the heavy trucks and governmental sectors. We shifted emphasis toward digital transformation and aligning operations with emerging customer demands and regulations. These actions supported our medium and long-term objectives, including revenue diversification and improved operational efficiency.

Agile planning, proactive technology investments, and a commitment to human resource development helped us adapt to market changes. Monitoring trends and customer feedback played a key role in refining our services and maintaining our resilience in a dynamic environment.

### Business performance review

In 2024, our short-term rental business witnessed outstanding growth, with revenue climbing to ₪487.3 mn, up from ₪509.7 mn in 2023. This progress was driven by strategic initiatives such as the opening of five new branches, a professional workshop in Dammam, and a diversified fleet offering tailored to customer needs.

Similarly, the vehicle leasing (corporate) segment delivered impressive results, recording revenue of ₪5.01 mn, compared to ₪271.6 mn in the previous year. This performance highlights our dedication to providing flexible and innovative leasing solutions that continue to drive profitability.

The used Vehicle sales division also excelled in 2024, with revenue reaching ₪314 mn, a substantial rise from ₪271.6 mn in 2023. The sale of 7,542 vehicles during the year reflects our focus on maintaining a modern and diverse fleet, a key factor in attracting customers and boosting sales.

These achievements not only reinforce our position as a leader in the industry but also showcase our unwavering focus on efficiency, innovation, and customer-centric growth.

### Strategic imperatives to stimulate growth

Customer satisfaction, market share growth, and financial performance remain key metrics for our success. In 2024, we expanded our branch network by opening five new branches and a professional workshop. Diversification into the heavy trucks and government sectors further strengthened our market position.

Enhanced digital booking systems, improved after-sales service, and expanded insurance options have bolstered customer experience, as confirmed by customer satisfaction surveys and feedback mechanisms.

### Sustainability initiatives aligned with Vision 2030

Sustainability remains integral to Theeb's vision. We have increased the number of eco-friendly and electronic vehicles in our fleet and adopted resource-saving practices in workshops and branches.

Engaging customers, employees, and stakeholders in our sustainability journey fosters shared responsibility. Raising awareness of sustainable practices is a continuous effort as we align with community and national sustainability goals.

### Future outlook

Looking ahead, we anticipate rising competition and regulatory challenges in the near term. However, our investments in fleet upgrades, digital tools, and targeted geographic and segment expansion position us well to adapt.

## Message from the Chief Executive Officer

Our growth was driven by fleet expansion, geographical reach, and increased customer satisfaction. Marketing and branding campaigns enhanced brand awareness, leading to higher traffic at branches and on our digital platforms.

Digital innovation will be a major growth driver as demand for digital services rises. We aim to lead the car rental industry in this space, supporting its sustained revenue growth and aligning with Saudi Vision 2030 initiatives such as the World Expo 2030 and the 2034 World Cup. Our efforts will focus on upgrading IT infrastructure, fostering customer satisfaction, developing employee skills, and strengthening stakeholder relationships.

As Saudi Arabia transforms into a global tourism hub, Theeb will continue supporting the tourism sector and advancing sustainability initiatives.

### Acknowledgements

I extend my deepest gratitude to our Board of Directors for their guidance and to our Chairman for exceptional leadership. I also thank our employees for their dedication, which has been instrumental in our achievements.

To our investors, your unwavering support is deeply appreciated. We also recognize the vital contributions of regulators and suppliers, whose efforts have been critical in ensuring uninterrupted operations.

Lastly, our heartfelt thanks go to our customers, who remain at the heart of our mission. We look forward to continuing this journey of growth and success together.

# Chief Financial Officer's Review

## Strong Financial Performance and Strategic Growth in 2024

Theeb Rent a Car continued to demonstrate resilience and strong financial performance in 2024, with revenue reaching ₪1.30 bn, a 14.7% increase from SAR 1.14 bn in 2023. This growth was driven by strong rental and leasing operations, digital transformation initiatives, and fleet expansion efforts. We also became the first in the market to launch a heavy truck rental business, marking another milestone in our success story.

Our strong financial performance in 2024 reflects our commitment to Theeb's core strategic pillars: 1) diversification - both geographically and through value-added services, 2) differentiation - by offering unique services and pioneering market-first initiatives such as electric vehicles, and 3) collaboration - through key partnerships with Lucid and other automotive dealers across Saudi Arabia.

In alignment with these strategic ambitions, we achieved a solid bottom-line performance of ₪182.7 mn, a 28.6% improvement from the previous year.



### → 2024 Highlights

Total revenue increased by **14.7% to ₪1.30 bn in 2024** (2023: ₪1.14 bn)

Gross profit improved by **16.2% to ₪417.1 mn** (2023: ₪358.9 mn), reflecting efficient cost management and pricing strategies.

Operating profit rose significantly by **28.25% to ₪264.1 mn** (2023: ₪205.9 mn)

Net profit increased by **28.6% to ₪182.7 mn** (2023: ₪142.1 mn)

## Chief Financial Officer's Review

### Segment performance



#### Short-term rental segment:

Revenue declined slightly to ₪487.3 mn (2023: ₪509.7 mn). While individual rentals fell by 8.9% to ₪336.8 mn, corporate rentals grew by 10.9% to ₪150.1 mn, reflecting increased demand from business clients. During the year, fleet size fell by 6.9% to 12,807 vehicles.



#### Leasing segment:

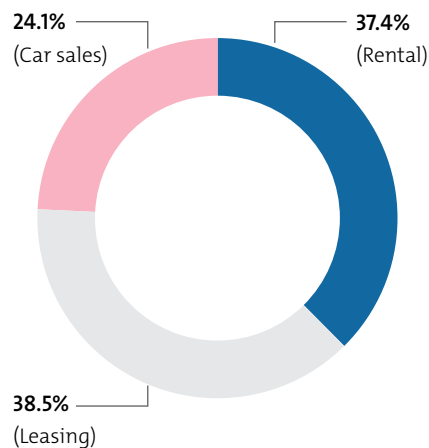
This segment saw strong growth, with revenue rising to ₪501.4 mn (2023: ₪354.1 mn), an increase of 41.6%. The fleet size expanded by 25.7% to 19,328 vehicles.



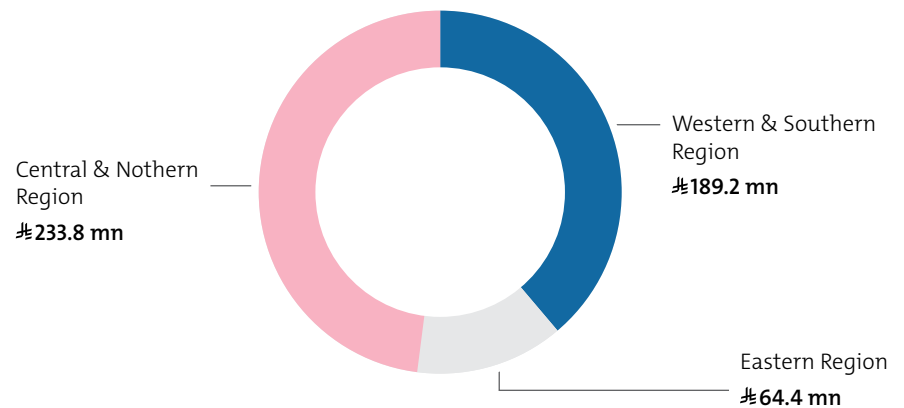
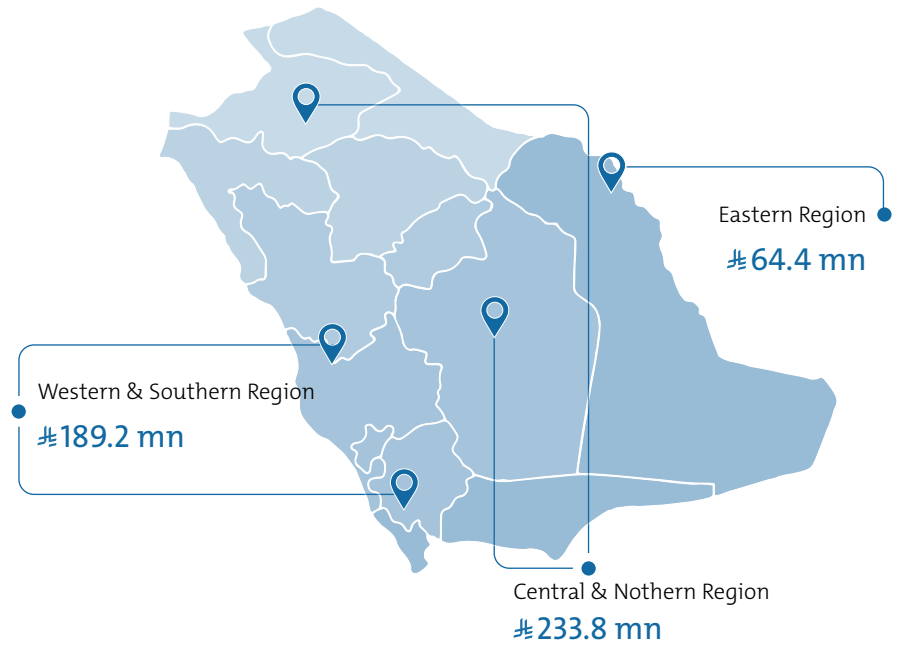
#### Car Sales Segment:

Vehicle sales revenue grew, supported by strong demand for second-hand vehicles. The number of vehicles sold increased by 13.9% to 7,542 (2023: 6,622), with a total segment revenue of ₪314 mn.

### Revenue distribution by business segment



### Short-term rental revenues by geographical distribution



### Building value through business expansion and digital transformation

Year 2024 was one of sustained growth across Theeb's operating segments. We have built on the foundation laid in previous years and executed our strategy with great success. The launch of heavy truck rentals in the fourth quarter of 2024 was a significant achievement, as it was an industry first and further expanded our business portfolio.

We continue to witness strong demand for second-hand vehicles due to their greater affordability compared to newer models, as well as the ease of logistics and delivery.

In 2024, we made significant progress in terms of enhancing our mobile app with an upgraded app interface and guaranteeing greater ease of use for customers. The company also upgraded its systems, especially with regard to CarPro and infrastructure, tying into an overall strategy of digital transformation.

## Chief Financial Officer's Review

### Return to shareholders

23.4%

### Total assets

Theeb's total assets have increased steadily over the last five years, reaching 2.6 bn in 2024, an increase of 15% from 2023.

### Statement of financial position for the past 5 years

Assets and liabilities	2019 س.م	2020 س.م	2021 س.م	2022 س.م	2023 س.م	2024 س.م
Current assets	201,055,783	208,777,647	272,975,630	444,240,587	472,065,070	452,673,108
Non-current assets	1,074,456,136	1,098,628,334	1,245,173,940	1,421,972,899	1,769,266,775	2,122,967,395
<b>Total assets</b>	1,275,511,919	1,307,405,981	1,518,149,570	1,866,213,486	2,241,331,845	2,575,640,503
Current liabilities	458,858,858	460,446,408	579,781,139	657,525,187	862,356,826	972,835,112
Not-current Liabilities	368,039,689	365,444,137	371,013,051	543,827,885	649,298,544	772,367,724
Total liabilities	826,898,547	825,890,545	950,794,190	1,201,353,072	1,511,655,370	1,745,202,841
Shareholders' equity	448,613,372	481,515,436	567,355,380	664,860,414	729,676,475	830,437,666
<b>Total Liabilities and Equity</b>	1,275,511,919	1,307,405,981	1,518,149,570	1,866,213,486	2,241,331,845	2,575,640,503

### Statements of profit or loss for the past 5 years

Business results	2019 س.م	2020 س.م	2021 س.م	2022 س.م	2023 س.م	2024 س.م
Revenue	631,140,094	659,994,795	752,369,576	967,967,678	1,135,394,167	1,302,671,602
Other income	118,719	7,792,299	5,896,989	8,145,514	6,857,239	9,235,288
Cost of revenues	(409,990,050)	(497,980,838)	(503,887,160)	(612,847,714)	(776,529,074)	(885,420,631)
Selling, General and administrative expenses, and ECL	(71,733,478)	(70,490,318)	(96,266,796)	(127,322,600)	(152,956,528)	(153,178,156)
Financing Cost	(25,381,796)	(31,961,264)	(25,630,013)	(32,196,183)	(61,207,791)	(86,210,169)
<b>Net (loss)/Profit before zakat</b>	124,153,489	67,354,674	132,482,596	203,746,694	151,558,013	187,097,934
Zakat	(8,127,686)	(4,108,546)	(6,756,530)	(10,638,745)	(9,488,531)	(4,391,855)
<b>Net (loss)/Profit</b>	116,025,803	63,246,128	125,726,066	193,107,949	142,069,482	182,706,079
Actuarial losses/gains on employee benefit obligations	(1,177,353)	(344,064)	(756,122)	–	1,006,576	1,045,108
<b>Comprehensive income</b>	114,848,450	62,902,064	124,969,944	193,107,949	143,076,058	183,751,187

### Challenges

Theeb adopts a comprehensive approach that integrates innovation, strategic partnerships, and financial expertise to proactively manage operational and financial risks across its diverse business segments.

#### Operational challenges

→ **Fleet Availability:** Ensuring a sufficient supply of vehicles to meet demand remains a key challenge. Theeb leverages predictive analytics to anticipate peak periods, optimizing fleet allocation and minimizing customer wait times.

→ **Spare Parts Management:** Efficient spare parts logistics are critical to reducing downtime. Theeb mitigates this challenge through strategic supplier partnerships and a proactive maintenance strategy.

→ **Branch Network Expansion:** Expanding Theeb's branch network requires a careful balance between geographic growth and operational and financial feasibility, factoring in market conditions to ensure sustainable expansion.

#### Financial risks

→ **Interest Rate Covenants:** Theeb actively manages the impact of interest rate fluctuations by closely monitoring

financial markets and adjusting strategies to maintain covenant compliance.

→ **SIBOR Sensitivity:** The company continuously assesses market conditions to manage exposure to changes in SIBOR (Saudi Interbank Offered Rate).

→ **Cost Fluctuations:** Beyond interest rates, Theeb remains vigilant in managing direct costs such as insurance and spare parts, employing a flexible cost structure and negotiating contracts to mitigate potential cost increases.

**Mr. Amjad Alawneh**  
Chief Financial Officer

# Review of the Year

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# Market Overview – The context we operate in

## Shifting demographics and technological advances transform the car rental industry

The global car rental and travel and tourism industries are deeply intertwined, with evolving consumer preferences driving demand for innovation. Millennials and Generation Z (born from 1995 - 2012) are at the forefront of this transformation, bringing unique travel sensibilities and a strong affinity for

technology. This demographic prioritizes travel that is culturally immersive and focused on self-discovery, opting for self-driven journeys. They also have higher disposable incomes and entrepreneurial aspirations, preferring to drive themselves to scenic, unique and remote locations. These factors have collectively streamlined the vehicle rental process through online platforms, apps, and integrated smart technologies such as keyless access and in-car entertainment.

Globally, growth in the car rental industry is estimated to be steady over the next five years, propelled by rising demand for executive-class cars among business travelers. In the Middle East, the car rental market is anticipated to be aided by strict regional legislation governing the purchase and use of cars, inconsistent public transport systems and the increasing preference for private transport.



المملكة العربية السعودية  
KINGDOM OF SAUDI ARABIA

### Adapting to challenges

The Kingdom of Saudi Arabia **Vision 2030** is a transformative agenda aiming to diversify the economy and reduce its reliance on oil exports. This vision is significantly influencing various sectors, including automotive rentals and leasing. Several initiatives under Vision 2030, such as the development of entertainment infrastructure, urbanization projects and the expansion of tourism, are contributing to the expansion of the car rental and leasing markets.

However, in the past year, several of these projects have been scaled back or revised to reflect shifting economic and geopolitical realities as well as escalating costs. In the face of changing circumstances, the country is prepared to amend its original blueprint when and where necessary.

## The Kingdom of Saudi Arabia megaproject pipeline

Megaprojects in the Kingdom of Saudi Arabia, like NEOM and the Red Sea Project, are driving demand for vehicle rental and leasing services due to an influx of residents, tourists, and business professionals. These initiatives are enhancing mobility and supporting the automotive industry.

Project name	Description of initiative
<b>Norlana, Utamo, Siranna, Epicon, Leyja, The Line, Trojena, Oxagon, and Sindalah Expo 2030</b>	Projects, which will add to the country's tourism infrastructure through hotels, resorts and luxury residential properties, to be constructed, within NEOM, a futuristic megacity being built in the Kingdom's northwest
<b>2034 Fifa World Cup</b>	For the Riyadh Expo 2030, the Saudi government is investing a whopping \$7.8 billion to create the most lavish venue ever seen in World Expo history. Around 246 countries are expected to participate, attracting over 40 million visitors. The economic impact of this grand expo is estimated to reach an impressive \$94.5 billion (SR335 billion), which would give a significant 19% boost to the projected non-oil GDP.
<b>New Murabba</b>	The FIFA World Cup 2034 is set to contribute significantly to the country's non-oil economy. With substantial investments pouring into transport, hotels, and public facilities, this major event will not only elevate hospitality, real estate, and tourism revenues but also create new jobs and enhance workforce skills.
<b>Jeddah Tower</b>	New downtown district located near Riyadh that will harbor hundreds of thousands of residents, along with commercial and cultural infrastructure
<b>Saudi Entertainment Ventures (SEVEN) theme parks</b>	Seeks to become the world's tallest building by exceeding a height of 1,000 meters
<b>SEVEN Abha theme park</b>	SEVEN is developing multiple Transformers-themed centers in cities like Riyadh, Jeddah, and Dammam. These will feature immersive experiences, including rides and interactive attractions. SEVEN is also building a range of entertainment destinations in cities like Jazan and Tabuk, which will include theme park elements alongside other attractions like cinemas, restaurants, and retail spaces. This is expected to draw scores of visitors eager to experience its attractions.
<b>SEVEN Yanbu</b>	Sweeping development in the city of Abha in Aseer Province that is expected to draw scores of visitors eager to experience its attractions
<b>SEVEN Tabuk</b>	Entertainment center that is set to be erected in the city of Yanbu
<b>AlUla heritage site transformation</b>	Entertainment destination in Tabuk that will span 72,500 square meters of built space within the city
<b>Red Sea Project</b>	Ongoing efforts to upgrade the site into an inbound tourism hub that fosters economic growth by separating it into five districts linked by trains and a new tram system; the revamped area aims to house 9,400 hotel rooms by 2035
<b>King Salman Energy Park</b>	A 30,000 square kilometer tourism development aimed to integrate luxury hotels, resorts and nature
<b>King Salman Park</b>	Energy sector development offering top-tier infrastructure and access to global markets
<b>Riyadh Metro</b>	The world's largest urban park offering cultural, recreational, and sporting activities
	This will serve as a central artery with a 175 kilometer railway network, poised to become the world's largest public transport project upon its completion.

## Market Overview – The context we operate in

### Growth in population and tourism fuels demand for car rentals

As of 2024, Saudi Arabia’s population growth was expected to continue rising, with a notable increase in the population eligible to drive. The increasing number of driving-age individuals is particularly relevant for the expansion of both the domestic car rental market and leasing segment.

Saudi Arabia’s increasing focus on leisure, business, and religious tourism is a key demand driver for the car rental market’s growth, with Hajj and Umrah visitor statistics showing consistent year-over-year growth, further boosting demand for temporary transportation. In addition, tourist spending, as reported by the Ministry of Tourism, has been on the upswing, reflecting the country’s ambition to position itself as a top global tourism destination. This surge in tourism has directly impacted the demand for vehicle rentals.

### High internet penetration fuels IoT-driven rental advancements

Online booking platforms dominate the rental landscape, driven by the Kingdom of Saudi Arabia’s high internet penetration rate of 99%, which underscores the Government’s success in advancing digitization initiatives. Additionally, customers have further benefited from innovations such as the Internet of Things (IoT) and vehicle connectivity technology that have enabled firms to offer smart rental solutions. With IoT in particular, vehicle rental companies can track driver locations and driving patterns, facilitating the provision of value additions like personalized driving suggestions, and quicker and easier vehicle returns.

### Market segment review



The car rental market in the Kingdom of Saudi Arabia includes leisure rentals, business rentals, and insurance replacement services. This market has been expanding steadily in recent years, and is projected to grow between 6% and 8%, driven by increasing tourism, favorable economic reforms and the rising demand for convenience-based transport solutions.

The size of vehicle rental fleets in Kingdom of Saudi Arabia is expected to expand as more players enter the market and existing companies increase their fleet capacities to meet demand, reflecting growth in both the leisure and business rental segments.

Key demand drivers include:

- **Tourism growth:** increased numbers of international and domestic tourists
- **Leisure and entertainment reforms:** the Government’s efforts to boost tourism through reforms, including the opening of new museums and tourist sites
- **Evolving consumer behavior:** the increasing use of online platforms for vehicle rental services, leading to greater accessibility and convenience



The vehicle leasing market comprises two primary categories: financial leasing and operational leasing. Financial leasing generally involves longer-term contracts, with an option for the lessee to purchase the vehicle at the end of the lease term, whereas operational leasing involves shorter-term contracts where the lessee returns the vehicle after the lease period,

without the option to purchase. The operational leasing segment is estimated to dominate the leasing market, representing up to 70% of the market share in 2024.

Saudi Arabia’s vehicle leasing market has expanded steadily, driven by the increasing number of businesses opting for fleet management solutions, and the growing preference for operational leasing due to its flexibility and lower financial commitment. The corporate sector remains the primary consumer of leased vehicles, accounting for a large portion of the market, particularly in operational leasing.

Key demand drivers include:

- **Qiddiya City:** A world-class entertainment, sports, and culture hub featuring arenas, concert venues, academies, racetracks, and the region’s first Six Flags and water park. It aims to house 600,000 residents and attract 48 million visitors annually.
- **Abha airport extension:** Set for completion by 2028 in multiple phases, the expansion will meet rising passenger demand while showcasing Aseer’s architectural heritage. By 2030, it will handle 10 million passengers annually, with capacity expected to reach 13 million by 2054.
- **Public Transport Project:** The Tabuk Public Transport Project is set to introduce Saudi Arabia’s very first eco-friendly bus system, featuring electric buses that will account for 25% of the entire fleet. Covering an impressive 128.1 kilometers with 106 stops, this \$22.4 million initiative aligns perfectly with the goals of Vision 2030, aiming to create smart and sustainable cities.
- **Economic developments:** The growing need for business mobility and the expansion of industries
- **Corporate shift to vehicle leasing:** More companies are adopting vehicle leasing for fleet management

## Market Overview – The context we operate in



### Used vehicle segment

The used vehicle market includes vehicles that have been pre-owned and are being resold either through peer-to-peer sales, direct consumer sales, or auction platforms. In the Kingdom of Saudi Arabia's, this segment is expanding due to regulatory reforms, increasing new vehicle sales and evolving consumer preferences.

The used vehicle market in the Kingdom of Saudi Arabia's is expected to grow steadily, driven by increased consumer demand for affordable vehicles, a trend toward online marketplaces and the growing leasing market. Additionally, the increase in new vehicle sales contributes to the availability of used vehicles, further fueling the growth of this segment.

Key demand drivers include:

- **Growth of new vehicle sales:** as new vehicles are purchased, older vehicles enter the used vehicle market
- **Household income:** rising disposable incomes allow more consumers to purchase vehicles, both new and used
- **Regulatory reforms:** policies such as VAT exemptions have incentivized used vehicle purchases.

### Competitive landscape

The Kingdom of Saudi Arabia's vehicle rental, leasing and used vehicle markets are highly competitive, with both local and international players vying for market share. The market is fragmented, with over 600 licensed companies, but consolidation is expected as larger fleet operators take the lead.

Major players in the vehicle rental and leasing sectors are increasingly focusing on fleet expansion, digital platforms and customer satisfaction to maintain their competitive edge.

In the used vehicle market, competition is driven by local dealerships, online marketplaces and auction platforms, with peer-to-peer sales becoming an increasingly popular avenue for consumers.

### Emerging trends

#### Electric mobility

Electric vehicles (EVs) are expected to form a significant part of Kingdom of Saudi Arabia's future transportation landscape, especially with the Government's target of having 30% of vehicles in Riyadh be electric by 2030. This shift is also pushing vehicle rental companies to adopt more electric vehicles into their fleets.

### Micro mobility and emerging rental solutions

The rise of micro-mobility solutions, including electric scooters and mopeds, is transforming the transportation sector in urban centers. These solutions complement traditional vehicle rentals, and are gaining popularity due to their convenience and eco-friendliness.

The transition to electric vehicles, along with innovations in mobility solutions, will likely define the future landscape of the Kingdom of Saudi Arabia's automotive market.

