TIHAMA FOR ADVERTISING, PUBLIC RELATIONS AND MARKETING COMPANY
(UNDER FINANCIAL REORGANIZATION PROCEDURES)
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTHS AND NINE-MONTH PERIODS ENDED 31 DECEMBER 2023 (UNAUDITED) TOGETHER WITH INDEPENDENT AUDITOR'S REVIEW REPORT

Tihama For Advertising, Public Relations and Marketing Company
(Under financial reorganization procedures)
(A Saudi Joint Stock Company)
Interim Condensed Consolidated Financial Statements
For the three month and nine-month periods ended 31 December 2023 (unaudited)

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Tihama For Advertising, Public Relations and Marketing Company
(Under financial reorganization procedures)
(A Saudi Joint Stock Company)
Interim Condensed Consolidated Statement of Financial Position (unaudited)
As at 31 December 2023
(All amounts are in Saudi Riyal unless otherwise stated)

	Note	31 December 2023 (unaudited)	31 March 2023 (Restated – note 25) (audited)	1 April 2022 (Restated – note 25) (audited)
Assets				
Non-Current Assets				
Property and equipment, net		**9,504,929**	5,388,150	12,657,283
Right-of-use assets, net	5/1	**27,576,352**	30,814,983	40,579,838
Investment in associate companies using equity method	6	**37,087,755**	22,970,062	34,912,054
Financial assets designated at fair value through other comprehensive income		**-**	-	428,363
Trade receivables and other debit balances, net	8	**-**	990,210	-
Intangible assets, net		**135,002**	135,002	135,002
Investment properties at cost, net		**-**	-	2,809,227
Total Non-Current Assets		**74,304,038**	60,298,407	91,521,767
Current Assets				
Inventory, net	7	**31,517,982**	30,255,601	45,485,087
Trade receivables and other debit balances, net	8	**31,456,093**	27,814,049	36,296,463
Due from Related parties	14/3	**1,940,142**	141,473	1,016,976
Short term investment		**20,000,000**	-	-
Cash and cash equivalents	9	**292,529,759**	29,997,918	34,570,382
Total Current Assets		**377,443,976**	88,209,041	117,368,908
Total Assets		**451,748,014**	148,507,448	208,890,675
Shareholders' Equity and Liabilities				
Shareholders' Equity				
Share capital	10	**400,000,000**	50,000,000	50,000,000
Accumulated losses		**(141,436,073)**	(87,629,894)	(27,514,560)
Employees defined benefit obligations re-measurement reserve		**(2,065,629)**	(2,065,629)	(1,911,687)
Other reserves	11	**(23,144,639)**	(22,695,163)	(15,168,117)
Total Shareholders' Equity attribute to Shareholder of the Parent Company		233,353,659	(62,390,686)	5,405,636
Non-controlling interest		**(3,477,773)**	(3,043,024)	(1,890,013)
Total Shareholders' Equity		**229,875,886**	(65,433,710)	3,515,623
Non-Current Liabilities				
Non-current lease liabilities	5/2	**17,974,401**	29,162,506	30,603,321
Non-current portion Long-term loans		**-**	-	38,458
Employees' defined benefits obligations		**4,988,976**	5,056,817	6,140,345
Total Non-Current Liabilities		**22,963,377**	34,219,323	36,782,124
Current Liabilities				
Trade payables and other credit balances	13	**105,215,261**	104,362,923	93,084,730
Due to a related party	14/4	**171,280**	-	4,385,179
Current portion of lease liabilities	5/2	**29,419,944**	17,996,820	20,838,886
Short term loan	12	**20,751,481**	20,751,481	20,222,331
Current portion of long -term loans		**-**		155,980
Accrued Zakat	17	**43,350,785**	36,610,611	29,905,822
Total Current Liabilities		**198,908,751**	179,721,835	168,592,928
Total Liabilities		**221,872,128**	213,941,158	205,375,052
Total Shareholders' Equity and Liabilities		**451,748,014**	148,507,448	208,890,675

Chairman	**Managing Director and CEO**	**Finance Director**
Ibrahim Al Shabib	Abdulaziz Al Suwailem	Ayman Soliman

The accompanying notes from (1) to (27) form an integral part of these interim condensed consolidated financial statements.

Tihama for Advertising, Public Relations and Marketing Company
(Under financial reorganization procedures)
(A Saudi Joint Stock Company)
Interim Condensed Consolidated Statement of Profit or Loss (unaudited)
For the three month and nine-month periods 31 December 2023
(All amounts are in Saudi Riyal unless otherwise stated)

	Note	For the Three-Month Period ended 31 December 2023 (unaudited)	31 December 2022 (unaudited) (Restated-note 25)	For the Nine-Month Period ended 31 December 2023 (unaudited)	31 December 2022 (unaudited) (Restated-note 25)
Continued operations					
Revenues from continued operations	15	**19,175,906**	23,704,121	**57,006,987**	71,327,923
Cost of revenues from continued operations		**(19,480,395)**	(17,537,809)	**(45,745,210)**	(49,728,088)
Gross (loss) / profit		**(304,489)**	6,166,312	**11,261,777**	21,599,835
Selling and marketing expenses		**(8,058,844)**	(7,710,506)	**(20,330,268)**	(22,984,526)
General and administrative expenses		**(9,884,805)**	(10,875,130)	**(28,118,132)**	(19,528,451)
Financial restructuring expenses		**(666,222)**	-	**(2,829,680)**	-
Impairment in trade receivables and other debit balances	٨/1	**(312,610)**	-	**(679,654)**	-
Other income, net	16	**5,849,801**	2,023,886	**7,277,669**	2,270,045
Loss from continued operations for the period		**(13,377,169)**	(10,395,438)	**(33,418,288)**	(18,643,097)
Non-operating (expenses)/revenues					
Finance cost		**(734,413)**	(566,712)	**(1,494,894)**	(1,684,467)
Share of net results from associate companies accounted for using equity method		**2,501,280**	951,021	**10,886,369**	1,362,681
Other expenses	11	**-**	-	**(771,663)**	-
loss from continued operations for the period before zakat		**(11,610,302)**	(10,011,129)	**(24,798,476)**	(18,964,883)
Zakat		**(2,556,325)**	(1,857,909)	**(8,571,272)**	(3,035,973)
Net loss from continued operations for the period		**(14,166,627)**	(11,869,038)	**(33,369,748)**	(22,000,856)
Discontinued operations					
Gain from discontinued operations for the period	21	**-**	2,581,996	**1,057,496**	999,343
Net loss for the period		**(14,166,627)**	(9,287,042)	**(32,312,252)**	(21,001,513)
Net loss for the period attribute to:					
Shareholders of the parent company		**(13,985,377)**	(9,020,078)	**(31,877,503)**	(20,503,492)
Non-Controlling interest		**(181,250)**	(266,964)	**(434,749)**	(498,021)
		(14,166,627)	(9,287,042)	**(32,312,252)**	(21,001,513)
Loss per share:	19				
Basic and diluted loss per share from net loss from continued operation for the period		**(0.35)**	(2.3)	**(0.83)**	(4.3)
Basic and diluted loss per share from net loss for the period attributable to shareholders of the parent company		**(0.35)**	(1.8)	**(0.80)**	(4.1)

Chairman	**Managing Director and CEO**	**Finance Director**
Ibrahim Al Shabib	Abdulaziz Al Suwailem	Ayman Soliman

The accompanying notes from (1) to (27) form an integral part of these interim condensed consolidated financial statements.

Tihama for Advertising, Public Relations and Marketing Company
(Under financial reorganization procedures)
(A Saudi Joint Stock Company)
Interim Condensed Consolidated Statement of Other Comprehensive Income (unaudited)
For the three month and nine-month periods 31 December 2023
(All amounts are in Saudi Riyal unless otherwise stated)

	Note	For the Three-Month Period ended		For the Nine-Month Period ended	
		31 December 2023 (unaudited)	30 December 2022 (unaudited) (Restated-note 25)	30 December 2023 (unaudited)	30 December 2022 (unaudited) (Restated-note 25)
Net loss for the period		**(14,166,627)**	(9,287,042)	**(32,312,252)**	(21,001,513)
Items of other comprehensive income that are not subsequently reclassified to Profit or Loss:					
Re-measurement of employees' defined benefits obligations		-	119,600	-	119,600
Items of other comprehensive income that may be subsequently reclassified to Profit or Loss:					
Share of foreign currency translation reserve in an associate company		**207,793**	(190,943)	**(1,221,139)**	(403,568)
Total other comprehensive profit / (loss) for the period		**207,793**	(71,343)	**(1,221,139)**	(283,968)
Total comprehensive loss for the period		**(13,958,834)**	(9,358,385)	**(33,533,391)**	(21,285,481)
Total comprehensive loss for the period attribute to:					
Shareholder of the parent company		**(13,777,584)**	(9,091,421)	**(33,098,642)**	(20,787,460)
Non-controlling interest		**(181,250)**	(266,964)	**(434,749)**	(498,021)
Total comprehensive loss for the period		**(13,958,834)**	(9,358,385)	**(33,533,391)**	(21,285,481)

Chairman	Managing Director and CEO	Finance Director
Ibrahim Al Shabib	Abdulaziz Al Suwailem	Ayman Soliman

The accompanying notes from (1) to (27) form an integral part of these interim condensed consolidated financial statements.

