



THE LEADING ENTERTAINMENT PLATFORM FOR THE ARAB WORLD

Annual Report 2023

mbc
GROUP



**King Salman bin Abdulaziz
Al Saud**

Custodian of the Two Holy Mosques
King of the Kingdom of Saudi Arabia



**His Royal Highness Prince Mohammad
bin Salman bin Abdulaziz Al Saud**

Crown Prince & Prime Minister

Chairman's Statement



The media landscape, within the Kingdom and globally, is undergoing an exciting transformation. We are thrilled to be leading the region with innovation.

The changes we are seeing in the broadcasting and digital realms are fundamentally reshaping how we consume and interact with audio and visual content. At MBC GROUP, we relish the challenges and opportunities this presents as we lead the region with innovation and creativity. In Saudi Arabia, we are experiencing remarkable momentum and acceleration, largely propelled by the country's Vision 2030. We are poised to leverage this growth and seize the opportunities it presents to contribute even more substantially to the Kingdom's national journey.

Content is our Heartbeat

At the core of our dynamic evolution lies content – a concept I deeply cherish and that has been the heartbeat of MBC GROUP since its inception three decades ago. Content has never been merely a commodity to us; it's our strength, the very pulse animating our initiatives, propelling our growth and success.

Every day, I see the ways our leadership, workforce and talent are committed to enriching the lives of all those we entertain on TV, radio, at an event or online. Guided by the confidence of our investors and fueled by our aspirations as a global entertainment and media powerhouse, we are uncompromising in our ambitions for sustainable, high-value growth and unparalleled content.

"We remain resolute in our mission to innovate, adapt, and redefine excellence in the media and entertainment industry, both regionally and globally."

Significant Milestones

Reflecting on the past year, MBC has achieved remarkable milestones, underscoring the collective dedication and unwavering commitment of our great team. I'm particularly proud to highlight our successful public listing on the Saudi Stock Exchange in January 2024.

This achievement validates our standing in the market and reflects the trust and confidence placed in us by our stakeholders. MBC's decision to list followed years of sustained value creation, so we relish the challenge of rewarding the market's confidence in our brand.

Our Commitment to Innovation and Expansion

As we navigate these transformative times, we remain committed to delivering high-quality, engaging content. In an era marked by unprecedented change, our pioneering mindset is driving our success. These factors, alongside our dedication to exceptional content, have been the cornerstone of our past achievements and continue to guide our future endeavors.

We worked relentlessly in 2023 to continue to be a pioneering force in media and entertainment by expanding our market position and reaching a wider audience. Our TV operations continue to serve as a robust business foundation, while SHAHID, our streaming platform, is driving our expansion with remarkable subscriber growth.

Looking Ahead

We remain resolute in our mission to innovate, adapt, and redefine excellence in the media and entertainment industry, both regionally and globally. Together at MBC, we will shape the future of media, harnessing our collective strengths and unwavering commitment to excellence in content creation.

"Content has never been merely a commodity to us; it's been our strength, the very pulse animating our initiatives, propelling our growth and success."

MBC continues to diversify and expand into new entertainment verticals, including promising ventures into music, gaming, and events. We take our role as the leading media and entertainment in the region very seriously and are committed to innovating, not following others' leads. This is only possible because of our inimitable leadership team, our exceptional workforce and our impressive international talent.

We are committed to delivering sustained growth and value creation for our audience and shareholders and our suite of other products and services are all part of the MBC GROUP story.

We are constantly planning for long-term, sustainable growth and the support of our seasoned management team and the confidence of our shareholders will enable us to shape the future landscape of media and entertainment. Our mission is to deliver cutting-edge technologies and groundbreaking viewer experiences that will redefine the industry's trajectory.

I would like to conclude by thanking the MBC Team, whose unwavering commitment to success after success has driven MBC GROUP to become a prominent brand that resonates with viewers worldwide. I would also like to take the opportunity to thank our shareholders for their continued trust and support as we embark on this journey of growth and innovation.

Waleed Ibrahim Al Ibrahim
Founder and Chairman of MBC GROUP

Welcome to MBC GROUP.
The leading media and
entertainment conglomerate
in the Middle East and
North Africa.

Enriching lives through information, interaction,
and entertainment. The undisputed leader
in broadcasting with unparalleled
audience reach.

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Founded over 30 years ago, MBC
has a rich history of growth and
expansion, starting with the launch
of the first private Arabic satellite
TV channel, MBC 1, in 1991.

150 MN

A household name, boasting
an extensive presence that draws
in 150 million viewers every week.

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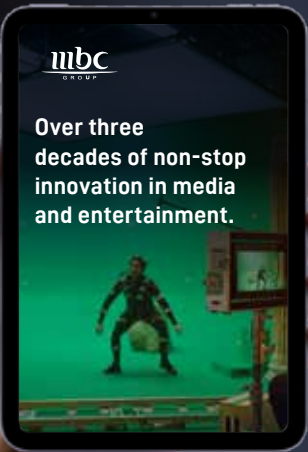
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Overview

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About Us

MBC is the leading media and entertainment conglomerate in the MENA region. With worldwide audiences and enormous potential for expansion, we are embarking on an exciting new period of development.

With a rich history of growth and expansion, MBC first launched in London in 1991 as the private satellite TV channel, MBC1. The company relocated its headquarters to Dubai Media City, United Arab Emirates, in 2002. Building on its immense success, MBC proudly inaugurated its new headquarters in Riyadh, Saudi Arabia, 20 years later.

MBC is proud to serve audiences worldwide. As the home of iconic brands, departments, and entities with TV and radio offerings, MBC boasts a streaming platform, production and talent houses, and more.

TV, Radio, Streaming, Production and Education

MBC operates 13 free-to-air TV channels and three radio stations, such as the flagship MBC1, as well as MBC2, MBC3, MBC4, MBC DRAMA, MBC MASR, and MBC FM.

SHAHID from MBC is the world's leading Arabic streaming platform. SHAHID is home to highly rated original productions from the Arab world, including a wide range of exclusive series, movies and other premieres. Additionally, the platform offers live TV channels, sports, content for children and international content.

MBC is also home to MBC STUDIOS, a global production powerhouse. MBC STUDIOS thrives on the unrivaled, untapped storytelling potential of the Middle East.

MBC recognizes that it is uniquely positioned to mentor, educate, and nurture the talent of tomorrow. With this in mind, MBC runs MBC ACADEMY, an educational and training platform to discover, upskill, and nurture Saudi talent in the media and production space. Since its launch in 2020, MBC ACADEMY has trained over 23,000 people in these sought-after sectors.

Vision



With our heart in the Arab world, we are forging a global media group that enriches people's lives through information, interaction, and entertainment.

Mission



MBC commits to being the leading multi-platform provider of innovative information and entertainment, produced by professionals performing in a culture of excellence.



At a Glance

2,000+

employees

76 BN

video views on
owned social media
in 2022

13

13 free-to-air TV
channels

9,000+

titles in content library
including acquired content

81

MBC programs
ranked in top 100
shows in KSA

150 MN

viewers per week

4

production offices
in 4 cities

246 hrs

produced by MBC STUDIOS

Operational and Financial Highlights

Operational



#1

#1 TV broadcaster in key MENA markets including KSA

#1 SVOD

by number of subscribers as of September 2023

#1 AVOD

by number of active monthly users (as of April 2023)

c.90

potential household reach in the MENA region

800+ MMS

advertisers across MENA in 2023

85%

is Arabic content, produced by MBC STUDIOS or acquired

Financial



SAR 3.7 BN

(USD 987.7 MN)
total group revenue

SAR 921 MN

(USD 245.7 MN)
total group gross profit

17%

group revenue CAGR (2022-2023)

SAR 69 MN

(USD 18.5 MN)
group net income

144%

AVOD revenue growth

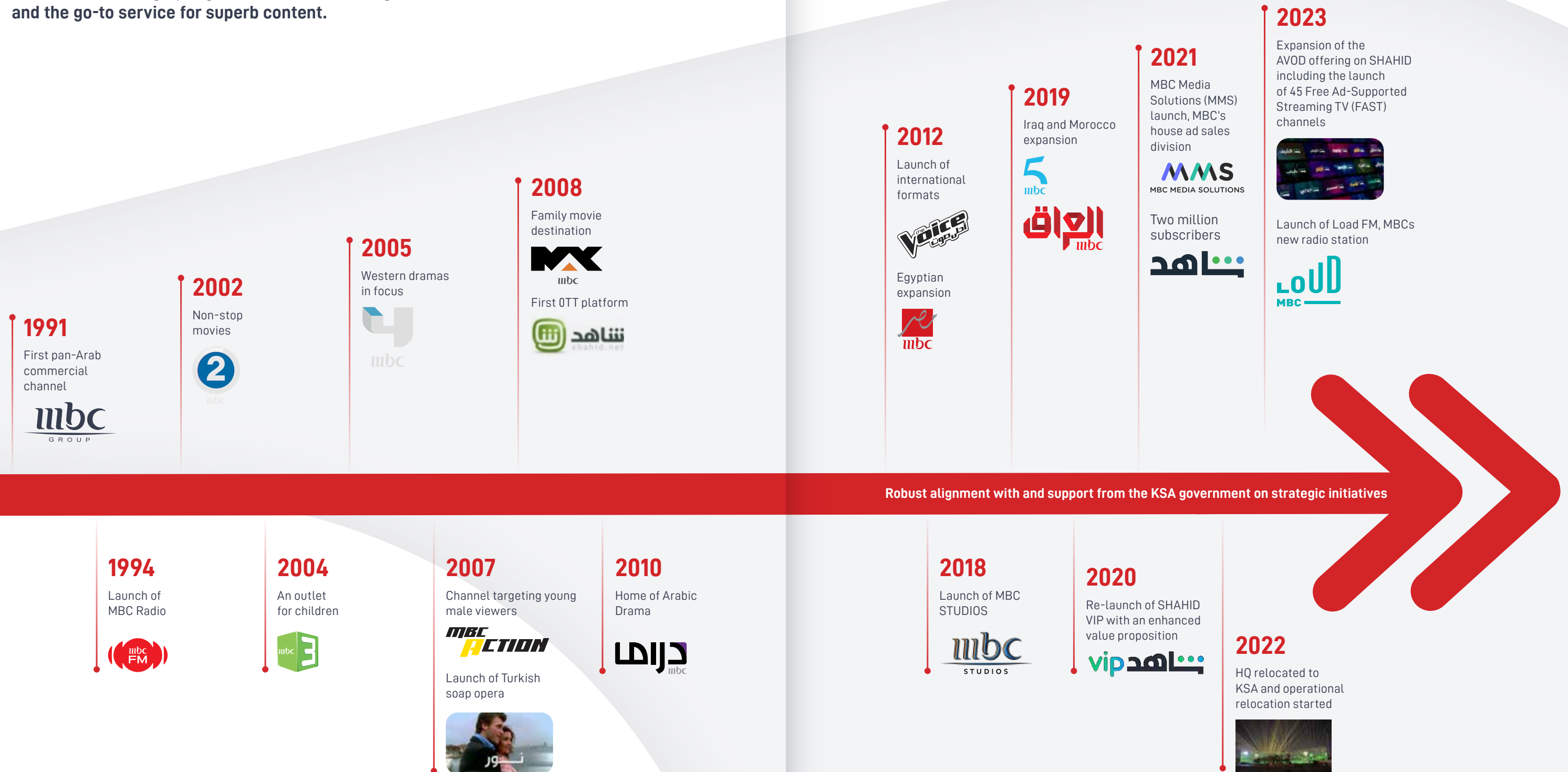
40%

subscriber base growth

MBC's Evolution

Three decades of non-stop innovation in media and entertainment

One of the most highly regarded brands in the region and the go-to service for superb content.



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Founded over 30 years ago, MBC GROUP is the leading media and entertainment conglomerate in the Middle East and North Africa region.

150 MN

A household name, boasting 150 million weekly viewers.

MBC has built a strong, trusted relationship with its pan-Arab audience, transitioning together as the sector has evolved



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CEO's Message



Our strong performance, underpinned by SHAHID's rapid expansion, reinforced MBC GROUP's position as the leading media and entertainment platform for the Arab world.

As we reflect on 2023, we must also recognize how far we have come in the build-up to our successful IPO in January 2024. When MBC launched in 1991, we were the first private, Arab, free-to-air satellite station in the region. We had just one TV channel. Over three decades, the business has become a diversified, market-leading media and entertainment conglomerate based in Riyadh.

Today, we have unparalleled reach across the MENA region and 150 million people access our content every week via TV, radio and SHAHID, our OTT streaming platform. SHAHID has rapidly expanded in 2023, strengthening our robust performance overall. This has reinforced our position as the leading media and entertainment platform for the Arab world.

"Since its relaunch in 2020, SHAHID subscriptions have quadrupled, cementing its position as the leading OTT platform in the region in 2023. At the same time, revenues for our advertising video-on-demand (AVOD) have doubled."

We are part of the cultural fabric of the region, reaching viewers worldwide. We remain larger than any of the household names offering streaming services in the Middle East. Additionally, our TV business remains robust with a steady increase in audience share across our markets of operation. With SHAHID, our subscription video-on-demand (SVOD) and advertising video-on-demand (AVOD) services continue to grow c.40% subscriber growth and 25% AVOD user growth year-on-year respectively.

We continue to produce critically acclaimed, high-quality Arabic content. Last year, our in-house production team produced more than 43 projects that were transmitted on the different TV channels and SHAHID (a total of more than 1,200 transmitted episodes and 2,559 transmitted hours).

We feel a strong sense of responsibility as a leading media voice and we continue to evolve and diversify. We began exploring new areas for continued development such as gaming, music, and events. These initiatives and programs demonstrate our strong commitment to supporting the long-term, sustainable growth of the local media and entertainment sector.

"We are part of the cultural fabric of the region, reaching and connecting with viewers worldwide."

Strong Financial Performance

MBC has once again demonstrated its ability to create value, boasting a very healthy financial profile at year-end. Group revenue in FY2023 was SAR 3.7 billion (USD 987.7 million), registering a 17% CAGR for the period between 2020 and 2023.

Term Definition: OTT – Over the Top

This revenue growth has been heightened by the expansion of SHAHID, with a CAGR of 56% over the past 4 years and a growing subscriber base that has expanded by over four times since 2020.

Omnichannel Strategy

SHAHID's premium subscription-based service is the number one SVOD service in the MENA region, with a 23.2% market share as of September 2023. In 2023, the growing demand for MBC's high-quality Arabic language content drove rapid growth in local, regional, and global audience numbers. We also enhanced our sports broadcasting output with exclusive rights to broadcast the Saudi Premier League.

SHAHID maintains its position as the number one OTT platform in the region, with our AVOD monthly active users totalling 15 million last year and an increase in our subscriber numbers from 0.9 million at the end of 2020 to 3.98million at the end of 2023. We continue to focus on subscriber growth and believe our highly rated, locally created content for the Arab audience is the route to SHAHID's ongoing success. We are embracing the platform's potential to grow geographically, as well as in terms of content and access. The MENA region is home to more than 477 million people with a young and growing population.

"We will also leverage substantial untapped potential in markets with a large Arab diaspora."

To achieve this, we will continue to produce high-quality Arabic content. There is substantial untapped potential in markets with a significant Arab diaspora and large Arabic-speaking populations, including the US, the UK, and Canada.

Content is the focal point of our operations. However, the true strength and distinctiveness of the MBC model is in its diverse platforms. We utilize content across various channels, including TV, a digital OTT platform, radio, social media, and events.

Advertisers' spending on OTT grew at a healthy rate and we are poised for rapid growth as online viewership continues to increase. This provides significant potential to grow our advertising market share in AVOD. The decision taken in 2021 to bring our advertising in-house with the launch of MBC Media Solutions (MMS) gives us a springboard to capitalize on this growth opportunity.

Throughout the year, we have invested in relationships with top local and international agencies. Brand integration and product placement have improved as our sales team work alongside our content specialists. We are developing international-standard technologies and have implemented a solution that allows us to insert targeted advertisements seamlessly into live channels. We also gained greater

control over pricing, allowing us to optimize the monetization of our content.

Celebrating Exceptional Talent

Our consistent growth in 2023 would not have been possible without our skilled talent. Professionals join MBC because they are excited by our story, and we have succeeded in attracting and retaining highly skilled talent from around the media world.

Across the business, we benefit from a highly talented team with in-depth industry knowledge and a specialized understanding of local, regional and international market dynamics. This includes the senior executive management team, which has guided the growth of MBC to its current market-leading position in the MENA region.

MBC's workforce of over 2,000 staff benefits from stable, consistent management and a supportive Board of Directors headed up by the Group's founder and Chairman, Sheikh Waleed bin Ibrahim Al Ibrahim. He has a bold vision for the company that combines a demand for excellence with a culture that nurtures professional development and innovation.

Outlook

Navigating opportunities as a publicly listed company

With 2023 behind us, we start our journey as a publicly listed

company in strong financial health. Success never comes without challenges, but we are embracing the exciting opportunities ahead. For SHAHID specifically, the OTT market has enormous potential and is forecast to double in size over the next three years. OTT penetration rates in the MENA are only 4% compared to 80% in other mature markets so we aim to take advantage of this growth.

We are already the market leader in the region, and we have the team and the strategic vision to execute our strategy.

As we move through 2024, we will continue to target opportunities in advertising OTT, TV, radio, gaming, and events. We have ambitious plans to drive growth and innovation with continued investment in our people, our content, and our technology. Now backed by supportive shareholders, we are ready to build on our position as the region's leader in broadcasting and entertainment.

Our audience, employees, investors and industry colleagues have great respect for the work we do. We will honor their trust in us by continuing to excel in this exciting arena.

Sam Barnett

Chief Executive Officer



CFO's Message



MBC delivered a strong financial performance in 2023, driven by steady revenue growth across all the Group's segments, particularly SHAHID.

Performance Overview

The Group witnessed solid revenue growth across all its business segments in FY2023. As anticipated, the Broadcasting and Other Commercial Activities segment experienced a decline in advertising revenues in the fourth quarter, attributed to the Gaza crisis. However, this was offset by other revenue streams within the segment including service agreements along with key events production contracts with GEA and Neom.

The segment's solid performance was also attributed to the Group's investment in its extensive relationships with top local and international agencies to help drive advertising revenue.

SHAHID, our streaming platform, significantly exceeded its revenue targets in FY2023, well ahead of our expectations. Consequently, SHAHID's steep growth trajectory leaves it well-positioned to achieve its break-even point within five years. The Group's focus for SHAHID is to grow revenue and enhance the Group's profit margin, strengthening its financial foundations and bringing us closer to sustainable profitability.

On the Media & Entertainment Initiatives segment, MBC continues to consistently deliver on the KPIs the Saudi Government sets across various projects aligned with Vision 2030 initiatives in the sector.

Group Financial Performance

MBC's decision to list on the Saudi Stock Exchange (Tadawul) followed a consistent period of growth over many years. Through investments in our digital platforms, new revenue streams, content diversity and sustained subscriber growth, the Group's revenue increased from SAR 2,318 million (USD 618 million) in 2020 to SAR 3,704 million (USD 988 million) in 2023. This represents a CAGR of 17% over four years, fueled by consistently high revenue growth and the soaring popularity of SHAHID, which delivered a CAGR of 56% in the same period.

The Group's net income stood at SAR 69 million (USD18 million) as of December 31, 2023, an increase of 45% compared to SAR 48 million recorded in FY2022. That is also significantly higher than the net loss of SAR 96 million (USD 25 million) MBC reported in 2020. The improvement in net income reflects the Group's success in growing the subspace by leveraging the quality of its content and gaining operational efficiency.

Business Segments Financial Performance

Revenue from Broadcasting & Other Commercial Activities in FY2023 reached SAR 2,003 million (USD 534 million), compared to SAR 1,940 million (USD 517 million) in FY2022, comprising SAR 1,102 million (USD 294 million) from advertising and SAR 902 million (USD 240 million) from other commercial activities such as radio, events, music, gaming, interactivity, broadcasting and technical services.

Net income from other commercial activities in FY2023 recorded SAR 345 million (USD 92 million), down 21% year-on-year and translating to a net income margin of 17%, down 5% year-on-year.

SHAHID, which includes the subscription video-on-demand and advertising video-on-demand, delivered an outstanding year-on-year increase in revenues of 51% to reach SAR 836 million (USD 223 million). SHAHID saw a material year-on-year decrease of SAR 110 million (USD 29 million) in net losses in FY2023, driven by a surge in digital and AVOD revenues.

Revenue from Media & Entertainment Initiatives declined 13% year-on-year to reach SAR 864 million (USD 231 million). This segment includes MBC TALENT, MBC STUDIOS and projects directly linked to government initiatives derived from Vision 2030 plans in the media and entertainment sector in KSA. While margins remain subdued, we look forward to modest growth in margins from our M&E Initiatives segment to between 2% and 4%.

Subscriber Performance

The Group delivered a 40% increase in the number of SHAHID paid subscribers from December 2022 to December 2023 to reach 3.98 million subscribers. The Group's highly focused marketing strategy, successful content line-up and enhanced sports proposition have been the key drivers of subscriber growth.

Revenue from SHAHID's SVOD of SAR 724 million (USD 193 million) is materially up by 43% from the previous year of SAR 506 million (USD 135 million). This significant increase in performance led to a decrease in SHAHID's net loss by SAR 110 million (USD 29 million), equivalent to 28% reduction when compared to 2022.

Advertising Video on Demand

The year-on-year growth registered in AVOD's advertising inventory in 2023 was led by a revised content strategy that set out to increase the content available on the AVOD platform, including top-performing titles such as Al Thaman and Crystal.

Targeted and continuous marketing campaigns in key regions also emphasized AVOD, helping to drive traffic and bolster inventory levels throughout the year.

Digital

By year-end 2023, the Group's digital advertising revenue had grown by 143% compared to 2022 to reach SAR 112 million (USD 30 million). The popularity of SHAHID's growing AVOD platform has played a large part in this. This is linked to the availability of top shows and a commercial sales team fully dedicated to AVOD.

The team is mandated to enhance the sales initiatives for SHAHID and improve the overall sell-through rates.

"MBC has a clear roadmap for sustainable growth and the creation of shareholder value."

Future Performance

The Group's strategy will see it grow the number of subscribers and viewers on SHAHID, increasing advertising sales across its platforms, and it will continue to expand its operations into exciting and promising sub-sectors including sports, music, gaming, and events.

The Group's growth will also be supported by a long-term agreement with the Saudi government to implement media and entertainment initiatives that will support the Group to generate sustainable revenue in the medium term. Investments in new channels and projects, subscriber growth and the soaring popularity of SHAHID will also support revenue growth into 2024 and beyond.

Hussam Alnouri
Chief Financial Officer

It is important to note that as per the directive of the Saudi Organization for Chartered and Professional Accountants (SOCPA), the financial information disclosed by MBC GROUP on IFSAH pertains to the period from incorporation of the Company on 20 April 2023 to December 31, 2023, and consolidates the results of operations of subsidiaries only from 30 June 2023 (date of acquisition) to December 31, 2023. The Group has also presented additional financial information in notes to the financial statements to present a more comprehensive overview of the Group's full-year performance.



Investment Case

MBC GROUP offers a very attractive investment proposition



Robust macro-economic fundamentals are providing a strong foundation for sustained, long-term growth in the media and entertainment sector.

MBC targets a dynamic MENA region characterized by a young, vibrant population and a robust appetite for diverse entertainment formats across multiple platforms. The region is anticipating a 1.4% CAGR population growth from 2022 and 2027, contributing a 2.7% GDP per capita increase in the same five-year period.

MBC anticipates gains from increased advertising spend in TV, AVOD, radio, music, and gaming. The AVOD OTT market is expected to continue to grow rapidly at a 25% CAGR, driven by increasing time spent on OTT with the market size expected to be USD 362 million in 2025. Despite rising OTT penetration worldwide, the MENA region's rate was only 4% in 2022, lagging mature markets such as the United States at 81% in the same year. We have an opportunity to capitalize on future high rates of adoption in the region.



The MENA region's undisputed leader in broadcasting, with unparalleled audience reach.

MBC is one of the leading broadcasters in the MENA region with around 150 million weekly viewers regionally. Our channels reach beyond MENA, connecting with Arabs around the world. This means we are the preferred advertising partner, with the largest TV advertising revenue share, in the region. **MBC's estimated TV advertising market share is at 42% in MENA as of 2023.**

MBC successfully entered new markets, such as Egypt in 2012 and Iraq and Morocco in 2019, gaining immense popularity. As of 2023, MBC maintained the top broadcaster position in Saudi Arabia with close to a 40% audience share in KSA.



SHAHID: A dominant, rapidly expanding video streaming platform.

The SHAHID VIP service, relaunched in 2020, is now the MENA region's top OTT platform, showing robust growth and increased revenue. It boasts the highest subscriber count and strong audience engagement on its free-to-watch AVOD offering.

As of September 2023 SHAHID held 23.2% of the SVOD market share in the MENA region. Since then SHAHID has increased its subscribers to a total of 3.98 million and reached over 15 million AVOD active users by year-end. The platform's success is attributed to its diverse content, including popular, long-form drama series, exclusives such as SHAHID originals, and premium live sports.

SHAHID prioritizes subscriber base growth by emphasizing core premium content, venturing into demanding niches, and consistently enhancing the user experience for differentiation and engagement. Tailoring a relevant market strategy for key markets such as KSA, Egypt, GCC and Morocco is imperative.



Home to high-quality and engaging content, featuring distinctive in-house production capabilities.

MBC unites families across generations with diverse, expertly crafted content spanning comedy to drama and catering to varied interests and preferences.

MBC has a content library of over 9,000 titles, including 81 of the top 100 programs ranked in Saudi Arabia in 2023. Leveraging distinctive in-house production capabilities, MBC offers viewers an immersive experience with captivating storytelling and visually stunning local Arabic content.



Multiple organic growth opportunities in the core business, well positioned for continued investment in the thriving entertainment sectors.

MBC is perfectly positioned to capitalize on the media industry's ongoing growth and drive continual expansion and investment through levers such as subscriptions, advertising and complementary markets.

Through SHAHID, MBC is strategically positioned to capitalize on the substantial growth in the regional streaming market, providing valuable advertising opportunities for brands with a captive and engaged audience. The reliable and scalable revenue stream from MBC's subscription model also holds significant growth potential as the customer base expands.

Advertising spend on OTT is set for rapid growth, fueled by an increase in online viewership and time spent on OTT platforms. This offers substantial potential for the expansion of advertising market share in AVOD. We aim to broaden our reach with our strategic expansion into diverse segments such as gaming, music and events, creating opportunities for cross-promotion.



Robust financial profile combining profitable broadcasting and rapidly expanding digital ventures.

Revenue in 2023 amounted to SAR 3,704 million (USD 988 million), demonstrating a 17% CAGR from 2020-2023. The expansion of SHAHID contributed significantly to this, reflecting a CAGR of 56% over the same period.

Prioritizing cash flow generation, the broadcast unit serves as a pivotal force for financial stability and business growth. Net income from other commercial activities recorded SAR 345 million (USD 92 million), translating to a net income margin of 18%.



Highly respected and experienced management team with extensive expertise in the media and entertainment sector, supported by dedicated shareholders.

The senior executive management team, with decades of experience in the media sector, has extensive industry knowledge and a complex understanding of local and regional market dynamics.

This robust management team has effectively guided MBC to its current market-leading position in the MENA region. Complementing the executive team, MBC has a strong and strategic shareholder base, including Waleed bin Ibrahim Al Ibrahim and Al Istedamah Holding (IHC).



Strategy

Strategy for Growth and Profitability

Our strategic approach centers on bolstering our leadership in TV and radio advertising, harnessing the potential of our innovative OTT platform, and expanding our presence in diverse business segments. Focused on content excellence and aligned with KSA's Vision 2030, our vision is geared toward reshaping the media and entertainment landscape in the MENA region and globally.

Maintaining Advertising Leadership

MBC aims to maintain its advertising leadership in TV and radio by enhancing sales through MBC Media Solutions (MMS). MMS, with its strong market position, leverages modern ad-sales technology and audience measurement for increased potential. Over 800 advertisers globally place ads on MBC's media, benefiting from internalizing sales, upgraded technology and resources, dynamic ad insertion methods, and optimized advertising strategies. MBC targets programmatic sales and capitalizes on the shift to digital media, through its AVOD OTT platform. Anticipating a 25% CAGR in the MENA region's AVOD market, MBC GROUP aligns with evolving trends for profitable growth.

OTT Subscription Growth and EBITDA Margin Enhancement

MBC envisions substantial growth for SHAHID SVOD, surging from 0.9 million subscribers in late 2020 to approximately 4 million by the end of 2023, capitalizing on a MENA region population of over 477 million people. This is a predominantly young demographic with increasing disposable income. We are focused on expanding SHAHID's subscriber base through enhanced market share, regional marketing, and enriched content.

To achieve this, MBC plans ongoing investments in high-quality Arabic content production and targeting markets with significant Arab populations beyond the region including the US, the UK, and Canada.

Strengthening customer acquisition involves refining targeted marketing efficiency, organizing social events, and establishing B2B partnerships for synergies in brand recognition. Partnerships with telecom providers facilitate affordable mobile-only packages for audiences in economically challenged countries.

MBC emphasizes the enduring appeal of SHAHID originals and sports content, further incentivizing subscriptions as content diversifies. Geographical expansion and compatibility with mainstream devices are key aspects of the growth strategy.

We are always working on enhancements in user experience, including features like 4K and Ultra HD video content, multi-lingual support, reduced latency, auto-playing episodes, and platform compatibility on devices like PlayStation, Xbox, and smart TVs.

Content Production Leadership Strategy

MBC plans to continue to invest in content production, emphasizing SHAHID originals to drive user acquisition and retention. Leveraging its scale, strong record, and regional focus, MBC aims to maintain its leadership in the MENA broadcasting and media sector, fostering relationships with production companies.

MBC will enhance localization for each market, tailoring content to resonate with local audiences. External premium content investments, strategic sports rights, and localized offerings in subscription packages are expected to boost customer demand; integrating local sports content in SHAHID SVOD has already increased subscribers.

We have invested in children-focused and youth-focused content to expand our audience base. External partnerships, such as a deal for Turkish content and adaptations, contribute to content diversity. MBC's belief in substantial production investments as an anti-churn strategy is reinforced by the increasing attractiveness of generating our own productions, with a growing content library resulting from this strategic move.

To ensure relevance, the Group leverages its existing market share for insights into audience preferences. Utilizing audience data informs decision-making, optimizing resource allocation, content investment, and management focus for effective outcomes.

Diversification through Events Management and Gaming

MBC strategically diversified from its traditional broadcasting focus by establishing SHAHID's AVOD and SVOD platforms, investing in ancillary businesses, and expanding into gaming, music, and events management. Geared toward the growing youth population in KSA and the MENA region, the Group plans to broaden its services and reach through strategic partnerships, by entering into the video games development sector.

"By leveraging synergies among its diversified segments, MBC aim to maximize the potential of each business line, fostering individual success and contributing to overall growth. The ongoing examination of opportunities for acquisitions aligns with our expansion and development strategy."

Strategic Alignment with KSA's Vision 2030

KSA's Vision 2030 outlines programs and goals to diversify the Kingdom's economy beyond oil, focusing on sectors like media and entertainment. This aligns with MBC's strategy as it invests in entertainment programs, talent development, content production, gaming, and events management in KSA. MBC's move to KSA creates employment opportunities in the entertainment industry.

As the strategic media and entertainment partner chosen by the KSA government, MBC contributes to Vision 2030 through media and entertainment initiatives that focus on fostering the growth and development of local talent, enhancing domestic production capabilities, and spearheading projects that align with the Kingdom's overarching vision for development and progress in the sector.

Market Overview

Media and Entertainment Market Overview

The MENA Media and Entertainment market is expected to grow at a 7.1% CAGR, reaching USD 22.1 billion (SAR 82.9 billion) by 2027. This will be led by key sectors such as internet advertising, cinema, video games and esports.

The market's expansion is mainly driven by a young and growing population (512 million by 2027), coupled with rising per capita income (USD 12,200 or SAR 45,800 by 2027), increased connectivity, a digitally savvy consumer base and large, diverse content libraries.

TV Advertising

After experiencing a decline due to the COVID pandemic, the MENA TV advertising market has rebounded as of 2022 and is expected to grow at a 5.5% CAGR from 2023 to 2027, reaching USD 1.1 billion (SAR 4.1 billion). This anticipated growth is primarily driven by an expected increase in consumer spending in the region and is further supported by advancements in newly established media measurement platforms, which enhance the ability to accurately identify and report audience figures. However, this growth will be counterbalanced by the rising adoption of digital channels offering a more flexible content selection. This shift is prompting advertisers to target markets with expanding viewership, such as OTT and in-stream internet advertising.

MBC is the leading player in terms of linear TV audience share across key countries in the MENA region, according to data from IPSOS (capturing approximately 40% in KSA, 22% in Morocco – noting that the local channels are not represented in this data – and 27% in Iraq). The differentiating factor for MBC's market position lies in its extensive assortment of genres and premium Arabic content.

Over-the-Top (OTT)

It is expected that the OTT market will sustain its growth, fueled by library expansion amid intensifying competition among regional and global players. According to PwCs'

Global Entertainment & Media Outlook 2023–2027, the SVOD market is projected to grow at a 6.9% CAGR, reaching USD 2.3 billion (SAR 8.6 billion) by 2027. This growth is attributed to the impact of the COVID pandemic on the sector, along with expansions in the size of visual libraries and the high rates of internet penetration in the region.

The AVOD OTT market is expected to continue to grow rapidly at a 25% CAGR, driven by increasing time spent on OTT with the market size expected to be USD 362 million in 2025. The KSA market is rapidly expanding and is expected to reach roughly the same size as that of the UAE, the largest market in the region, by 2027. In contrast, Egypt remains largely underdeveloped due to its lack of broadband infrastructure, delaying the launch of international streaming services.

Radio Advertising

MBC, which broadcasts both Panorama FM and MBC FM, secured the highest audience share in the KSA radio market, capturing 36% in 2023. Additionally, in 2023, MBC GROUP launched LOUD FM, KSA's first Western music commercial radio station, aimed at the youth demographic.

The MENA region's radio advertising market is projected to achieve a 6% CAGR, reaching USD 293 million (SAR 1.1 billion) by 2027, driven by robust performance in the UAE and Egypt. Importantly, investment in radio advertising within KSA is projected to continue, aligning with the country's dedication to reforming and developing audio broadcasting industry technologies such as Digital Audio Broadcasting (DAB+), the internet and 5G.

Digital and Recorded Music

The MENA region's music market is poised for continued growth, with the digital music streaming advertising market projected to expand at a 10.0% CAGR, reaching USD 35 million (SAR 131 million) by 2027. Simultaneously, the digital and recorded market (non-advertising) is



expected to grow at an 8.0% CAGR and reach USD 264 million (SAR 990 million) by 2027. This growth is propelled by the increasing adoption of digital streaming platforms, investments in local content, and a focus on fostering regional and international collaborations.

In the realm of music and music streaming, MBC has its own record label, Platinum Records, along with a focus on continuing to expand in the music industry, catering to an Arab user base with its expansive library of Arabic music.

In the music record label market, a blend of global and regional labels prevails, with the key players distinguished by their substantial industry influence and artist roster. Moreover, global record labels are strategically acquiring smaller regional boutiques to consolidate their presence in the market and establish dominance.

Video Games

The global and regional video gaming market has undergone a notable transition, shifting from PC gaming, a subset of traditional gaming, to mobile gaming. This transformation is primarily driven by the widespread penetration of smartphones in the region, improved internet connectivity and evolving user preferences. In tandem, esports, the competitive facet of video gaming, has witnessed remarkable double-digit growth in the MENA region, projecting a 28.3% CAGR increase between 2022 and 2027. However, the anticipated growth in global and regional advertising spend on integrated video games is expected to be tempered by consumers' increasing use of ad-blocking software and their growing ability to tune out or skip ads within games.

While the top eight game publishers currently command around 70% of the global market, the remaining segment is highly fragmented, with numerous players competing for market share. Companies that own popular gaming platforms, including Sony, Microsoft and Nintendo, wield substantial influence in the market. These entities often release games exclusively to their own platforms or collaborate with third-party developers to create exclusive content.

Events Management

KSA's Vision 2030 aims to position the Kingdom as the premier entertainment hub in the region. Progress toward this vision is evident through the launch of significant events and initiatives supporting the entertainment sector.

The collaborative efforts of government agencies and key entities in the sector have led to an increase in both the quantity and scale of events hosted by KSA and the number of attendees. The Riyadh Season alone welcomed a record 20 million visitors in 2023, compared to 12 million visitors in 2022 and 10 million visitors in 2019, showcasing the tangible impact of these efforts.

The evolution of the entertainment sector is predicted to catalyze events management industry growth in KSA. The surge in mega-events, including international conferences, music festivals and sporting events, has garnered global attention, escalating the demand for professional events management services in KSA. Consequently, the market is expected to experience a CAGR of 9.8%, reaching USD 867 million (SAR 3.3 billion) by 2027.



Source:
PwC Global Entertainment & Media Outlook 2023-2027

"The MENA Media and Entertainment market is expected to grow at a 7.1% CAGR, reaching USD 22.1 billion (SAR 82.9 billion) by 2027."



03

Business Review

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Business Segments Overview

Our complementary business segments

Our Broadcasting and Other Commercial Activities, SHAHID Platform and partnership-driven Media & Entertainment Initiatives provide MBC with a unique operating model.

In our operational framework, we look at our activities as three distinct segments, each contributing uniquely and building on our overall strategy and success.

Broadcasting and Other Commercial Activities

Our commercial activities serve as our foundational pillar. These are MBC's core services, on which our business was established over 30 years ago. These activities encompass offerings that include free-to-air channels, advertising, and other adjacent entertainment verticals.

SHAHID Platform

SHAHID, our OTT platform and growth engine, plays a pivotal role in our strategy. With both subscription video-on-demand (SVOD) and advertising video-on-demand (AVOD) revenue streams, we are committed to delivering engaging content through advanced digital platforms.

Media & Entertainment Initiatives

We prioritize our partnership with the Saudi government through our Media & Entertainment Initiatives (M&E Initiatives), aligning with Vision 2030 objectives. These objectives contribute to the Kingdom's goals of development and progress and aim to enhance the media landscape in Saudi Arabia.

Distinct from our core commercial operations, these initiatives underscore our commitment to societal advancement and align with our overarching mission.

Broadcasting & Other Commercial Activities

The commercial activities of MBC GROUP derive solid and sustainable revenues from broadcasting and its adjacencies, including a diversified portfolio of entertainment verticals.

- 13 FTA Channels
- MMS
- Radio
- Social Media
- Gaming
- Music
- Events
- E-media

Our Foundation

SHAHID (OTT Platform)

A dual revenue approach, capitalizing on subscription and advertising revenue, bolstered by favorable market dynamics, and increasing OTT penetration in the region.

- Subscription-Video-On-Demand (SVOD)
- Advertising-Video-On-Demand (AVOD)

Our Growth

Media & Entertainment Initiatives

The government's media partner of choice, entrusted with the development of the media ecosystem in KSA driving large-scale entertainment projects.

- MBC STUDIOS
- MBC ACADEMY
- MBC TALENT
- MBC IRAQ, MBC PERSIA, MBC CINQ

Our Partnerships

Content – The Centre of Our Operations

Highlights

Rashash



Stiletto



Saudi Idol



Al Thaman



MBC's core operations in the Broadcasting and Other Commercial Activities and OTT segments are built on its content. The key customer value proposition is to consistently deliver new, engaging, and compelling content.

A diverse array of content categories is offered on our TV channels and OTT streaming platform. In 2023, a total of 81 titles from the network ranked in the top 100 programs in KSA. Content value is optimized by broadcasting across all available platforms.

Delivering a varied content portfolio, MBC offers scripted and unscripted formats, sports coverage, live programming and current affairs content. Scripted content includes SHAHID originals and adaptations of novels, presented in formats such as series, programs, movies, plays, concerts, podcasts (exclusive to digital platforms) and documentaries. Unscripted content includes large flagship formats such as *Saudi Idol*, *Arabs Got Talent*, *The Voice* and *Top Chef*.

At the forefront of MBC's focus are these content categories:

Large Flagship Formats and Game Shows

The network produces and broadcasts localized large formats for renowned international shows including *Saudi Idol*, *Arab Idol*, *Arabs Got Talent*, *The Voice*, *Who Wants to Be a Millionaire*, *The X Factor*, *Top Chef*, and *Project Runway*. These large formats involve licensing internationally successful formats, incorporating branding and guidelines from intellectual property owners. The license agreements typically span multiple seasons, drawing significant audiences and substantial advertising investments.