# Share Price Data

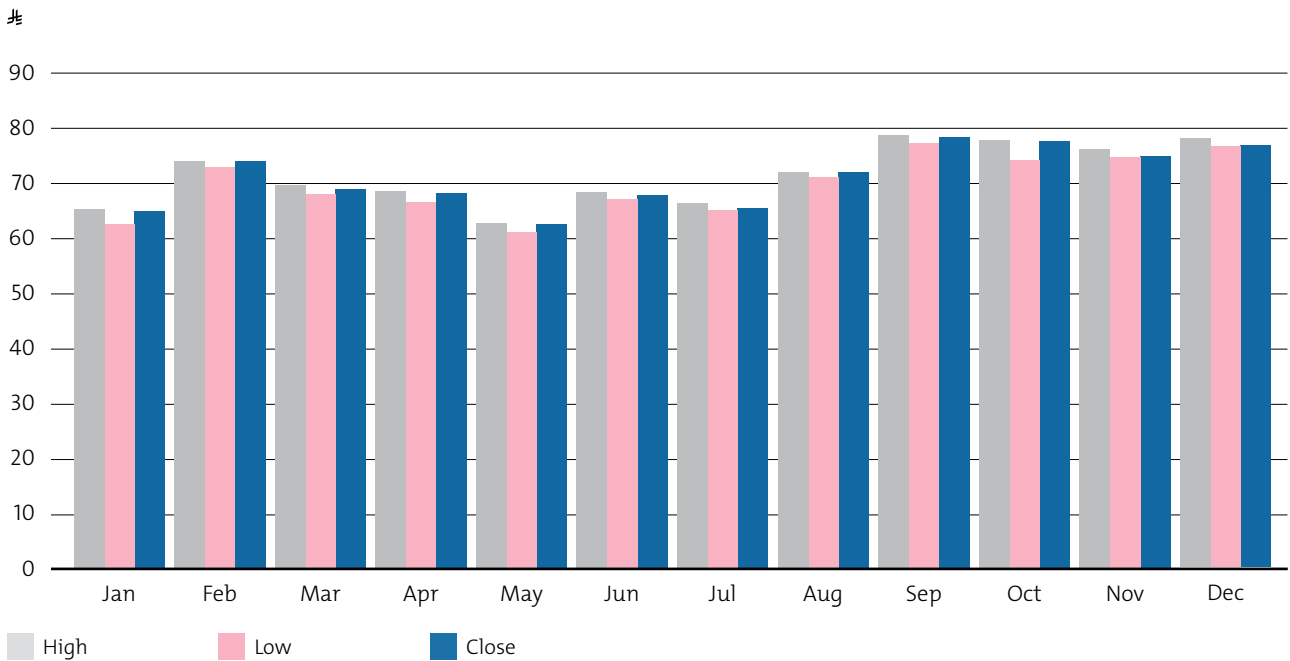
## Share price data

Share price 1 January 2024	Share price 31 December 2024	Share price 3 years ago	52-week high	52-week low
65.50	76.60	60.90	81.50	59.20

Shares performance summary at the end of each month (high, low, and closing) during the fiscal year 2024 (all information was obtained from the Company's page on the Saudi Stock Exchange – Tadawul's website):

Month	High	Low	Close
January	65.50	62.60	65.00
February	74.10	73.00	74.00
March	69.70	68.20	69.00
April	68.60	66.70	68.30
May	62.90	61.20	62.70
June	68.50	67.30	67.90
July	66.50	65.10	65.60
August	72.00	71.20	72.00
September	78.80	77.30	78.40
October	77.80	74.20	77.70
November	76.30	74.80	75.00
December	77.90	76.50	76.60

## Shares performance summary



# Stakeholders, Risks, and Opportunities

## STAKEHOLDER MANAGEMENT

Key stakeholder issues and management strategies

Stakeholder group	Key concerns	Group Response
 <p><b>Customers</b></p>	<ul style="list-style-type: none"> <li>→ Diversity of fleet</li> <li>→ Reliability of service</li> <li>→ Value-added services for convenience</li> <li>→ Affordability and accessibility</li> <li>→ Environmental and social responsibility</li> </ul>	<ul style="list-style-type: none"> <li>→ Wide fleet over 35,000 vehicles with average age of 1.6 years</li> <li>→ Opened 5 new branches in 2024</li> <li>→ Enhanced our online booking system</li> <li>→ Loyalty programs</li> <li>→ Value-added services such as roadside assistance (24/7), and maintenance</li> <li>→ Convenient payment, long-term contracts for leased vehicles</li> <li>→ Increased the number of electric vehicles in the rental fleet and electric charging stations</li> </ul>
 <p><b>Employees</b></p>	<ul style="list-style-type: none"> <li>→ Fair remuneration</li> <li>→ Opportunities for growth</li> <li>→ Concern for employee wellbeing</li> <li>→ Safety and dignity/respect</li> <li>→ Engagement, feedback, and grievance mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>→ Committed to Tawteen program for the third consecutive year</li> <li>→ Employee appreciation and welfare events</li> <li>→ Array of learning and development opportunities provided to constantly upskill employees</li> <li>→ Over 600 hours of training provided in 2024</li> <li>→ Sustained Best Place to Work award in 2024</li> <li>→ Obtained operational safety certifications</li> <li>→ Upgraded employee self-service systems for enhanced accessibility</li> </ul>
 <p><b>Business Partners</b></p>	<ul style="list-style-type: none"> <li>→ Shared growth</li> <li>→ Technical assistance and knowledge transfer</li> <li>→ Domain knowledge, skills, and expertise</li> <li>→ Long-term partnerships</li> <li>→ Timely payments</li> <li>→ Fair play and transparent processes</li> <li>→ Initiatives to share knowledge and build capacity</li> </ul>	<ul style="list-style-type: none"> <li>→ Strengthened long-term partnerships with vehicle dealers</li> <li>→ Integrated AI services to optimize partner operations</li> <li>→ Code of ethics and compliance framework that ensures fair business practices.</li> <li>→ Maintain open communication channels for partners to raise concerns and receive prompt resolutions.</li> <li>→ Share insights on industry trends and innovations, helping partners stay competitive.</li> <li>→ Automated payment systems to ensure on-time disbursements.</li> <li>→ Provide clear payment schedules with proactive communication on any delays.</li> <li>→ - Provide training programs and workshops on fleet management, rental technologies, and customer service best practices.</li> </ul>
 <p><b>Investors</b></p>	<ul style="list-style-type: none"> <li>→ Sustainable growth and returns</li> <li>→ Good governance and transparency</li> <li>→ Risk management</li> <li>→ Timely communications</li> </ul>	<ul style="list-style-type: none"> <li>→ Strong financial growth driven by technological transformation</li> <li>→ Quarterly dividend payouts</li> <li>→ Transparent reporting</li> <li>→ Risk management enhanced through regular assessments</li> <li>→ Timely, periodic communication with investors</li> </ul>
 <p><b>Government</b></p>	<ul style="list-style-type: none"> <li>→ Compliance with regulatory requirements</li> <li>→ Partner socioeconomic development in the country</li> </ul>	<ul style="list-style-type: none"> <li>→ Compliance with all relevant government regulations and laws</li> <li>→ Complied with and implemented all provisions outlined in the Corporate Governance Regulations issued by the Capital Market Authority and other relevant applicable regulations</li> <li>→ Supported electrification initiatives to align with national sustainability goals</li> </ul>
 <p><b>Community</b></p>	<ul style="list-style-type: none"> <li>→ Environmental and social responsibility</li> <li>→ Opportunities for shared growth</li> <li>→ Support for community needs</li> </ul>	<ul style="list-style-type: none"> <li>→ Continued sponsorship programs and community projects: Saudi Green, global relief donations, Taraffag Yal'theeb, Raha service for the elderly, Alqura'a Alseghar</li> <li>→ Increased CSR budget by 150% in 2024</li> </ul>

# Our Strategy

Our strategic focus has evolved to align with emerging industry trends, market demands and national priorities such as Saudi Vision 2030 initiatives such as the World Expo 2030 and the 2034 World Cup. Building on our foundation of innovation, operational excellence and customer-centric approaches, we have prioritized long-term growth while addressing immediate opportunities and challenges.

## Strategic framework

Our strategic framework continues to pivot around three main pillars – Diversification, Differentiation, and Collaboration – ensuring sustainable growth, innovation and customer value creation across all segments of our business.



### Diversification

- **Fleet expansion:**  
continuously expanding our vehicle fleet, especially in high-demand segments, to meet the needs
- **Geographical expansion:**  
identifying and launching branches in strategic locations across the country, to enhance accessibility and customer reach
- **Service innovation:**  
introducing innovative vehicle renting options and value-added services for various market segments
- **Fleet modernization:**  
Market leader in introducing heavy duty trucks under the leasing segment, along with electric vehicles



### Differentiation

- **Digital transformation:**  
enhancing our digital booking systems and online customer portals, thereby enabling seamless interactions and process automation
- **Enhanced customer experience:**  
upgrading our corporate website and mobile app to increase user-friendliness and convenience
- **Eco-friendly initiatives:**  
becoming a pioneer in the Kingdom of Saudi Arabia by integrating eco-friendly vehicle options into our fleet, thereby supporting sustainable mobility



### Collaboration

- **Industry alliances:**  
strengthening partnerships with leading automobile dealers to secure competitive advantages in fleet acquisition and maintenance
- **Stakeholder engagement:**  
collaborations with governmental and private sector entities to offer tailored leasing solutions



## Our Strategy

### Key focus areas for 2024

Our strategy for 2024 is defined by several transformative initiatives aimed at achieving growth and operational excellence

#### Digitalization at scale

- Partnered with technology innovators to integrate emerging technologies such as artificial intelligence (AI) and advanced process automation.
- Enabled data-driven decision-making across operations to improve efficiency and customer service.

#### Talent development

- Established a dynamic and agile organizational culture that attracts, retains, and inspires top talent.
- Enhanced training programs to upskill employees, ensuring that they are equipped to thrive in a rapidly evolving industry.

### Introducing new offerings

- Introduced new services tailored to emerging customer needs, including flexible vehicle rental options and customized packages for specific industries.

### Geographical expansion

- Opened new branches in high-demand regions, thereby enhancing our presence and accessibility.
- Invested in professional-grade workshops to improve after-sales services and fleet maintenance.

### Measuring success

Key Performance Indicators (KPIs) for 2024 include:

- **Customer satisfaction:** achieved an increase in satisfaction scores through improved services and convenience
- **Fleet growth:** expanded our fleet size by more than 15%, with a focus on heavy trucks and eco-friendly vehicles

- **Revenue growth:** recorded a 15% increase in annual revenue by optimizing operations and diversifying income streams
- **Market share:** enhanced our share in both corporate leasing and individual rental markets

To address any underperformance, we conduct immediate analyses, adjust strategies and reallocate resources, to ensure that goals are met.

### Sustainability and ESG integration

Sustainability is embedded in our strategy through the following:

- **Eco-friendly vehicles:** expanded our range of environmentally friendly vehicles
- **Corporate social responsibility:** strengthened initiatives, including participation in national awareness campaigns and community development projects

## Outlook for 2025 and beyond

Our outlook for 2025 focuses on:



- **Organic growth:** Expanding our market share through self-financing



- **Digital advancements:** Enhancing digital platforms and adopting AI-driven customer insights



- **Sustainability:** Increasing investments in eco-friendly fleet options and green operations

The year 2024 has been one of strategic transformation, marked by innovation, expansion and customer-centric initiatives. We remain committed to aligning with Vision 2030 and leveraging global opportunities to achieve sustainable growth. Recognizing the invaluable contributions of our investors, employees and stakeholders, we are poised to deliver excellence in the years ahead.

# Operational Review

Theeb Rent a Car continued its leadership in Saudi Arabia's transportation sector, setting benchmarks in operational excellence, customer-centric innovation and strategic growth. Committed to aligning with Saudi Vision 2030, Theeb remains focused on sustainability, inclusivity and technological progress. This review highlights key operational achievements and initiatives that underscore Theeb's dynamic growth and resilience.

## Operational metrics overview

In 2024, Theeb achieved substantial growth across all key performance indicators, reflecting its dedication to market leadership and service excellence. Strategic investments in infrastructure, fleet expansion, and technology have driven Theeb's sustained growth, enhancing service accessibility and customer satisfaction.

Metric	2023	2024	Growth YoY %
Car rental branches	56	61	9.8
Vehicle maintenance centers	9	10	11.1
Used vehicle sales showrooms	2	2	–
Airport branches	14	14	–
Fleet size	30,000+	35,000+	15+

### Short-term rentals: driving innovation

The short-term rental segment remains a cornerstone of Theeb's operations, catering to a wide demographic, including business and leisure travelers. In 2024, the Company launched several initiatives to elevate the rental experience.

#### Key initiatives

- **Theeb comprehensive insurance product:** robust coverage for enhanced customer peace of mind
- **Buy now, pay later:** flexible payment schemes to ease the financial burden on customers
- **SmartLink payment service:** seamless and secure digital payment platform
- **Jeddah VAT on us initiative:** VAT discount campaign to incentivize rentals in the region

### Operational enhancements

- **Branch expansion:** opened five new branches and renovated two existing ones to increase accessibility.
- **Fleet diversification:** introduced premium models like the Toyota Prado and Nissan Patrol, along with 77 Mercedes-Benz Actros trucks, to meet heavy-duty vehicle demand.

### Membership growth trends

Theeb's membership base surpassed 750,000 in 2024, marking a 25% year-on-year increase. This growth reflects Theeb's ability to attract and retain loyal customers through innovative offerings and customer-centric services.

Year	Membership count	Increase YoY %
2020	264K	2.95
2021	327K	23.98
2022	481K	41.10
2023	600K+	24.60
<b>2024</b>	<b>750K+</b>	<b>25.00</b>

### Leasing segment: long-term value creation

The leasing segment has emerged as a key growth driver, contributing significantly to Theeb's revenue in 2024. With tailored leasing solutions for government and private sector clients, the Company ensured that its services met diverse needs.

#### Key highlights

- **Fleet modernization:** collaborated with Abdul Latif Jameel Trading to introduce the latest Toyota models, including the 2025 Camry.
- **Truck leasing expansion:** added 77 Mercedes-Benz Actros trucks to address the rising demand for heavy-duty vehicles.
- **Customizable contracts:** introduced flexible leasing terms tailored to diverse client requirements.

## Operational Review

### Used vehicle sales: promoting sustainability

Theeb's used vehicle sales segment witnessed continued success in 2024 by offering affordable, high-quality vehicles to customers. Vehicles over 2-3 years old were sold through an enhanced auction platform, enabling quicker and more transparent transactions.

Campaign	Type	Objective	Impact
Founding Day Campaign	ATL	Brand awareness	15M+ views
National Day Campaign	ATL	Brand awareness	17M+ views, 200K+ engagements
Car Giveaway Contest	BTL	Increase footfall	Boosted branch traffic
Al-Shabab FC Sponsorship	BTL	Brand visibility	Enhanced nationwide presence
Logat Alshoob	ATL	Brand visibility	Participated in Saudi Arabia's announcement to host the 2034 World Cup

### Key developments

→ **Fleet expansion:** increased inventory of well-maintained used vehicles to meet rising customer demand.

### Marketing and branding campaigns

In 2024, Theeb Rent a Car implemented a series of strategic marketing and branding campaigns designed to amplify its visibility, strengthen customer engagement and solidify its market position. These initiatives were carefully tailored to align with both cultural events and customer preferences, ensuring maximum resonance with the Company's target audience. By leveraging a mix of above-the-line (ATL) and below-the-line (BTL) strategies, Theeb was able to create widespread awareness, while generating actionable outcomes such as increased foot traffic and enhanced brand loyalty.

These campaigns not only enhanced Theeb's visibility but also positioned the Company as a brand that celebrates local culture while providing value-driven services. The ability to engage diverse audiences across multiple touchpoints highlights Theeb's expertise in creating impactful marketing strategies.

### Customer loyalty programs

Theeb's customer loyalty program saw continued success in 2024, providing members with valuable benefits that enhance their experience and encourage long-term engagement. The loyalty program has become a significant driver of customer retention and revenue generation, with Bronze and Silver members being the primary contributors to overall revenue.

#### Other tiers include:

**Bronze:** the entry-level tier, offering basic benefits and rewards

**Silver:** a step up from Bronze, with additional perks

**Ata'a:** a special loyalty tier

#### Percentage contribution % by membership tier

Membership tier	%
Bronze	25.10
Silver	19.52
Gold	54.72
Diamond	0.61
Ata'a	0.05
<b>Total</b>	<b>100.00</b>

#### Key highlights

→ **Qitaf partnership:** A key development in 2024 was the partnership with Qitaf, which allowed members to earn double loyalty points on selected purchases. This initiative helped boost customer engagement by rewarding more frequent interactions and increasing the overall value of the program.

→ **Enhanced member tiers (Gold and Diamond):** The Diamond membership tiers received additional perks to further enrich the experience of top-tier members. These included free vehicle deliveries and priority services, ensuring that high-value customers enjoyed added convenience and faster support. The upgrades helped strengthen loyalty and satisfaction among the most engaged customers.

## Operational Review

### Membership categories and benefits

Membership benefits	No membership	Bronze	Silver	Gold	Ata'a	Diamond
Rental discounts	N/A	10%	12%	15%	17%	20%
Allowed kilometers	225 km	225 km	250 km	300 km	325 km	325 km
Additional hours	2 hours	2 hours	3 hours	5 hours	5 hours	5 hours
One direction discounts	N/A	N/A	20%	50%	50%	50%
Travel authorization – GCC	ﷲ75	ﷲ75	ﷲ50	ﷲ35	Free	Free
– Arab countries	ﷲ300	ﷲ300	ﷲ300	ﷲ150	Free	Free
Possibility to earn/redeem Theeb points	No	No	Yes	Yes	Yes	Yes
Number of earned Theeb points for every ﷲ100 spent on a fully paid contract	N/A	N/A	½ a point	1 point	1 point	1 point
Possibility to earn/redeem Qitaf STC points	Yes	Yes	Yes	Yes	Yes	Yes
Possibility to transfer Theeb points to Alfursan miles	No	No	Yes	Yes	Yes	Yes
Car delivery	N/A	N/A	N/A	N/A	N/A	Free

### Fleet expansion and technological advancements

In 2024, Theeb's fleet surpassed 33,000 vehicles, marking a 10% increase from the previous year. Technological innovations further streamlined operations, ensuring a seamless experience for customers.

- **Online booking platform:** streamlined the reservation process for greater convenience.
- **SmartLink payment system:** enabled faster and more secure transactions.
- **Self-service kiosks:** enhanced operational efficiency at select branches.

Additionally, the opening of a new maintenance center in Dammam strengthened fleet reliability and operational efficiency.

### Partnerships and collaborations

Theeb's collaborations in 2024 have been pivotal in advancing its operational goals. Strategic partnerships with key industry players have enabled Theeb to expand its fleet, enhance service offerings and integrate cutting-edge technologies. These partnerships underscore Theeb's commitment to innovation, sustainability and customer satisfaction.

#### Notable partnerships:

- **Abdul Latif Jameel:** facilitated the introduction of the 2025 Toyota Camry.
- **Lucid Motors:** expanded the electric vehicle fleet to 14 Lucid Air models.
- **Al Wallan Trading:** supported fleet modernization with newer vehicles.

### Achievements and future outlook

In 2024, Theeb Rent a Car demonstrated remarkable operational excellence through strategic investments, customer-focused innovations, and a commitment to sustainability. By seamlessly integrating cutting-edge technology and forming impactful partnerships, the Company has reinforced its leadership in Saudi Arabia's rapidly evolving transportation sector.

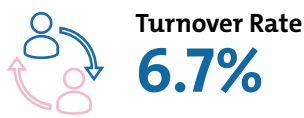
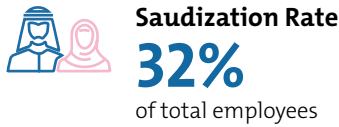
As Theeb prepares for 2025, its focus will remain on driving innovation and expanding its market presence. Key focus areas include:

- Expanding its electric vehicle fleet to include other brands as well, to meet rising demand for sustainable mobility
- Opening new branches in strategic locations for greater accessibility
- Integrating advanced technologies to further enhance customer experiences

These initiatives would solidify Theeb's position as a leader in Saudi Arabia's transportation sector, in alignment with Vision 2030.

# Our People

## Key Metrics for 2024:



Theeb Rent A Car has steadfastly committed to advancing its human resources (HR) strategies to build a dynamic and engaged workforce. Through targeted objectives, strategic initiatives and continuous development, the Company has positioned itself as a leading employer, prioritizing talent acquisition, employee engagement and organizational growth.

## HR Strategy and Objectives

	Objectives	Strategy
<b>Short-Term (6-12 months)</b>	<ul style="list-style-type: none"> <li>→ Optimize recruitment processes and enhance internal policies</li> <li>→ Minimize hiring time</li> <li>→ Ensure that the selection process aligns with the Company's cultural values and strategic direction</li> </ul>	<ul style="list-style-type: none"> <li>→ Implementation of advanced recruitment technologies, such as AI-powered automated systems, designed to streamline hiring practices</li> </ul>
<b>Mid-Term (1-3 years)</b>	<ul style="list-style-type: none"> <li>→ Skill development</li> <li>→ Employee retention</li> <li>→ Leadership growth</li> <li>→ Sustainable talent retention</li> </ul>	<ul style="list-style-type: none"> <li>→ Comprehensive employee training programs</li> <li>→ Incentive schemes introduced to enhance employee motivation and performance</li> </ul>
<b>Long-Term (5-10 years)</b>	<ul style="list-style-type: none"> <li>→ Cultivation of a sustainable, diverse workforce</li> </ul>	<ul style="list-style-type: none"> <li>→ Emphasis placed on leadership succession planning</li> <li>→ Creating an inclusive organizational culture that supports equal opportunities for all employees</li> </ul>

## HR Governance and Structure

Theeb employs a centralized HR policy that ensures uniformity across its locations. Key components of the policy include:

- **Workplace Inclusion:** emphasizing equal opportunities, particularly for employees with disabilities
- **Training and Development:** standardized training programs that ensure consistent employee development across all branches
- **Employee Benefits:** a uniform benefits package, including health insurance, paid leave and travel allowances

Senior executives oversee the implementation of HR strategies, ensuring alignment with the Company's strategic goals while adhering to regulatory standards.

## Key HR Initiatives and Achievements

### 1. Automated Recruitment and Talent Acquisition:

In 2024, Theeb introduced an AI-powered automated recruitment

system, significantly reducing time-to-hire and enhancing the precision of candidate selection. This transformation allowed HR teams to focus on strategic engagement and improving the overall candidate experience, aligning with the Company's recruitment objectives.

### 2. Training and Development Programs:

Theeb's commitment to employee development remained strong, with more than 800 hours of training completed across various departments. Tailored programs aimed at enhancing both technical and soft skills were supplemented by leadership development initiatives designed to prepare the next generation of leaders for senior roles.

### 3. Diversity and Inclusion:

As part of its inclusive culture, Theeb maintained its 'Mowaamah' certification for disability inclusion and continued to prioritize the hiring of Saudi nationals, particularly women, in line with Vision 2030 goals. These efforts reflect Theeb's dedication to accessibility and workforce diversification.

### 4. Employee Engagement and Recognition:

Theeb introduced robust employee recognition programs to celebrate individual and team achievements. Additionally, the Company encouraged employees to participate in social responsibility initiatives, driving higher satisfaction and retention rates.

### 5. Saudization and Local Hiring:

Theeb made significant strides in increasing its Saudization rate in 2024, with 542 Saudi nationals now comprising over 32% of the total workforce. Strategic collaborations with local universities and training institutes were vital in attracting young, skilled Saudi talent.

## Our People

### Impact of HR Initiatives

In 2024, HR initiatives positively impacted both employee satisfaction and business performance. According to the employee engagement survey, satisfaction increased by 12%, reaching an 87% satisfaction rate. Furthermore, the retention rate climbed to 92%, up from 85% in 2023.

### Employee Engagement Survey Outcomes



Satisfaction Rating

**87%**

(up from 75% in 2023)



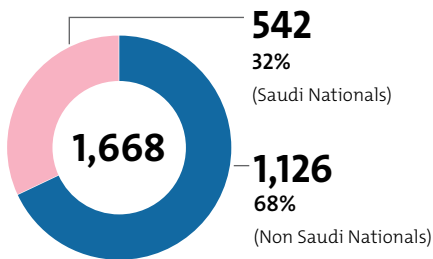
Retention Rating

**92%**

(up from 85% in 2023)

### Workforce Profile

As of 2024, Theeb's workforce stood at 1,668 employees, with the following breakdown:



The company continues to focus on increasing the percentage of Saudi nationals in its workforce, in line with the goals of Vision 2030.

### New Employee Recruitment (2024)

#### New employees by age group

Under 30 years	30-50 years	Over 50 years	Total
109	59	0	168

#### New employees by region (2024)

Central Region	Western Region	Eastern Region	Southern Region	Total
102	34	23	9	168

### Turnover

#### Turnover by branch (2024)

Central Region	Western Region	Eastern Region	Southern Region	Total
55	28	11	18	112

### Employees by region (2024)

#### Number of employees (headcount/FTE)

Central Region	Western Region	Eastern Region	Southern Region	Total
758	468	243	199	1,668

### Training and Development

Employee development remained a central priority for Theeb in 2024, with a focus on leadership and technical skills. On average, employees received 7.11 training hours per year. Additionally, senior and middle management participated in specialized leadership programs designed to enhance their capabilities for higher responsibilities.

#### Key Training Initiatives

##### Employee Development Program:

**350**

employees participated in tailored training programs

##### Leadership Development Program:

**60**

employees enrolled in leadership training to prepare for senior management roles

## Our People

### Compensation and Benefits

Theeb continues to offer competitive compensation packages in line with local market standards. Benefits provided to full-time employees include:

- **Health Care:** comprehensive medical insurance
- **Parental Leave:** paid maternity and paternity leave
- **Retirement Provision:** end-of-service benefits

## Outlook for **2025** and beyond

Looking forward to 2025, Theeb's HR focus will be on:



- **Technology Integration::**  
utilizing AI and data analytics to further optimize recruitment, training and talent management



- **Employee Well-Being::**  
enhancing efforts to improve mental health support and work-life balance



- **Saudization and Gender Diversity:**  
continuing to focus on increasing the percentage of Saudi nationals and furthering gender diversity within the workforce

The long-term vision is to maintain Theeb's position as an employer of choice in the car rental industry, while adapting to the ongoing economic and social shifts, particularly those aligned with Saudi Vision 2030.

# Digitalization and Innovation

## Advancing Digital Transformation at Theeb

Theeb gained digital momentum in 2024, driven by new leadership and a reinforced focus on cybersecurity, operational efficiency and the overall customer experience. The appointment of a Digital Transformation Director marked a pivotal shift, ensuring that digital initiatives align with the Company's strategic objectives and long-term growth.

## Key IT and Digitization Achievements

### Cybersecurity and IT upgrades

Cybersecurity remained a central focus, as the following key initiatives were implemented with the aim of protecting sensitive data and enhancing system resilience:

- **Data protection and compliance:** implemented systems for data classification and leak prevention
- **Employee training:** launched cybersecurity awareness programs
- **Patch management and access controls:** regular updates and stricter access protocols for critical systems
- **Centralized Wi-Fi management:** improved security and performance across customer touchpoints

These efforts supported Theeb's broader goals of modernization and operational efficiency.

## Digital Transformation Initiatives

Theeb pursued several initiatives to boost efficiency, customer experience and sustainability, including:

- **Salesforce CRM integration:** streamlining sales, pre-sales and after-sales activities by integrating with back-office ERP systems to improve service delivery
- **Express Rental concept:** enhancing the customer experience at airport locations for a faster and more efficient service
- **Data analytics:** traditional reporting being automated using Microsoft Power BI.

## Addressing IT Challenges

Cybersecurity emerged as a significant concern in 2024, particularly for Theeb's mobile app API. By transitioning from the SOAP standard to REST API with enhanced security measures, Theeb mitigated potential vulnerabilities. Regular penetration testing and robust security upgrades ensured data privacy and system resilience.

## Corporate Digitalization Program

The Theeb Corporate Digitalization Program aims to transform business operations, improve efficiency and enhance customer engagement while supporting sustainability goals. This program leverages digital technologies to streamline processes, reduce environmental impact and aggregate climate data for strategic decision making.

## Innovations in Customer Service

Digital initiatives such as third-party assessments of Theeb's mobile app and website aimed to enhance customer service touchpoints. New integrations, like Yaqeen and smart payment solutions, further streamlined customer experiences and improved operational efficiency.

## Training and Collaboration

Recognizing the importance of workforce readiness, Theeb ensured that employees were trained in new systems and technologies. The integration of IT and Digital Transformation teams under a unified leadership fostered collaboration and innovation, setting the stage for future advancements.

## Looking Ahead to 2025 and Beyond

Theeb plans to prioritize cybersecurity, infrastructure modernization and digital innovation to sustain growth and improve customer satisfaction. Key plans include:

- Achieving ISO 27001 certification and compliance with NCA and PDPL standards
- Implementing data leak protection systems, Wi-Fi controllers and identity access management solutions
- Enhancing customer-focused technologies and expanding the digital transformation roadmap

As Theeb continues its digital journey, it remains committed to leveraging technology for innovation, sustainability and exceptional customer experiences.

# Fostering Growth Through Responsibility

In 2024, Theeb Rent a Car reinforced its role as a leader in sustainability and community development, aligning its efforts with Saudi Arabia's Vision 2030. Through a focus on economic, social, and environmental impact, Theeb has implemented comprehensive CSR initiatives that reflect its dedication to building a better future.

## Sustainability Initiatives and Achievements

### 1. Environmental Responsibility:

- Theeb launched electric vehicle charging stations at airports in Qassim and Al-Baha, as well as at Al-Shabab and Al-Fateh football clubs. This initiative enhances infrastructure for eco-friendly transportation.
- Theeb expanded its fleet by integrating Lucid electric vehicles, marking a significant step toward reducing the environmental impact of its operations.