Tihama for Advertising, Public Relations and Marketing Company
(Under financial reorganization procedures)
(A Saudi Joint Stock Company)
Interim Condensed Consolidated Statement of Shareholders' Equity (unaudited)
For the nine-month period ended 31 December 2023
(All amounts are in Saudi Riyal unless otherwise stated)

	Note	Share capital	Accumulated losses	Employees defined benefit obligations. re-measurement reserve	Other reserves	Total S Equity Sharel paren
Balance as at April 1, 2022 (as previously stated) – (audited)		50,000,000	(26,546,570)	(1,911,687)	(15,168,117)	
Restatement	25/2	-	(967,990)	-	-	
Balance as at April 1, 2022 (restated)		**50,000,000**	**(27,514,560)**	**(1,911,687)**	**(15,168,117)**	
Net loss for the period - restated	25/3	-	(20,503,492)	-	-	
Other comprehensive loss for the period		-	-	119,600	(403,568)	
Total comprehensive loss for the period		-	(20,503,492)	119,600	(403,568)	
Employees defined benefits re-measurement reserve for discontinued operations recycled to accumulated losses		-	102,148	(102,148)	-	
Share of the effect of associate acquisition of non-controlling interests in an associate company	11-2	-	-	-	(6,855,750)	
Balance as at 31 December 2022- Restated- (unaudited)		**50,000,000**	**(47,915,904)**	**(1,894,235)**	**(22,427,435)**	
Balance as at April 1, 2023 (as previously stated) – (audited)		**50,000,000**	**(82,798,638)**	**(2,065,629)**	**(22,695,163)**	
Restatement	25/1	-	**(4,831,256)**	--	-	
Balance as at April 1, 2023 (restated)		**50,000,000**	**(87,629,894)**	**(2,065,629)**	**(22,695,163)**	
Net loss for the period		-	**(31,877,503)**	-	-	
Other comprehensive loss for the period	11	-	-	-	**(1,221,139)**	
Total comprehensive loss for the period		-	**(31,877,503)**	-	**(1,221,139)**	
Capital increase via priority rights issue	10	**350,000,000**	-	-	-	
Cost of capital raise	10	-	**(26,381,139)**	-	-	
Effect of an investment in associate using equity method acquiring subsidiary of the associate	6/1/1	-	**4,452,463**	-	-	
Other reserves recycled to profit or loss when ownership in an associate invested in using equity method decreases.	11	-	-	-	**771,663**	
Balance as at 31 December2023 (unaudited)		**400,000,000**	**(141,436,073)**	**(2,065,629)**	**(23,144,639)**	

Chairman	**Managing Director and CEO**	**Finance Director**
Ibrahim Al Shabib	Abdulaziz Al Suwailem	Ayman Soliman

The accompanying notes from (1) to (27) form an integral part of these interim condensed consolidated financial

Tihama for Advertising, Public Relations and Marketing Company
(Under financial reorganization procedures)
(Saudi Joint Stock Company)
Interim Condensed Consolidated Statement of Cash Flows (unaudited)
For the nine-month period ended 31 December 2023
(All amounts are in Saudi Riyal unless otherwise stated)

	Note	31 December 2023 (unaudited)	31 December 2022 (unaudited) (Restated-note 25)
Cash flows from operating activities			
Loss from continued operations for the period before zakat		(24,798,476)	(18,964,883)
Gain from discontinued operations for the period before zakat	21	1,057,496	999,343
Adjustment for non-cash item			
Depreciation of property and equipment		2,104,835	2,255,594
Gain from disposal of property and equipment		(7,454)	(10,445)
Depreciation of right of use assets		8,898,431	8,525,442
Gain from Lease contract termination		-	(834,435)
Gain on disposal of investment properties		-	(1,508,977)
Depreciation of Investment Properties		-	78,957
Share of results from associate companies using equity method		(10,886,369)	(1,362,681)
Other reserves recycled to profit or loss when ownership in an associate invested in using equity method decreases	11	771,663	-
Impairment in inventory	7/1	9,050,955	-
Impairment loss in trade receivables and other debit balances	8/1	922,665	-
Reversal of impairment in trade receivables and other debit balances	8/1	(243,011)	-
Write-off of other debit balances		-	153,392
Net gain on disposal of discontinued operations			(1,484,557)
Provision for employees' defined benefits obligations		1,087,314	1,240,522
Finance cost		1,494,894	2,211,098
		(10,547,057)	(8,701,630)
Changes in working capital			
Inventory		(10,313,336)	(8,899,063)
Trade receivables and other debit balances, net		(3,542,555)	(2,546,374)
Due from related parties		(1,915,241)	1,073,564
Trade payables and other credit balances		852,338	13,673,493
Due to a related party		171,280	(3,450)
Employees' defined benefits obligations paid		(1,155,155)	(1,105,867)
Zakat paid	17/1	(1,831,098)	(1,168,710)
Net cash flows (used in) / generated from operating activities		(28,280,824)	(7,678,037)
Cash flows from investing activities			
Additions to property and equipment		(6,222,861)	(372,335)
Net proceeds from disposal of property and equipments		8,701	860,655
Net proceeds from disposal of investment properties		-	4,239,247
Net proceeds from disposal of discontinued operations	21	219,500	2,451,226
Short-term deposit with original maturity of more than three months	9	(20,000,000)	-
Net cash flows (used in) / generated from investing activities		(25,994,660)	7,178,793
Cash flows from financing activities			
Repayments of loans		-	(194,438)
Repayment of lease liabilities		(6,435,663)	(5617,690)
Net Proceeds from capital raise via rights issue received	10	323,727,000	-
Finance cost paid		(484,012)	(397,167)
Net cash flows generated from / (used in) financing activities		316,807,325	(6,209,295)
Net change in cash and cash equivalents		262,531,841	(6,708,539)
Cash and cash equivalents at the beginning of the period		29,997,918	34,570,382
Cash and cash equivalents at the end of the period	9	292,529,759	27,861,843

Chairman — Ibrahim Al Shabib

Managing Director and CEO — Abdulaziz Al Suwailem

Ayman Soliman

Finance Director — Ayman Soliman

The accompanying notes from (1) to (27) form an integral part of these interim condensed consolidated financial statements.

Tihama for Advertising, Public Relations and Marketing Company
(Under financial reorganization procedures)
(A Saudi Joint Stock Company)
Interim Condensed Consolidated Statement of Shareholders' Equity (unaudited)
For the nine-month period ended 31 December 2023
(All amounts are in Saudi Riyal unless otherwise stated)

	Note	Share capital	Accumulated losses	Employees defined benefit obligations. re-measurement reserve	Other reserves	Total Shareholders' Equity Attribute to Shareholder of the parent Company	Non-Controlling interest	Total Shareholders' equity
Balance as at April 1, 2022 (as previously stated) – (audited)		50,000,000	(26,546,570)	(1,911,687)	(15,168,117)	6,373,626	(1,890,013)	4,483,613
Restatement	25/2	-	(967,990)	-	-	(967,990)	-	(967,990)
Balance as at April 1, 2022 (restated)		**50,000,000**	**(27,514,560)**	**(1,911,687)**	**(15,168,117)**	**5,405,636**	**(1,890,013)**	**3,515,623**
Net loss for the period - restated	25/3	-	(20,503,492)	-	-	(20,503,492)	(498,021)	(21,001,513)
Other comprehensive loss for the period		-	-	119,600	(403,568)	(283,968)	-	(283,968)
Total comprehensive loss for the period		-	(20,503,492)	119,600	(403,568)	(20,787,460)	(498,021)	(21,285,481)
Employees defined benefits re-measurement reserve for discontinued operations recycled to accumulated losses		-	102,148	(102,148)	-	-	-	-
Share of the effect of associate acquisition of non-controlling interests in an associate company	11-2	-	-	-	(6,855,750)	(6,855,750)	-	(6,855,750)
Balance as at 31 December 2022- Restated- (unaudited)		**50,000,000**	**(47,915,904)**	**(1,894,235)**	**(22,427,435)**	**(22,237,574)**	**(2,388,034)**	**(24,625,608)**
Balance as at April 1, 2023 (as previously stated) – (audited)		**50,000,000**	**(82,798,638)**	**(2,065,629)**	**(22,695,163)**	**(57,559,430)**	**(3,043,024)**	**(60,602,454)**
Restatement	25/1	-	**(4,831,256)**	--	-	**(4,831,256)**	-	**(4,831,256)**
Balance as at April 1, 2023 (restated)		**50,000,000**	**(87,629,894)**	**(2,065,629)**	**(22,695,163)**	**(62,390,686)**	**(3,043,024)**	**(65,433,710)**
Net loss for the period		-	**(31,877,503)**	-	-	**(31,877,503)**	**(434,749)**	**(32,312,252)**
Other comprehensive loss for the period	11	-	-	-	**(1,221,139)**	**(1,221,139)**	-	**(1,221,139)**
Total comprehensive loss for the period		-	**(31,877,503)**	-	**(1,221,139)**	**(33,098,642)**	**(434,749)**	**(33,533,391)**
Capital increase via priority rights issue	10	**350,000,000**	-	-	-	**350,000,000**	-	**350,000,000**
Cost of capital raise	10	-	**(26,381,139)**	-	-	**(26,381,139)**	-	**(26,381,139)**
Effect of an investment in associate using equity method acquiring subsidiary of the associate	6/1/1	-	**4,452,463**	-	-	**4,452,463**	-	**4,452,463**
Other reserves recycled to profit or loss when ownership in an associate invested in using equity method decreases.	11	-	-	-	**771,663**	**771,663**	-	**771,663**
Balance as at 31 December2023 (unaudited)		**400,000,000**	**(141,436,073)**	**(2,065,629)**	**(23,144,639)**	**233,353,659**	**(3,477,773)**	**229,875,886**

Chairman	Managing Director and CEO	Finance Director
Ibrahim Al Shabib	Abdulaziz Al Suwailem	Ayman Soliman

The accompanying notes from (1) to (27) form an integral part of these interim condensed consolidated financial statements.

(All amounts are in Saudi Riyal unless otherwise stated)

1. ORGANISATION AND ACTIVITIES

Tihama for Advertising, Public Relations and Marketing Company was established as the "company" or "parent company" in accordance with the Saudi Companies Law as a Saudi joint stock company under Ministerial Resolution No. 1397 dated 29/6/1403H (corresponding to 3/6/1992) and it is registered in the Commercial Register under No. 1010016722 on 8/7/1398H (corresponding to 14/06/1978).

- The main activity of the company is to carry out commercial advertising, public relations, marketing, publishing and distribution, according to the license No. 23232 issued by the Ministry of Culture and Advertisement dated 2/12/1412H (corresponding to 3/6/1992) and according to the company's incorporation system. The parent company also invests in companies, It carries out similar businesses in accordance with Company By-Law.

- The Company's head office is in Riyadh, as at 31 December 2023 the company has a branch in Jeddah registered under the Commercial Registration No. 4030008889 on 3/4/1395H (corresponding to 15/4/1975).

