

Al Hammadi Holding Company invites its shareholders to attend the Ordinary General Assembly meeting. (First Meeting) through technology means.

The Board of Directors of Al Hammadi Holding Company is pleased to invite the shareholders of the company to attend the General Assembly Meeting (the first meeting), which is scheduled to be held, God willing, at exactly nine in the evening on thursday, 22/09/1444 AH corresponding to 13/04/2023 AD, through technology means using "Tadawulaty" portal.

Meeting agenda:

1. To review and discuss the report of the Board of Directors for the financial year ending on December 31, 2022 AD.
2. Vote on the independent auditor's report for the financial year ending on December 31, 2022 AD
3. To review and discuss the company's financial statements for the financial year ending on December 31, 2022 AD.
4. Vote on appointing the company's independent auditor from the candidates based on the recommendations of the Audit Committee for the audit and review of the financial statements for the second and third quarters and the annual statements for the year 2023 AD and the first quarter of the year 2024 AD and to determine his fees. (Attached)
5. Vote to release the members of the Board of Directors from liability for their management during the fiscal year ending on December 31, 2022
6. Vote on the payment of bonuses to the members of the Board of Directors for the fiscal year 2022 AD, with a total amount of (1,800,000 Saudi Riyals) one million eight hundred thousand Saudi Riyals.
7. Vote on delegating to the Board of Directors the authority to distribute interim dividends on a semi-annual or quarterly basis for the fiscal year 2024 AD.
8. Vote on delegating the of Board of Directors the authority of the Ordinary General Assembly with the authorization contained in Paragraph (1) of Article (71) of the Companies Regulations, for a period of one year from the date of approval of the General Assembly or until the end of the delegated Board of Directors' session, whichever is earlier, in accordance with the conditions contained in the regulations and regulatory procedures issued In implementation of the Companies Regulations for Listed Joint Stock Companies
9. Vote on dividend policy for shareholders for the next three years starting from the 3rd quarter 2022. The objective of the dividend policy is to maintain a minimum level of dividend per share on quarterly basis.

The dividend policy as follows:

alhammadi commits to pay at least 60% of its net profits per quarter for the next three years. The dividends policy will remain subject to change based on the following:

- A) Any material changes in the strategy and business of the company (including the business environment it operates in);
  - B) Laws and regulations that are applicable on the Company; and
  - C) Any banking, other funding or credit rating covenants that the company may be bound to follow from time to time.
10. Vote on the transactions that will be carried out between the company and Aziz Company for Contracting and Industrial Investment, in which the Chairman of the Board of Directors, Mr. Saleh Mohammad Al Hammadi, and the members of the Board, Dr. Abdulaziz Mohammad Al Hammadi,

Mr. Mohammad Saleh Al Hammadi, and Dr. Abdulaziz Saleh Al Hammadi have an indirect interest in them, noting that the nature of the transaction consists of purchase orders for support and supply services, and the value of the transaction during the previous year 2022 AD amounted to (865,597 SAR) eight hundred and sixty five thousand five hundred and ninety seven Saudi Riyals, noting that there are no preferential terms. (Attached)

11. Vote on the transactions that will be carried out between the company and Al Hammadi for Information Technology, in which the Board member, Mr. Mohammad Saleh Al Hammadi, has a direct interest, the Chairman of the Board, Mr. Saleh Mohammad Al Hammadi, and the members of the Board, Dr. Abdulaziz Mohammad Al Hammadi, and Dr. Abdulaziz Saleh Al Hammadi have an indirect interest, noting that the nature of the transactions is purchase orders for technical services, and the value of the transactions during the previous year 2022 AD amounted to (596,351 SAR) five hundred and ninety six thousand three hundred and fifty one Saudi Riyals, noting that there are no preferential terms. (Attached)
12. Vote on the transactions that will be carried out between the company and Artal Food Trading, in which the Board member, Mr. Nasser Hamd Binsaif, has a indirect interest, noting that the nature of the transactions is purchase orders for support and supply services, and the value of the transactions during the previous year 2022 AD amounted to (5,973,180 SAR) five million nine hundred and seventy three thousand one hundred and eighty Saudi Riyals, noting that there are no preferential terms. (Attached)

Each of the shareholders registered in the company's shareholders register at the Depository Center at the end of the trading session preceding the general assembly meeting has the right to attend the assembly meeting in accordance with the rules and regulations.