### 2. Social Responsibility:

- Theeb continued its sponsorship of key community programs, including the Iftar 1 Million Meal program, and partnered with King Saud University and the Lijlehum Association for people with disabilities to provide transportation solutions for vulnerable groups.
- Over 330 volunteers participated in Hajj and Umrah initiatives, further embedding volunteerism into the Company's values.
- In October 2024, Theeb signed a Memorandum of Understanding with Zahra Breast Cancer Association, to donate one riyal for every rental contract signed in October each year, for the next three years.
- Theeb Rent a Car has become a golden sponsor of the Friends of the Football Players Charity, supporting Saudi football's legacy and honoring the association's work for former players.

The sponsorship includes exclusive discounts and benefits for members, employees, and former players.

- Theeb is also a major sponsor for the football team jerseys for the Al-Shabab Club in Riyadh, and the Al-Fateh Club in Ahsa.

Theeb Rent a Car's commitment to environmental stewardship, social responsibility and adherence to labor standards remains steadfast. Robust compliance monitoring systems are in place, alongside ongoing engagement with employees to ensure continuous improvements in their well-being and the Company's positive impact on the wider community.

## Community Engagement Through "Theeb Al-Khair"

The Company's CSR program, Theeb Al-Khair, focuses on orphan sponsorship, support for charitable organizations and broader community development. Key 2024 accomplishments include:

- Sponsorship of six orphanage houses, benefiting over 30 orphans.
- Donation of over one million riyals to the Ehsan National Platform
- Support for the Ensan Orphan Care Association through annual contributions
- Launched a new Winter Clothing Program in collaboration with social responsibility centers at Al-Shabab Club in Riyadh, Al-Fateh Club in Al-Ahsa, and Al-Shualla Club in Al-Kharj. This initiative is designed to support needy families by providing essential winter clothing. The program saw active participation from Theeb Rent a Car employees, football players, and club staff, all contributing to the success of the initiative.

## Recognition and Awards

In 2024, Theeb was honored with the Corporate Social Responsibility (CSR) Bronze Award from the Ministry of Human Resources and Social Development. It was also named among Forbes Middle East's Top 50 CSR Companies for the third consecutive year. Further, Theeb was also acknowledged for its active involvement in the National Breast Cancer Awareness Campaign.

Theeb also won two international awards at The Annual Global Economics Awards for 2024, for the **"Outstanding CSR Car Rental Company"** and **"Best New Sustainable Practices (Car Rental)"** nominated by Global Economics magazine.

## Future CSR Goals: 2025 and Beyond

Looking ahead, Theeb aims to:

- Increase employee engagement in sustainability and volunteer programs
- Foster more long-term partnerships with charitable organizations for impactful, scalable community development

The CSR strategy is overseen by Executive Management, with annual plans carefully developed, reviewed, and approved by senior leadership. The marketing and public relations teams spearhead implementation, ensuring that the effectiveness of initiatives is consistently evaluated against predefined metrics.

## Fostering Growth Through Responsibility

### Key CSR Initiatives

Theeb Rent a Car’s CSR and sustainability efforts demonstrate its leadership in environmental and social responsibility. By advancing Saudi Arabia’s Vision 2030, the Company continues to champion positive change while reinforcing its role as a responsible corporate citizen.

CSR Initiative	Impact on Community
<b>Ehsan – National Platform for Charitable Work</b>	Theeb continued to support the Ehsan platform, with a donation surpassing one million riyals.
<b>Ehsan – Charity Society for Orphan Care in Riyadh</b>	Theeb continued its commitment to the Ensan Orphan Care Association, sponsoring 25 orphans each year. This initiative is augmented by a portion of every individual rental contract being donated to support orphan care.
<b>Ekhaa – Charitable Foundation for Orphan Care</b>	Theeb contributed to the Ekhaa Foundation, sponsoring six orphanages and supporting 30 orphans. Additionally, Theeb also sponsors the Association's other initiatives on an annual basis.
<b>Raha Service for the Elderly</b>	In a commitment to inclusivity, Theeb’s Raha Service for senior citizens and individuals with disabilities continues to offer accessible vehicles, ensuring that these communities have the mobility they need. This initiative, established in 2009, is a testament to Theeb's dedication to social equity.
<b>Att’a Membership</b>	Theeb offers the Att'a membership, a complimentary program providing rental discounts to people with special needs.
<b>Volunteer Programs</b>	In keeping with Saudi Arabia's Vision 2030, Theeb continued its robust support of volunteerism, engaging more than 330 volunteers in the Oun Hajj initiative. Additionally, Theeb collaborated with King Saud University's volunteer programs during the Hajj and Umrah seasons, supporting pilgrims and contributing to the overall success of the events.
<b>Taraffag Yal’Theeb Road Safety Campaign</b>	The Taraffag Yal’Theeb campaign remained a cornerstone of Theeb’s CSR activities, focusing on road safety awareness. The campaign included distributing one million Iftar meals during Ramadan and forging partnerships with sports clubs such as Al-Shabab FC to raise awareness and engage the community.

# Governance

- 40 Board of Directors, Committees, and Executive Management
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# Board of Directors, Committees, and Executive Management

## Board of Directors

The Board of Directors is responsible for managing the Company and is composed of seven members appointed by the Company's General Assembly for a term not exceeding four years. During the General Assembly held on Sha'ban 19, 1445 AH, corresponding to February 29, 2024, the shareholders re-elected the same Board members for the new term, which commenced on March 7, 2024, and will continue until March 6, 2027. In line with enhancing governance, the shareholders, during the Extraordinary General Assembly held on Jumada Al-Awwal 5, 1446 AH, corresponding to November 7, 2024, approved an increase in the number of Board seats to seven. The Company is currently in the process of completing the procedures for appointing a new member to fill the newly created vacant seat.

Member name	Nature of membership	Membership Type
Mr. Mohammed Ahmed Abdullah Al-Theeb	Chairman	Non-Executive Director
Mr. Riyadh Saleh Hamad Al Malik	Vice Chairman	Independent Director
Mr. Mohammed Hamoud Abdullah Al-Theeb	Board Member	Executive Director
Mr. Selim Chidiac	Board Member	Independent Director
Mr. Haitham Tofik Ibrahim AlForaih	Board Member	Independent Director
Mr. Naif Mohammed Ahmed Al- Theeb	Managing Director	Executive Director

## Audit Committee

The Audit Committee consists of four members and was formed by a resolution of the Board of Directors dated March 7, 2024, for a term of three years.

Member name	Nature of membership
Mr. Haitham Tofik Ibrahim AlForaih	Chairman of the Committee and Member of the Board of Directors
Mr. Ayman Jamil Salem Ammar	Non-Board member
Mr. Abdulaziz Abdullah Al Hidery*	Non-Board member
Eng. Ibrahim Jobr Al Faifi	Non-Board member

\*His membership in the Audit Committee ended on March 6, 2024

## Nominations and Remunerations Committee:

The Nomination and Remuneration Committee consists of three members and was formed by a resolution of the Board of Directors dated March 7, 2024, for a term of three years.

Member name	Nature of membership
Mr. Riyadh Hamad Saleh Al Malik	Chairman of the Committee and Member of the Board of Directors
Eng. Fahad Marei Al-Shahrani	Non-Board member
Mr. Abdullah Alshamrani	Non-Board member

## Board of Directors, Committees, and Executive Management

### Executive Committee

The Executive Committee consists of five members and was formed by a resolution of the Board of Directors dated 07 March 2024, for a term of three years.

Member name	Nature of membership
Mr. Selim Chidiac	Chairman of the Committee and Member of the Board of Directors
Mr. Mohammed Hamoud Abdullah Al-Theeb	Member of the Board of Directors
Mr. Naif Mohammed Ahmed Al-Theeb	Member of the Board of Directors
Mr. Shahzad Hameed Ali	Non-Board member
Mr. Amjad Alawneh	Non-Board member

### Executive Management

Name	Position
Mr. Naif Mohammed Ahmed Al-Theeb	Chief Executive Officer
Mr. Amjad Alawneh	Executive Director of the Financial Department
Mr. Shahzad Hameed Ali	Executive Director – Corporate Operation

## Board of Directors, Committees, and Executive Management

### Board of Directors



**Mr. Mohammed Ahmed Abdullah Al-Theeb**  
Chairman of the Board of Directors

#### Current Jobs

- Chairman of the Board of Directors of Theeb Rent a car company since 2018.
- Chairman of the Board of Directors of Al-Theeb Sons Company, a closed joint stock company, working in the field of real estate management, since 2018.
- Chairman of the Board of Directors of Mohamed Ahmed Al Theeb Contracting Company, a closed joint stock company, working in the contracting field, since 2018.

#### Previous jobs and experience

- CEO of Theeb Rent a Car Company from 1991 until 2017.
- Member of the Board of Directors of Theeb Rent a Car Company from 1991 to 2017.
- General Manager of Al Theeb Sons Real Estate Management Company, a limited liability company, working in the field of real estate management, from 2007 to 2017.
- General Manager of the Mohammed Ahmed Al-Theeb Contracting Establishment, a sole proprietorship, working in the field of contracting, from 1991 until 2017.
- Vehicles' Registration and plates official at Aljomaih Automotive Company, a solidarity company, working in the field of car sales and services, from 1976 to 1986.

#### Qualifications

- High School, Al-Fateh Secondary School, Amman, Jordan, in 1970.

#### Committee Membership

- Not Applicable



**Mr. Riyadh Saleh Hamad Al Malik**  
Vice Chairman of the Board of Directors

#### Current Jobs

- Member of the Board of Directors of Theeb Rent a Car Company since 2020.
- Member of the Nominations and Remunerations Committee at Theeb Rent a Car Company, since 2020.
- CEO of the Saudi Automotive Services Company (SASCO), a public joint stock company, working in the field of car service and equipment and management of stations, rest houses, motels and quick service centers, since 2009.
- Member of the Board of Directors of the Saudi Automotive Services Company (SASCO), a public joint stock company, working in the field of car service and equipment and management of stations, rest houses, motels and quick service centers, since 2015.
- Vice Chairman of the Board of Directors and Managing Director of SASCO Palm, an unlisted joint stock company, operating in the retail sector, since 2023.
- Vice Chairman of the Board of Directors and Managing Director of the Ostool Alnaqil Company, a closed, unlisted joint stock company in the field of transportation, since 2023.
- Member of the Executive Committee of Naft Services Company, a closed, unlisted joint stock company in the field of gas stations, since 2023.
- Chairman of the National Committee for Gas Station Companies in the Council of Saudi Chambers.
- Member of the Customs Council of the International Automobile Federation, an international non-profit organization, concerned with caring for the interests of organizations related to cars and car users and promoting best practices and sustainable practices, since 2009.
- Member of the Arab Council for Automobile and Tourism Clubs, a global organization that aims to unite the Arab-speaking FIA member car clubs, since 2011.
- Member of the International Road Transport Union, an independent global international organization, concerned with facilitating the transport of people and goods by land and facilitating global trade lines, since 2012.

## Board of Directors, Committees, and Executive Management

### ▶ Previous jobs and experience

- President of the Customs Council of the FIA, an international non-profit organization, concerned with caring for the interests of organizations related to cars and car users, and encouraging best practices and sustainable practices, from 2011 to 2017.
- General Manager of Tas'helat Marketing Company Limited (Sahel), a limited liability company, working in the field of managing a chain of retail fuel outlets and car service centers within stations throughout the Kingdom, from 2005 to 2009.
- Deputy General Manager for Marketing at Al-Riyadh Development Company, a public joint stock company, working in the field of real estate management and development, from 2000 to 2005.
- Director of Marketing Department at the Saudi Real Estate Company, a public joint stock company, working in the field of investment, management and development of real estate, from 1998 to 2000.
- Sales manager at the Inter-Continental Hotel Riyadh, InterContinental Hotels Group, a public joint stock company, working in the global hotel and hospitality field, from 1997 to 1998.
- Sales manager at Dur Hospitality Company (formerly the Saudi Company for Hotels and Tourist Areas), a public joint stock company, working in the field of establishing, owning, managing and purchasing hotels and managing real estate development, from 1995 until 1997.

### ▶ Qualifications

- Bachelor's degree in Business Administration, King Abdulaziz University, Jeddah, Saudi Arabia

### ▶ Committee Membership

- Nominations and Remunerations Committee (NRC)

## Board of Directors, Committees, and Executive Management

### Board of Directors



#### Mr. Mohamed Hamoud Abdullah Al-Theeb

Member of the Board of Directors

#### Current Jobs

- Member of the Board of Directors of Theeb Rent a Car Company since 2015.
- Rental Operations Manager – Theeb Rent a Car Company, since 2023.
- Member of the Board of Directors of Madareem Crown Hotel Company, a limited liability company, working in the field of management hotels, residential units and furnished apartments, since 2011.
- Member of the Board of Directors of Theeb Contracting and Real Estate Company Limited, a limited liability company working in real estate development, since 2021.
- Member of the Executive Committee of Theeb Rent a Car Company, a public joint stock company, working in the field of car rental, since 2021.
- Board member of Hammoud Al Theeb Holding Company.
- Member of the Rental Car committee, corporate sector, Riyadh Chamber of Commerce, since 2020.

#### Previous jobs and experience

- Manager of Special Customer Accounts in the business sector in the Company, from 2017 to 2018.
- Operations Manager at Al Atoz Company, a limited liability company working in the transport of goods on land roads, wholesale and retail and fuel sale services, from 2013 to 2017.
- Business development manager at Theeb Rent a Car Company, a public joint stock company, working in the car rental field, from 2018 to 2023.

#### Qualifications

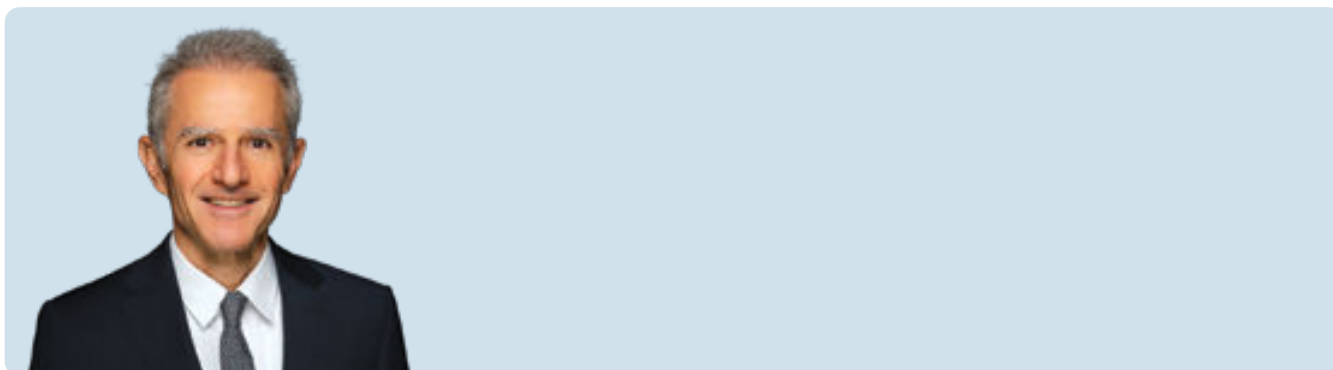
- General Secondary School, Dar Al Uloom Schools, Riyadh, Kingdom of Saudi Arabia, in 2013.
- General Certificate for Dealing in Securities CME1

#### Committee Membership

- Executive Committee

## Board of Directors, Committees, and Executive Management

### Board of Directors



#### Mr. Selim Chidiac

Member of the Board of Directors

#### Current Jobs

- Member of board of directors of Theeb Rent a Car Company, since 2020.
- Chairman of executive committee of Theeb Car Rental a Company, since 2024.

#### Previous jobs and experience

- CEO of Lazurde Company for Jewelry, a public joint stock company, working in the field of producing and manufacturing gold, jewelry and precious stones, from 2010 to November 2024.
- Executive Board Member of Lazurde Company for Jewelry, a public joint stock company, working in the field of producing and manufacturing gold, jewelry and precious stones, from 2018 to 2020.
- CEO of Red Bull North America, a limited liability company, working in the field of retail and specializing in consumer goods, from 2006 until 2010.
- CEO and Regional Head (Asia Pacific, Middle East and Africa), Red Bull Japan KK Corporation, a closed joint stock company, working in the field of consumer goods, from 2005 to 2006.
- Regional Head (Asia Pacific, Middle East and Africa), Red Bull FZE, a limited liability company, working in the field of retail and specializing in consumer goods, from 2004 until 2005.
- Area Manager (Middle East, North Africa and Greece), Red Bull GmbH, a limited liability company, working in the field of retail and specializing in consumer goods, from 1999 to 2004.
- Marketing Director, Procter and Gamble, a public joint stock company, working in the field of retail and specializing in consumer goods, from 1997 to 1998.
- Brand Manager at Procter and Gamble, a public joint stock company, working in the field of retail and specializing in consumer goods, from 1994 to 1997.

#### Qualifications

- Master's degree in Engineering, École Normale Supérieure for Chemistry, Physics and Electronics, Lyon, France, in 1995
- Executive Management Programs, INSEAD, Paris; London Business School; IMD, Lausanne, Switzerland Harvard Business School; University of California and GCC Board of Directors Institute

#### Committee Membership

- Executive Committee

## Board of Directors, Committees, and Executive Management

### Board of Directors



**Mr. Haitham Tofik Ibrahim AlForaih**

Member of the Board of Directors

#### Current Jobs

- Member of the Board of Directors of Theeb Rent a Car Company, since 2021.
- Chairman of AC, Theeb Rent a Car Company, since 2020.
- Founding Partner and CEO of Sidra Investments

#### Previous jobs and experience

- Partner and Vice President of Amwal Al Khaleej Company
- Financial Analyst at Abdul Qader Al Muhaidib & Sons Group of Companies
- A seasoned investment expert with a proven track record of success in helping companies fully realize their growth potential.
- Expertise in driving cash flows across the entire private equity investment cycle (creation, performance evaluation, post-acquisition, and realization).
- Proven business development, creating many opportunities in various sectors across the GCC including retail, food and beverage, healthcare and education.

#### Qualifications

- MBA from University of Baltimore, Maryland
- Bachelor of Science in Architectural Engineering from Tennessee State University

#### Committee Membership

- Audit Committee



**Mr. Naif Mohammed Ahmed Al Theeb**

Managing Director

#### Current Jobs

- Member of the Board of Directors of Theeb Rent a Car Company, since 2022.
- CEO of Theeb Rent a Car Company since 2018.
- Member of the Executive Committee, Theeb Rent a Car Company, since 2021.
- Member of the Board of Directors of Al-Theeb Sons Company, a closed joint stock company, working in the field of real estate management, since 2018.
- Member of the Board of Directors of Mohamed Ahmed Al-Theeb Contracting Company, a closed joint stock company, working in the contracting field, since 2018.

#### Previous jobs and experience

- Vice Chairman of the Board of Directors of the Company from 2018 to 2020.
- Executive Director of Operations in the Company from 2015 until 2018.
- Assistant CEO of the Company from 2012 to 2015.
- Assistant General Manager in the Company from 2008 to 2012.
- Director of the Central Region Branches in the Company from 2005 until 2008.
- Assistant Director of the Central Region Branches in the Company from 2003 until 2005.
- Public Relations Manager in the Company from 2002 until 2003.
- Public Relations Officer in the Company from 2000 until 2003.

#### Qualifications

- Bachelor's degree in Global Business, King Abdulaziz University, Jeddah, Saudi Arabia, in 2009.

#### Committee Membership

- Executive Committee

## Board of Directors, Committees, and Executive Management

### Audit Committee



**Mr. Haitham Tofik Ibrahim AlForaih**  
Chairman of Audit Committee

- Please refer to page 46 for Mr. Haitham Tofik Ibrahim AlForaih's profile.



**Mr. Ayman Jamil Salem Ammar**  
Member of the Audit Committee

#### Current Jobs

- Chief Financial Officer of Lazurde Company for Jewelry since 2014.
- Member of the Audit Committee at Theeb Rent a Car Company since 2021.

#### Previous jobs and experience

- Chief Financial Officer of the National Printing Company Group, a joint stock company for packaging, from 2012 to 2014.
- The Financial Controller of SC Johnson for Africa, Middle East, CIS, Turkey and Pakistan, a company working in the field of FMCG.
- Director of Finance for Fromagerie Bel Egypt, working in the cheese industry.
- Financial Controller of GlaxoSmithKline, a pharmaceutical company.
- Senior Accountant at Ernst & Young.

#### Qualifications

- Bachelor of Commerce, Cairo University, Arab Republic of Egypt,
- Certified Public Accountant, ACCA, UK, 1998.
- Certified Internal Auditor, Institute of Internal Auditors, United States, 2001.
- Certificate of Specialization in Investment Management from the University of Geneva, Switzerland, 2020.
- Mini Master in Digital Transformation Leadership, Boston University, United States, 2020.
- Mini Master in Digital Product Management, Boston University, United States, 2020.



**Eng. Ibrahim Jobr Al Faifi**  
Member of the Audit Committee

#### Current Jobs

- Chief Internal Audit Officer at STC Bank.
- Member of the Audit Committee at Theeb Rent a Car Company since 2024.
- Chairman of the Audit and Risk Committee at the National Center for Environmental Compliance.
- Member of the Audit and Risk Committee at Makkah Region Development Authority.

#### Previous jobs and experience

- Expert in Internal Audit and Risk Management with over 15 years of experience
- General Manager of Internal Audit at Ministry of Human Resources and Social Development
- Board Member of the Saudi Institute of Internal Auditors and Member of the Board Executive Committee
- Chairman of Control Committee at GOSI

#### Qualifications

- Master of Business from King Saud University
- Master of Science in Cybersecurity from Saudi Electronic University
- Bachelor's degree in Software Engineering from King Fahad University of Petroleum and Minerals

## Board of Directors, Committees, and Executive Management

### Nominations and Remunerations Committee



**Mr. Riyadh Saleh Hamad Al Malik**  
Chairman of Nominations and Remunerations Committee

- Please refer to page 42 for Mr. Riyadh Saleh Hamad Al Malik's profile.



**Eng. Fahad bin Meryy Mohammad Alshahrani**  
Member of the Nominations and Remunerations Committee

#### ▶ Current Jobs

- Member of the Nominations and Remunerations Committee at Theeb Rent a Car, since 2020.
- Chief Shared Services Officer at APICORP Arabian Petroleum Investment Corporation, an energy-focused multilateral financial institution providing financial solutions for the energy of tomorrow, since 2022.
- Talent and Rewards Manager at Saudi Telecom Solutions Company, a public joint stock company, working in the field of information and communications technology (ICT), from 2012 to 2015.
- Founding partner of Advanced Supply Company, a limited liability company working in the field of food and restaurants, since 2018.

#### ▶ Previous jobs and experience

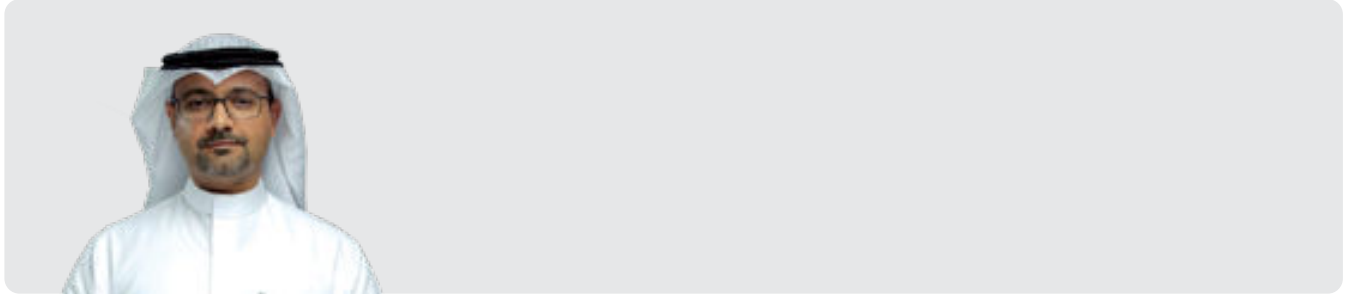
- Director General of Human Resources at the Ministry of Industry and Mineral Resources, a government ministry, working to regulate the industrial and mining sector and maximize the sector's returns, from 2020 to 2022.
- Director General of Talents and Remunerations Department at the Royal Commission for Riyadh City – Diplomatic Quarter, a government agency working on developing and investing the Embassy District in Riyadh, from 2019 to 2020.
- Director of the Human Resources Department at the General Entertainment Authority, a government agency working to organize and develop the entertainment sector in the Kingdom, from 2017 to 2018.
- Director of Talent and Rewards Department at Saudi Telecom Solutions Company, a public joint stock company, working in the field of information and communications technology (ICT), from 2015 to 2017.
- Chief Administrative Performance Analyst at Etihad Etisalat Company (Mobily), a public joint stock company, working in the field of communications services, from 2010 to 2012.
- Administrative Performance Analyst at Etihad Etisalat Company (Mobily), a public joint stock company, working in the field of communications services, from 2007 to 2010.

#### ▶ Qualifications

- Executive Program for Leadership Development, Michigan Business School, USA 2022.
- Executive Program for Business Leaders in Institutions, IMD, Switzerland 2018.
- Diploma in Human Resources Management, Accredited Institute for Personnel Development (CIPD), London, United Kingdom, in 2012.
- Bachelor's degree in Industrial Engineering, King Saud University, Riyadh, Saudi Arabia, in 2007.

## Board of Directors, Committees, and Executive Management

### Nominations and Remunerations Committee



#### Mr. Abdullah Abdulrahman Ibrahim

Member of the Nominations and Remunerations Committee

#### ▶ Current Jobs

- Executive Partner at Gartner
- Member of the Nominations and Remunerations Committee at Theeb Rent a Car, since 2022.

#### ▶ Previous jobs and experience

- Member of the Board of Directors and Member of Enumeration and Compensation Committee, from 2019 to 2021
- Digital Products Director, from 2020 to 2021
- Digital Development Director, from 2015 to 2019
- IT Strategy & EA Program (AFAAQ) Manager, from 2014 to 2015
- Software Quality Assurance (SQA) Director, from 2011 to 2014
- Software Quality Assurance (SQA) Project Manager, from 2009 to 2011
- Financial Applications Lead, from 2005 to 2007

#### ▶ Current Jobs

- Digital Leadership Program, Wharton University, 2023
- MISK's 2030 Leaders Program, 2022
- Developing Strategy for Value Creation, London Business School, 2019
- Leading Digital Business Transformation, IMD, 2018
- Leadership Development Program, CCL, 2015
- Master of Information Systems and Management, Monash University, 2009
- Master of Professional Accounting, Monash University, 2009
- Bachelor of Science in Computer Science, Colorado State University, 2004

## Board of Directors, Committees, and Executive Management

### Executive Committee



**Mr. Selim Chidiac**

Chairman of the Executive Committee

- Please refer to page 45 for Mr. Selim Chidiac's profile.



**Mr. Mohamed Hamoud  
Abdullah Al-Theeb**

Member of the Executive Committee

- Please refer to page 44 for Mr. Mohamed Hamoud Abdullah Al-Theeb's profile.



**Mr. Naif Mohammed Ahmed Al-Theeb**

Member of the Executive Committee

- Please refer to page 46 for Mr. Naif Mohammed Ahmed Al-Theeb's profile.

## Board of Directors, Committees, and Executive Management

### Executive Committee



**Mr. Shahzad Hameed Ali**

Executive Director –  
Member of the Executive Committee

#### ▶ Current Jobs

- Executive Director of the Business Sector in the company since 2014.
- Member of the Executive Committee at Theeb Rent a Car Company since 2021.