Drama Series Including Soap Operas and Adaptations

Engaging in drama production and acquisition, MBC focuses on a genre that is highly favored in the Middle East, with a special emphasis on commercially significant dramas aired during Ramadan. The network often secures third-party licenses for drama series. Some of our most well-received shows that have been produced by MBC STUDIOS include *Rashash*, *Al Thaman*, *Slave Market* and *Al Asouf*.

Other International Acquisitions

MBC secures rights for TV series catering to audiences in other countries or regions such as Korea, India, Latin America, and historically, Turkey. Following the acquisition, MBC dubs or adds Arabic subtitles to the content.

Western Movies and Series

MBC's offering extends to Western Movies and Series. Over the years, MBC has traditionally obtained broadcasting licenses for this genre, mainly from renowned Hollywood studios. These are broadcast with Arabic subtitles.

Sports

MBC delivers sports content through subscriptions on its OTT platform. Viewers on SHAHID can opt for special packages to access these channels. The coverage includes leagues and events such as the Roshn Saudi League,

AFC Champions League, AFC Asian Qualifiers and CAF (Confédération Africaine de Football), as well as basketball events like NCAA (National Collegiate Athletic Association) and SBF (Saudi Arabian Basketball Federation) and premium sports events, including NFL.

Anime

MBC doesn't just acquire anime content for broadcast on its TV channels and SHAHID platform, we have also ventured into producing this genre through a joint venture with a specialized firm.

Recurring Studio-Based Programs

Creating a diverse array of recurring studio-based programs, MBC encompasses talk shows, sports discussions, beauty and health features, celebrity news, cooking shows and morning shows in its line-up. Many renowned presenters and moderators host these programs, and often maintain long-term associations with the shows.

Regional Content

MBC selects content to cater to the preferences of regional markets outside the Gulf region. Egyptian-focused channels such as MBC MASR, for instance, require a distinct content offering. Similarly, channels targeted to audiences in Iraq, Iran, and Morocco necessitate tailored content, although their commercial characteristics and the scale of programming expenditure are smaller for MBC than those of the Egypt-specific channels.

Strategic Production Categories

Continually investing in content production, MBC works tirelessly to enhance the quality of our content offerings to boost viewership and attract more subscribers.

In our strategy for self-produced content, MBC categorizes its productions into various strategic segments:

- Flagship Originals: Notable series like *Rashash* (depicting the life of a notorious Saudi police officer).
- Premium Originals: Productions such as *Room 207*, *Jareemat Qalb*, *Boarding School*, and *Mawdou A'eli*.

- Scripted and Unscripted TV Shows and Dramas: Popular titles like *Al Thaman*, *Stiletto*, and *Arous Beirut* (adaptations of well-known Turkish dramas), along with *Al Hayba*, *Sabah il Kheyr Ya Arab*, *Scoop with Raya*, and *Saudi Idol*.

Sports content is offered as a supplementary service to SHAHID SVOD subscribers through an optional sports subscription. We do this through existing agreements, including with the Saudi Sport Company, which includes the exclusive rights to broadcast the Saudi Premier League.

MBC Content Board – Comprehensive Evaluation Process

MBC employs a thorough project selection process, taking into account several key factors, including:

- the alignment of a concept or idea with the needs of MBC or its platforms and the preferences of the target audience
- the suitability of a concept or idea for platforms operated by MBC
- analysis of historical data, market trends and predictive analytics to gauge engagement for the proposed content
- evaluation of estimated production costs, licensing fees, marketing and distribution expenses, and anticipated revenue streams associated with the proposed content
- assessment of the projected return on investment for the proposed content
- monitoring the accuracy of forecasted return on investment and comparing the actual results against predicted metrics.



Broadcasting & Other Commercial Activities

01. Our Foundation

Broadcasting & Other Commercial Activities

Broadcasting/Advertising

MBC's broadcasting business is at the core of MBC's commercial activities. We integrate free-to-air (FTA) TV, radio broadcasting and various supporting activities into this segment.

Financial Highlights

(SAR Million)

2,003	345	17%	+3.2%
Revenue in FY2023	Net income in FY2023	Net income margin in FY2023	Revenue % change (YoY)

MBC established its inaugural TV channel in 1991, delivering an Arabic-language TV service to the MENA region, initially from London. Operating on a free-to-air business model, the television network employs satellite technology for channel distribution. Advertising spots sold by our in-house advertising sales division provide the primary source of broadcasting-related income.

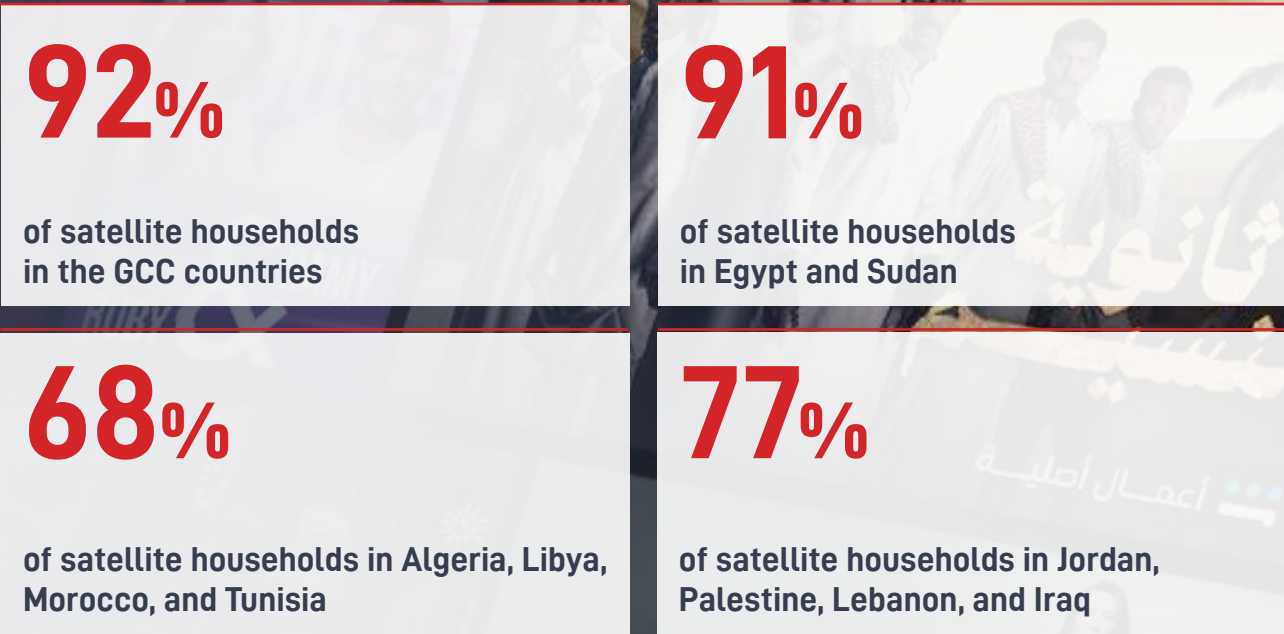
In terms of geographical reach, KSA and Egypt constitute the largest audience shares for MBC's linear TV content. MBC's channels present viewers with a blend of locally relevant content. We either produce this in-house, in collaboration with production partners, or we acquire

it from local and international third parties. Viewers access MBC's variety of TV channels through network channels. The uniqueness of the MBC model allows it to distribute content through all of its channels, and as part of the SHAHID offering, the TV channels are also available on the OTT platform.

MBC's broadcasting activities cater to audiences across the MENA region and beyond, including tailored local channels in specific regions including Egypt, Iraq and Iran.



MBC TV channel reach



MBC's weekly content reach (April 2023)

The flagship channel, MBC1, reaches:



Overview of MBC's TV channels (excluding those linked to Media & Entertainment Initiatives)

MBC offers a diverse array of TV programs and channels. Each of our TV channels has a distinct identity, enabling us to cover a range of interests for different demographics.

- MBC 1**

MBC1, the inaugural FTA TV channel, made its debut in 1991 as the first commercial channel targeting the MENA region specifically, with a focus on Gulf countries.

MBC Drama

Launched in 2010, MBC Drama is a dedicated family entertainment channel that broadcasts Arabic drama series 24/7.
- MBC MASR & MBC MASR 2**

Launched in 2012, MBC MASR offers dramas, series, movies, and documentaries, catering to a variety of viewer preferences.

In 2014, MBC MASR launched a second channel in Egypt, one of the largest markets in the MENA region. This channel, MBC MASR 2, features sports and entertainment programs. This expansion reflects the importance of MBC's strategic presence in Egypt, given the country's population of over 110 million people.

MBC Action

Introduced in 2007 to cater to a young Arab audience, MBC Action is a channel that features a line-up of action movies, dramas, thrillers, and popular sports content.
- MBC 2**

Launched in 2002 with a diverse range of programming, MBC2 underwent a transformation in 2005, becoming the first 24-hour FTA movie channel in the MENA region.

MBC4

Launched in 2005, MBC4 made history as the Arab world's first channel exclusively designed for young Arab families, with a core focus on the Arab female audience.
- MBC 3**

Introduced in 2004, MBC3 is a dedicated children's entertainment channel, offering a blend of educational and entertaining content. Its programming includes animated shows, educational programs, and beloved children's movies.

MBC Max

Launched in 2008 as MBC's second 24-hour movie channel, MBC Max is tailored to a younger audience.
- MBC Bollywood**

Introduced in 2013, MBC Bollywood broadcasts daily drama series, premium celebrity magazine shows and Bollywood movies, with all content dubbed or subtitled in Arabic.



MBC Media Solutions (MMS)

Advertising operations constitute an integral revenue-generating activity for the Group. Historically, advertising operations were outsourced to a third party. However, in 2021, MMS was established as an in-house advertising arm to generate advertising revenue for MBC.

MMS sells advertising spots, sponsorships, and integrations or product-placement solutions to agencies and directly to clients across KSA, UAE, Egypt and the entire MENA region. As the in-house advertising department, MMS offers advertisers access to the audiences of all MBC platforms including TV, radio, SHAHID and social media.

In 2023, MMS laid the foundations for sustainable growth by establishing stronger relationships with agencies and realigning the sales teams according to client segments. In its commitment to innovation, MMS also introduced new formats such as QR codes and floating content.

MMS also expanded its reach by representing TikTok in Egypt and capitalized on the growing popularity of sports content across platforms.

Overview of the Business

Since its inception, MMS has negotiated competitive customer deals, while relying on robust management processes, revenue data integrity and a sales management system. By providing advertising spots across MBC platforms in KSA, UAE and Egypt, internal data estimates that MMS holds over a 40% share in broadcasting advertising and a 35% share in AVOD advertising (excluding YouTube), as of December 31, 2023.

Offering advertisers a unique opportunity to connect with diverse audiences, MMS leverages premium content for meaningful consumer connections and business growth. Ad spots are available across platforms in the UAE, KSA,

and Egypt, typically bundled for advertisers to secure spots on various channels through a single contract. MMS's aims include strengthening MBC's Gulf presence and enhancing technology utilization.

For decades prominent international and local corporations have turned to MBC's advertising services. MMS also continues to grow its partnerships with advertising agencies that collectively contribute to MBC's multi-platform growth.

MMS holds a strong position in the markets in KSA, UAE, Egypt and worldwide, and envisions substantial additional revenue through improved pricing and intensified sales efforts. We will leverage modern ad-sales technology and obtain more accurate audience measurement data.

With the recent introduction of the People Meter Audience measurement system, which is set to enhance transparency and a thorough representation of content viewership across the Saudi market, MMS is working to leverage this new database to further enhance the TV advertising scene for advertisers. We are working on a more refined, data-driven pricing, which should lead to further growth potential. MBC expects these internalized sales through MMS and our elevated technology and human resources standards to deliver significant benefits to MBC.

The business has implemented a solution that enables targeted ads to be seamlessly and dynamically inserted into live channels. We aim to optimize advertising inventory sales through technology platforms, complementing the sales efforts of MMS's dedicated team.

New Initiatives Launched in 2023

MMS Works was at the forefront of MMS's innovative initiatives in 2023. This self-serve platform was designed to extend its reach to a previously underserved audience of niche clients. Due to the MMS team's historical emphasis on larger clients, this strategic move marked an important moment in MMS's commitment to inclusivity and accessibility in the realm of advertising.

MMS seized the opportunity to represent TikTok in Egypt, a strategic move that strengthened MMS's market presence and promised increased digital revenue. MMS also introduced Biddable Egypt TV, featuring a live auction system for specially crafted ad segments during the highly anticipated Ramadan programs. This resulted in a notable increase in revenues, demonstrating the success of MMS's innovative approach.

Beyond these advertising frontiers, MMS demonstrated its commitment to addressing common marketing challenges by introducing new TV Packages and turnkey solutions designed for customer deployment. Meanwhile, MMS introduced Call to Action (CTA) formats for SHAHID, which offers an enriched advertising ecosystem.

We integrated an advanced Microsoft Customer Relationship Management (CRM) system in 2023, which proved to be a crucial milestone. It enables the team to enhance sales and marketing efforts across client types, agencies, and customers in all relevant markets.

Looking Ahead to 2024

In 2024, MMS is poised for several groundbreaking developments across key areas. A dedicated sports specialty will take center stage. This strategic move will comprehensively cover all sports content across MMS platforms and cater to the diverse needs of our clients. This introduction marks a milestone moment in MMS's commitment to delivering tailored and extensive sports-related content experiences.

Additionally, MMS is extending its focus to how it can evolve audience assessment and pricing models with the Media Rating Council (MRC) eTAM. The industry will undergo a significant transition from Computer-Assisted Telephone Interviewing (CATI) to Electronic Television Audience Measurement (eTAM) this year, and MMS is committed to innovation in its approach to this transition. MMS will create an audience assessment and pricing model that aligns seamlessly with the changing industry landscape, ensuring its strategies remain at the forefront of technological advancements and market trends.

"In 2023, MMS secured contracts with around 730 advertisers spanning KSA, UAE, Egypt, and other international clients."



Other Businesses

Game Development

Digital games are a substantial global industry, an alternative to the passive consumption of media content. This holds particular appeal among younger people, a crucial target demographic, in KSA and throughout the MENA region.

In response, MBC is proactively expanding into the gaming industry to secure a foothold in this expansive and burgeoning market.

MBC began this work in 2007 when it introduced SMS competitions and interactive products, later expanding to include mobile applications for these offerings. WIZZO, the mobile gaming social platform in the MENA region, serves as a hub where players are encouraged to create profiles, chat, upload content, download games, and make in-app purchases.

Leveraging WIZZO, the Group actively participates in game publishing and establishes partnerships with prominent gaming publishers like Activision, Garena, Netmarble, and IGG, forming strategic alliances in the gaming sector.

Additionally, MBC, in a joint venture with NEOM, is developing MBC Game Studio. This initiative marks a strategic move toward establishing MBC as a prominent video game developer and publisher, with a primary focus on creating original, high-budget games.

Radio (FM, Panorama)

MBC operates three FM radio stations: MBC FM, Panorama FM and the recently launched LOUD FM. Established in 1994, MBC FM Radio holds the distinction of being the first private radio station in KSA, and it played a significant role in shaping radio listening concepts in KSA.

As the leading secular radio station, MBC FM Radio offers a curated selection of Gulf region music, poetry, and entertainment to listeners in KSA and the Gulf region.

As of 2023, MBC FM and Panorama FM collectively dominated in KSA, holding a leading position with approximately 36% of the radio market share. In 2023, MBC launched LOUD FM, a KSA-based station broadcasting Western music content in English, specifically tailored to a younger audience.

Music

MBC recognizes the natural synergy between the music industry and its core business. The company launched Platinum Records, a music label dedicated to talent scouting, promoting music careers and publishing records. Platinum Records leverages its access to a diverse talent pool across the MENA region, thanks to popular music shows like *The Voice* and *Arab Idol*, which are broadcast on the Group's platforms.

In addition, the MBC TALENT initiative focuses on identifying and nurturing young Saudi musicians. Through this work, MBC take pride in helping to source and develop musical talent for Platinum Records.

MBC's involvement in the music business extends to events management. We organize concerts and events serving as a key connection and are actively engaged in various facets of the music industry. MBC holds a 13.7% stake in the music streaming platform Anghami and we operate our 24-hour music channel, Wanasah, in collaboration with the artist Rashed Al Majed.

MBC has aspirations to further expand its music label business in the future.

Events Management

MBC coordinates live events, including concerts, theatrical performances, international shows, and exhibitions in KSA, UAE, and Egypt. These events welcome audiences of between 2,000 and 15,000 attendees and we use the content from these live events, such as theater plays and concerts, across both linear and digital assets. Revenue from these live events is generated through ticket sales and sponsorships, complemented by income derived from broadcasting content on our channels.

Experts predict substantial expansion in the event management industry in KSA, as it grows from USD 544 million (SAR 2,040 million) in 2022 to an anticipated USD 867 million (SAR 3,251 million) by 2027 [Mordor Intelligence]. This positions the Kingdom as the emerging primary event destination in the region, aligning with the objectives outlined in KSA's Vision 2030.

The rapid expansion of the industry is attributed to the government's proactive support involving substantial investments and initiatives aimed at significantly boosting the sector.

Social Media

MBC is committed to diversifying its business and adapting to evolving trends in the media and entertainment industries. The Group is actively exploring opportunities on popular social media platforms to strategically monetize our presence.

Our work on well-known social media platforms serves two primary objectives:

- To promote MBC's TV and SHAHID streaming content, attracting a broader user base to MBC's platforms and channels
- To generate incremental revenue from content on MBC's social media platforms.

On these platforms, MBC shares segments of aired content from our TV channels or SHAHID, along with exclusive behind-the-scenes material. As of December 31, 2023, MBC maintains a robust presence on various social media platforms:



Facebook
Approximately 369.9 million followers



YouTube
Approximately 112.1 million followers



X (Twitter)
Approximately 67 million followers



Instagram
Approximately 58 million followers



TikTok
Approximately 40.5 million followers

GOBX Services

The GOBX service offers users access to all free-to-air channels and presents an option to subscribe to Pay TV packages.

Positioned as a freemium equivalent for the digital world, GOBX primarily targets satellite TV households, with a focus on KSA.

Licensing and Merchandising

MBC licenses and merchandises our intellectual property across various business lines. This is done to support other business lines, notably MBC STUDIOS, and the merchandise is specifically targeted at children.

Other Investments

MBC holds investments in associates and joint ventures. The joint ventures include:

- Wego, an online travel platform
- Anghami, a music streaming platform
- Tapmad, an OTT platform
- Arabian Contracting Services Company

The investments in associates include:

- O3 Turkey
- MBC Game Studio

Wego

Wego is an online travel platform in which MBC holds a 10% share. MBC has played a significant role in the development and promotion of the Wego brand across the MENA region.

Anghami

Anghami is a digital entertainment and online music streaming platform in which MBC holds a 13.7% share. Anghami provides its users with access to music, podcasts, music videos and live events.

Tapmad

Tapmad is an OTT player in Pakistan that has been operating in the OTT market for several years, primarily focusing on subscriptions by users.

Arabian Contracting Services Company (ACSC)

The Arabian Contracting Services Company (ACSC) is a Saudi-based outdoor advertising company listed on the Saudi Stock Exchange. ACSC holds a leadership position in its market within KSA and MBC owns a 20.0% stake in the company.

"MBC, in a joint venture with NEOM Company, where MBC holds a majority stake of 70%, is spearheading the development of a gaming project."



SHAHID – OTT Platform

02. Our Growth

SHAHID – OTT Segment



Overview

Improvements in connectivity mean that Over-The-Top (OTT) platform use is growing. MBC made a significant move with SHAHID, our rapidly expanding streaming platform, to appeal to viewers who prefer to consume media online.

Financial Highlights

(SAR Million)

836	279	-33%	+51%
Revenue in FY2023	Net loss in FY2023	Net loss margin in FY2023	Revenue % change (YoY)

SHAHID, our online video-streaming service, stands as the leading AVOD and SVOD platform in the MENA region. MBC's SVOD platform subscribers increased from 2.9 million subscribers in 2022 to just under four million by the end of 2023.

SHAHID has consistently expanded its share of the revenue, accounting for 23% in 2023 of the total revenue, excluding eliminations. This marks a continuous increase from 9% in 2020, 13% in 2021, and 15% in 2022. SHAHID's significant impact on financial performance is reflected in its growth trajectory, evident in a CAGR of 56% from 2020 to 2023.

We are focused on expanding SHAHID's user and subscriber base, with key objectives including:

- expanding beyond the Arab world into select emerging markets
- growing the Advertising Video-On-Demand (AVOD) base by attracting viewers transitioning from traditional linear TV
- capitalizing on AVOD growth in emerging markets with lower purchasing power,
- serving audiences outside the MENA region by providing non-Arab content.

MBC relaunched SHAHID in 2020, introducing key technical advancements and expanding access to other countries. By 2022, a total of 65% of SHAHID users were primarily consuming drama content.

SHAHID is a leader among key OTT platforms in the MENA region, commanding a 23.2% market share of subscribers in September 2023. It surpasses competitors like Netflix and Starz Play Arabia, which hold 15% and 14% respectively. With enhanced global accessibility, MBC wants SHAHID to be recognized as the premier Arabic streaming platform worldwide.

Future developments in technology will allow users to add subtitles in different languages, improving access for disabled viewers and for people in the region who speak a range of languages.

SHAHID AVOD (Advertising-Video-On-Demand)
We originally launched the AVOD version of SHAHID in 2008 as MBC SHAHID Online, providing users with free access to MBC's TV programs beyond the TV schedules and offering access to content archives. In 2009, MBC relaunched SHAHID Online as SHAHID.net and expanded its availability to multiple regions.

In 2012, the Group introduced the SHAHID application, which secured the top spot in the App Store for the MENA region within a week. Excluding international giants like Alphabet and Meta, SHAHID remains the leading AVOD platform in MENA region with 15 million active AVOD users at the end of 2023.

An inherent strength of the MBC business model, amplified by MMS now being in-house, lies in the ability to capitalize on resources across various platforms. MMS extends advertising opportunities to SHAHID's existing base, enhancing operational synergy. This strategic alignment has proven instrumental in the successful relaunch of SHAHID AVOD, resulting in an impressive revenue growth of 160% in 2023 compared to 2022.

SHAHID SVOD (Subscription-Video-On-Demand)

MBC introduced its SVOD platform SHAHID Plus in 2014, re-launching it in 2020 as SHAHID VIP.

Originally a subscription-based version of the existing SHAHID.NET platform, SHAHID Plus provided ad-free content to subscribers. In 2020, the technologically advanced SHAHID VIP began to offer enhanced, customer-friendly features. These included streaming downloads, 'continue watching,' a redesigned user interface with English language support, and an overall improved user experience. MBC has continued to upgrade the platform and has introduced an electronic program guide, multilanguage support, subtitles, advertisements, and audio features. Since 2022, SHAHID VIP has offered Ultra HD content on its platform.

SHAHID VIP is also available to users in the US, the UK, and Canada. The subscription price for SHAHID VIP varies across countries, with a pricing strategy aimed at maximizing availability and reach. Users can access SHAHID VIP on mainstream devices including PlayStation 4 and PlayStation 5.

By the end of 2023, with increased content engagement, SHAHID VIP's total subscribers had increased to 3.98 million.

MBC is steadfast in its commitment to positioning SHAHID VIP as the premier regional premium video OTT brand, known for its exceptional premium content and a diverse range of exclusive original series.

Content

Collaborations enable SHAHID to provide users with exclusive access to premium content. SHAHID enriches its user experience with a blend of original and licensed content from esteemed media partners.

SHAHID boasts an impressive collection of 200,000 movies and episodes. The platform content library encompasses adaptations of third-party content, high-quality Turkish programming, TV soap operas, podcasts and international content from regions like South Korea, Bollywood, and Latin America. Additionally, SHAHID offers a number of Free Ad-Supported Streaming Television (FAST) channels featuring movies, drama shows, comedy shows, and lifestyle series.

SHAHID VIP provides its subscribers with exclusive access to SHAHID originals and premium Arabic content that has not yet been aired anywhere, including on SHAHID AVOD. The SVOD platform also allows subscribers to enjoy livestreams of all linear MBC TV channels, while SHAHID AVOD offers users a limited preview of MBC TV channels along with curated content from YouTube creators.

SHAHID SVOD offers additional premium subscription packages, such as exclusive sports content, including Ultra HD. The introduction of such content has contributed to the increase in subscriber numbers; live sports matches on the platform have garnered nearly 800,000 concurrent views. MBC aims to foster long-term subscriber growth by expanding its portfolio with additional international sports content.

MBC reserves access to General Entertainment Authority (GEA) channels including Takhayal, which broadcasts concerts and entertainment shows from Riyadh, for SHAHID SVOD subscribers with an additional subscription. This exclusive package enhances the platform's content diversity and caters to subscribers seeking specialized entertainment experiences.

Moving forward with a focus on further monetization for MMS, the goal is to leverage exclusive branding and integration opportunities for leading luxury brands within the SVOD landscape. This would offer advertisers and brands tailored, exclusive access to their target consumers in the SVOD audience.

Strategy for Customer Acquisition and Retention

MBC is dedicated to acquiring and retaining customers. With this in mind, we are working on expanding our B2B engagement with telecommunications operators, particularly in North Africa, by targeting hard bundles with mobile-only plans. In alignment with SHAHID's expansion strategy into North African markets, we have established B2B deals in countries like Egypt, Morocco, Tunisia and Libya.

Media & Entertainment Initiatives

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03. Our Partnerships Media & Entertainment Initiatives Segment

MBC STUDIOS

MBC STUDIOS' commitment to creating high-quality Arabic content, leveraging partnerships and international expertise, plays an important role in advancing the Film and Television industry in KSA.

Financial Highlights

(SAR Million)

864

Revenue in
FY2023

4

Net income
in FY2023

0.41%

Net income margin
in FY2023

-13%

Revenue % change
(YoY)

In 2018, MBC STUDIOS was established to produce top-tier Arabic content. Historically, we had acquired rights to a significant portion of the content aired by MBC, which had been produced by third parties.

To ensure a high standard of quality, MBC STUDIOS collaborates with talent globally, not only to enhance our productions, but also to educate and nurture local talent. The content MBC STUDIOS creates is featured on both MBC channels and the SHAHID platform, and movies are theatrically released in cinemas.

MBC's high-quality Arabic content drives our success, which proves beneficial for all our platforms. *Rashash* is one of our most popular drama series, alongside *Al Thaman*, *Stiletto*, *Al Asouf*, and *Devil's Promise*, which earned the prestigious Best OTT Production award at the BroadcastPro ME Summit Awards in 2022.

MBC STUDIOS creates SHAHID originals, which are broadcast on MBC's TV channels. This enables additional revenue generation through advertising. The distribution of MBC STUDIOS' productions internationally also generates income, with international sales distribution of titles spanning across Europe and Latin America.

Content highlights for 2023 include:

Film

- **HWJN:** based on Ibraheem Abbas's best-selling fantasy romance novel, this is the first YA fantasy Saudi feature to be based on authentic homegrown Saudi IP. It was also the first Saudi film to ever open the Red Sea International Film Festival and was followed by a successful release in KSA and other key GCC and MENA territories. In KSA, the film became the fourth highest grossing theatrical Saudi film of all time. The film has also been sold to a new SVOD platform, Yango, in a landmark deal.

- **Sukkar:** Released successfully across MENA, proving to be a landmark theatrical release for a pan-Arab family-oriented musical in classical Arabic.
- **Kandahar:** starring Gerard Butler and co-produced by MBC STUDIOS, it was released theatrically in May 2023. It was the first independent, international feature film with an A-list Hollywood star to shoot entirely in Saudi Arabia. The post theatrical rights in MENA were granted to MBC platform SHAHID.
- **Desert Warrior:** currently in post-production, this is Saudi Arabia's biggest-ever international film production to date. Starring Anthony Mackie and Ben Kingsley, and directed by award winning Rupert Wyatt, the movie was shot in NEOM Studios in Saudi Arabia with a large international cast and crew.

Television

- **Tash ma Tash:** MBC STUDIOS continued to be SHAHID's strongest partner, delivering original Ramadan hit *Tash ma Tash*, which achieved top ratings and viewership scores.
- **Compound 75:** the new smash hit soap from MBC STUDIOS-owned Al Sadaf. Set against a backdrop of drama and crime, the series delves into the lives of five families living in a luxurious residential compound in Riyadh, Saudi Arabia, exploring the complex relationships among them. It illuminates the challenges, aspirations, and principles of Saudi youth. Currently airing on SHAHID and MBC1, it has garnered high ratings in Saudi Arabia and the (GCC) region.
- **London Class:** pan-Arab Ramadan series produced in 2023 by the writer Heba Mishari Hamada and director Mohammed Bakir. Filmed between London and Cairo, its story revolves around a group of university students who are unexpectedly transported to the suburbs of London and must endure extreme conditions. The series

is filled with suspense and adventure and has achieved high ratings on SHAHID and MBC1.

- **Slave Market:** Saudi drama series that premiered on the SHAHID platform. The series is written by Heba Mishari Hamada, directed by Al-Asaad Al-Waslati, and stars Faez Bin Jreis along with a cast of actors from several Arab countries. It features five stories revolving around the theme of slavery, where the destinies of the characters intersect as they encounter the tragedy of being enslaved during a time when the slave trade was prevalent.

MBC ACADEMY and MBC TALENT

In 2020, MBC ACADEMY and MBC TALENT were inaugurated as part of the Expansion Projects undertaken through the Expansion Project Agreements concluded with the government. MBC ACADEMY aims to nurture and develop Saudi talent in the entertainment industry, with the goal of preparing a creative generation to become exemplary representatives of KSA in the fields of production, media, and entertainment.

MBC ACADEMY has played a substantial role in promoting Saudi elements in pan-Arab programming. In 2023, the academy provided training to more than 23,000 individuals. Its offerings include diverse training programs focused on talent identification, skill development, scholarships, and film fellowships, notably through collaborations with events like the Saudi Film Festival and the Red Sea Film Festival.

MBC ACADEMY enhances existing skills through on-the job training and structured educational programs, including semester-long courses and virtual training in the form of the Masterclass.

MBC TALENT serves as an outreach program designed to identify, promote, and connect young Saudi talents to opportunities in the entertainment, music, and media industries through auditions as well as talent management. In 2023, MBC TALENT set ambitious goals to substantially increase the number of participants in the program and conduct auditions for talents across various categories, including actors, presenters, writers, and directors. By the end of 2023, there were 2,637 individuals cast through 35 different casting sessions for 18 different projects. Currently, MBC TALENT has signed 71 Saudi talents with the agency.

MBC TALENT was involved in many festivals within the Kingdom and abroad such as the Red Sea Film Festival, the Saudi Film Festival, the Venice Film Festival, Saudi Film Confex and many more.

Other Media & Entertainment Initiatives: extending MBC's presence in strategic local markets, MBC broadcasts TV channels tailored to audiences in Iran, Iraq and Morocco, and is aiming to expand its presence across the MENA region. Currently holding prominent FTA market positions in Iraq and Morocco, the Group strategically utilizes MBC PERSIA, MBC Iraq and MBC 5 as marketing tools for SHAHID in their respective local markets. MBC PERSIA, a Farsi-language

channel, airs entertainment content from around the world dubbed or subtitled in Farsi language. By establishing leading positions in new markets, MBC expands its global reach and brand recognition, as well as local knowledge and insights that can be used to optimize mature operations.

Channel overview:

MBC 5

Introduced in 2019 as MBC's North African channel, MBC 5 is dedicated to family entertainment and has quickly become one of Morocco's most-watched TV channels.

MBC PERSIA

Launched in 2018, MBC PERSIA is the Farsi-speaking channel dedicated to delivering captivating family entertainment to audiences in Iran and beyond.

MBC IRAQ

Introduced in 2019, MBC Iraq stands as a premium entertainment television channel tailored to the Iraqi market, showcasing a diverse selection of content.



ON AIR

04

ESG

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Board of Directors



Waleed Ibrahim Al Ibrahim
Chairman



H.E. Hindi Al-Sohimi
Vice Chairman



Abdullah Al Dawood



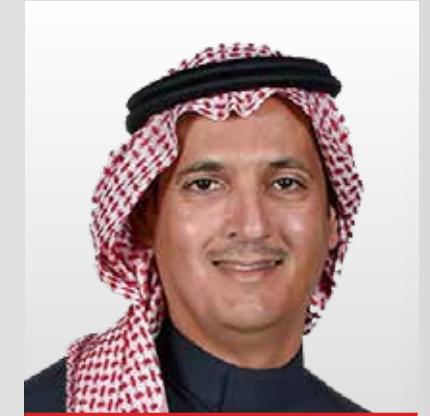
Abdulrahman Ibrahim Al Rowaita



H.E. Khaled Abdullah Al Molhem
Independent Board Member



Majed Al Ibrahim
Independent Board Member



Mosa Al Omran



Nasser Albiqami



Mansoor Abdulaziz Almansoor
Independent Board Member



Ali Al Hedeithy
Board Secretary

Executive Management



Sam Barnett

Chief Executive
Officer



Hussam Alnouri

Chief Financial
Officer



Joseph Igoe

Chief Operating
Officer



Ali Jaber

Group Director
of TV



Omar El Barrage

General Counsel



Stephanie Holden

Corporate Director for Strategy
and Business Development



**Natasha
Matos-Hemingway**

Group Chief Commercial
and Marketing Officer
(SHAHID)



Samar Akrouk

Group Director
of Production

We See Hope Everywhere.

MBC aspires to entertain, inform, and inspire people worldwide through the power of sustainable and responsible storytelling.

MBC's commitment to Environmental, Social, and Governance (ESG) transformation reflects its significance for its customers, employees, and stakeholders.

MBC believes that positively contributing to its communities is integral to its operations. This section outlines MBC's ongoing efforts and commitment to sustainability, social impact, and ethical conduct. Within the framework of ESG, the Group's strategic objective is to integrate environmental, social, and governance considerations into its core business practices.

MBC's Social Purpose goals align with specific United Nations Sustainable Development Goals (SDG) – a collection of global goals intended to create a cleaner, safer, and healthier future for all.

The following nine SDGs are where MBC can make the most significant contribution.



Environmental

MBC's approach to addressing the climate crisis starts with the sustainability of its own operations and value chain.

Leveraging its media influence and reach, MBC is committed to utilising its platforms to raise awareness, drive meaningful discussions and inspire action on climate change.

MBC is measuring its ecological footprint and formulating specific climate-action targets. These targets include reducing emissions, water usage, and waste by migrating to the cloud, optimising office locations, providing sustainable transport, and transferring to renewable sources of energy. MBC also plans to introduce recycling stations and paperless practices to support its environmental commitments.

MBC reviews internal and external ESG risks on an ongoing basis and puts preventative and adaptive measures in place to manage them. These risks include climate change, emerging regulations, and an increase in costs in the transition to a low-carbon world. When evaluated using its Enterprise Risk Management methodology, no standalone climate-related risks have been identified as significant for the Group.

Social Impact

MBC culture

MBC aims to foster a culture where employees are encouraged and empowered.

MBC is committed to developing a skilled workforce that supports its employees through career development opportunities in a professional, diverse environment where they can excel. MBC recognises the importance of its employees' health, wellbeing, and mental health, so the Group focuses on employee engagement and feedback through regular town halls and business reviews.

A key strategic objective for MBC is to improve the Organizational Health Index, which measures the overall wellbeing and effectiveness of the organisation. MBC aims to achieve this by effectively communicating the Group's direction and vision and engaging with its employees through various initiatives. Some focal areas communicated and shared across the Group through webinars include managing cross-cultural teams, psychological safety awareness, and stress management.

MBC is dedicated to fostering a diverse and inclusive workforce that reflects rich diversity. To this end, it has implemented initiatives to attract, retain, and develop talent from diverse backgrounds. Over the last 30 years, these efforts have led to a diverse workforce of more than 70 nationalities represented across MBC's global workforce.

"Women comprise 27% of the Group's workforce and 24% of the Senior Leadership positions".

MBC recognises the value women bring to the Group, so it helps female employees to advance through impactful partnerships, leadership programs, workshops, and internal women's networking events. For instance, MBC co-hosted the Women in Media Forum with The Dubai Business Women Council (DBWC) in 2022 to discuss media organisations' role in increasing women's representation and accountability in media. Additionally, the Group provided women with workshops led by certified coaches and experienced business executives. These workshops are designed to help women refine their personal branding and adopt a proactive approach to their career development.

Community Support

MBC's success is defined by the tangible good that it does for the communities it serves. Corporate Social Responsibility (CSR) is integral to the Group's identity and purpose. In 2013, MBC launched the Group's Corporate Social Responsibility (CSR) program, MBC AL AMAL. In 2023, MBC AL AMAL devoted resources to a series of programs.

The Path of Hope

Recognising the essential need for support from high school to university and beyond, MBC AL AMAL introduced an initiative offering career counselling services, tailored training, and academic guidance to underprivileged students. The upskilling training program included English Proficiency, Public Speaking, Self-Efficacy, Time Management, and Stress Management workshops.

The Youth Entrepreneurship Program and the WRO Initiative:

MBC AL AMAL nurtures youth talent through small and mid-size projects. In 2023, MBC helped participants from The Path of Hope establish Future Training, a software company specialising in Robotics Programming training. The participants' entrepreneurial spirit was rewarded during the World Robot Olympiad (WRO) Saudi 2023, in which the Future Training team participated. MBC AL AMAL provided them with resources and extensive media coverage to showcase their achievements and facilitate potential sponsorship and employment opportunities.

Auditioning Opportunities with MBC TALENT and MBC ACADEMY

MBC AL AMAL collaborated with MBC TALENT to offer auditions to showcase the skills of gifted orphans. MBC AL AMAL also worked with MBC ACADEMY to train underprivileged youth in various sectors of the media and entertainment industry. These collaborations led to the placement of students in talent shows and TV series.

Educational Support

MBC AL AMAL supported orphans with private university placements and supported them with the associated tuition fees. Through collaboration with Al Yamaha University,

Almerifah University and the Arab Open University, students with exceptional grades received a 50% discount on their tuition fees, paving the way for their higher education journey.

Health Awareness

MBC AL AMAL believes that community health initiatives are vital. A campaign that was launched by a group of female dentistry students at Prince Noura Bin Abdulrahman University about oral health was aired on the MBC program, Sabah Al Khair Ya Arab (SAYA) (a morning TV show broadcast on MBC1) in 2023. This amplified the students' voice to a wider portion of the community, delivering on MBC's mission to leverage its media influence and reach.

Autism Support

MBC AL AMAL has also integrated fundraising initiatives and awareness about autistic children with the MBC Program, SAYA. These have included the WE WALK initiative, which fundraised for the Dubai Autism Center and The Silent Shopping for the Autism Families Institution in Riyadh.

Inspiring Young People in the Kingdom

Aside from MBC's regional efforts, the Group thrives on playing an integral role in developing Saudi talent in the media and entertainment sector and is an innovative provider of digital and live experiences.

Since 2020, MBC ACADEMY and MBC TALENT programs have been discovering the next generation of talent for the entertainment industry in Saudi Arabia. MBC ACADEMY identifies and develops the skills of students and professionals, with more than 23,000 individuals being trained in 2023.

MBC's outreach program, MBC TALENT, identifies, promotes, and connects young talents to opportunities in the entertainment, music, and media industries. By the end of 2023, over 2,600 individuals were cast through 35 casting sessions for 18 projects. Currently, MBC TALENT has signed 71 Saudi talents with the agency.

Operating Responsibly

MBC is focused on conducting its business according to the highest standards of ethics. The Group operates its businesses with integrity and aligns with governance policies that reflect its stakeholders' interests.

MBC has a seasoned and diverse leadership team. The Group regularly reviews its accounting statements and tax policies to ensure that they align with local and national regulations, and it undertakes internal and external audits. MBC's risk-management framework provides the business with tools to identify, assess, manage, and continually review its risks. Regular reporting gives the Board insight into monitoring MBC's most critical group-level risks. MBC has several policies and practices that promote its businesses' thoughtful and ethical operation.

Among these are: ESG Policy, Code of Conduct and Ethics Policy, Speak Up Policy, Risk Management Policy, Insider Trading Policy, Information Security Risk Management Policy, and others.



ESG Scope

MBC will achieve sustainable development by incorporating the three pillars of ESG:



Environmental

MBC considers its environmental impact and the potential risks and opportunities it faces due to environmental issues. MBC is conscious of climate change and promotes policies that protect natural resources.



Social

MBC is mindful of the social factors that influence how a company treats different groups of people. MBC addresses this impact on employees, suppliers, customers and community members.