As per Article (32) of the Company's by-laws, the quorum for holding the Ordinary General Assembly is the presence of shareholders representing at least 25% of the Company's share capital.

Shareholders registered in the Tadawulati portal can vote remotely on the agenda of the ordinary General Assembly from ONE o'clock in the morning on Monday 19 Ramadan 1444 AH (according to the Umm al-Qura calendar) corresponding to April 10, 2023 AD until the end of the time of the General Assembly, noting that the registration and voting in the Tadawulati portal is available for free to all shareholders using the following link: <https://www.tadawulaty.com.sa>

Eligibility for Attendance Registration and Voting Ends upon the Convenience of the General Assembly's Meeting. Eligibility for Voting on the Meeting Agenda Ends upon the Counting Committee Concludes Counting the Votes

We would like to draw the shareholders' attention to the fact that questions related to the assembly's items will be received on the day of its convening, starting from 7:30 pm until the end of the assembly on the telephone number (0112329999) or by e-mail to [Invest@alhammadi.com](mailto:Invest@alhammadi.com).





## نموذج التوكيل

### Proxy Form

**Dear Shareholders of Al Hammadi Holding Company...**

Please note that the proxy form is unavailable, as the General Assembly Meeting shall be held by Means of Modern Technology.

Only shareholders registered in the Tadawulaty can electronically vote on the agenda items of the General Assembly Meeting. Registration and voting on the Tadawulaty is free for all shareholders.

**السادة / مساهمي شركة الحمادي القابضة  
الكرام...**

نحيطكم علماً بأن نموذج التوكيل غير متوفر حيث سيتم عقد الجمعية العامة عن طريق وسائل التقنية الحديثة.

ويحق فقط للمساهمين المسجلين في خدمة تداولتي التصويت إلكترونياً على بنود جدول أعمال اجتماع الجمعية العامة.

علماً بأن التسجيل في خدمة تداولتي والتصويت متاح مجاناً لجميع المساهمين.

Audit Committee Report to the General Assembly  
For the Financial Year Ended December 31, 2022

Major Committee Activities During the Year 2022

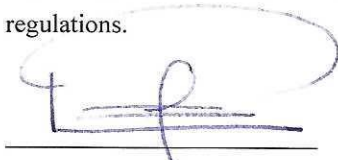
During the year 2022, the Audit Committee of Al Hammadi Holding Company carried out activities that fall within the scope of its competence, the major activities were:

- Supervising the activities of the Internal Audit Department in the company and following up on the implementation of its plan.
- Reviewing the internal audit reports issued during the year 2022 and following up the implementation of corrective measures for the observations contained therein.
- Recommending to the Board of Directors to appoint an external auditor for the financial year ended on December 31, 2022 and the first quarter of 2023.
- Supervising the activities of the external auditor, reviewing the audit plan, verifying his independence, ensuring that there are no technical or administrative activities outside the scope of audit work were submitted, as well as meeting with him periodically.
- Reviewing the quarterly and annual financial statements and submitting the necessary recommendations in this regard to the Board of Directors.
- Continuous communication with the Board of Directors to inform it of the updates of the Audit Committee's recommendations related to internal and external audit activities, as well as what is related to the company's control policies and procedures.

Results of the Annual Review of the Effectiveness of the Company's Internal Control System:

The internal control system aims to ensure effective and efficient achievement of the company's objectives, compliance with laws, regulations and policies, as well as the management of potential risks. The company's management is responsible for setting-up a comprehensive and effective control system commensurate with the level of risks that the company may be exposed to. The Audit Committee continuously reviews the periodic reports prepared by the internal and external auditors and the company's various departments related to internal control.

Based on what was reached by the results of the annual reviews, the Audit Committee would like to point out that it did not find material issues that could be mentioned in this report. We also point out that there is continuous communication between the Audit Committee and the executive management of the company regarding the periodic follow-up to assess and review the control system to ensure the achievement of internal control objectives by improving the efficiency of operations and raising their effectiveness while adhering to the relevant laws and regulations.