#### ▶ Previous jobs and experience

- Chief Executive Officer of S&S Consulting Company, a limited liability company working in the field of management consulting, from 2010 until 2014.
- Chief Executive Officer in Hanco Rent A Car Company, a closed joint stock company working in the field of car rental, from 1993 to 2010.

#### ▶ Qualifications

- Master of Business Administration, European University, Paris, France, 1992.
- Bachelor's degree in Business Administration, European University, Paris, France, 1991.



**Mr. Amjad Abdelrahman Alawneh**

Executive Director – Member of the Executive Committee

#### ▶ Current Jobs

- Executive Director of the Company's Financial Department since 2023.
- Member of the Executive Committee at Theeb Rent Car a Company since 2023.
- Member of the Audit Committee of Service Equipment Co (Closed joint stock company) since July 2024.

#### ▶ Previous jobs and experience

- Chief Financial Officer in SAAD Group, a closed joint stock market company, working in the field of manpower supply services, from 2021 until 2023.
- Chief Financial Officer in Saudi Industrial Development Company (SIDC) Group, a public listed company, working in the field of manufacturing sanitary products and furniture, from 2018 until 2021.
- Finance Manager in Saudi Vetonit Company, a limited liability company, working in the field of manufacturing of building finishing materials, from 2010 until 2017.
- Finance Manager in Saudi Distribution Company, a limited liability company, working in the field of logistics and distribution, from 2008 until 2010.
- Budgeting & Financial Operations Manager in Saudi Research & Marketing Group, a public listed company, working in the field of media, printing, publications and advertising, from 2005 until 2008.

#### ▶ Qualifications

- Bachelor's degree in Accounting, Jerash University, Jerash, Amman, Jordan, 1999

## Board of Directors, Committees, and Executive Management

### Executive Committee



**Mr. Naif Mohammed Ahmed Al-Theeb**  
Chief Executive Officer

- Please refer to page 46 for Mr. Naif Mohammed Ahmed Al-Theeb's profile.



**Mr. Amjad Abdelrahman Alawneh**  
Executive Director of the Financial Department

- Please refer to page 51 for Mr. Amjad Abdelrahman Alawneh's profile.

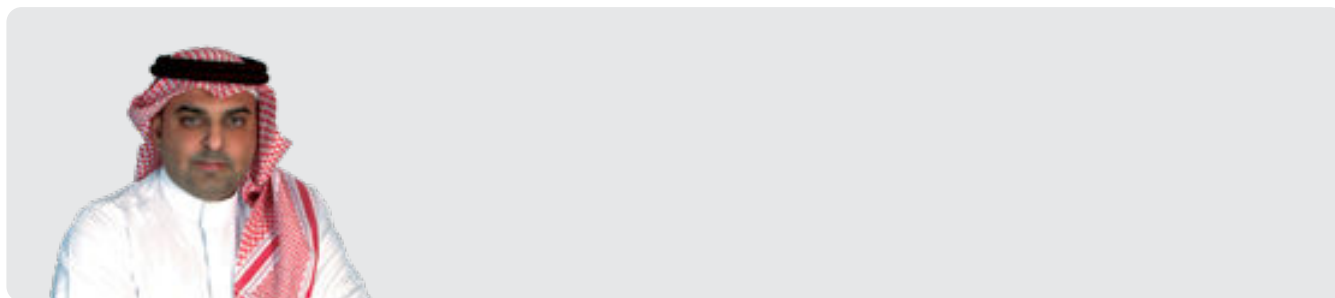


**Mr. Shahzad Hameed Ali**  
Executive Director – Corporate Operations

- Please refer to page 51 for Mr. Shahzad Hameed Ali's profile.

## Board of Directors, Committees, and Executive Management

### Board Secretary



#### Mr. Sadiq Ali AlAli

Board Secretary

The Board Secretary plays a crucial role in corporate governance. They act as a bridge between the Board of Directors, Executive Management, and stakeholders, offering support and guidance to the Board while ensuring compliance with regulations and best practices

#### Current Jobs

- Board of Directors Secretary of Theeb Rent a Car Company since 2019.
- Compliance Manager of Theeb Rent a Car Company since 2019.
- Member, Middle East Investor Relations Association (MEIRA), since 2019.
- Member, GCC Board Directors Institute (BDI), since 2024.

#### Previous jobs and experience

- Compliance Manager and Board Secretary, Gulf Lifting Financial Leasing Company, from 2017 to 2019.
- Compliance, Anti-Money Laundering and Corporate Affairs Manager, AXA Cooperative Insurance Company, from 2012 to 2017.
- Business Support Assistant, AXA Cooperative Insurance Company, from 2010 to 2012.
- Assistant Accountant, AXA Cooperative Insurance Company, from 2007 to 2008.

#### Qualifications

- Master of Project Management, Midocean University, KSA, 2022.
- Bachelor's degree in Business Administration – Accounting, Imam Mohammad Ibn Saud University, KSA, 2006.
- Insurance Diploma, Bahrain Institute of Banking and Finance, Bahrain, 2008.
- Certified Investor Relations Officer (CIRO), Middle East Investor Relations Association (MEIRA), Abu Dhabi, 2019.
- Certificated Compliance Officer, AXA Compliance Learning Academy, France, 2015.

## Board of Directors, Committees, and Executive Management

### Names of the companies in which a member of the board of directors is a member of its current and previous board of directors or one of its managers

Member name	Names of the companies in which a member of the board of directors is a member of its current and previous board of directors or one of its managers	Inside/outside the Kingdom	Board Membership Current/ Previous	Legal Entity
<b>Mohamed Ahmed Abdullah Al-Theeb</b>	Member of the Board of Directors of Al-Theeb Sons Company, since 2018.	Inside the kingdom	Current	Closed joint stock company
	Member of the Board of Directors of Mohamed Ahmed Al-Theeb Contracting Company, since 2018.	Inside the kingdom	Current	closed joint stock company
<b>Riyad Saleh Hamad Al Malik</b>	Member of the Board of Directors of the Saudi Automotive Services Company (SASCO) since 2015	Inside the kingdom	Current	Public Joint Stock Company
	Vice Chairman of Board of Directors and Managing Director of SASCO Palm, since 2023.	Inside the kingdom	Current	Joint stock company not listed
	Vice Chairman of Board of Directors and Managing Director of the Ostool Alnaqil Company, since 2023.	Inside the kingdom	Current	Joint stock company not listed
	Member of the Board of Directors of Tashelat Marketing Company	Inside the kingdom	Previous	Limited Liability
	Member of the Board of Directors of Sahel Transport Company	Inside the kingdom	Previous	Limited Liability
	Member of the Board of Directors of Sara Telecommunications Co	Inside the kingdom	Previous	Limited Liability
<b>Mohamed Hammoud Abdullah Al-Theeb</b>	Al-Furusiya Company for Trade and Services Ltd.	Inside the kingdom	Previous	Limited Liability
	Member of the Board of Directors of Mada reem Hotel Management and Operation Company since 2011	Inside the kingdom	Current	Limited Liability Company
	Member of the Board of Directors of Theeb Contracting and Real Estate Company Ltd. since 2021	Inside the kingdom	Current	Limited Liability Company
	Member of the Board of Directors of Hammoud AlTheeb Holding Company	Inside the kingdom	Current	Close joint stock company
<b>Selim Chidiac</b>	Member of board of directors of Theeb car rental company, since 2020	Inside the kingdom	Current	Public Joint Stock Company
	Member of the Board of Directors of Wecheer SA,	Outside the kingdom	Current	Limited Liability Company

## Board of Directors, Committees, and Executive Management

Member name	Names of the companies in which a member of the board of directors is a member of its current and previous board of directors or one of its managers	Inside/outside the Kingdom	Board Membership Current/ Previous	Legal Entity
<b>Haitham Tofik Ibrahim AlForaih</b>	Member of the Board of Directors of Seedra Investments	Inside the kingdom	Current	Closed Joint Stock Company
	Member of the Board of Directors of BLOM Investment Saudi Arabia since 2019	Inside the kingdom	Current	Closed Joint Stock Company
	Vice Chairman of the Board of Directors of Al-Mashaer Holding Company since 2017	Inside the kingdom	Current	Closed Joint Stock Company
	Member of the Board of Directors of the Gulf Insulation Group Company	Inside the kingdom	Current	Closed Joint Stock Company
	Member of the Board Directors of the Ahed Business Service company	Inside the kingdom	Current	Closed Joint Stock Company
	Member of the Board Directors of the Anoush Trading Company	Inside the kingdom	Current	Closed Joint Stock Company
	Member of the Board of Directors of Zohoor Al Reef Company since 2019	Inside the kingdom	Current	Closed Joint Stock Company
	Chairman of the Board of Directors of Al-Mehbaj Company since 2019	Inside the kingdom	Current	Closed Joint Stock Company
	Member of the Board of Directors of Bayan Credit Information Company since 2019	Inside the kingdom	Previous	Closed Joint Stock Company
	Member of the Board Directors of Thiqa Business Services Company	Inside the kingdom	Previous	Limited Liability Company
	Member of the Board Directors of the Al Hoshan Group	Inside the kingdom	Previous	Closed Joint Stock Company
	Member of the Board Directors of the Arabian Pipes company	Inside the kingdom	Previous	Public listed Company
	Chairman of the Board of Directors of U-Mark Trading Company	Inside the kingdom	Previous	Closed Joint Stock Company
	Member of the Board of Directors of Amana Cooperative Insurance Company	Inside the kingdom	Previous	Public listed Company
Member of the Board of Directors of Zahrat Al-Rabeeh Company	Inside the kingdom	Previous	Limited Liability Company	
Member of the Board of Directors of Seedra Investments	Inside the kingdom	Current	Closed Joint Stock Company	
<b>Naif Mohammed Al-Theeb</b>	Member of the Board of Directors of Al-Theeb Sons Company since 2018.	Inside the kingdom	Current	closed joint stock company
	Member of the Board of Directors of Mohamed Ahmed Al- Theeb Contracting Company, since 2018.	Inside the kingdom	Current	closed joint stock company

# Corporate Governance

## A. Board of Directors and its meetings

The Board of Directors represents all shareholders and is entrusted with the duty of care and loyalty in managing the Company, safeguarding its interests, fostering its growth, and maximizing its value. Each member of the Board is committed to the principles of honesty, integrity, loyalty, and diligence, prioritizing the interests of the Company and its shareholders over personal interests, in accordance with applicable laws, regulations, and directives.

## B. Meetings of the Board of Directors held during the year 2024

Member	10/01/2024	7/03/2024	13/03/2024	16/05/2024	07/08/2024	24/09/2024	06/11/2024	Precentage
Mr. Mohammed Ahmed Abdullah Al-Theeb	Attended	Attended	Attended	Attendance by proxy	Attendance by proxy	Attended	Attendance by proxy	100%
Mr. Riyadh Saleh Hamad Al-Malik	Attended	Attended	Attended	Attended	Attended	Attended	Attended	100%
Mr. Mohammed Hamoud Abdullah Al-Theeb	Excused	Attended	Attended	Attended	Attended	Attended	Attended	86%
Mr. Selim Chidiac	Attended	Attended	Attended	Attended	Attended	Attended	Attended	100%
Mr. Haitham Tofik Ibrahim AlForaih	Attended	Attended	Attended	Attended	Attended	Attended	Attended	100%
Mr. Naif Mohammed Al-Theeb	Attended	Attended	Attended	Attended	Attended	Attended	Attended	100%

### Evaluating the performance of the Board of Directors and the committees

The performance of the Board of Directors and its committees is evaluated by an external party using appropriate performance measurement indicators that focus on the achievement of the Company's strategic objectives. This evaluation aims to identify areas of strength and weakness and propose improvement measures that serve the Company's interests and enhance its efficiency.

### Procedure taken to the Board to inform its members, Non-Executive Directors in particular, of the shareholders' suggestions and remarks on the Company and its performance

Shareholders can submit their proposals through general assemblies, quarterly investor meetings, and other communication channels such as telephone or email (ir@theeb.sa). All received proposals are presented to the Board of Directors and discussed during board meetings to ensure that attention is given to shareholders' feedback and ideas.

### The key decisions made by the Board of Directors during 2024

- Approval of the budget for the year 2024.
- Approval of the financial statements for the year ending December 31, 2023.
- Approval of the financial statements for the first, second, and third quarters of 2024.
- Recommendation to the General Assembly to appoint Ernst & Young & Partners s as the Company's external auditor for the year 2024.
- Recommendation to distribute interim cash dividends to shareholders amounting to ₪ 90,730,000.
- Appointment of the Chairman, Vice Chairman, and committees emanating from the Board of Directors for the new term starting on March 7, 2024, and ending on March 6, 2027.

## Corporate Governance

- Approval of the amended Articles of Association to align with the new Companies Law and recommendation to the Extraordinary General Assembly for approval.
- Approval of the updated policy for standards and controls of competing businesses, the amended Audit Committee Charter, the amended Nomination and Remuneration Committee Charter, the amended Remuneration Policy, and the amended Policy and Criteria for Board Membership, and recommendation to the Extraordinary General Assembly for approval.
- Approval of the amended internal governance regulations, the amended Conflict of Interest and Code of Ethics Policy, the amended Dividend Distribution Policy, and the amended Disclosure Policy.

### Board of Directors Committees and General Assembly

#### C. Board of Directors Committees

The Board of Directors has established the Committees to optimize the management of the Company and to meet relative regulatory requirements. Each Committee is required to have clear rules identifying their role, powers and responsibilities. Minutes must be prepared for each meeting of each Committee

The following is a summary of the structure, responsibilities and current members of each permanent Committee:

#### D. Audit Committee

The main role of the Audit Committee is to monitor the Company's affairs and assist the Board of Directors with oversight of auditing processes, the Company's internal control systems, the Company's financial statements and other financial information, and the Company's compliance with legal and regulatory requirements. The responsibilities of the Audit Committee further include the following:

#### Financial Statements and Reports:

- Review important matters related to accounting affairs and preparing reports, including complex or unfamiliar transactions, critical discretionary areas, and emerging professional and organizational announcements, and assessing their impact on the financial statements;
- Review, express an opinion on, and make recommendations to the Board of Directors regarding the interim and annual financial statements of the Company, including all announcements relating to the Company's financial performance, prior to their presentation to the Board of Directors, to ensure their integrity, fairness and transparency;
- At the request of the Board of Directors, express a technical opinion with respect to fairness, balance and comprehensibility of the Board of Directors report and the Company's financial statements, and whether they include the information necessary to enable Shareholders and investors to assess the Company's financial position, performance, business model and strategy;
- Carefully review and consider any significant or unusual issues or matters included in the Company's financial statements and reports, and review any matters raised by the Chief Executive Officer (or his delegate), the Chief Financial Officer (or his delegate), compliance officer, internal auditor or external auditor;

- Examine the accounting estimates in respect of significant matters contained in the Company's financial statements and reports;
- Review the accounting policies in force and advise the Board of Directors of its opinion and any recommendations regarding the same;
- Review audit results with management and the external auditor, including any difficulties encountered;
- Review other sections of the annual report and related regulatory files before issuance, and consider accuracy and completeness of information;
- Review all matters required to be raised to the committee in light of recognized auditing standards, in cooperation with management and the external auditor; and
- Understand how management develops preliminary financial information, and the nature and extent of the internal auditor and external auditor's involvement.

#### Internal Control and Audit:

- Review and consider the effectiveness of the Company's internal control, financial, and risk management systems;
- Understand the scope of the internal audit of financial reports by the internal auditor and obtain reports that include important findings and recommendations, and management notes and comments;
- Review the internal audit reports and pursue the implementation of corrective measures in respect of the comments included therein;
- Oversee and supervise the performance and the activities of the internal auditor and the Company's Internal Audit Department to ensure that they have access to the necessary resources and ensure their effectiveness in performing the tasks and duties assigned to them;

## Corporate Governance

- Approve the Company's internal audit regulations and review the Company's internal audit procedures;
  - Approve the annual audit plan and all changes thereto, and review the performance and activities of the internal audit against the defined plan;
  - Work with the internal auditor to review the internal audit budget, resource plan, activities, and the organizational structure of the internal audit functions;
  - Hold independent meetings with the internal auditor on a regular basis to discuss any matters that the committee or internal audit officials deem necessary to be discussed in private sessions;
  - Recommend to the Board of Directors decisions regarding the appointment, dismissal and remuneration of the Company's internal auditor; and
  - Review on an annual basis the performance and the activities of the internal audit and recommend to the Board their annual remuneration and salary adjustment.
- Verify the independence, objectivity, and fairness of the external auditor and the effectiveness of the external auditor's audit work, taking into account the relevant rules and standards, and make recommendations to the Board in respect of the same;
  - Review the external auditor's proposed audit scope, approach, and plan, and make any comments thereon;
  - Review the external auditor's services and verify that it is not providing any technical or management services outside of the scope of the audit, except as prescribed by the legislative authorities, and make recommendations to the Board of Directors in respect of the same;
  - Address any inquiries raised by the external auditor;
  - Review the reports, qualifications and comments of the external auditor in relation to the Company's financial statements and follow up on the actions taken in relation to the same, and
  - Settle any disputes that arise between the management and the external auditor regarding the preparation of financial reports.
- Review the contracts and transactions to be entered into by the Company with Related Parties, and make recommendations to the Board of Directors in relation to the same;
  - Ensure that appropriate arrangements and mechanisms are put in place, and implemented to allow for the confidential and anonymous submission by the Company's employees of concerns regarding any financial, accounting or auditing matters (including financial reports) or any cases of non-compliance;
  - Report to the Board of Directors any matters or issues which should be brought to the attention of the Board of Directors, and any related recommendations, and
  - Obtain updates on a regular basis from the Company's management and its Legal Advisor regarding compliance matters.

### External Audit:

- Recommend to the Board of Directors the appointment, dismissal, and compensation of the external auditor, after verifying its independence and reviewing its scope of work and terms of engagement;
- Review the professional qualifications of the external auditor and the personnel that will be working within the external auditor for the Company;
- Review the performance and supervise the activities of the external auditor and report to the Board of Directors with its recommendations in respect of the same;

### Compliance:

- Verify and monitor the Company's compliance with the applicable laws, regulations, policies and instructions;
- Review the effectiveness of the monitoring system and ensure compliance with laws and regulations and the results of investigations conducted by the management and follow up any cases of non-compliance (including taking disciplinary measures);
- Review the reports and results of investigations of any supervisory or regulatory authority, and ensure that the Company has undertaken the necessary actions in relation to the same;

### Reporting:

- Report to the Board of Directors on its proceedings, recommendations, and resolutions after each meeting of the committee;
- Provide open means for communication between the internal auditor, the external auditor and the Board of Directors;
- Submit an annual report to the Shareholders describing the committee's composition, duties and performance of these duties, and any other information as required by the applicable rules, including approval of services outside the scope of audit;
- Review any other reports issued by the Company in relation to the responsibilities of the committee;
- Prepare a written annual report on its opinion on the adequacy and effectiveness of the Company's internal and financial control and risk management systems and its recommendations in this regard,

## Corporate Governance

in addition to other activities it has undertaken within its functions. Sufficient copies of this report shall be deposited in the Company's headquarters to provide, upon request, all Shareholders with a copy of it. This report will be published on the Company's website and the Exchange's website when the invitation for the relevant annual general meeting is published, provided that this is at least ten days before the date specified for the meeting. The report shall be read out at the meeting; and

- Prepare a written report to the Board of Directors regarding the Company's internal audit procedures and the committee's recommendations in this regard.

### Other Functions:

- Initiate and supervise private investigations, as needed;
- Carry out other related work as requested by the Board of Directors;
- Review and evaluate the adequacy and appropriateness of the Audit Committee's responsibilities on an annual basis and submit recommendations to the Board in this regard, and ensure that the necessary disclosures are made in accordance with the requirements of the relevant laws and regulations;
- Ensure on an annual basis that all committee responsibilities have been fulfilled; and
- Regularly evaluate the performance of the committee and the performance of each member.

The Audit Committee shall be created by an Ordinary General Assembly decision and its members shall consist of Shareholders or others; provided that: (i) at least one member is an independent Director; (ii) no Executive Director is a member; (iii) the number of members is not less than three members and not more than five members; (iv) and one of its members is specialized in finance and accounting. The Audit Committee convenes periodically, provided that at least four meetings are held during the Company's financial year. The internal auditor and the external auditor may call for a meeting with the Audit Committee at any time as may be necessary.

## Audit Committee Meetings

Name	Role	6/3/2024	11/3/2024	07/05/2024	13/05/2024	04/08/2024	27/08/2024	05/11/2024	26/12/2024	Precentage
Mr. Haitham Tofik Ibrahim AlForaih	Chairman	✓	✓	✓	✓	✓	✓	✓	✓	100%
Mr. Ayman Jamil Salem Ammar	member	✓	✓	✓	✓	✓	✓	✓	✓	100%
Abdulaziz Abdullah Al Hidery	member	✓	His term ended on March 6, 2024							100%
Eng. Ibrahim Jobr Al Faifi	His term began on March 7, 2024	✓	✓	✓	✓	✓	✓	✓	✓	100%

## Nomination and Remuneration Committee

The Nomination and Remuneration Committee oversees the nomination of Directors to the Board of Directors and the remuneration policy for the Directors and the members of the Company's senior management. The duties and responsibilities of the Nomination and Remuneration Committee are mainly to:

### Nomination:

- Prepare, recommend and oversee policies and criteria in relation to the appointment of members to the Board of Directors and the senior management;
- Interview all Board candidates and ensure that all necessary and appropriate inquiries are made into the backgrounds and qualifications of

such candidates before recommending them to the Board of Directors for nomination;

- Recommend to the Board of Directors candidates for nomination (or re nomination) to the Board of Directors in accordance with the applicable laws, regulations, rules and policies;

## Corporate Governance

- Annually review, assess, and recommend to the Board of Directors the skills, qualifications, and experiences required for membership in the Board of Directors and the Company's senior management. This includes setting the time commitment required for such membership and preparing a job description, capabilities and qualifications description required for executive, non-executive and independent Directors and members of the Company's senior management;
- Verify on an annual basis the independence of each independent Board of Directors' member in accordance with the applicable laws, regulations, and rules and the absence of any conflict of interest in case a Director also serves as a member of the Board of Directors of another company;
- Periodically review and make recommendations to the Board of Directors concerning the succession plans for Directors and Senior Executives, taking into account the challenges and opportunities facing the Company and the necessary capabilities, skills and experiences required for membership of the Board of Directors and functions of senior management;
- Evaluate and recommend to the Board of Directors potential candidates for senior management positions in the Company and, in particular, assist the Board of Directors in selecting, developing, and evaluating potential candidates for the position of Chief Executive Officer; and
- Develop, and periodically review procedures for filling vacancies in the Board of Directors and the Company's senior management and make recommendations to the Board of Directors regarding the selection and approval of candidates to fill such vacancies.

### Review and Assessment:

- Regularly review the structure, size, composition, strengths, and weaknesses of the Board of Directors (including the skills, knowledge, and experience) and the Company's senior management, and make appropriate recommendations and suggest solutions to the Board of Directors in line with the interests of the Company;
- Develop and oversee an induction program for new Directors and a continuing education program for current Directors, periodically review these programs and update them as necessary; and
- Develop, recommend to the Board of Directors, and oversee an annual self-evaluation process for the Directors and certain Senior Executives of the Company.

### Remuneration:

- Prepare, disclose and supervise a clear policy for the remuneration of the Directors and the Board Committees and the senior management of the Company (the **"Remuneration Policy"**), submit it to the Board of Directors in preparation for approval by the General Assembly, and verify its implementation.;
- Prepare an annual report on the remuneration and other payments (in cash or in kind) granted to the Directors, members of the Board Committees and senior management, and clarify the relation between the remuneration received and the Remuneration Policy (including a description of any significant departures from the Remuneration Policy) (the **"Annual Remuneration Report"**) for presentation to the Board of Directors for consideration;

- Regularly review and assess the effectiveness and appropriateness of the Remuneration Policy and make recommendations to the Board of Directors in relation to the same;
- Recommend to the Board of Directors the remuneration to be granted to the Directors, including members of the Board Committees, and the senior management, in accordance with the approved Remuneration Policy;
- Review and make recommendations to the Board of Directors regarding the Company's incentive plans for the Directors and employees, including in relation to adopting, amending, and terminating such plans; and
- Prepare any disclosures required under the Company's policies and any laws, regulations, or rules to which the Company is subject, including, at a minimum, disclosures relating to the Remuneration Policy and annual report on remuneration, and disclosures relating to remuneration in the Board's annual report.

### Corporate Governance:

- Oversee, review, make recommendations, identify the best practices and suggest any changes to the Board of Directors about the Company's corporate governance policies, rules and procedures, including the Company's Bylaws and internal corporate governance regulation, at least annually;
- Verify Company's compliance with internal corporate governance regulations and policies and applicable governance requirements under the relevant laws, regulations and rules;

## Corporate Governance

- Develop, review and recommend to the Board of Directors the codes of professional conduct representing the Company's values, as well as other internal policies and procedures in order to fulfil the regulatory requirements and best practices; and
- Regularly inform the Directors of the significant changes in the applicable governance's requirements, the corporate governance developments and the best practices.

### Other Responsibilities:

- Carry out any such other related work as requested by the Board of Directors. The Nomination and Remuneration Committee consists of at least three members and up to five members. Members of the committee must not be executive members of the Board of Directors; provided that there shall be at least one independent Director among

them. The Chairman of the committee is an independent Director. The committee shall convene periodically at least twice each financial year and as may be necessary by the request of the Board of Directors or any of the members.

### Nomination and Remuneration Committee Meetings:

Name	Role	First meeting	Second meeting	Third meeting	Percentage
		04/01/2024	03/03/2024	11/08/2024	
Mr. Riyadh Hamad Saleh Al-Malik	Chairman	✓	✓	✓	100%
Eng. Fahad Marei Al-Shahrani	member	✓	✓	✓	100%
Mr. Abdullah Alshamrani	member	✓	✓	✓	100%

### Executive Committee

The main role of the committee is to assist the board of directors in fulfilling its responsibilities and tasks by supervising the implementation of the strategic plan and executive work plans, follow-up on achievement and taking executive decisions.

- Supervise the preparation of the Company's annual budget, reviewing proposals submitted by the executive management, and making recommendations to the Board for approving the annual budget.
- Review and follow up the implementation of all the Company's projects, taking decisions according to the powers delegated to it, and discussing the obstacles encountered in implementing the various projects and recommending appropriate solutions to them.
- Review the company's performance based on management reports in light of the specific goals, measuring performance by results, analyzing and studying the main influences, indicators and developments related to its business, and directing the management accordingly.
- Participate in developing the company's new strategic plans, evaluate proposals submitted by management for such plans, such as mergers and acquisitions, and raise recommendations to the Board of Directors.
- Review and study the necessary regulations and policies in the Company and submit its recommendations to the Board of Directors.
- Review the internal procedures and ensure their compatibility with the workflow, amending them when needed.
- Review the organizational structure of the Company and submit recommendations for any amendments to the Board of Directors.
- Verify the availability of human and financial resources necessary to achieve the Company's objectives and main plans.
- Study projects and strategic and important topics and submit recommendations to the Board in this regard.
- Study the need to open new branches inside the Kingdom and submit a recommendation to the Board of Directors, the Chairman of the Board, the Vice President, the Managing Director, or the CEO.
- Submit a recommendation to the Board of Directors in the event of a need to write off or establish branches outside the Kingdom.
- Study and approve long-term lease contracts according to the approved terms of reference.