Governance

Governance is defined as the way an organisation is controlled and directed. MBC examines its internal controls and practices closely to comply with regulations, industry best practices, and corporate policies.

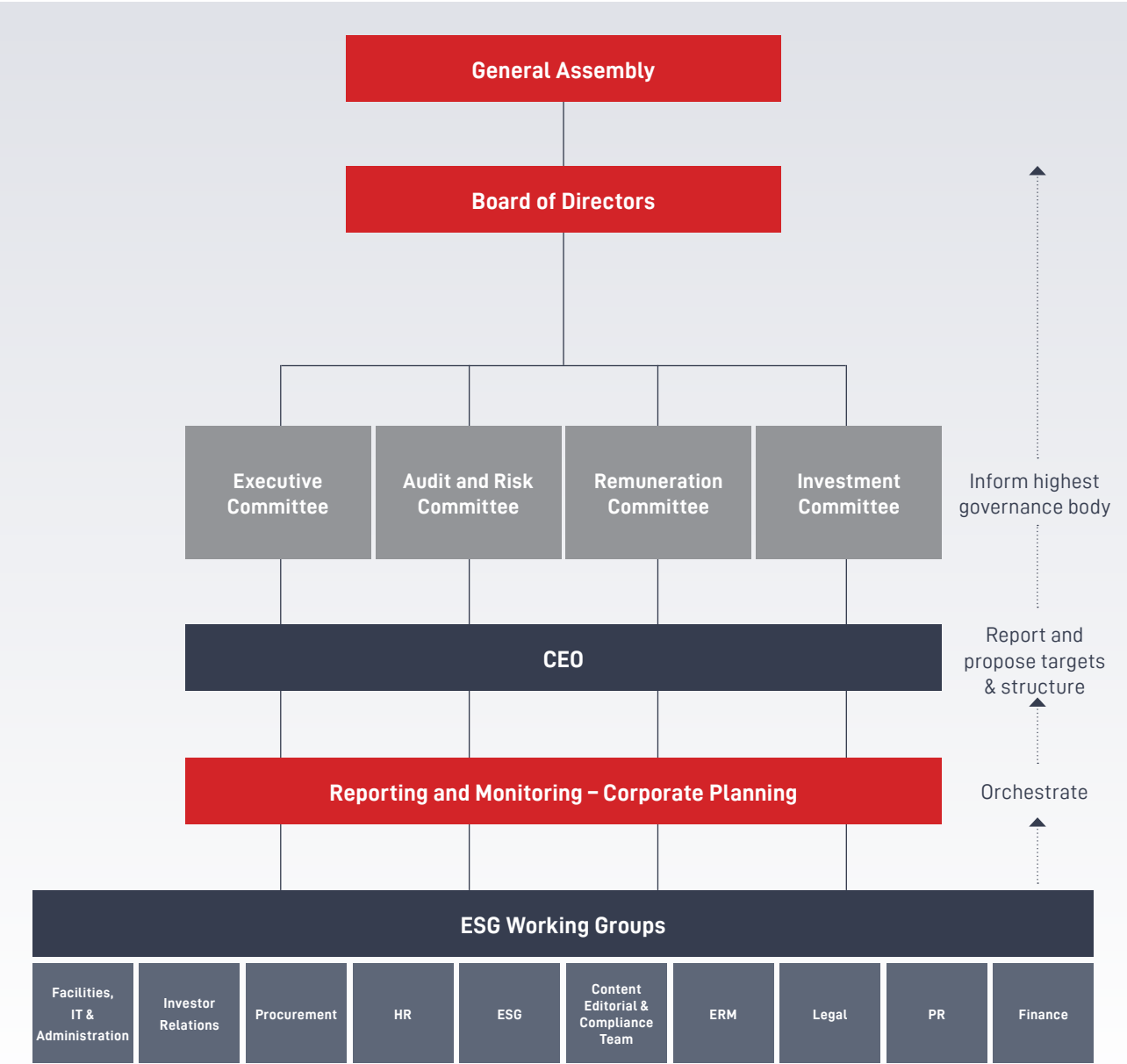
Strategic Objectives

MBC's commitment to ESG integrates environmental, social, and governance considerations into its core business practices.

Environmental	Social	Governance
1. Energy Efficiency 2. Waste Management 3. Reducing Carbon Footprint 4. Sustainable Supply Chain	1. Community Engagement 2. Employee Wellbeing 3. Ethical Content	1. Transparency and Reporting 2. Ethical Business Practices 3. Risk Management and Compliance

ESG Governance and Accountability

This organisational chart illustrates MBC's governance structure.



ESG Approach

MBC's Environmental, Social, and Governance (ESG) framework is informed by relevant reporting frameworks, including the Sustainability Accounting Standard Board (SASB), Global Reporting Initiative (GRI), Task Force on Climate-related Financial Disclosures (TCFD), and Tadawul.

In the pursuit of environmental sustainability, it's imperative to establish clear goals, devise a strategic plan and create a practical roadmap.

MBC follows six steps on the ESG journey.

01. Set Commitments	MBC is currently defining its commitments and goals for ESG (Environmental, Social, and Governance) practices, fully grasping their significance, and acknowledging their vital role.
02. Harnessing Media Influence	As a media lever, MBC has many opportunities to influence. Recognising its role as a content creator, advertiser, employer, and societal voice, MBC is committed to leveraging this influence for positive change. Through innovative initiatives and collaborative partnerships, MBC aims to drive the media and entertainment industry towards a more sustainable and socially responsible future.
03. Sustainable Culture	Within MBC's core values lies a profound understanding: "We See Hope Everywhere." Its leadership team exemplifies an unwavering dedication to sustainability, influencing every facet of its organisation and inspiring collective action towards a brighter, more sustainable future.
04. Central to Business	MBC recognises the importance of sustainability and has embraced it as an integral part of its organisation. From strategic planning sessions to daily operations, sustainability is interwoven into every aspect of MBC's endeavors.
05. Governance & Accountability	Governance and accountability stand as foundational pillars of MBC's commitment to ESG. With a robust governance framework, MBC ensures that ethical standards, regulatory compliance, and sustainability goals are met. Transparency, integrity, and stakeholder engagement are paramount, fostering trust and confidence among investors, employees, and the community.
06. Report Everything	At MBC, transparency is paramount, and the Group is committed to including all relevant information in its ESG reports, ensuring stakeholders have clear insights into its environmental, social and governance efforts. Through transparent reporting, MBC aims to build trust and demonstrate its commitment to responsible practices.



Board of Directors' Report

1. **Implemented and non-implemented provisions of the Corporate Governance Regulations issued by the Capital Markets Authority (CMA) and justifications therefor**

The Company was not listed during FY2023 and therefore it was not subject to the provisions of the Corporate Governance Regulations issued by the CMA. However, in preparation for its initial public offering and listing on the Main Market of the Saudi Exchange, it became fully compliant with all the mandatory articles in the Corporate Governance Regulations issued by the CMA by the end of FY2023.

2. **Names, qualifications, experience, current and former responsibilities of the Board, Committee and Executive Management members**

A. Summary of Board Members'

Name	Mr. Waleed Ibrahim Abdulaziz Al Ibrahim
Current Positions	- Chairman, MBC GROUP Listed JSC and chairman of the Executive Committee. - Chairman, Saudi Sports Company, a closed joint stock company in the KSA operating in the Media Sports Sector, from 2023G to present. - Chairman, MBC Media Solutions FZ LLC, a limited liability company in the UAE Free Zone operating in the media sector, from 2023G to present. - Chairman, MBC Events, a limited liability company in the KSA operating in the event management sector, from 2022G to present. - Chairman, MBC Game Studio, a limited liability company in the KSA operating in the game development sector, from 2021G to present. - Chairman, MBC International, a limited liability company in the Cayman Islands operating in the media sector, from 2014G to present. - Chairman, MBC FZ LLC, a limited liability company in the UAE operating in the media sector, from 2013G to present. - Chairman, News24 Holding Company, a limited liability company in the British Virgin Islands operating in the media sector, from 2011G to present. - Chairman, Al Arabiya News Holding, a limited liability company in the British Virgin Islands operating in the media sector, from 2011G to present. - Chairman, MBC GROUP Holdings, a limited liability company in the British Virgin Islands operating in the investment sector, from 2011G to present. - Director, MBC Holdings (Cyprus), a limited liability company in Cyprus operating in the investment sector, from 2001G to present. - Chairman, ARA Group International Holding Company, a limited liability company in the KSA operating in the investment sector, from 1994G to present.
Qualifications	Bachelor's degree in Business Management and Media, Portland State University, USA, 1984G.
Previous Positions	NA

Name	H.E. Hindi Abdullah Humaidan Al-Sohimi
Current Positions	- Vice Chairman, MBC GROUP Listed JSC, Chairman of the Audit Committee and Member of the Executive Committee. - Director and Executive Committee Member, Almadinah Almunawarah Development Authority, a government agency in the KSA operating in the government sector, from 2023G to present. - Chairman, Istedamah Holding Company, a closed joint stock company in the KSA operating in the investment sector, from 2022G to present. - Director, Qiddiya Investment Company, a single-Shareholder closed joint stock company in the KSA operating in the investment sector, from 2022G to present. - Director and Chairman of the Audit Committee, Saudi Entertainment Ventures, a single-person closed joint stock company in the KSA operating in the entertainment sector, from 2022G to present. - Director, Qiddiya Coast Company, a limited liability company in the KSA operating in the investment sector, from 2022G to present. - Director and Chairman of the Audit Committee, MBC Game Studio Ltd., a limited liability company in the KSA operating in the game development sector, from 2022G to present. - Member of the Audit Committee, Qiddiya Investment Company, a single-Shareholder closed joint stock company in the KSA operating in the investment sector, from 2021G to present. - Chairman of the Audit Committee and Member of the Executive Committee, Al Arabiya News Holding Ltd, a limited liability company in the British Virgin Islands operating in the media sector, from 2021G to present. - Chairman of the Audit Committee, Saudi Authority for Data and Artificial Intelligence, a government agency in the KSA operating in the government sector, from 2020G to present. - Director, Tourism Development Council, a government agency in the KSA operating in the government sector, from 2020G to present. - Director, ARA Group International Holding Company, a limited liability company in the KSA operating in the media sector, from 2020G to present. - Director, Al Arabiya News Holding Ltd, a limited liability company in the British Virgin Islands operating in the media sector, from 2019G to present. - Director, News24 Holding Ltd, a limited liability company in the British Virgin Islands operating in the media sector, from 2019G to present. - Director, Middle East News FZ, a limited liability company in the UAE Free Zone operating in the media sector, from 2019G to present. - Director, Saudi Broadcasting Authority, a government agency in the KSA operating in the government sector, from 2019G to present. - Director, Al Arabiya Network FZ LLC., a limited liability company in the UAE operating in the media sector, from 2019G to present. - Director, Chairman of the Audit Committee and Member of the Executive Committee, MBC GROUP Holdings (BVI), a limited liability company in the British Virgin Islands operating in the investment sector, from 2018G to present. - Assistant Minister of Finance, Ministry of Finance, a ministry in the KSA operating in the government sector, from 2018G to present. - Director, General Authority for Survey and Geospatial Information, a government agency in the KSA operating in the government sector, from 2017G to present.
Qualifications	- Bachelor's degree in Accounting, King Saud University, KSA, 1997G. - Master's degree in Accounting, King Saud University, KSA, 2004G.
Previous Positions	- Assistant Minister of Finance of Financial and Technical (Acting), Ministry of Finance, a ministry in the KSA operating in the government sector, from 2017G to 2018G. - Deputy for Financial Affairs, Budget, and Organization (Acting), Ministry of Finance, a ministry in the KSA operating in the government sector, from 2017G to 2018G. - Deputy for Account Affairs (Acting), Ministry of Finance, a ministry in the KSA operating in the government sector, from 2017G to 2018G.

Name		H.E. Khalid Bin Abdullah Bin Abdulaziz Al Molhem
Current Positions		- Director, MBC GROUP Listed JSC and Chairman of the Investment Committee and member of the Audit Committee. - Director and Chairman of the Executive Committee, Al-Uqair Development Company, a closed joint-stock company in the KSA operating in the real estate development sector, from 2022G to present. - Director, Qiddiya Coast Company, a limited liability company in the KSA operating in the real estate development sector, from 2021G to present. - Director, Chairman of the Investment Committee and Chairman of the Benefits and Compensation Committee, Kidana Development Company, a closed joint-stock company in the KSA operating in the real estate development sector, from 2020G to present. - Chairman, Alawwal Invest, a closed joint-stock company in the KSA operating in the investment sector, from 2020G to present. - Vice Chairman, Riyadh Cement, a listed joint-stock company in the KSA operating in the cement sector, from 2004G to present.
	Qualifications	Bachelor's degree in Engineering Management, University of Evansville, Indiana, USA, 1980G.
Previous Positions		- General Manager, Saudia Airlines, a government institution in the KSA operating in the aviation sector, from 2006G to 2014G. - Chairman, Saudi Telecom Company, a listed joint-stock company in the KSA operating in the communications sector, from 2001G to 2006G. - Vice President of Finance, Saudi Telecom Company, a listed joint-stock company in the KSA operating in the communications sector, from 1998G to 2001G. - CEO, Almarai, a listed joint-stock company in the KSA operating in the agriculture, dairy products and food supply sectors, from 1997G to 1998G. - Senior Account Manager, Regional General Manager and Executive General Manager for Investment, SABB, a listed joint-stock company in the KSA operating in the banking sector, from 1983G to 1989G. - Engineer, Maintenance and Operation Department at Dhahran International Airport and King Abdulaziz Air Base, Royal Saudi Air Force, from 1981G to 1983G.

Name		Mr. Abdulrahman Ibrahim Abdulrahman Al-Rowaita
Current Positions		- Director, MBC GROUP Listed JSC and Member of the Investment Committee and the Nominations and Remunerations committee. - Director and Chairman of the Management and Compensation Committee Al Arabiya News Holding, Ltd., a limited liability holding company in the British Virgin Islands operating in the media sector, from 2021G to present. - Director, News24 Holding Ltd, a limited liability company in the British Virgin Islands operating in the media sector, from 2021G to present. - Director, ARA Group International Holding Company, a limited liability company in the KSA operating in the media sector, from 2020G to present. - Chairman of the Board of Directors and Non-executive Chairman of the Executive Committee, Saudi Research and Marketing Group, a listed joint-stock company in the KSA operating in the media sector, from 2018G to present. - Director, Chairman of the Management and Compensation Committee and Member of the Investment Committee, MBC GROUP Holdings Ltd, a limited liability holding company in the British Virgin Islands operating in the investment sector, from 2018G to present. - Director and Non-executive Chairman of the Audit and Risk Management Committee, Jadwa Investment, a closed joint stock company in the KSA operating in the investment sector, from 2006G to present.
	Qualifications	- Bachelor's degree in Industrial Engineering, University of Southern California, USA, 1980G. - Master's degree in Industrial Engineering, University of Southern California, USA, 1982G.
Previous Positions		- Non-executive Director, Emaar, The Economic City, a listed joint stock company in the KSA operating in the real estate development sector, from 2011G to 2020G. - Director, Wilaya Investment Company, a closed joint stock company in the KSA operating in the investment sector, from 2016G to 2018G. - Non-executive Director, General Authority of Civil Aviation, a government agency in the KSA operating in the civil aviation sector, from 2015G to 2018G. - Non-executive Director, Amlak International Real Estate Finance Company, a closed joint stock company in the KSA operating in the finance sector, from 2013G to 2018G. - Non-executive Director, Alessa Industries Company, a closed joint stock company in the KSA operating in the industrial sector, from 2013G to 2018G. - Non-executive Chairman, Halwani Bros Company, a listed joint stock company in the KSA operating in the food sector, from 2008G to 2018G. - General Manager, Aseer Company for Trading, Tourism, Industry, Agriculture, Real Estate and Contracting, a listed joint stock company in the KSA operating in the investment sector, from 2005G to 2018G. - Executive Vice President and Chairman of the Management Committee, Dallah Albaraka, a limited liability company in the KSA operating in the investment sector, from 1989G to 2018G. - Non-executive Director, Al Khozama Management Company, a closed joint stock company in the KSA operating in the real estate development sector, from 2007G to 2017G. - Member of the Economic Advisory Board, Council of Economic Affairs, a government agency in the KSA operating in the government sector, from 2011G to 2015G. - Non-executive Director, Saudi Printing and Packaging Co., a listed joint stock company in the KSA operating in the printing and packaging sector, from 2003G to 2011G. - Managing Director, Alsamaha Trading, a limited liability company in the KSA operating in the investment sector, from 1990G to 2010G. - Non-executive Director, Saudi Industrial Export Company (SADIRAT), a listed joint stock company in the KSA operating in the trade sector, from 1995G to 1998G.

Name		Mr. Abdullah bin Nasser bin Abdullah Al Dawood
Current Positions	- Director, MBC GROUP Listed JSC and Member of the Audit committee and the Executive committee. - Non-executive Director, Lumi, a closed joint-stock company in the KSA operating in the car rental sector, from 2022G to present. - Director, Thiqah, a closed joint-stock company in the KSA operating in the IT sector, from 2022G to present. - Director and Managing Director, Qiddiya Investment Company, a closed joint-stock company in the KSA operating in the investment sector, from 2021G to present. - Non-executive Member of the Supreme Committee for Transport and Logistics Services, a committee affiliated with the Council of Economic and Development Affairs in the KSA operating in the economic affairs and development sector, from 2021G to present. - Non-executive Director, News24 Holding, a limited liability company in the British Virgin Islands operating in the media sector, from 2021G to present. - Non-executive Director, Al Arabiya News Holding, a limited liability company in the British Virgin Islands operating in the media sector, from 2021G to present. - Non-executive Director, ARA Group International Holding Company, a limited liability company in the KSA operating in the media sector, from 2020G to present. - Non-executive Director, Hotel Management Company, a closed joint-stock company in the KSA operating in the hospitality sector, from 2020G to present. - Non-executive Director, E-Commerce Council, a government council in the KSA operating in the government sector, from 2019G to present. - Non-executive Chairman, Saudi Entertainment Ventures, a single-person closed joint-stock company in the KSA operating in the entertainment sector, from 2018G to present. - Non-executive Director, MBC GROUP Holdings, a limited company in the British Virgin Islands operating in the investment sector, from 2018G to present. - Non-executive Chairman, Alraedah Finance, a closed joint-stock company in the KSA operating in the finance sector, from 2015G to present. - Non-executive Director, Careem Inc., a closed joint-stock company in the British Virgin Islands operating in the IT sector, from 2014G to present. - Director and Managing Director, Seera Group Holding Co., a listed joint-stock company in the KSA operating in the tourism sector, from 2012G to present.	
Qualifications	- Bachelor's degree in Business Administration, King Saud University, KSA, 2002G. - Master of Science in Foreign Service, Walsh School of Foreign Service, Georgetown University, USA, 2007G. - Master's degree in Business Administration, Corporate finance and strategy, McDonough School of Business, Georgetown University, USA, 2007G.	
Previous Positions	- Non-executive Chairman, Almosafer, a closed joint-stock company in the KSA operating in the tourism sector, from 2016G to 2021G. - Non-executive Director, Rua Al Madinah Holding Company, a closed joint-stock company in the KSA operating in the real estate sector, from 2016G to 2021G. - CEO, Seera Group Holding Co., a listed joint-stock company in the KSA operating in the tourism sector, from 2015G to 2021G. - Non-executive Director, Saudi Exchange Company (Tadawul), a listed joint-stock company in the KSA operating in the investment sector, from 2018G to 2020G. - Acting Executive Vice President, Deutsche Bank (MENA), a listed joint-stock company in Germany operating in the banking sector, from 2007G to 2014G.	

Overview	Strategic Review	Business Review	ESG	Financials
Name		Mr. Mosa Omran Mohammed Alomran		
Current Positions		• Director, MBC GROUP Listed JSC and Member of the Investment Committee and Nomination and Remuneration Committee • Director, Omran Mohammed Al Omran & Partners Investment Company, a closed joint stock Company in the KSA operating in the investment sector, from 2023G to present. • Director, Saudi Entertainment Ventures, a single person closed joint stock company in the KSA operating in the entertainment sector, from 2023G to present. • Director, Al Arabiya News Holding Ltd, a limited liability company in the British Virgin Islands operating in the media sector, from 2021G to present. • Director, News24 Holding Ltd, a limited liability company in the British Virgin Islands operating in the media sector, from 2021G to present. • Director, Qiddiya Investment Company, a closed joint stock company in the KSA operating in the investment sector, from 2021G to present. • Director, ARA Group International Holding Company, a limited liability company in the KSA operating in the media sector, from 2020G to present. • Director, Saudi Research and Media Group, a listed joint stock company in the KSA operating in the media sector, from 2019G to present. • Director, Royal Commission for AlUla (RCU), a government agency in the KSA operating in the government sector, from 2018G to present. • Director, MBC GROUP Holdings, a limited liability company in the British Virgin Islands operating in the investment sector, from 2018G to present.		
Qualifications		• Bachelor's degree in Industrial Engineering, King Saud University, KSA, 1991G. • Master's degree in Business Administration, St. Edward's University, USA, 1993G.		
Previous Positions		• Director, Almarai, a listed joint stock company in the KSA operating in the food sector, from 2007G to 2017G. • Director, Banque Saudi Fransi, a listed joint stock company in the KSA operating in the banking sector, from 2007G to 2016G. • Director, Savola, a joint stock company listed in the KSA operating in the food sector, from 2004G to 2013G. • Director, Arabian Cement Company, a listed joint stock company in the KSA operating in the cement sector, from 2009G to 2010G. • Director, Western Bakeries Co., a limited liability company in the KSA operating in the food sector, from 1994G to 2007G.		

Name		Mr. Mansoor Abdulaziz Mohammed Almansoor
Current Positions		• Director, MBC GROUP Listed JSC and Chairman of the Nomination and Remuneration Committee
		• Chairman of the management and compensation committee in MBC Media Solutions FZ LLC
		• CEO of Support Services, Qiddiya Investment Company, a closed joint-stock company operating in the investment sector, from 2021G to present.
		• Director, Saudi Air Navigation Services, a government company in KSA operating in the aviation sector.
Qualifications		• Bachelor's degree in English Language, King Faisal University, KSA, 1992G.
		• Master's degree in Management Sciences, University of Central Missouri, USA, 1997G.
		• Master's degree in Literature, University of Central Missouri, USA, 1997G.
		• Ph.D. degree in Applied Linguistics, Ball State University, USA, 2004G.
		• Executive Diplomas in Finance and Energy, Harvard University, USA and Oxford University, UK.
Previous Positions		• Vice President of Finance and Operations, King Abdullah Petroleum Studies and Research Center (KAPSARC), a government entity in the KSA operating in the petroleum research sector, from 2016G to 2021G.
		• Deputy Director General, Human Resources Development Fund (HRDF), a government fund in the KSA which aims to support the efforts of qualifying and employing the workforce in the private sector, from 2014G to 2016G.
		• Vice President of Human Resources, Arabian Pipes Company, a listed joint-stock company in the KSA operating in the industrial sector, from 2006G to 2014G.
		• Chairman, Riyadh Airports Company, a government company operating in the airport management and operation sector, from 2018G to 2022G.
		• Chairman, of KAPSARC Investment Management, a company owned by a government entity in the KSA operating in the investment sector, from 2018G to 2022G.

Name		Mr. Nasser Manahi Mounir Al Biqami
Current Positions		• Director, MBC GROUP Listed JSC
		• Director, ARA Group International Holding Company, a limited liability company in the KSA operating in the media sector from 2023G to present.
		• Director, News24 Holding Ltd, a limited liability company in the British Virgin Islands operating in the media sector, from 2023G to present.
		• Director, Al Arabiya News Holding Ltd, a limited liability company in the British Virgin Islands operating in the media sector, from 2023G to present.
Qualifications		• Bachelor's degree in Accounting, Umm Al-Qura University, KSA, 1994G.
		• Master's degree in Information Systems, Loughborough University, UK, 1997G.
		• Ph.D. in Computer Science, University of Nottingham, UK, 2001G.
Previous Positions		• Advisor, Ministry of Education, a government agency in the KSA operating in the government sector, from 2015G to 2016G.
		• Assistant Professor, Umm Al-Qura University, a public university in the KSA operating in the education sector, from 1994G to 2015G.
		• Advisor, Ministry of Education, a government agency in the KSA operating in the government sector, from 2013G to 2015G.
		• Consultant, private sector in the KSA operating in the IT and media sectors, from 2008G to 2012G.
		• General Manager of Administrative Development, Emirate of Makkah Province, a government agency in the KSA operating in the government sector, from 2006G to 2008G.
		• General Manager of IT, Emirate of Makkah Province, a government agency in the KSA operating in the government sector, from 2004G to 2008G.

Name	Mr. Majed Abdulaziz Ibrahim Alibrahim
Current Positions	• Director, MBC GROUP Listed JSC and member of the Investment Committee • Director, Saudi Ports Authority, a government agency in the KSA operating in the government sector, from 2021G to present. • Director, News24 Holding, a limited liability company in the British Virgin Islands operating in the media sector, from 2021G to present. • Director, MBC Game Studio, a limited liability company in the KSA operating in the game development sector, from 2021G to present.
Qualifications	• Bachelor's degree in Investment and Financial Risk Management, Cass University, UK, 2008G. • Master's degree in Public Administration, Harvard Kennedy School, USA, 2017G. • Master's degree in Business Administration, MIT, USA, 2017G.
Previous Positions	• Director, MBC GROUP Holdings, a limited liability company in the British Virgin Islands operating in the investment sector, • Director, ARA Group International Holding Company, a limited liability company in the KSA operating in the media sector

B. Summary of Board Secretary

Name	Mr. Ali Ibrahim Al-Rashid Al-Hedeithy
Current Positions	• Board Secretary, MBC GROUP Listed JSC. • General Manager, MBC STUDIOS FZ, a limited liability company in the UAE operating in the media sector, from 2023G to present. • Director, Middle East News UK, a limited liability company in the UK operating in the media sector, from 2022G to present. • Director, MBC GROUP Holdings, a limited liability company in the British Virgin Islands operating in the investment sector, from 2023G to present. • Director, ARA Group International Holding Company, a limited liability company in the KSA operating in the media sector, from 2023G to present. • Director and General Manager, MBC Media FZ, a limited liability company in the UAE operating in the media sector, from 2019G to present. • Director and General Manager, MBI FZ, a limited liability company in the UAE operating in the media sector, from 2019G to present. • Director, MBC International Limited, a limited liability company in the British Virgin Islands operating in the media sector, from 2014G to present. • Director and General Manager, Platinum Records FZ, a limited liability company in the UAE operating in the media sector, from 2008G to present. • Director and General Manager, MBC IP FZ, a limited liability company in the UAE operating in the media sector, from 2007G to present. • Director and General Manager, Wanasah FZ, a limited liability company in the UAE operating in the media sector, from 2007G to present. • Director and General Manager, MBC International FZ, a limited liability company in the UAE operating in the media sector, from 2006G to present. • Director, MEN US Inc, an incorporation in the US operating in the media sector, from 2005G to present. • Director and General Manager, MBC STUDIOS Projects FZ, a limited liability company in the UAE operating in the media sector, from 2004G to present. • Director and General Manager, MBC FZ, a limited liability company in the UAE operating in the media sector, from 2002G to present. • Director, MBC Holdings (Cyprus), a limited liability company in Cyprus operating in the media sector, from 2002G to present.
Qualifications	• Bachelor's degree in business and economics, University of Puget Sound, USA, 1981G.
Previous Positions	• Director, MBC Media Solutions FZ, a limited liability company in the UAE operating in the media sector, from 2021G to 2023G. • Director, Al Arabiya Network FZ, a limited liability company in the UAE operating in the media sector, from 2005G to 2019G. • Director, Middle East News FZ, a limited liability company in the UAE operating in the media sector, from 2002G to 2019G.

C. Summary of non-director Audit Committee Member

Name	Mr. Mohammed bin Abdulaziz bin Abdulrahman Alshaya
Current Positions	- Member of the Audit Committee, MBC GROUP Listed Joint stock company - Member of the Audit Committee, Events Investment Fund, a government entity in the KSA operating in the government sector, from 2023G to present. - Director, Saudi Gelatin and Capsules Co., a limited liability company in the KSA operating in the industrial sector, from 2023G to present. - Member of the Audit Committee, Hedab Alkhaleej, a closed joint-stock company in the KSA operating in ceramic trade, from 2023G to present. - Director, Hedab Alkhaleej, a closed joint-stock company in the KSA operating in ceramic trade, from 2022G to present. - Member of the Audit Committee, Kidana, a closed joint-stock company in the KSA operating in the real estate development sector, from 2022G to present. - Chairman, Saudi Steel Pipes, a listed joint-stock company in the KSA operating in the industrial sector, from 2022G to present. - Director, Amlak International Real Estate Finance Company, a listed joint-stock company in the KSA operating in the finance sector, from 2021G to present. - Member of the Audit Committee, Al Rabie Saudi Foods Company, a closed joint-stock company in the KSA operating in the food sector, from 2021G to present. - Member of the Audit Committee, National Transformation Program Center, a government entity in the KSA operating in the government sector, from 2019G to present. - Director and Chairman of the Audit Committee, General Authority for Competition, a government entity in the KSA operating in the government sector, from 2018G to present. - Member of the Risk Committee, Amlak International Real Estate Finance Company, a listed joint-stock company in the KSA operating in the finance sector, from 2016G to present. - Chairman of the Audit Committee, Amlak International Real Estate Finance Company, a listed joint-stock company in the KSA operating in the finance sector, from 2015G to present. - Member of the Audit Committee, Riyadh Cement, a listed joint-stock company in the KSA operating in the cement sector, from 2015G to present.
Qualifications	- Bachelor's degree in Accounting, Imam Mohammad Ibn Saud Islamic University, KSA, 1990G. - Master's degree in Accounting, University of Illinois, USA, 1998G. - Several professional certifications in management and accountancy.
Previous Positions	- Chairman of the Audit Committee, Alessa Industries Company, a closed joint-stock company in the KSA operating in the industrial sector, from 2020G to 2023G. - Director, Alessa Industries Company, a closed joint-stock company in the KSA operating in the industrial sector, from 2019G to 2023G. - Director and Chairman of the Audit Committee, HSBC Saudi Arabia, a closed joint-stock company in the KSA operating in the investment sector, from 2015G to 2023G. - Chairman of the Board of Directors and Chairman of the Executive Committee, SABBB Takaful Co., a (previously) listed joint- stock company in the KSA operating in the insurance sector, from 2018G to 2022G. - Chairman of the Audit Committee, Najm for Insurance Service Co., a closed joint-stock company in the KSA operating in the insurance sector, from 2017G to 2019G. - Director, Najm for Insurance Service Co., a closed joint-stock company in the KSA operating in the insurance sector, from 2016G to 2019G. - Director, Chairman of the Audit Committee and Member of Executive Committee, Saudi Ground Services Co., a public joint- stock company in the KSA operating in the aviation services sector, from 2015G to 2019G. - CEO, Mediterranean and Gulf Insurance and Reinsurance Group (MEDGULF), a listed joint-stock company in the KSA operating in the insurance sector, from 2016G to 2017G

- Director General of Supervision for Finance Companies, Saudi Arabian Monetary Agency (currently the Saudi Central Bank), a government entity in the KSA operating in the government sector, from 2012G to 2014G.
 - Director, Public Pension Agency, a government entity in the KSA operating in the government sector, from 2011G to 2014G.
 - Director and Chairman of the Audit Committee, Tunisian Saudi Bank (formerly STUSID Bank), a closed joint-stock company in Tunisia operating in the banking sector, from 2008G to 2013G.
 - Vice Chairman of the Anti-Money Laundering Permanent Committee, a government committee in the KSA operating in the government sector, from 2006G to 2013G.
 - Director General of Supervision for Insurance Companies, Saudi Arabian Monetary Agency (currently the Saudi Central Bank), a government entity in the KSA operating in the government sector, from 2007G to 2012G.
 - Director of Banking Inspection, Saudi Arabian Monetary Agency (currently the Saudi Central Bank), a government entity in the KSA operating in the government sector, from 2004G to 2007G.
 - Banking Inspector, Saudi Arabian Monetary Agency (currently the Saudi Central Bank), a government entity in the KSA operating in the government sector, from 1999G to 2004G.
 - Accountant, Saudi Arabian Monetary Agency (currently the Saudi Central Bank), a government entity in the KSA operating in the government sector, from 1992G to 1999G.
 - Accountant, Saudi Unified Electricity Company (currently the Saudi Electricity Company), a listed joint-stock company in the KSA operating in the electricity sector, from 1990G to 1992G.

D. Summary of Committees Members CV's

i. Audit Committee

The implementation of an effective internal control system is one of the responsibilities assigned to the Board of Directors. The main task of the Audit Committee is to verify the adequacy and effective implementation of the internal control system and to make any recommendations to the Board of Directors that would actuate and develop the system to achieve the Company's objectives. The Committee is also responsible for reviewing risk management policies, the annual risk report and risk reduction plans before presenting the same to the Board of Directors. The Committee is responsible for ensuring compliance with the Company's Corporate Governance Regulations and Practices issued by the Capital Market Authority and the Company's Corporate Governance Manual and Policy.

Audit Committee Members

	Name	Title
1	H.E. Hindi Abdullah Humaidan Al-Sohimi	Chairman
2	H.E. Khalid bin Abdullah bin Abdulaziz Al Molhem	Member
3	Mr. Mohammed bin Abdulaziz bin Abdulrahman Alshaya	Member
4	Mr. Abdullah bin Nasser bin Abdullah Al Dawood	Member
1.	H.E. Hindi Abdullah Humaidan Al-Sohmin: his current and previous positions and qualifications were mentioned earlier in this report.	
2.	H.E. Khalid bin Abdullah bin Abdulaziz Al Molhem: his current and previous positions and qualifications were mentioned earlier in this report.	
3.	Mr. Abdullah bin Nasser bin Abdullah Al Dawood: his current and previous positions and qualifications, were mentioned earlier in this report.	
4.	Mr. Mohammed bin Abdulaziz bin Abdulrahman Alshaya: his current and previous positions and qualifications, were mentioned earlier in this report.	

ii. Nomination and Remuneration Committee Members

The main function of the Nomination and Remuneration Committee is to identify qualified candidates who are eligible for Board membership. The Committee is also responsible for assisting the Board in benchmarking and establishing remuneration packages for C suite employees and developing staff incentive plans.

Nomination and Remuneration Committee Members

	Name	Title
1	Mr. Mansoor Abdulaziz Mohammed Almansoor	Chairman
2	Mr. Abdulrahman Ibrahim Abdulrahman Al-Rowaita	Member
3	Mr. Mosa Omran Mohammed Alomran	Member
1.	Mr. Mansoor Abdulaziz Mohammed Almansoor: his current and previous positions and qualifications were mentioned earlier in this report.	
2.	Mr. Abdulrahman Ibrahim Abdulrahman Al-Rowaita: his current and previous positions and qualifications were mentioned earlier in this report.	
3.	Mr. Mosa Omran Mohammed Alomran: his current and previous positions and qualifications were mentioned earlier in this report.	

iii. Executive Committee

The Committee plays a crucial role in the Company's governance by reviewing and recommending strategic, financial, and operational plans to the Board of Directors, ensuring alignment with the Company's goals. It also oversees budgets, annual plans, performance evaluations, and capital investments, while monitoring the Group's CEO and Executive Management performance.

Executive Committee Members

	Name	Title
1	Mr. Waleed Ibrahim Abdulaziz Al Ibrahim	Chairman
2	H.E. Hindi Abdullah Humaidan Al-Sohimi	Member
3	Mr. Abdullah bin Nasser bin Abdullah Al Dawood	Member
1.	Mr. Waleed Ibrahim Abdulaziz Al Ibrahim: his current and previous positions and qualifications were mentioned earlier in this report.	
2.	H.E. Hindi Abdullah Humaidan Al-Sohimi: his current and previous positions and qualifications were mentioned earlier in this report.	
3.	Mr. Abdullah bin Nasser bin Abdullah Al Dawood: his current and previous positions and qualifications were mentioned earlier in this report.	

iv. Investment Committee

The Committee is tasked with recommending a capital allocation framework to the Board of Directors, aligning investment activities with the Company's strategic objectives, return targets, and risk parameters. It oversees the Company's performance against these guidelines, regularly reviews and updates the investment policy, and offers advice on investment decisions, acquisitions, and partnerships.

Investment Committee Members

	Name	Title
1	H.E. Khalid bin Abdullah bin Abdulaziz Al Molhem	Chairman
2	Mr. Mosa Omran Mohammed Alomran	Member
3	Mr. Abdulrahman Ibrahim Abdulrahman Al-Rowaita	Member
4	Mr. Majed Abdulaziz Ibrahim Al Ibrahim	Member
1.	H.E. Khalid bin Abdullah bin Abdulaziz Al Molhem : his current and previous positions and qualifications were mentioned earlier in this report.	
2.	Mr. Mosa Omran Mohammed Alomran : his current and previous positions and qualifications were mentioned earlier in this report.	
3.	Mr. Abdulrahman Ibrahim Abdulrahman Al-Rowaita : his current and previous positions and qualifications were mentioned earlier in this report.	
4.	Mr. Majed Abdulaziz Ibrahim Al Ibrahim : his current and previous positions and qualifications were mentioned earlier in this report.	

E. Executive Management's CVs

The Company's senior management comprises of qualified Saudi and non-Saudi members with significant media expertise. The senior management team currently consists of 18 members.

Name	Samuel James Kilion Barnett
Current Positions	- CEO, MBC GROUP Listed Joint stock Company. - Non-executive Director, Artem Group Limited, a limited liability company in the British Virgin Islands operating in the arts sector, from 2023G to present. - Non-executive Director, MBC Game Studio, a limited liability company in the KSA operating in the game development sector, from 2022G to present. - Non-executive Director, Antenna Group, a private company in the Netherlands operating in the media sector, from 2022G to present. - CEO, Al Arabiya Network, a limited liability company in the UAE Free Zone operating in the media sector, from 2022G to present. - Non-executive Director, Arabian Contracting Services, a listed joint stock company in the KSA operating in the advertising sector, from 2021G to present. - Non-executive Director, MBC Media FZ, a limited liability company in the UAE Free Zone operating in the media sector, from 2021G to present. - Non-executive Director, O3 Media, a limited liability company in Turkey operating in the production sector, from 2021G to present. - Non-executive Director, Middle East News, an incorporation in the US operating in the media sector, from 2005G to present.
Qualifications	- Bachelor's degree in History and Economics, University of Cambridge, UK, 1993G. - Master's degree in Business Administration, INSEAD University, France, 1997G.
Previous Positions	- Non-executive Director, Pawame, a private limited liability company operating in the solar energy sector, from 2021G to 2023G. - COO, MBC, a limited liability company in the UAE Free Zone operating in the media sector, from 2005G to 2011G. - Operations Manager, MBC, a limited liability company in the UAE Free Zone operating in the media sector, from 2002G to 2005G. - Senior Manager, Arthur Andersen Company, a joint venture company in the UK operating in the consultancy sector, from 2000G to 2002G. - Manager, PricewaterhouseCoopers, a joint liability company in the Republic of Tanzania operating in the consultancy sector, from 1997G to 2000G. - Consultant, Calchas Group, a joint liability company in the UK operating in the consultancy sector, from 1993G to 1996G.