Mr. Aziz Algahtani  
Board Member  
Audit Committee Chairman



**Limited assurance report on the declaration submitted by the Chairman of the Board of Directors on the company's transactions and contracts in which there is any interest for any member of the Board of Directors, whether directly or indirectly**

**"Declaration"**

**for year ended 31 December 2022**

**To the shareholders**

**Al Hammadi Holding Company (Previously Al Hammadi Company for Development and Investment)**

**(Saudi Joint Stock Company)**

**Riyadh -Kingdom of Saudi Arabia**

Based on the request made by the Board of Directors of Al Hammadi Holding Company (Previously Al Hammadi Company for Development and Investment) (the 'Company'), we carried out limited assurance procedures on the Declaration submitted by the Chairman of the Board of Directors to the shareholders of the Company on the company's transactions and contracts in which there are interests for any member of the Board of Directors, whether directly or indirectly.

**SUBJECT MATTER**

The subject matter is the Declaration prepared in accordance with the requirements of Article No. (71) of the Companies law in the Kingdom of Saudi Arabia.

**APPLICABLE CRITERIA**

The applicable criteria against the subject matter are as follows:

- The requirements of Article No. (71) of the Companies law in the Kingdom of Saudi Arabia.
- The minutes of the general assembly meetings of shareholders of the Company that permitted the transactions and contracts.
- The company's accounting records and books for the fiscal year ended 31 December 2022.

**MANAGEMENT RESPONSIBILITY**

The Company's management is responsible for the preparation of the Declaration in accordance with the Applicable Criteria mentioned in the above section "Applicable Criteria". Further, the Management of the Company is responsible for preparing and presenting the financial information that included in the Declaration Form and for such internal controls determined necessary to the preparation and presentation of the financial information included in the Declaration in accordance with the Applicable Criteria that are free from material misstatement, whether due to fraud or error and maintaining the supporting documents and financial records and books that support these transactions.

**Limited assurance report on the declaration submitted by the Chairman of the Board of Directors of Al Hammadi Holding Company (Previously Al Hammadi Company for Development and Investment) for year ended 31 December 2022 (Continued)**

**OUR RESPONSIBILITY**

Our responsibility is to provide a limited assurance report on the subject matter to form a conclusion, based on our limited assurance procedures on whether anything has come to our attention to indicate that the Declaration is not prepared in all material respects, in accordance with the applicable criteria.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (3000). ("Assurance engagements other than audits or reviews of historical financial information") as endorsed in the Kingdom of Saudi Arabia.

Our procedures were designed to obtain a limited level of assurance to form a base of conclusion on the Declaration related to any company's member of the Board of Directors with any interest, both directly and indirectly and on this context it does not provide all the evidence that would be required to give a reasonable level of assurance.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants endorsed in the Kingdom of Saudi Arabia, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour

The firm applies International Standard on Quality Control (1). "Quality Control for Firms That Perform Audits and Reviews of Financial Statements, and other assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Summary of the Work Performed**

Our procedures included the following:

- Agree the information and data included in the Declaration to the company's accounting records and books for the fiscal year ended 31 December 2022.
- Agree the information included in the Declaration to the approval of the shareholders general assembly meetings of the company that permitted the transactions and contracts for the fiscal year ended 31 December 2022.

The procedures performed in the limited assurance engagement differ in the nature and timing from the reasonable assurance engagement and are less in scope and thus the level of assurance that is achieved in the limited assurance engagement is much less than the assurance that would have been obtained if a reasonable assurance engagement had been performed.

**Limited assurance report on the declaration submitted by the Chairman of the Board of Directors of Al Hammadi Holding Company (Previously Al Hammadi Company for Development and Investment) for year ended 31 December 2022 (Continued)**

**CONCLUSION**

Based on the limited assurance procedures performed and evidence obtained, nothing has come to our attention causing us to believe that the information included in the attached Declaration are not prepared, in all material respects, in accordance with the applicable criteria.

**RESTRICTION OF USE**

This report is solely issued for the purpose of submission to the management of the Company along with the Declaration submitted by the Chairman of Board of Directors to the Company's Shareholders, therein which discloses any interest for any member of the Board of Directors, both directly or indirectly, and may not be suitable, used or provided for any other purposes.

**OTHER MATTERS**

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

We stamped the attached Declaration for identification purpose only.