## Corporate Governance

- Submit a recommendation to the Board of Directors for vehicle purchases in case the approved budget is exceeded.
- Submit studies and recommendations to the Board of Directors in case of a need to add new activities, services or products.
- Study the essential bank facilities and loans and present its recommendations to the authorized persons in this regard.
- Review and evaluate proposals for new investments, approve projects within the Committee's powers, and submit its recommendations to the Board in this regard.
- Recommend to the Board of Directors regarding dividends.

### Executive Committee Meetings

Name	Position	Meetings								Percentage
		12/03/2024	14/05/2024	04/06/2024	6/08/2024	3/11/2024	14/11/2024	19/11/2024	29/12/2024	
Selim Chidiac	Chairman	✓	✓	✓	✓	✓	✓	✓	✓	100%
Mr. Muhammad Hammoud Abdullah Al-Theeb	Member	✓	x	✓	✓	x	✓	✓	✓	75%
Mr. Naif Mohammed Al Theeb	Member	✓	✓	x	✓	✓	✓	✓	✓	87.5%
Mr. Shahzad Ali	Member	✓	✓	✓	✓	✓	✓	✓	x	87.5%
Mr. Amjad Alawneh Din Al-Baz	Member	✓	✓	✓	✓	✓	✓	✓	✓	100%

### General Assembly Meetings During 2024

Member	General Assembly dated 29 February 2024	General Assembly dated 09 June 2024	Extraordinary General Assembly dated 07 November 2024
Mr. Mohammed Ahmed Abdullah Al-Theeb	Excused	Excused	Excused
Mr. Riyadh Saleh Hamad Al-Malik	Attended	Attended	Attended
Mr. Mohammed Hamoud Abdullah Al-Theeb	Attended	Attended	Attended
Mr. Selim Chidiac	Attended	Attended	Attended
Mr. Haitham Tofik Ibrahim AlForaih	Attended	Attended	Attended
Mr. Naif Mohammed Ahmed Al-Theeb	Attended	Attended	Attended

#### 1. Voting Results of the Ordinary General Assembly Meeting held on 29 February 2024

1. Approval of the election of Board members for the upcoming term, which starts on **07 March 2024** and ends on **06 March 2027** (a three-year term). The elected members are:
  - Mr. Mohammed Ahmed Al-Theeb
  - Mr. Riyadh Saleh Al-Malik
  - Mr. Mohammed Hamoud Al-Theeb
  - Mr. Haitham Tawfiq Al-Farikh
  - Mr. Naif Mohammed Al-Theeb
  - Mr. Salim Shadiyak
2. Approval of authorizing the Board of Directors to distribute interim dividends on a semi-annual or quarterly basis for the fiscal year 2024.

## Corporate Governance

### 2. Voting Results of the Ordinary General Assembly Meeting held on 09 June 2024

1. The Board of Directors' report for the fiscal year ending on 31 December 2023 was reviewed and discussed.
2. Approval of the auditor's report for the fiscal year ending on 31 December 2023, following discussions.
3. The financial statements for the fiscal year ending on 31 December 2023 were reviewed and discussed.
4. Approval of discharging the Board members from liability for the fiscal year ending on 31 December 2023.
5. Approval of appointing Ernst & Young Professional Services as the Company's external auditor from among the nominees, based on the recommendation of the Audit Committee. The appointed auditor will review and audit the Company's Q2, Q3, and annual financial statements for 2024, as well as Q1 Financial Statements for 2025, with a fee of ₪875,000, excluding VAT.
6. Approval of disbursing ₪1,220,000 as a remuneration to the Board members for the fiscal year ending on 31 December 2023.
7. Approval of authorizing the Board of Directors with the authority of the Ordinary General Assembly as per Paragraph (1) of Article 27 of the Companies Law for a period of one year from the date of approval by the General Assembly or until the end of the delegated Board's term, whichever is earlier, in accordance with the conditions outlined in the Implementing Regulations of the Companies Law for Listed Joint Stock Companies.

### 3. Voting Results of the Extraordinary General Assembly Meeting held on 07 November 2024

1. Approval of amending the Company's bylaws to comply with the new Companies Law and rearranging the articles and numbering them to be compatible with the proposed amendments.
2. Approval of amend Article (3) of the Company's bylaws relating to (Objects of the Company)
3. Approval of amending Article (9) of the Company's bylaws relating to (Preferred Shares).
4. Approval of amend Article (18) of the Company's bylaws relating to (Management of the Company).
5. Approval to amend Article (21) of the Company's bylaws relating to (Authorities of the Board).
6. Approval to amend Article (23) of the Company's bylaws relating to (The Authorities of the Chairman, Deputy, Managing Director, and Secretary).
7. Approval of deleting Article (52) from the Company's bylaws relating to (Distribution of Dividends for Preferred Shares).
8. Approval of the Policy of Standards and Controls for Competitive Business .
9. Approval of amending the Audit Committee Charter.
10. Approval of amending the Nomination and Remuneration Committee Charter.
11. Approval of amending the Remuneration Policy.
12. Approval of amending the Board Membership Nomination Policy.

### Remuneration of the Board members, Committees and Executive Management

#### Directors Remuneration

##### a. Rules of Remuneration Determination

1. The Board of Directors submits its recommendations to the General Assembly regarding the remuneration of all Board members for annual approval. The Board's recommendation to the General Assembly in this regard is based on the recommendation of the Nomination and Remuneration Committee. The recommendations of the Nomination and Remuneration Committee and the Board of Directors must comply with applicable laws, regulations, rules, and policies.
2. The remuneration of Board members may consist of a fixed amount, in-kind benefits, attendance allowances for meetings, or a specific percentage of the Company's annual net profits. Members may combine two or more of these benefits.
3. Each Board member is entitled to an annual remuneration of no less than SAR 200,000, paid annually. The Board of Directors may determine a different amount based on the recommendation of the Nomination and Remuneration Committee.
4. Board members are entitled to attendance allowances for meetings they attend in person, which are paid on a quarterly basis.
5. As an exception to Paragraph (1-2) of Part 3 above, the remuneration of independent Board members must not be a percentage of the Company's net profits or directly or indirectly linked to the Company's profitability.
6. The remuneration of Board members may vary in amount to reflect the member's level of expertise, specialization, responsibilities, independence, the number of meetings attended, and other considerations.
7. The annual remuneration is calculated based on the date the member joined and the end of their term.

## Corporate Governance

### b. Additional Remuneration

- The Chairman of the Board may receive remuneration in addition to his remuneration as a Director. Such additional remuneration (if any) shall be recommended by the Nomination and Remuneration Committee and approved by the Board on an annual basis.
- Directors serving in any of the Committees may receive remuneration in addition to their remuneration as Directors. Such additional remuneration (if any) shall be determined in accordance with Part 4 of this Policy.
- Directors serving as Senior Executives may receive remuneration in addition to their remuneration as Directors. Such additional remuneration (if any) shall be determined in accordance with Part 5 of this Policy.
- If the Secretary of the Board is also a Director, then he may receive remuneration in addition to his remuneration as a Director. Such additional remuneration (if any) shall be determined by the Board of Directors (based on the recommendation of the Nomination and Remuneration Committee) on an annual basis.

### c. Committee Members Remuneration

#### Rules of Remuneration Determination

- The Board of Directors shall determine and approve the remuneration for the membership of its committees – with the exception of the Audit Committee – attendance allowances and entitlements, in accordance with the recommendation of the Nomination and Remuneration Committee.
- Remuneration for membership in Board Committees consist of an annual bonus, an allowance for attendance at meetings for each meeting of a member and are paid annually.
- The Company shall compensate committee members for the costs incurred by each of them in the event that the meeting takes place outside Riyadh or if the member is not a resident in Riyadh. The compensation shall only be for the costs of accommodation, tickets, transportation and an allowance for each working day.

### d. Senior Executive Remuneration Rules of Remuneration Determination

- The remuneration of all Senior Executives shall be recommended by the Nomination and Remuneration Committee and approved by the Board in accordance with the relevant employment contracts and internal policies and compensation plans.
- The Nomination and Remuneration Committee shall review and approve the employment contracts with Senior Executives, including contracts with new appointments. It shall also review and approve any contract with an employee with compensation equivalent to Senior Executives.

### Benefits and Incentive Plans

- Senior Executives shall be entitled to certain benefits provided by the Company. Besides pension, benefits are primarily in the areas of medical services, access to the Company's recreational facilities, housing-related allowances (or equivalent), and transportation-related allowances (or equivalent). The nature and levels of benefits for Senior Executives shall be periodically reviewed by the Nomination and Remuneration Committee and approved by the Board.
- The Company may offer Senior Executives variable compensation that is market-informed and subject to the fulfillment of pre-defined performance goals, whether short-term or long-term. Such variable compensation plans shall be subject to the recommendation of the Nomination and Remuneration Committee and the approval of the Board.
- The Company may offer Senior Executives and other employees opportunities for share ownership through an employee share plan or similar programs. Such plans and programs shall be subject to the recommendation of the Nomination and Remuneration Committee and the approval of the Board and shall be in accordance with applicable laws, regulations, and instructions.

## Corporate Governance

### Board Member Remuneration\*

Statement	Fixed remuneration							Variable remuneration					End of service benefits	Grand Total	Expenses allowance	
	Specific amount	Board meeting attendance allowance	Total allowance for attending Committee meetings	In-Kind Benefits	Remunerations for technical, administrative and consultative work	Chairman, Managing Director, or Board Secretary remuneration in case of board membership	Total	Percentage of the profit	Periodic bonuses	Short-term incentive schemes	Long-term incentive schemes	Granted stock				Total
<b>Independent members</b>																
Mr. Riyadh Saleh Hamad Al Malik	200,000	70,000	15,000	–	–	–	285,000	–	–	–	–	–	–	–	285,000	–
Mr. Haitham Tofik Ibrahim AlForaih	200,000	70,000	64,000	–	–	–	334,000	–	–	–	–	–	–	–	334,000	–
Mr. Selim Chidiac	200,000	70,000	24,000	–	–	–	294,000	–	–	–	–	–	–	–	294,000	–
<b>Total</b>	<b>600,000</b>	<b>210,000</b>	<b>103,000</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>913,000</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>913,000</b>	<b>–</b>
<b>Non-executive members</b>																
Mr. Mohammed Ahmed Abdullah Al-Theeb	200,000	400,000	–	–	–	–	240,000	–	–	–	–	–	–	–	240,000	–
<b>Total</b>	<b>200,000</b>	<b>400,000</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>240,000</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>240,000</b>	<b>–</b>
<b>Executive members</b>																
Mr. Mohammed Hamoud Abdullah Al-Theeb	200,000	60,000	–	–	263,668	–	523,668	–	–	–	–	–	–	–	523,668	–
Mr. Naif Mohammed Ahmed Al-Theeb	200,000	70,000	–	–	–	–	270,000	–	–	–	–	–	–	–	270,000	–
<b>Total</b>	<b>400,000</b>	<b>130,000</b>	<b>–</b>	<b>–</b>	<b>263,668</b>	<b>–</b>	<b>793,668</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>793,668</b>	<b>–</b>

\* The remuneration of the Board of Directors is paid after shareholders' approval in the General Assembly

## Corporate Governance

### Remuneration of Audit Committee

Member	Fixed remuneration (excluding the allowances for attending Committee meetings) ﷲ	Allowance for attending Committee Meetings ﷲ	Total ﷲ
Mr. Haitham Tofik AlForaih	150,000	40,000	190,000
Mr. Ayman Jamil Salem Ammar	100,000	40,000	140,000
Abdulaziz Abdullah Al Hidery	18,033	8000	26,033
Eng. Ibrahim Jobr Al Faifi	81,967	56,000	137,967

### Remuneration of the Nomination and Remuneration Committee:

Member	Fixed remuneration (excluding the allowances for attending Committee meetings) ﷲ	Allowance for attending Committee Meetings ﷲ	Total ﷲ
Mr. Riyadh Saleh Al Malik	50,000	15,000	65,000
Eng. Fahad Mery Alshahrani	40,000	15,000	55,000
Mr. Abdullah Alshamrani	40,000	15,000	55,000

### Remuneration of Executive Committee Members:

Member	Fixed remuneration (excluding the allowances for attending committee meetings) ﷲ	Allowance for attending committee meetings ﷲ	Total ﷲ
Mr. Selim Chidiac	100,000	24,000	124,000
Mr. Mohammed Hamoud Al-Theeb	–	18,000	18,000
Mr. Naif Mohammed Al-Theeb	–	21,000	21,000
Mr. Shahzad Ali	–	21,000	21,000
Mr. Amjad Alawneh	–	24,000	24,000

## Corporate Governance

### Remuneration of the Senior Executives

Senior Executives	Fixed Remunerations					Variable Remunerations					End of Services	Total remunerations for Board executives, if any	Aggregate amount
	Salaries	Allowances	In-kind benefits	Total	Periodic Remuneration	Profits	Short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)	Total			
	ⵜ	ⵜ	ⵜ	ⵜ	ⵜ	ⵜ	ⵜ	ⵜ	ⵜ	ⵜ		ⵜ	ⵜ
Executive management	3,390,060	2,843,203	–	6,233,263	–	–	662,010	–	–	662,010	238,010	–	7,133,428.70
<b>Total</b>	<b>3,412,974</b>	<b>2,843,203</b>	<b>–</b>	<b>6,233,263</b>	<b>–</b>	<b>–</b>	<b>662,010</b>	<b>–</b>	<b>–</b>	<b>662,010</b>	<b>238,156</b>	<b>–</b>	<b>7,133,428.70</b>

The Company confirms that the remuneration granted was in accordance with relevant laws, regulations, and the rewards policy. The committee also confirms that there were no significant deviations from the specified rewards.

**Results of the annual review of the effectiveness of the internal control procedures of the Company and the opinion of the audit committee with respect to the adequacy of the Company's internal control system.**

The Company's audit committee aims to assist the board of directors in verifying the adequacy of the Company's internal control system and its effective implementation, and to present any recommendations to the board of directors that would strengthen and develop the internal control system in order to achieve the Company's objectives and protect the interests of shareholders.

The committee also assists the Board of Directors in fulfilling its oversight responsibility over the Company's financial, operational and information systems. This was reinforced by the presence of an independent internal audit department whose work is supervised by the Audit Committee. This supports the application of best practices in the field of internal control and governance. The Audit Department submits periodic reports on the business and activities of the Company under review in order to provide a continuous evaluation of the internal control system and its effectiveness.

The adequacy and effectiveness of the internal control system is reviewed by the Internal Audit Department in accordance with an annual plan approved by the Audit Committee and implemented on a regular and continuous basis to verify the effectiveness of the system in protecting the Company's assets and identifying and managing business risks. The Company's management also monitors compliance with the control procedures and corrects any deficiencies in the internal control system. Based on the results of the internal audit work, no material weaknesses were identified in the internal control system during the year 2024. The results of the review of the internal control system are taken care of, ensuring that the observed observations are dealt with, working to follow up on their correction, and setting controls that prevent their recurrence.

Also, within the context of the Audit Committee's keenness to assist the Board of Directors in verifying the adequacy of the internal control system, a risk management department has been created and related policies, procedures and frameworks were developed, in addition to developing a risk register for the year 2024, noting that the activation of risk management is planned to begin in 2025 after the final approval of the operational model for risk management by the Board of Directors.

Under the audit committee's scope of work, and based on the periodic review reports submitted by the Company's internal audit department, the external auditor, the executive management of the Company and the management's assurances about the effectiveness of the Company's control system, the audit committee did not find any material matters which has significant impact that were not rectified and strengthened that may require disclosure of the fiscal year ending on December 31, 2024, Taking into consideration that any internal control system, no matter how well designed or effective it is, cannot provide absolute assurance. and the audit committee's report related to the effectiveness of Internal control procedures will be presented to the General Assembly and the report is available with the Company's management for the shareholders' review.

**Recommendations of the Audit Committee that conflict with the decisions of the Board of Directors or which the Board refused to take**

There are no recommendations of the Audit Committee that conflict with the decisions of the Board of Directors, or the Board's refusal to take them into account regarding the appointment of the Company's external auditor, his dismissal, determining his fees, evaluating his performance, or appointing the internal auditor.

## Corporate Governance

### Clarification of any difference from the accounting standards approved by the Saudi Organization for Certified Public Accountants

There is no difference from the accounting standards issued by the Saudi Organization for Certified Public Accountants regarding the auditing and evaluation of the Company's financial statements during 2024.

### Choosing an auditor for the Company

Ernst & Young & Co. was selected as the Company's auditor in the annual general assembly by the shareholders in the general assembly meeting held on 9 June 2024.

### The Company's dividend distribution policy

The Company's annual net profits, after deducting all general expenses and other costs, are distributed as follows:

- a. The General Assembly determines the percentage of net profits to be distributed to shareholders after deducting any reserves, if applicable.
- b. The Ordinary General Assembly, based on the recommendation of the Board of Directors, may allocate a portion of the net profits to form a discretionary reserve aimed at strengthening the Company's financial position.

- c. The Ordinary General Assembly may approve the creation of other reserves to serve the Company's interests or to ensure stable dividend distribution to shareholders as much as possible. The Assembly may also allocate amounts from the net profits to establish social institutions for the Company's employees or to support existing institutions.

### Company's Capital

The Company's share capital shall be four hundred thirty million Saudi Riyals (¥430,000,000) divided into forty-three million (43,000,000) Shares, with an equal nominal value of ten Saudi Riyals (¥10) each, all of which are ordinary Shares.

## Capital structure as of 31 December 2024

	Number of shares	Percentage
Major shareholders	13,760,000	32%
Public	29,240,000	68%
<b>Total</b>	<b>43,000,000</b>	<b>100%</b>

## Dividends distributed during the year 2024

Profit Period	Number of shares entitled to dividend	Dividend per share	Dividend to Nominal Share Ratio (%)	Total dividends (¥)	Eligibility Date	Date of Dividends
First Quarter	43,000,000 shares	¥0.47 per share	4.7	20,210,000	21 May 2024	04 June 2024
Second Quarter	43,000,000 shares	¥0.51 per share	5.1	21,930,000	12 August 2024	22 August 2024
Third Quarter	43,000,000 shares	¥0.54 per share	5.4	23,220,000	25 November 2024	05 December 2024
Fourth Quarter	43,000,000 shares	¥0.54 per share	5.9	25,370,000	16 March 2025	26 March 2025
<b>Total</b>		<b>¥2.11 per share</b>	<b>5.3</b>	<b>90,730,000</b>		

## Dividends Distributed in Previous Years

Year	Dividend Per Share	Dividend to Nominal Share Ratio (%)	Total dividends
2021	1.4	14	62,350,000
2022	2.2	22	94,600,000
2023	1.64	16.4	70,520,000

## Corporate Governance

### A description of any interest, contractual securities and subscription rights belonging to the members of the Board of Directors, senior executives and their relatives in the shares or debt instruments of the Company or any of its subsidiaries

Shareholder	Beginning of the year	End of year	net change	Change in ownership percentage
	Number of Shares	Number of Shares		
<b>Board of Directors</b>				
Mohammed Ahmed Abdullah Al-Theeb	10,118,354	10,750,000	10,750,000	–
Riyad Saleh Hamad Al Malik	1,000	1,000	0	–
Haitham Tofik Ibrahim AlForaih	10	10	0	–
Naif Mohammed Ahmed Al-Theeb	210,700	211,700	0	–
<b>Senior Executives</b>				
Naif Mohammed Ahmed Al-Theeb	210,700	211,700	0	–
Shahzad Hamid Anwar Ali	4,000	4,000	0	–
Shazia Akhtar Ali*	4,000	4,000	0	–

\*Belongs to Shahzad Ali interest

### Business or Contracts With Related Parties, Who Have a Direct or Indirect Interest in Members of the Board of Directors or Senior Executives, or Any Person Related to Them

#	Related party	Terms	Duration	Amount (Riyals)	Nature of Business
1	Chairman of the Board Mr. Mohammed Ahmed Al-Theeb Member of the Board of Directors Mr. Naif Mohammed Al-Theeb	These transactions were conducted on a purely commercial basis in the normal course of business.	One year or less	161,738	Transactions with Al Faredah Multiple Purpose Halls owned by Mohammed Ahmed Al-Theeb Contracting Company.
2	Member of the Board of Directors Mr. Mohamed Hamoud Al-Theeb	These transactions were conducted on a purely commercial basis in the normal course of business.	One year or less	4,070	Transactions with Madareem Crown Hotel owned by Hamoud Abdullah Al-Theeb Holding Company.
3	Chairman of the Board Mr. Mohammed Ahmed Al-Theeb	These transactions were conducted on a purely commercial basis in the normal course of business.	Five years	780,000	Transactions with Madareem Crown Hotel owned by Hamoud Abdullah Al-Theeb Holding Company.

### Details of any penalties, penal or precautionary measures, or violations imposed on the Company

The company received violations from the Public Transport Authority in the amount of 287,000 riyals due to various reasons. It has a special committee to deal with and avoid any future violations.

## Corporate Governance

### Regulatory payments

The following table summarizes the regular payments as follows (all amounts in ټ) Statement Balance as of December

Item	As of December 2023	Due in 2023	Paid during 2023	Balance as of December 2024
General Authority for Zakat and Tax	23,429	4,392	-23,017	4,804
General Organization for Social Insurance	-693	9,230	-9,317	-780
Total balances of government entities	22,736	13,622	-32,334	4,023

### Loans

The following table contains information on the Company's debts (amount in thousand ټ)

Bank Name	Principle Amount ټ	Loan Term	Payment ټ	Balance ټ
SNB/NCB	374,860	36-48M	100,835	274,025
Banque Saudi Fransi	584,543	36-48M	193,411	392,007
Alinma Bank	497,411	36-48M	191,418	305,993
SABB	383,914	30-48M	110,444	273,471
Riyadh Bank	136,148	36-48M	42,462	93,686
AlRajhi Bank	66,740	36-48M	24,049	42,691
Bank Al-Jazira	8,539	36M	8,539	0
<b>Total</b>	<b>2,052,156</b>	<b>30-48M</b>	<b>671,157</b>	<b>1,381,874</b>

### Requests for the Shareholder's register

No.	Date of request/2024	Reason
1	23/01/2024	Company Procedures
2	21/02/2024	Company Procedures
3	21/02/2024	General Assembly
4	06/05/2024	Company Procedures
5	03/06/2024	General Assembly
6	21/08/2024	Company Procedures
7	09/10/2024	Company Procedures
8	23/10/2024	Company Procedures
9	28/10/2024	General Assembly

## Corporate Governance

### Provisions of the Corporate Governance Regulations that have been implemented, and those that have not been implemented, with justifications

In line with the Corporate Governance Regulations issued by the Capital Market Authority, which require companies to disclose the provisions that have been implemented and those that have not been implemented, along with the reasons for non-implementation in the Board of Directors' report, the Board of Directors is pleased to announce that

the Company has developed its own governance regulations to align with all the requirements stipulated in the Corporate Governance Regulations issued by the Capital Market Authority. The Company has diligently worked to comply with all provisions of the Corporate Governance Regulations, except for the following articles:

Article/ paragraph number	Article/paragraph text	Reasons not to apply
<b>67</b> Guiding Article	<b>Composition of the Risk Management Committee</b> The Company's Board shall, by resolution therefrom, form a committee to be named the "Risk Management Committee". Chairman and majority of its members shall be Non-Executive Directors. The members of that Committee shall possess an adequate level of knowledge in risk management and finance.	The Audit Committee performs the duties and responsibilities of the Risk Management Committee
<b>82</b> Guiding Article	<b>Employee Incentives</b> The Company shall establish programs for developing and encouraging the participation and performance of the Company's employees. The programs shall particularly include the following:  1. Forming committees or holding specialised workshops to hear the opinions of the company's employees and discuss the issues and topics that are subject to important decisions;  2. Establishing a scheme for granting company shares or a percentage of the Company profits and pension programs for employees, and setting up an independent fund for such programme; and  3. Establishing social organizations for the benefit of the Company's employees.	The company provides various incentive programs
<b>85/1</b> Guiding Article	<b>Social Initiatives</b> Establishing indicators that link the Company's performance with its social initiatives and comparing it with other companies that engage in similar activities.	The company carries out various incentive programs
<b>92</b> Guiding Article	<b>Formation of a Corporate Governance Committee</b> If the Board forms a corporate governance committee, it shall assign to it the competences stipulated in Article (91) of Corporate Governance Regulations. Such committee shall oversee any matters relating to the implementation of governance and shall provide the Board with its reports and recommendations at least annually.	The corporate governance is supervised by various departments in the Company

### Disclosure and Transparency

Theeb Rent a Car Company recognizes the importance of disclosure and providing information on any material news or developments to shareholders, stakeholders, and investors in a fair and non-discriminatory manner. This disclosure aims to enable them to exercise their rights and make informed decisions based on accurate and reliable information.

The Company is committed to maintaining the highest standards of accuracy in its disclosures, ensuring the timely provision of clear and transparent information while striking a balance between transparency and safeguarding the Company's interests. In line with this commitment, the Company adopted a detailed disclosure policy approved by the Board of Directors on **16 March 2020**, and it was recently updated on **24 September 2024**.

Below is a list of disclosures and announcements issued by the Company related to material news and developments, which were published during 2024 on the Tadawul platform and the Company's official website.

