

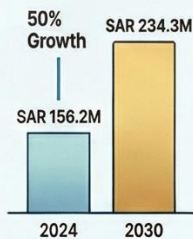
Business Prospectus

The Riyadh Bus Digital Ad Network: A Vision 2030 Investment Opportunity

The Unmissable Market Opportunity



50% Growth in Saudi Digital Ad Market by 2030



Massive Reach Across the Capital

Leveraging 672 buses across 54 routes and 2,145 stations daily.



Fueled by Vision 2030 & the 2034 World Cup

Capitalising on economic diversification and unprecedented global event demand.



A De-Risked, High-Return Investment



Exceptional 24% Internal Rate of Return

This significantly exceeds the typical 8-13% benchmark for infrastructure projects.

Revenue Secured from Day One

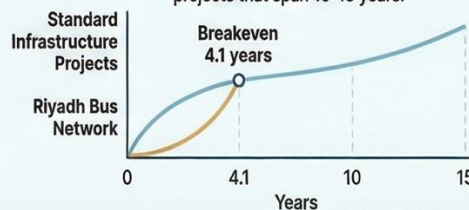
Backed by a SAR 583.2 million advertising lease agreement with Al Arabia.

Financial Outlook: Clear Path to Growth (10-Year)

	Conservative	Base Case	Optimistic
Cumulative Revenue	SAR 778M	SAR 1,330M	SAR 1,825M
EBITDA	SAR 310M	SAR 680M	SAR 1,025M
Payback Period	6.2 Years	4.1 Years	3.1 Years

Rapid 4.1-Year Payback Period

Far outperforms standard infrastructure projects that span 10-15 years.



Riyadh Bus Digital Advertising Network

A Strategic Investment in Saudi Arabia's Digital Out-of-Home Advertising Future

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Executive Summary

The Riyadh Bus Digital Advertising Network represents a transformative investment opportunity to establish a state-of-the-art LED digital advertising platform across the Kingdom's largest urban bus fleet. This venture directly addresses the strategic imperative of monetizing premier public infrastructure while creating a powerful new media channel aligned with Saudi Arabia's Vision 2030 economic diversification objectives.

The Opportunity

The project transforms the existing Riyadh Bus network—comprising **672 buses** across **54 routes** serving **2,145 stations**—into a comprehensive digital out-of-home advertising ecosystem capable of generating substantial, sustainable revenue streams.

Key Financial Metrics

Metric	Conservative	Base Case	Optimistic
Total Capital Investment	SAR 230M	SAR 255M	SAR 280M
10-Year Cumulative Revenue	SAR 778M	SAR 1,330M	SAR 1,825M
10-Year EBITDA	SAR 310M	SAR 680M	SAR 1,025M
EBITDA Margin	40%	51%	56%
Net Present Value (@ 10%)	SAR 95M	SAR 285M	SAR 465M
Internal Rate of Return	14%	24%	32%
Payback Period	6.2 Years	4.1 Years	3.1 Years

Strategic Recommendation

Proceed immediately with Phase 1 implementation, focusing on establishing the corporate structure and selecting key technology partners. The compelling combination of Vision 2030 alignment, proven operational partnership, superior financial returns, and de-risked deployment creates an investment case that warrants decisive action.

Investment Highlights

1. Exceptional Financial Returns

- **24% Internal Rate of Return** (Base Case) significantly exceeds typical infrastructure investment benchmarks of 8-12%
- **4.1-year payback period** outperforms standard infrastructure projects spanning 10-15 years
- **>95% probability of positive NPV** confirmed through Monte Carlo simulation analysis

2. Strong Operational Foundation

- Built upon **SAPTCO's 45+ years** of transit expertise
- Leverages **RATP Development's** global best practices
- PTC generated **SAR 704M revenue** in 9M 2025 (23% YoY growth)

3. De-Risked Deployment

- Utilizes existing, state-of-the-art transit infrastructure
- No construction, right-of-way, or network planning challenges
- SAR 563.2M advertising lease agreement with Al Arabia provides revenue certainty

4. Vision 2030 Alignment

- Supports economic diversification objectives
- Advances smart city initiatives
- Enables public-private partnership model