Name	Omar Amin El Barrage
Current Positions	- General Counsel, MBC GROUP listed joint stock company. - Director, CG Drama Holdings, a limited liability company in the UAE operating in the media sector, from 2023G to present. - Director, Desert Warrior Holdings, a limited liability company in the UAE operating in the media sector, from 2023G to present. - Director, MBC Holding Cyprus, a limited liability company in Cyprus operating in the media sector, from 2023G to present. - Managing Director, MBC GROUP Holding, a limited liability company in Hungary operating in the media sector, from 2022G to present. - Director, MBC Media, a limited liability company in Cyprus operating in the media operations sector, from 2022G to present. - Director, MBC Media Services, a limited liability company in the British Virgin Islands operating in the media sector, from 2022G to present. - Director, MBC STUDIOS (BVI), a limited liability company in the British Virgin Islands operating in the media sector, from 2022G to present.
Qualifications	Bachelor's degree in Law, Lebanese University, Lebanon, 2004G.
Previous Positions	Attorney, Fichte & Co., a limited liability company in the UAE operating in the legal services sector, from 2007G to 2009G.
Name	Ali Mustapha Mouin Jaber
Current Positions	- Group Director of TV, MBC GROUP listed joint stock company. - Dean, Mohammed Bin Rashid School of Communication, American University in Dubai, from 2008G to present. - Chairman, Academic Council of the Dubai Institute of Design and Innovation. He was also a former advisor and founding member and then the Head of Content at Dubai Media Incorporated, which manages Dubai TV Network, from 2018G to present.
Qualifications	- Bachelor's degree in Business Administration, American University, Lebanon, 1984G. - Master's degree in Communications, Syracuse University, USA, 1986G.
Previous Positions	- Managing Editor, Dubai Media Incorporated – Dubai TV, a semi-governmental institution in the UAE operating in the media sector, from 2003G to 2011G. - Founder, Future TV Co., a joint stock company in Lebanon operating in the media sector, from 1993G to 2003G.
Name	Nasser Omar Othman Al-Somali
Current Positions	Director of Human Resources, MBC GROUP Listed Joint stock Company.
Qualifications	Bachelor's degree in business administration, Imam Mohammad Ibn Saud University, KSA, 2016G.
Previous Positions	- Director of Human Resources, Fist Company, a limited liability company in the KSA operating in the training sector, from 2012G to 2014G. - Human Resources Specialist, Al Moammar Information Systems Co. (MIS), a limited liability company in the KSA operating in the technology sector, from 2011G to 2012G. - Administrative Clerk, Ministry of Justice, a government agency in the KSA operating in the government sector, from 1992G to 1997G.

Name	Christina Marie Wayne
Current Positions	- Managing Director of MBC STUDIOS, MBC GROUP Listed Joint stock Company. - Director, O3 Media, a limited liability company in the KSA operating in the production sector, from 2023G to present.
Qualifications	Bachelor's degree in English and Film, Columbia University, USA, 1990G.
Previous Positions	- Principle International creative executive, Amazon Studios, a public joint-stock company in the USA operating in the media sector, from 2019G to 2022G. - CEO, Assembly Entertainment, a private limited liability company in the USA operating in the media sector, from 2013G to 2019G. - President, Cineflix Studios, a private company in Canada operating in the media sector, from 2010G to 2013G. - Head of Programming – SVP Scripted series & mini-series, AMC New York, a public company in the US operating in the media sector, from 2005G to 2009G.

Name	Fadel Zahreddine
Current Positions	- Group Director of Emerging Media, MBC GROUP Listed Joint stock Company. - Chairman and General Manager, MFZ Holding S.A. L, a holding company in Lebanon operating in the investment sector, from 2015G to present. - Director, Al-Fursan International S.A. L, a holding company in Lebanon operating in the food sector, from 2015G to present.
Qualifications	- Bachelor's degree in Mass Communication - TV and Film Production, Beirut University, Lebanon, 1991G. - Master's degree in TV Production and Development, University of Winchester, England, 1995G.
Previous Positions	- Group Director of Brand Management, MBC FZ, a limited liability company in the UAE operating in the media sector, from 2010G to 2018G. - Group Director of Creative Services, MBC FZ, a limited liability company in the UAE operating in the media sector, from 2008G to 2010G. - Director of Creative Services, MBC FZ, a limited liability company in the UAE operating in the media sector, from 2002G to 2008G. - Head of Promotions, MBC, a limited liability company in the UK operating in the media sector, from 1999G to 2002G. - Producer Special Programs - Current Affairs, MBC, a limited liability company in the UK operating in the media sector, from 1996G to 1999G.

Name	Dominic James Farrell
Current Positions	CTO, MBC GROUP Listed Joint stock Company.
Qualifications	Bachelor's degree in Information Systems, Brunel University, UK, 1996G.
Previous Positions	- Vice President of Product Development, OSN, a limited liability company in the UAE Free Zone operating in the media sector, from 2015G to 2018G. - Head of Product Development, Sky, a limited liability company in the UK operating in the media sector, from 2004G to 2015G. - Senior Software Consultant, Liberate Technologies, a limited liability company in the UK operating in the technology sector, from 2002G to 2004G. - Pre-Sales Engineer, Portal Software, a limited liability company in the UK operating in the technology sector, from 2001G to 2002G. - Software Team Leader, Oracle Corp., a limited liability company in the UK operating in the technology sector, from 1998G to 2001G. - Software Developer, ISAMS, a limited liability company in the UK operating in the defence sector, from 1996G to 1997G.

Name	Hussam Eddin Alnouri
Current Positions	Group Chief Financial Officer, MBC GROUP Listed Joint stock Company.
Qualifications	- Bachelor's degree in Accounting, Damascus University, Syria, 1996G. - Master's degree in Global Business Administration, University of Manchester, UK, 2014G.
Previous Positions	- CFO, MBC FZ, a limited liability company in the UAE Free Zone operating in the media sector, from 2017G to 2018G. - Financial Controller, MBC FZ, a limited liability company in the UAE Free Zone operating in the media sector, from 2010G to 2017G. - Senior Finance Manager, MBC FZ, a limited liability company in the UAE Free Zone operating in the media sector, from 2008G to 2010G. - Finance Manager, Middle East News (Al Arabiya), a limited liability company in the UAE Free Zone operating in the media sector, from 2002G to 2007G. - Sector Head, Commercial Bank of Syria, Branch 12, a governmental institution operating in the banking sector, from 1991G to 2001G.

Name	Joseph Michael Igoe
Current Positions	- Chief Operating Officer, MBC GROUP Listed Joint stock Company. - Member of the Board of Directors, Saudi Media Ratings Company, a limited liability company in the KSA operating in the media measurement sector, from 2021G to present. - Member of the Board of Directors, MBC Media Cyprus Limited, a limited liability company in Cyprus operating in the media operations sector, from 2018G to present.
Qualifications	- Bachelor's degree in Electrical Engineering, Rochester Institute of Technology, USA, 1994G. - Master's degree in Business Administration, California State University, Northridge, USA, 2001G.
Previous Positions	- Chief Operating Officer, MBC FZ, a limited liability company in the UAE operating in the media and data centres sector, from 2016G to 2022G. - Chief Technology Officer, MediaCorp Technologies Pte Ltd, a limited liability company in Singapore operating in the media and data centre sector, from 2013G to 2016G. - Chief Technology Officer, WGBH, a non-profit company in the USA operating in the non-profit public media sector, from 2008G to 2013G. - Vice President, Fox Networks Group, a public company in the USA operating in the media sector, from 2000G to 2008G. - Engineering Manager, Disney Channel, a public company in the USA operating in the media sector, from 1995G to 2000G. - Design Engineer, NTC, a private company in the USA operating in the media engineering sector, from 1994G to 1995G.

Name	Karim Ben Salah
Current Positions	- Director of Investments, MBC GROUP Listed Joint stock Company. - Non-executive Director, O3 Media, a limited liability company in the KSA operating in the production sector, from 2023G to present. - Non-executive Director, Antenna Greece BF, a limited liability company in the Netherlands operating in the TV broadcasting sector, from 2022G to present. - Non-executive Director, Introspect Capital, a limited liability company in the Cayman Islands operating in the investment sector, from 2023G to present.
Qualifications	- Bachelor's degree in Economics, Gai Savoir School, Switzerland, 1988G. - Master's degree in Economics and Social Sciences, University of Geneva, Switzerland, 1993G.
Previous Positions	- Non-executive Director, ABC, a limited liability company in Tunisia operating in the media sector, from 2014G to 2020G. - CEO, Tell Limited DIFC, a limited liability company in the UAE Free Zone operating in the financial sector, from 2015G to 2018G. - Executive Director, Tell Limited DIFC, a limited liability company in the UAE Free Zone operating in the financial sector, from 2015G to 2018G. - Fund Chairman, Malaz Capital, a limited liability company in the KSA operating in the financial sector, from 2013G to 2015G. - Private Equity Manager, Simcorp, a limited liability company in the UAE Free Zone operating in the financial sector, from 2006G to 2013G. - Non-executive Director, Arab Cotton Ginning Company, a joint stock company listed in Egypt operating in the industrial sector, from 2007G to 2013G. - Non-executive Director, United Sugar Company of Egypt, a limited liability company in Egypt operating in the industrial sector, from 2009G to 2010G. - Manager, Philip Morris International, a publicly traded company listed in the USA operating in the consumer goods sector, from 2001G to 2004G. - Manager, Philip Morris International, a limited liability company in Switzerland operating in the consumer goods sector, from 1999G to 2001G. - Manager, Philip Morris International, a limited liability company in Tunisia operating in the consumer goods sector, from 1996G to 1999G.

Name	Mohamed Abdelmotaal Salem Ashour
Current Positions	Vice Chairman and General Manager of the Middle East Production Company (MBC Egypt), a joint stock company in Egypt operating in the media sector, from 2018G to present.
Qualifications	Bachelor's degree in Mass Media, Cairo University, Egypt, 1990G.
Previous Positions	- Experienced Member of the Board of Trustees, Egyptian Radio and Television Union, a public company in Egypt operating in the media sector, from 2016G to 2016G. - Vice Chairman and General Manager, Sigma Media (Al Hayat TV), a joint stock company in Egypt operating in the media sector, from 2008G to 2013G. - General Manager, El Mehwar TV, a joint stock company in Egypt operating in the media sector, from 2006G to 2007G. - Responsible Officer for supervising the launch and establishment of Nahrain TV, the first private Iraqi channel (Baghdad), operating in the media sector, from 2004G to 2006G. - Executive Director of the Public Channel of Nile Specialty Channels, Radio and Television Union, a public institution in Egypt, from 1999G to 2004G. - Member of the Broadcasters, Reporters, Filmmakers and Editors Selection Committee for the Nile Specialty Channels, Radio and Television Union, a public institution in Egypt, from 1997G to 2004G. - Director of Preparation and Implementation for Nile News Channel, Radio and Television Union, a public institution in Egypt operating in the radio and television sector, from 1998G to 2002G. - Member of the Committee responsible for launching and establishing the Nile Specialty Channels, Radio and Television Union, a public institution in Egypt operating in the radio and television sector, from 1997G to 1999G. - Head of the Cultural Department of the Information Channel, Radio and Television Union, a public institution in Egypt operating in the radio and television sector, from 1992G to 1996G. - Member of the Committee responsible for launching and establishing Nile TV International in English and French, Radio and Television Union, a public institution in Egypt operating in the radio and television sector, from 1993G to 1994G. - Research Assistant for Studies and Strategy, Al Ahram Foundation, a public institution in Egypt operating in the journalism sector, from 1991G to 1992G.

Name	Samar Abdallah Akrouk
Current Positions	Group Director of Production, MBC GROUP Listed Joint stock Company.
Qualifications	Bachelor's Degree in International Politics and Law, Georgetown University, USA, 1995G.
Previous Positions	General Manager, MBC Lebanon, a limited liability company in Lebanon operating in the media sector, from 2001G to 2007G.

Name	Stephanie Sue Holden
Current Positions	- Corporate Director for Strategy and Business Development, MBC GROUP Listed Joint stock Company. - Chairman, MBC Ventures Limited, a limited partnership in the British Virgin Islands operating in the communications, media and technology sector, from 2023G to present. - Director, Tapmad Holdings, a limited liability company in Singapore operating in the media sector, from 2019G to present. - Assistant Professor, American University in Dubai, a limited liability company in the UAE operating in the education sector, from 2018G to present. - Director, Wego, a limited liability company in Singapore operating in the tourism sector, from 2017G to present.
Qualifications	- Bachelor's degree in International Relations and Economics, University of Pennsylvania, USA, 1995G. - Master's degree in Business Administration - Public Administration, Harvard Business School, USA, 2003G. - Master's degree in Public Administration - International Security Policy, Kennedy School of Government, Harvard University, USA, 2004G.
Previous Positions	- Consultant, McKinsey & Company, a company incorporated in the US operating in the management consulting sector, from 2004G to 2005G. - CFO, Priceline, a limited liability company in the US operating in the tourism sector, from 1999G to 2001G. - Strategic and Financial Analyst, Walt Disney Co., a limited liability company in the US operating in the entertainment sector, from 1998G to 1998G. - Financial Analyst for Mergers and Acquisitions, Merrill Lynch, Pierce, Fenner & Smith Incorporated, a company incorporated in the US operating in the investment management sector, from 1995G to 1998G.

Name	Ziad Fawzi Hamze
Current Positions	Director of Music and Radio, MBC GROUP Listed Joint stock Company.
Qualifications	Bachelor's degree in business administration, Charisma University, Turks and Caicos Islands, 2013G.
Previous Positions	- Director of Audio & Music, MBC FZ, a limited liability company in the UAE Free Zone operating in the media sector, from 2010G to 2017G. - Senior Manager – Music Office, FM and Wanasah, MBC FZ, a limited liability company in the UAE Free Zone operating in the media sector, from 2002G to 2010G. - Music Studio DJ Manager, Radio Studios and DJ, MBC FZ, a limited liability company in the UAE Free Zone operating in the media sector, from 1998G to 2002G. - Music Studio DJ Supervisor, Radio Studios and DJ, MBC FZ, a limited liability company in the UAE Free Zone operating in the media sector, from 1994G to 1998G.

Name	Natasha Ventura Matos-Hemingway
Current Positions	Chief Commercial and Marketing Officer – SHAHID, MBC GROUP Listed Joint stock Company.
Qualifications	- Bachelor's degree with honors in Human Biosciences, University of Cape Town, South Africa, 2006G. - Bachelor's degree in Physiology, University of Witwatersrand, South Africa, 2007G.
Previous Positions	- Chief Marketing Officer, Showmax, a listed company in South Africa operating in the VOD sector, from 2019G to 2021G. - Director of Commerce and Marketing - M365 Middle East and Africa, Microsoft, a listed company in South Africa based in Johannesburg and operating in the technology sector in the Middle East and Africa, from 2018G to 2019G. - Director of Marketing and Operations for Sub-Saharan Africa, Microsoft, a listed company in South Africa based in Johannesburg and operating in the technology sector in the Middle East and Africa region, from 2015G to 2017G. - Regional Sales Manager, Google, based in Dublin/Europe, Middle East, Africa, Greece and Sub-Saharan Africa, from 2014G to 2015G. - Sales Manager for South Africa, the Czech Republic and Slovakia at Google, a listed company in Ireland operating in the technology sector, from 2013G to 2014G. - Industry Manager, Google, a listed company in South Africa operating in the technology sector, from 2011G to 2013G. - Senior Business Analyst, Fever Tree Consulting, a private company in South Africa operating in the strategic consulting sector, from 2009G to 2010G.

Name	Bann Ousama Yousif Zoraigat
Current Positions	Director of Internal Audit, MBC GROUP Listed Joint stock Company.
Qualifications	Bachelor's degree in Management Information Systems, University of Jordan, 2008G.
Previous Positions	- Executive Director, Ernst & Young, a limited liability company in the UAE operating in the financial sector, from 2016G to 2023G. - Senior Manager, Deloitte & Touche, a limited liability company in Jordan operating in the financial sector, from 2008G to 2015G.

Name	Ahmed bin Attaf bin Abdul Malik Al Sahhaf
Current Positions	- CEO of MBC Media Solutions Saudi Limited (KSA) - Member of the Supervisory Board, Engineer Holding Group, a closed joint stock company in the KSA operating in the investment sector, from 2022G to present. - Director, Arabiya United Digital, a closed joint stock company in Egypt operating in the advertising sector, from 2022G to present.
Qualifications	- Bachelor's degree in Business Administration (majored in Management and Marketing), American University of Sharjah, UAE, 2005G. - Attended several executive courses, most notably at Harvard University and INSEAD.
Previous Positions	- General Manager of Consumer Marketing Communication, STC Group, a listed joint stock company in the KSA operating in the telecommunications sector, from 2010G to 2020G. - Corporate Communication Manager, Arabian Capital, a closed joint stock company in the KSA operating in the banking sector, from 2008G to 2010G. - Manager of the Communication and Events Department, STC Group, a listed joint stock company in the KSA operating in the telecommunications sector, from 2007G to 2008G. - International Money Market Executive in the Treasury Department, Samba Financial Group, a (formerly) listed joint stock company in the KSA operating in the banking sector, from 2006G to 2007G. - Marketing Operations Executive, Nestle Middle East, a public joint stock company in Switzerland operating in the consumer goods sector, from 2005G to 2006G.

Name	Bassam Taufeq Abdulaziz Albraikan
Current Positions	Director of PR and Corporate Communications, MBC GROUP Listed Joint stock Company.
Qualifications	- Bachelor's Degree in Media practice & advertising activities and societies, University of Sussex, UK, 1998G - Associate Degree in communication and media studies, New York Film Academy, USA, 2009G - Diploma Degree in Crisis/ emergency/Disaster management, London School of Public Relations, UK, 2017 - Diploma Degree in Commercial and advertising art, Digital Media Arts College, UK , 2017
Previous Positions	- Head of Public Relation, King Faisal Specialist Hospital and Research Center, a government company in KSA operating in Hospitals and Health Care sector, from 2003G to 2007G. - Marcom head, Riyadh second health cluster, a private company in KSA operating in Banking Sector, from 2007G to 2011G. - Director of TV Planning, Saudi Broadcasting Authority, a government company in KSA operating in Media Sector, from 2011G to 2013G - Communication Manager, Mobily, a Private company in KSA operating in Telecommunication sector from 2013G to 2015G - Director of Corporate Communication, King Fahad Medical KFMC, A government company in KSA operating in Hospitals and Health care sector, from 2015G to 2018G. - General Manager Corporate Communication, Riyadh Second Health Cluster, A government company in KSA operating in Hospitals and Health care sector, from 2018G to 2020G. - Chief Brand Officer, Confidential, A government company in KSA, from 2017G to 2020G - Executive director of PR & Corporate Communications, Saudi Health Council, a government company in KSA operating in the Health Sector, from 2019G to 2021G - General Manager, Saudi Space Agency, a government company in KSA operating in the Defense and Space Manufacturing sector, from 2021G to 2023G.

3. Names of the companies inside and outside KSA in which a Board Member is a member of their current or previous Boards or a manager thereof

Board of Directors Member Name	Names of companies in which the member of the Board of Directors is a director or manager of its current Board of Directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity (Listed/Unlisted/ Limited Liability)	Names of companies in which the member of the Board of Directors was a director or manager of its previous Board of Directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity (Listed/ Unlisted/ Limited Liability)
1 Mr. Waleed Ibrahim Abdulaziz Al Ibrahim	MBC GROUP Listed JSC.	Inside	Listed joint-stock company	–	–	–
	Saudi Sports Company	Inside	Closed Joint Stock Company	–	–	–
	MBC Media Solutions FZ LLC.	Outside	Limited liability company	–	–	–
	MBC Events	Inside	Limited liability company	–	–	–
	MBC Game Studio	Inside	Limited liability company	–	–	–
	MBC International	Outside	Limited liability company	–	–	–
	Al Arabiya News Holding	Outside	Limited liability company	–	–	–
	MBC GROUP Holdings	Outside	Limited liability company	–	–	–
	MBC Holdings (Cyprus)	Outside	Limited liability company	–	–	–
	ARA Group International Holding	Inside	Limited liability company	–	–	–
	MBC FZ LLC.	Outside	Limited liability company	–	–	–

Board of Directors Member Name	Names of companies in which the member of the Board of Directors is a director or manager of its current Board of Directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity (Listed/Unlisted/ Limited Liability)	Names of companies in which the member of the Board of Directors was a director or manager of its previous Board of Directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity (Listed/ Unlisted/ Limited Liability)
2 H.E. Hindi Abdullah Humaidan Al-Sohimi	MBC GROUP Listed JSC.	Inside	Listed	–	–	–
	Almadinah Almunawarah Development Authority	Inside	Government	–	–	–
	Istedamah Holding Company	Inside	Closed joint-stock company	–	–	–
	Qiddiya Investment Company	Inside	Closed joint-stock company	–	–	–
	Saudi Entertainment Ventures	Inside	Closed joint-stock company	–	–	–
	Qiddiya Coast Company	Inside	Limited liability company	–	–	–
	MBC Game Studio Ltd.	Inside	Limited liability company	–	–	–
	Tourism Development Council	Inside	Government	–	–	–
	ARA Group International Holding Company	Inside	Limited liability company	–	–	–
	Al Arabiya News Holding Ltd.	Outside	Limited liability company	–	–	–
	News24 Holding Ltd.	Outside	Limited liability company	–	–	–
	Middle East News FZ.	Outside	Limited liability company	–	–	–
	Saudi Broadcasting Authority	Inside	Government	–	–	–
	Al Arabiya Network FZ LLC.	Outside	Limited liability company	–	–	–
	MBC GROUP Holdings (BVI)	Outside	Limited liability company	–	–	–
	General Authority for Survey and Geospatial Information	Inside	Government	–	–	–

3	Board of Directors Member Name	Names of companies in which the member of the Board of Directors is a director or manager of its current Board of Directors			Names of companies in which the member of the Board of Directors was a director or manager of its previous Board of Directors		
		Inside the Kingdom/ Outside the Kingdom	Legal Entity (Listed/Unlisted/ Limited Liability)		Inside the Kingdom/ Outside the Kingdom	Legal Entity (Listed/ Unlisted/ Limited Liability)	
3	Mr. Abdulrahman Ibrahim Abdulrahman Al-Rowaita	MBC GROUP Listed JSC.	Inside	Listed joint-stock company	Emaar, The Economic City	Inside	Listed joint-stock company
		Al Arabiya News Holding Ltd.	Outside	Limited liability company	Wilaya Investment Company	Inside	Closed joint-stock company
		News24 Holding Ltd.	Outside	Limited liability company	General Authority of Civil Aviation	Inside	Government
		ARA Group International Holding Company	Inside	Limited liability company	Amlak International Real-estate Finance Company	Inside	Closed joint-stock company
		Saudi Research and Marketing Group	Inside	Listed joint-stock company	Alessa Industries Company	Inside	Closed joint-stock company
		MBC GROUP Holdings Ltd.	Outside	Limited liability company	Halwani Bros Company	Inside	Listed joint-stock company
		Jadwa Investment	Inside	Closed joint-stock company	Aseer Company for Trading, Tourism, Industry, Agriculture, Real-estate and Contracting	Inside	Listed joint-stock company
		-	-	-	Dallah Albaraka	Inside	Limited liability company
		-	-	-	Al Khozama Management Company	Inside	Closed joint-stock company
		-	-	-	Council of Economic Affairs	Inside	Government
		-	-	-	Saudi Printing and Packaging Co.	Inside	Listed joint-stock company
		-	-	-	Alsamaha Trading	Inside	Limited liability company
		-	-	-	Saudi Industrial Export Company (SADIRAT)	Inside	Listed joint-stock company

Overview		Strategic Review		Business Review		ESG	Financials
Board of Directors Member Name		Names of companies in which the member of the Board of Directors is a director or manager of its current Board of Directors		Names of companies in which the member of the Board of Directors was a director or manager of its previous Board of Directors		Inside the Kingdom/ Outside the Kingdom	Legal Entity (Listed/ Unlisted/ Limited Liability)
4	Mr. Abdullah bin Nasser bin Abdullah Al Dawood	MBC GROUP Holdings	Outside	Limited liability company	Almosafer	Inside	Closed joint-stock company
		Lumi	Inside	Closed joint-stock company	Rua Al Madinah Holding Company	Inside	Closed joint-stock company
		Thiqah	Inside	Closed joint-stock company	Saudi Exchange Company (Tadawul)	Inside	Listed joint-stock company
		Qiddiya Investment Company	Inside	Closed joint-stock company	Deutsche Bank (MENA)	Outside	Listed joint-stock company
		Council of Economic and Development Affairs	Inside	Government	-	-	-
		MBC GROUP Listed JSC	Inside	Listed joint-stock company	-	-	-
		News24 Holding	Outside	Limited liability company	-	-	-
		Al Arabiya News Holding	Outside	Limited liability company	-	-	-
		ARA Group International Holding Company	Outside	Limited liability company	-	-	-
		Hotel Management Company	Inside	Limited liability company	-	-	-
		E-Commerce Council	Inside	Government	-	-	-
		Saudi Entertainment Ventures	Inside	Closed joint-stock company	-	-	-
		Alraedah Finance	Inside	Closed joint-stock company	-	-	-
		Careem Inc.	Outside	Closed joint-stock company	-	-	-
		Seera Group Holding Co.	Inside	Listed joint-stock company	-	-	-

	Board of Directors Member Name	Names of companies in which the member of the Board of Directors is a director or manager of its current Board of Directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity (Listed/Unlisted/ Limited Liability)	Names of companies in which the member of the Board of Directors was a director or manager of its previous Board of Directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity (Listed/ Unlisted/ Limited Liability)
5	Mr. Mosa Omran Mohammed Alomran	MBC GROUP Holdings	Outside	Limited liability company	Almarai	Inside	Listed joint-stock company
		Omran Mohammed Al Omran & Partners Investment Company	Inside	Closed joint-stock company	Banque Saudi Fransi	Inside	Listed joint-stock company
		Saudi Entertainment Ventures	Inside	Closed joint-stock company	Savola	Inside	Listed joint-stock company
		Al Arabiya News Holding Ltd.	Outside	Limited liability company	Arabian Cement Company	Inside	Listed joint-stock company
		News24 Holding Ltd.	Outside	Limited liability company	Western Bakeries Co.	Inside	Limited liability company
		Qiddiya Investment Company	Inside	Closed joint-stock company	–	–	–
		MBC GROUP Listed JSC.	.Inside	Listed joint-stock company	–	–	–
		ARA Group International Holding Company	Inside	Limited liability company	–	–	–
		Saudi Research and Media Group	Inside	Listed joint-stock company	–	–	–
		Royal Commission for Al Ula (RCU)	Inside	Government	–	–	–
6	Mr. Mansoor Abdulaziz Mohammed Almansoor	MBC GROUP Listed JSC.	Inside	Listed joint-stock company	Riyadh Airports Company	Inside	Government
		–	–	–	KAPSARC Investment Management	Inside	Government
		Saudi Air Navigation Services	Inside	Government	–	–	–
7	Mr. Majed Abdulaziz Ibrahim Alibrahim	Saudi Ports Authority	Inside	Government	ARA Group International Holding Company	Inside	Limited liability company
		News24 Holding	Outside	Limited liability company	MBC GROUP Holdings	Outside	Limited liability company
		MBC Game Studio	Inside	Limited liability company	–	–	–
		MBC GROUP Listed JSC.	Inside	Listed joint-stock company	–	–	–

	Board of Directors Member Name	Names of companies in which the member of the Board of Directors is a director or manager of its current Board of Directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity (Listed/Unlisted/ Limited Liability)	Names of companies in which the member of the Board of Directors was a director or manager of its previous Board of Directors	Inside the Kingdom/ Outside the Kingdom	Legal Entity (Listed/ Unlisted/ Limited Liability)
8	H.E. Khalid bin Abdullah bin Abdulaziz Al Mothem	Al-Uqair Development Company	Inside	Closed joint-stock company	Saudi Airlines	Inside	Government
		Qiddiya Coast Company	Inside	Limited liability company	Saudi Telecom Company (STC)	Inside	Listed joint-stock company
		Kidana Development Company	Inside	Closed joint-stock company	Almarai	Inside	Listed joint-stock company
		Alawwal Invest	Inside	Closed joint-stock company	SABB	Inside	Listed joint-stock company
		Riyadh Cement	Inside	Listed joint-stock company	–	–	–
		MBC GROUP Listed JSC.	Inside	Listed joint-stock company	–	–	–
		News24 Holding Ltd.	Outside	Limited liability company	–	–	–
9	Mr. Nasser Minahi Mounir Albiqami	MBC GROUP Listed JSC.	Inside	Listed joint-stock company	–	–	–
		Al Arabiya News Holding Ltd.	Outside	Limited liability company	–	–	–
		ARA Group International Holding	Inside	Limited liability company	–	–	–

4. Composition of the Board and classification of its members

MBC GROUP Listed Joint Stock Company is run by a Board of Directors comprising nine (9) members, of whom seven (7) members were appointed in accordance with the decision of the Shareholders' Resolution on 28/09/1444 AH (corresponding to 19/04/2023), then two (2) members were appointed in accordance with the decision of the Shareholders General Assembly on 05/03/1445 AH (corresponding to 20/09/2023).

The table below delineates the names and respective classifications of the members of the Company's Board of Directors:

The Company's Board of Directors:

Name	Classification	Status
Mr. Waleed Ibrahim Abdulaziz Al Ibrahim	Chairman	Non-executive/non-independent
H.E. Hindi Abdullah Humaidan Al-Sohimi	Vice Chairman	Non-executive/non-independent
H.E. Khalid bin Abdullah bin Abdulaziz Al Molhem	Member	Non-executive/Independent member
Mr. Abdullah bin Nasser bin Abdullah Al Dawood	Member	Non-executive/non-independent
Mr. Mansoor Abdulaziz Mohammed Almansoor	Member	Non-executive/Independent member
Mr. Abdulrahman Ibrahim Abdulrahman Al-Rowaita	Member	Non-executive/non-independent
Mr. Majed Abdulaziz Ibrahim Alibrahim	Member	Non-executive/Independent member
Mr. Nasser Manahi Mounir Al Biqami	Member	Non-executive/non-independent
Mr. Mosa Omran Mohammed Alomran	Member	Non-executive/non-independent member

5. Procedures taken by the Board to inform its members, particularly Non-Executive Members, of shareholder suggestions and remarks concerning the Company and its performance

According to the procedures applied by the Company, shareholders express their opinions and proposals at the General Assembly meetings of shareholders, which are discussed with the members of the Board of Directors present at the General Assembly meetings, and in the event of any new proposals, they are presented to the first meeting of the Board of Directors following the General Assembly meeting.

6. Brief description of the competencies and duties of the committees, including committee names, the names of Chairmen, members and the number of their respective meetings, dates thereof and the members in attendance

A. Audit Committee

1. Brief

The implementation of an effective internal control system is one of the responsibilities assigned to the Board of Directors. The main task of the Audit Committee is to verify the adequacy and effective implementation of the internal control system and to make any recommendations to the Board of Directors that would actuate and develop the system to achieve the Company's objectives. The Committee is also responsible for reviewing risk management policies, the annual risk report and risk reduction plans before presenting the same to the Board of Directors. The Committee is responsible for ensuring compliance with the Company's Corporate Governance Regulations and Practices issued by the Capital Market Authority and the Company's Corporate Governance Manual and Policy.

In fulfilling the above mandate, the scope of the Committee's work includes, inter alia:

1. Review and recommend finance and accounting policies and changes thereto, including suitability of such policies in terms of effective application and adoption significant changes to the applicable financial reporting standards.
2. Review and recommend the external auditors' fees and terms of engagement and agree on the engagement letter issued by the external auditors before the start of the corresponding annual audit.
3. Recommend to the Board the appointment, re-appointment, or removal of the external auditors prior to the commencement of the next audit cycle.
4. Ensure that appropriate plans and scope are in place for the external audit, and that the planned materiality and proposed audit resources are adequate.
5. Assess the independence, objectivity and performance of the external auditors.
6. Review and recommend on significant accounting and reporting issues highlighted by the external auditors, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
7. Review financial statements and consider whether they are complete, consistent with information known to the Committee members and reflect appropriate accounting principles.
8. Review the results of the audit, including any difficulties encountered, with management and the external auditors.

9. Review all matters required to be communicated to the Board of Directors under generally accepted auditing standards, with management and the external auditors.
10. Review the audited financial statements subject to approval by the Board.
11. Recommend on the provision of permissible non-audit services by firms engaged as external auditors, so that the non-audit service does not impair the external auditors' independence or objectivity.
12. Review and approve the Internal Audit objectives, plans and activities. Once approved, the Committee delegates the implementation of all the above to the Director of Internal Audit.
13. Approve the Internal Audit Plan (IAP), and major subsequent changes to the plan prior to their implementation and execution.
14. Receive and review all internal audit reports.
15. Review the effectiveness of the Internal Audit function, including alignment with Institute of Internal Auditors' (IIA) Standards for the Professional Practice of Internal Auditing (IPPF).
16. Approve the Internal Audit Charter and Manual, including revisions to an existing Charter and Manual.
17. Approve the appointment, replacement or dismissal, and compensation of the Director of Internal Audit.
18. Review and approve the ERM policy, risk appetite, risk governance model, and risk documentation such as risk tolerances, consequence and likelihood matrices.
19. Evaluate the rigour and suitability of the risk assessments and risk management practices.
20. Review and recommend on the internal controls over financial reporting policy, including revisions to an existing policy.
21. Oversee the adequacy of systems of internal controls.
22. Oversee the adequacy of periodic internal management performance reports and compliance with internal policies, plans, and procedures.
23. Monitor progress in addressing internal control deficiencies identified through risk assessment and internal audit reviews and report material changes to MBC's risk and internal controls' profile to the Board.
24. Oversee the effectiveness of the regulatory compliance framework, including compliance risk assessment and the monitoring program in place to verify compliance with laws and regulations.
25. Obtain regular updates regarding regulatory compliance matters, including potential findings of examinations by regulatory agencies.
26. Review the results of compliance assessments and follow-ups (including disciplinary actions where applicable) related to instances of non-compliance.
27. Periodically review policies on ethics, code of conduct and fraud.
28. Oversee the existence of an appropriate confidential mechanism for whistle blowers to provide complaints and tip-offs to facilitate fraud detection.
29. Oversee the review and investigation of matters pertaining to the integrity of senior management including conflicts of interest or adherence to standards of conduct.
30. Review the findings of performed investigations, including those of misconduct and fraud.

The Audit Committee consists of four members appointed by the Board of Directors for a period of four years.

Audit Committee Members

	Name	Title
1	H.E. Hindi Abdullah Humaidan Al-Sohimi	Chairman
2	H.E. Khalid Bin Abdullah Bin Abdulaziz Al Molhem	Member
3	Mr. Mohammed bin Abdulaziz bin Abdulrahman Alshaya	Member
4	Mr. Abdullah bin Nasser bin Abdullah Al Dawood	Member

2. Attendance

Audit Committee Meeting Attendance (2023)

Members	Date	Date	Date
H.E. Hindi Abdullah Humaidan Al-Sohimi	18.09.2023	05.11.2023	28.12.2023
H.E. Khalid bin Abdullah bin Abdulaziz Al Molhem	Was not a member yet		28.12.2023
Mr. Abdullah bin Nasser bin Abdullah Al Dawood	18.09.2023	05.11.2023	28.12.2023
Mr. Mohammed bin Abdulaziz bin Abdulrahman Alshaya	18.09.2023	05.11.2023	28.12.2023

B. Nomination and Remuneration Committee

1. Brief

The main function of the Nomination and Remuneration Committee is to identify qualified candidates for membership of the Board of Directors, The Committee is also responsible for reviewing the appointment of key management employees, for benchmarking and establishing the remuneration packages of the key executives and developing an overall remuneration policy for the Company. The scope of the Committee's work includes all actions that enable it to fulfil its functions.

In fulfilling the above mandate, the scope of work of the Committee includes, inter alia:

1. Proposing clear policies and criteria for membership of the Board of Directors and the Executive Management.
2. Providing recommendations to the Board of Directors on the nomination and renomination of Directors in accordance with the approved policies and standards, taking into account not to nominate any person previously convicted of a committing a crime involving moral turpitude or dishonesty.
3. Preparing a description of the skills and qualifications required for membership on the Board of Directors and for holding Executive Management positions.
4. Determining the time that Directors should allocate for Board activities.
5. Undertaking an annual review of the skills and experience required of members of the Board and Executive Management.
6. Ensuring the independence of the independent Directors on an annual basis and ensuring that there is no conflict of interest if a Director serves as a director of another company.
7. Providing job descriptions for executive, non-executive and independent members and Executive Management.
8. Evaluating the strengths and weaknesses of the Board and proposing solutions to address such weaknesses, in line with the interests of the Company.
9. Reviewing the organizational structure, size and composition of the Company's Board (including skills, knowledge, experience and diversity) on a regular basis (at least annually) and providing the appropriate recommendations to the Board (which in turn will submit such recommendations to the General Assembly).
10. Developing the procedures to be followed in the event there is a Board or Senior Executive vacancy.
11. Preparing, disclosing and ensuring a clear policy for the remuneration of the members of the Directors and Committees emanating from the Board and the Executive Management, and submission of the same to the Board for approval by the General Assembly, provided that such policy takes into account performance related standards.
12. Clarifying the relationship between the remuneration granted and the applicable remuneration policy, indicating any material deviation from such policy.
13. Periodically reviewing the remuneration policy and evaluating its effectiveness in terms of achieving its objectives.
14. Making recommendations to the Board of Directors regarding the remuneration of the Directors, Board Committees and Senior Executives of the Company, in accordance with the approved policy.

The Nomination and Remuneration Committee shall consist of at least three members appointed by the Company's Board of Directors for a period of four years.

Nomination and Remuneration Committee Members

	Name	Title
1	Mr. Mansoor Abdulaziz Mohammed Almansoor	Chairman
2	Mr. Abdulrahman Ibrahim Abdulrahman AL-Rowaita	Member
3	Mr. Mosa Omran Mohammed Alomran	Member

2. Attendance

Nomination and Remuneration Committee Meeting Attendance (2023)

	Members	Date	Date
1	Mr. Mansoor Abdulaziz Mohammed Almansoor	24.08.23	10.12.2023
2	Mr. Abdulrahman Ibrahim Abdulrahman AL-Rowaita	24.08.23	10.12.2023
3	Mr. Mosa Omran Mohammed Alomran	24.08.23	10.12.2023

C. Executive Committee

1. Brief

The Committee plays a crucial role in the Company's governance by reviewing and recommending strategic, financial, and operational plans to the Board of Directors, ensuring alignment with the Company's goals. It also oversees budgets, annual plans, performance evaluations, and capital investments, while monitoring the Group's CEO and Executive Management performance. The Committee is responsible for forming partnerships, updating technologies, and fostering effective communication between Executive Management and key department heads. Additionally, it approves contracts within specified limits, reviews administrative activities and major projects progress, and makes recommendations on resolutions beyond its scope as assigned by the Board of Directors. This comprehensive oversight and advisory function strengthen the governance framework and contribute to the Company's strategic direction and operational efficiency.

In fulfilling this mandate, the scope of work of the Committee includes inter alia:

1. Reviewing and making recommendations on the Company's strategy and commercial, financial and operational plans proposed to the Board of Directors.
2. Reviewing budgets and annual plans and making recommendations to the Board of Directors in connection therewith, as well as verifying the material differences in the approved plan.
3. Reviewing the Company's performance based on management reports to determine whether the Company is achieving its short- and long-term goals.
4. Participating in the review of proposals for new capital investments and projects that fall within the competence of the Committee.
5. Forming or restructuring any partnerships or joint projects.
6. Reviewing and making recommendations to the Board of Directors on any projects related to enhancing and updating the Company's technologies and technical support.
7. Ensuring the coordination and appropriate communication of information and opinions between the Executive Management and the heads of the key departments.
8. Monitoring the performance of the Group's CEO and Executive Management.
9. Reviewing and approving contracts beyond the powers of the Group CEO within the limits of the approved budget and in accordance with the Company's Delegation of Authority Matrix.
10. Reviewing periodic administrative activities and reports on the implementation and completion of the Company's major projects.
11. Presenting recommendations to the Board of Directors with respect to any other resolutions beyond the scope of the Committee's powers.
12. Performing other duties assigned to it by the Board in line with the Committee's purpose.

The Executive Committee consists of three members appointed by the Board of Directors for a period of four years.

Executive Committee Members

	Name	Title
1	Mr. Waleed Ibrahim Abdulaziz Al Ibrahim	Chairman
2	H.E. Hindi Abdullah Humaidan AL-Sohimi	Member
3	Mr. Abdullah bin Nasser bin Abdullah Al Dawood	Member

2. Attendance

Executive Committee Meeting Attendance (2023)

	Members	Title
1	Mr. Waleed Ibrahim Abdulaziz Al Ibrahim	12.12.2023
2	H.E. Hindi Abdullah Humaidan AL-Sohimi	12.12.2023
3	Mr. Abdullah bin Nasser bin Abdullah Al Dawood	12.12.2023

D. Investment Committee

1. Brief

The Committee is tasked with recommending a strategy framework to the Board of Directors, aligning investment activities with the Company's strategic objectives. It oversees the Company's performance against these guidelines, regularly reviews and updates the investment policy, and offers advice on investment decisions, acquisitions, and partnerships. The Committee evaluates the financial impact of proposed transactions and monitors investment risks. Furthermore, it monitors investment processes and resources, and fulfils additional duties as assigned by the Board. This comprehensive approach ensures prudent capital deployment, effective risk management, and optimal performance in the Company's investment activities.