## Corporate Governance

### Disclosure Information

No.	Disclosure text	Disclosure date
1	Theeb Rent a Car invites its shareholders to attend the Ordinary General Assembly Meeting.	24/01/2024
2	Theeb Rent a Car announces the opening of a new maintenance center in the Eastern Region.	05/02/2024
3	Theeb Rent a Car announces the start date for e-voting on the agenda items of the Ordinary General Assembly Meeting.	21/02/2024
4	Theeb Rent a Car announces the results of the Ordinary General Assembly Meeting.	03/03/2024
5	Theeb Rent a Car announces the opening of its new branch on "Tahlia Street" in Jeddah.	07/03/2024
6	Theeb Rent a Car announces the appointment of the Chairman, Vice Chairman, Board Secretary, the formation of committees, and the appointment of company representatives.	07/03/2024
7	Theeb Rent a Car announces the formation of the Audit Committee.	07/03/2024
8	Theeb Rent a Car announces its annual financial results for the year ending 31 December 2023.	14/03/2024
9	Theeb Rent a Car announces the distribution of final cash dividends to Shareholders for the fourth quarter of 2023.	14/03/2024
10	Theeb Rent a Car announces the opening of its new branch in the "Al Arid" district of Riyadh.	25/04/2024
11	Theeb Rent a Car invites its shareholders to attend the Ordinary General Assembly Meeting.	15/05/2024
12	Theeb Rent a Car announces its preliminary financial results for the period ending 31 March 2024 (three months).	16/05/2024
13	Theeb Rent a Car announces the distribution of cash dividends to shareholders for the first quarter of 2024.	16/05/2024
14	Theeb Rent a Car announces the renewal of its branch in the "Al Suwaidi" District in Riyadh.	30/05/2024
15	Theeb Rent a Car announces the results of the Ordinary General Assembly Meeting.	10/06/2024
16	Theeb Rent a Car announces the opening of its new branch in the "Al Musayif" District in Abha.	13/06/2024
17	Theeb Rent a Car announces the addition of a new category of heavy transport trucks to its fleet.	21/07/2024
18	Theeb Rent a Car announces its agreement with Al Waalan Trading Company to add over 1,300 vehicles (2025 models) to its fleet.	31/07/2024
19	Theeb Rent a Car announces its preliminary financial results for the period ending 31 June 2024 (six months).	07/08/2024
20	Theeb Rent a Car announces the distribution of cash dividends to shareholders for the second quarter of 2024.	07/08/2024
21	Theeb Rent a Car announces the renewal of its branch in Yanbu.	13/08/2024
22	Theeb Rent a Car's Board of Directors invites shareholders to attend the Extraordinary General Assembly Meeting.	14/10/2024
23	Theeb Rent a Car announces the start date for e-voting on the agenda items of the Extraordinary General Assembly Meeting.	31/10/2024
24	Theeb Rent a Car announces its preliminary financial results for the period ending 30 September 2024 (nine months).	06/11/2024
25	Theeb Rent a Car announces a Board recommendation to distribute cash dividends to shareholders for the third quarter of 2024.	06/11/2024
26	Theeb Rent a Car announces the results of the Extraordinary General Assembly Meeting.	10/11/2024
27	Theeb Rent a Car announces the opening of its 60th branch in Al-Kharj.	18/12/2024
28	Theeb Rent a Car announces the opening of its new branch in Makkah.	19/12/2024

## Corporate Governance

### Company Declarations

1. There are no conversion or subscription rights under any convertible debt instruments, contractual securities, subscription warrants, or similar rights issued or granted by the Company during 2024.
2. There are no convertible debt instruments, contractual securities, subscription warrants, or similar rights issued or granted by the Company during 2024.
3. No redeemable debt instruments have been redeemed, purchased, or canceled by the Company or any of its subsidiaries, and no listed securities have been purchased by the Company or its subsidiaries.
4. No waiver agreements have been entered into whereby any member of the Board of Directors or a senior executive has waived any salary or compensation.
5. There are no waiver agreements whereby any shareholder of the Company has waived any rights to dividends.
6. The auditor's report did not include any reservations on the Company's financial statements.
7. There has been no recommendation by the Board of Directors to replace the external auditor before the end of their appointed term.
8. The Company does not hold any treasury shares.
9. The Company has not established any investments or reserves for the benefit of its employees during the year.
10. There is no interest in voting shares held by any person (other than members of the Board of Directors, senior executives, and their relatives) that has been reported to the Company or any changes to such rights during 2024.
11. The Company has not provided any loans to members of the Board of Directors, nor has it guaranteed any loans contracted by any member with third parties.
12. The Company confirms the absence of any competitive activities conducted by the Company or any of its subsidiaries that are engaged in by any member of the Board of Directors.
13. There are no transactions between the Company and any related parties.
14. The Company does not have any subsidiaries.

### The Company further confirms the following:

1. The Board of Directors acknowledges that the books of accounts have been properly prepared.
2. The Board of Directors acknowledges that the internal control system has been prepared on sound bases and has been effectively implemented.
3. The Board of Directors acknowledges that there is no significant doubt in the Company's ability to continue its activities.

# Company Risks

The Company is exposed to certain risks inherent to its vehicle rental services business and continues to implement best practices in managing and monitoring these risks through its Board of Directors and its specialized risk management department. This department develops and executes policies to address these risks, ensuring continuous improvement and the effective management of potential challenges.

The Board of Directors has reaffirmed its commitment to mitigating risks by fostering a culture of responsibility and awareness throughout the organization. The Company has focused on enhancing internal control systems and applying corporate governance controls in accordance with the highest standards of transparency, to safeguard all business units in the company from any kind of risks.

## Risk Management Policy Principles

The Company's risk management policy for 2024 remains rooted in the following guiding principles:

- Effective self-monitoring
- Sense of responsibility
- Accuracy and transparency
- Taking initiatives

To achieve the highest degree of preparedness in confronting risks, the following steps are taken:

- Hazard checks
- Hazard analysis
- Defining risks
- Specification of risks
- Risk assessment
- Preparing reports on potential threats and opportunities
- Mitigation and follow-up on risks, with contingency plans in place for emergencies

## Risks that the Company may face:

### → Risks Related to Structural Changes in the Transportation Industry

The transportation industry in general is evolving and facing substantial structural changes. Public transportation projects – such as the Riyadh Metro in Riyadh, the Haramain High Speed Railway, companies offering new mobility business models (including ride-hailing applications such as Uber or Careem), and autonomous vehicles - may, in turn, affect the demand for rental vehicles, and result in evolving customer preferences and usages. Some of these companies may have access to substantial capital, innovative technologies, or have the ability to launch new services at a relatively low cost. To the extent competitors can improve transportation efficiency, alter customer driving patterns, offer more competitive prices, more effectively utilize mobile platforms, or undertake more aggressive marketing campaigns, the Company could experience heightened pricing competition

and/or loss of rental volume. Therefore, the Company's ability to continually improve its current processes and offering, in response to the structural changes in the transportation industry in general, as well as in response to changes in technology, is essential to maintaining its competitive position and current levels of customer satisfaction. Failure to have a systematic and comprehensive process to address such changes may result in the loss of competitive differentiation, the departure of key partners, and a negative impact on the Company's profitability, market share, and ability to achieve growth targets, which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

### → Risks Related to the Company's Growth Strategy

The Company regularly evaluates its growth strategies, including the opening of new branches and increasing its fleet size. This expansion entails risks, including, but not limited to, the Company's ability to obtain additional financing contracts and their relative potential impacts on the financial condition of the Company, integrating new vehicles into its operations, managing the expansion process efficiently, responding to market trends in the vehicle rental, and vehicle lease sectors in a timely and cost-effective manner, and attracting and training the Company's key managers and employees to manage its fleet. The Company's failure to expand and implement its growth strategy, or manage the expansion process in the required manner, could have a material adverse effect on the Company's business, financial condition, results of operations and growth prospects.

## Company Risks

### → Risks Related to Seasonal Factors

The Company's business is, to a certain extent, affected by seasonality during the year. High demand for vehicle rentals usually coincides with public holidays, such as Eid, due to higher levels of travel in the Kingdom, as well as specific events such as Riyadh Season. Any disruptions—such as adverse weather conditions or health outbreaks—could result in lower revenues and profitability for the Company, which would have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

### → Risks Related to Epidemics

The Company continues to acknowledge the risks posed by infectious diseases like COVID-19. While restrictions have been eased, any future outbreaks could again disrupt business operations, particularly through restrictions on travel or limitations on public gatherings. The Company remains vigilant in preparing for any such scenarios, having learned valuable lessons from the pandemic's early impact.

### → Risks Related to the Company's Reputation and Service Quality

Since its establishment, the Company has been endeavoring to build a positive brand association, by enhancing the quality of services it provides to its customers. This depends on several factors, including the ease of e-booking of vehicles, the availability of multiple types of vehicles, the maintenance of vehicles in a good condition, and good post-rental services, such as roadside assistance, accident handling, and vehicle replacement when necessary. Therefore, the Company's failure to provide these services to its customers, or maintain their quality, could have a material adverse effect on the Company's brand and reputation.

In addition, the Company's inability to provide high-quality services may expose it to negative publicity, which may harm its reputation and lead to a decrease in customer appetite for its vehicles or, in some cases, even expose it to lawsuits. The Company's reputation may be affected if it is unable to maintain the quality of services provided to its customers, which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

### → Risks Related to the Company's Selling of Vehicles upon Retirement

The Company's fleet is not covered by a buy-back commitment from vehicle agencies and, as a result, the sale of the Company's vehicles after being retired from operations (ranging from two to five years) is exposed to market trends, particularly usual pricing uncertainties of the used vehicle market. The sale price of vehicles (either through an auction or the Company's showrooms) could be less than the previously estimated residual value. Moreover, the Company's ability to sell its vehicles in the used vehicle market could become severely limited as a result of a number of factors, including the economic environment, model changes, legal requirements (e.g. changes to vehicle sale laws and regulations or vehicle taxes), inventory levels, new vehicle prices, fuel costs, and custom tariffs. A decline in used vehicle prices, or a lack of liquidity in the used vehicle market, may severely hinder the Company's ability to resell its vehicles without a financial loss, and could adversely affect the Company's business, financial condition, results of operations and prospects.

### → Risks Related to Opening New Car Rental Branches

The Company either opens new branches in facilities ready for use, or leases an empty plot of land and constructs its car rental facilities there. The opening of new branches is subject to a number of risks, such as obtaining a number of approvals and permits, especially for any facilities that the Company constructs on its own. The Company cannot assure that it will obtain any such approvals and permits and complete all the necessary steps for opening new branches, including but not limited to the following:

- Accurately estimating market size and potential, intensity of competition, and general economic and business conditions;
- Securing the necessary financing for any new branch that the Company constructs
- Entering into and efficiently managing construction contracts for any new branch that the Company constructs;
- Successfully integrating the new car rental branch within its network; and
- Hiring, training and retaining qualified personnel for each new branch.

If the Company is unable to open new car rental branches on schedule, attract customers to the new car rental branches, integrate and manage efficiently the new car rental branches, or otherwise achieve the expected benefits of the new car rental branches, as well as replace or refurbish obsolete car rental branches in a timely manner, the Company's ability to increase its revenues and operating income could be negatively impacted, having a material adverse effect on its business, financial condition, results of operations and prospects.

## Company Risks

### → Risks Related to Credit Card and Mada Card Payments

The Company accepts payments in cash inside its branches, or electronically, through credit cards or Mada cards, via point of sale systems. With regard to payment with credit cards and Mada cards, the Company pays specific fees to the concerned Financial Institutions, which may rise from time to time. If the Company encounters problems with point of sale devices and software, or its ability to process payments via any payment system for credit cards or Mada cards, this will impair the Company's ability to collect revenue from rental operations. The occurrence of any of these factors could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

### → Credit Risk Related to Collecting Receivables

The Company may face difficulties in its ability to effectively collect accounts receivable. If any of the Company's debtors experience difficulties in their businesses and financial condition, they may fail to pay their debts to the Company when due, become insolvent or declare bankruptcy. Any failure to pay such debts, or the bankruptcy or insolvency of the Company's customers, particularly its major customers, could have a material adverse effect on the Company's business, financial condition, results of operations, and prospects.

### → Risks Related to Adverse Changes in Interest Rates

Interest rates remain a critical factor in the Company's financial strategy, with significant reliance on financing facilities obtained from commercial banks. Therefore, the finance cost is largely affected by interest rates, which in turn are deemed highly sensitive to a number of factors that are not in the control of the Company, including government, monetary and tax policies, as well as domestic and international economic and political circumstances. These may lead to an increase in interest rates and related financing costs, which could result in a reduction in the Company's profitability and cash flow.

### → Risks of Reliance on Senior Management and Key Personnel

The Company's success depends upon the continued service and performance of its senior management, and other key personnel, due to their extensive experience in the industry, and contribution to its operations. In particular, the Company relies on certain key individuals, who have valuable experience in the vehicle rental and vehicle lease industries, and who have made substantial contributions to the development of its operations. The Company may not be able to retain key personnel with the skills and technical knowledge necessary for the Company. While the positions of Business Development Manager and Digital Transformation Manager have been filled, the COO position still remains vacant, until the date of this annual report.

The loss of the services of members of the Company's senior management, or key employees, could prevent or delay the implementation and completion of its strategic objectives, divert management's attention to seek certain qualified replacements, or could adversely affect its ability to manage its business effectively. Each member of senior management, or key employees, may resign at any time. If the Company loses the ability to hire and retain key executives and employees with high levels of skills in appropriate domains, it could have an adverse effect on the Company's business, financial condition, results of operations and/or prospects.

### → Risks Related to Failure to Attract and Retain Qualified Employees

There is intense competition to attract qualified employees in both the vehicle rental and vehicle lease sectors, especially sales personnel with technical skills and knowledge required by the Company. The Company may need to invest financial and human resources to attract and retain new employees and it may not realize returns on these investments. The Company's failure to attract and retain qualified employees in the future could negatively affect its ability to effectively and efficiently manage its business, which would have an adverse impact on the Company's business, financial position, results of operations and prospects.

## Company Risks

### → Risks Related to Reliance on Information Technology Infrastructure

The Company depends on the information technology systems at its car rental branches, for billing and financial reporting, for vehicle fleet management and servicing, and for digital marketing and public information. For efficiency of its operations, the Company depends on effectiveness and efficiency of these systems.

The Company's information technology systems may be negatively impacted by computer viruses, natural disasters, hacker attacks, hardware or software malfunctions, electrical current fluctuation, cyberterrorism, and other similar factors. Additionally, a breach of the Company's cyber security measures could result in the loss, destruction or theft of confidential or proprietary data, which could cause the Company to bear liability or incur material losses to customers, suppliers or parties dealing with the Company.

Cyber-attacks and other cyber incidents are occurring more frequently, and are constantly evolving in nature and sophistication. The Company's failure to maintain appropriate cyber security measures and keep abreast of new and evolving threats may make its systems vulnerable. The vulnerability of the Company's information system, any failure of such system or the Company's failure to detect or respond to information system incidents in a timely manner will have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects. Similar risks exist with respect to third parties who may possess the Company's confidential data, such as its information technology support providers, professional advisors and banks and Financial Institutions with whom the Company deals.

### → Risks Related to Consumer Spending Due to Weak Economic Conditions

Any substantial deterioration in general economic conditions, decrease in wages, reduction in availability of consumer credit, decline in consumer spending, increase in fuel prices, reduction in business and leisure travel, rise in interest and tax rates, including value added tax, or political events that diminish consumer spending and confidence, could negatively impact the car rental industry and the revenue that the Company can generate. In addition, certain competitors may react to such conditions by reducing prices and promoting such reductions, putting further pressure on the Company, resulting in a material adverse effect on the Company's business, financial condition, results of operations and prospects.

### → Risks Related to Changes in Energy Prices

The Company is sensitive to increases in Diesel and Gasoline prices, as the vehicles its customers use depend on them. Any further increases in Diesel and Gasoline prices could impact the behavior of the Company's customers, who may look for transportation alternatives to renting or leasing vehicles, which could have a material adverse effect on the Company's operations, financial position, results of operations and prospects.

### → Risks Related to Competition and Market Share

The Company competes in the Kingdom with other car rental and vehicle leasing companies, where the competitive factors include price, vehicle quality, brand identification, geographic presence, innovation, and customer service. Moreover, technology has enabled cost-conscious customers to compare rates available from vehicle rental companies easily. If the Company tries to increase its pricing, its competitors may seek to compete aggressively based on pricing. The Company may not be able to maintain or enhance its market position or its total share of the car rental market. In addition, increased competition may result in lower prices, more offers and sales incentives, as well as lower gross profit margins, and higher sales and marketing expenses on account of the expansion of marketing channels. The Company's competitors, including new entrants, may reduce prices to, among other things, attempt to gain competitive advantage, capture market share, or compensate for declines in rental activity. If the Company fails to address these competitive challenges, it could have a material adverse effect on the Company's business, financial condition, results of operations, and prospects.

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*START  
ENGINE  
STOP*

# Independent Auditor's Report



**Ernst & Young Professional Services (Professional LLC)**  
Paid-up capital (SR 5,500,000 – Five million five hundred thousand Saudi Riyal)

Head Office  
Al Faisaliah Office Tower, 14th Floor  
King Fahad Road  
P.O. Box 2732  
Riyadh 11461  
Kingdom of Saudi Arabia

C.R. No. 1010383821

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

ey.ksa@sa.ey.com  
ey.com

## To the Shareholders of Theeb Rent a Car Company (A SAUDI JOINT STOCK COMPANY)

### Opinion

We have audited the financial statements of Theeb Rent a Car Company – a Saudi Joint Stock company (the “Company”), which comprise the statement of financial position as at 31 December 2024, and the statement of Comprehensive Income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Standards 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 Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia that is relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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 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 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 Financial Statements.



# Independent Auditor’s Report

Key audit matter	How our audit addressed the key audit matter
<p><b>Allowance for expected credit losses</b></p> <p>The gross balance of accounts receivable as at 31 December 2024 amounted to SR 443.1 million (2023: SR 365.3 million), against which an allowance for expected credit losses of SR 159.7 million (2023: SR 133.7 million) was maintained.</p> <p>The collectability of accounts receivable is a key element of the Company’s working capital, which is managed on an ongoing basis.</p> <p>Management determines and recognises expected credit losses (“ECL”) as required by International Financial Reporting Standard 9 (Financial Instruments) (“IFRS 9”). Significant judgements, estimates and assumptions have been made by the management in the calculation of ECL impact.</p> <p>We have considered this as a key audit matter as the determination of ECL involves significant management judgement and this has a material impact on the financial statements.</p> <p>Refer to note 3.10 to the financial statements for the summary of material accounting policies, Note 2.4 for the critical accounting estimates and judgements and Note 9 which details the disclosure of impairment against accounts receivable.</p>	<p>Our audit procedures performed included, among others, the following:</p> <ul style="list-style-type: none"> <li>→ Obtained understanding of the Company’s processes around the accounts receivable allowance for expected credit losses.</li> <li>→ Assessed significant judgements, estimates and assumptions made by the management with reference to the calculation of ECL including the Company’s assessment of the probability of default, incorporation of forward-looking information and the loss given default parameter.</li> <li>→ Involved our IT experts in testing effectiveness of the Information Technology General Controls (ITGCs) of the respective accounting system.</li> <li>→ Evaluated the Company’s accounting policy for ECL allowance in accordance with the requirements of IFRS 9.</li> <li>→ Assessed the adequacy of the related disclosures in the financial statements.</li> </ul>
<p><b>Carrying values of vehicles</b></p> <p>Vehicles included under property and equipment as at 31 December 2024 amounted to SR 1,921 million (2023: 1,562 million) representing 75% (2023: 70%) of total assets.</p> <p>Vehicles are carried at cost less depreciation and impairment after considering their residual values.</p> <p>The Company’s management determines the residual values and estimated useful lives of vehicles for calculating depreciation, this involves significant degree of management estimates and judgements considering the expected usage of the vehicles, expected physical wear and tear and expected future value at the time of disposal, and as such, this has been identified as a key audit matter.</p> <p>Refer to Note 3.6 to the financial statements for the summary of material accounting policies, Note 2.4 for the critical accounting estimates and judgements and note 6 which details the disclosure of property and equipment.</p>	<p>Our audit procedures performed included, among others, the following:</p> <ul style="list-style-type: none"> <li>→ Evaluated, on a sample basis, the design, implementation and effectiveness of controls over the procurement process and capitalization and depreciation calculation of vehicles.</li> <li>→ Assessed management’s judgement in determining residual value and useful lives assigned to long-term and short-term rental purpose.</li> <li>→ Tested on a sample basis additions and disposals of rental vehicles.</li> <li>→ Performed analytical review procedures of the depreciation charge for the year.</li> <li>→ Assessed the adequacy of the related disclosures in the financial statements.</li> </ul>

## Independent Auditor's Report

### Other information included in The Company's 2024 Annual Report

Other information consists of the information included in the Company's 2024 annual report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report. The Company's 2024 annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the 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 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Company's 2024 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company 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 Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Independent Auditor’s Report

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 financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

for Ernst & Young Professional Services



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

Riyadh: 18 Ramadhan 1446H  
 (18 March 2025)



# Statement of Comprehensive Income

For the year ended 31 December	Notes	2024 SR	2023 SR
Revenue	21	1,302,671,602	1,135,394,167
Cost of revenue	22	(884,909,360)	(776,529,079)
<b>Gross profit</b>		<b>417,762,242</b>	358,865,088
Selling and marketing expenses	23	(68,042,077)	(58,125,871)
General and administrative expenses	24	(61,317,880)	(54,371,658)
Provision for expected credit losses	9,11	(24,329,466)	(40,459,000)
<b>Income from operations</b>		<b>264,072,819</b>	205,908,559
Other income	25	9,235,288	6,857,247
Finance costs	26	(86,210,169)	(61,207,790)
<b>Income before zakat</b>		<b>187,097,938</b>	151,558,016
Zakat	19	(4,391,855)	(9,488,531)
<b>Net income for the year</b>		<b>182,706,083</b>	142,069,485
<b>OTHER COMPREHENSIVE INCOME:</b>			
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>			
Re-measurement gain on employees' defined benefit liabilities	17.4	1,045,108	1,006,576
<b>Total comprehensive income for the year</b>		<b>183,751,191</b>	143,076,061
<b>EARNINGS PER SHARE (EPS)</b>			
Basic and diluted earnings per share	20	4.25	3.30



Chairman



Chief Executive Officer



Chief Financial Officer

The attached notes 1 to 38 form an integral part of these financial statements.

# Statement of Financial Position

As at 31 December	Notes	2024 SR	2023 SR
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	6	2,038,042,934	1,673,058,918
Right-of-use assets	7	84,924,461	96,207,857
<b>Total non-current assets</b>		<b>2,122,967,395</b>	<b>1,769,266,775</b>
<b>CURRENT ASSETS</b>			
Inventories	8	17,474,793	6,718,774
Accounts receivable	9	283,468,731	231,601,646
Prepayments and other current assets	10	110,497,104	172,714,113
Contract assets	11	6,248,964	8,257,013
Bank balances and cash	12	34,983,515	52,773,524
<b>Total current assets</b>		<b>452,673,107</b>	<b>472,065,070</b>
<b>Total assets</b>		<b>2,575,640,502</b>	<b>2,241,331,845</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	14	430,000,000	430,000,000
Statutory reserve	15	67,982,523	52,414,964
Retained earnings		332,455,143	247,261,511
<b>Total equity</b>		<b>830,437,666</b>	<b>729,676,475</b>
<b>NON-CURRENT LIABILITIES</b>			
Non-current portion of term loans	16	682,672,892	568,735,061
Employees' defined benefit liabilities	17	42,884,771	38,786,257
Non-current portion of lease obligation	7	46,810,061	41,777,226
<b>Total non-current liabilities</b>		<b>772,367,724</b>	<b>649,298,544</b>
<b>CURRENT LIABILITIES</b>			
Current portion of term loans	16	698,774,795	556,896,532
Current portion of lease obligation	7	40,131,078	63,562,949
Car dealership payable		111,064,772	79,922,018
Accounts payable		13,453,663	45,041,443
Accrued expenses and other current liabilities	18	104,607,029	93,505,140
Zakat payable	19	4,803,775	23,428,744
<b>Total current liabilities</b>		<b>972,835,112</b>	<b>862,356,826</b>
<b>Total liabilities</b>		<b>1,745,202,836</b>	<b>1,511,655,370</b>
<b>Total equity and liabilities</b>		<b>2,575,640,502</b>	<b>2,241,331,845</b>



Chairman



Chief Executive Officer



Chief Financial Officer

The attached Notes 1 to 38 form an integral part of these Financial Statements.

# Statement of Changes in Equity

	Notes	Share capital SR	Statutory reserve SR	Retained earnings SR	Total SR
As at 31 December 2022		430,000,000	38,208,015	196,652,399	664,860,414
Net income for the year		–	–	142,069,485	142,069,485
Other comprehensive loss	17.4	–	–	1,006,576	1,006,576
Total comprehensive income		–	–	143,076,061	143,076,061
Transfer to statutory reserve		–	14,206,949	(14,206,949)	–
Dividends	33	–	–	(78,260,000)	(78,260,000)
<b>As at 31 December 2023</b>		<b>430,000,000</b>	<b>52,414,964</b>	<b>247,261,511</b>	<b>729,676,475</b>
Net income for the year		–	–	<b>182,706,083</b>	<b>182,706,083</b>
Other comprehensive income	17.4	–	–	<b>1,045,108</b>	<b>1,045,108</b>
Total comprehensive income		–	–	<b>183,751,191</b>	<b>183,751,191</b>
Transfer to statutory reserve		–	<b>15,567,559</b>	<b>(15,567,559)</b>	–
Dividends	33	–	–	<b>(82,990,000)</b>	<b>(82,990,000)</b>
<b>As at 31 December 2024</b>		<b>430,000,000</b>	<b>67,982,523</b>	<b>332,455,143</b>	<b>830,437,666</b>



Chairman



Chief Executive Officer



Chief Financial Officer

The attached Notes 1 to 38 form an integral part of these Financial Statements.

# Statement of Cash Flows

For the year ended 31 December	Notes	2024 SR	2023 SR
<b>OPERATING ACTIVITIES</b>			
Income before zakat		187,097,938	151,558,016
<b>Adjustments to reconcile income before zakat to net cash flows:</b>			
Depreciation of property and equipment	6	293,450,775	287,454,371
Depreciation of right-of-use assets	7	51,330,590	44,530,004
Finance costs	26	80,251,734	53,942,760
Finance cost on lease liability	7	4,185,519	5,498,717
Provision for expected credit losses	9 and 11	24,329,466	40,459,000
Provision for employees' defined benefit liabilities	17.2	6,380,265	6,133,628
Derecognition of ROU and Lease liability		223,561	—
Write down of inventories	8	5,792,885	11,743,829
		653,042,733	601,320,325
<b>Working capital adjustments:</b>			
Prepayments and other current assets		60,717,009	(33,395,699)
Accounts receivable		(77,847,431)	(80,204,548)
Contract assets		5,158,929	2,255,042
Inventories		260,547,695	199,320,652
Car dealership' payable		31,142,754	23,045,194
Accrued expenses and other current liabilities		7,664,789	38,299,404
Accounts payable		(31,587,780)	15,305,995
		908,838,698	765,946,365
Additions of motor vehicles	6	(923,327,377)	(842,154,073)
Zakat paid	19	(23,016,824)	(10,778,170)
Employees' defined benefit obligations paid	17	(1,236,643)	(1,276,272)
<b>Net cash flows used in operating activities</b>		<b>(38,742,146)</b>	<b>(88,262,150)</b>
<b>INVESTING ACTIVITIES</b>			
Additions of other property and equipment	6	(12,204,013)	(10,814,171)
<b>Net cash flows used in investing activities</b>		<b>(12,204,013)</b>	<b>(10,814,171)</b>

## Statement of Cash Flows

For the year ended 31 December	Notes	2024 SR	2023 SR
<b>FINANCING ACTIVITIES</b>			
Finance costs paid		(76,814,634)	(56,931,159)
Proceeds from term loans		927,398,762	751,629,912
Repayments of term loans		(671,582,668)	(523,339,179)
Payment of principal portion of lease liabilities	7	(62,855,310)	(41,342,419)
Dividends paid	33	(82,990,000)	(78,260,000)
<b>Net cash flows from financing activities</b>		<b>33,156,150</b>	51,757,155
Net decrease in bank balances and cash		(17,790,009)	(47,319,166)
Bank balances and cash at the beginning of the year		52,773,524	100,092,690
<b>Bank balances and cash at the end of the year</b>		<b>34,983,515</b>	52,773,524
<b>Significant non-cash transactions:</b>			
Transfer of vehicles from property and equipment to inventories	6	277,096,599	212,817,166
Addition to right-of-use assets and lease liability	7	41,321,134	39,127,173
Write off of total loss cars		5,792,885	11,743,829



Chairman



Chief Executive Officer



Chief Financial Officer

The attached Notes 1 to 38 form an integral part of these Financial Statements.

# Notes to the Financial Statements

## 1. CORPORATE INFORMATION

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

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

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") that are endorsed in Kingdom of Saudi Arabia ("KSA") and other standards and pronouncements that are endorsed by the Saudi Organisation for Chartered and Professional Accountants ("SOCPA") (collectively referred to as "IFRS as endorsed in KSA").

### 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention using the accruals basis of accounting and going concern concept, except for derivative financial instruments, which are measured at fair value and employees' defined benefit liabilities where actuarial present value calculations are used under the projected unit credit method.

### 2.3 Functional and presentation currency

These financial statements are presented in Saudi Riyal ("SR") which is the functional and presentation currency of the Company.

## 2.4 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets and liabilities affected in future periods.

### Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements.