- The following is a list of the subsidiaries incorporated within these interim condensed consolidated financial statements:

				Company share% Direct and indirect	
Name of subsidiary company	**Country**	**Activity**	**Share capital**	**31 December 2023 (unaudited)**	**31 March 2023 (audited)**
Tihama Holding for Commercial Investment Company	KSA	Holding company	500,000	**100%**	100%
Tihama Distribution Company	KSA	Publishing and distribution	3,500,000	**100%**	100%
Tihama Modern Bookstores Company	KSA	Stationery and books	81,671,977	**100%**	100%
Istidama International Real estate Company	KSA	Investment in properties	500,000	**100%**	100%
Tihama International Advertising Company	KSA	Road Advertising	500,000	**100%**	100%
Tihama Education Company	KSA	Retail	200,000	**100%**	100%
Fast Advertisement Company	KSA	Advertising	25,000	**100%**	100%
Integrated Production for Audio-visual Media Production Company	KSA	Production	10,000	**70%**	70%
Aventus Global Trading Company	UAE	Trading	616,409	**100%**	100%
Nassaj AlKhayal for Audio-visual Media Production Company	KSA	Production	100,000	**50%**	50%
Tihama New Media Company	KSA	Media and Research	100,000	**100%**	100%

Interim Condensed Consolidated financial statements reporting date:

The interim condensed consolidated financial statements include the financial statements of the parent company Tihama Advertising, Public Relations and Marketing, and its subsidiaries (together referred to as the "Group"). The financial year of the parent starting from 1 April and ending 31 March, subsidiaries begins on 1 January of each Gregorian year and ends on 31 December of the next year, with the exception of Aventus Global Trading Company, where its financial year begins on the first of April of each Gregorian year and ends on 31 March of the following year. The financial statements of the subsidiaries have been consolidated based on the interim financial statements for the period ended 31 December due to the presence of significant events and transactions that took place in the period from October 1 to December 31.

2. FINANCIAL RESTRUCTURING

On October 6, 2022, the Parent company submitted a request to open the financial reorganization procedure to the competent court, in accordance with the decision of the parent company's board of directors on the same date.

On December 7, 2022, the Commercial Court in Riyadh issued a ruling accepting the parent company's request to open a financial reorganization procedure and appointing Mr. Osamah Al-Sudais as trustee for the procedure and granting the company a period of one hundred and fifty days from the date of opening the procedure to prepare a proposal to pay creditors.

According to the financial reorganization procedures, all claims against the company are suspended for a period of one hundred and eighty days from the date of recording the application for the opening or opening of the procedure. Accordingly, all execution requests and orders have been submitted against the company by its creditors.

- On June 14, 2023, a decision was issued by the competent department of the Commercial Court approving the extension of the deadline for preparing a proposal to pay creditors according to the financial reorganization procedures of the parent company, for a period of 150 days.
- On September 27, 2023, the Financial Reorganization trustee submitted the company's proposal to repay creditors to the competent department of the Commercial Court.
- On October 2, 2023, the Commercial Court issued the approval of the list of claims in the financial reorganization procedure of the parent company.
- On November 22, 2023, a decision was issued by the Commercial Court in Riyadh to accept the deposit of the company's proposal to pay creditors and set a date of December 14, 2022, to hold a creditors' meeting to vote on the company's financial reorganization proposal.
- On December 14, 2023, the creditors' meeting approved the financial reorganization proposal of the parent company.
- On December 18, 2023, the parent company's shareholders' meeting approved the financial reorganization proposal for the company.
- Subsequent to the date of the financial position, on January 3, 2024, the Financial Reorganization Secretary submitted a request to ratify the proposal for the financial reorganization of the parent company in accordance with the bankruptcy system to the competent court.
- Subsequent to the date of the financial position, on January 10, 2024, the competent commercial court in Riyadh ruled to reject the request to ratify the financial reorganization proposal of the Parent company and ruled to end the financial reorganization procedure. On January 23, 2024, the Board of Directors of the Parent Company issued a resolution not to appeal on the first-degree verdict. Later, on January 31, 2024, a member of the Board of Directors of the Parent Company, without authorization from the Board of Directors, filed an appeal against the verdict. Based on the opinion of the Company's legal advisor, the management of the Parent Company expects rejection of the appeal as it was submitted without legal capacity. The management of the Parent company does not expect a material impact on the financial and legal position of the Group as a result of the ruling (note 26).

3. BASIS OF PREPARATION

3/1- Statement of compliance:

- These interim condensed consolidated financial statements for the nine-month period ended 31 December 2023 were prepared in accordance with IAS 34 "Interim Financial Reports" endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organization for Certified Public Accountants ("SOCPA").

- These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as of 31 March 2023. The results shown in these interim condensed consolidated financial statements for the three- and six-month periods may not be indicative of the annual results of the Group's operations.

3. BASIS OF PREPARATION (CONTINUED)

3/2- Basis of measurement:

The interim condensed financial statements have been prepared on the historical cost basis except for (financial instruments which is measured at fair value and the defined benefit plan which is measured at present value of future obligations using Projected Unit Credit Method) and using the accrual accounting principle and the going concern concept.

3/3- Functional and presentation currency:

The interim condensed consolidated financial statements are presented in Saudi Riyal, which is the Group's functional currency.

3/4- Going concern:

- The Interim condensed consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to manage liquidity to ensure, as far as possible, that it will have sufficient liquidity to meet its obligations as they fall due under both normal and abnormal conditions. Where the Group:
- The Group's accumulated losses amounted to 141,436,073 SR as of 31 December 2023, which is 35.4% of the company's share capital (31 March 2023: SR 87,629,894 million which is 175% of the company's share capital).
- The Group also has negative cash flows from operating activities amounted to of 28,280,824 SR as of 31 December 2023.
- Total comprehensive loss for the nine-month period ended 31 December 2023 amounted to 33,533,391 SR (31 December 2022: SR 21,285,481).

On April 2, 2023, the extraordinary general assembly of shareholders approved the recommendation of the parent company's Board of Directors to increase the company's capital by an amount of SR 350 million by way of rights issue, and on May 4, 2023, the subscription process was completed, and the unsubscribed shares were sold for the entire increase that was approved by the general assembly (Note 10). Accordingly, the percentage of accumulated losses decreased to less than half of the company's capital amounting to 400 million SR, as of 31 December 2023.

The Group continues to manage its commercial and supply chain activities. It is also working on restructuring some of its subsidiaries and expanding the operations of the retail sector to increase revenues sufficient to cover its expenses and achieve operating profits in subsequent years. The Group expects an improvement in its commercial activities and revenue growth over the next year, driven by the full operation of new branches in the retail sector, the development of operations in the distribution sector, and the austerity plans that have been initiated to raise the profit margin, especially in the production sector.

The Group finalized preparation of the strategy and investment and business plans for the upcoming years, which will be based on expanding in the current main activity sectors and exiting from companies that realize losses. Part of this plan has been implemented by disposing the assets and liabilities of commercial operations to Aventus Global Trading - a subsidiary, the disposal of the Group's investment in Qutrob for Audio and Visual Media Production Company - an associate company (Note 21).

Taking into consideration considering the below matters:

A- The Group's cash banking facilities are secured by cash coverage equivalent to the value of the facilities (Note 11).

B- The plan to use the proceeds of the company's capital increase includes using part of the proceeds to pay current obligations of the group, including the obligations issued by final binding court rulings on the group's companies.

C- Completion of the capital increase process by an amount of 350 million SR.

In view of the above, cash flow projections and certain business initiatives such as higher sales forecasts, profit margin improvement, the Group expects to meet its obligations as they fall due in the normal course of operation. Based on the above factors, the Group has a reasonable expectation that it will be able to continue in business for the foreseeable future. Accordingly, the accompanying interim condensed consolidated financial statements have been prepared on the going concern basis.

(All amounts are in Saudi Riyal unless otherwise stated)

3. BASIS OF PREPARATION (CONTINUED)

3/5- Use of estimates and judgments

The preparation of the interim condensed consolidated financial statements in accordance with IFRS (International Financial Reporting Standards) requires management to use judgements, estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenditures recorded. Actual results may differ from these estimates.
The important estimates made by management when applying the Group's accounting policies and important sources of uncertainty were similar to those outlined in the annual consolidated financial statements as of 31 March 2023.

As of 31 December 2023, management believes that all sources of estimation uncertainty remain similar to those disclosed in the Group's annual consolidated financial statements for the year ended 31 March 2023. Management will continue to monitor the situation and any changes required will be reflected in future reporting periods.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2023.

There are no new standards issued, however, there are a number of amendments to standards which are effective from 1 January 2023 that have been explained in Group's annual consolidated financial statements, but they do not have a material effect on these interim condensed consolidated financial statements.

5. LEASES

5/1- RIGHT OF USE ASSETS, NET

Right of use assets movement during the period / year is as follows:

	Note	31 December 2023 (unaudited)	31 March 2023 (audited)
Balance at the beginning of the period / year		**30,814,983**	40,579,838
Net additions during the period / year		**5,659,800**	1,199,770
Deprecation charged for the period / year	5/3	**(8,898,431)**	(10,964,625)
Balance as at the end of the period / year		**27,576,352**	30,814,983

The following table summarizes the right-of-use assets carrying amount by class of underlying asset:

	31 December 2023 (unaudited)	31 March 203 (audited)
Properties	**25,887,658**	27,659,967
Vehicles	**523,823**	868,133
Advertising lease sites	**1,164,871**	2,286,883
Balance at the end of the period / year	**27,576,352**	30,814,983

5/2- LEASE LIABILITIES

Lease liability movement during the period / year is as follows:

	Note	31 December 2023 (unaudited)	31 March 2023 (audited) (restated- note 25)
Balance at the beginning of the period / year		**47,159,326**	51,442,207
Net additions during the period / year		**5,659,800**	1,199,770
Finance cost of lease liability during the period / year	5/3	**1,010,882**	1,597,465
Lease contracts novation during the period / year		**-**	(834,435)
Repayments of lease liability during the period / year		**(6,435,663)**	(6,245,681)
Balance as at the end of the period / year		**47,394,345**	47,159,326

(All amounts are in Saudi Riyal unless otherwise stated)

5. LEASES (CONTINUED)

5/2- LEASE LIABILITIES (CONTINED)

The table below shows the Group's lease liabilities based on the contractual due date:

	31 December 2023 (unaudited)	31 March 2023 (audited) (restated- note 25)
Current portion of lease liabilities	**29,419,944**	17,996,820
Non-current portion of lease liabilities	**17,974,401**	29,162,506
Total lease liabilities	**47,394,345**	47,159,326

The following table shows the Group's undiscounted lease liabilities based on the contractual due date:

	31 December 2023 (unaudited)	31 March 2023 (audited) (restated- note 25)
Current portion of lease liabilities	**30,679,973**	19,265,285
Non-current portion of lease liabilities	**18,657,454**	30,793,579
Total lease liabilities	**49,337,427**	50,058,864

5/3- Cost in interim condensed statement of consolidated profit or loss

- The following table shows the recognised amounts in interim condensed consolidated statement of profit or loss and other comprehensive income:

		For the nine-month period ended	
	Note	31 December 2023 (unaudited)	31 December 2022 (unaudited) (restated-note 25)
Depreciation expense of right of use assets	5/1	**8,898,431**	8,525,442
Finance cost for lease liabilities	5/2	**1,010,882**	1,597,465
Variable rent lease expense		**512,566**	1,533,062
Short term rent expense		**2,824,694**	2,859,153
		13,246,573	14,515,122

6. INVESTMENT IN ASSOCIATE COMPANIES USING EQUITY METHOD

The Group investment in associate companies using equity method represent as follows:

			Company ownership		Book value	
Name of the associate company	**Country of origin**	**Principal activities**	**31 December 2023**	**31 March 2023**	**31 December 2023 (unaudited)**	**31 March 2023 (audited)**
Wunderman Thompson MENA Company (A)	Bahrain	Advertising	**25%**	30%	**31,057,474**	20,043,000
United Advertising Company(B)	KSA	Advertising and promotion	**50%**	50%	**6,030,281**	2,927,062
Saudi Company for sign supplies (c)	KSA	Supply of advertising materials	**42.5%**	42.5%	**-**	-
United Journalists. Company (D)	Egypt	Publishing and distribution	**50%**	50%	**-**	-
Gulf Systems Development Company (E)	KSA	Technical and other services	**30%**	30%	**-**	-
Renewable Technology Company (E)	KSA	Technical and other services	**30%**	30%	**-**	-
Tihama Global Company - Free Zone (F)	UAE	Advertising and marketing services	**40%**	40%	**-**	-
					37,087,755	22,970,062

6. INVESTMENT IN ASSOCIATE COMPANIES USING EQUITY METHOD (CONTINUED)

The financial year for above associate companies begins on 1 January and ends on 31 December of each Gregorian year. The parent company's share of the change in the net assets of Wunderman Thomson MENA Company for the period ending on 31 December 2023, has been calculated based on the Management accounts prepared by the management of the associate for the period ended 30 September 2023, the financial statements of that associate company for the year ended 31 December 2022 are still under audit by their independent auditors. The parent company's share of the change in the net assets of the United Advertising Company Limited for the period ended 31 December 2023 has been calculated based on the Management accounts prepared by the management of the associate for the period ended 30 September 2023.

6/1 The group have investment in associate companies as follows:

6/1 (A) - Wunderman Thompson MENA

On 30 June 2021 the Parent Company agreed with WPP plc to the merger of the J Walter Thompson MENA (an associate to Tihama) business with the Wunderman MENA business to create Wunderman Thompson MENA EC (a Bahraini-based holding Group), the agreement will bring together the existing Wunderman and JWT operations across the MENA region to create Wunderman Thompson MENA. On completion of the transfer of legal ownerships and all other required regulatory approvals Tihama will hold 25% of WT MENA.

During the period ended 31 December 2023, the transfer of legal ownership and all other regulatory approvals were completed to complete the merger process, and accordingly, the name of the associate company was changed to become Wunderman Thompson Middle East and North Africa Company, and the ownership of Tihama Advertising, Public Relations and Marketing Company became in the associate company after the merger and Issuance of new shares 25%. The impact of the merger process and the change in the group's ownership percentage in the associate company was proven based on the group's share in the net assets of Wunderman Thomson Middle East and North Africa Company as of June 30, 2023, based on the financial statements prepared by the management of this company directly within the equity belonging to the company's shareholders. The parent company's share in the associate company that was previously recognized in other comprehensive income is recycled to profit or loss to the extent of the change in the percentage of ownership in the associate company (Note 6/1/1).

During the year ended 31 March 2023, Wunderman Thompson MENA (an associate company) acquired a portion of non-controlling equity interests in a subsidiary of the associate company, as this transaction relates to the acquisition of an additional stake in a subsidiary of the associate without a change in control. the associate company recorded it as an equity transaction and the increase in consideration over the book value of the non-controlling interest was recognized in the equity (Note 11/2).

6/1 (B) - United Advertising Company

On 30 June 2021 the Parent Company has agreed with WPP (UK) Limited to the creation of a new company in KSA to be called ICG Saudi Arabia, WPP will own 70% of the company and Tihama will own 30%.

The structure of the agreement was amended so that the United Advertising Company becomes the new holding company WPP Group will transfer some of its owned operations to the United Advertising Company and Tihama will transfer 20% of its ownership in the United Advertising Company to the WPP Group. Tihama's ownership in the United Advertising Company after the completion of all regulatory procedures shall be 30%. During the period ended 31 December 2023 the backstop date for the completion of the transfer of legal ownership and all other required regulatory approvals was extended to be before June 30, 2024.

Any financial impact arising from the transaction will be booked on completion of the transaction, based on the assets and liabilities at that date, the potential impact cannot be reliably estimated.

(All amounts are in Saudi Riyal unless otherwise stated)

6. INVESTMENT IN ASSOCIATE COMPANIES USING EQUITY METHOD (CONTINUED)

6/1 The group have investment in associate companies as follows (Continued):

6/1 (C) - Saudi for Selling Advertising Materials

The company's investment in Saudi for selling Advertising Materials Company Ltd. was recorded at a value of nil as at December 31 ,2023 and 31 March 2023, as the accumulated losses of this associate exceeded its capital, and the company does not intend to provide it with financial support that exceeds its share in its capital, as it is a limited liability company and the financial information of the associate was not until the date of preparing these interim condensed consolidated financial statements accordingly it has not recorded the parent company's share of the change in the associate's net assets for the two periods ended 31 December 2023 and 2022.

6/1 (D) - United Journalists Company Ltd

The company's investment in United Journalists Company Ltd. was recorded at a value of nil as at December 31 ,2023 and 31 March 2023, as the accumulated losses of this associate exceeded its capital, and the company does not intend to provide it with financial support that exceeds its share in its capital, as it is a limited liability company and the financial information of the associate was not until the date of preparing these interim condensed consolidated financial statements accordingly it has not recorded the parent company's share of the change in the associate's net assets for the two periods ended 31 December 2023 and 2022

6/1 (E) - Gulf Systems Development Company and Renewable Technology Company

The investments in these two associate companies includes the value of the parent company's investment in them, and the financial information for the two associates was not available until the date of preparing these interim condensed consolidated financial statements. Based on the impairment loss study conducted, the Parent Company recorded a 100% impairment loss on these investments in the financial year ended 31 March 2017. The company does not intend to provide it with financial support that exceeds its share in its capital, as it is a limited liability company and accordingly it has not recorded the parent company's share of the change in the associate's net assets for the two periods ended 31 December 2023 and 2022.

6/1 (F) Tihama Global Company

The company's investment in Tihama Global Company was recorded at a value of nil as at December 31 ,2023 and 31 March 2023, as the accumulated losses of this associate exceeded its capital, and the company does not intend to provide it with financial support that exceeds its share in its capital, as it is a limited liability company and the financial information of the associate was not until the date of preparing these interim condensed consolidated financial statements accordingly it has not recorded the parent company's share of the change in the associate's net assets for the two periods ended 31 December 2023 and 2022

6/1/1 The following is the summary of financial information for book value of the parent company's shares in these associate companies:

	Note	31 December 2023 (unaudited)	31 March 2023 (audited)
Balance at the beginning of the period / year		**22,970,062**	34,912,054
Dividends received during the period / year		-	(11,236,962)
Effect of associate acquisition of non-controlling interests in an associate company	6/1 (A)	-	(6,855,750)
Share of foreign currency translation		**(1,221,139)**	(242,933)
Parent company's share in change in net assets of an associate company as a result of the merger during the period/year	6/1 (A)	**4,452,463**	-
Share of net results from associate companies accounted for using equity method during the period / year		**10,886,369**	6,393,653
Balance as at the end of the period / year		**37,087,755**	22,970,062

(All amounts are in Saudi Riyal unless otherwise stated)

7. INVENTORY, NET

	31 December 2023 (unaudited)	31 March 2023 (audited)
Books, stationery, educational products, entertainment products, accessories, food, beverage and others	**93,621,870**	83,308,534
Provision for slow moving and old inventory	**(62,103,888)**	(53,052,933)
Inventory, Net	**31,517,982**	30,255,601

7/1 The movement in provision for impairment in inventory for the period / year:

	31 December 2023 (unaudited)	31 March 2023 (audited)
Balance at the beginning of the period / year	**53,052,933**	30,472,823
Additions during the period / year	**9,050,955**	22,580,110
Balance at the end of the period / year	**62,103,888**	53,052,933

8. TRADE RECEIVABLES AND OTHER DEBIT BLANCES, NET

	31 December 2023 (unaudited)	31 March 2023 (audited)
Trade receivables	**23,469,869**	23,049,611
Prepaid expenses and other debit balances	**11,442,591**	10,353,373
Letter of guarantees cash margin	**10,873,068**	11,517,685
Contract assets	**1,916,533**	177,737
Advance payment to suppliers	**1,528,744**	1,626,825
Accrued short-term deposits income	**825,914**	-
	50,056,719	46,725,231
Impairment loss in trade receivables and other debit balances (Note 8/1)	**(18,600,626)**	(17,920,972)
	31,456,093	28,804,259

The trade receivables and other debit balances we classified as follows:

	31 December 2023 (unaudited)	31 March 2023 (audited)
Current	**31,456,093**	27,814,049
Non-current	-	990,210
Balance at the end of the period / year	**31,456,093**	28,804,259

8/1 – Impairment loss in trade receivables and other debit balances movement during the period / year:

	31 December 2023 (unaudited)	31 March 2023 (audited)
Balance at the beginning of the period / year	**17,920,972**	12,632,650
Additions during the period / year	**922,665**	5,298,097
Reversal of impairment during the period / year	**(243,011)**	(9,775)
Balance at the end of the period / year	**18,600,626**	17,920,972

(All amounts are in Saudi Riyal unless otherwise stated)

8. TRADE RECEIVABLES AND OTHER DEBIT BLANCES, NET (CONTINUED)

The following table shows the distribution of the Impairment loss in trade receivables and other debit balances, net:

	31 December 2023 (unaudited)	31 March 2023 (audited)
Trade receivables	**17,441,411**	16,761,757
Advances to suppliers	**1,159,215**	1,159,215
	18,600,626	17,920,972

9. CASH AND CASH EQUIVALENTS

	31 December 2023 (unaudited)	31 March 2023 (audited)
Short- term Murabaha deposits**	**265,000,000**	-
Cash at banks*	**27,527,560**	29,994,676
Cash on hand	**2,199**	3,242
Cash and cash equivalents	**292,529,759**	29,997,918
Restricted cash	**(20,970,407)**	(20,970,407)
Free cash	**271,559,352**	9,027,511

* Cash and cash equivalents include an amount of 20,751,481 SR as at 31 December 2023 (20,751,481 SR as at 31 March 2023) held with the Saudi National Bank and restricted for use under the facility agreement with the bank (Note 12). Cash and cash equivalents also includes an amount of 218,926 SR as at 31 December 2023 (as at 31 March 2023: 218,926 SR) held by a subsidiary with a local bank and restricted for disposal.