In fulfilling this mandate, the scope of work of the Committee includes inter alia:

1. Recommending a strategy to the Board of Directors on capital allocation for the investment activities of the Company, taking into consideration aspects such as the Group's strategic objectives, return on invested capital targets, criteria, allocations and risk limits.
2. Reviewing the Company's performance against the standards set in the framework on a regular basis.
3. Periodically developing and reviewing the investment policy and guidelines.
4. Providing recommendations to the Board of Directors regarding investment opportunities, acquisitions, joint ventures and liquidation of investments.
5. Evaluating the impact of proposed specific investment transactions on the Company.
6. Monitoring investment-related risks.
7. Monitoring the Company's investment processes and resources.
8. Performing other duties assigned to it by the Board and in line with the Committee's purpose.

The Investment Committee consists of 4 members appointed by the Board of Directors for a period of four years.

Investment Committee Members

	Name	Title
1	H.E. Khalid bin Abdullah bin Abdulaziz Al Molhem	Chairman
2	Mr. Mosa Omran Mohammed Alomran	Member
3	Mr. Abdulrahman Ibrahim Abdulrahman Al-Rowaita	Member
4	Mr. Majed Abdulaziz Ibrahim Al Ibrahim	Member

2. Attendance

Investment Committee Meeting Attendance (2023)

	Members	Date
1	H.E. Khalid bin Abdullah bin Abdulaziz Al Molhem	25.10.2023
2	Mr. Mosa Omran Mohammed Alomran	25.10.2023
3	Mr. Abdulrahman Ibrahim Abdulrahman Al-Rowaita	Did not attend

7. Board Performance Assessment

- A. Based on the recommendation of the Company's nomination and remuneration committee, the Board develops the required mechanism to annually assess the performance of the Board, committees and Executive Management.
- B. The annual assessment evaluates the skills and experiences of the Board and committees, identifies weaknesses and strengths and attempts to resolve such weaknesses.

8. Disclosure of the remuneration of Board members and Executive Management

As per Article (90) of CMA's Corporate Governance Regulations, we set out below the details of the remuneration paid to Directors and Senior Executives:

- A. Disclosure of the details of the remuneration policies, and mechanisms for determining compensation paid to the Company's board members and executive management:

The bylaws and regulations governing the remuneration of the Board of Directors and its committees, as approved by the Shareholders' General Assembly, establish clear criteria for calculating the compensation

provided to Board members and Executive Management, including any direct or indirect benefits. This information is presented in a transparent and accurate manner, with no omissions or misleading details.

- B. The relationship between the remunerations granted and the applicable remuneration policy.

The Company will compute compensations and remunerations for the Board of Directors in accordance with the guidelines outlined in the Company's remuneration policy. These guidelines are in line with the approved remuneration policy for Board members, Board Committees, and Executive Management, which will receive endorsement from the Shareholders' General Assembly. The Board of Directors confirms that the remunerations provided are entirely consistent with the applicable remuneration policy, without any deviations or discrepancies.

The remuneration of the Board and Senior Executives is determined based on the following principles:

- a) Remuneration shall be reasonably sufficient to attract, motivate and retain talent possessing the appropriate competence and experience;
- b) The Nomination and Remuneration Committee shall conduct a periodic review and take into consideration market practice;
- c) Remuneration of different Board members may vary depending on a number of factors, such as the number of meetings he/she attended in addition to other considerations; and
- d) Remuneration of Executive Management shall be determined based on the Company's internal policies based on the relevant job level, duties and responsibilities, educational qualifications (whether mandatory or otherwise), practical experience, skills and level of performance.

Board of Directors' Remuneration – FY2023

No Remunerations was due or paid to the Board of Directors in the year 2023

Committees Members Remuneration – FY2023

No Remunerations was due or paid to the Board of Directors in the year 2023

Senior Executives Remuneration – FY2023

The five top Senior Executives, including the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO), receive a remuneration according to employment contracts signed with them. The following table illustrates details of remuneration and compensation paid to Senior Executives.

Fixed Remuneration					
Salaries	Allowances	In-kind benefits	Total		
5,363,889	1,329,768	258,746	6,952,403		
Variable Remuneration					
Periodic remunerations	Profits	STIP 2023	LTIP	Equity grants	Total
–	–	6,187,500	1,203,709	–	7,391,209
End of services rewards	Total remuneration for executives in the Board (if any)	Grand Total	Funded relocation allowances	Grand total With Relocation Allowances	
626,176	226,875	15,196,663	4,248,498	19,445,161	

* The Company committed to disclose total remuneration of the Senior Executive Management in accordance with the requirements of Article 93(4-b) of the Corporate Governance Rules. In order to protect the interests of the Company, its shareholders and its employees, and to avoid any damage that may result from the disclosure in details as per job titles and positions, the description of remuneration is not presented pursuant to Appendix (1) Remuneration Schedule of Corporate Governance Rules related to Senior Executives.

9. Results of the annual review of the effectiveness of the Company's internal control procedures and the opinion of the Audit Committee with respect to the adequacy of the Company's internal control system

The management of the Company is responsible for establishing and maintaining an adequate and efficient internal control system. An internal control system encompasses the policies, procedures and processes which are designed in consultation with the Audit Committee and the Board of Directors, to accomplish the Company's strategic objectives.

The scope of the IAD (Internal Audit Department), independent from line management, comprises the evaluation of the competency and efficacy of the internal control system across the Company and the assessment of compliance with established policies and procedures. All significant and substantial findings of the IAD (Internal Audit Department), are reported to the Audit Committee.

Rigorous and integrated efforts are made by all departments of the Company to avoid and rectify any control deficiencies. The procedures are continuously reviewed and streamlined to improve the control environment.

Each department, under the supervision of Executive Management, is delegated the responsibility to oversee rectification of control deficiencies identified by IAD.

The Company's internal control system has been designed to provide reasonable assurance to the Audit Committee, the Board and the Management that risks are adequately managed to achieve the Company's long-term objectives.

The Audit Committee reviewed the updated inherent risk assessment report prepared by the Risk Management Department and other departmental internal audit reports prepared by the Internal Audit Team.

In light of the aforementioned scope of work, and based on the periodic review reports submitted by the Company's IAD, the External Auditor, the Executive Management of the Company, and the Management's assurances about the integrity of the Company's control system, the Audit Committee is of the opinion that the Company's internal control systems are efficient and adequate and that there are no pervasive weaknesses in the control environment which may affect the accomplishment of strategic goals.

10. The audit committee's recommendation on appointing an internal auditor for the Company

The Company already has an in-house team performing all the necessary internal audit activities and where deemed required appoints Internal Audit service providers to deliver in a co-sourcing approach internal audit service. The audit committee has recommended the appointment of the Internal Audit service provider in 2023.

11. Any Audit Committee's recommendations that conflict with Board resolutions, or those that the Board rejects in relation to the appointment, dismissal, assessment or remuneration of an External Auditor

During 2023, there was no instance of any conflict between the Audit Committee's recommendations and Board resolutions in relation to any matter, including the appointment and remuneration of the External Auditor.

12. Details of the Company's social contributions

In 2023, MBC AL AMAL allocated SAR 410,000 towards "The Path of Hope" program, its primary initiative supporting orphaned students. This holistic program empowered beneficiaries with personalized career counseling, specialized upskilling sessions spanning a year, and academic mentorship, aimed at easing their educational transitions and fostering sustainable growth.

13. A list of General Assembly meeting dates held during the last financial year and the names of Board members who attended them.

General Assembly Meeting Attendance (2023)

Attending Shareholders	5 September (GA Date)	5 November (GA Date)	15 November (GA Date)	20 September (GA Date)	12 November (GA Date)
Waleed Ibrahim Abdulaziz Al Ibrahim	✓	✓	✓	✓	✓
Istedamah Holding Company	✓	✓	✓	✓	✓

Attending Board Member	5 September (GA Date)	5 November (GA Date)	15 November (GA Date)	20 September (GA Date)	12 November (GA Date)
Waleed Ibrahim Abdulaziz Al Ibrahim	✓	✓	✓	✓	✓

14. A description of the Company and its Subsidiaries' main scope of business activities.

The Group has the following strategic segments which provide different services, have different economic characteristics – such as sales growth trends, rates of returns, capital investment levels – and are managed separately.

Broadcasting & Other Commercial Activities	TV, radio, and social media and ancillary activities
	Broadcasting & Other Commercial activities segment is the largest of the Group's business segments with revenues earned primarily from advertising on its FTA TV, radio channels and social media, collectively as broadcasting activities. Broadcasting also generates a variety of additional non-advertising revenues, such as from carriage agreements and interactive games for viewers.
	The Group is also engaged in varied range of media-related activities such as interactive games, events, music publishing, and talent management. The Group is in the process of further diversifying its revenue base by building up its events management business and developing its own video games. The Group aims to leverage its brand and its long-standing know-how in these additional businesses to expand its activities in these areas.
SHAHID	Video streaming on the SHAHID platform
	One of the Group's main operating segment is Shahid for which the Group is currently strongly investing in to drive future growth. The Group's Shahid OTT platform is available both as an SVOD service (also called Shahid VIP) as well as a "free" AVOD service and broadcasting services.
Media & Entertainment Initiatives ("M&E Initiatives")	Media and Entertainment
	Given the Group's capabilities and position in the media sector and the successes it has achieved historically, it has been chosen as a strategic partner of the KSA government for the implementation of media and entertainment projects and initiatives that will develop the media ecosystem in the KSA and the region in accordance with Saudi Vision 2030.
	The Group receives funding for these projects from the government [represented by its majority shareholder Istedamah Holding Company ("Istedamah"), a KSA government-owned company], in consideration for the Group's commitment to implement such projects in accordance with specified performance indicators and other obligations which it must fulfil. The Group contributes to the development of the local KSA media and entertainment industry by continuously investing in various entertainment and media initiatives in the KSA including high-quality Arabic content production, broadcasting of certain TV channels, gaming, developing talent and events management in the KSA. Furthermore, the Group is, through its move to the KSA, directly creating new employment opportunities for individuals in the entertainment industry in the KSA.

The effect of the above main activities on the size of the Company's business and its contributions as a percentage of revenues as follows:

Activity	Activity Revenues (SAR'000)	Percentage
Broastcasting & Other Commercial Activities	881,901	52%
SHAHID	447,451	26%
Media & Entertainment Initiatives ("M&E Initiatives")	374,835	22%
Total	1,704,187	100%

15. A description of the Company's significant plans and decisions and future expectations

A. Company Structural Changes

The company was established on the 8th of April 2023, The acquisition of the shares in the subsidiaries and associates by the Company was effectively concluded during June 2023G. Accordingly, the acquisition was accounted for as of 30 June 2023G, through "additional shareholder contributions" account. Starting from that date, revenues, expenses, assets and liabilities of the Company and its subsidiaries are consolidated, after eliminating intercompany transactions and balances.

On 21/11/2023, the Capital Market Authority (CMA) announced the approval of MBC GROUP Company's application for the registration and the offering of (33,250,000) shares representing (10%) of the Company's share capital for public subscription. On 08/01/2024 the Company's shares were successfully listed for trading in the main market of the Saudi Exchange.

B. The Company's business expansions - operational activities and strategic decisions

- **The Group aims to maintain its leading position in advertising on TV and radio and leverage its leading OTT platform to capture advertising that is being shifted to digital platforms.**

The Group's management aims to maintain its leading position in TV and radio advertising and grow revenues from this segment. The Group runs its advertising business through its sales arm, MBC Media Solutions (MMS). MMS already has a very strong position in the market but sees significant additional potential from improved pricing and intensified sales efforts, including through the use of modern ad-sales technology and better audience measurement data. Approximately 700 advertisers from across the KSA, the UAE and Egypt, as well as multinational corporations, place adverts on the Group's media. The Group's management believes that the recently introduced People Meter audience measurement system will drive greater transparency and make TV advertising more attractive for advertisers, resulting in more sales and improved, data-driven pricing. The Group aims to realize significant benefits from internalizing sales via MMS and raising the standards of technology and human resources to international levels. The Group has, for instance, implemented a solution that allows it to dynamically insert targeted ads into live channels seamlessly. The Group aims to optimize the sale of advertising inventory through programmatic sales on technology platforms in addition to sales through its sales team.

- **The Group aims to further grow its OTT subscription revenue and leverage economies of scale to significantly improve the SVOD's EBITDA margins.**

The Group is focused on growing its OTT subscription revenue and improving SVOD's EBITDA margins by leveraging economies of scale. With rapid growth in its SHAHID SVOD platform, targeting the MENA region's large, young population and expanding into markets with Arabic-speaking populations globally, the Group plans to increase subscribers through marketing, high-quality content production, and partnerships. It aims to enhance user experience with features like 4K streaming, multilingual support, reduced latency for live sports, and compatibility with mainstream devices. The Group plans to introduce new features such as co-viewing and smart downloads, while maintaining competitive pricing to drive widespread adoption and subscriber growth.

- **The Group plans to significantly invest in content production and acquisition to continue its leadership role as a broadcasting and media company in the MENA region.**

The Group plans to continue investing in its own content productions to drive user acquisition and retention, particularly by promoting exclusive SHAHID originals. Leveraging its scale, track record, and industry relationships in the MENA region, the Group aims to maintain its leading position by improving localization of content and investing in external premium content and strategic sports rights. Additionally, the Group is investing in children- and youth-focused content to expand its audience base and exploring partnerships for Western and Turkish content as well as anime. These investments are expected to reduce churn and attract new subscribers, supported by data-driven decision-making to optimize content offerings and resource allocation.

- **The Group is further diversifying its business by expanding its events management and gaming activities**

The Group has diversified its historically broadcasting-focused business by establishing AVOD and SVOD platforms and by investing in ancillary businesses that leverage its long-standing business operations in the MENA region, as well as its know-how and expertise. The Group is expanding and further developing new business lines tailored to the growing population of young Saudi citizens and youth in the MENA region. In recent years, the Group has developed and invested in more versatile business segments such as gaming, music and events management. The Group is set to further expand each of these business lines by broadening the scope of services provided and expanding its reach. For this reason, the Group plans to enter into strategic partnerships to establish itself in the video games development business. Besides the individual potential of each of the business segments, the Group also sees potential benefits from the collaboration between its segments. The Group is already profiting from synergies that the diversification of its services has created. It is expected that the individual success of the business lines the Group is developing and expanding will allow the Group to profit from synergies at a greater scale. As part of the Group's business expansion and development plans, the Company continues to examine opportunities to acquire a number of companies and businesses complementary to its main activities.

- **The Group's Contribution to KSA's Vision 2030**

The KSA's Vision 2030 has established numerous programs, initiatives and goals across various sectors to develop non-oil sectors with the aim of diversifying the cornerstones of the Kingdom's economy. Several programs and initiatives have been launched to promote culture and the arts, as well as develop traditional and digital media content. This aims to enhance the quality of life and localize cultural and artistic industries through vocational training programs that meet the needs of the labour market. In trying to achieve these objectives, the media and entertainment sector is expected to continue being a focal point of KSA's Vision 2030, which in turn provides a strong foundation for the Group's future growth. The Group contributes to the KSA's Vision 2030 through continuous investment in various entertainment and media programs and initiatives in the KSA, including developing talent, content production, gaming, event management and increased broadcasting of certain channels on TV and through the SHAHID platform. The Group believes that its media strategy is in line with KSA's Vision 2030. In this way, the Group contributes to the development of the local KSA media industry and economy. Furthermore, the Group is, through its move to the KSA, creating new employment opportunities for individuals in the entertainment and media industry in the KSA. Moreover, given the Group's capabilities and position in the media sector and the successes it has achieved historically, it has been chosen as a strategic partner of the KSA government for the implementation of media and entertainment projects and initiatives that further develop the media ecosystem in the KSA and the wider region in line with KSA's Vision 2030 (the "Expansion Projects"). This is in line with the framework of the Strategic Cooperation Agreement concluded with the government (represented by Istedamah Holding Company). The Expansion Projects include providing sports content on the Group's platforms, operation of certain television channels, and the production of high-quality Arabic content with the aim of elevating the status of the Arabic language and increasing its regional and global influence. The Expansion Projects also include providing training to Saudi talent through the establishment of a specialized vocational training academy, leveraging the Group's event management expertise, and developing high-quality electronic games. These Expansion Projects allow the Group to contribute to KSA's Vision 2030 as a leading national company with a regional leadership position, while further aiming to increase its global footprint.

16. Information on any risks facing the Company and the policy of managing and monitoring said risks

Set out below are the principal strategic, operational, financial, compliance and market-related risks faced by the Company and the manner in which it seeks to treat these risks. The commentary does not include risks arising from force majeure events that are endemic to every business, or risks that are not material to the Company's operations in terms of their impact on financial performance, as discussed more fully in the Financial Risk section.

The Board of Directors affirms that the risks described below are not presented in any assumed order of priority reflecting their expected impact on the Company. There may be additional risks and uncertainties, including those that are presently unknown or considered immaterial, that could have similar consequences to those outlined in this section and negatively impact the Company. As a result, the risks highlighted in this section may not reflect all potential risks that could affect the Group, its operations, assets, and the markets in which it conducts business.

- a) **Risks related to the Expansion Project Agreements and the extent of the Group's reliance on the agreements with the KSA government (represented by Istedamah Holding Company).**

The Group has implemented various plans aimed at growing and developing the media and entertainment sector in the KSA, which involved several media and entertainment projects and initiatives that develop the media ecosystem in the KSA and the wider region in line with the KSA's Vision 2030 (the "Expansion Projects"). To implement the Expansion Projects, the Group has entered into agreements with the KSA government (represented by Istedamah Holding Company). under the framework of a Strategic Cooperation Agreement to implement these Expansion Projects and the media and entertainment initiatives. Under such agreements, the Group receives funding to implement the relevant initiatives against the cost of such initiatives. The Group's receipt of the relevant funding amounts is linked to several obligations to be fulfilled by the Group, including the achievement of key performance indicators or certain milestones, and the adherence to several other restrictions and conditions specified in such agreements.

The Group's long-term growth path and its budgets for implementing the Expansion Projects may be influenced by the amounts paid under the relevant agreements. If the amounts payable under the Expansion Projects are substantially reduced or fully discontinued, the Group may need to wind down such projects or shift to self-funded projects which may impact their commercial feasibility. This could result in at least a temporary loss to the Group which may negatively impact its business and developing projects in the short-term. Such potential losses could also negatively impact the Group's reputation in its markets. If the Group fails to achieve the agreed key performance indicators, or to implement the agreed initiatives or to comply with the terms and conditions of the agreements, or if the Expansion Projects are terminated for any reason, this could lead to the funding being suspended or reduced. If the Group's position in the market changes or if it loses its position as a leading national company in the media and entertainment sectors in the KSA, or if for any other reason the Group does not procure further funding under the Expansion Projects, this could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

b) Risks related to the Group's ability to generate advertising revenue due to the ongoing shift towards digital media advertising.

The Group's revenue heavily relies on advertising, with its broadcasting segment being a significant contributor. Over the years, there has been a shift from traditional TV to digital content, impacting advertising spending. Advertisers are moving towards digital platforms like Google, YouTube, Meta, and TikTok, leading to a potential decline in the Group's advertising revenue from free-to-air channels. The Group launched the SHAHID platform to adapt to this shift. Despite efforts to invest in content for traditional TV and increase revenue from the AVOD platform, there are concerns about long-term profitability due to competition and the AVOD business model. Failure to maintain advertising spending levels on TV programs or the AVOD platform could negatively impact the Group's business, financials, and share price.

c) Risks related to the Group's advertising sales arm MBC Media Solutions (MMS).

MMS is the Group's advertisement revenue generation arm, selling advertising spots to agencies and directly to clients across the UAE, the KSA and Egypt, on all MBC platforms (via TV, radio, SHAHID and social media). MMS purchases airtime from the Group and is responsible for the for the direct negotiation and onward sale of airtime to customers. The Group relies on the commercial competitiveness of MMS's customer deals, its management process, the integrity and completeness of its revenue data and its implemented sales management framework and system. Efficient and successful operations of MMS are vital for the overall performance of the Group considering that the Group generates a substantial part of its revenue from advertising.

Additionally, MMS faces operational risks such as the loss of key staff or key accounts, technical disruptions to booking systems and difficulties in collecting receivables from agencies in a timely manner or at all. If MMS is unable to continue selling airtime profitably to the maximum extent envisioned, and to achieve its milestones in terms of targeted advertising revenue, or if the agreement between MMS and the Group changes, then this could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore on the Company's share price.

d) Risks related to the Group being unable to grow its SHAHID SVOD streaming platform and reach a level of subscribers across its target countries that is necessary for SHAHID's sustained profitability.

The Group launched the SHAHID SVOD platform in 2014, which saw significant growth during the COVID-19 pandemic in 2020 and 2021. The number of subscribers increased from 0.1 million in 2019 to 3.76 million during Ramadan 2023. The Group's core viewer base is primarily in KSA, GCC countries, and Egypt, with plans to expand across the MENA region. While the customer adoption rate of online streaming is increasing in the MENA region, the Group faces competition and the challenge of attracting enough subscribers to make the platform profitable. Revenue for SHAHID increased over the years, but significant spending on content led to losses. If the subscriber base does not grow sufficiently, it could impact the Group's business and financial prospects.

The Group airs content and produces sports coverage in the format of sports channels. Such channels are available for viewers on SHAHID to purchase as a special package. As a significant number of SHAHID subscribers are sports and football fans, a significant loss of sports coverage could negatively and materially affect the business of the Group.

e) Risks related to retaining streaming subscribers for SHAHID and addressing customer churn.

The Group's success in attracting and retaining subscribers for its SHAHID streaming business relies on providing compelling content choices, effective marketing, and a quality user experience. While marketing costs are low, resources are being invested in expanding content offerings. The Group aims to grow its subscriber base by offering promotional trials, although it faces a high churn rate where many new subscribers cancel during the trial phase. Despite this, the Group has seen significant growth in overall subscribers. However, if the churn rate is not managed effectively, long-term growth and profitability may be impacted. Issues related to content availability timing, known as "windowing," can also contribute to the churn rate. When content is available for free on other platforms or TV channels, subscribers may cancel their SHAHID subscription. This overlap could deter potential subscribers from joining SHAHID, affecting the Group's business and financial performance.

f) Risk related to hiring and retaining key employees.

The Group provides specialized services that require highly competent employees. The quality of those services, which the Group aims to further expand in the future (such as events management), depends on the skills and competencies of its employees. If the Group does not hire highly competent employees, it may be unable to provide the quality of services that it envisions. Retaining competent critical employees and attracting further employees to support the Group's growth may become more difficult as the Group moves its operations to the KSA. The requirement to relocate to the KSA can be a significant commitment for employees and have a cost impact for the Group; the Group may have to offer higher salaries to compensate for its employees' relocation costs and the potentially higher cost of living in the KSA compared to its other countries of operation. If key employees are not incentivized to move to the KSA, the Group may have problems finding substitutes with adequate skills and qualifications for this developing sector, either in the local KSA labour market or in other markets, which could adversely impact the Group's profitable growth.

g) Risks related to increasing costs and operating expenses.

The majority of the Group's expenses and costs relate to content acquisition and content creation. In particular, a large amount of the Group's costs relates to the creation of content. The Group's operating expenses could increase as a result of several factors. Prolonged periods of cost inflation may negatively impact the Group's profit margins and earnings if such cost increases are not translated into an increase in the Group's prices to be passed on to advertisers or subscribers of SHAHID.

The Group's business model requires it to make substantial investments upfront for programming (either through production costs or acquisition license fees) before collecting revenue from such content. However, the Group's annual cash flow is negatively impacted due to the practice of front-loading costs, so the Group may experience extended periods of limited liquidity. Because the Group must first spend to create or acquire content and then generate subscribers and revenue, the Group can only recoup its investments later. Thus, this uneven delay in the Group's cash flow (with respect to its free-to-air segment) and the Group's substantial investment in SHAHID prior to knowing the profitability of such content could have a material adverse effect on the Group's business, results of operations, financial condition, and future prospects and therefore the Company's share price.

h) Risks related to any significant disruption in or unauthorized access to the Group's computer systems.

As a broadcasting and streaming service, the Group's operations can be severely impacted if there are disruptions to its internal IT system, external providers or broadcasting infrastructure including satellite availability. Disruptions to IT systems, cyber-attacks and other external risks for IT systems, and outages of satellites and broadcasting systems are amongst the key risks that may occur in this respect.

i) Risks related to intense competition for production of content and the broadcasting and streaming industry in the region.

The Group faces intense competition from various international and local competitors in the media industry, particularly in terms of content, audiences, and advertising. Competition also comes from broadcast television, free-to-air channels, subscription streaming services, social media platforms, and other entertainment outlets. Limited availability of Arab language content producers for collaboration may lead to higher production costs. The Group's SHAHID platform competes with major players like Disney+, Netflix, and others, who have larger budgets and global reach. Increased competition for quality programming acquisition could raise negotiation complexities and costs. Competitors like Netflix offering Arabic content may attract customers in the MENA market. The Group's ability to compete effectively depends on achieving a competitive cost structure along with an effective content management capability across all its platforms. Failure to do so could impact its business, profitability, and overall prospects.

j) Risks related to weak economic conditions within the countries in the MENA region in which the Group operates.

The Group's performance is closely tied to the financial wellbeing of its customers, which is influenced by the economic conditions in the markets they operate in. A significant portion of the Group's revenue comes from customers whose spending habits are susceptible to economic fluctuations. Weak economic conditions in the MENA region or globally could lead to reduced demand for the Group's products and services, impacting its operational results. This could result in customers cutting back on discretionary spending, potentially leading to cancellations of subscriptions or decreased usage of other products and services. Additionally, weak economic conditions may also affect the Group's advertising revenue as advertisers reduce spending due to lower consumer demand during economic downturns. Disruptions in global financial markets could hinder the Group's ability to secure financing or refinance existing debt. Inflationary pressures in the MENA region and globally could impact the Group's cost structure and pricing strategies, potentially affecting the ability of third parties to meet their obligations to the Group. These factors could have a significant adverse effect on the Group's business, profitability, financial condition, and share price.

k) Risks related to fluctuations in foreign exchange rates.

The Group operates in various Middle Eastern countries where most currencies are pegged to different standards, such as the USD. The Group conducts transactions in currencies like the Egyptian Pound, Moroccan Dirham, Iraqi Dinar, and Lebanese Pound. The value of such currencies fluctuates relative to the Saudi Riyal and US dollar. As a result, the Group is exposed to exchange rate fluctuations, which have had, and may continue to have, an adverse effect on its results of operations in a given period.

l) Risks relating to the KSA economy and global economy and the political and economic conditions in the KSA and the countries in which the Company sells its products.

The Company's business performance is heavily influenced by economic and political conditions in the Kingdom of Saudi Arabia (KSA), where it generates a significant portion of its revenue and incurs a large portion of its operating costs. Additionally, the Company's performance is impacted by economic and political conditions in the countries where it sells its products and trades with. Any changes in the political situation in countries where the products of the Group are sold, or where viewers of the Group's channels or SHAHID platform subscribers are located, or in countries with which the Group trades, including, but not limited to, changes in governments or administrations, changes in public policy, changes in laws or incentives (including restricting foreign products or disincentivizing it), wars (including the ongoing conflicts in the region), geopolitical and political stability and other matters, could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

m) **Risks related to changes in the regulatory environment and operating in many jurisdictions with different legal regimes.**

The Group is subject to a range of laws and regulations administrated by a number of government entities in accordance with government policies and directives in the countries where the Group operates. The Group's business depends on its ability to comply with the requirements of these laws to maintain the required licenses, the management of its operations and throughout project execution. The Group cannot foresee changes in the regulatory environment in the KSA and in the other regions it operates in, which may be subject to many changes, including changes to data localization, data protection, and cybersecurity controls and the introduction of other technology-specific regulations and laws, changes to the media and tax laws, and the adoption of tougher antitrust, pricing, and corporate governance regulations, among others. If the relevant government and administrative authorities impose new obligations on the Group Companies in any of the countries in which the Group operates requiring them to obtain certain licenses to continue carrying out their business, there is no guarantee that the Group Companies will be able to fulfil all the licensing requirements without incurring additional expenses which may be substantial and whose potential impact is unknown. The Group's failure to comply with all the requirements and provisions of the laws to which it is subject to may cause the Group to incur fines or penalties or to lose its operational licenses, which would have a material adverse effect on the Group's business, financial position, results of operations, and prospects.

n) **Risks related to the Group not being able to successfully implement its growth plans including events management, gaming development and music production.**

The Group is expanding its operations and investing in and developing various types of ancillary business areas outside of its core free-to-air TV channels, radio stations and its SHAHID platform. The Group has specifically decided to keep investing in its gaming development business. As part of this initiative, the Group has set up a joint venture with NEOM (MBC Game Studios) to develop high-end gaming software. In addition, the Group also aims to expand its music production business and events organization business. These plans require funding, part of which has already been provided by the KSA government (through Istedamah Holding Company). Even though the Group has already signed agreements for some of these initiatives, it may not be able to obtain further financing, to execute and support its growth plan. Furthermore, these new initiatives, while being media-related, are partially outside of the established competencies of the Group as they are not part of its historical core business. That means that the Group may not have the required management and operational personnel with skills suitable for carrying out the Group's plans and may need to source external talent or may be unable to execute its growth plans for these ancillary businesses at all.

o) **Risks related to enablers granted by the government to the Group.**

Pursuant to a framework agreement between the Company and a government entity dated 6 May 2023G, and for the purpose of stimulating and encouraging investment, the KSA government agreed to grant the Group, amongst numerous other participants in private sector, a number of enablers in relation to Saudi taxes and governmental fees applicable to the Group, in return for certain commitments made by the Company to develop the local media ecosystem in the KSA, find and develop local talents, and attract investments in this sector. However, there are several risks associated with such arrangements, which mainly include risks of certain compensatory amounts not being fully paid timely or not covering all actual costs expenses, risks related to the Group's inability to perform its obligations under the agreement, and the enablers granted to the Group may be terminated if the Company materially breaches the provisions of the framework agreement with the government entity or applicable laws and regulations, and does not remedy such breach during the period agreed between the parties (the government enablers may also be terminated or revoked at any time in the future upon the issuance of a legal instrument by the government in this respect), and certain taxes and fees that may be imposed in the future may not be captured by this arrangement and, in such cases, the Group will be liable to bear such amounts, which it may not have accounted for.

It is difficult to accurately determine the financial effects of these enablers, considering they relate to taxes, fees and other future costs and other factors that are difficult to foresee. Additionally, the Group obtained certain incentives to facilitate the Group's operations and its relocation to the KSA, including, for example, expediting and facilitating government procedures related to licensing, customs, visa issuance and employment, in consideration for the Group's fulfilment of a number of obligations relating to the development of the local media ecosystem in the KSA. There are risks related to the Group's inability to benefit from these incentives in full or as expected, which may have a material and negative effect on the Group's business, profitability, and growing market share, and, as a result, on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

Risk Management and Monitoring Policy

The Board of Directors has duly authorized the implementation of the Risk and Sustainability Charter, delegating all risk management responsibilities to the Audit Committee within its purview and accountability. To perform risk assessment, the Company has engaged the services of an external consultant, who periodically submits reports to the Audit Committee, which then presents the findings to the Board of Directors.

17. A summary of the Company's assets, liabilities and results during the last five financial years or since its incorporation date, whichever is shorter

As the Company was incorporated in April 2024 and acquired its subsidiaries effective June 30, the table below presents total assets, liabilities, and results for the period from incorporation to 31 December 2023.

	Total assets (SAR Million)	Total liabilities (SAR Million)	Sales (SAR Million)	Net income (SAR Million)
Period ended 31 December, 2023	8,158	4,367	1,704	17

Note: The total revenues mentioned above excludes other operating revenue of the Group, which represents government grants.

18. Geographical analysis of the Company and its Subsidiaries' revenues

Geographic information

The table below summarizes geographic information of the Group's revenue from contract with customers based on where the service is provided.

	Amount in SAR Million	
Revenue from contracts with customers:	FY2023	FY2022
GCC*	1,092	N/A
Egypt	84	N/A
Others**	158	N/A
Total	1,334	N/A

Note: The total revenues mentioned above excludes other operating revenue of the Group, which represents government grants.

* GCC includes revenue earned mainly in UAE and Kingdom of Saudi Arabia where various revenue types are provided.

** Others include North Africa and Iraq where the Group broadcasts two of its TV channels, as well as other countries outside of GCC and Egypt where subscribers to its OTT platform, SHAHID, are based.

19. Any material differences in operational results compared to the preceding year's results

Description	2022	2023 (SAR Thousand)	Changes (+) (-)	Change Rate
Sales / Revenues	NA	1,704,187	N/A	N/A
Sales / Revenues Costs	NA	(1,231,188)	N/A	N/A
Total Profit	NA	472,999	N/A	N/A
Other Operational Revenues	NA	-	N/A	N/A
Other Operational Expenses	NA	(557,019)	N/A	N/A
Operational Profit (Loss)	NA	(84,020)	N/A	N/A

20. Any inconsistencies with the standards approved by the Saudi Organization for Chartered and Professional Accountants

Financial Statements have been prepared in accordance with International Financial Reporting Standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("**SOCPA**"). Thus, no inconsistencies have been noted.

21. Name of each subsidiary company, its capital, the Company's ownership percentage, the main scope of business, country of operation and country of incorporation

Affiliate	CR Number	Capital (SAR)	Company's direct ownership	Company's indirect ownership	Country of operation	Country of incorporation	Main scope of business
MBC STUDIOS Projects FZ-LLC	31322	100,000 (AED)	100%	–	UAE	UAE	Post Production Pre-Production Production - Film, TV & Radio
MBC IP FZ-LLC	16040	50,000 (AED)	100%	–	UAE	UAE	TV/Radio - Sales and Marketing
MBC FZ-LLC	30391	500,000 (AED)	100%	–	UAE	UAE	Radio Network - Satellite TV Network - Satellite (Direct to Home & Cable Head End) Business Events Management Destination Management Exhibition Organization & Management Live Theatrical Shows Management & Promotion Social Event Management

Affiliate	CR Number	Capital (SAR)	Company's direct ownership	Company's indirect ownership	Country of operation	Country of incorporation	Main scope of business
MBC Media Solutions KSA	1010699548	1,000,000 (SAR)	100%	–	KSA	KSA	Organizing and managing crowds Operating exhibition and conference centers and facilities Electronic games industry Visual arts activities Operating entertainment event facilities Deploy ready-made software Operating systems Movies and video programs Producing television commercials Operating an audio and video studio
MBC STUDIOS FZ-LLC	30474	500,000 (AED)	100%	–	UAE	UAE	Post Production Production - Film, TV & Radio
Platinum Records FZ-LLC	16455	50,000 (AED)	100%	–	UAE	UAE	Business Events Management Destination Management Festival Organization and Management Live Theatrical Shows Management & Promotion Social Event Management Event Production Music Label and Rights Management
Wanasah FZ-LLC	16244	1,275,000 (AED)	51%	–	UAE	UAE	TV Station - Satellite
MBC Ventures Limited	1671372	50,000 (USD)	100%	–	BVI	BVI	Holding Company

Affiliate	CR Number	Capital (SAR)	Company's direct ownership	Company's indirect ownership	Country of operation	Country of incorporation	Main scope of business
MBC Events LLC	1010843231	5,000,000 (SAR)	100%	–	KSA	KSA	Booking and ticket-selling activities for sporting and entertainment events, exhibitions and conferences Organizing and managing exhibitions and conferences Organizing and managing crowds Operating exhibition and conference centers and facilities Organizing entertainment events Inspection activities of events and recreational facilities Operating entertainment event facilities
MBC Media FZ-LLC	95885	50,000 (AED)	100%	–	UAE	UAE	Broadcasting Consultants
MBI FZ-LLC	95886	1,000,000 (AED)	100%	–	UAE	UAE	TV Network - Satellite (Direct to Home & Cable Head End)
MBC Initiatives LLC (KSA)	1010596563	50,000 (SAR)	100%	–	KSA	KSA	Advertising institutions and agencies Providing marketing services on behalf of others Higher training institutes Arts and literature education Performing arts and music schools Teaching traditional and popular arts Training institutes Training centers Electronic training Managing and developing artistic and entertainment talent
MBC Media Services (BVI) Ltd	2044926	100 (USD)	100%	–	BVI	BVI	Holding Company
O3 Turkey Medya	914151-0	4,400,000 (TL)	51%	–	Turkey	Turkey	Motion picture, video and television program production activities (including documentary filmmaking)

Affiliate	CR Number	Capital (SAR)	Company's direct ownership	Company's indirect ownership	Country of operation	Country of incorporation	Main scope of business
MBC STUDIOS (BVI) Limited	2001446			100%	BVI	BVI	MBC STUDIOS BVI is incorporated in the British Virgin Islands and engaged in entering into agreements relating to MBC STUDIOS for writers who are registered under Writers Guild of America (WGA).
Desert Warrior Holdings Limited	2862	10,000 (USD)		100%	UAE	UAE	Special Purpose Vehicle
CG Drama Project Holdings Limited	5176	10,000 (USD)		100%	UAE	UAE	Special Purpose Vehicle
MBC STUDIOS Projects Saudi Limited	1010752855	50,000 (SAR)		100%	KSA	KSA	Film production includes traditional animation Operating an audio and video studio Film editing includes translation, editing, and setting titles Production of computer graphics and animation Distributing films to exhibitors and television networks Production of radio programs and audio recordings TV broadcast TV activities
Middle east Production Company, MBC Egypt, SAE (Egypt)	4199	1,000,000 (USD)		100%	Egypt	Egypt	Producing artistic works for radio, television, cinema, and media from all forms of artistic production and media and information materials. Satellite, television, radio and information broadcasting

Affiliate	CR Number	Capital (SAR)	Company's direct ownership	Company's indirect ownership	Country of operation	Country of incorporation	Main scope of business
MBC Jordan LLC	200122790	5,000 (JOD)		100%	Jordan	Jordan	Electronic commerce other than financial intermediation Artistic production and distribution Owning, transferring and assigning trademarks Owning movable and immovable property Issuing guarantees Guaranteeing the debts of others to implement the company's objectives Borrowing the necessary money from banks
MBC Media Cyprus Limited (Cyprus)	121055	1,710 (EURO)		100%	Cyprus	Cyprus	MBC Media Cyprus was established in 2018 and its principal activity is to provide technical support services to the Group

Affiliate	CR Number	Capital (SAR)	Company's direct ownership	Company's indirect ownership	Country of operation	Country of incorporation	Main scope of business
MBC GROUP Holding Hungary KFT (Hungary)	01-09-885510	18,200 (USD)		100%	Hungary	Hungary	Agents specialized in the sale of other particular products Television programming and broadcasting activities Wireless telecommunications activities Satellite telecommunications activities Business and other management consultancy activities Media representation Market research and public opinion polling Leasing of intellectual property and similar products, except copyrighted works Other business support service activities n.e.c. Renting and leasing of other machinery, equipment and tangible goods n.e.c. Activities of head offices
MBC Game Studio LTD LLC (KSA)	3563100030	500,000 (SAR)		70%	KSA	KSA	Computer games Development of electronic games
O3 Media Production LLC (KSA)	1010858255	50,000 (SAR)		100%	KSA	KSA	Producing cinematic films that include traditional animation TV Shows Production of television commercials Operating an audio and video studio Film editing includes translation, editing, and setting titles Special effects and film processing development Distributing films to exhibitors and television networks TV activities Channel subscription programming activities

Affiliate	CR Number	Capital (SAR)	Company's direct ownership	Company's indirect ownership	Country of operation	Country of incorporation	Main scope of business
MBC Media Solutions Egypt LLC	183098	1,000,000 (EGP)		100%	Egypt	Egypt	Advertising through all audio, print and visual means Designing billboards
MBC Media Solutions FZ-LLC (MMS)	98148	50,000 (AED)		60%	UAE	UAE	Advertising & communication Agency E-services Outdoor advertising Media & marketing Consultancy Media buying and placement Media monitoring Media representation Digital signage development and management
Al Meeza for Promotion & Advertising	4660	50,000 (EGP)		100%	Egypt	Egypt	Advertising through all audio, print and visual means

Affiliate	CR Number	Capital (SAR)	Company's direct ownership	Company's indirect ownership	Country of operation	Country of incorporation	Main scope of business
Middle East Broadcasting Center - Lebanon – SAL (Lebanon)	76647	30,000,000 (LL)		99.98%	Lebanon	Lebanon	Production and trade in television, radio and theatrical programmes, video films, advertising and documentary films, and recordings of all kinds. Importing and exporting production equipment used in the audio, visual, video and information fields, renting them, and concluding contracts of all kinds related to cinematic and television rights. Radio, video and audio broadcasting in Lebanon and abroad, and registering these rights with the Intellectual Property Protection Authority in the Ministry of Economy
Anghami	266308	50,000 (USD)		13.7%	Cayman	Cayman	
Tapmad Holdings PTE.Ltd	201834390K	4,999,911.5838 (SGD)		30%	Singapore	Singapore	
Wego PTE.Ltd	200506074G	1,399,995.11 (USD)		10%	Singapore	Singapore	

Affiliate	CR Number	Capital (SAR)	Company's direct ownership	Company's indirect ownership	Country of operation	Country of incorporation	Main scope of business
Al Arabiya Contracting Services Co.	1010048419	500,000,000 (SAR)	20%	–	KSA	KSA	Advertising, printing of advertising materials, commercial printing and binding Manufacturing of iron, aluminum and plastic materials used in advertising Implementation of contracting and construction works Purchasing lands and real-estate to construct buildings on them for the benefit of the company Import, export and retail trade in materials, advertising and promotional boards, printing materials, supplies and equipment of all kinds Establishing and preparing exhibitions Road works and their maintenance, electrical works and their maintenance, mechanical works and their maintenance, building works and their maintenance. Manufacturing and assembling advertising and information signs, including digital television signs

Affiliate	CR Number	Capital (SAR)	Company's direct ownership	Company's indirect ownership	Country of operation	Country of incorporation	Main scope of business
Ze Qar Art Prod. Ltd	1010669291	10,000 (SAR)		100%	KSA	KSA	Publishing radio and television programs Film production includes traditional animation Movies and video programs Operating an audio and video studio Film editing includes translation, editing, and setting titles Production of computer graphics and animation Special renderings and development of film processing Film and animation laboratories Distributing films to exhibitors and television networks Distribute video to exhibitors and television networks Production of radio programs and audio recordings TV activities Operating the satellite uplink service for the purposes of distributing visual and audio content Operating a platform for distributing and managing satellite channels via satellite receivers and distributing live broadcasts via satellite using the CAS system.
MBC Media Solutions Limited - KSA	1010565903	50,000 (SAR)	–	100%	KSA	KSA	Advertising institutions and agencies
MBC Holdings (Cyprus) Limited	121055	1710 (EURO)	100%	–	Cyprus	Cyprus	MBC Holding Cyprus serves as a holding company for Middle East Broadcasting Centre (Lebanon SAL) and has no operations

22. Details of shares and debt instruments issued for each Subsidiary company

Name of subsidiary company	No. of shares	Share value	Debt instruments (SAR)
MBC FZ LLC	100	5,000 AED	NA
MBC STUDIOS FZ LLC	500	1,000 AED	NA
MBC IP FZ LLC	50	1,000 AED	NA
MBC STUDIOS Projects FZ LLC	100	1,000 AED	NA
Platinum Records FZ LLC	50	1,000 AED	NA
Wanasah FZ LLC	2,500	1,000 AED	NA
MBC Holding Cyprus Limited	1,000	2 EUR	NA
MBC Ventures Limited	50,000	1 USD	NA
MBI FZ LLC	2,000	500 AED	NA
MBC Media FZ-LLC	100	500 AED	NA
MBC Initiatives LLC	10,000	10 USD	NA
MBC Media Services BVI Limited	100	1 USD	NA
MBC Events Limited	5,000	1,000 SAR	NA
MBC Media Saudi Arabia Co. Ltd.	1,000,000	1 SAR	NA
MBC GROUP Holding Hungary Limited Liability Company	182	100 USD	NA
MBC Jordan LLC	5,000	1 JD	NA
MBC Media Cyprus Limited	1,000	1 EUR	NA
Middle East Production Company	10,000	100 USD	NA
MBC STUDIOS BVI Limited	1,000	-	NA
Desert Warriors Holdings Limited	100	100 USD	NA
Ze Qar Art Productions Limited	10,000	1 SAR	NA
CG Drama Project Holdings Limited	100	100 USD	NA
MBC STUDIOS Projects Saudi Limited	20,000	3 SAR	NA
MBC Media Solutions FZ-LLC	50	1,000 AED	NA
Al Wasa'il National Advertising Company	1	50,000 SAR	NA
Al Miza Co. for Advertising	1	50,000 EGP	NA
MBC Media Solutions for Advertising Services LLC	10,000	100 EGP	NA

23. A description of the dividends distribution policy

- A.** As per the CGRs, a shareholder is vested with all rights attached to its shares, which includes in particular the right to receive a share in the Dividends declared for distribution.
- B.** The Board of Directors shall recommend declaring and paying any Dividends prior to the shareholders' approval at the meeting of the General Assembly. Disclosure of Dividends: The Board discloses dividend distribution in the annual report and fulfils regulatory requirements by informing the CMA, public, and Tadawul website. The policy is accessible on the company's website.
- C.** The Company is obligated to declare Dividends but the distribution will depend on a range of factors including, but not limited to:
- the Company's historic and anticipated earnings and cash flow, financing, and capital requirements;
 - the Company's Zakat position;
 - market and general economic conditions;
 - any covenants or undertakings made by the Company or any of its subsidiaries which may restrict the distribution; and
 - Other legal and regulatory considerations.
- D.** Dividends distribution shall be subject to the restrictions set out in the Company's bylaws.
- E.** Dividends shall be distributed in Saudi Riyals (SAR).