### Going concern

The Company's management has made an assessment of its ability to continue as a going concern on the basis of five years future plan and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

### Lease classification – Company as a lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Keeping in view the business model of the Company, the Company has determined that leasing of vehicles does

not transfer substantially all the risks and rewards incidental to ownership of the vehicles subject to the lease arrangement, hence such lease arrangements are classified as operating lease.

### Determining the lease term of contracts – Company as a lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. Information about the assumptions and estimation uncertainties is included in the following areas:

## Notes to the Financial Statements

### Useful lives and residual value of property and equipment

The Company's management determines the estimated useful lives of its property and equipment for calculating depreciation. These estimates are determined after considering the expected usage of the assets or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charges would be adjusted where the management believes the useful lives differ from previous estimates.

### Allowance for obsolete, damaged and expired inventory

The Company recognises an allowance for inventories due to factors such as obsolescence, physical damage etc. The estimation of such losses includes the consideration of factors including but not limited to introduction of new models or technology by the specific manufacturer and both existing and emerging market conditions.

### Provision for expected credit losses (ECL) of accounts receivable and contract assets

The Company has selected a simplified approach for accounts receivable and contract assets. The Company uses a provision matrix to calculate ECL for accounts receivable and contract assets. The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative

of customers' actual default in the future. The information about the ECL on the Company's accounts receivable is disclosed in note 9.

### Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit ("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 of disposing of the asset. The value in use calculation 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 Company 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.

### Employees' defined benefit plan

The cost of the employees' defined benefit plan and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and employee turnover rate. Due to the complexities involved in the valuation and its long-term nature; a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the market yield on high quality Corporate/Government bonds.

The mortality rate is based on publicly available mortality tables for the country. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates for the country. Further details about employee benefits obligations are provided in note 17.

### Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently re-measured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

### Provisions

Provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

## Notes to the Financial Statements

### Leases – Estimating the incremental borrowing rate

The Company 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 Company 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 Company ‘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 Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity – specific estimates.

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently, except for new standard adopted during the year as disclosed in note 4, in the preparation of these financial statements.

#### 3.1 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting 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:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

### 3.2 Revenue from contracts with customers

#### Rental income – the Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

#### Sale of inventories (vehicles)

Revenue from sale of vehicles is recognised at the point in time when control of the vehicles is transferred to the customers, generally, on delivery of the vehicles. The Company's revenue from sale of vehicles includes only one performance obligation and there is no variable consideration and financing component involved.

### Income from other services

Revenue from other services that are incidental to vehicle rental arrangements are recognised when these related services are provided and classified as part of revenue from these core operating activities. The Company's revenue from other services that are incidental to vehicle rental arrangements is recognised over the time when services are rendered.

### Loyalty points

The Company usually awards individual customers “Loyalty Points”. These Loyalty Points give rise to a separate performance obligation as they provide a material right to the customer.

A portion of the transaction price is allocated to Loyalty Points awarded to customers based on relative stand-alone selling price and is recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of the points by the customer.

### 3.3 Expenses

#### Cost of revenue

Cost of revenue represents all expenses directly attributable or incidental to the core operating activities of the Company including but not limited depreciation of vehicles under rental arrangements, cost of vehicle inventories disposed of, directly attributable employee related costs etc.

#### Selling, marketing and administrative expenses

Selling and marketing expenses are costs arising from the Company's efforts underlying marketing activities and function. All other expenses are classified as administrative expenses. Allocation of common expenses between cost of revenue, selling and marketing and administrative expenses, where required, is made on a reasonable basis with regards to the nature and circumstances of the common expenses.

## Notes to the Financial Statements

### 3.4 Borrowing costs

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 capitalised 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 cost and other costs that an entity incurs in connection with the borrowing of funds.

### 3.5 Zakat

#### Zakat

The Company is subject to zakat in accordance with the regulations of Zakat, Tax and Customs Authority ("ZATCA"). Provision for zakat for the Company is charged to the statement of comprehensive income. Differences, if any, resulting from the final assessments are adjusted in the year of their finalisation.

#### Withholding tax

The Company withholds taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required under Saudi Arabian Income Tax Law.

#### Value added tax

Expenses and assets are recognised net of the amount of value added tax, except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value-added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of value added tax included.

### 3.6 Property and equipment

#### Recognition and measurement

Items of property and equipment are initially recorded at cost and measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of an item of property and equipment (other than vehicles transferred to inventories as 'Vehicles held for sale') are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognised net within other operating income in the statement of comprehensive income.

#### Subsequent costs

The cost of replacing a part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in the statement of comprehensive income as incurred.

#### Capital work-in-progress

Capital work-in-progress are stated at cost net of accumulated impairment, if any and represents all costs relating directly or indirectly to the acquisition or construction of assets where acquisition or construction is in progress and will be transferred to relevant category of property and equipment once completed.

### Depreciation

Depreciation represents the systematic allocation of the depreciable amount of an asset over its estimated useful life. Depreciable amount represents cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Lands are not depreciated.

Depreciation methods, useful lives and residual values are reviewed at least annually and adjusted prospectively if required.

Vehicles designated for sale are transferred to inventory and related depreciation is suspended at the date of transfer.

Category of property and equipment	Useful life
Buildings	40 years
Motor vehicles	2-5 years
Leasehold improvements	Useful life or lease term whichever is shorter
Other fixed assets	3-5 years

### 3.7 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in statement of comprehensive income in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

## Notes to the Financial Statements

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income in the expense category that is consistent with the function of the intangible assets.

The amortisation period for the Company's intangible assets with finite life is as follows:

Software	5 years
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Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of comprehensive income when the asset is derecognised.

### 3.8 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment, refer note 7.

#### Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the

lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## Notes to the Financial Statements

### 3.9 Inventories

Inventories represent vehicles held for sale, spare parts and other supplies. These are measured at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale. The carrying amount of inventories is recognised as cost of revenue when the inventories are sold. The Company recognises an allowance for inventory losses due to factors such as obsolescence, physical damage etc.

#### Spare parts and supplies

The cost of spare parts and supplies is based on weighted average principle. Other costs are included in the cost of spare parts and supplies only to the extent they are incurred in bringing them to their present location and condition.

### 3.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### (i) Financial assets

##### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through profit or loss ("FVTPL") and fair value through other comprehensive income ("FVOCI").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of accounts receivable that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company 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. Accounts receivable that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15 Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

##### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

##### Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in statement of comprehensive income when the asset is derecognised, modified or impaired. This category is relevant to the Company. The Company's financial assets at amortised cost includes accounts receivable, employees' receivables and amounts due from related parties.

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

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of comprehensive income.

##### Derecognition

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

- The rights to receive cash flows from the asset have expired; or
- The Company 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 Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if,

## Notes to the Financial Statements

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 Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### Impairment

The Company recognises an allowance for expected credit losses ("ECL") for all debt instruments not held at fair value through profit or loss. For accounts receivable and contract assets, the Company applies a simplified approach in calculating ECL. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 30 to 180 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### (ii) financial liabilities

#### Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company'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 amortised cost (lease liabilities and borrowing), and
- Financial liabilities at fair value through profit or loss.

#### Financial liabilities at amortised cost (lease liabilities and borrowing)

This category is relevant to the Company. After initial recognition, lease liabilities and interest-bearing loans and borrowing are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses as a result of unwinding of interest cost through EIR amortisation process and on de-recognition of financial liabilities are recognised in the statement of comprehensive income.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive income. This category generally applies to lease liabilities and borrowings (refer to note 7).

#### 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 designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by International Financial Reporting Standard 9 (Financial Instruments) ('IFRS 9').

Gains or losses on liabilities held for trading are recognised in the statement of comprehensive income.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

#### (iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## Notes to the Financial Statements

### 3.11 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or 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 assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of comprehensive income in expense categories consistent with the function of the impaired asset.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

### 3.12 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### 3.13 Foreign currencies

#### Transaction and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., the translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

### 3.14 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.

## Notes to the Financial Statements

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing an asset or a 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 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 Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- Level 1 – Quoted (unadjusted) market prices in active markets 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 recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of an asset or a liability and level of the fair value hierarchy as explained above.

### 3.15 Dividends distribution

The Company establishes the obligations related to paying the cash dividends to the Company's shareholders when approving the distribution. According to the Saudi Arabian Regulations for Companies, dividends are approved upon approval by the shareholders. Interim dividends, if any, are recorded when approved by the board of directors the corresponding amount is directly recognised in the statement of changes in equity.

## 4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

### Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendment had no impact on the Company's financial statements.

### Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendment had no impact on the Company's financial statements.

### Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

## Notes to the Financial Statements

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

### 5. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

#### 5.1 Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Company's financial statements.

#### 5.2 IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to

"operating profit or loss" and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

#### 5.3 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.

## Notes to the Financial Statements

### 6. PROPERTY AND EQUIPMENT

31 December 2024	Lands SR	Buildings SR	Motor vehicles SR	Leasehold improvements SR	Other fixed assets SR	Total 2024 SR
<b>Cost:</b>						
Balance as at 1 January 2024	92,202,550	6,852,383	2,161,965,764	8,786,721	48,173,555	2,317,980,973
Additions	–	2,115,694	923,327,377	499,383	9,588,936	935,531,390
Transfer to inventories	–	–	(526,021,884)	–	–	(526,021,884)
<b>Balance as at 31 December 2024</b>	<b>92,202,550</b>	<b>8,968,077</b>	<b>2,559,271,257</b>	<b>9,286,104</b>	<b>57,762,491</b>	<b>2,727,490,479</b>
<b>Accumulated depreciation:</b>						
Balance as at 1 January 2024	–	2,400,714	599,780,735	5,495,760	37,244,846	644,922,055
Charge for the year	–	153,166	287,020,785	772,457	5,504,367	293,450,775
Transfer to inventories	–	–	(248,925,285)	–	–	(248,925,285)
<b>Balance as at 31 December 2024</b>	<b>–</b>	<b>2,553,880</b>	<b>637,876,235</b>	<b>6,268,217</b>	<b>42,749,213</b>	<b>689,447,545</b>
<b>Net book value</b>						
<b>As at 31 December 2024</b>	<b>92,202,550</b>	<b>6,414,197</b>	<b>1,921,395,022</b>	<b>3,017,887</b>	<b>15,013,278</b>	<b>2,038,042,934</b>

31 December 2023	Lands SR	Buildings SR	Motor vehicles SR	Leasehold improvements SR	Other fixed assets SR	Total 2023 SR
<b>Cost:</b>						
Balance as at 1 January 2023	88,012,550	6,831,586	1,756,688,739	8,516,090	41,840,812	1,901,889,777
Additions	4,190,000	20,797	842,154,073	270,631	6,332,743	852,968,244
Transfer to inventories	–	–	(436,877,048)	–	–	(436,877,048)
<b>Balance as at 31 December 2023</b>	<b>92,202,550</b>	<b>6,852,383</b>	<b>2,161,965,764</b>	<b>8,786,721</b>	<b>48,173,555</b>	<b>2,317,980,973</b>
<b>Accumulated depreciation:</b>						
Balance as at 1 January 2023	–	2,268,854	541,777,241	4,612,895	32,868,576	581,527,566
Charge for the year	–	131,860	282,063,376	882,865	4,376,270	287,454,371
Transfer to inventories	–	–	(224,059,882)	–	–	(224,059,882)
<b>Balance as at 31 December 2023</b>	<b>–</b>	<b>2,400,714</b>	<b>599,780,735</b>	<b>5,495,760</b>	<b>37,244,846</b>	<b>644,922,055</b>
<b>Net book value</b>						
<b>As at 31 December 2023</b>	<b>92,202,550</b>	<b>4,451,669</b>	<b>1,562,185,029</b>	<b>3,290,961</b>	<b>10,928,709</b>	<b>1,673,058,918</b>

Transfer to inventories represents cost and accumulated depreciation of vehicles no more available for use and transferred to inventories (note 8).

## Notes to the Financial Statements

The depreciation charge for the year is allocated as follows:

As at 31 December	Notes	2024 SR	2023 SR
Cost of revenue	22	292,960,619	286,317,870
General and administrative expense	24	490,156	1,136,501
		293,450,775	287,454,371

The Company's management reviews the useful lives and residual values of its vehicles on annual basis.

### 7. LEASES

#### Company as a lessee

The Company has lease contracts for leasehold buildings (i.e. workshops, accommodations and locations). The Company's obligations under its leases are secured by the lessor's title to the leased assets.

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

#### 7.1 Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

As at 31 December	Notes	2024 SR	2023 SR
Balance as at 1 January		96,207,857	101,610,688
Additions		41,321,134	39,127,173
Depreciation expense	22	(51,330,590)	(44,530,004)
Derecognition of right-of-use asset		(1,273,940)	–
<b>Balance as at 31 December</b>		<b>84,924,461</b>	<b>96,207,857</b>

Right-of-use assets are amortised on a straight-line basis over the respective lease terms that ranges between two to ten years.

#### 7.2 Set out below are the carrying amounts of lease liabilities and movements during the year:

As at 31 December	Notes	2024 SR	2023 SR
Balance as at 1 January		105,340,175	107,555,421
Additions		41,321,134	39,127,173
Accretion of interest	26	4,185,519	5,498,717
Payments (**)		(62,855,310)	(46,841,136)
Derecognition of lease liability		(1,050,379)	–
Balance as at 31 December		86,941,139	105,340,175
Less: current portion		40,131,078	63,562,949
Non-current portion		46,810,061	41,777,226

(\*\*) Payment of lease liability includes repayment of principal portion of SR 58,669,791 (31 December 2023: SR 41,342,419) and payment of interest amounted to SR 4,185,519 (31 December 2023 SR 5,498,717).

## Notes to the Financial Statements

The maturity analysis of lease liabilities is disclosed in note 29.

The following are the amounts recognised in the statement of comprehensive income:

As at 31 December	Notes	2024 SR	2023 SR
Depreciation on right-of-use assets allocated to cost of revenue	22	51,330,590	44,530,004
Short-term leases expenses	22	20,200,087	13,484,091
Finance cost on lease liabilities	26	4,185,519	5,498,717
		<b>75,716,196</b>	63,512,812

### 8. INVENTORIES

As at 31 December	2024 SR	2023 SR
Vehicles held for sale	10,792,578	1,086,847
Spare parts and supplies	6,682,215	5,631,927
	<b>17,474,793</b>	6,718,774

During the year ended 31 December 2024, the Company wrote off SR 5,792,885 (31 December 2023: SR 11,743,829) of inventories resulted from accidents, the reimbursement received from insurance companies related to this was SR 5,990,855 (31 December 2023: SR 11,250,408), both write down and reimbursements are presented on net basis in cost of revenues in the statement of comprehensive income.

### 9. ACCOUNTS RECEIVABLE

As at 31 December	2024 SR	2023 SR
Accounts receivable	443,143,692	365,296,261
Less: allowance for expected credit losses	(159,674,961)	(133,694,615)
	<b>283,468,731</b>	231,601,646

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

As at 31 December	2024 SR	2023 SR
At the beginning of the year	133,694,615	93,222,959
Provided during the year	25,980,346	40,471,656
<b>At the end of the year</b>	<b>159,674,961</b>	133,694,615

## Notes to the Financial Statements

As at 31 December, the ageing analysis of accounts receivable is, as follows:

31 December 2024	Total SR	0-90 days SR	91-180 days SR	181-270 days SR	271-360 days SR	> 361 days SR
Expected credit loss rate	36.03%	5.66%	16.12%	29.69%	46.07%	73%
Gross carrying amount	443,143,692	186,096,115	42,385,092	22,265,980	16,180,111	176,216,394
Expected credit loss	159,674,961	10,535,329	6,832,461	6,611,538	7,454,332	128,241,301

31 December 2023	Total SR	0-90 days SR	91-180 days SR	181-270 days SR	271-360 days SR	> 361 days SR
Expected credit loss rate	36.85%	5.17%	21.30%	34.70%	47.48%	74.10%
Gross carrying amount	365,296,261	138,515,487	47,821,604	23,494,493	19,325,979	136,138,698
Expected credit loss	133,694,615	7,156,509	10,188,137	8,153,572	9,175,261	99,021,136

Please refer to note 29 on credit risk of accounts receivable, which explain how the Company manages and measure credit quality of accounts receivable that are neither past due nor impaired. Accounts receivable are non-interest bearing and are generally on credit terms of 30 to 180 days.

### 10. PREPAYMENTS AND OTHER CURRENT ASSETS

As at 31 December	Notes	2024 SR	2023 SR
Advances to suppliers		42,069,977	71,407,111
Receivable from a former shareholder	19.3	33,703,203	33,703,203
Insurance receivable, net of provision		10,251,061	27,512,048
Prepayments		9,350,192	25,536,569
VAT receivable		2,980,585	5,276,879
Employees' receivables		2,347,395	1,964,769
Margin deposit		1,586,422	1,645,068
Other receivables		8,208,269	5,668,466
		110,497,104	172,714,113

### 11. CONTRACT ASSETS

As at 31 December	2024 SR	2023 SR
Contract assets	9,018,348	14,177,277
Less: allowance for expected credit losses	(2,769,384)	(5,920,264)
	6,248,964	8,257,013

## Notes to the Financial Statements

Movement in the allowance for expected credit losses of contract asset is as follows:

As at 31 December	2024 SR	2023 SR
At the beginning of the year	5,920,264	5,932,920
Reversal of provision during the year	(3,150,880)	(12,656)
<b>At the end of the year</b>	<b>2,769,384</b>	5,920,264

### 12. BANK BALANCES AND CASH

As at 31 December	2024 SR	2023 SR
Bank balances	33,663,129	51,294,149
Cash on hand	1,320,386	1,479,375
	<b>34,983,515</b>	52,773,524

### 13. RELATED PARTY TRANSACTIONS AND BALANCES

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

The terms of the transactions with related parties are approved by the Company's management. Transactions with related parties are entered in the normal course of the Company's business. These balances are expected to be settled in the normal course of business.

Following is a list of related parties of the Company:

Related party	Nature of relationship
Hamoud Abdullah Ibrahim Al-Theeb	Shareholder
Mohammed Ahmed Abdullah Al-Theeb	Shareholder
Mohammad Hamoud Altheeb	Shareholder
Naif Mohammed Ahmed Abdullah Al-Theeb	Shareholder
Alfareedah	Affiliate
Madareem Company	Affiliate

Following are the details of related party transactions for the year ended 31 December:

Related Party	Nature of transactions	2024 SR	2023 SR
Madareem Company	Expenses charged	(4,070)	(10,157)
Mohammad Hamoud Altheeb	Car rental	8,840	–
Naif Mohammed Altheeb	Car rental	19,603	97,099
Alfareedah	Expenses charged	(161,738)	(215,828)
Mohammad Ahmed Altheeb	Rent charged	(780,000)	(560,000)
Mohammad Ahmed Altheeb	Car rental	7,862	3,525

## Notes to the Financial Statements

### Key management compensation

Key management personnel of the Company comprise of key members of the management having authority and responsibility for planning, directing and controlling the activities of the Company. The compensation to key management is shown below:

Related party	Nature of transactions	2024 SR	2023 SR
Key management personnel	Short-term employees' benefits	6,895,273	5,940,179
	Long-term employees' benefits	238,156	229,800
Board of Directors	Board of Directors' remuneration	3,131,000	2,056,800

### 14. SHARE CAPITAL

The Company's share capital is divided into 43,000,000 shares of SR 10 each (31 December 2023: 43,000,000 shares of SR 10 each).

### 15. STATUTORY RESERVE

In accordance with the previous Companies' law and the Company's By-laws, the Company was required to set aside 10% of its net income in each year as a statutory reserve until such reserve equals to 30% of its share capital. According to the new Companies' Law, the mandatory statutory reserve requirement had been removed.

The new Companies Law issued through Royal Decree number M/132 on 1/12/1443H (corresponding to 30 June 2022) (hereinafter referred as "the Law") came into force on 26/6/1444H (corresponding to 19 January 2023). For most provisions of the Law, full compliance should take place not later than two years from 26/6/1444H (corresponding to 19 January 2023). Upon receiving shareholders approval, the Company has amended its by-laws to comply with the provisions of the new companies law in Saudi Arabia on 5 Jumada al-Ula 1446H (corresponding to 7 November 2024).

### 16. TERM LOANS

As at 31 December	2024 SR	2023 SR
Term loans	1,381,447,687	1,125,631,593
Less: current portion	(698,774,795)	(556,896,532)
<b>Non-current portion</b>	<b>682,672,892</b>	568,735,061

The Company has obtained bank facilities from local banks in the form of term loans. The term loans are repayable over a period ranging 24-36 months from the date of drawdown. The installments due within the next 12 months are shown under current liabilities. The Company has other undrawn facilities with bank available in accordance with the signed facility agreements. The Company's bank facilities are Sharia compliant.

The Company's current liabilities exceeded its current assets as of 31 December 2024 and 2023 primarily due to the loans used to finance purchase of vehicles classified under non-current assets in the statement of financial position, this is as part of the normal course of business. This is consistent with previously reported periods.

## Notes to the Financial Statements

### 17. EMPLOYEES' DEFINED BENEFIT LIABILITIES

The Company operates an unfunded employees' end of service benefits plan ("EOSB") for its employees as required by the Saudi Arabian Labor Law.

#### 17.1 Movement in the provision for employees' defined benefit liabilities:

As at 31 December	Notes	2024 SR	2023 SR
At the beginning of the year		38,786,257	34,935,477
Charge for the year	17.2	6,380,265	6,133,628
Actuarial (gain) loss on defined benefit plan	17.4	(1,045,108)	(1,006,576)
Benefits paid		(1,236,643)	(1,276,272)
<b>At the end of the year</b>		<b>42,884,771</b>	<b>38,786,257</b>

#### 17.2 Amount recognised in statement of profit or loss was as follow:

As at 31 December	Notes	2024 SR	2023 SR
Current service cost		4,607,349	4,367,315
Interest cost	26	1,772,916	1,766,313
<b>Total end of service benefits expense</b>		<b>6,380,265</b>	<b>6,133,628</b>

Allocation of benefits expense between cost of revenue, selling and marketing expenses and general and administrative expenses is as follows:

As at 31 December	2024 SR	2023 SR
Cost of revenue	2,257,601	2,139,984
Selling and marketing expenses	1,520,425	1,441,214
General and administrative expenses	829,323	786,117
<b>Total end of service benefits expense</b>	<b>4,607,349</b>	<b>4,367,315</b>

#### 17.3 Actuarial assumptions:

Key assumptions used for the purpose of the actuarial valuation were as follows:

As at 31 December	2024 %	2023 %
Salary increases rates	5.50	5.50
Discount rate	5.60	4.88

## Notes to the Financial Statements

### 17.4 Amount recognised in other comprehensive income was as follow:

As at 31 December	2024 SR	2023 SR
Actuarial (gain) loss due to change in financial assumptions	(947,937)	868,173
Actuarial gain due to experience adjustments	(97,171)	(1,874,749)
<b>Total actuarial gain</b>	<b>(1,045,108)</b>	<b>(1,006,576)</b>

### 17.5 Sensitivity analysis of significant actuarial assumptions:

A quantitative sensitivity analysis for significant assumption on the employees' terminal benefits liabilities as at 31 December 2024 and 31 December 2023 is shown below:

31 December 2024	Change in assumption	Base value SR	Impact on defined benefit obligation	
			Increase in assumption SR	Decrease in assumption SR
Discount rate	+/-1%	42,884,771	38,655,142	47,982,285
Salary growth rate	+/-1%	42,884,771	48,153,340	38,439,435
Mortality rate	+/-10%	42,884,771	42,879,577	42,889,981
Withdrawal rate	+/-10%	42,884,771	42,645,996	43,138,895

31 December 2023	Change in assumption	Base value SR	Impact on defined benefit obligation	
			Increase in assumption SR	Decrease in assumption SR
Discount rate	+/-1%	38,786,257	35,736,547	42,328,603
Salary growth rate	+/-1%	38,786,257	42,465,207	35,561,753
Mortality rate	+/-10%	38,786,257	38,778,186	38,794,353
Withdrawal rate	+/-10%	38,786,257	38,408,048	39,205,088

The sensitivity analysis above has been determined based on a method that extrapolates the impact on the employees' benefit liabilities as a result of reasonable changes in key assumptions occurring as at 31 December 2024 and 31 December 2023. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

The following are the expected payments or contributions to the employees in future years:

As at 31 December	2024 SR	2023 SR
Within the next 12 months (next annual reporting period)	4,592,900	4,912,019
Between 2 and 5 years	12,232,300	11,155,270
Beyond 5 years	74,591,086	46,965,856
	<b>91,416,286</b>	<b>63,033,145</b>

## Notes to the Financial Statements

### 18. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

As at 31 December	Notes	2024 SR	2023 SR
Contract liabilities	21.1	30,424,686	30,620,101
Accrued expenses		38,557,942	27,247,982
Other accruals	19.3	33,703,203	33,703,203
Accrued loyalty points		1,140,784	1,240,625
Others		780,414	693,229
		<b>104,607,029</b>	<b>93,505,140</b>

### 19. ZAKAT PROVISION

#### 19.1 The zakat charge of the Company consists of:

As at 31 December	2024 SR	2023 SR
Charge for the year	4,803,775	11,318,777
Reversal of excess provision related to years 2012 – 2017	(411,920)	(1,830,246)
	<b>4,391,855</b>	<b>9,488,531</b>

As at 31 December	2024 SR	2023 SR
At the beginning of the year	23,428,744	24,718,383
Provided during the year	4,803,775	11,318,777
Prior year reversal of reassessment	(411,920)	(1,830,246)
Paid during the year	(23,016,824)	(10,778,170)
<b>At the end of the year</b>	<b>4,803,775</b>	<b>23,428,744</b>

#### 19.2 The principal element of the zakat base are as follows:

As at 31 December	2024 SR	2023 SR
Equity	836,456,440	664,860,414
Opening provisions and other adjustments	1,333,188,818	1,404,522,712
Book value of long-term assets	(2,169,645,258)	(1,840,118,362)
	–	229,264,764
Zakatable income	185,850,967	216,362,258
Zakat base	185,850,967	445,627,022
Zakat	4,803,775	11,318,777

## Notes to the Financial Statements

### 19.3 Status of zakat assessment

- The Company has filed its zakat returns and financial statements to the Zakat, Tax and Customs Authority (“ZATCA”) for all years up to 31 December 2023 and obtained zakat certificate for those years.

The Company has finalised its zakat position with ZATCA for all years up to 2018. During the year ended 31 December 2024, settlement plan has been agreed with ZATCA to settle the additional claim amount of SR 11 million over 9 instalments starting from May 2024, the Company already kept the provision of SR 11 million for the claim amount. During the year ended 31 December 2024, the Company has paid all 9 installments amounting to SR 11 million as per agreed settlement plan with ZATCA.

- During the year ended 31 December 2021, management received a correspondence from ZATCA, regarding the previous ownership of shares by Growth Opportunities Company for Trading, one of the former shareholders in the Company, that there are certain

possible taxes on the Company. ZATCA’s view based on certain assumptions, is that the Company is partially subject to income tax. In the above-mentioned correspondence, ZATCA assumed that the above-mentioned former shareholder is fully owned directly or indirectly by non-GCC nationals and accordingly, the total amount of income tax exposure as stated by ZATCA is SR 29.76 million for income tax and withholding tax exposure was set out by ZATCA at SR 3.94 million, covering the years from 2013 to 2018 and are excluding delay and other related fines. As at the date of the approval of these financial statements by the Board of Directors, no official assessment has been received from ZATCA. Additional potential exposure for the years ended 31 December 2019 and 2020, and for the period from 1 January 2021 to date of disposition of the former shareholders’ shares could arise if ZATCA imposes the above-mentioned principle to all assessment years.