** Represents short-term Murabaha Islamic deposits, which are subject to an insignificant risk of changes in value.

- During the year ending on 31 March 2023, the bank facilities that the company obtained from the Saudi National Bank became due, with a total value of 20,751,481 SR as at 31 December 2023 (20,751,481 SR as at 31 March 2023). The company did not pay the facility amount, on maturity of the facility due to acceptance of Company's request submitted to the court ruling to open financial reorganization procedures, which suspended all claims against the company (Note 2).

10. SHARE CAPITAL

- The authorized, issued and fully paid-up capital of the parent company as at 31 December 2023 is 400,000,000 SR divided into 40,000,000 shares, the value of the share is 10 SR (31 March 2023 is 50,000,000 SR divided into 5,000,000 shares, the share is 10 SR).
- On April 2, 2023, the extraordinary general assembly of shareholders approved the recommendation of the Parent company's board of directors to increase the company's capital by an amount of 350 million SR by issuing rights issue. On May 4, 2023, the subscription process was completed, and the unsubscribed shares were sold in the full. The company completed the legal procedures to amend the articles of association and the commercial register to reflect the new capital after the increase, amounting to 400 million SR divided into 40 million ordinary shares, and the full value of the new shares was collected in cash.

(All amounts are in Saudi Riyal unless otherwise stated)

10. SHARE CAPITAL (CONTINUED)

- The total costs related to increasing the company's capital by 350,000,000 SR by issuing priority rights shares, which were approved by the extraordinary general assembly of shareholders, and subscribed in full during the period ended 31 December 2023, amounted to 26,384,139 SR. As these costs are related to an equity transaction, it was recorded directly as a deduction from the equity attributable to the shareholders of the parent company.
- Holders of ordinary shares are entitled to receive dividends when they are announced from time to time, and they are entitled to vote for each share in Group meetings. The rank of all shares is equal to the Group's remaining assets.

11. OTHER RESERVES

	Note	Foreign Currency translation reserve	Change in fair value of financial assets designated at fair value through other comprehensive income reserve	Effect of acquisition of non-controlling interest in subsidiaries (note 11-1)	Share of the effect of associate acquisition of non-controlling interests in an associate (note 11-2)	Total other reserves
Balance as at April 1,2023		**(3,208,039)**	**(1,940,607)**	**(10,690,767)**	**(6,855,750)**	**(22,695,163)**
Share of change in foreign currency translation reserve	6/1/1	**(1,221,139)**	-	-	-	**(1,221,139)**
Other reserves recycled to profit or loss when ownership in an associate invested in using equity method decreases.	6/1 (A)	**771,663**	-	-	-	**771,663**
Balance as at December 31, 2023 (unaudited)		**(3,657,515)**	**(1,940,607)**	**(10,690,767)**	**(6,855,750)**	**(23,144,639)**

	Note	Foreign Currency translation reserve	Change in fair value of financial assets designated at fair value through other comprehensive income reserve	Effect of acquisition of non-controlling interest in subsidiaries (note 11-1)	Share of the effect of associate company acquisition of non-controlling interests in an associate company (note 11-2)	Total other reserves
Balance as at April 1,2022		(2,965,106)	(1,512,244)	(10,690,767)	-	(15,168,117)
Share of change in foreign currency translation reserve	6/1/1	(242,933)	-	-	-	(242,933)
Change in fair value of financials assets designated at fair value through other comprehensive income		-	(428,363)	-	-	(428,363)
Share of the effect of associate company acquisition of non-controlling interests	11/2	-	-	-	(6,855,750)	(6,855,750)
Balance as at March 31, 2023 (audited)		(3,208,039)	(1,940,607)	(10,690,767)	(6,855,750)	(22,695,163)

11/1/1 Tihama Education company

During the year ended March 31, 2021, the parent company acquired additional shares in Tihama Education Company (a subsidiary company), representing 51% of the company's capital. As this transaction relates to the acquisition of an additional stake in a subsidiary without a change in control over it, it was recorded as an equity transaction, and the increase in consideration over the book value of the non-controlling interest amounting to 3,459,628 SR is recognized in the equity of the parent company as effect of acquisition of non-controlling interest in subsidiaries.

11. OTHER RESERVES (CONTINUED)

11/1 Effect of acquisition of non-controlling interest in subsidiaries (Continued)

11/1/2 Integrated Production company

During the financial year ending on March 31, 2021, the parent company acquired additional shares representing a further 35% of the capital of the Integrated Production Company. As this transaction relates to the acquisition of an additional stake in a subsidiary without a change in control over it, it was recorded as an equity transaction. The increase in consideration paid over the carrying value of the non-controlling interest amounting to 7,231,139 SR was recognized in the equity of the Parent company as effect of acquisition of non-controlling interest in subsidiaries.

11/2 Share of the effect of associate acquisition of non-controlling interests in an associate

During the year ended March 31, 2023, Wunderman Thompson MENA (an associate company) acquired part of non-controlling equity interests in a subsidiary of the associate company, as this transaction relates to the acquisition of an additional stake in a subsidiary of the associate without a change in control. the associate company recorded it as an equity transaction and the increase in consideration over the book value of the non-controlling interest was recognized in the equity. The group has recorded its share of the change in the net assets of the associate as a result of this acquisition, amounting to 6,855,750 SR in the equity attributable to the shareholders of the parent company as a share of the impact of the acquisition of non-controlling equity in the associate company (Note 6/1/A).

12. SHORT TERM LOANS

- The Group has cash and non-cash credit facilities with local banks in Saudi Riyals. These facilities were obtained for the purpose of restructuring the financial obligations of the parent company and providing non-cash facilities to issue guarantees. These facilities bear financing fees in accordance with the relevant agreements. These agreements are subject to the terms and conditions of bank facilities that apply to all types of facilities offered by banks to their clients. These agreements are secured by promissory notes and restrictions on use over certain Group assets.

- During the year ended 31 March 2022, the parent company signed a non-cash bank facility agreement with Riyad Bank for a period of three years, amounting to 591,000 SR, to issue guarantees and letters of credit. Subsequent to the date of the financial position, it was agreed with Riyad Bank to cancel the non-cash facilities agreement, with the company providing a cash margin with the bank for the full value of the balance of outstanding guarantees, amounting to 591,160 SR as of December 31, 2023 (as of March 31, 2023: 591,160 SR). (Note 26).

- During the year ended 31 March 2023, the bank facilities that the company obtained from the Saudi National Bank became due, with a total value of 20,751,481 SR as at 31 December 2023 (20,751,481 SR as at 31 March 2023). The company did not pay the facility amount, on maturity of the facility was after the issuance of the court ruling accepting the company's request to open financial reorganization procedures, which suspended all claims against the company (Note 2).

12/1 Contingent liabilities and restrictions on use over assets

The guarantees provided by the company under the facility agreement with the Saudi National Bank are as follows:

- Promissory note worth 22,000,000 SR.
- Cash margin of 20,751,481 SR with the Saudi National Bank (Note 9)

The guarantees provided by the company under the agreement with Riyad Bank are as follows:

- Promissory note of 591,000 SR.
- A cash margin with the bank of 88,704 SR at Riyad Bank

(All amounts are in Saudi Riyal unless otherwise stated)

12. LOANS (CONTINUED)

12/2 Below the movement in cash loans during the period / year:

	31 December 2023 (unaudited)	31 March 2023 (audited)
Balance at the beginning of the period / year	**20,751,481**	20,416,769
Repayments of loans during the period / year	-	(194,438)
Accrued finance cost during the period / year	-	835,711
Finance cost paid during the period /year	-	(306,561)
Balances at the end of the period / year	**20,751,481**	20,751,481

12/3 Non-cash facilities to issue letter of guarantee (Note 26)

	31 December 2023 (unaudited)	31 March 2023 (audited)
Non-cash facility from Riyadh Bank	**591,160**	591,160
Total non-cash facilities	**591,160**	591,160

13. TRADE PAYABLES AND OTHER CREDIT BALANCES

	31 December 2023 (unaudited)	31 March 2023 (audited)
Trade payables	**53,345,161**	55,393,446
Accrued dividends	**8,808,754**	8,808,754
Contract liabilities	**587,084**	307,458
Accrued expense and other credit balances	**35,808,633**	32,800,346
Salaries, compensation and bonus payable to the Board of Directors and senior executives	**6,665,629**	7,052,919
	105,215,261	104,362,923

14. RELATED PARTY TRANSACTION

Related parties to the Group consist of companies in which the shareholders and key management personnel have control, joint control or significant influence.

14/1 Salaries, compensation and related expenses for the Board of Directors and Senior Executives:

The following are details of salaries, compensation and related expenses for the Board of Directors, Committees and Senior executives during the period ended 31 December 2023, and 2022:

	31 December 2023 (unaudited)	31 December 2022 (unaudited)
Salaries	**4,959,669**	4,262,919
Allowances	**1,181,395**	626,145
Bonus	**2,834,231**	-
Compensation	**2,182,800**	-
Employees other benefits	**1,418,536**	974,177
Board of Directors and Committees expenses	**745,888**	385,348
	13,322,519	6,248,589

(All amounts are in Saudi Riyal unless otherwise stated)

14. RELATED PARTY TRANSACTION (CONTINUED)

14/2-Realted party transactions

During the period, some transactions were conducted with related parties in accordance with the terms and commercial principles followed with third parties. Pricing policies and terms of these transactions are approved by the Group's management.