The Company's annual net income shall be allocated as follows:

- A.** The General Assembly, based on a proposal by the Board, may decide to form voluntary reserves to the extent that achieves the interests of the Company or guarantees steady distribution of profits to shareholders. The General Assembly may also deduct from the net income, amounts for the establishment of social institutions for the Company's employees or to help existing institutions.
- B.** The remaining shall be distributed to Registered Shareholders in an amount as decided by the General Assembly of the Company's percentage of profits as well as to the Board in the form of a bonus, provided that the entitlement of such remuneration shall be commensurate with the number of meetings attended by the Board member in alignment with the Remuneration Policy

24. A description of any interest in voting shares held by persons who have notified the Company of their holdings pursuant to Article 85 of OSCO Rules, together with any change to such interests during the last financial year.

Not applicable, since the company was listed in 2024 and there is no interest in the class of shares with voting entitlement belonging to persons (other than the company's directors, Senior Executives and their relatives), pursuant to Article (85) of the OSCIR Rules.

25. A description of any interest, contractual securities or rights issues held by Board members, senior executives and their relatives in the Company's or any of its Subsidiaries' shares or debt instruments.

Board Members

A description of any interest, contractual securities or rights issue of Board members and their relatives on shares or debt instruments of the Company

	Names of the persons of interest, contractual securities or rights issue	Beginning of the year		End of the year		Net change in percentage of holding	Change ratio in percentage of holding
		Number of shares	Debt instruments	Number of shares	Debt instruments		
(1)	Waleed Ibrahim Abdulaziz Al Ibrahim	20,000 (40%)	N/A	119,700,000 (40%)	N/A	Nil	Nil%

* Waleed Ibrahim Abdulaziz Al Ibrahim initially held a 40% ownership stake upon the company's incorporation in April 2023, equivalent to 20,000 shares. By the close of the year, our organization capitalized on the value of subsidiaries transferred to MBC GROUP as part of a reorganization effort, resulting in Waleed Al Ibrahim's ownership increasing to 119,700,000 shares. Despite plans for an IPO capital increase and listing, these developments did not materialize before the conclusion of 2023, thus maintaining his ownership percentage at 40%.

Second: Senior Executives

A description of any interest, contractual securities or rights issue of Senior Executives and their relatives on shares or debt instruments of the Company's Subsidiaries

A description of any interest, contractual securities or rights issue of Board members and their relatives on shares or debt instruments of the Company						
Names of the persons of interest, contractual securities or rights issue	Beginning of the year		End of the year		Net change	Change ratio
	Number of shares	Debt instruments	Number of shares	Debt instruments		
(1) Ali Ibrahim Al-Rashid Al-Hedeithy	1	Nil	1	Nil	0 -	0%
(2) Samar Abdallah Akrouk	1	Nil	1	Nil	0 -	0%

* Ali bin Ibrahim bin Al-Rashid Al-Hedeithy, serving as the General Manager and Board Secretary, holds one share, representing 0.003% of the share capital in MBC Lebanon. His ownership in the subsidiary is solely to fulfil the legal requirements enforced in Lebanon.

* Samar Abdallah Akrouk serving as the Group Director of Production, holds one share, representing 0.003% of the share capital in MBC Lebanon. His ownership in the subsidiary is solely to fulfil the legal requirements enforced in Lebanon.

Except as disclosed in this section above, none of the Directors, Senior Executives or Board Secretary have any direct or indirect interest in the shares or debt instruments of the Company or its Subsidiaries or in any other matter that may affect the Company's business. It is also worth noting that none of the relatives of the Directors have any direct or indirect interest in the shares or debt instruments of the Company or its Subsidiaries, or in any other matter that may affect the Company's business.

26. Information on any loans, a statement of the total indebtedness of the Company and its subsidiaries, any loan payments made by the Company during the year, the amount of the principal debts, the creditor's name, the loan term and remaining amount.

Creditor's Name	Amount of principal debt (SAR Thousands)	Loan term	Amounts paid by the Company in repayments of loans during the year	Remaining amount	Total indebtedness of company and its affiliates
(1) MBC GROUP Holdings Limited	64,167	Repayable on demand	Nil	64,167	64,167
(2) Loan from Istedamah Holding Company for the acquisition of shares in Arabian Contracting Services Company	497,250	Repayable on demand with 12 month-notice period	Nil	497,250	497,250

Amount in SAR					
Facility	Facility Amount	Utilization	Short-term	Medium-term	Description
Revolving facility	375,000	187,500	Yes	No	Facility agreement carries a variable interest at 1.25% + Secured Overnight Financing Rate ("SOFR") on the date of drawdown

27. The number of Board meetings held during the last financial year, their dates and the attendance record of each meeting listing the names of attendees

Board meeting attendance (2023)

Members	Date 12.12.2023
Mr. Waleed Ibrahim Abdulaziz Al Ibrahim	✓
H.E. Hindi Abdullah Humaidan AL-Sohimi	✓
H.E. Khalid bin Abdullah bin Abdulaziz Al Molhem	✓
Mr. Abdulrahman Ibrahim Abdulrahman Al-Rowaita	✓

Mr. Abdullah bin Nasser bin Abdullah Al Dawood	✓
Mr. Mansoor Abdulaziz Mohammed Almansoor	✓
Mr. Mosa Omran Mohammed Alomran	✓
Mr. Majed Abdulaziz Ibrahim Alibrahim	✓
Mr. Nasser Manahi Mounir Al Biqami	✓

28. A description of any transaction between the Company and any Related Party

Related Party	Type of relationship with company	Transaction type	Transaction term	Transaction value
Ministry of Finance, Government of the Kingdom of Saudi Arabia	Ultimate Controlling Party	Other operating revenues	Funding of initiatives subject to certain KPIs	65,625
Ministry of Finance, Government of the Kingdom of Saudi Arabia	Ultimate Controlling Party	Other income	Compensation for loss of business	54,375
Al Istedamah Holding Company	Intermediate Parent Company	Other operating revenues	Funding of initiatives subject to certain KPIs	303,865
Middle East News and Al Arabiya News Channel	Under common control	Admin services	Under market conditions	47,150
Midde East News	Under common control	Revenues	Under market conditions	2,929
Middle East News and Al Arabiya News Channel	Under common control	Cost	Under market conditions	26,930
Middle East News and Al Arabiya News Channel	Under common control	Rent income	Under market conditions	4,363
Al Arabiya News Channel	Under common control	Cost of news programmes	Under market conditions	938
MBC Game Studio	Joint venture	Admin services	Under market conditions	2,060
Related Party	Type of relationship with company	Transaction type	Transaction term	Transaction value
ARA International Production Company	Under common control	Revenues	Under market conditions	9,229
ARA International Production	Under common control	Cost	Under market conditions	10,697
Al Sadaf for Sonic and Audiovisual Production	Under common control	Cost	Under market conditions	1,888
Al Sadaf for Sonic and Audiovisual Production	Under common control	Purchases	Under market conditions	90,700
Arabian Contract Services Company	Associate	Revenues	Under market conditions	434
Saudi Media Company	Related party	Revenues	Under market conditions	15,226

29. Information relating to any business or contract to which the Company is a party and in which a director of the Company, a senior executive or any person related to any of them is or was interested.

There are no transactions with related parties that took place during the period from incorporation to December 31, 2023 in which a board member has an interest other than those listed below, which will be presented to the annual general assembly for approval.

Related Party Transactions

	Related party	Board member	Transaction nature	Transaction term	Transaction value (SR'000)
(1)	Middle East News and Al Arabiya News Channel	Waleed Ibrahim Abdulaziz Al Ibrahim	Admin services	Under market conditions	47,150
(2)	Midde East News	Waleed Ibrahim Abdulaziz Al Ibrahim	Revenues	Under market conditions	2,929
(3)	Middle East News and Al Arabiya News Channel	Waleed Ibrahim Abdulaziz Al Ibrahim	Cost	Under market conditions	26,930
(4)	Middle East News and Al Arabiya News Channel	Waleed Ibrahim Abdulaziz Al Ibrahim	Rent income	Under market conditions	4,363
(5)	Al Arabiya News Channel	Waleed Ibrahim Abdulaziz Al Ibrahim	Cost of news programs	Under market conditions	938
(6)	MBC Game Studio	Waleed Ibrahim Abdulaziz Al Ibrahim	Admin services	Under market conditions	2,060
(7)	ARA International Production Company	Waleed Ibrahim Abdulaziz Al Ibrahim	Revenues	Under market conditions	9,229
(8)	ARA International Production	Waleed Ibrahim Abdulaziz Al Ibrahim	Cost	Under market conditions	10,697
(9)	Al Sadaf for Sonic and Audiovisual Production	Waleed Ibrahim Abdulaziz Al Ibrahim	Cost	Under market conditions	1,888
(10)	Al Sadaf for Sonic and Audiovisual Production	Waleed Ibrahim Abdulaziz Al Ibrahim	Purchases	Under market conditions	90,700

30. A statement of the value of any paid and outstanding statutory payments pertaining to zakat, taxes, fees, or any other charges that have not been paid as at the end of the financial year with a brief description and the reasons therefor

Description	2023		Brief description	Reasons
	Paid amount (SR'000)	Outstanding amount until the end of the annual financial period (SR'000)		
Zakat	(414)	1,554	SAR 414 thousand represents amount refunded during the period.	The outstanding amount is provisional and actual amount will be settled upon timely filing zakat returns
Taxes	5,434	6,792	Income tax is applicable for entities incorporated in Egypt, Cyprus and KSA.	The outstanding amount is provisional and actual amount will be settled upon filing the tax returns.
GOSI – KSA	9,990	129	It represents the cost of insurance protection for workers and providing benefits to them and their family members paid during the year.	The amount due is a provisional amount and the actual amount will be settled upon receiving invoices.
Visas and Passports Costs – KSA	3,155	-	Represents government fees for exit and re-entry visas and passport fees paid during the year.	
Labor Office Fees – KSA	1,081	24	Represents residency and work permit fees paid during the year.	The amount due is a provisional amount and the actual amount will be settled upon receiving invoices.

31. A statement as to the value of any investments made or any reserves set up for the benefit of the Company employees –

The Group has set aside assets in a plan specifically for the purpose of funding employees' end of service benefits obligations. Contributions to the plan are upon the discretion of the Group. The plan is deemed a saving fund. The interest received in the plan is accrued as part of the provision of the employee's end of service indemnity payable. During the period, the plan asset has earned interest amounting to SAR 2,911 thousand. The average interest rate is 5.26% per annum. The carrying value of the plan as at December 31, 2023 amounted to SAR 107,943 thousand.

32. Declarations

The Board confirms that:

The Board of Directors has taken care to ensure the professional performance of the Company during 2023 and certifies the following:

- 1. The Company's internal control system has been designed to provide reasonable assurance to the Audit Committee, the Board and the Management that risks are managed effectively to achieve the Company's long-term objectives.
- 2. The accounting records were prepared and updated correctly, and the internal control system was prepared based on sound foundations and applied effectively, which includes the policies and procedures that were established, In consultation with the Audit Committee and the Board of Directors, to achieve the company's strategic objectives.
- 3. There are no significant doubts concerning tThe company's ability to continue as a going concern.
- 4. The Company did not provide loans or credit facilities to any Member of the Board of Directors.
- 5. We did not receive any request from shareholders owning 5% or more of the Company's share capital or the external auditors to call a meeting of the General Assembly during 2023.
- 6. The Company has no penalty, precautionary procedure or preventive measure imposed on it by the CMA or any other, supervisory, regulatory or judicial body to report in 2023.
- 7. The Company have not issued any convertible debt instruments, contractual securities, preemptive rights or similar rights issued or granted by the Company during the financial period ended 31 December 2023.
- 8. The Company have not issued any convertible debt instruments, contractual securities, preemptive rights or similar rights issued or granted by the Company during the financial period ended 31 December 2023.
- 9. Neither the Company nor its subsidiaries have issued any redeemable debt instruments.
- 10. The company was listed in 2024, therefore, the shareholders' register was not requested in 2023.
- 11. There was no arrangement or agreement under which a director or a senior executive of the company has waived compensation.
- 12. There was no arrangement or agreement under which a shareholder of the company has waived any rights to dividends.
- 13. There are no reservations contained under the External Auditor's report concerning the annual financial statements for FY 2023.
- 14. The Company has prepared the Board's Report for FY 2023 in line with the guidelines set out in the Corporate Governance Regulations of CMA.

33. If the Board recommended replacing the external auditor before the end of its term, the report shall indicate this mentioning the reasons for the replacement recommendation

The Board did not recommend replacing the external auditor before the end of its term.

34. Information relating to any competing business with the Company or any of its activities that any member of the Board is engaging in or was engaging in such competing businesses, including the names of persons in relation, the nature, conditions of such competing businesses. If there are no such competing businesses, the Company must submit a statement thereof

The Directors Abdulrahman Ibrahim Abdulrahman Al-Rowaita and Mosa Omran Mohammed Alomran are currently directors of the Saudi Research and Media Group, which carries out activities that compete with those of the Group, including broadcasting of news and entertainment content. Accordingly, the provisions of Paragraph 2 of Article 27 of the Companies Law apply, which require obtaining approval from the Company's General Assembly. It should be noted that the Company's Ordinary General Assembly approved the participation of the aforementioned Directors in such business and activities which compete with the Company or its Subsidiaries at its meeting held on 05/03/1445H (corresponding to 20/09/2023G). The Company and the relevant Directors will follow the necessary procedures outlined in the Companies Law.



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Consolidated Financial Statements

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Independent Auditor's Report



Ernst & Young Professional Services (Professional LLC)
Paid-up capital (SR 5,500,000 – Five million five hundred thousand Saudi Riyal)
Head Office
Al Faisaliah Office Tower, 14th Floor
King Fahad Road
P.O. Box 2732
Riyadh 11461
Kingdom of Saudi Arabia

C.R. No. 1010383821
Tel: +966 11 215 9898
+966 11 273 4740
Fax: +966 11 273 4730
ey.ksa@sa.ey.com
ey.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of MBC Group (A Saudi Joint Stock Company)
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of MBC Group (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period from 20 April 2023 to 31 December 2023, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the period from 20 April 2023 to 31 December 2023 in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia that is relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with this Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of MBC Group (A Saudi Joint Stock Company)
Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
Recognition of revenue from contracts with customers	
As disclosed in the consolidated financial statements, the Group has total revenue from contracts with customers amounting to SR 1,444 million comprising of multiple streams primarily advertising revenue and digital revenue. As reported in the explanatory notes, revenues are recognized subject to the fulfillment of performance obligations as required under IFRS 15. Advertising revenue is recognized over the period of contract, generally when the advertisement is aired on related platform while digital revenue is recognized over the subscription period after taking into account discounts and offers.	Our audit procedures included, among others, the following: - Assessed the Group's revenue recognition policies, for compliance with IFRS as endorsed by SOCPA; - Obtained an understanding of the relevant controls adopted by the Group on revenue recognition; - Verification of the implementation and tests of the operating effectiveness of relevant controls; - Involved our IT specialists to test the design, implementation and operating effectiveness of system internal controls; - For sale of air time slots, performed test of details by vouching the underlying contracts, reports, invoices and reconciliations; - For digital revenues, performed test of details by verifying the amounts in payment gateway reports and reconciled with bank statements; - Evaluated management's assessment of principal vs agency relationship; - Tested volume rebates by recomputing the expected amounts and reconciled with accounting records; - Performed analytical procedures including trend and variance analysis; and - Assessed the adequacy of the relevant disclosures in the consolidated financial statements.
We considered this a key audit matter as the application of accounting standard for revenue recognition includes number of key judgements mainly relating to the time when performance obligations are satisfied including variable consideration estimation due to the existence of volume rebates and the resulting refund liabilities	
Refer to note 2.4 and 26 for the accounting policy and judgements applied with respect to recognition of revenue from contracts with customers. Refer note 4 for related disclosures.	

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of MBC Group (A Saudi Joint Stock Company)
Report on the Audit of the Consolidated Financial Statements (continued)

Other information included in The Group's 2023 Annual Report

Other information consists of the information included in the Group's 2023 annual report, other than the consolidated financial statements and our auditor's report thereon. The Board of Directors is responsible for the other information in its annual report. The Group's 2023 annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants and the provisions of Companies' Law and the Company's Bylaws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance i.e. Audit Committee is responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of MBC Group (A Saudi Joint Stock Company)
Report on the Audit of the Consolidated Financial Statements (continued)

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

As part of an audit, in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of MBC Group (A Saudi Joint Stock Company)
Report on the Audit of the Consolidated Financial Statements (continued)

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

for Ernst & Young Professional Services


Fahad Mohammed AlToaimi
Certified Public Accountant
License No. (354)



Riyadh: 20 Ramadan 1445H
30 March 2024

Consolidated Statement of Comprehensive Income

For the period from 20 April 2023 to 31 December 2023

	Notes	2023 SAR'000
Revenue from contracts with customers	4	1,334,697
Other operating revenues	5	369,490
Direct costs	6	(1,231,188)
Gross profit		472,999
General and administrative expenses	7	(557,019)
Operating loss		(84,020)
Other income	8	71,511
Finance costs – net	9	(3,095)
Share of results in associates and joint ventures	14a	28,895
Unrealised loss on investment in financial asset at fair value through profit or loss (FVTPL)	14.3	(882)
Gain on derivative financial instruments	23	2,961
Profit before tax		15,370
Income tax and zakat benefit	10	2,185
Profit for the period		17,555
Attributable to:		
Equity holders of the parent		19,020
Non-controlling interests		(1,465)
		17,555
Other comprehensive income		
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):</i>		
Exchange differences on translating foreign operations, net		142
Share of other comprehensive income of associates, net	14.2.1	1,467
<i>Other comprehensive income that may not be reclassified to profit or loss in subsequent periods (net of tax):</i>		
Remeasurement actuarial gain on defined benefits obligations	21	1,531
Other comprehensive income for the period		3,140
Total comprehensive income for the period		20,695
Attributable to:		
Equity holders of the parent		22,310
Non-controlling interests		(1,615)
		20,695
Earnings per share ("EPS"):		2023 SAR
Basic attributable to ordinary equity holders of the parent	29	0.17
Diluted attributable to ordinary equity holders of the parent	29	0.13

Chairman

CEO

CFO

The attached notes 1 to 31 form part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2023

	Notes	2023 SAR'000
ASSETS		
NON-CURRENT ASSETS		
Property and equipment	11	116,275
Intangible assets	12	67,121
Right-of-use assets	13	59,347
Investments in associates and joint ventures	14	1,201,204
Investment in financial asset at fair value through profit or loss (FVTPL)	14.3	15,891
Employees' end of service benefits plan assets	21	107,943
Deferred tax assets	10	1,397
Other non-current assets		21
		1,569,199
CURRENT ASSETS		
Inventories	15	2,590,326
Trade receivables, prepayments and other assets	16	2,733,318
Due from related parties	17	433,573
Bank balances and cash	18	826,803
Derivative financial instruments	23	6,028
		6,590,048
TOTAL ASSETS		8,159,247
EQUITY AND LIABILITIES		
EQUITY		
Share capital	19	2,992,500
Proposed share capital increase	19.2	763,750
Retained earnings		22,357
Foreign currency translation reserve		625
Equity attributable to equity holders of the parent		3,779,232
Non-controlling interests	20	11,636
TOTAL EQUITY		3,790,868
NON-CURRENT LIABILITIES		
Lease liabilities	13	32,524
Employees' end of service benefits	21	158,510
Loan from a related party	17	64,167
Deferred tax liability	10	9
		255,210
CURRENT LIABILITIES		
Lease liabilities	13	30,574
Trade and other payables	22	3,350,150
Due to related parties	17	47,695
Loan from a shareholder	17	497,250
Borrowings	28	187,500
		4,113,169
TOTAL LIABILITIES		4,368,379
TOTAL EQUITY AND LIABILITIES		8,159,247

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The attached notes 1 to 31 form part of these consolidated financial statements.

Overview

Strategic Review

Business Review

ESG

Financials

Consolidated Statement of Cash Flows

For the period from 20 April to 31 December 2023

	Notes	2023 SAR'000
OPERATING ACTIVITIES		
Profit before tax		15,370
Adjustments for:		
Depreciation on property and equipment	6,7	21,570
Depreciation on right-of-use assets	6,7	8,470
Allowance for expected credit loss, net	7	19,964
Amortisation of intangible assets	7	5,593
Share of results of associates and joint ventures, net	14	(28,895)
Unrealised loss on investment in financial asset at fair value through profit or loss (FVTPL)	14.3	882
Unrealised gain on derivative financial instruments	23	(2,961)
Provision for employees' end of service benefits	21	12,835
Finance cost – net	9	3,095
		55,923
Working capital changes:		
Inventories		200,445
Trade receivables, prepayments and other assets		(153,049)
Due from related parties		(62,870)
Trade and other payables		162,519
Due to related parties		27,760
		230,728
Employees' end of service benefits paid	21	(19,803)
Interest paid		(1,855)
Income tax and zakat paid	10	(5,020)
Net cash flows generated from operating activities		204,050
INVESTING ACTIVITIES		
Purchase of property and equipment	11	(40,199)
Proceeds from disposal of property and equipment		18
Other non-current assets		88
Purchase of intangible assets	12	(20,712)
Investments in joint ventures	14	(102,230)
Dividend received		4,000
Net cash flows used in investing activities		(159,035)
FINANCING ACTIVITIES		
Repayment of principal lease liability	13	(9,030)
Repayment of borrowings		(18,750)
Net cash flows used in financing activities		(27,780)
NET INCREASE IN BANK BALANCES AND CASH		17,235
Net foreign exchange difference		10,734
Bank balances transferred on reorganisation		799,717
BANK BALANCES AND CASH AT THE END OF THE PERIOD	18	827,686

Chairman

CEO

CFO

The attached notes 1 to 31 form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the period from 20 April to 31 December 2023

	Attributable to equity holders of the Parent					Non-controlling interests (NCI)	Total Equity
	Share capital SAR'000	Proposed share capital increase SAR'000	Shareholders' contribution SAR'000	Foreign currency translation reserve SAR'000	Retained earnings SAR'000	Total SAR'000	
Issuance of shares	500	-	-	-	-	500	500
Additional shareholders' contribution (Note 19.1):	-	-	2,992,672	-	-	2,992,672	3,005,923
Acquisition as a part of reorganisation under common control (Note 19.1)	2,992,000	-	(2,992,672)	-	672	-	-
Proposed share capital increase (Note 19.2)	-	763,750	-	-	-	763,750	763,750
Total comprehensive income for the period:	-	-	-	-	19,020	19,020	17,555
- Profit for the period	-	-	-	625	2,665	3,290	3,140
- Other comprehensive income	-	-	-	625	21,685	22,310	20,695
Balance at 31 December 2023	2,992,500	763,750	-	625	22,357	3,779,232	3,790,868

Chairman

CEO

CFO

The attached notes 1 to 31 form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the period from 20 April 2023 to 31 December 2023

1 CORPORATE INFORMATION

MBC GROUP (A listed joint stock company) [formerly known as MBC GROUP (A closed joint stock company)] (the "Company") is a newly formed Company under Saudi laws that was incorporated as a Saudi closed joint stock company registered in Riyadh, Kingdom of Saudi Arabia ("KSA") under commercial registration number 1010876295 dated 29 Ramadan 1444H (corresponding to 20 April 2023). The accompanying financial statements consolidate the financial statements of the Company and its subsidiaries (hereinafter collectively referred to as the "Group"). The principal activity of the Group is to provide broadcasting services, to operate free-to-air Pan-Arab entertainment channels and over-the-top (OTT) platform, and to produce content.

On 20 April 2023, pursuant to the reorganisation of the Group (the "reorganisation"), the shareholders established the Company as a closed joint stock company with a share capital of SAR 500,000 at SAR 10 per share, and transferred ownership of the Group entities, as listed below, to the Company.

The ownership of the Group entities was transferred from the previous holding company, MBC GROUP Holdings Limited (a company registered in the British Virgin Islands), to the Company - being new holding company, for nil consideration. The legal procedures to transfer ownership were completed on 22 June 2023.

As a result of the aforesaid transfer of shares, on 20 September 2023 the General Assembly of the Company approved to increase the share capital by SAR 2,992,000 thousand at a par value of SAR 10 per share (as a result the total share capital post increase amounted to SAR 2,992,500 thousand).

On 12 November 2023, the Extraordinary General Assembly approved the increase of the share capital from SAR 2,992,500,000, divided into 299,250,000 ordinary shares with a nominal value of SAR 10 per share to SAR 3,325,000,000 through the issuance of 33,250,000 new ordinary shares (representing 10% of the Company's share capital after the increase) for subscription through an initial public offer (IPO) on the Saudi Stock Exchange Market ("Tadawul") in KSA.

The new commercial registration of the Company, transforming it from a closed joint stock company into a listed joint stock company was issued on 1 January 2024. The trading of shares was officially announced on 8 January 2024. The majority shares of the Company, before and after the IPO, are held by Al Istedamah Holding Company and Waleed Bin Ibrahim Al Brahim. The shareholding of the Company is further described in Note 19.

The consolidated financial statements of the Group include activities of the following entities:

Name of entity	Principal activities	Legal and beneficial ownership interest 2023
MBC FZ LLC and its subsidiaries ("MBC FZ LLC")	The principal activity of MBC FZ LLC and its subsidiaries is to provide broadcasting services and to operate free-to-air Pan-Arab entertainment channels. Its registered office address is MBC Building, Dubai Media City, P.O. Box 72627, Dubai, United Arab Emirates.	100%
MBC STUDIOS FZ LLC ("MBC STUDIOS")	The main activities of MBC STUDIOS (formerly known as O3 Productions FZ LLC) are production and post-production of television programmes. It also acquires television content for resale purposes. Its registered office address is MBC Building, Dubai Media City, P.O. Box 72627, Dubai, United Arab Emirates.	100%
MBC IP FZ LLC ("MBC IP")	The main activity of MBC IP is to provide broadcast support services. Its registered office address is MBC Building, Dubai Media City, Dubai, United Arab Emirates.	100%
MBC STUDIOS Projects FZ LLC ("MBC STUDIOS Projects")	The principal activity of MBC STUDIOS Projects (formerly known as Eventique FZ LLC) is event management services and media content production. Its registered office address is P.O. Box 72627, Dubai, United Arab Emirates.	100%
Platinum Records FZ LLC ("Platinum")	Platinum is mainly engaged in music label and rights management. Its registered office address is MBC Building, Dubai Media City, P.O. Box 72627, Dubai, United Arab Emirates.	100%
Wanasah FZ LLC ("Wanasah")	Wanasah is mainly engaged in broadcasting services. It operates as Wanasah TV, a music television channel specialising in Arabic music. Its registered office address is MBC Building, Dubai Media City, P.O. Box 72627, Dubai, United Arab Emirates.	51%

Notes to the Consolidated Financial Statements

For the period from 20 April 2023 to 31 December 2023

Name of entity	Principal activities	Legal and beneficial ownership interest 2023
MBC Holding Cyprus Limited ("MBC Holding Cyprus")	MBC Holding Cyprus serves as a holding company for Middle East Broadcasting Centre (Lebanon SAL) and has no operations.	100%
MBC Ventures Limited ("MBC Ventures")	MBC Ventures is incorporated in the British Virgin Island and engages in the business of investing in companies and start-ups.	100%
MBI FZ LLC ("MBI")	The main activity of MBI is broadcasting TV segments. Its registered office address is MBC Building, Dubai Media City, Dubai, United Arab Emirates.	100%
MBC Media FZ-LLC ("MBC Media")	The main activity of MBC Media is to provide broadcast support services. Its registered office address is MBC Building, Dubai Media City, Dubai, United Arab Emirates.	100%
MBC Initiatives LLC ("MBC Initiatives")	MBC Initiatives is incorporated in the Kingdom of Saudi Arabia. The main activity of MBC Initiatives is management and development of artistic and entertainment talents.	100%
MBC Media Services BVI Limited ("MMS BVI")	The main activity of MMS BVI is to provide advertising services for the Group.	100%
MBC Events Limited ("MBC Events")	MBC Events is incorporated in the Kingdom of Saudi Arabia. The main activity of MBC Events is events and exhibitions management.	100%
MBC Media Saudi Arabia Co. Ltd. ("MBC KSA")	The principal activity of MBC KSA is to provide broadcasting services in the Kingdom of Saudi Arabia.	100%

Following are the subsidiaries of MBC FZ LLC:

Name of entity	Principal activities	Legal and beneficial ownership interest 2023
MBC GROUP Holding Hungary Limited Liability Company, Hungary ("MBC Hungary")	The principal activity of MBC Hungary is to manage certain distribution contracts. Its registered address is 1074 Budapest, Dohány utca 12, Hungary.	100%
MBC Jordan LLC ("MBC Jordan")	The principal activity of MBC Jordan is to provide e-commerce services such as technical management of web sites and mobile applications, and other activities including brokerage, production and distribution of artwork. Its registered address is P.O. Box 855143, Amman, Jordan, 11855.	100%
MBC Media Cyprus Limited ("MBC Cyprus")	MBC Media Cyprus was established in 2018 and its principal activity is to provide technical support services to the Group.	100%
Middle East Production Company ("MEP Egypt")	The main activity of MEP Egypt is the production of television, cinema, broadcasting and media arts works.	90%**

** MBC FZ LLC owns 90% of the equity interest in MEP Egypt whilst the remaining 10% equity interest is owned by companies within the Group.

Following are the subsidiaries of MBC STUDIOS Projects FZ LLC:

Name of entity	Principal activities	Legal and beneficial ownership interest 2023
MBC STUDIOS BVI Limited ("MBC STUDIOS BVI")	MBC STUDIOS BVI is incorporated in the British Virgin Islands and engaged in entering into agreements relating to MBC STUDIOS for writers who are registered under Writers Guild of America (WGA).	100%
Desert Warriors Holdings Limited	A fully owned subsidiary of MBC STUDIOS Projects FZ LLC. The main activity of Desert Warriors Holdings Limited is content production and is incorporated in Abu Dhabi, United Arab Emirates.	100%
Ze Qar Art Productions Limited	A fully owned subsidiary of MBC STUDIOS Projects FZ LLC. The main activity of Ze Qar Art Productions Limited is content production and is incorporated in the Kingdom of Saudi Arabia.	-
CG Drama Project Holdings Limited	A fully owned subsidiary of MBC STUDIOS Projects FZ LLC. The main activity of CG Drama Project Holdings Limited is content production and is incorporated in the Abu Dhabi, United Arab Emirates.	100%
MBC STUDIOS Projects Saudi Limited	A fully owned subsidiary of MBC STUDIOS Projects FZ LLC. The main activity of MBC STUDIOS Projects Saudi Limited is content production and is incorporated in the Kingdom of Saudi Arabia.	100%

Following is the subsidiary of MBC Media Services BVI Limited:

Name of entity	Principal activities	Legal and beneficial ownership interest 2023
MBC Media Solutions FZ-LLC ("MMS UAE")	A subsidiary of MBC Media Services BVI Limited. The principal activity is to provide advertising services. The registered office address of the Company is P.O. Box 72627, Dubai, United Arab Emirates.	60%

Following are the subsidiaries of MMS UAE:

Name of entity	Principal activities	Legal and beneficial ownership interest 2023
Al Wasa'il National Advertising Company ("MMS KSA")	A subsidiary of MMS UAE which is incorporated in the Kingdom of Saudi Arabia. The main activity of MMS KSA is to provide advertising services. Its registered address is 3074 Prince Mohammed bin Abdulaziz road, Olaya, Riyadh 8022-12213, Kingdom of Saudi Arabia	100%
Al Miza Co. for Advertising ("MMS Egypt")	A fully owned subsidiary of MMS UAE which is incorporated in Egypt. The main activity of MMS Egypt is to provide advertising services. Its registered address is 3rd floor, Building 5,7 Gezeriet EL-Arab Street, Agouza, Giza, Egypt.	100%
MBC Media Solutions for Advertising Services LLC (MMS EGY)	The principal activity of MMS EGY is to provide advertising services. Its registered address is Star Capital Building, 4th floor, 5&7 Gezeiret EL-Arab street, EL-Mohandesein, Cairo, Egypt.	99%

The consolidated financial statements of the Group were authorised for issue by the Board of Directors of the Company on 26 March 2024 (corresponding to 16 Ramadan 1445H).

Notes to the Consolidated Financial Statements

For the period from 20 April 2023 to 31 December 2023

2.1 Basis of Preparation

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

The reorganisation did not result in any change of economic substance and is considered a business combination under common control, not covered by IFRS 3 Business Combination. Accordingly, the acquisition of the Group entities was accounted for at the book values of the net assets as at the acquisition date. For accounting of the acquisition, the Group considered the acquisition date to be the end of the month on which the transfer of the acquired Group entities was completed, i.e. 30 June 2023.

Pursuant to directives issued by SOCPA, considering the Company (being the new holding company of the Group) to be legally existing only from the date of incorporation, retrospective presentation of the consolidated financial statements as if the holding company had always owned its subsidiaries could not be used, and only prospective presentation must be used. Accordingly, these consolidated financial statements cover the period from 20 April 2023 (incorporation) to 31 December 2023, and consolidate the subsidiaries prospectively from the aforementioned date of acquisition. Note 30 to the consolidated financial statements provide additional financial information.

Except for the defined employees' benefits liabilities which are recognised at the present value of future liabilities using the projected unit credit method, derivative financial instruments, and investment in financial asset which are recognised at fair value through profit or loss, the consolidated financial statements are prepared under the historical cost convention and have been presented in Saudi Riyal (SAR).

2.2 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries as at 31 December 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.3 Changes in accounting Policies and Disclosures

The accounting policies adopted are consistent across each period presented, except as follows:

New and amended standards and interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023 (unless otherwise stated). The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

- IFRS 17 Insurance Contracts
- Definition of Accounting Estimates - Amendments to IAS 8
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
- International Tax Reform Pillar Two Model Rules – Amendments to IAS 12
- IAS 41 Agriculture – Taxation in fair value measurements

The adoption of the above amendments and improvements had no significant impact on the consolidated financial statements of the Group.

Standards and interpretations issued but not yet effective

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

- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current (effective for annual reporting periods beginning on or after 1 January 2023);
- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7 (effective for annual reporting periods beginning on or after 1 January 2023)

The above standards, amendments and interpretations are not expected to have any material impact on the consolidated financial statements of the Group.

2.4 Summary of Material Accounting Policies

Business combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred;

Notes to the Consolidated Financial Statements

For the period from 20 April 2023 to 31 December 2023

the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Accounting for business combinations involving entities or businesses under common control

Accounting for business combinations involving entities or businesses under common control is outside the scope of IFRS 3 *Business Combinations*. In the case of an absence of a specific guidance in IFRS, the management use their judgement in developing and applying an accounting policy that is relevant and reliable. In making that judgement the management may also consider the most recent pronouncement of other standard setting bodies that use a similar conceptual framework to develop accounting standards, to the extent that they do not conflict with the IFRS.

Management have adopted the pooling of interest method to account for the business combination of entities under common control other than combinations with substance. Acquisition method of accounting is explained in the business combinations policy.

This method involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts;
- No goodwill is recognised as a result of combination. The only goodwill recognised is relating to the combining entities. Any difference between the consideration paid/transferred and the equity 'acquired' is reflected within equity.

Pursuant to the directive issued by SOCPA in respect of business combination under common control, retrospective presentation of the consolidated financial statements as if the holding company had always owned its subsidiaries is not allowed, and only prospective presentation must be used. Accordingly, these consolidated financial statements cover the period from the date of 20 April 2023 (incorporation) to 31 December 2023.