5. Growing Market Opportunity

- Saudi DOOH market projected to reach SAR 234.3M by 2030
- 2034 FIFA World Cup will accelerate premium advertising demand
- Riyadh's unprecedented urban development creates advertising goldmine

Market Opportunity

Digital Out-of-Home Advertising Landscape

The Saudi Arabia digital out-of-home (DOOH) advertising market presents a compelling investment opportunity:

Market Metric	Value
2024 Market Value	SAR 156.2 million
2030 Projected Value	SAR 234.3 million
Growth Rate	Exceeds traditional advertising segments

Market Drivers

1. **Economic Transformation:** Vision 2030 investments in tourism, entertainment, and commercial development
2. **Demographic Advantage:** Affluent, digitally sophisticated, brand-receptive population
3. **Major Events:** 2034 FIFA World Cup will drive unprecedented advertising demand
4. **Infrastructure Modernization:** King Abdulaziz Project creates premium advertising platform

Competitive Advantages

- **No platform fragmentation** unlike digital advertising
- **No ad-blocking concerns** inherent to physical displays
- **Social amplification** from public space viewing
- **Extended dwell times** (20-45 minute average bus journey)
- **High-frequency exposure** across city-wide routes

Business Overview

The Three-Pillar Solution

Pillar 1: Advanced LED Digital Advertising Platform

Interior Displays: - High-resolution 1920×1080 LED screens - 10-second rotation cycles - Captive audience targeting during 20-45 minute journeys - 43" main displays + 32" secondary displays per bus

Exterior Displays: - Side panels: 2.5m × 1m LED (IP65 rated) - Rear displays: 1.5m × 1m LED - High-brightness: >5,000 nits for daylight visibility - Weather-resistant: -10°C to 50°C operational range

Station Infrastructure: - Large-format LED video walls at premium hubs - Digital kiosks at major stations - Standard displays at 1,645 locations

Pillar 2: Zero-Capital Financing Structure

- **Equipment financing:** SAR 210,000 per bus for complete LED installation
- **Islamic-compliant structures** available through development finance institutions
- **Receivables factoring:** 85-90% advances on advertising contracts
- Full ownership retention with minimal upfront capital

Pillar 3: Risk-Protected Cash Flow

- **SAR 563.2M advertising lease agreement** with Al Arabia (Arabian Contracting Services Company)
- **Default insurance coverage** through international underwriters
- **Professional credit assessment** and collection services
- **Bank-arranged sinking fund** (SAR 40-50M) for debt service guarantee

Revenue Streams

Revenue Source	Conservative	Base Case	Optimistic
Exterior Bus Advertising	SAR 15-25M	SAR 35-50M	SAR 60-70M
Interior Bus Advertising	SAR 5-10M	SAR 15-25M	SAR 25-35M
Station Advertising	SAR 20-40M	SAR 35-55M	SAR 50-70M
Sponsorships & Naming Rights	SAR 5-15M	SAR 15-20M	SAR 20-30M
Total Annual (Year 5)	SAR 85M	SAR 125M	SAR 150M