The following are details of the significant transactions with related parties during the two periods ended 31 December 2023 and 2022:

	Nature of relation	Nature of transaction	Net amount of transactions 31 December 2023 (unaudited)	Net amount of transactions 31 December 2022 (unaudited)
Qutrob Company for Production	Associate Company (discontinued operations – note 21/2)	Current account	**137,503**	177,955
Wunderman Thompson MENA	Associate Company	Production Contracts	**2,087,732**	1,081,631
United Advertising Company	Associate Company	Current account	**1,000**	3,450
United Advertising Company	Associate Company	Media services	**143,750**	-
United Advertising Company	Associate Company	Administrative services revenue	**17,500**	-
United Advertising Company	Associate Company	Administrative services	**50,000**	-

14/3- Due from related parties

	31 December 2023 (unaudited)	31 March 2023 (audited)
Wunderman Thompson MENA	1,940,142	-
Qutrob Company for Production	-	137,503
United Advertising Company	-	3,970
	1,940,142	141,473

14/4- Due to a related party

	31 December 2023 (unaudited)	31 March 2023 (audited)
United Advertising Company	171,280	-

15. REVENUES FROM CONTIUED OPERATIONS

Distribution of revenue from customers by type of product/service:

	For the three-month period ended 31 December 2023 (unaudited)	For the three-month period ended 31 December 2022 (unaudited)	For the nine-month period ended 31 December 2023 (unaudited)	For the nine-month period ended 31 December 2022 (unaudited)
Revenues from sale of educational materials	**5,647,223**	7,303,007	**19,280,422**	27,334,966
Travel convenience products, food and beverages	**10,037,895**	7,362,198	**28,298,544**	23,068,276
Revenue from production of specific media content for clients	**2,773,452**	7,662,798	**7,022,802**	16,735,802
Revenue from lease of static and digital billboards to customers	**717,336**	1,372,805	**2,405,219**	4,164,754
Bookstores sales	-	3,313	-	24,125
Total revenue from contracts with customers from continued operations	**19,175,906**	23,704,121	**57,006,987**	71,327,923

(All amounts are in Saudi Riyal unless otherwise stated)

15. REVENUES FROM CONTIUED OPERATIONS (CONTINUED)

Time of Revenue recognition:

	For the three-month period ended		For the nine-month period ended	
	31 December 2023 (unaudited)	31 December 2022 (unaudited)	31 December 2023 (unaudited)	31 December 2022 (unaudited)
Recognised as a point of time	**18,458,570**	23,331,316	**54,601,768**	67,163,169
Recognised over a period of time	**717,336**	1,372,805	**2,405,219**	4,164,754
Total revenue from contracts with customers from continued operations	**19,175,906**	23,704,121	**57,006,987**	71,327,923

16. OTHER INCOME, NET:

	For the three-month period ended		For the nine-month period ended	
	31 December 2023 (unaudited)	31 December 2022 (unaudited) (restated – note 25)	31 December 2023 (unaudited)	31 December 2022 (unaudited) (restated – note 25)
Profit from investment in Murabaha fund and short term deposits	**4,302,583**	128,672	**5,005,914**	164,465
Unclaimed credit balances	**692,760**	-	**1,192,760**	-
Rebates Earned	**785,347**	-	**916,532**	-
Forex exchange gain / (loss)	**5,117**	16,733	**(44,814)**	45,039
(loss) / Gain on disposal of property and equipment	**(130)**	237,028	**7,454**	237,028
Gain on disposal of investment properties	**-**	1,508,977	**-**	1,508,977
Other income, net	**64,124**	132,476	**199,823**	314,536
	5,849,801	2,023,886	**7,277,669**	2,270,045

17. ZAKAT PAYABLE

Zakat for the parent company and its subsidiaries was calculated in accordance with the regulations issued by the Zakat, Income and Customs Authority" The Authority" in the Kingdom of Saudi Arabia.

Parent company

-The parent company received the adjusted Zakat assessments from the Authority for the years ended 31 March 2015, until 31 March 2020. The parent company recorded a liability against zakat differences as per revised assessment.

-A decision was issued by the Appeals Committee for Tax Violations and Disputes to reject the appeal registered by the company for the years ending 31 March 2016 until 2019, and thus the decision became enforceable against the company.

-During the period ended December 31, 2023, the parent company received the adjusted Zakat assessments from the Zakat, Income and Customs Authority for the years ended 31 March 2021 and 31 March 2022. The parent company recorded a liability against zakat differences as per revised assessment of 1,942,812 SR.

(All amounts are in Saudi Riyal unless otherwise stated)

17. ZAKAT PAYABLE (CONTINUED)

Material subsidiaries that are subject to the regulations issued by the Zakat, Income and Customs Authority:

Tihama Modern Bookstores Company

- The company received zakat assessments from the Zakat, Income and Customs Authority for the years ended December 31, 2011, until December 31, 2021. The company recorded a liability against zakat differences as per revised assessment.

- During the period ended December 31, 2023, a decision was issued by the Appeals Committee for Tax Violations and Disputes to partially accept the company's appeal regarding the amended assessments for the years ending on December 31, 2011 until 2016, and the company is in the process of requesting the Zakat, Income and Customs Authority to implement the Appeals Committee's decision regarding those years.

- During the year ending on 31 March 2023, the Zakat, Income and Customs Authority issued an assessment for the years ending on December 31, 2020 and 2021, including an additional zakat obligation amounting to 1,869,212 SR. The company recorded a provision for the full value of the differences based on the amended assessment, and the company submitted an objection before the Authority. Zakat, income and customs, and no decision was issued regarding the company's objection until the date of approval of these attached initial condensed consolidated financial statements.

Tihama Distribution Company:

The company submitted its Zakat returns until the fiscal year ended December 31, 2022 to the Zakat, Tax and Customs Authority and paid the Zakat due based on its Zakat returns.

- Tihama Distribution Company received the amended Zakat assessment from the Zakat, Tax and Customs Authority for the years ended on December 31, 2015 to 2018. The total value of the differences based on the revised assessment amounted to 921,895 SR, and a zakat liability has been formed against it. Subsequent to the date of the financial position, a decision was issued by the Appeals Committee for Tax Violations and Disputes to reject the appeal submitted by the company, and thus the amounts became payable by the company.

Tihama Education Company

The company submitted its Zakat returns until the fiscal year ended December 31, 2022 and paid the Zakat due based on Zakat returns submitted by the company. The company received the Zakat certificate for the fiscal year ended December 31, 2022, and the Zakat, Income and Customs Authority did not issue any amended assessments on the company up to the date of approval of these consolidated financial statements.

Integrated Production Company for Audio-visual Media Production

The company submitted its Zakat returns until the fiscal year ended December 31, 2022, and paid the due Zakat from the reality of the Zakat declaration submitted by the company. The company received Zakat certificates for these years. The Zakat, Income and Customs Authority has not issued any modified assessments on the company until the date of approval of these consolidated financial statements.

17/1- The movement in Zakat provision for the period / year is as follows:

	31 December 2023 (unaudited)	31 March 2023 (audited)
Balance at the beginning of the period / year	**36,610,611**	29,905,822
Formed during the period / year	**8,571,272**	7,873,500
Paid during the period / year	**(1,831,098)**	(1,168,711)
Balance at the end of the period / year	**43,350,785**	36,610,611

18. SEGMENGT INFORMATION

The Group operates in seven main sectors, which include Advertising, Production, Distribution, Bookstores, Retail, Parent Company and Investments. The entire Group's business operations are concentrated in the Kingdom of Saudi Arabia. Operational decision makers evaluate the operating results of business units separately for the purpose of making decisions about resource allocation and performance assessment.

Advertising: comprises of the out of home lease of static and digital billboards to customers and providing other advertising services to customers

Production: comprises of production of specific media content to customers (Documentary films, short films, series, and advertising commercials). This segment is also involved in production of movies to be shown in theatres.

Distribution: comprises of distribution of educational materials to educational institutions in Kingdom of Saudi Arabia

Retail: Comprises in sale of travel, convenience products, food and beverage. This segment operates in High Street stores, travel stores within airports, hospitals and shopping districts in KSA.

Bookstores: Comprises in sale of bookstores products.

Holding and investments: Comprises of the parent company where most of Group investments lies as well as the Group's management. This segment also includes all other small subsidiaries that are non-operating.

The following segments have been aggregated in these interim condensed consolidated financial statements, as follows:

Holding and Investments: This segment has been aggregated as it does not have external customer or products and includes the Group investments and management.

The Senior Management monitor the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenues and income and is measured consistently with income in the interim condensed consolidated financial statements. Transfer prices between operating segments are at cost to avoid inter-segment gains.

(All amounts are in Saudi Riyal unless otherwise stated)

18. SEGMENGT INFORMATION (CONTINUED)

The following table presents the revenue and (losses) / profit information for the operating segment from continued operations as at

Revenue from continued operation:	**Advertising**	**Production**	**Distribution**	**Retail**	**Bookstores**
Revenue from external customers	**2,405,219**	**7,022,802**	**19,280,422**	**28,298,544**	**-**
Gross segment profit / (loss)	**(197,921)**	**25,262**	**2,903,443**	**9,941,504**	**(1,410,511)**
Segment loss from continued operations	**(3,516,666)**	**(2,465,947)**	**(2,497,073)**	**(4,253,388)**	**(2,250,836)**
Discontinued operations profits for the period	**-**	**1,057,496**	**-**	**-**	**-**
Net loss for the period	**(3,516,666)**	**(1,408,451)**	**(2,497,073)**	**(4,253,388)**	**(2,250,836)**

The following table presents the revenue and profit / (losses) information for the operating segment from continued operations as at

Revenue from continued operation:	**Advertising**	**Production**	**Distribution**	**Retail**	**Bookstores**
Revenue from external customers	4,164,754	16,735,802	27,334,966	23,068,276	24,125
Gross segment profit	2,302,475	765,990	10,914,558	7,617,109	(297)
Segment profit /(loss) from continued operations	(3,933,145)	(1,481,314)	5,792,668	(6,211,454)	(2,154,521)
Discontinued operations profit for the period	-	(177,955)	-	1,177,298	-
Net loss for the period	(3,933,145)	(1,659,269)	5,792,668	(5,034,156)	(2,154,521)

Inter-segment revenues

-Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column
-The Group has decided that all inter-company revenues will be at individual segment cost price accordingly inter-segment sales doe
(loss) / profit and net (loss) / profit.

Tihama for Advertising, Public Relations and Marketing Company
(Under financial reorganization procedures)
(A Saudi Joint Stock Company)
Notes to The Interim Condensed Consolidated Financial Statements (unaudited)
For the nine-month period ended 31 December 2023
(All amounts are in Saudi Riyal unless otherwise stated)

18. SEGMENGT INFORMATION (CONTINUED)

The following table presents total assets and total liabilities information for the Group's operating segments as at 31 D

	Advertising	Production	Distribution	Retail	Bookstores	H in
Assets	**3,455,413**	**7,219,067**	**33,112,371**	**41,171,155**	**99,061**	
Liabilities	**44,024,082**	**4,830,136**	**11,160,022**	**49,328,478**	**24,668,150**	

The following table presents total assets and total liabilities information for the Group's operating segments as at 31 M

	Advertising	Production	Distribution	Retail	Bookstores	H in
Assets	4,187,658	10,412,250	28,527,890	35,244,543	1,738,033	
Liabilities	40,143,555	5,288,483	14,700,975	50,477,105	27,166,769	

- Finance cost, property and equipment depreciation charges, change in fair value gains and losses on financial assets, liabilities are allocated to individual segments directly.