Investments in Associates and Joint Ventures

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

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investment in its associates are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of comprehensive income reflects the Group's share of the results of operations of the associates. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture. The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

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

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profits/losses of associates and joint venture' in the consolidated statement of comprehensive income. Upon loss of significant influence over the associate or joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Revenue from contracts with customers

The principal activities of the Group are to provide broadcasting services and to operate free-to-air Pan-Arab entertainment channels. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenues when it transfers control over a product or service to a customer as per the underlying contractual terms. The specific recognition criteria described below must also be met before revenue is recognised:

Advertising revenue

Advertising revenue is recognised over the period of contract, generally when the advertisement is aired on the related platforms.

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The Group also provides retrospective volume rebates to certain customers once the quantum of advertising slots purchased during the period exceeds the threshold specified in the contract. The volume rebates give rise to variable consideration.

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Volume rebates

The Group applies either the most likely amount method or the expected value method to estimate the variable consideration in the contract. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The most likely amount is used for those contracts with a single volume threshold, while the expected value method is used for those with more than one volume threshold. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue. A refund liability is recognised for the expected future rebates (i.e. the amount not included in the transaction price). The refund liability is clubbed under accrued expenses as part of trade and other payables.

Interactivity revenue

Interactivity revenue represents income from the use of interactive services and is recognised based on interactive transaction volumes from internal reports, adjusted for estimated uncertainties based on management's prior experience. The Group recognises the associated revenue over the period of underlying contracts.

Barter revenue

Barter transactions are recorded at the fair value at contract inception of cash and noncash consideration received or promised from the customer. Revenue from barter transactions, involving the exchange of dissimilar goods or services, are only recognised if the amount of revenue can be reliably measured. The Group, where appropriate, measures barter related revenue by estimating the economic value of the goods or services received in the barter transaction. The Group recognises the associated revenue over the period of underlying contracts.

Programme revenue

Programme revenue represents income earned from the sale of filmed events, concerts, and other related television programmes owned by the Group to the customers and is recognised at the point in time when control of the programme is transferred to the customers, generally at the time of passing the title to the customers.

Distribution revenue

Distribution revenue represents income from the licensing of TV channels and the Over-The-Top (OTT) platform subscription income generated through business-to-business channels. The performance obligation is satisfied over the underlying contractual period or subscription period, and therefore, the Group recognises the associated revenue as the service is provided over the period of contract.

Event management revenue

Event management revenue represents income from events and concerts held by the Group and is recognised at point in time, generally when the event takes place.

Digital revenue

Digital revenue represents the business -to-consumer subscription fees earned from the Group's digital platform, SHAHID, and is recognised over the period of the subscription.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for services provided to the customer. If the Group provides services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract assets are initially recognised for revenue earned from various services performed as receipt of consideration is conditional on successful completion of contractual milestones. Upon completion of contractual obligations and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to provide services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group provides services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Interest income

Interest income is recognised as the interest accrues using the effective interest rate (EIR), under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset. Interest income is included in finance income in the consolidated statement of comprehensive income.

Value Added Tax (VAT)

Revenue, expenses and assets are recognised at amounts net of VAT except:

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

The net amount of VAT recoverable from or payable to the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Cost of advertising sales

Cost of advertising represents the purchase cost of airtime spots paid to Al Arabiya Network FZ LLC. The Group recognises cost on the basis of price agreed per contract for the airtime utilized during the period.

Inventories

Inventories consist of programmes acquired from third parties and related parties, and programmes which are produced in-house. Inventories are stated at cost less accumulated amortisation and allowance for impairment, if any.

Acquired programmes

Represents the costs incurred in acquiring the right to telecast the programmes, net of amortisation.

Developed programmes

Represents the expenses incurred and recharged to develop the programmes, net of amortisation (based on expected usage of the programme).

Production work in progress

Cost represents direct costs incurred for the development of programmes not completed as at period-end.

Amortisation

The cost of programmes is amortised based on each category and when the related content is broadcasted and aired to public. Based on past experience, management believes that substantially all benefits from the sale (licensing) of programmes are realised upon first airing and a significant majority of those benefits are realised during the first two years of that period. SHAHID content inventory is amortised on an accelerated basis which is the lesser of six years or the license period and most of the content is amortised within first three years.

Government grants

Government grants are recognised where there is reasonable assurance that the funding will be received, and all attached conditions will be complied with. When the funding relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate are expensed. When the funding relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset. The related portion of the government funding is recognised under other operating revenues or netted off against the related specific line item of expense (as further explained in note 5), and the related receivable, if any, is recorded under due from related parties.

Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical costs include expenditure that is directly attributable to the acquisition of the items including installation costs. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenditure are charged to the consolidated statement of other comprehensive income during the period in which they are incurred.

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Work-in-progress is not depreciated. Depreciation is calculated using the straight-line method to reduce the carrying cost of each asset to its residual value over its estimated useful life as follows:

	Years
Leasehold improvements	5
Technical equipment	3 – 5
Motor vehicles	3
Furniture and fixtures	3 – 5

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

An item of property and equipment is derecognised upon disposal or when no future benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the consolidated statement of comprehensive income in the period the asset is derecognised. The assets' residual values, useful lives and methods of depreciation are reviewed at each financial period-end and adjusted prospectively if appropriate.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. The intangible assets in the consolidated financial statements are related to trademarks and development and upgrade costs of SHAHID platform.

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

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

The estimated economic useful lives of trademark and SHAHID platform costs are 10 years and 3 years, respectively.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of comprehensive income when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in direct costs. During the period of development, the asset is tested for impairment annually.

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

Impairment losses of continuing operations are recognised in the consolidated statement of comprehensive income in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

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

Cash dividend

The Group recognises liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Group. A distribution is authorised when it is approved by the general assembly. A corresponding amount is recognised directly in equity.

Financial instruments – Initial recognition and subsequent measurement

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

i Financial assets

Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policy in Revenue from contracts with customers.

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

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The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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

Financial assets consist of derivative financial instruments, bank balances and deposits, amounts due from related parties and trade and other receivables.

Subsequent measurement

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

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

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the EIR method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost include bank balances, trade and other receivables and due from related parties.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably the related non-listed equity investments under this category.

Financial assets at fair value through profit and loss (equity instruments and derivatives)

Financial assets at fair value through profit or loss are carried in consolidated the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. This category includes derivative instruments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as other income in the consolidated statement of comprehensive income when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss.

Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

The Group carries its call options on its investments in associates (Note 23) as derivative financial instruments which are recognised as financial assets at fair value through profit and loss.

Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

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

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for ECL for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integrated to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

For trade receivables, contract assets, bank balance and due from related parties, the Group applies a simplified approach in calculating ECLs based on lifetime expected credit losses at each reporting date. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The expected credit losses are recognised in the consolidated statement of comprehensive income.

Bank balances and cash

Bank balances and cash in the consolidated statement of financial position comprise cash at banks and on hand and treasury bills with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, bank balances and cash consist of cash and cash at banks, as defined above, as they are considered an integral part of the Group's cash management.

Notes to the Consolidated Financial Statements

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ii. **Financial liabilities**

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include amounts due to related parties, trade and other payables, borrowings and lease liabilities.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost

Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Derecognition of financial liabilities

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

iii. **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position.

Income and expenses will not be offset in the consolidated statement of comprehensive income unless required or permitted by any accounting standard or interpretation.

iv. **Fair value measurement**

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

Provisions

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised in the consolidated statement of comprehensive income.

Employees' end of service benefits

The Group primarily has end of service benefits which qualify as defined benefit obligations ("DBO").

The employee's defined benefit liability is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Re-measurements, comprising actuarial gains and losses, are reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income are not reclassified. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs. Interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service costs, past service cost, as well as gains and losses on curtailment and settlement)
- Interest expense, and
- Re-measurements

The Group presents the first two components of defined benefit costs in the consolidated statement of comprehensive income in relevant lines.

Further, the Group operates a defined contribution plan, for which the contribution is upon the discretion of the Group. The plan is deemed a saving fund. All interest received in the plan shall be accrued as part of the provision of employees' end of service indemnity payable at the end of the period of service.

Taxes

(a) Income tax

The tax currently payable is based on taxable profit for the period of those Group entities located in taxable jurisdictions. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period in those jurisdictions where tax is applicable.

(b) Deferred tax

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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(c) **Value added tax**

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

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

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

(d) **Zakat**

Zakat is provided for in accordance with the regulations of Zakat, Tax, and Customs Authority ("ZATCA"). The provision for zakat is charged to the consolidated statement of comprehensive income on an accrual basis. Any differences between the provision and the final assessment are recorded when the final assessment is approved.

Foreign currencies

The Group's consolidated financial statements are presented in SAR, which is also the Group's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

i) **Transactions and balances**

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

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

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

ii) **Group companies**

On consolidation, the assets and liabilities of foreign operations are translated into SAR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Leases

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

Group as lessee

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

Right-of-use assets

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

	<i>Years</i>
Leasehold building	3 - 20
Motor vehicles	1 - 4
Satellites	2

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policy for impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

Short-term leases and leases of low-value assets

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

Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases.

Rental income arising is accounted for on a straight-line basis over the lease terms and is included in the consolidated statement of comprehensive income. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the period in which they are earned.

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Contingencies

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

3 OPERATING SEGMENTS

A segment is a separate and distinct unit of the Group's engagement in business activities that result in recognition of revenues or expenses. Operating segments are disclosed on the basis of internal reports reviewed by the Chief Executive Officer, Chief Financial Officer and other key management personnel, who are the Chief Operating Decision Maker (CODM), and responsible for resource allocation, performance evaluation, and strategic decision making on operational segments. Operating segments with similar economic characteristics, products, services, and similar customer categories are aggregated and recorded where possible as units to be reported.

Segment basis

The Group generates its revenue primarily from: (i) advertising revenue, predominantly from advertisers placing advertisements on its free-to-air TV channels, radio channels, and on the Group's advertising-video-on-demand streaming platform ("AVOD"), (ii) revenue from subscriptions of the Group's SHAHID VIP subscription-video-on-demand ("SVOD") service, and (iii) ancillary revenue from its other business operations. The Group also benefits from funding received through its majority shareholder for various projects and initiatives, including for production of its content.

The Group has the following strategic segments which provide different services, have different economic characteristics – such as sales growth trends, rates of returns, capital investment levels – and are managed separately.

Segment	Operations
Broadcasting and Other Commercial Activities	TV, radio, and social media and ancillary activities Broadcasting and other commercial activities segment is the largest of the Group's business segments with revenues earned primarily from advertising on its FTA TV, radio channels and social media, collectively as broadcasting activities. Broadcasting also generates a variety of additional non-advertising revenues, such as from carriage agreements and interactive games for viewers. The Group is also engaged in varied range of media-related activities such as interactive games, events, music publishing, and talent management. The Group is in the process of further diversifying its revenue base by building up its events management business and developing its own video games. The Group aims to leverage its brand and its long-standing know-how in these additional businesses to expand its activities in these areas.
SHAHID	Video streaming on the SHAHID platform One of the Group's main operating segment is SHAHID for which the Group is currently strongly investing in to drive future growth. The Group's SHAHID OTT platform is available both as an SVOD service (also called SHAHID VIP) as well as a "free" AVOD service and broadcasting services.
Media & Entertainment Initiatives ("M&E Initiatives")	Media and Entertainment Given the Group's capabilities and position in the media sector and the successes it has achieved historically, it has been chosen as a strategic partner of the KSA government for the implementation of media and entertainment projects and initiatives that will develop the media ecosystem in the KSA and the region in accordance with Saudi Vision 2030. The Group receives funding for these projects from the government [represented by its majority shareholder Istedamah Holding Company ("Istedamah"), a KSA government-owned company], in consideration for the Group's commitment to implement such projects in accordance with specified performance indicators and other obligations which it must fulfil. The Group contributes to the development of the local KSA media and entertainment industry by continuously investing in various entertainment and media initiatives in the KSA including high-quality Arabic content production, broadcasting of certain TV channels, gaming, developing talent and events management in the KSA. Furthermore, the Group is, through its move to the KSA, directly creating new employment opportunities for individuals in the entertainment industry in the KSA.

Segment financial information

Financial results of each segment are presented below. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Also, the Group's financing (including finance costs, finance income and other income) and income tax are managed on a Group basis and are not allocated to operating segments.

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For the period from 20 April 2023 to 31 December 2023

For the Period From 20 April to 31 December 2023

	Broadcasting and Other Commercial Activities (a)	SHAHID (b)	M&E Initiatives (c)	Total
	SAR'000	SAR'000	SAR'000	SAR'000
Revenue from contract with customers	811,506	447,451	75,740	1,334,697
Other operating revenues	70,395	-	299,095	369,490
Total revenue	881,901	447,451	374,835	1,704,187
Operating costs*	(837,655)	(558,919)	(364,470)	(1,761,044)
Other income	77,166	(6,232)	577	71,511
Share of results in associates and joint ventures (net)	36,146	-	(7,251)	28,895
Loss on financial assets and derivative instruments (net)	2,079	-	-	2,079
Finance income/(costs) – net	(3,419)	-	324	(3,095)
Depreciation and amortisation (Notes 6 and 7)	(23,087)	(3,422)	(654)	(27,163)
Segment results before income tax	133,131	(121,122)	3,361	15,370

*Operating costs include direct costs and general and administrative expenses except for depreciation of fixed assets and amortisation of intangible assets which are presented as separate line items.

Segment assets

The table below summarizes the key assets per segment:

As of 31 December 2023

	Broadcasting and Other Commercial Activities	SHAHID	M&E Initiatives	Total
	SAR'000	SAR'000	SAR'000	SAR'000
Inventories	643,063	654,830	1,292,433	2,590,326
Property and equipment	85,663	28,083	2,529	116,275
Investments in associates and joint ventures	1,201,204	-	-	1,201,204
Investment in financial asset at fair value through profit or loss (FVTPL)	15,891	-	-	15,891
Total	1,945,821	682,913	1,294,962	3,923,696

Geographic information

The table below summarizes geographic information of the Group's revenue from contract with customers based on where the service is provided.

	2023 SAR'000
Revenue from contracts with customers:	
GCC*	1,092,136
Egypt	84,492
Others**	158,069
Total	1,334,697

*GCC includes revenue earned mainly in UAE and Kingdom of Saudi Arabia where various revenue types are provided.

**Others include North Africa and Iraq where the Group broadcasts two of its TV channels, as well as other countries outside of GCC and Egypt where subscribers to its OTT platform, SHAHID, are based.

4 REVENUE FROM CONTRACTS WITH CUSTOMERS

	2023 SAR'000
Advertising revenue (i)	495,080
Digital revenue	377,030
Broadcast and technical services revenue (ii)	157,411
Distribution revenue	58,797
Interactivity revenue	41,640
Programme revenue	61,502
Event management revenue	25,182
Barter revenue	17,543
Artists management revenue	1,875
Other revenues (iii)	98,637
	1,334,697

(i) Advertising revenue

Advertising revenue is presented net of volume rebates amounting to SAR 27,737 thousand.

(ii) Broadcast and technical services revenue

Broadcast and technical services revenue represent mainly the Group's revenue from providing broadcast and technical services for the Saudi Sports Channels, owned by Saudi Sports Company (SSC) and Al Thakafya Channel, owned by the Ministry of Culture (MOC).

(a) Revenue from SSC channels

The term of the Group's agreement with SSC is for three years, commencing on 15 July 2022 and expiring on 14 July 2025. The contract covers three sports seasons which run from August to May. The Group recognizes revenue based on services provided for each season according to the pricing terms of the agreement. Where a contract pricing for a season is being finalized, the Group's revenue is limited to the cost incurred.

Revenue recognised from SSC for the period amounted to SAR 88,937 thousand.

(b) Revenue from Al Thakafya Channel

During the period ended 31 December 2023, the Group recognised an amount of SAR 65,204 thousand for services provided to Al Thakafya Channel which equals costs while contract terms are being finalized.

In addition to the above, the Group also recognised revenue of SAR 3,270 thousand for broadcast services to Takhayal on its SHAHID platform.

(iii) Other revenues

Other revenues mainly represent the Group's revenue earned from production and events management services provided to General Entertainment Authority (GEA) and Neom for various projects during the period. Revenues are recognised based on services provided for the period and as per contract terms with the parties. In addition, commission income earned from providing advertising services on behalf of SSC and Tiktok are included herein.

4.1 Disaggregated revenue information

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

	2023 SAR'000
Timing of revenue recognition	
Services provided over a period of time	1,248,012
Services transferred at a point in time	86,685
	1,334,697

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4.2. Contract balances

	2023 SAR'000
Trade receivables (Note 16)	790,502
Contract assets (Note 16)	528,118
Contract liabilities (Note 22)	396,671

5 OTHER OPERATING REVENUES

The Group receives, from the Government of the KSA, government funding to implement a number of expansion initiatives which contribute to the overall KSA vision to build up the media sector in the KSA. The funding covers the costs of implementation of these initiatives in various entertainment and media initiatives in the KSA including broadcasting of certain TV channels dedicated to viewers outside of KSA, content production, gaming, developing talent and events management in the KSA, as well as by creating new employment opportunities for individuals in the entertainment industry in the KSA. Receipt by the Group of the relevant amounts is linked to pre-agreed KPIs that must be satisfied, or milestones that must be reached. The Group has in the past been able to achieve such KPIs and requirements.

Amounts received towards these initiatives are recognised in the consolidated statement of comprehensive income on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the funds are intended to compensate.

During the period, the Group has assessed (in accordance with the accounting judgment for the other operating revenues in Note 26) the following as government grants and accordingly they have been recognised as other operating revenues related to the following initiatives:

	2023 SAR'000
TV channels initiatives and MBC Academy initiatives (a)	200,722
Production related initiatives (a)	89,726
Funding of broadcasting rights (b)	65,625
Gaming initiative (c)	7,252
Relocation cost (d)	5,776
Funding of other government related projects	389
	369,490

As disclosed above, the Group receives funding, from Government of KSA, subject to satisfactory performance against certain criteria. The funding is based on annual pre-approved expenditure which also sets a maximum entitlement limit. Depending upon the nature of the funding the related costs have been accounted for as follows:

- (a) On TV channels initiatives and MBC Academy initiatives, production related initiatives and relating to funding of other government related projects, the vast majority of the related costs are included within 'Direct costs' (Note 6).

(b) On funding of broadcasting rights, the related costs are included within 'Direct costs' (Note 6).

(c) On gaming initiative, the related costs are adjusted against the 'Share of results in associates and joint ventures'.

(d) On relocation cost, the related costs are included within 'General and administrative expenses' (Note 7).

To the extent government fundings have been recognised within income, there are no unfulfilled conditions or contingencies attached to the above fundings.

Below is the reconciliation of other operating revenues with the deferred revenues (Note 22) and due from related parties (Note 17):

2023:

	TV channels initiatives and MBC Academy initiatives	Production related initiatives	Funding of broadcasting rights	Funding of other government related projects	Gaming initiative	Riyadh head office capital expenditure	Relocation cost	Total
	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000	SAR'000
As at 20 April 2023:								
Due from the Intermediate Parent Company	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-
Transfer on reorganisation (Note 30)								
Due from the Intermediate Parent Company	4,928	29	-	-	-	-	5,775	10,732
Deferred revenue	(23,473)	(1,414,190)	(65,625)	(389)	(196,936)	(53,688)	(88,253)	(1,842,554)
Add: Income recognised during the period (Note 5)	200,722	89,726	65,625	389	7,252	-	5,776	369,490
Add: Income netted off against related expense (Note 7)	-	-	-	-	-	-	47,276	47,276
Less: Advance / cash collected during the period	(176,407)	(102,785)	-	-	(33,811)	(127,062)	(21,105)	(461,170)
As at 31 December 2023:								
Due from the Intermediate Parent Company (Note 17a)	24,921	-	-	-	-	-	7,554	32,475
Deferred revenue (Note 22)	(19,151)	(1,427,220)*	-	-	(223,495)	(180,750)	(58,085)	(1,908,701)

* The deferred amount corresponds to inventories which remain as work-in-progress (WIP) as of 31 December 2023 amounting to SAR 1,289,440 thousand.

Notes to the Consolidated Financial Statements

For the period from 20 April 2023 to 31 December 2023

6 DIRECT COSTS

	2023 SAR'000
Cost of programmes	633,855
Digital costs	139,561
Marketing costs	79,980
Cost of advertising sales*	21,464
Technical costs	35,738
Programme overheads	37,753
Interactivity costs	21,495
Transmission expenses (Note 13)	15,638
Depreciation on property and equipment (Note 11)	14,106
Barter costs	17,093
Cost of events management	17,857
Programme stocks write-off	8,505
Cost of artists management	6,603
Location costs	2,940
Distribution costs	3,581
Depreciation on right-of-use assets (Note 13)	1,615
Cost of news programmes (Note 17 c)	938
Other expenses	172,466
	1,231,188

*Cost of advertising sales represent costs of commercials, commission to a third party agent for advertising revenues earned from MBC Cinq channel, and costs incurred for the airtime purchased from Al Arabiya News Channel FZ LLC.

7 GENERAL AND ADMINISTRATIVE EXPENSES

	2023 SAR'000
Staff costs **	400,846
Legal and professional fees	41,185
IT equipment and maintenance costs	28,015
Building occupancy costs (Note 13) **	28,468
Travel costs	19,047
Allowance for expected credit loss, net (Notes 16, 17, 18)	19,964
Depreciation on property and equipment (Note 11)	7,464
Depreciation on right-of-use assets (Note 13)	6,855
Amortisation of intangible assets (Note 12)	5,593
Communication costs	4,386
Foreign exchange loss / (gain), net	(7,179)
Bad debts written off	104
Withholding taxes	53
Loss on disposal of property and equipment	10
Recharges to related parties (Note 17c) *	(49,210)
Other expenses	51,418
	557,019

*The Group incurs costs on behalf of other related parties. These costs consist principally of staff costs and shared facilities and are recharged to the individual entities based on the estimated time spent by employees on each entity and usage of shared facilities by each entity.

**Amounts of SAR 35,547 thousand, SAR 11,280 thousand, SAR 206 thousand, and SAR 243 thousand relating to staff costs, building occupancy costs, legal and professional costs and travel costs, respectively, have been reimbursed by the Intermediate Parent Company to the Group during the period (Note 5).

8 OTHER INCOME

	2023 SAR'000
Compensation for loss of business* (Note 17c)	54,375
Rental income (Note 17 c)	4,363
Other income	12,773
	71,511

*The Group has received compensation for the loss of business in relation to launching and operating a TV channel. As of 31 December 2023, a total amount of SAR 669,039 thousand has been received. During the period, the Group recognised and received SAR 54,375 thousand.

9 FINANCE COSTS - NET

	2023 SAR'000
Finance income	3,127
Finance costs*	(6,222)
	(3,095)

*Includes interest expense on lease liabilities amounting to SAR 1,239 thousand (Note 13.1).

Notes to the Consolidated Financial Statements

For the period from 20 April 2023 to 31 December 2023

10 INCOME TAX AND ZAKAT

Income tax and zakat benefit for the period consists of the following:

	2023 SAR'000
Income tax (a)	579
Zakat (b)	306
Deferred tax (c)	1,300
	2,185

The breakdown of the provision for income tax, zakat and deferred tax asset and liability is as follows:

	2023 SAR'000
Income tax (a)	7,319
Zakat (b)	1,554
Provision for income tax and zakat (Note 22)	8,873
Deferred tax liability (c)	9
Deferred tax asset (c)	1,397

(a) Income Tax:

The movement of provision for income tax is as follows:

	2023 SAR'000
As at 20 April	-
Transfer on reorganisation (Note 30)	9,571
Provided during the period*	3,466
Payments during the period	(5,434)
Adjustments during the period	(1,307)
Foreign exchange differences	496
As at 31 December	6,792

*In the consolidated statement of comprehensive income, income tax charge for the period amounting to SAR 3,466 thousand is presented net of income tax relief amounting to SAR 4,045 thousand, resulting in income tax relief of SAR 579 thousand as disclosed in this note above. The related receivable balance is presented under other receivables (Note 16).

The balance as per the movement above comprises of the following:

	2023 SAR'000
Income tax payable – classified under provision for income tax and zakat (Note 22)	7,319
Income tax refund – classified under other receivables (Note 16)	(527)
	6,792

Income tax expense for the period ended:

	2023 SAR'000
Tax base	68,933
Effective tax rate	20.44%
	14,090
Adjustments	(10,624)
Income tax expense	3,466

(b) Zakat:

The movement of provision for zakat is as follows:

	2023 SAR'000
As at 20 April	-
Transfer on reorganisation (Note 30)	485
Provided during the period*	746
Refund received during the period	414
Adjustment	(91)
As at 31 December	1,554

*In the consolidated statement of comprehensive income, zakat for the period amounting to SAR 746 thousand is presented net of zakat relief amounting to SAR 1,052 thousand, resulting in zakat relief of SAR 306 thousand as disclosed in this note above. The related receivable balance is presented under other receivables (Note 16).

Zakat charge for the period arises from is MBC Media Solutions Limited, KSA

	2023 SAR'000
Profit before zakat for the period	29,853
Adjustments to reach zakat profit base	5
Zakat profit base	29,858
Zakat rate	2.5%
Zakat expense for the period	746

(c) Deferred tax:

The movement of deferred tax asset is as follows:

	2023 SAR'000
As at 20 April	-
Transfer on reorganisation (Note 30)	273
Provided during the period	1,208
Adjustment	(84)
As at 31 December	1,397

The movement of deferred tax liability is as follows:

	2023 SAR'000
As at 20 April	-
Transfer on reorganisation (Note 30)	16
Reversal during the period	(92)
Adjustments	85
As at 31 December	9

Deferred tax liability arises from the following subsidiaries of Company:

Al Miza for Advertising and MBC Media Solutions for Advertising, Egypt

Deferred tax asset arises from the following subsidiary of the Company:

MBC Media Solutions Limited, KSA

2023:

	Leasehold improvements SAR'000	Technical equipment SAR'000	Motor vehicles SAR'000	Furniture and fixtures SAR'000	Capital work in progress (a) SAR'000	Total SAR'000
Cost:						
As at 20 April 2023	-	-	-	-	-	-
Transfer on reorganisation (Note 30)	128,037	723,673	3,237	36,024	8,638	899,609
Additions during the period	3,085	31,796	-	756	4,562	40,199
Disposals during the period	-	(796)	-	(144)	-	(940)
Transfers during the period	-	-	-	-	(273)	(273)
Foreign currency translation adjustment	8	15	-	-	-	23
As at 31 December 2023	131,130	754,688	3,237	36,636	12,927	938,618
Accumulated depreciation:						
As at 20 April 2023	-	-	-	-	-	-
Transfer on reorganisation (Note 30)	116,654	647,942	3,153	33,989	-	801,738
Charge for the period (b)	3,111	17,559	64	836	-	21,570
Relating to disposals	-	(777)	-	(144)	-	(921)
Transfers during the period	-	-	-	-	-	-
Foreign currency translation adjustment	(6)	(22)	-	(16)	-	(44)
As at 31 December 2023	119,759	664,702	3,217	34,665	-	822,343
Net carrying amount:						
At 31 December 2023	11,371	89,986	20	1,971	12,927	116,275

(a) Capital work in progress mainly includes cost incurred to date towards implementation and customisation of a new software system to be used for content management broadcasting system and implementation of a new enterprise resource planning (ERP) software system.

(b) Depreciation charge during the period are net of government fundings amounting to SAR 6,250 thousand.

Notes to the Consolidated Financial Statements

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Depreciation has been apportioned as follows:

	2023 SAR'000
Direct costs (Note 6)	14,106
General and administrative expenses (Note 7)	7,464
	21,570

12 INTANGIBLE ASSETS

The movement in the intangible assets during the period is as follows:

	2023 SAR'000
As at 20 April	-
Transfer on reorganisation (Note 30)	52,002
Additions during the period	20,712
Amortisation during the period (Note 7)	(5,593)
As at 31 December	67,121

During the period, the Group capitalised an amount of SAR 11,120 thousand representing costs incurred to develop and upgrade features of the SHAHID platform including applications compatible with mobile devices, analytical models and architectural prototype implementation.

13 LEASES

13.1 Group as lessee

The Group has lease contracts for units, vehicles, infrastructures, and satellites used in its operations. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

The Group also has certain leases of residential units, satellites, offices with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Further, the Group has entered into a long-term finance lease contract with Dubai Development Authority, previously known as Technology, Electronic Commerce and Media Free Zone, to lease a building, along with the associated fit outs. The contract carries an option to buy the property at any time during the lease period at the option price as calculated in the contract.

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

	2023 SAR'000
As at 20 April	-
Transfer on reorganisation (Note 30)	40,080
Additions during the period	27,919
Deletions during the period	-
Depreciation (Notes 6 and 7)	(8,470)
Remeasurement of right-of-use assets	(187)
Foreign exchange difference (net)	5
As at 31 December	59,347

Notes to the Consolidated Financial Statements

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Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2023 SAR'000
As at 20 April	-
Transfer on reorganisation (Note 30)	44,613
Additions during the period	26,472
Accretion of interest (Note 9)	1,239
Remeasurement of lease liabilities	(187)
Payments during the period	(9,030)
Foreign exchange difference (net)	(9)
As at 31 December	63,098
	2023 SAR'000
Current	30,574
Non-current	32,524
	63,098

The maturity analysis of lease liabilities is disclosed in Note 24. The following are the amounts recognised in consolidated statement of comprehensive income:

	2023 SAR'000
Depreciation expense of right-of-use assets – direct costs (Note 6)	1,615
Depreciation expense of right-of-use assets – general and administrative expenses (Note 7)	6,855
Interest expense on lease liabilities (Note 9)	1,239
Other expenses related to leases – general and administrative expenses (Note 7)	28,468
Other expenses related to leases – direct costs (Note 6)	15,638
Total amount recognised in consolidated statement of comprehensive income	53,815

During the period, the Group had total cash outflows for leases, excluding short-term and low value leases, of SAR 9,030 thousand and non-cash additions to right-of-use assets and lease liabilities amounted to SAR 27,919 thousand and SAR 26,472 thousand respectively.

14 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The Group has the following investments in associates and joint ventures on the consolidated statement of financial position:

	2023 SAR'000
Investment in equity accounted joint ventures (14.1)	209,362
Investment in associates (14.2)	991,842
	1,201,204

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

	2023 SAR'000
Share of results in investments in associates and joint ventures (PL)(14a)	28,895
Share of results in investments in associates (OCI) (14.2.1)	1,467
	30,362

14a. Share of results in investments in associates and joint ventures (PL)

	2023 SAR'000
Share of results in investments in joint ventures (14.1)	(7,258)
Share of results in investments in associates (14.2.1)	36,153
	28,895

14.1 Investments in Joint Ventures:

The Group has the following investment in equity accounted joint venture:

	2023 SAR'000
MBC Game Studio (a)	209,362
O3 Turkey (b)	-
	209,362

The movement in the investment in joint ventures during the period is as follows:

	2023 SAR'000
As at 20 April	-
Transfer on reorganisation (Note 30)	114,390
Additional investment during the period*	102,230
Share of results**	(7,258)
At 31 December	209,362

*The additional investment is fully covered by virtue of government funding. Accordingly, deferred revenues (Note 22) include an equivalent balance in this regard as at the period-end date.

**As per Note 5, the share of results has been reimbursed by the Intermediate Parent Company.

- (a) MBC Initiatives LLC, a fully owned subsidiary, jointly controls MBC Game Studio with another shareholder whereby it owns 70% and the other shareholder owns 30%. Previously, the Subsidiary accounted for its investment in the Game Studio as a joint operation under the provision of IFRS 11 – Joint Arrangements which requires that each shareholder records their respective shares in asset, liabilities, revenues, and expenses. MBC Game Studio "Game Studio". As of 30 June 2022, the investment in the Game Studio was accounted for as an investment in a joint operation as it jointly controls the Game Studio with the other shareholder. The value of the investment as of that date amounted to Nil. Subsequent to 30 June 2022, the investment was reclassified to a joint venture and accounted for under the equity method. As of 31 December 2023, the carrying value of the investment in Game Studio amounted to SAR 209,362 thousand.

The following table illustrates the summarised financial information at the reporting date of the Group's investment in MBC Game Studio:

Statement of financial position

	2023 SAR'000
Current assets	56,177
Non-current assets	280,768
Current liabilities	(37,791)
Non-current liabilities	(65)
Equity	299,089
Group's share in net assets at 70%	209,362

Statement of comprehensive income

	2023 SAR'000
Revenue	-
Direct costs	(2,446)
General and administrative expenses	(7,923)
Total comprehensive loss for the period	(10,369)
Group's share of results at 70%	(7,258)

- (b) O3 Turkey Medya Produksiyon Hizmetleri Ticaret A.S ("O3 Turkey") is a 51% owned joint venture between the Group and two individuals, Onur Guvenatam and Saner Ayar. The joint venture commenced on 27 February 2014 and is governed by the joint venture and shareholder agreement between the parties and is registered under the Istanbul Turkey Registry in Istanbul, Turkey. As of 31 December 2023, the carrying value of the investment in O3 Turkey amounted to SAR Nil.

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14.2 Investments in Associates:

The Group's investment in associates as of 31 December is as follows:

	2023 SAR'000
Wego (a)	16,512
Tapmad (b)	14,127
ACSC (c)	961,203
As at 31 December	991,842

The movement in the investments in associates during the period is as follows:

	Period ended 31 December 2023			
	Wego SAR'000	Tapmad SAR'000	ACSC SAR'000	Total SAR'000
As at 20 April	-	-	-	-
Transfer on reorganisation (Note 30)	15,885	13,519	924,818	954,222
Share of results (Note 14.2.1)	627	608	36,385	37,620
As at 31 December	16,512	14,127	961,203	991,842

14.2.1 Share of results in investment in associates is presented as follows in the consolidated statement of comprehensive income:

	2023 SAR'000
Share of results in investment in associates, net (PL)	36,153
Share of results in investment in associates, net (OCI)	1,467
	37,620

a) Wego

Wego PTE LTD ("Wego"), is a Company incorporated and domiciled in Singapore. Wego's principal activities are to carry on business of providing information on travel products by the use of the travel search engine. MBC owns 10% as per the shareholder agreement.

Based on the evaluation of terms of investment, the Group has significant influence over the investee and has recorded its investment in Wego as an equity accounted associate.

b) Tapmad

Tapmad Holdings PTE LTD ("Tapmad") was incorporated in the Republic of Singapore on 8 October 2018. The principal activity of the Company is to provide Over the Top (OTT) and Subscription Videos on Demand (SVOD) services in Pakistan.

Effective 17 October 2021, MBC increased its ownership from 25.08% to 29.76% with a consideration payable amounting to SAR 7,500 thousand. As part of the agreement, MBC has an option to purchase an extra 10% of the total issued shares (Note 23). Furthermore, the agreement gives the Group an additional right to increase their shareholding in Tapmad to 51% or more. This option is treated as a derivative financial instrument (Note 23) as at 31 December 2023.

c) ACSC

Effective August 2020, the Group acquired a 5% stake in Arabian Contracting Services Company ("ACSC"), which is a joint stock company registered in Riyadh, Kingdom of Saudi Arabia under Commercial Registration No. 1010048419. The main activity of ACSC is advertising. The consideration paid was SAR 46,081 thousand. Furthermore, the Group had an option to increase its shareholding percentage to 20% within a certain timeframe (Note 23). Based on the evaluation of terms of investment, the Group assessed that it had significant influence over the investee and has recorded its investment in ACSC as an equity accounted associate.

On 11 November 2021, ACSC listed its shares on Tadawul, the Saudi Stock Exchange. The Group did not sell any of its shares and still held its 5% ownership at the time of ACSC's listing. As of 31 December 2021, the Group held 5% shareholding in ACSC and reassessed its terms of the investment and concluded that it still has significant influence over ACSC.

On 10 October 2022, the Group exercised its call option and acquired an additional 15% shareholding in ACSC thereby increasing the total shareholding to 20%. The exercise price of SAR 497,250 thousand which has been paid was based on the terms agreed between the Group and Engineer Holding Group ("the other shareholder") in their agreement entered into in August 2020. At the date of the transaction, the market value of the additional shares acquired amounted to SAR 829,500 thousand. The call option to acquire an additional 15% interest in ACSC, which was valued at SAR 337,500 thousand as at 31 December 2021 (Note 23), was reclassified into investment in associates upon exercise of the call option. Consequently, an amount of SAR 5,250 thousand was recognised as a loss on exercise of the call option in the consolidated statement of comprehensive income during the year ended 31 December 2022.

The acquisition of the additional 15% in ACSC was financed by a shareholder loan amounting to SAR 497,250 thousand. The loan is interest-free and is repayable on demand with 12 month-notice period.

As at 31 December 2023, the fair value of Group's interest in ACSC was SAR 2,410,000 thousand based on the quoted market price available on the stock exchange which is a level 1 input in terms of IFRS 13.

The following table illustrates the summarised financial information for the year 2023 of the Group's investment in ACSC:

Statement of financial position

	2023 SAR'000
Current assets	1,576,947
Non-current assets	2,968,427
Current liabilities	(1,131,543)
Non-current liabilities	(2,297,117)
Equity	1,116,713
Group's share in net assets at 20%	223,343

Statement of comprehensive income

	2023 SAR'000
Revenue	1,279,861
Direct costs	(681,689)
General and administrative expenses (including zakat)	(170,189)
Finance costs	(114,366)
Other income, net	7,566
Loss from discontinued operations	(2,213)
Other comprehensive income	(5,206)
Total comprehensive income for the year	313,763
Group's share of results at 20% for the period	36,385

14.3 Investment in financial asset at fair value through profit or loss (FVTPL)

Investment in Anghami

Anghami is a limited liability company incorporated in the Cayman Islands on 14 February 2012. Anghami's principal activities consist of facilitating a platform for music and video streaming, entertainment, social, through mobile, web, computer, applications and other supported programs and related media. As at 31 December 2021, MBC's shareholding was 18.15%.

On 4 February 2022, Anghami listed its shares on NASDAQ, New York. The Group reassessed its influence in Anghami based on the listing particulars and concluded that the investment in Anghami shall be treated as an investment at fair value through profit and loss (FVTPL). The fair value of the investment in Anghami as at 31 December 2023 and loss on the FVTPL is as below:

	2023 SAR'000
Carrying value of investment as at 20 April	-
Transfer on reorganisation (Note 30)	13,709
Additional investment during the period	3,064
Unrealised loss due to change in fair value	(882)
Fair value of investment as at 31 December	15,891

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15 INVENTORIES

	2023 SAR'000
Acquired programmes	1,104,952
Developed programmes	8,173
	1,113,125
Production work-in-progress	1,477,201
	2,590,326

Acquired and developed programmes are net of accumulated programme amortisation and write-offs.

Programme amortisation and write-offs recognised in the consolidated statement of comprehensive income for the period ended 31 December 2023 amounted to SAR 637,947 thousand and are included within 'Direct costs' (Note 6).

16 TRADE RECEIVABLES, PREPAYMENTS AND OTHER ASSETS

	2023 SAR'000
Trade receivables* (Note 4.2)	790,502
Contract assets (Note 4.2)	528,118
Less: allowance for expected credit loss (Note 16.1)	(211,892)
	1,106,728
Advance for programme rights	465,536
Deposits**	15,998
Advance to suppliers	54,985
Prepaid expenses	27,344
Staff receivables	8,000
Other receivables***	1,054,727
	2,733,318

*Included in the trade receivables balance is the amount due from ARA International Productions Company LLC amounting to SAR 79,556 thousand in relation to Al Thakafya Channel.

**The deposit amounts are net of allowance for expected credit loss amounting to SAR 65 thousand. During the period, a reversal of allowance was made amounting to SAR 76 thousand.

***Included in Other receivables is balance receivable from the Ultimate Controlling Party of SAR 71,625 thousand representing remaining balance of compensation for loss of business granted in 2018. The compensation to be received, which has been estimated at SAR 187,500 thousand was recognised in 2018 within the Group's consolidated statement of comprehensive income. During 2023, SAR Nil of this compensation was received. The compensation has been recognised up to the amount that management is reasonably certain will be received. The Group expects to receive the remaining amount within 12 months from the consolidated statement of financial position date.

In addition to the above, other receivables include a balance of SAR 763,750 thousand with respect to the proposed share capital increase. Please refer to Note 19.2 for further details in this regard.

16.1 Movements in allowance for expected credit loss are as follows:

	2023 SAR'000
As at 20 April	-
Transfer on reorganisation (Note 30)	190,663
Allowance made during the period, net (Note 7)	21,156
Transfer from Saudi Sports Channel	16
Reclassification	57
As at 31 December	211,892

The typical credit period on trade receivables is 60 to 90 days. No interest is charged on the overdue trade receivables. The Group does not hold any collateral over these balances.