The Company is currently registered with ZATCA as a 100% zakatable company on the basis of its ownership structure with all direct and indirect shareholders being either GCC

nationals, or companies that were established within the GCC and whose shareholders consist wholly of GCC nationals. Further, dividends distributions to the above-mentioned former shareholder, in management view, are not subject to withholding tax as it is a resident company in the Kingdom of Saudi Arabia (as a Saudi limited liability company on the basis of the incorporation documents).

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

During year ended 31 December 2023, management has reassessed their position and accordingly made accruals of SR 33,703,203 (note 18) with the same corresponding impact of receivable from former shareholder (note 10).

## 20. EARNINGS PER SHARE

Earnings per share (“EPS”) is calculated by dividing the net income for the year over the weighted average of the current ordinary shares during the year.

	2024 SR	2023 SR
Net income for the year	182,706,083	142,069,485
Weighted average number of ordinary shares for basic and diluted EPS	43,000,000	43,000,000
<b>Earnings per share</b>	<b>4.25</b>	3.30



## Notes to the Financial Statements

### 21. REVENUE

#### Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

	2024 SR	2023 SR
Short term rental	487,468,626	509,720,580
Long term lease	501,329,759	354,099,611
Sales of motor vehicles	313,873,217	271,573,976
	<b>1,302,671,602</b>	1,135,394,167

#### Timing of revenue recognition

	2024 SR	2023 SR
Services transferred over time	988,798,385	863,820,191
Services transferred at point in time	313,873,217	271,573,976
	<b>1,302,671,602</b>	1,135,394,167

#### Performance obligations

The performance obligation is satisfied upon availing the vehicle for lease and payment is generally due 90 days for corporate customers from the invoice date. Contracts for the sale of vehicles do not provide customers with any right of return. There are no unsatisfied performance obligations as at the reporting date; therefore, there are no transaction price that are required to be allocated over the remaining or unsatisfied performance obligations.

#### Operating leases – the Company as lessor

The Company has entered into leases on its fleet of vehicles. The commercial and non-commercial vehicle leases typically have lease terms of between 1 and 5 years. Some leases contain options to terminate before the end of the lease term in exchange of additional penalty payments.

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

	2024 SR	2023 SR
Within 1 year	477,698,980	327,511,709
After 1 year but not more than 5 years	764,515,462	488,432,957
	<b>1,242,214,442</b>	815,944,666

## Notes to the Financial Statements

### Geographical markets

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

### 21.1 Contract balances

	Note	2024 SR	2023 SR
Contract assets	11	<b>6,248,964</b>	8,257,013
Contract liabilities *	18	<b>30,424,686</b>	30,620,101

\* Contract liabilities represent advances received from customers against long term lease services not yet provided.

### 22. COST OF REVENUE

	Note	2024 SR	2023 SR
Depreciation of property and equipment	6	<b>292,960,619</b>	286,317,870
Cost of vehicles sold		<b>261,400,027</b>	200,810,885
Employees' salaries and other benefits		<b>80,165,227</b>	71,989,319
Maintenance and repairs		<b>79,809,111</b>	63,502,210
Insurance		<b>66,635,727</b>	68,552,176
Depreciation on right-of-use assets	7	<b>51,330,590</b>	44,530,004
Rental	7.2	<b>20,200,087</b>	13,484,091
Shipping		<b>8,624,068</b>	6,728,425
Bank charges		<b>3,513,819</b>	3,012,367
Utilities		<b>1,956,284</b>	1,675,105
Penalties		<b>1,583,644</b>	3,106,861
Others		<b>16,730,157</b>	12,819,766
		<b>884,909,360</b>	776,529,079

### 23. SELLING AND MARKETING EXPENSES

	2024 SR	2023 SR
Employees' salaries and other benefits	<b>53,988,826</b>	48,482,604
Advertising	<b>13,094,247</b>	8,675,113
Others	<b>959,004</b>	968,154
	<b>68,042,077</b>	58,125,871



## Notes to the Financial Statements

### 24. GENERAL AND ADMINISTRATIVE EXPENSES

	Note	2024 SR	2023 SR
Employees' salaries and other benefits		<b>26,890,779</b>	24,838,895
Professional fees		<b>8,798,824</b>	5,679,332
IT/ERP system		<b>6,039,771</b>	3,422,551
Utilities		<b>2,890,508</b>	2,952,905
Board of Directors' remuneration	13	<b>3,131,000</b>	2,056,800
Maintenance and repairs		<b>2,319,381</b>	1,815,859
VAT deemed supply		<b>1,661,740</b>	1,350,549
Hospitality		<b>1,405,498</b>	1,753,187
Charity donations		<b>2,642,625</b>	2,565,553
Governmental fees		<b>1,101,819</b>	406,777
Communication		<b>620,086</b>	2,103,716
Depreciation of property and equipment	6	<b>490,156</b>	1,136,501
Others		<b>3,325,693</b>	4,289,033
		<b>61,317,880</b>	54,371,658

### 25. OTHER INCOME

	2024 SR	2023 SR
Rebate income	<b>7,031,238</b>	4,985,642
Reversal of loyalty points expired*	<b>966,608</b>	848,657
Car sales fee	<b>328,400</b>	283,515
Miscellaneous income	<b>909,042</b>	739,433
	<b>9,235,288</b>	6,857,247

\* This amount represents the amount of expired loyalty points.

### 26. FINANCE COSTS

	Note	2024 SR	2023 SR
Finance cost on bank borrowings		<b>80,251,734</b>	53,942,760
Finance cost on lease liabilities	7.2	<b>4,185,519</b>	5,498,717
Interest on employees' defined benefit liabilities	17.2	<b>1,772,916</b>	1,766,313
		<b>86,210,169</b>	61,207,790

## Notes to the Financial Statements

### 27. COMMITMENTS AND CONTINGENCIES

At 31 December 2024, the Company issued letters of guarantees amounted to SR 75.9 million (31 December 2023: SR 75.2 million) mainly in respect of the Company's leased properties and bidding securities.

### 28. FAIR VALUE OF ASSETS AND LIABILITIES

As at 31 December 2024 and 2023, the fair values of the Company's financial instruments are estimated to approximate their carrying values and are classified under level 2 of the fair value hierarchy. No significant inputs were applied in the valuation of financial assets and financial liabilities as at 31 December 2024 and 31 December 2023.

During the year ended 31 December 2024 and 2023, there were no movements between the levels.

### 29. FINANCIAL INSTRUMENTS RISK MANAGEMENT

The Company's principal financial liabilities comprise bank borrowings, accounts payable and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include accounts receivable, contract assets and other receivables and bank balances.

The Company's activities expose it to a variety of financial risks: market risk (including commission rate risks, currency risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on robust liquidity management as well as monitoring of various relevant market variables, thereby consistently seeking to minimise potential adverse effects on the Company's financial performance.

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: commission rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include bank borrowings.

#### Commission rate risk

Commission rate risk is the exposure to various risks associated with the effect of fluctuations in the prevailing commission rates on the Company's financial position and cash flows. The Company manages the commission rate risk by regularly monitoring the commission rate profiles of its interest-bearing financial instruments.

#### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	2024 SR	2023 SR
<b>Gain (loss) through the statement of comprehensive income</b>		
<b>Floating rate debt:</b>		
SIBOR +/- 100bps	1,381,448	1,125,632

#### Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's transactions are principally in Saudi Riyals and hence Company is not significantly affected by such risk.

#### Credit risk

Credit risk is the risk that one party to financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company has no significant concentration of credit risk. Concentration risk arises when a number of counterparties engaged in similar business activities or activities in the same geographical region or have economic features that would cause them to fail their contractual obligations. To reduce exposure to credit risk, the Company has developed a formal approval process whereby credit limits are applied to its customers. The management also continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery.

To mitigate the risk, the Company has a system of assigning credit limits to its customers based on an extensive evaluation based on customer profile and payment history.

## Notes to the Financial Statements

The Company's gross maximum exposure to credit risk at the reporting date is as follows:

	Note	2024 SR	2023 SR
Accounts receivable	9	443,143,692	365,296,261
Contract assets	11	9,018,348	14,177,277
Bank balances	12	33,663,129	51,294,149
Other assets		52,321,038	98,919,159
		538,146,207	529,686,846

### (a) Accounts receivable and contract assets

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. The 5 largest customers account for 12% of outstanding accounts receivable at 31 December 2024 (31 December 2023: 10%).

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all accounts and other receivables.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The calculation reflects the probability-weighted outcome, the time value of

money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. Outstanding customer receivables are regularly monitored. Some customers are also secured, where possible, by way of promissory notes or advance payments, which are considered integral part of account receivables and considered in the calculation of impairment.

There were no past due or impaired receivables from related parties.

### (b) Bank balances

Credit risk from bank balances are managed by the Company's management in accordance with the Company's policy and is limited as cash balances are held with banks with sound credit ratings. The Company deposits its cash balances with major high credit-rated

financial institutions and does not believe that there is a significant risk of non-performance by these financial institutions.

### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. Also the Company has bank facilities to meet its requirements.

Cash flow forecasting is performed by the management which monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.

The table below analyses the Company's financial liabilities into the relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances, as the impact of discounting is not significant.

	Within 1 year SR	1 to 5 years SR	More than 5 years SR	Total SR
31 December 2024				
Term loans	698,774,795	682,672,892	–	1,381,447,687
Notes payable	111,064,772	–	–	111,064,772
Other current liabilities	40,131,077	–	–	40,131,077
Lease liabilities	50,292,113	41,834,739	15,899,170	108,026,022
Accounts payable	13,453,663	–	–	13,453,663
	913,716,420	724,507,631	15,899,170	1,654,123,221

## Notes to the Financial Statements

31 December 2023	Within 1 year SR	1 to 5 years SR	More than 5 years SR	Total SR
Term loans	556,896,532	568,735,061	–	1,125,631,593
Notes payable	79,922,018	–	–	79,922,018
Other current liabilities	63,752,399	–	–	63,752,399
Lease liabilities	75,483,326	37,247,173	11,393,630	124,124,129
Accounts payable	45,041,443	–	–	45,041,443
	821,095,718	605,982,234	11,393,630	1,438,471,582

### 30. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

#### 30.1 Financial assets

	2024 SR	2023 SR
<b>Financial assets at amortised cost:</b>		
Bank balances and cash	34,983,515	52,773,524
Accounts receivable	283,468,731	231,601,646
Contract asset	6,248,964	8,257,013
<b>Total financial assets</b>	<b>324,701,210</b>	<b>292,632,183</b>

#### 30.2 Financial liabilities

	Note	Maturity	2024 SR	2023 SR
<b>Current interest-bearing liabilities</b>				
Current portion of term loans	16	Less than 1 year	698,774,795	556,896,532
Current portion of lease obligation	7	Less than 1 year	40,131,078	63,562,949
<b>Non-current interest-bearing liabilities</b>				
Term loans	16	1 to 3 years	682,672,892	568,735,061
Lease obligation	7	1 to 10 years	46,810,061	41,777,226

## Notes to the Financial Statements

### 31. CAPITAL MANAGEMENT

For the purpose of the Company's management, capital includes issued capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholders' value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. The Company informally monitors capital using a gearing ratio, which is "net debt" divided by total capital plus net debt.

	2024 SR	2023 SR
Non-current portion of term loans	682,672,892	568,735,061
Non-current portion of lease obligation	46,810,061	41,777,226
Current portion of term loans	698,774,795	556,896,532
Current portion of lease obligation	40,131,078	63,562,949
	<b>1,468,388,826</b>	1,230,971,768
<b>Equity</b>	<b>830,437,666</b>	729,676,475
Gearing ratio	1.77	1.69

### 32. SEGMENTAL INFORMATION

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

31 December 2024	Short term lease SR	Long term lease SR	Car sales SR	Total SR
Revenue	487,468,626	501,329,759	313,873,217	1,302,671,602
Depreciation expense – motor vehicles	(121,745,550)	(165,275,235)	–	(287,020,785)
Cost of vehicles sold	–	–	(261,400,027)	(261,400,027)
Segment profit	365,723,076	336,054,524	52,473,190	754,250,790

31 December 2023	Short term lease SR	Long term lease SR	Car sales SR	Total SR
Revenue	509,720,580	354,099,611	271,573,976	1,135,394,167
Depreciation expense – motor vehicles	(147,246,022)	(134,817,354)	–	(282,063,376)
Cost of vehicles sold	–	–	(200,810,885)	(200,810,885)
Segment profit	362,474,558	219,282,257	70,763,091	652,519,906

## Notes to the Financial Statements

### Unallocated revenue and expenses:

	2024 SR	2023 SR
Segments profit	754,250,790	652,519,906
Cost of revenue	(336,488,548)	(293,654,818)
Selling and marketing expenses	(68,042,077)	(58,125,871)
General and administrative expenses	(61,317,880)	(54,371,658)
Provision for expected credit losses	(24,329,466)	(40,459,000)
Finance costs	(86,210,169)	(61,207,790)
Other income	9,235,288	6,857,247
<b>Income before zakat</b>	<b>187,097,938</b>	<b>151,558,016</b>

### Detail of segment assets and liabilities:

	Allocated		Unallocated	
	Short term lease SR	Long term lease SR	Other SR	Total SR
31 December 2024				
Segment assets	571,265,472	1,350,129,550	654,245,480	2,575,640,502
Segment liabilities	–	–	1,745,202,836	1,745,202,836

	Allocated		Unallocated	
	Short term Lease SR	Long term Lease SR	Other SR	Total SR
31 December 2023				
Segment assets	597,362,872	964,822,157	679,146,816	2,241,331,845
Segment liabilities	–	–	1,511,655,370	1,511,655,370

### Other disclosures:

	Allocated		Unallocated	
	Short term lease SR	Long term lease SR	Other SR	Total SR
31 December 2024				
Capital expenditures	231,794,788	691,532,589	12,204,013	935,531,390

	Allocated		Unallocated	
	Short term Lease SR	Long term lease SR	Other SR	Total SR
31 December 2023				
Capital expenditures	338,540,357	503,613,716	10,814,171	852,968,244

## Notes to the Financial Statements

Capital expenditure consists of additions of property and equipment and intangible assets.

Finance income and costs, and gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a Company basis. Zakat and financial assets and liabilities are not allocated to those segments as they are also managed on a Company basis.

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

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

### 33. DIVIDENDS

The Company's Board of Directors approved in their meeting held on 13 March 2024, to distribute final cash dividend for the fourth quarter 2023 of SR 0.41 per share totaling to SR 17,630,000. The above-mentioned dividends have been distributed to the shareholders on 26 March 2024.

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

The Company's Board of Directors approved in their meeting held on 7 August 2024, to distribute cash interim dividend of SR 0.51 per share totaling SR 21,930,000. The above-mentioned interim dividend has been distributed to the shareholders on 22 August 2024.

The Company's Board of Directors approved in their meeting held on 6 November 2024, to distribute cash interim dividend of SR 0.54 per share totaling SR 23,220,000 the above-mentioned interim dividend has been distributed to the shareholders on 28 November 2024.

The Company's Board of Directors approved, in their meeting held on 29 March 2023, to distribute interim cash dividends of SR 0.59 per share totaling to SR 25,370,000. The above-mentioned interim dividends have been distributed to the shareholders on 13 April 2023.

The Company's Board of Directors approved, in their meeting held on 1 June 2023, to distribute interim cash dividends of SR 0.49 per share totaling to SR 21,070,000. The above-mentioned interim dividends were distributed to the shareholders on 13 June 2023.

The Company's Board of Directors approved, in their meeting held on 10 August 2023, to distribute interim cash dividends of SR 0.34 per share totaling to SR 14,620,000. The above-mentioned interim dividends have been distributed to the shareholders on 23 August 2023.

The Company's Board of Directors approved, in their meeting held on 7 November 2023, to distribute interim cash dividends of SR 0.40 per share totaling to SR 17,200,000. The above-mentioned interim dividends have been distributed to the shareholders on 28 November 2023.

### 34. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in liabilities arising from financing activities:

	1 January 2024 SR	Cash flows SR	New leases SR	Others SR	31 December 2024 SR
Current portion of term loans	556,896,532	141,878,263	–	–	698,774,795
Lease liabilities	105,340,175	(62,855,310)	41,321,134	3,135,140	86,941,139
Non-current portion of term loans	568,735,061	113,937,831	–	–	682,672,892
<b>Total</b>	<b>1,230,971,768</b>	<b>192,960,784</b>	<b>41,321,134</b>	<b>3,135,140</b>	<b>1,468,388,826</b>

	1 January 2023 SR	Cash flows SR	New leases SR	Others SR	31 December 2023 SR
Current portion of term loans	442,155,580	114,740,952	–	–	556,896,532
Lease liabilities	107,555,421	(46,841,136)	39,127,173	5,498,717	105,340,175
Non-current portion of term loans	455,185,280	113,549,781	–	–	568,735,061
<b>Total</b>	<b>1,004,896,281</b>	<b>181,449,597</b>	<b>39,127,173</b>	<b>5,498,717</b>	<b>1,230,971,768</b>

## Notes to the Financial Statements

### 35. COMPANY BRANCHES

These financial statements cover the activities of the Company and the following branches:

Branch	Commercial registration	License No.	Date of commercial registration
<b>Central region</b>			
Altaawon	1010311975	14/00004212	4/8/1432 H (corresponding 5/6/2011)
Alswaidi	1010187020	14/00004223	30/3/1424 H (corresponding 31/5/2003)
Alshefa	1010359247	14/00004224	16/2/1434 H (corresponding 29/12/2012)
Al-Yasmin	1010396199	14/00004237	23/1/1435 H (corresponding 26/11/2013)
Riyadh Showroom, AlRawdah	1010378245	10102000200	27/7/1434 H (corresponding 6/6/2013)
Al Musanada	1010378245	14/0000222	27/7/1434 H (corresponding 6/6/2013)
Al-Malaz	1010224758	14/00004220	22/10/1427 H (corresponding 13/11/2006)
Um Alhamam	1010181670	14/00004221	15/8/1423 H (corresponding 21/10/2002)
King Khalid Airport Terminal 1	1010150661	14/00005459	12/4/1419 H (corresponding 5/8/1998)
King Khalid Airport Terminal 5	1010150661	14/00004578	12/4/1419 H (corresponding 5/8/1998)
Car Sales	1010177560	–	23/3/1423 H (corresponding 4/6/2002)
Maintenance Center	1010388439	–	12/11/1434 H (corresponding 18/9/2013)
Real Estate Records	1010317696	–	10/11/1432 H (corresponding 8/10/2011)
Buraida	1131051994	14/00006564	12/5/1435H (corresponding 13/03/2014)
Buraida Airport	1131051994	14/00005030	12/5/1435H (corresponding 13/03/2014)
Buraida Airport – International	1131051994	14/00005030	12/5/1435H (corresponding 13/03/2014)
Al Qadisyah	1010758112	–	12/4/1443H (corresponding 18/11/2021)
Korinch Hail	3350139352	14/00006656	4/7/1439 H (corresponding 21/3/2018)
Hail Airport	3350139352	80102000201	4/7/1439 H (corresponding 21/3/2018)
Al Aroubah	1010930285	14/00004238	13/4/1439 H (corresponding 31/12/2017)
Al Yarmouk	1010451029	14/00004239	15/9/1439 H (corresponding to 29/5/2018)
Wadi Lanan	1010598941	14/00001917	15/02/1441H (corresponding to 15/10/2019)
Buses	1010604548	–	22/03/1441H (corresponding to 20/11/2019)
Operating and Maintenance	1010610736	–	25/11/1438H (corresponding to 18/8/2017)
Car Maintenance	1010428416	–	8/2/1436H (corresponding to 1/12/2014)
Leath company for rent Car	1010215369	–	4/12/1426H (corresponding to 4/1/2006)
Twaiq New branch	1010150661	14/00008289	12/4/1419 H (corresponding 5/8/1998)
North Industrial New branch	1010150661	14/00007031	12/4/1419 H (corresponding 5/8/1998)
Al Sulay	1010150661	14/00006294	12/4/1419 H (corresponding 5/8/1998)
<b>Western region</b>			
Al Tahlia New Branch	4030127038	under process	29/1/1420 H (corresponding 15/5/1999)
Albughdadia	4030127038	14/00004447	29/1/1420 H (corresponding 15/5/1999)
Almadina road	4030127038	14/00004443	29/1/1420 H (corresponding 15/5/1999)
Al-Fayha	4030127038	14/00004446	29/1/1420 H (corresponding 15/5/1999)
Al-Samer	4030290391	14/00004445	23/1/1420 H (corresponding 9/5/1999)
Yanbu	4700017234	3022002000	15/3/1435 H (corresponding 16/1/2014)
Almadina Almonawara	4650050975	30102000201	4/3/1432 H (corresponding 7/2/2011)

## Notes to the Financial Statements

Branch	Commercial registration	License No.	Date of commercial registration
Almadina Airport	4650050975	14/00002912	4/3/1432 H (corresponding 7/2/2011)
Al-Taif Airport	4032036164	20302000201	18/6/1434 H (corresponding 28/4/2013)
Al Amal	4030127038	14/00004444	29/1/1420H (corresponding 14/5/1999)
Makah Al Mukarmah branch	4031225251	14/00000537	25/7/1440H (corresponding 01/4/2019)
Altaif branch	4032235084	14/00001325	25/7/1440H (corresponding 01/4/2019)
Alual branch	4651102277	14/00000453	15/2/1441H (corresponding 15/10/2019)
Asfan Maintenance	4030403857	–	22/5/1442H (corresponding 6/1/2021)
Al-Hamdaniah	4030127038	14/00009006	29/1/1420 H (corresponding 15/5/1999)
Prince Majied Road	4030127038	14/00007944	29/1/1420 H (corresponding 15/5/1999)
King Abdulaziz Airport Terminal 1	4030127038	14/00004456	29/1/1420 H (corresponding 15/5/1999)
<b>Eastern region</b>			
Dammam	2050034970	20102000201	4/2/1420 H (corresponding 19/5/1999)
Al-Khobar	2051221149	14/00005781	26/7/1439 H (corresponding 12/4/2018)
Dammam Airport	2050034970	14/00004321	4/2/1420 H (corresponding 19/5/1999)
Al-Jubail	2055009774	14/00003491	15/9/1429 H (corresponding 15/9/2008)
Al-Jubail Royal Commission	2050034970	51302000201	4/2/1420 H (corresponding 19/5/1999)
Alihasa, Alkhaldia	2251040741	50202000201	22/11/1431 H (corresponding 30/10/2010)
Al Kair Maintenance	2050148928	–	12/2/1443H (corresponding 20/9/2021)
Alihsa, Almubaraz	2031100133	14/00004346	25/10/1439 H (corresponding 9/7/2018)
Al Raka	2050034970	14/00004067	4/2/1420 H (corresponding 19/5/1999)
Azizia Khubar	2050034970	14/00004319	4/2/1420 H (corresponding 19/5/1999)
Al Qatif New branch	2050034970	14/00008511	4/2/1420 H (corresponding 19/5/1999)
<b>Southern region</b>			
Abha Branch	5850069435	60102000202	2/5/1437 H (corresponding 11/2/2016)
Abha Airport	5850234565	14/00007890	2/7/1439 H (corresponding 9/7/2018)
Albaha Airport	5800021384	120502000201	9/6/1438 H (corresponding 8/3/2017)
Jazan Airport	5900020957	14/00007889	23/3/1434 H (corresponding 4/2/2013)
Albaha Branch	5800020727	14/00007982	2/5/1437 H (corresponding 11/02/2016)
Najran Branch	5950032463	110102000202	4/7/1437 H (corresponding 11/04/2016)
Madina road, askaria – khamis mushait	5855070943	60202000201	27/8/1438 H (corresponding 24/5/2017)
Najran Airport	5950115357	14/00000539	16/8/1440 H (corresponding 22/4/2019)
Abo Aresh	5901720213	14/00003382	22/5/1442 H (corresponding 6/1/2021)
<b>Northern region</b>			
Tabuk	3550032407	70102000201	14/2/1435 H (corresponding 17/12/2013)
Tabuk Airport	3550032407	14/00002915	14/2/1435 H (corresponding 17/12/2013)
Neom Airport	3550032407	–	14/2/1435 H (corresponding 17/12/2013)

## Notes to the Financial Statements

### 36. EVENTS AFTER THE REPORTING PERIOD

In the opinion of management, no significant subsequent events have occurred subsequent to 31 December 2024 that would require disclosures or adjustments in these financial statements.

### 37. COMPARATIVE FIGURES

Certain prior year amounts have been reclassified to conform to the presentation in the current year.

These items were reclassified as follows:

	As previously stated SR	Reclassification SR	After reclassification SR
Bank balances and cash	52,011,938	761,586	52,773,524
Prepayments and other current assets	173,475,699	(761,586)	172,714,113
Accounts receivable	229,096,887	2,504,759	231,601,646
Accrued expenses and other current liabilities	91,000,381	2,504,759	93,505,140

### 38. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorised for issue on 11 Ramadhan 1446H (corresponding 11 March 2025) by the Board of Directors of the Company.

# About this Report



The Theeb Rent a Car Annual Report for 2024 highlights the company's unwavering commitment to ethical growth, continuous improvement, and sustainable progression. This report serves as a testament to Theeb's dedication to transparency by offering stakeholders a comprehensive overview of its financial statements, strategies, governance practices, core values, and overall performance during the reporting period.

By providing this level of clarity and detail, the report aims to foster effective communication and strengthen the relationship between stakeholders and the management team, ensuring alignment with the company's vision and goals.

## REPORT BOUNDARY AND REPORTING PERIOD

This report provides comprehensive information and insights covering the period from 1 January 2024, to 31 December 2024. It highlights Theeb's performance, operations, and achievements throughout the year, showcasing the company's dedication to growth and excellence. To ensure accessibility and inclusivity, the report is available in both English and Arabic, enabling a broader reach and engagement with stakeholders.

This report complies with the laws, regulations, and guidelines issued by the Saudi Government, the Ministry of Commerce, the Capital Market Authority, and other relevant regulatory bodies and authorities. It is aligned with all applicable standards to ensure transparency, accountability, and adherence to best practices.

## FINANCIAL STATEMENTS

The Financial Statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) applicable in the Kingdom of Saudi Arabia. They also conform to the additional standards and regulations set forth by the Saudi Organisation for Chartered and Professional Accountants ("SOCPA").

# Corporate Information

## NAME

Theeb Rent a Car Company

## COMMERCIAL REGISTRATION NO.

1010150661

## REGISTERED LOGO



لتأجير السيارات  
Rent a Car

**STOCK CODE:** 4261

## AUDITORS

Ernst & Young & Co

## LEGAL FORM

A Saudi Joint Stock Company, established pursuant to Ministerial Resolution No. 305/S, dated 11/10/1431H (20 September 2010).

## STOCK EXCHANGE LISTING

The shares of Theeb Rent a Car Company are listed on the Saudi Stock Exchange (Tadawul).

## HEAD OFFICE

**Theeb Rent a Car Company**  
6709 Eastern Ring Road,  
Al Rawda District  
Riyadh 2394-13211  
Kingdom of Saudi Arabia

## CONTACT INFORMATION


Tel: +966 (11) 493 9222  
Fax: +966 (11) 492 0171  
Website: [www.theebonline.com](http://www.theebonline.com)  
Email: [info@theeb.sa](mailto:info@theeb.sa)





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