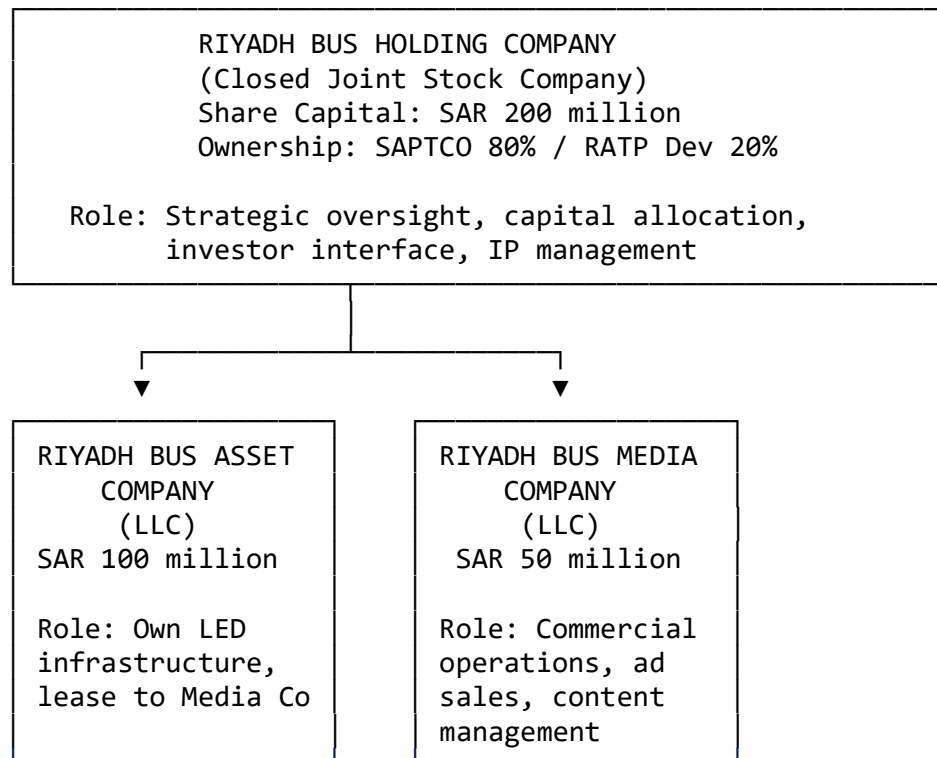
Corporate Structure

Parent Company Foundation

Saudi Public Transport Company (SAPTCO) - Established by Royal Decree in 1979 - Publicly-traded Saudi Joint Stock Company - Total Assets: SAR 4,059 million - Share Capital: SAR 1,250 million

Public Transportation Company (PTC) - Joint Venture: SAPTCO (80%) + RATP Development (20%) - Operator of King Abdulaziz Project for Public Transport - 9M 2025 Revenue: SAR 704 million (+23% YoY) - Total Assets: SAR 2,654 million

Proposed Three-Entity Structure



Benefits of This Structure

1. **Risk Segregation:** Assets insulated from operational liabilities
 2. **Financing Flexibility:** Assets can serve as collateral without encumbering operations
 3. **Operational Agility:** Media company can adapt quickly to market dynamics
 4. **Clean Governance:** Clear accountability and decision-making authority
 5. **Future Optionality:** Facilitates potential partial sales or strategic partnerships
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Financial Projections

Capital Investment Requirements

Investment Category	Amount (SAR M)	% of Total
Exterior Bus LED Displays	90-110	39.2%
Interior Bus LED Displays	35-45	15.7%
Bus Station Infrastructure	75-95	33.3%
Content Management Systems	20-30	9.8%
Contingency Reserve	5	2.0%
Total Investment	230-280	100%

Ten-Year Revenue Projections (SAR Millions)

Year	Conservative	Base Case	Optimistic
1	18	25	32
2	42	58	75
3	62	88	115
4	78	110	145
5	88	125	168
6	92	135	185
7	95	142	195
8	97	148	205
9	98	150	210
10	98	150	212
10-Year Total	778	1,330	1,825

Profitability Trajectory

Metric	Year 2	Year 3	Year 4	Year 5
EBITDA Margin	37.5%	46.8%	52.4%	53.6%
Operating Margin	10.1%	28.6%	38.7%	41.7%
Net Profit Margin	1.8%	23.5%	35.2%	39.3%
ROE	0.7%	12.6%	21.9%	23.5%

Risk-Adjusted Expected NPV

Scenario	Probability	NPV	Weighted NPV
Conservative	25%	SAR 95M	SAR 23.75M
Base Case	50%	SAR 285M	SAR 142.50M
Optimistic	25%	SAR 723M	SAR 180.75M
Expected NPV			SAR 347.0M

Implementation Roadmap

Phase 1: Foundation & Corporate Setup (Months 1-6)

Corporate Formation: - Legal establishment of three-entity structure - Shareholder agreements and governance documentation - Regulatory filings with SAGIA and Ministry of Commerce - Banking relationships and financing commitments

Technology Partner Selection: - Formal RFP process with Planar, Leyard, and other vendors - Technical capability and warranty evaluation - Total cost of ownership analysis - Reference checks with comparable global installations

Pilot Planning: - Selection of 50 buses and 10 stations for test deployment - Route prioritization based on ridership and visibility - Technical specifications finalization

