

SAUDI NETWORKERS SERVICES CO



Saudi Networkers Services Co

Audit Committee report to the shareholders

For the financial year ended on 31 December 2024

M/S: The shareholders of Saudi Networkers Services Co

The Audit Committee of **Saudi Networkers Services Co** (the company) is honored to present its report for the year ended 31 December 2024. Audit Committee is established by a resolution of the Board of Directors as per the Company bylaws. The committee consists of three members as follows:

Name	Capacity
1- Dr. Abdullah Al-Hussaini	Chairman
2- Mr. Khalid Mohammed Abdulrahman Aleid	Member
3- Mr. Mohammad Abdulhakim Salem	Member

During the year ended 31 December 2024, the committee held (6) Six meetings.

As per its terms of reference approved by the shareholders general assembly, the committee continuously supervised internal and external audit processes. Through coordination with the internal audit department and the executive management of the company, the committee verifies the competence and effectiveness of the company internal control system. Further, the committee verifies the auditors' observations and recommendations and the soundness of the procedures already taken by management to apply these recommendations through the information it received within the reports issued from internal audit department.

As part of its duty, the company internal audit department examines the competence and effectiveness of the internal control system and verifies its application by various departments of the company. This is done by executing an annual internal audit plan prepared on the basis of risks assessment. Further, the committee prepares & presents reports to the board of directors on the results of its activities during the year.

Below is a summary of the committee activities during the year ended on 31 December 2024.

First: External audit & financial reports:

- 1- The committee discussed with the executive management of the company results of operations and financial position as appeared in the audited financial statements for the year ended 31 December 2024.
- 2- Through its direct meetings with external auditors, the committee verified auditors' independence and their commitment to carry out examining and auditing in accordance with the relevant standards and in accordance with the agreement and the approved professional fees. In these meetings, the committee presented questions to the auditors and to the company executive management to verify the completion of audit works and the existence of the basis that support the auditors' opinion, as well as discussing the points mentioned in the management letter and follow-up of their closure. The committee separately met with external auditors to freely understand if there are any observations on the cooperation and performance of the company finance department, if there are any restrictions on audit work, the adequacy of various provisions and estimates, the necessary basis on which the opinion of the external auditors is built, and that the data and financial report content is materially complete & consisting of the important financial information.

The committee recommended to SNS board of directors approval of interim financial statements as at 30 June 2024 & annual audited financial statements for the year ended 31 December 2024 along with external auditor report.

Audit committee also recommends to general assembly appointing & approving fees of KPMG as external auditor of the company among the candidates Ernst & Young (EY), PKF Ibrahim Ahmed Al-Bassam & Co. & KPMG in order to audit the financial statements for the half year end (30 June 2025) and annual year end (31 December 2025).

Second: Internal audit:

1- In its meetings, the committee verifies the independence of the company internal auditors, the availability & adequacy of the necessary sources and abilities to perform their tasks properly in the form that serves the company interests. The committee directly supervises the competent personnel to carry out the approved internal audit plan.

2- The committee approved the company's annual internal audit plan prepared by internal audit department. The committee regularly reviewed and verified the implementation of the annual internal audit plan.

3- Through performing its ordinary tasks, the audit committee reviews the company internal control system to make sure of its competence, effectiveness, application and complying with it by the company. This is assessed as well through the implementation of the annual internal audit plan.

4- The committee follows up the implementation of the agreed upon corrective procedures by management especially issues of high risks.

5- The committee held regular meetings with the external auditors, the company management & the internal auditors in 2024.

Third: Compliance:

The committee discussed & reviewed the compliance-related matters and reports prepared by management, followed up on the procedures to enhance compliance & provided its recommendations.

The committee reviewed the contracts and transactions conducted by the company with related parties, provided its feedback & made recommendations to the Board of Directors.

Fourth: Reports:

The committee issued regular reports to board of directors, informing the Board of Directors regarding the details of the committee meetings, the recommendations & the decisions.

The committee's opinion on the company's internal control, financial & risk management system:

Audit Committee regularly reviews effectiveness of the company's internal control, financial & risk management systems & provide its feedback. The internal audit section conducts risk-based audit plan, which is regularly monitored by the Audit Committee. The audit processes aim to evaluate the internal control, financial & risk management systems. The audit processes carried out by company's internal audit section, the external auditors & data received from executive management show the adequacy of the company's internal control, financial & risk management system & did not present any fundamental weaknesses. Accordingly, the Audit Committee believes that the internal control, financial & risk management system is operating within acceptable effectiveness, with some areas which needs

improvement. Further its stated that any audit, review or assessment cannot give an absolute confirmation as to the effectiveness of any internal control, financial & risk management system.

For Audit Committee of Saudi Networkers Services Co.



Dr. Abdullah Al-Hussaini

Audit Committee Chairman