As of 31 December 2023, SAR 178,885 thousand and SAR 33,007 thousand was recognised as allowance for expected credit losses on trade receivables and contract assets, respectively.

See Note 24 on credit risk of trade receivables reflecting how the Group manages and measures quality of trade receivables that are neither past due nor impaired. In determining the recoverability of a trade receivable, the Group considers changes in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. Management believes that there is no further credit allowance required in excess of the provision for expected credit loss.

17 RELATED PARTY TRANSACTIONS, BALANCES AND LOAN

Related parties represent the shareholders, directors and key management personnels of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of transactions with these related parties are approved by the shareholders and the Group's management.

a) Balances with related parties included in the consolidated statement of financial position are as follows:

Due from related parties:

	2023 SAR'000
Shareholder	
Intermediate Parent Company [Note 5]	32,475
Companies under common control	
MBC GROUP Holdings Ltd	168,077
ARA International Productions Company LLC	52,874
Middle East News FZ LLC	28,044
Al Sadaf for Sonic Visual Production	3,037
Al Arabiya Media Network Company	1,571
Joint ventures and associates	
O3 Turkey Medya Produksiyon, Turkey	11,907
O Three Media Production Co.	2,850
O2 Production	13
Others	
MBC International FZ LLC	48,369
Saudi Media Advertising Company	84,356
At 31 December	433,573

Outstanding balances at the period-end are unsecured, interest free and settlement generally occurs in cash and arise in the normal course of business. The balances with related parties are net of a cumulative allowance for impairment of SAR 15,595 thousand. During the period, the Group has recorded a reversal of SAR 399 thousand in the consolidated statement of comprehensive income. Further, the Group has written off allowance for impairments amounting to SAR 5,063 thousand and has reclassified an allowance of SAR 56 thousand to allowance for trade receivables. In addition, there is an outstanding SAR 71,625 thousand due from a related party as itemised in Note 16.

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b) Balances with related parties included in the consolidated statement of financial position are as follows:

Due to related parties:

	2023 SAR'000
<i>Shareholder</i>	
Waleed Bin Ibrahim Al Brahim	13,766
<i>Companies under common control</i>	
Al Arabiya News Channel FZ LLC	8,494
Middle East News UK Limited	79
Others	8
<i>Joint ventures and associates</i>	
MBC Game Studio Limited KSA	23,059
Arabian Contracting Services Company (ACSC)	2,289
At 31 December	47,695

c) Significant material transactions with related parties included in the consolidated statement of comprehensive income as follows:

	2023 SAR'000
<i>Ultimate Controlling Party</i>	
Other operating revenues (Note 5)	65,625
Other income (Note 8)	54,375
<i>Intermediate Parent Company</i>	
Other operating revenues (Note 5)	303,865
<i>Entities under common control</i>	
Expenses recharged to related parties (Note 7) *	49,210
Rental income (Note 8)	4,363
Cost of news programmes (Note 6)	938
Direct costs	39,515
Revenue from contracts with customers	12,158
Purchases	90,700
<i>Others</i>	
Revenue from contracts with customers	15,660

*Expenses recharged to related parties are on cost basis without margin. These recharges are settled within 30-60 days of billing and are interest-free.

d) Compensation to directors and key management personnel

The remuneration of directors and key management personnels during the period were as follows:

	2023 SAR'000
Salaries and short-term benefits	34,160
Employees' end of service benefits	717
	34,877

e) Loan from a related party

Loan from a related party represents loan availed by Group's subsidiaries from MBC GROUP Holdings Limited, a related party, amounting to SAR 64,167 thousand and it is interest- free, unsecured with no fixed repayment date.

f) Loan from a shareholder

Loan from shareholder of SAR 497,250 thousand as of 31 December 2023 which was received to finance the acquisition of the additional 15% on ACSC, is interest-free and is repayable on demand with 12 month-notice period.

18 BANK BALANCES AND CASH

	2023 SAR'000
Cash on hand	1,931
Bank balances:	
Current accounts	798,222
Short-term treasury bills*	27,533
Bank balances and cash	827,686
Less: Expected credit losses (Note 18.1)	(883)
	826,803

*Short-term treasury bills represent original cost and accrued interest till the date of consolidated financial statements and has maturity of less than 90 days.

18.1 Movements in the expected credit losses were as follows:

	2023 SAR'000
As at 20 April 2023	-
Transfer on reorganisation (Note 30)	1,601
Reversal of allowance for expected credit losses, net (Note 7)	(717)
Foreign exchange differences (net)	(1)
As at 31 December	883

19 SHARE CAPITAL

As discussed in Note 1, the Company was incorporated on 20 April 2023 with a share capital of SAR 500 thousand.

Authorised shares

	2023 SAR'000
332,500 thousand ordinary shares of SAR 10 each	3,325,000

Ordinary shares issued and fully paid

	2023 SAR'000
299,250 thousand ordinary shares of SAR 10 each*	2,992,500

The Intermediate Parent Company of the Company is Al Istedamah Holding Company, an entity incorporated in the Kingdom of Saudi Arabia. The Ultimate Controlling Party is the Ministry of Finance, Government of the Kingdom of Saudi Arabia.

*The fully paid-up ordinary shares include 50 thousand shares issued at the time of incorporation of the Company and 299,200 thousand shares issued subsequently during the period by virtue of additional shareholders' contribution as disclosed below (Note 19.1).

19.1 Additional shareholders' contribution

Based on the effect of reorganisation (Note 1), the entire equity attributable to the Parent Company, net of the issued share capital of the Company prior to reorganisation amounted to SAR 2,992,672 thousand. This balance was treated as additional shareholders' contribution under revised equity structure of the Company at reorganisation.

During the period, the aforementioned additional shareholders' contribution was utilised for the acquisition as a part of reorganisation under common control amounting to SAR 2,992,000 thousand as disclosed in this Note above. The remainder balance of SAR 672 thousand was transferred to retained earnings.

19.2 Proposed share capital increase

Pursuant to the resolution passed by the shareholders of the Company in the extraordinary general assembly meeting held on 12 November 2023, the total authorised share capital was increased from SAR 2,992,000 thousand, comprising of 299,250 thousand ordinary shares of SAR 10 each, to SAR 3,322,500 thousand, comprising of 332,250 thousand shares of SAR 10 each.

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For the period from 20 April 2023 to 31 December 2023

On 21 November 2023, the Company received approval from the CMA to float additional 33,250 thousand shares on Tadawul i.e. 10% of the total authorised share capital post increase as mentioned above. These shares were offered at SAR 25 per share upon completion of the book building process on 12 December 2023 resulting to total proceeds of SAR 831,250 thousand. The net proceeds after deducting the transaction costs, related to financial institutions' advisory and underwriting charges, of SAR 67,500 thousand amounted to SAR 763,750 thousand.

The net proceeds were received subsequent to the year ended 31 December 2023. Consequently, the balance of SAR 763,750 thousand has been disclosed as "proposed share capital increase" under equity as of 31 December 2023. The related receivable balance of SAR 763,750 thousand has been disclosed as other receivable under Note 16. Upon receipt of the net proceeds, the balance of proposed share capital increase will be transferred to share capital and share premium in the following proportion:

	SAR'000
Share capital (33,250 thousand shares at SAR 10 per share)	332,500
Share premium	431,250

The table below shows the ownership structure of the Company before and after issuance of the shares through IPO on Tadawul:

Shareholder	Pre-IPO			Post-IPO		
	No. of Shares ('000)	Ownership (%)	Par Value (SAR'000)	No. of Shares ('000)	Ownership (%)	Par Value (SAR'000)
Al Istedamah Holding Company	179,550	60%	10	179,550	54%	10
Waleed Bin Ibrahim Al Brahim	119,700	40%	10	119,700	36%	10
Public	-	-	-	33,250	10%	10
	299,250	100%		332,500	100%	

20 NON-CONTROLLING INTERESTS

The non-controlling interests represent minority ownership shares of 49% and 40% in Wanasah FZ LLC and MBC Media Solutions FZ-LLC (a subsidiary of MBC Media Services BVI), respectively. MBC Media Services BVI ("MMS BVI") and its subsidiary, MBC Media Solutions FZ-LLC ("MMS UAE"), were both incorporated during the year ended 31 December 2021.

Further, in accordance with the shareholders' agreement between MMS BVI and the minority shareholder, MMS BVI has a call option to acquire all of the non-controlling interest in MMS UAE. MMS BVI is able to exercise the call option at the following dates:

- At any time following the third anniversary of the date of the incorporation of MMS UAE.
- At any time after the date of the incorporation of MMS UAE if:
 - The Group, or any of its affiliates, submits an official application for an IPO to the competent capital market authority or stock exchange in the jurisdiction in which the IPO is intended to take place;
 - The minority shareholder (including any of its permitted transferees) ceases to hold (in aggregate) at least 30% of the share capital in ACSC byway of selling or otherwise disposing of its shares in ACSC to any other person other than the Group or the minority shareholder's affiliates;
 - The number of directors appointed to the board of directors of ACSC on the nomination of the minority shareholder becomes less than 5.

The transfer price of the option shall be an amount equal to the minority shareholder's pro-rata share (which, for these purposes, shall include any shares held by any permitted transferee) in MMS UAE's EBIT for the last four quarters preceding the date on which the call option is exercised, multiplied by six (6).

As of 31 December 2023, the fair value of the call option is assessed to be SAR 16 thousand (Note 23).

Summarised financial information of the entities that have non-controlling interests is set out below. The financial information below represents amounts before intragroup eliminations:

	2023 SAR'000
Revenue	519,911
Direct costs	(447,171)
Gross profit	72,740
General and administrative expenses	(82,390)
Operating loss	(9,650)
Other income	1,251
Finance income – net	2,534
Loss before tax	(5,865)
Income tax and zakat	2,211
Loss for the period	(3,654)
Other comprehensive income	(281)
Total comprehensive loss for the period	(3,935)
Loss attributable to owners of the Group	(2,189)
Loss attributable to the non-controlling interests	(1,465)
Loss for the period	(3,654)
Total comprehensive loss attributable to owners of the Group	(2,320)
Total comprehensive loss attributable to the non-controlling interests	(1,615)
Total comprehensive loss for the period	(3,935)

Below is the break-up of the total comprehensive income for non-controlling interests:

	For the period ended 2023		
	Wanasah FZ LLC SAR'000	MBC Media Solutions FZ LLC SAR'000	Total SAR'000
Revenue	953	518,958	519,911
Direct costs	(389)	(446,782)	(447,171)
Gross profit	564	72,176	72,740
General and administrative expenses	(819)	(81,571)	(82,390)
Operating loss	(255)	(9,395)	(9,650)
Other (expense) / income	(133)	1,384	1,251
Finance income – net	-	2,534	2,534
Loss before tax	(388)	(5,477)	(5,865)
Income tax and zakat	-	2,211	2,211
Loss for the period	(388)	(3,266)	(3,654)
Other comprehensive loss	-	(281)	(281)
Total comprehensive loss for the period	(388)	(3,547)	(3,935)
Loss attributable to owners of the Group	(198)	(1,991)	(2,189)
Loss attributable to the non-controlling interests	(190)	(1,275)	(1,465)
Loss for the period	(388)	(3,266)	(3,654)
Total comprehensive loss attributable to owners of the Group	(198)	(2,122)	(2,320)
Total comprehensive loss attributable to the non-controlling interests	(190)	(1,425)	(1,615)
Total comprehensive loss for the period	(388)	(3,547)	(3,935)

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Summarised financial information of the entities that have non-controlling interests is set out below. The financial information below represents amounts before intragroup eliminations:

	2023 SAR'000
Assets	
Property and equipment	4,736
Employees' end of service benefits plan assets	271
Deferred tax asset	1,397
Right-of-use assets	2,639
Due from related parties	89,456
Derivative financial instruments	16
Trade receivables, prepayments and other assets	504,572
Bank balances and cash	140,429
Liabilities	
Lease liabilities	(2,732)
Employees' end of service benefits liability	(6,793)
Deferred tax liability	(9)
Loan from a related party	(24,750)
Due to related parties	(405,081)
Trade and other payables	(263,772)
Equity	40,379
Equity attributable to the owners of the Company	28,743
Equity attributable to the non-controlling interests	11,636

Below is the movement in the non-controlling interests during the period ended 31 December 2023:

	2023 SAR'000
As at 20 April	-
Transfer on reorganisation (Note 30)	13,251
Share of total comprehensive loss for the period	(1,615)
As at 31 December	11,636

Below is the break-up of the statement of financial position for non-controlling interests:

	As at 31 December 2023		
	MBC Media Solutions		
	Wanasah FZ LLC SAR'000	FZ LLC SAR'000	Total SAR'000
Assets			
Property and equipment	3	4,733	4,736
Employees' end of service benefits plan assets	271	-	271
Deferred tax asset	-	1,397	1,397
Right-of-use assets	-	2,639	2,639
Due from related parties	7	89,449	89,456
Derivative financial instruments	-	16	16
Trade receivables, prepayments and other assets	642	503,930	504,572
Bank balances and cash	192	140,237	140,429
Liabilities			
Lease liabilities	-	(2,732)	(2,732)
Employees' end of service benefits liability	(191)	(6,602)	(6,793)
Deferred tax liability	-	(9)	(9)
Loan from a related party	(24,750)	-	(24,750)
Due to related parties	(3,807)	(401,274)	(405,081)
Trade and other payables	455	(264,227)	(263,772)
Equity	(27,178)	67,557	40,379

21 EMPLOYEES' END OF SERVICE BENEFITS

The movements of the employees' end of service benefits liability recognised in the consolidated statement of financial position are as follows:

	2023 SAR'000
DBO as at 20 April	-
Transfer on reorganisation (Note 30)	163,822
Current service cost	15,857
Interest costs	(3,022)
Remeasurement actuarial gain	(1,531)
Accrual of benefit plan asset interest	2,911
Transferred from related parties	276
Payments during the period	(19,803)
DBO as at 31 December*	158,510

Details of employees' benefit expense as presented on the consolidated statement of profit or loss and comprehensive income is as follows:

	2023 SAR'000
Current service cost	15,857
Interest cost	(3,022)
Recognised in profit or loss	12,835
Remeasurement actuarial gain	1,531
Recognised in other comprehensive income	1,531

The significant assumptions used in determining defined benefits liabilities are shown below:

	2023
Average discount rate – KSA	4.8%
Average discount rate – UAE	4.85%
Salary increase	3%

Sensitivity analysis

The table below shows the change in employee benefits liability based on a reasonable possible change in the base assumption value for discount and increment rates:

	Change (bps)	2023 SAR'000
Discount rate	1%	(12,960)
	(1)%	15,064
Salary increase	1%	15,762
	(1)%	(13,762)

*The Group has set aside assets in a plan specifically for the purpose of funding employees' end of service benefits obligations. Contributions to the plan are upon the discretion of the Group. The plan is deemed a saving fund. The interest received in the plan is accrued as part of the provision of employee's end of service indemnity payable.

Equiom, the plan's trustee, has placed the contribution with Barclays Bank, a financial institution in the United Kingdom.

During the period, the plan asset has earned interest amounting to SAR 2,911 thousand. The average interest rate is 5.26% per annum.

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The movement of the plan assets is as follows:

	2023 SAR'000
As at 20 April	-
Transfer on reorganisation (Note 30)	105,032
Interest earned during the period	2,911
As at 31 December	107,943

The fair value of plan assets is as follows:

	2023 SAR'000
Bank balances and cash	107,943

22 TRADE AND OTHER PAYABLES

	2023 SAR'000
Trade payables	312,831
Deferred revenue (Note 5)	1,908,701
Accrued expenses	688,146
Contract liabilities (Note 4.2)	396,671
Provision for income tax and zakat (Note 10)	8,873
Other payables	34,928
	3,350,150

23 DERIVATIVE FINANCIAL INSTRUMENTS

As of 31 December 2023, the Group has call options which meet the definition of derivative financial instruments under IFRS 9 – Financial Instruments and which are measured at fair value in accordance with IFRS 13– Fair Value Measurement.

The Group also has call options relating to commercial marketing agreements. Those options are deemed insignificant to the Group and are valued at SAR Nil as of 31 December 2023. Further, below are the call options with their fair value as of 31 December.

	2023 SAR'000
ACSC Option (a)	-
Tapmad Option (b)	6,012
MMS UAE Option (c)	16
	6,028

(a) ACSC Option

In August 2020, the Group entered into a shareholders' agreement to acquire a 5% stake in ACSC (Note 14). As part of the agreement, the Group had an option to purchase an extra 15% of the total issued shares. The option expires on 1 July 2024. The option became exercisable from 1 January 2021. Further, on 10 October 2022, the Group and Engineer Holding Group ("the other shareholder") has exercised the Group's call option.

The Group has engaged a valuation specialist to estimate the value of the call option. The call option was deemed to be a derivative instrument that is required to be measured at FVTPL in accordance with IFRS 13 - Fair Value Measurement. The derivative financial instrument was categorised within Level 2 of the fair value hierarchy.

The valuation methodology used to determine the fair value of the option was the Monte Carlo simulation model. Based on the model, the ACSC Option was valued and recognised at SAR 337,500 thousand as of 31 December 2021. On 10 October 2022, the Group exercised its call option and acquired an additional 15% shareholding on ACSC. Consequently, the SAR 337,500 thousand fair value of the call option was revalued at the date of exercise giving a loss of SAR 5,250 thousand and was reclassified to investment in associate [Note 14.2 (c)].

(b) Tapmad Option

In October 2021, the Group entered into a shareholders' agreement to acquire a further stake in Tapmad shares (Note 14). As part of the agreement, the Group has an option to purchase an extra 10% of the total issued shares. Furthermore, the agreement gives the Group an additional right to increase their shareholding in Tapmad to 51% or more.

Further, the Group has engaged a valuation specialist to estimate the value of the call option as of 31 December 2021. The call option was deemed to be a derivative instrument that is required to be measured at FVTPL in accordance with IFRS 13 - Fair Value Measurement. The derivative financial instrument is categorised within Level 3 of the fair value hierarchy.

The valuation methodology used to determine the fair value of the option was the Binomial Option Pricing model. Based on the model, the Tapmad Option was valued and recognised at SAR 6,012 thousand as of 31 December 2023. Accordingly, during the period, an unrealised gain on the option amounting to SAR 5,102 thousand was recognised in the consolidated statement of comprehensive income. The Group will continue to reassess the value of the call option at each reporting date.

(c) MMS UAE Option

In accordance with the shareholders' agreement between MMS BVI, a fully owned subsidiary, and Engineer Holding Group ("the other shareholder"), MMS BVI has a call option to acquire all of the non-controlling interest in MMS UAE. In 2021, Engineer Holding Group transferred its ownership on MMS UAE to Saudi Media Advertising Company (SMAC), a company incorporated in the Kingdom of Saudi Arabia.

The Group has engaged a valuation specialist to estimate the value of the call option. The call option was deemed to be a derivative instrument that is required to be measured at FVTPL in accordance with IFRS 13 - Fair Value Measurement.

The fair value of the call option was determined based on the Black-Scholes Option Pricing Model. One of the key inputs to the option pricing model is the current fair value of the equity of MMS UAE which is subject to significant management judgements and estimates), such as the nature and logistics of MMS UAE's business along with its incorporation date. The fair value of the equity of MMS UAE is based on a market participant's viewpoint.

Based on the model and the consideration of the operations and contracts in place, the MMS UAE Option was assessed to have a value of SAR 16 thousand as of 31 December 2023. Accordingly, during the period, an unrealised loss on MMS UAE Option amounting to SAR 2,141 thousand was recognised in the consolidated statement of comprehensive income. The Group will continue to reassess the value of the call option at each reporting date.

24 RISK MANAGEMENT

The Group's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the Group. The management provides guidelines covering specific areas, such as market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. The management of the Group reviews and agrees policies for managing each of these risks which are summarised below:

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date, the Group is exposed to interest rate risk as the Group invests cash funds at both fixed and floating interest rates and incurs variable finance charges for its finance lease liability. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate deposits.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the reporting date. For floating rate assets, the analysis is prepared assuming the amount of the asset outstanding at the reporting date was outstanding for the whole period. A 50-basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates. This includes the Group's short-term deposits and lease liabilities.

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If interest rates had been 50-basis points higher/lower and all other variables were held constant, the Group's profit for the period ended 31 December 2023 would increase/decrease by SAR 192 thousand. This is mainly attributable to the Group's exposure to interest rates on its finance lease liability.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Group is exposed to credit risk on its bank balances, trade receivables, accrued revenue and due from related parties. The Group seeks to limit its credit risk with respect to bank balances by dealing only with reputable banks and with respect to trade receivable by monitoring outstanding receivables.

With respect to credit risk arising from the other financial assets of the Group, including bank balances, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management and the Group maintains an allowance for doubtful debts based on expected collectability of all receivables.

Credit risk is limited to the carrying values of financial assets in the consolidated statement of financial position:

	2023 SAR'000
Trade and other receivables (excluding advances to suppliers, advance for programme rights, and prepaid expenses) (Note 16)	2,185,453
Due from related parties (Note 17)	433,573
Derivative financial instruments (Note 23)	6,028
Bank balances and cash (Note 18)	826,803
	3,451,857

Trade receivables and contract assets

Credit risk is managed through the Group's policy, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security.

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix:

31 December 2023

	Trade receivables and contract assets						
	Days past due						Total
	Contract assets SAR'000	Current SAR'000	<30 days SAR'000	31-60 days SAR'000	61-90 days SAR'000	>90 days SAR'000	
Expected credit loss rate	6.25%	0.31%	0.63%	2.10%	1.07%	63.30%	16.0692%
Estimated total gross carrying amount at default	528,118	364,983	108,138	19,856	18,765	278,760	1,318,620
Expected credit loss	33,007	1,131	681	417	201	176,455	211,892

Due from related parties

Amounts due from related parties are not considered to represent significant credit risk because these amounts are due from the companies owned by the ultimate parent company and therefore do not carry any significant risks of default. The shareholder has resolved to bear losses, if any, that arises on recoverability of the amounts due from related parties. As of reporting date, an amount of SAR 15,595 thousand was provision for impairment against due from related parties.

Bank balances and short-term deposits

Bank balances and short-term deposits are placed with financial institutions whose credit ratings, as assigned by reputable external credit rating agencies, are of a higher grade. These balances are callable on demand and there has been no history of defaults. The Group limits its credit risk with regard to bank balances by only dealing with reputable banks and counterparties with high credit ratings and no history of default. Considering these factors, management has assessed the credit risk on bank balances and has recognised an allowance for expected credit losses of SAR 883 thousand as of 31 December (Note 18).

Liquidity risk

Ultimate responsibility for liquidity risk management rests with management, which has an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

The table below summarises the maturities of the Group's undiscounted financial liabilities at 31 December 2023, based on contractual payment dates and current market interest rates.

At 31 December 2023

	1 to 12 months SAR'000	>1 year SAR'000	Total SAR'000
Lease liabilities	17,679	54,419	72,098
Due to related parties	47,695	-	47,695
Trade and other payables (excluding, provision for income tax and deferred revenue)	1,035,905	-	1,035,905
Loan from a shareholder	497,250	-	497,250
Borrowings	187,500	-	187,500
Loan from a related party	-	64,167	64,167
Total	1,786,029	118,586	1,904,615

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposure to exchange rate fluctuations arise. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Assets 2023 SAR'000	Liabilities 2023 SAR'000
Sterling pound	(582)	1,997
Egyptian pound	52,589	15,170
Euro	6,262	8,135
Kuwaiti Dinar	1,548	(69)

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Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 10% increase in the SAR against the relevant foreign currencies. 10% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the reporting date for a 10% change in foreign currency rates. A negative number below indicates a decrease in profit where the SAR increases against the relevant currency. For a 10% weakening of the SAR against the relevant currency, there would be an equal and opposite impact on the profit, and the balances below would be positive.

	2023 SAR'000
Sterling pound	258
Egyptian pound	(3,742)
Euro	187
Kuwaiti Dinar	(162)

This is mainly attributable to the exposure to outstanding trade payables, trade receivables, bank balances, and amounts due from/to related parties at the period-end.

Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to the shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2022.The capital structure of the Group consists of equity comprising share capital, proposed share capital increase, retained earnings and foreign currency translation reserve measured at SAR 3,779,232 thousand as at 31 December 2023.

25 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash and bank balances, derivative financial instruments, trade and other receivables and due from related parties. Financial liabilities consist of trade and other payables, excluding provision for income tax, borrowings, lease liabilities, and due to related parties. Except for the Investment at FVPL and derivative financial instruments explained below, the financial assets and liabilities are recorded at their carrying amounts which are within reasonable approximation of their fair values. The derivatives financial instruments are categorised within Levels 2 and 3 of the fair value hierarchy (Note 23).

The Group has call options for some of its investments in its subsidiaries and associates whose fair value are estimated using valuation techniques including the Black-Scholes Option Pricing Model, Monte Carlo simulation model and the Binomial Option Pricing model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. The Group limits its risk regularly reassessing a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

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

26 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Judgements, estimates and assumptions

In the process of applying the Group's accounting policies, management has made the following estimates and judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset). The Group included the renewal period as part of the lease term for leases of plant and equipment with shorter non-cancellable period (i.e., three to five years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of plant and equipment with longer non-cancellable periods (i.e., 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised. In addition, the renewal options for leases of motor vehicles are not included as part of the lease term because the Group typically leases motor vehicles for not more than five years and, hence, is not exercising any renewal options. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Estimations and assumptions

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

Allowance for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

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The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 24.

Impairment of amounts due from related parties

An estimate of the collectible amount of due from related parties is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision is applied according to the length of time past due, based on historical recovery rates. At the reporting date, SAR 15,595 thousand was impaired to the carrying amount of due from related parties.

Classification of inventories

Considering the nature of inventories, which mainly consists of acquired and developed programmes, Group believes that these inventories are expected to be realised or intended to be sold or consumed within the Group's normal operating cycle which is beyond 12 months after the end of the reporting period and hence classified as current.

Impairment of inventories

Inventories, which are mainly cost of acquired and developed programmes, are stated at cost less accumulated amortisation and accumulated impairment, if any. Factors influencing the amortisation and impairment include the length of the licence period of the programme and likelihood of the programme being aired.

Based on the above factors, management ensures that the programmes acquired and developed are relevant for transmission or airing requirement and appropriate allowances for slow moving and obsolete inventories are recorded against the cost for those programmes whose licence has expired. Revisions to the allowance for slow moving and obsolete inventories would be required if the outcome of these indicative factors differ from the estimates. Programme amortisation and write-offs recognised in the consolidated statement of comprehensive income for the period ended 31 December 2023 amounted to SAR 637,947 thousand and are included within 'Direct costs'. (Note 6).

Amortisation of programme inventories

Management has considered the likely period of benefits to be derived from broadcasting programme inventories. Based on past experience, management considers substantially all related benefits from broadcasting an acquired programme right are consumed based on the transmission of the show/series, irrespective of the length of time the broadcasting right has left to run.

The Group also holds inventory of programmes for which it has comprehensive exploitation rights that are typically not limited in time. The programmes are either produced in-house, commissioned from other production houses, or acquired "ready-made" from other parties. The group derives commercial benefit by selling transmission licenses that are limited in terms of time and number of runs to third parties. Based on past experience, management believes that substantially all benefits from the sale (licensing) of programmes are realised within three years from first availability, and a significant majority of those benefits are realised during the first two years of that period.

The cost of programmes is amortised based on an internal agreed percentage for each category and when the related content is broadcasted and aired to public. SHAHID content inventory is amortised on an accelerated basis which is the lesser of six years or the license period.

Interactivity revenue

Interactivity revenue represents income from the use of interactive services and is recognised based on interactive transaction volumes from internal reports, adjusted for estimated uncertainties based on management's prior experience of differences arising between internal estimates and final reconciliation of external service provider data. Based on management's best estimate of the volume of interactive transactions likely to be confirmed and paid by the third-party service providers, management is satisfied that the recognition of the interactivity revenue is appropriate.

Revenue recognition – Estimating variable consideration for volume rebates

The Group estimates variable considerations to be included in the transaction price for the sale of advertising with volume rebates.

The Group's expected volume rebates are analysed on a per customer basis for contracts that are subject to a single volume threshold. Determining whether a customer will be likely entitled to rebate will depend on the customer's historical rebates entitlement and accumulated purchases to date.

The Group applied the statistical model for estimating expected volume rebates for contracts with more than one volume threshold. The model uses the historical purchasing patterns and rebates entitlement of customers to determine the expected rebate percentages and the expected value of the variable consideration. Any significant changes in experience as compared to historical purchasing patterns and rebate entitlements of customers will impact the expected rebate percentages estimated by the Group.

The Group updates its assessment of volume rebates quarterly and the refund liabilities are adjusted accordingly. Estimates of volume rebates are sensitive to changes in circumstances and the Group's past experience regarding rebate entitlements may not be representative of customers' actual rebate entitlements in the future. As at 31 December 2023, the amount recognised as refund liabilities classified as part of accrued expenses for the expected volume rebates was SAR 87,987 thousand.

Useful lives of property and equipment and intangible assets

The Group's management determines the estimated useful lives of its property and equipment and intangible assets for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Valuation of financial instruments

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair value using valuation techniques including simulation and pricing models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Determination of significant influence in an associate-Wego

The Group concluded that it has significant influence over Wego (less than 20% shareholding). The shareholder agreement grants the Group voting rights on the board of directors. In addition, the Group concluded that some of the reserved matters are substantive in nature and, accordingly, the Group has significant influence on relevant activities of Wego.

Notes to the Consolidated Financial Statements

For the period from 20 April 2023 to 31 December 2023

30 TRANSFER ON REORGANISATION

a. Assets and liabilities transferred

As explained in Note 1 of these consolidated financial statements, the reorganisation was completed on 22 June 2023 during which the legal ownership of all the Group entities was transferred to the new holding company. With the effect of such transfer, following assets and liabilities of all the subsidiaries were transferred to the Group and hence consolidated from that date onwards.

As a result, the notes for all the relevant account balances include a line item as a part of the movement during the period ended 31 December 2023 as "transfer on reorganisation". This essentially represents the balance of the relevant account balance of each of the Group subsidiaries as at 22 June 2023.

	22 June 2023 (Unaudited) SAR'000
ASSETS	
Property and equipment	97,871
Intangible assets	52,002
Right-of-use assets	40,080
Investments in associates and joint ventures	1,068,612
Investment in financial asset through profit or loss	13,709
Employees' end of service benefits plan assets	105,032
Deferred tax assets	273
Other non-current assets	20
Inventories	2,790,771
Trade receivables, prepayments and other assets	1,842,108
Due from related parties	384,464
Bank balances and cash	798,116
Derivative financial instruments	3,067
TOTAL ASSETS	7,196,125
LIABILITIES	
Lease liabilities	44,613
Employees' end of service benefits	163,822
Loan from a related party	64,167
Deferred tax liability	16
Trade and other payables	3,193,647
Due to related parties	19,936
Loan from a shareholder	497,250
Borrowing	206,251
TOTAL LIABILITIES	4,189,702
EQUITY	
Share capital	500
Capital Contribution	2,992,672
Non-Controlling interests	13,251
TOTAL EQUITY	3,006,423
TOTAL LIABILITIES AND EQUITY	7,196,125

b. Additional financial information in the event of retrospective financial reporting

In an event of adopting retrospective financial reporting under the principle of 'substance over form' as explained in Note 1, that the reorganisation is in substance a combination of the existing Group entities as if the Company had always owned the existing Group entities, the consolidated statement of comprehensive income and consolidated statement of financial position as at 31 December 2023 and 2022 of the Group would have been presented as disclosed on the next page.

Consolidated statement of comprehensive income:

	2023 SAR'000	2022 SAR'000
Revenue from contracts with customers	2,800,027	2,353,711
Other operating revenues	903,876	1,135,023
Direct costs	(2,782,638)	(2,847,598)
Gross profit	921,265	641,136
General and administrative expenses	(1,008,578)	(815,196)
Operating loss	(87,313)	(174,060)
Other income	120,665	203,159
Finance (costs)/income - net	(7,572)	2,359
Share of results in associates and joint ventures	51,214	14,187
Unrealised (loss)/gain on investment in financial asset at fair value through profit or loss (FVTPL)	(5,862)	10,771
Gain/(Loss) on derivative financial instruments	3,229	(1,326)
Profit before tax	74,361	55,090
Income tax and zakat	(5,073)	(7,224)
Profit for the year	69,288	47,866
Attributable to:		
Equity holders of the parent	65,286	34,974
Non-controlling interests	4,002	12,892
	69,288	47,866
Other comprehensive income		
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):</i>		
Exchange differences on translating foreign operations, net	(1,082)	(4,536)
Share of other comprehensive income of associates, net	30	780
<i>Other comprehensive income that may not be reclassified to profit or loss in subsequent periods (net of tax):</i>		
Remeasurement (loss)/gain on defined benefits plans	(799)	35,452
Other comprehensive income for the year	(1,851)	31,696
Total comprehensive income for the year	67,437	79,562
Attributable to:		
Equity holders of the parent	64,107	67,864
Non-controlling interests	3,330	11,698
	67,437	79,562

Notes to the Consolidated Financial Statements

For the period from 20 April 2023 to 31 December 2023

Consolidated statement of financial position:

	2023 SAR'000	2022 SAR'000
ASSETS		
Non-current assets		
Property and equipment	116,275	105,482
Intangible assets	67,121	40,668
Right-of-use assets	59,347	36,285
Investments in associates and joint ventures	1,201,204	979,693
Investment in financial asset at fair value through profit or loss (FVTPL)	15,891	18,689
Employees' end of service benefits plan assets	107,943	102,518
Deferred tax assets	1,397	189
Other non-current assets	21	20
	1,569,199	1,283,544
Current assets		
Inventories	2,590,326	2,567,955
Trade receivables, prepayments and other assets	2,733,318	1,497,827
Due from related parties	433,573	307,564
Bank balances and cash	826,803	689,404
Derivative financial instruments	6,028	2,799
	6,590,048	5,065,549
TOTAL ASSETS	8,159,247	6,349,093
EQUITY AND LIABILITIES		
Equity		
Share capital	2,992,500	-
Proposed share capital increase	763,750	-
Retained earnings	22,357	2,912,330
Legal reserve	-	78
Foreign currency translation reserve	625	(9,066)
Combined capital	-	10,064
Discretionary reserve	-	511
Other reserve	-	38,386
Equity attributable to equity holders of the parent	3,779,232	2,952,303
Non-controlling interests	11,636	8,306
Total equity	3,790,868	2,960,609
Non-current liabilities		
Lease liabilities	32,524	39,655
Employees' end of service benefits	158,510	149,371
Loan from a related party	64,167	64,167
Deferred tax liability	9	22
	255,210	253,215
Current liabilities		
Lease liabilities	30,574	9,445
Trade and other payables	3,350,150	2,574,520
Due to related parties	47,695	54,054
Loan from a shareholder	497,250	497,250
Borrowing	187,500	-
	4,113,169	3,135,269
Total liabilities	4,368,379	3,388,484
TOTAL EQUITY AND LIABILITIES	8,159,247	6,349,093

The revenue from contracts with customers for the year ended 31 December 2023 is presented below:

	2023 SAR'000	2022 SAR'000
Advertising revenue (i)	1,250,662	1,339,380
Digital revenue	709,225	502,888
Broadcast and technical services revenue (ii)	284,680	146,516
Distribution revenue	107,797	103,487
Interactivity revenue	84,535	70,809
Programme revenue	66,486	45,296
Event management revenue	27,584	82,024
Barter revenue	26,219	6,700
Artists management revenue	3,675	1,673
Other revenues (iii)	239,164	54,938
	2,800,027	2,353,711

(i) Advertising revenue

Advertising revenue is presented net of volume rebates amounting to SAR 85,441 thousand (2022: SAR 80,434 thousand).

(ii) Broadcast and technical services revenue

Broadcast and technical services revenue represent mainly the Group's revenue from providing broadcast and technical services for the Saudi Sports Channels, owned by Saudi Sports Company (SSC) Al Thakafya Channel, owned by the Ministry of Culture (MOC).

(a) Revenue from SSC channels

The term of the Group's agreement with SSC is for three years, commencing on 15/07/2022 and expiring on 14/07/2025. The contract covers three sports seasons which run from August to May. The Group recognizes revenue based on services provided for each season according to the pricing terms of the agreement. Where a contract pricing for a season is being finalized, the Group's revenue is limited to the cost incurred.

Revenue recognised from SSC for the year ended 31 December 2023 amounted to SAR 206,299 thousand (2022: SAR 146,516 thousand).

(b) Revenue from Al Thakafya Channel

During 2023, the Group recognised an amount of SAR 75,111 thousand (2022: Nil) for services provided to Al Thakafya Channel which equals costs while contract terms are being finalized.

In addition to the above, the Group also recognised revenue of SAR 3,270 thousand for broadcast services to Takhayal on its SHAHID platform.

(iii) Other revenues

Other revenues mainly represent the Group's revenue earned from production and events management services provided to General Entertainment Authority (GEA) and Neom for various projects during the year. Revenues are recognized based on services provided for the period and as per contract terms with the parties. In addition, commission income earned from providing advertising services on behalf of SSC and Tiktok are included herein.

Notes to the Consolidated Financial Statements

For the period from 20 April 2023 to 31 December 2023

Results of operating segments for the year ended 31 December 2023 are presented below:

	Broadcasting and Other Commercial Activities (a)	SHAHID (b)	M&E Initiatives (c)	Total
	SAR'000	SAR'000	SAR'000	SAR'000
Revenue from contract with customers	1,859,231	836,034	104,762	2,800,027
Other operating revenues	144,139	-	759,737	903,876
Total revenue	2,003,370	836,034	864,499	3,703,903
Operating costs*	(1,788,010)	(1,102,401)	(848,991)	(3,739,402)
Other income	121,286	(1,273)	652	120,665
Share of results in associates and joint ventures (net)	62,937	-	(11,723)	51,214
Loss on financial assets and derivative instruments (net)	(2,633)	-	-	(2,633)
Finance income/(costs) – net	(7,866)	-	294	(7,572)
Depreciation and amortisation	(39,056)	(11,558)	(1,200)	(51,814)
Segment results before income tax	350,028	(279,198)	3,531	74,361

Results of operating segments for the year ended 31 December 2022 are presented below:

	Broadcasting and Other Commercial Activities (a)	SHAHID (b)	M&E Initiatives (c)	Total
	SAR'000	SAR'000	SAR'000	SAR'000
Revenue from contract with customers	1,707,571	552,268	93,872	2,353,711
Other operating revenues	232,800	-	902,223	1,135,023
Total revenue	1,940,371	552,268	996,095	3,488,734
Operating costs*	(1,695,846)	(933,218)	(979,336)	(3,608,400)
Other income	201,180	1,292	686	203,158
Share of results in associates and joint ventures (net)	24,270	-	(10,083)	14,187
Loss on financial assets and derivative instruments (net)	10,771	-	-	10,771
Finance income/(costs) – net	2,492	-	(132)	2,360
Depreciation and amortisation	(45,747)	(9,067)	(906)	(55,720)
Segment results before income tax	437,491	(388,725)	6,324	55,090

*Operating costs include direct costs and General and administrative expenses except for depreciation of fixed assets and amortisation of intangible assets which are presented as separate line items.

- (a) **Broadcasting and Other Commercial Activities** Primarily includes advertising and other broadcasting-related ancillary activities
- (b) **SHAHID** Represents the results of operations of the Group's OTT platform
- (c) **M&E Initiatives** Includes revenues from funding linked to M&E Initiatives across various verticals (channel operations in selected markets, sports, content production, gaming and academy)

31 SUBSEQUENT EVENTS

Group's IPO on 8 January 2024

As described in Notes 1 and 19.1, on 21 November 2023, the Company announced its intention to float 10% of the authorised share capital of the Company on the Saudi Stock Exchange Market ("Tadawul") in KSA through an IPO, pursuant to the resolution passed by the shareholders of the Company. The trading of shares on Tadawul's main market officially commenced on 8 January 2024 under symbol 4072 and ISIN Code SA15U0CHVK19. The net proceeds of the offering, after deducting transactions elated to financial institutions' advisory and underwriting charges amounted to SAR 763,750 thousand.

EGP devaluation on 6 March 2023

On 6 March 2024 the Central Bank of Egypt announced its decision to allow the Egyptian Pounds (EGP) to freely float without intervention from the state. Following the announcement, the pound began floating shortly lost more than 60% of its value against the dollar. The Group assessed that devaluation of the EGP as a non-adjusting subsequent event and hence do not impact the Group's net position as of report.



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