(All amounts are in Saudi Riyal unless otherwise stated)

19. BASIC AND DILUTED LOSS PER SHARE

The basic / diluted loss per share was calculated by dividing the net loss for the period attributable to ordinary shareholders of the Parent company by the weighted average number of ordinary shares outstanding during the period. Loss per share was calculated for the three months and nine months periods ended 31 December 2023, and 31 December 2022, by dividing the net loss for each period by the weighted average number of shares outstanding during the period. Diluted loss per share is the same as basic loss per share as the Group has neither convertible securities nor dilutive financial instruments to exercise.

	For the Three-month period ended		For the nine-month period ended	
	31 December 2023 (unaudited)	31 December 2022 (restated – note 25) (unaudited)	31 December 2023 (unaudited)	31 December 2022 (restated -note 25) (unaudited)
Net loss from continued operations for the period attributable to shareholders of the parent company	**(13,985,377)**	(11,602,074)	**(32,934,999)**	(21,502,835)
Net loss for the period attributable to shareholders of the parent Company	**(13,985,377)**	(9,020,078)	**(31,877,503)**	(20,503,492)
Weighted average number of shares during the period	**40,000,000**	5,000,000	**39,745,455**	5,000,000
Basic and diluted loss per share from net loss from continued operation for the period	**(0.35)**	(2.3)	**(0.83)**	(4.3)
Basic and diluted loss per share from net loss for the period attributable to shareholders of the parent company	**(0.35)**	(1.8)	**(0.80)**	(4.1)

There were no potentially diluting shares outstanding at any time during the period, and accordingly diluted losses per share equal the basic loss per share.

20. FINANCIAL INSTRUMENTS – FAIR VALUE AND RISK MANAGEMENT

Fair value of financial instruments:

For the purposes of financial reporting, the group used the fair value hierarchy categorized in levels 1, 2, and 3 based on the degree of observance of the inputs in the fair value measurement and the importance of these inputs in measuring the fair value in its entirety, as shown below:

- **Level 1 -** Prices traded in an active market for similar assets or liabilities that the company can value at the measurement date (without modification).
- **Level 2 -** Inputs other than prices included in Level 1 that can be considered as a value for an asset or liability, either directly (for example, prices) or indirectly (for example, derived from prices).
- **Level 3 -** Inputs for assets and liabilities that are not based on observable market information (unobservable inputs)

December 31,2023	**Book value**	**Level (1)**	**Level (2)**	**Level (3)**
Financial assets designated at fair value through other comprehensive income	**1,940,607**	-	-	**1,940,607**

March 31,2023	**Book value**	**Level (1)**	**Level (2)**	**Level (3)**
Financial assets designated at fair value through other comprehensive income	1,940,607	-	-	1,940,607

(All amounts are in Saudi Riyal unless otherwise stated)

21. DISCONTINUED OPERATIONS

On 9 May 2022 An agreement was signed between Aventus Global Trading a 100% owned subsidiary, operating in the United Arab Emirates and Nextbite Trading (a Company registered in the UAE) to sell various assets and transfer various obligations related to the transfer of the business operations on an ongoing basis of Aventus.

The transaction represents the transfer of assets and liabilities related to the business operations of Aventus Global Trading, which operates in the retail sector in the United Arab Emirates and operates branches in Dubai, Abu Dhabi and Sharjah for the sale of books, stationery, magazines, newspapers, entertainment products, confectionery and accessories.

21/1 Aventus Global Trading Company

On October,4 2022, the necessary approvals from stakeholders and related bodies were obtained to complete the process of transferring concession rights and lease contracts, accordingly, the subsidiary company transferred the franchise agreements, property and equipment for branches, projects under construction and inventory, as well as the transfer of future obligations for branch leases and the dues to contractors for assets under construction and employees benefits obligations.

The total fair value of the agreed consideration for the transaction amounted to 4,637,726 SR, of which 2,451,226 SR were received, and the remaining 2,186,500 SR were included in trade receivables and other debit balances, net. According to the sale agreement, the remainder of the agreed consideration amount will be paid in two instalments. The Group recorded a net profit of 1,484,557 SR on this transaction in the statement of profit or loss as follows:

	As at 4 October 2022
Fair value of agreed consideration	4,637,726
Net asset value of transferred assets	(3,153,169)
Net gain on disposal	1,484,557

21/1/1 The following is a list of transferred assets and liabilities as on the date of disposal:

	As at 4 October 2022
Assets	
Trade receivables and other debit balances, net	1,327,977
Inventory	376,696
Property and equipment	3,857,136
	5,561,809
Liabilities	
Trade payables and other credit balances	1,736,565
Employees' defined benefits obligations	672,075
	2,408,640
Net asset	3,153,169

(All amounts are in Saudi Riyal unless otherwise stated)

21. DISCONTINUED OPERATIONS (CONTINUED)

21/2 Qutrob for Audiovisual Media Production Company:

On May 2, 2023, Integrated Production Company for Audiovisual Media Production (a subsidiary) sold its stake in Qutrob for Audiovisual Media Production (an associate company). The total fair value of the consideration for the transaction amounted to SR 1,195,000, of which SR 219,500 were received, and the remaining amount of 975,500 SR was included in trade receivables and other debit balances, net. According to the sale agreement, the remainder of the consideration will be paid in instalments. The net book value of the interest in the associate company as at the date of disposal amounted to 116,572 SR. The Group's gain from the discontinued operations of the Group's share in the net asset value in the associate amounted to SR 1,078,428.

21/2/1 The following table summarizes gain realized on the transaction as follows:

	As at 2 May 2023
Fair value of agreed consideration	1,195,000
Less:	
Net investment value as of disposal date	(339,945)
Due from related party as of disposal date	456,517
Total interest in associate as of disposal date	116,572
Net gain on disposal	1,078,428

21/3 Results from discontinued operations:

21/3/1 For the nine months period ended 31 December 2023:

	Note	Aventus Global Trading	Qutrob Audio Visual	Total
Share in net results		-	**(20,932)**	**(20,932)**
Gain on disinvestment	21/2	-	**1,078,428**	**1,078,428**
Profit from discontinued operations		-	**1,057,496**	**1,057,496**

21/3/2 For the nine months period ended 31 December 2022:

	Note	Aventus Global Trading	Qutrob Audio Visual	Total
Revenues		11,702,822	-	11,702,822
Cost of revenues operations		(7,195,449)	-	(7,195,449)
Selling and marketing expenses		(5,272,901)	-	(5,272,901)
Other income, net		984,900	-	984,900
Finance cost		(526,631)	-	(526,631)
Net loss		(307,259)	-	(307,259)
Share in net results		-	(177,955)	(177,955)
Loss from operations		**(307,259)**	**(177,955)**	**(485,214)**
Gain / (loss) on disinvestment		1,484,557	-	1,484,557
Gain from discontinued operations	25/3	**1,177,298**	**(177,955)**	**999,343**

(All amounts are in Saudi Riyal unless otherwise stated)

22. CONTINGENT AND CAPITAL COMMITMENTS

22/1 Capital Commitments:

The Group has capital commitments mainly from expansions and projects under implementation as follows:

	31 December 2023 (unaudited)	31 March 2023 (audited)
Capital commitments *	2,240,000	-

22/2 Letter of Guarantees

The letter of guarantee outstanding on the Group comprise the following:

	31 December 2023 (unaudited)	31 March 2023 (audited)
Letters of guarantee *	11,284,874	11,670,972

* Cash margin for letters of guarantee as at 31 December 2023, amounting to SR 10,873,068 is included in trade receivables and other debit balances - Note 8 (31 March 2023 amounting to SR 11,517,685).

23. CONTINGENT LIABILITIES

Contingent legal claims

There are some cases filed against the parent company and some of the Group's subsidiaries, during the normal course of business and are currently being litigated.

There is a lawsuit filed against a subsidiary by a service supplier requesting payment of an amount of 893,705 SR for a services agreement. During the period ending on December 31, 2023, a first-degree court verdict was issued in favor of the supplier in the amount of 210,000 SR. The subsidiary company filed an appeal against the verdict and no ruling has been issued in the appeal until the date of approving these interim condensed consolidated financial statements.

There is a labor lawsuit filed against the company to claim due salaries, end-of-service benefits, and compensation. The total value of the claim is 1,138,125 SR. A liability of 516,696 SR was recorded against it

24. CONTINGENT ASSETS

24/1 Material lawsuits filed by the Parent Company

During the year ended 31 March 2022, the company filed a lawsuit with the General Secretariat of Committees for Resolution of Securities Disputes regarding the company's private right against some members of the previous Board of Directors who managed the company during the period from September 26, 2009 to September 25, 2015. During the period ending on December 31, 2023, a decision was issued by the Securities Disputes Appeal Committee to accept the company's appeal against the Secretariat's decision to reject all company's requests and to refer the case to the Securities Disputes Settlement Committee.

No contingent assets have been recorded in these interim condensed consolidated financial statements against the lawsuits filed by the company, as there is no practical and reliable way to estimate the financial impact that may result from them.

(All amounts are in Saudi Riyal unless otherwise stated)

25. RESTATMENTS AND RECLASSIFICATIONS OF COMPARTIVE FIGURES

a) During the prior financial years, a subsidiary company recorded other revenues from rental concessions on property lease contracts, considering that they were related, as it was related to conditional rental concessions and as these concessions are probable in nature and the conditions for obtaining them were not met, and therefore they did not meet the necessary conditions to book it.

The group reversed the recording of other income on lease concessions and adjusted the opening balance of short-term lease obligations as of March 31, 2022. The effect of this restatement was booked by adjusting the opening accumulated losses balance as of March 31, 2022, and amending the comparative information for the consolidated statement of financial position as of March 31, 2022, March 31, 2023, and the consolidated statement of profit or loss and statement of cash flows for the comparative financial period ending on December 31, 2022.

b) Certain comparative figures have been reclassified to conform with the presentation of the current year and in accordance with the requirements of International Financial Reporting Standard No. (5), non-current assets held for sale and discontinued operations.

c) The total cash flows from operating, investing and financing activities were not affected by these amendments and reclassifications. The effects of the adjustments to the statement of cash flows are primarily adjustments to non-cash items and changes in working capital within cash flows from operating activities, and therefore are not disclosed separately.

