

Summary of the Audit Committee's report for the year ended 31 December 2023

Read out during the General Assembly

Distinguished gentlemen/shareholders of Al-Dawaa Medical Services co.

Peace, mercy and blessings of God,

The Audit Committee is pleased to submit to its shareholders the summary of its annual report on the work, performance and observations of the Committee for the financial year ended 31 December 2023. The summary of the report is as follows:

Audit Committee's objective:

The Audit Committee shall perform its functions in accordance with the scope of work set out in the Company's Governance Regulation in conformity with the Saudi Arabia Corporate Governance Regulation issued by the Council of the Capital Market Authority.

The audit committee aims to verify the adequacy and effective implementation of the internal control system and make any recommendations to the Board of Directors that will activate and develop the system to achieve the purposes of the Company and protect the interests of shareholders and investors with high efficiency and affordability, to assist the Board in implementing its responsibilities related to internal control, accounting policies and financial reporting and to support the independence and objectivity of internal and external audit.

Composition of the Audit Committee and number of its meetings:

The Ordinary General Assembly, on the proposal of the Board of Directors of the Company, established a Audit committee of three members of an independent Board member and two independent members from outside the Board of Directors, namely:

- 1) Mr. Ibrahim Ben Salem Al-Ruwais(Board Member - Independent) Chairman of the Committee
- 2) Mr. Abdelrahman Abdullah Al-Dhahim (independent member from outside the Board of Directors) Committee member specializing in financial and accounting affairs
- 3) Mr. Walid Issam Sabri (independent member from outside the Board of Directors) Member of the Committee

Audit committee meetings during 2023

During 2023, the Committee held **seven** meetings in accordance with the Committee's approved plan and in conformity with the Corporate Governance Regulation.

Audit Committee's opinion on the adequacy of the company's internal and financial control and risk management system:

During 2023, the Audit Committee oversaw and supervised the performance and activities of the Internal Audit Department and verified its independence from executive management and ensured the effectiveness of the internal control system and procedures in protecting the Company's property, assessing and managing the risks of work and measuring the efficiency of performance through the adoption of the annual Internal Audit Department work plan. By the end of 2023, the Internal Audit Department had submitted several reports which the Audit Committee had examined and discussed and made recommendations to the Company's management to address the observations and add improvements. It had directed the Internal Audit

Department in coordination with the Executive Department to follow up on the implementation of corrective procedures for the observations and improvements contained in its reports.

It also reviewed the observations of the company's external auditor in assessing the effectiveness and efficiency of the internal control system through its audit of the company. The Committee recommended that the company's management examine and analyze the observations and suggestions made by the company's auditor and operationalize the recommendations that would help to improve the company's internal control system.

The Committee noted the company's risk management procedures and found that adequate resources and systems were available and comprehensive, commensurate with the nature and size of the company's activities and maintained an acceptable level of risk to which it might be exposed, maintained and not exceeded. The Committee also ascertained the usefulness of the company's continuity and successful continuation of its activity.

In addition, the Committee has not received any comments or observations from employees or stakeholders of the Company regarding any irregularities in financial or other reports through the Company's whistleblowing system.

The results of the audit referred to did not show a substantial weakness in the internal control system and procedures, and based on the data received by the Audit Committee from both the Financial Management and Internal Auditor's Management and the External Auditor supported the Audit Committee's conviction of the efficiency and effectiveness of the company's internal control system and procedures. No internal control system, regardless of the integrity of its design and the effectiveness of its application, can provide absolute assurance.

In conclusion, the Audit Committee expresses its gratitude and appreciation to the Board of Directors of the Company, represented by H.E. Samir bin Mohammed Abdulhadi, the members of the Board, H.E. the CEO of the Company and H.E. the Managing Director for their support and support to the Committee to accomplish its tasks and follow up them to achieve the objectives and aspirations of the shareholders of the Company.

Thanking you

Chairman of the Audit committee



Mr. Ibrahim bin Salem al-Ruwais