

**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 consolidated statement of financial position of Tihama for Advertsing, Public Relations and Marketing Company (the "Company") and its subsidiaries (Collectively referred to as the ("Group") as at 30 June 2024 and related interim consolidated statements of profit or loss, and interim Consolidated Statement of comprehensive income, changes in equity and cash flows for the three-months period then ended, and notes including a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these 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 these 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 stated in Note No. (6), The investments in associated companies is accounted for using the equity method in the accompanying interim condensed consolidated financial statements. The group has an investment in one of the associated Company (Wunderman Thomson MENA Company), amounting to SR 35,681,604 as at 30 June 2024. The Group has recorded its investment in the associate as well as its share in net result of profit, amounting to SR 2,489,148 and its share in other comprehensive loss, amounting to SR 511,608, based on neither reviewed management accounts of the associate for the 3 months period ended 30 June 2024, nor audited financial statements for the year ended 31 March 2024. Accordingly, we were unable to verify the accuracy of these balances. Accordingly we were not able to determine whether any adjustments to these balances and the share of results of the associate were necessary as of and for the period ended 30 June 2024.

**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.

**RIYADH**

Tel. +966 11 206 5333 | P.O.Box 69658  
Fax +966 11 206 5444 | Riyadh 11557

**JEDDAH**

Tel. +966 12 652 5333 | P.O.Box 15651  
Fax +966 12 652 2894 | Jeddah 21454

**AL KHOBAR**

Tel. +966 13 893 3378 | P.O.Box 4636  
Fax +966 13 893 3349 | Al Khobar 31952

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**MATERIAL UNCERTAINTIES RELATED TO GOING CONCERN**

We draw attention to Note (2.4) to the accompanying interim condensed consolidated financial statements, which states that the group has accumulated losses amounting to SR 167,090,278 as of 30 June 2024, representing 41.77 % of the company's capital on the same date (31 March 2024: amounting to 159,925,206 representing 39.98% of the company's capital). The group also has negative cash flows from operating activities amounting to SR 72,715,077, and total comprehensive loss for the three-months period ended on 30 June 2024, amounted to SR 7,858,540. The group has sufficient liquidity to enable it to meet its liabilities when it become due, in addition to its plans to liquidate of number of subsidiaries, new investments and expansion in its business to generate positive cash flows to continue its operations. these circumstances indicate the existence of a material uncertainty, which may raise significant doubts on the group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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**OTHER MATTER**

The group's interim condensed consolidated financial statements for the three months period ended on 30 June 2023 were reviewed by predecessor auditor, who expressed a modified conclusion on those interim condensed consolidated financial statements on 13 August 2023. The qualified Conclusion expressed by the predecessor auditor related to his inability to obtain sufficient evidence directly or through alternative procedures regarding the group's balances for investment in associated companies (Wunderman Thomson MENA Company), which were recorded and accounted for using the equity method based on financial statements prepared by the Company's management (Management accounts). The balance of investments in the group's summary and Interim consolidated statement of financial position as of 30 June 2023 amounted to SR 21,228,290 and the group's share of profits were included in the group's interim condensed consolidated statement of profit or loss for the period ended on that date amounted to SR 1,185,290.

**For PKF Al-Bassam**  
**Chartered Accountants**

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Ibrahim Ahmed Al-Bassam  
Certified Public Accountant  
License No. 337  
Riyadh: 12 Jumada Alwal 1446H  
Corresponding to: 14 November 2024

**RIYADH**

Tel. +966 11 206 5333 | P.O.Box 69658  
Fax +966 11 206 5444 | Riyadh 11557

**JEDDAH**

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