25/1 The impact on equity as of 31 March 2023 as a result of the above restatement:

	Note	31 March 2023 (before restatement)	Restatement	31 March 2023 (after restatement)
Non-current lease liabilities	25 (a)	**13,165,564**	4,831,256	17,996,820
Total Current Liabilities		**174,890,579**	4,831,256	179,721,835
Total Liabilities		**209,109,902**	4,831,256	213,941,158
Accumulated losses	25 (a)	**(82,798,638)**	(4,831,256)	(87,629,894)
Total Shareholders' Equity attribute to Shareholder of the Parent Company		**(57,559,430)**	(4,831,256)	(62,390,686)
Total Shareholders' Equity		**(60,602,454)**	(4,831,256)	(65,433,710)

25/2 The impact on equity as of 31 March 2022 as a result of the above restatement:

	Note	31 March 2023 (before restatement)	Restatement	31 March 2023 (after restatement)
Non-current lease liabilities	**25 (a)**	**19,870,896**	967,990	20,838,886
Total Current Liabilities		**167,624,938**	967,990	168,592,928
Total Liabilities		**204,407,062**	967,990	205,375,052
Accumulated losses	25 (a)	**(26,546,570)**	(967,990)	(27,514,560)
Total Shareholders' Equity attribute to Shareholder of the Parent Company		**6,373,626**	(967,990)	5,405,636
Total Shareholders' Equity		**4,483,613**	(967,990)	3,515,623

(All amounts are in Saudi Riyal unless otherwise stated)

25. RESTATMENTS AND RECLASSIFICATIONS OF COMPARTIVE FIGURES (CONTINUED)

25/3 Adjustments to the comparative interim condensed consolidated profit and loss statement for the nine months period ended 31 December 2022, as a result of above restatements and reclassifications:

	Note	Balance before restatement and reclassification	Restatement	Reclassification operations	Reclassifications due to discontinued operations (note 21)	Balance after restatement and reclassification
Cost of revenues from continued operations	25 (b)	(44,658,446)	-	(5,069,642)	-	(49,728,088)
Selling and marketing expenses	25 (b)	(28,054,168)		5,069,642	-	(22,984,526)
Other income	25 (a)	5,241,315	(2,971,270)	-	-	2,270,045
Share of net results from associate companies accounted for using equity method	25 (b)	1,184,726	-	-	177,955	1,362,681
Net loss from continued operations for the period		**(19,207,541)**	**(2,971,270)**	**-**	**177,955**	**(22,000,856)**
Discontinued operations						
Profit from discontinued operations for the period	21/3/2	1,177,298	-	-	(177,955)	999,343
Net loss for the period		**(18,030,243)**	**(2,971,270)**	**-**	**-**	**(21,001,513)**

25/4 Adjustments to the comparative interim condensed consolidated profit and loss statement for the three-month period ended 31 December 2022, as a result of above restatements and reclassifications:

	Note	Balance before restatement and reclassification	Restatement	Reclassification operations	Reclassifications due to discontinued operations (note 21)	Balance after restatement and reclassification
Revenues from continued operations	25 (b)	23,603,908	-	100,213	-	23,704,121
Cost of revenues from continued operations	25 (b)	(15,630,492)	-	(1,907,317)	-	(17,537,809)
Selling and marketing expenses	25 (b)	(9,517,610)	-	1,807,104	-	(7,710,506)
Other income	25 (a)	3,031,982	(1,008,096)	-	-	2,023,886
Share of net results from associate companies accounted for using equity method	25 (b)	907,724	-	-	43,297	951,021
Net loss from continued operations for the period		**(10,904,239)**	**(1,008,096)**	**-**	**43,297**	**(11,869,038)**
Discontinued operations						
Profit from discontinued operations for the period	21/3/2	2,625,293	-	-	(43,297)	2,581,996
Net loss for the period		**(8,278,946)**	**(1,008,096)**	**-**	**-**	**(9,287,042)**

(All amounts are in Saudi Riyal unless otherwise stated)

25. RESTATMENTS AND RECLASSIFICATIONS OF COMPARTIVE FIGURES (CONTINUED)

25/5 Adjustments to basic and diluted loss per share for the nine months period ended 31 December 2022, as a result of above restatements and reclassifications:

	Note	Share loss (before restatement)	Restatement	Share loss (after restatement)
Basic and diluted loss per share from net loss from continued operation for the period	19	(3.7)	(0.6)	(4.3)
Basic and diluted loss per share from net loss for the period attributable to shareholders of the parent company	19	(3.5)	(0.6)	(4.1)

25/6 Adjustments to basic and diluted loss per share for the three months period ended 31 December 2022, as a result of above restatements and reclassifications:

	Note	Share loss (before restatement)	Restatement	Share loss (after restatement)
Basic and diluted loss per share from net loss from continued operation for the period	19	(2.1)	(0.2)	(2.3)
Basic and diluted loss per share from net loss for the period attributable to shareholders of the parent company	19	(1.6)	(0.2)	(1.8)

26. SUBSEQUENT EVENTS

- Subsequent to the date of the financial position, on January 10, 2024, the competent commercial court in Riyadh ruled to reject the request to ratify the financial reorganization proposal of the Parent company and ruled to end the financial reorganization procedure. On January 23, 2024, the Board of Directors of the Parent Company issued a resolution not to appeal on the first-degree verdict. Later, on January 31, 2024, a member of the Board of Directors of the Parent Company, without authorization from the Board of Directors, filed an appeal against the verdict. Based on the opinion of the Company's legal advisor, the management of the Parent Company expects rejection of the appeal as it was submitted without legal capacity. The management of the Parent company does not expect a material impact on the financial and legal position of the Group as a result of the ruling taking (note 2)

- Subsequent to the date of the financial position, it was agreed with Riyad Bank to cancel the non-cash facilities agreement, with the company providing a cash margin with the bank for the full value of the balance of outstanding guarantees, amounting to 591,160 SR as of December 31, 2023 (as of March 31, 2023: 591,160 SR). (Note 12).

27. APPROVAL ON INTERIM CONDENSED CONSOLIDATED FINANCIAL STATMENTS

These interim condensed consolidated financial statements were approved by the Board of Directors on 28 Rajab 1445 H (corresponding 9 February 2024).

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF TIHAMA FOR ADVERTISING, PUBLIC RELATIONS AND MARKETING COMPANY
(A SAUDI JOINT STOCK COMPANY)
RIYADH, KINGDOM OF SAUDI ARABIA

INTRODUCTION

We have reviewed the accompanying interim condensed consolidated statement of financial position of Tihama for Advertsing, Public Relations and Marketing Company, A Saudi joint stock company (the "Company") and its subsidiaries (Collectively referred to the ("Group") as at 31 December 2023 and interim condensed consolidated statement of profit or loss, and interim condensed consolidated other comprehensive income for the three-months and nine-month periods ended, and interim condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended, and other explanatory notes (the "interim condensed Consolidated financial statements"). Management is responsible for the preparation and presentation of this interim condensed Consolidated financial statements in accordance with International Accounting Standard - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed consolidated financial statements based on our review.

SCOPE OF REVIEW

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

BASIS FOR QUALIFIED CONCLUSION

As shown in Note No. (6), investments in associate companies are accounted for using the equity method in the accompanying interim condensed consolidated financial statements. The group has an investment in an associate company (Wunderman Thomson MENA Company) "Wunderman", amounting to SR 31,057,474 as at 31 December 2023, which is accounted for using the equity method. the Group has recorded its investment in the associate as well as its share in net result of profit and comprehensive loss of associate amounting to SR 7,783,151 and SR 1,221,139 respectively based on the management accounts of the associate. Accordingly, we were unable to obtain sufficient evidence, directly or through alternative procedures, regarding valuation of the investment balance as of 31 December 2023, as well as the accuracy of the group's share in profit or loss and comprehensive income for the three- and nine-month periods ending on the same date. Accordingly, we were not able to determine whether adjustments to this amount were necessary as of 31 December 2023.

QUALIFIED CONCLUSION

Except for the adjustments to the interim condensed Consolidated financial statements that we might have become aware of had it not been for the situation described above, based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed Consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia.

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF TIHAMA FOR ADVERTISING, PUBLIC RELATIONS AND MARKETING COMPANY
(A SAUDI JOINT STOCK COMPANY)
RIYADH, KINGDOM OF SAUDI ARABIA

MATERIAL UNCERTAINTIES RELATED TO GOING CONCERN

We draw attention to Note (3.4) to the accompanying interim condensed consolidated financial statements, which states that the group has accumulated losses amounting to SR 141,436,073 as of 31 December 2023, representing 35.4% of the company's capital on the same date (31 March 2023: amounting to SR 87,629,894 representing 175% of the company's capital). The group also has negative cash flows from operating activities amounted to SR 28,280,824, and the total comprehensive loss for the nine-month period ending on 31 December 2023, amounted to SR 33,533,391. The group has plans to invest and work on restructuring as mentioned in Note No. (3.4), and it expects that the group will continue, and as a result, these circumstances indicate the existence of a fundamental uncertainty, which may raise significant doubts about the group's ability to remain as a going concern. Our conclusion has not been qualified with respect to this matter.

OTHER MATTER

The group's interim condensed consolidated financial statements for the three-months and nine-month periods ending on 31 December 2022 were reviewed by another auditor, who expressed a modified conclusion on those interim condensed consolidated financial statements on 7 February 2023. The group's consolidated financial statements for the year ending 31 March 2023 were also audited, by another auditor and expressed a modified opinion on those consolidated financial statements on 22 June 2023. The reason for modifying the previous auditor's Conclusion was as follows:

"The group's investments in associate companies were recorded and accounted for using the equity method based on financial statements prepared by the Company's management, the balance of investments in the group's summary and consolidated statement of financial position as of 31 December 2022 amounted to SR 29,015,417, and the group's share profits were included in the group's interim condensed consolidated statement of profit or loss for the period ending on that date amounting to SR 959,113, and we were not able to obtain sufficient evidence directly or through procedures regarding the group's investment balances in the above company as of 31 December 2022, as well as the group's share in the other comprehensive income of the above company for the same period. Accordingly, we were not able to determine whether it was necessary to conduct Adjustments to this amount."

For Al-Bassam & Co.

Ibrahim Ahmed Al-Bassam
Certified Public Accountant
License No. 337
Riyadh: 05 Sha'aban1445H
Corresponding to: 15 February 2024

البسام وشركاؤه
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