Phase 2: Procurement & Pilot Deployment (Months 7-12)

Pilot Deployment: - LED installation on 50 buses and 10 stations - Technical and operational procedure validation - Initial revenue generation and model validation - Advertiser reference account development

Full Network Rollout (4 Waves): - Wave 1-4: ~155 buses each - Quality control and continuous improvement - Parallel sales team recruitment (12-15 professionals)

Phase 3: Commercialization & Expansion (Months 13-18)

Sales Organization: - Full sales team deployment - Rate card and media kit development - Agency relationship building - Multi-segment targeting (national brands, government, tourism, local)

Revenue Optimization: - Dynamic pricing implementation - Real-time campaign reporting - Station naming rights and route sponsorships

Phase 4: Full Operation & Optimization (Month 19+)

Mature Operations: - Yield management optimization - Operational efficiency initiatives - Technology refresh program (SAR 5M annual reserve from Year 5) - Strategic partnership development

Risk Management

Comprehensive Risk Framework

Risk Category	Probability	Impact	Mitigation Strategy
Technology Obsolescence	20-30%	SAR 50-80M	SAR 5M annual refresh reserve; modular designs
Regulatory Compliance	Low	Medium	Dedicated compliance team; proactive GARM engagement
Market Fluctuation	Medium	Medium	Diversified advertiser portfolio; long-term contracts
Cybersecurity	Low-Medium	High	Network segmentation; encryption; cyber insurance
Advertiser Default	Low	Medium	Default insurance; credit assessment; factoring

Insurance Program

Coverage Type	Recommended Limit	Purpose
Business Interruption	SAR 30-40M	Lost advertising revenue protection
Equipment Breakdown	SAR 250M	Full replacement cost coverage
Credit Default	As required	Advertiser payment failure protection
Public Liability	SAR 50M	Third-party claims
Cyber Liability	SAR 20M	Data breach and system restoration

Bank-Arranged Sinking Fund

- **Target Size:** SAR 40-50 million
 - **Purpose:** Guarantee debt service continuity
 - **Coverage:** 18 months of debt service under stressed conditions
 - **Management:** Independent bank trustee
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Strategic Recommendations

Immediate Actions

1. **Proceed with Phase 1 Implementation**
 - Establish corporate structure
 - Initiate technology partner RFP process
 - Finalize insurance program
2. **Adopt Three-Entity Structure**
 - Optimize governance and risk segregation
 - Facilitate future financing flexibility
 - Enable strategic optionality
3. **Engage Technology Partners**
 - Competitive procurement with Planar and Leyard
 - Emphasis on reliability and Saudi climate adaptation
 - Long-term service and warranty agreements
4. **Implement Financial Safeguards**
 - Establish bank-arranged sinking fund
 - Secure comprehensive insurance coverage
 - Finalize receivables factoring arrangements

Why Invest Now

- **First-Mover Advantage:** Establish market leadership before competition emerges
 - **Vision 2030 Momentum:** Benefit from unprecedented government support for modernization
 - **2034 FIFA World Cup:** Position for premium advertising demand surge
 - **Proven Platform:** Leverage PTC's operational success and infrastructure investment
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Conclusion

The Riyadh Bus Digital Advertising Network represents a rare investment opportunity combining:

- **Exceptional Returns:** 24% IRR with 4.1-year payback
- **Strategic Alignment:** Direct support for Vision 2030 objectives
- **De-Risked Execution:** Built on proven infrastructure and partnerships
- **Long-Term Value:** Sustainable, high-margin revenue for decades

The window of opportunity to establish market leadership is time-limited. Early action captures first-mover advantages in advertiser relationships, operational learning, and market positioning.

The recommendation is clear: Proceed immediately with Phase 1 to capitalize on this compelling investment opportunity.

Contact Information

Riyadh Bus Holding Company

A Strategic Initiative of SAPTCO and RATP Development

For investment inquiries, please contact the Office of Strategic Investments.

This prospectus contains forward-looking statements based on current expectations and assumptions. Actual results may vary based on market conditions, regulatory environment, and operational execution. Prospective investors should conduct their own due diligence before making investment decisions.

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