For Dr. Mohamed Al-Amri & Co

Gihad Al-Amri

Managing Partner

Registration No.: 362

Date: 29 Sha'ban 1444(H)

Corresponding to: 21 March 2023(G)





Date: March 14, 2022

Respected Shareholders of Al Hammadi Development and Investment Company

**Subject: Reporting to the General Assembly about transactions and contracts in which the members of the Board of Directors have a direct or indirect interest during the financial year ending on December 31, 2022**

Based on the requirements of Article (71) of the Companies Regulations and Clause (9) of Article (27) of the Corporate Governance Regulations issued by the Capital Market Authority; We would like to inform your esteemed assembly of the transactions and contracts that took place during the financial year ending on December 31, 2022 in which some members of the Board of Directors have an interest, with a statement of the details related to the names of those concerned with those transactions and contracts, the nature of those transactions and contracts, their duration, and amount as shown in Annex No. (1). We would also like to point out that these transactions and contracts are subject to the same terms as those applicable to transactions with other parties, and there are no preferential terms.

We also attach to you the report of the company's external auditor in this regard.

Noting that the transactions and contracts expected to be completed during the financial year ending on December 31, 2023 have been submitted to the company's board of directors for their recommendation to be presented to the general assembly for approval.

Please accept the highest consideration and respect.

Saleh Mohammed Al Hammadi  
Chairman of the Board







## Annex No. (1)

| Sr. | Contracting Party                                             | Nature                                 | Related Parties                                                                                                         | Interest                                     | Duration                                                                                                                                                            | Amount During 2022 SAR |
|-----|---------------------------------------------------------------|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| 1   | Mr. Saleh Mohammed Al Hammadi                                 | Employees Housing Rental               | Saleh Mohammed Al Hammadi<br>Abdul Aziz Mohammad Al Hammadi<br>Mohammed Saleh Al Hammadi<br>Abdul Aziz Saleh Al Hammadi | Direct<br>Indirect<br>Indirect<br>Indirect   | For the year 2022 (noting that the renewal has been made for fifteen years, starting from 2023, according to the approval of the General Assembly on June 20, 2022) | 7,811,500              |
| 2   | Dr. Abdul Aziz Mohammad Al Hammadi                            | Employees Housing Rental               | Saleh Mohammed Al Hammadi<br>Abdul Aziz Mohammad Al Hammadi<br>Mohammed Saleh Al Hammadi<br>Abdul Aziz Saleh Al Hammadi | Indirect<br>Direct<br>Indirect<br>Indirect   | For the year 2022 (noting that the renewal has been made for fifteen years, starting from 2023, according to the approval of the General Assembly on June 20, 2022) | 3,955,500              |
| 3   | Aziz Contracting and Industrial Investment company            | Purchase orders for support services   | Saleh Mohammed Al Hammadi<br>Abdul Aziz Mohammad Al Hammadi<br>Mohammed Saleh Al Hammadi<br>Abdul Aziz Saleh Al Hammadi | Indirect<br>Indirect<br>Indirect<br>Indirect | Not applicable                                                                                                                                                      | 865,597                |
| 4   | Al Hammadi for Information Technology                         | Purchase orders for technical services | Saleh Mohammed Al Hammadi<br>Abdul Aziz Mohammad Al Hammadi<br>Mohammed Saleh Al Hammadi<br>Abdul Aziz Saleh Al Hammadi | Indirect<br>Indirect<br>Indirect<br>Direct   | Not applicable                                                                                                                                                      | 596,351                |
| 5   | Mrs. Haya Mohammed Al Hammadi & Mrs. Sara Mohammed Al Hammadi | Employees Housing Rental               | Saleh Mohammed Al Hammadi<br>Abdul Aziz Mohammad Al Hammadi<br>Mohammed Saleh Al Hammadi<br>Abdul Aziz Saleh Al Hammadi | Indirect<br>Indirect<br>Indirect<br>Indirect | For the year 2022 (noting that the renewal has been made for fifteen years, starting from 2023, according to the approval of the General Assembly on June 20, 2022) | 630,000                |
| 6   | Artal Food Est. Trading Co.                                   | Purchase orders for supplies           | Dr. Nasser Hammad Bin Seif                                                                                              | Indirect                                     | Not applicable                                                                                                                                                      | 5,973,180              |



## **Independent auditor's report**

**To the shareholders of  
Al Hammadi Holding Company (Previously Al Hammadi Company for Development and Investment)  
(a Saudi Joint Stock Company)  
Kingdom of Saudi Arabia**

### **Opinion**

We have audited the consolidated financial statements of **Al Hammadi Holding Company (Previously Al Hammadi Company for Development and Investment)** (the "Company") and its subsidiaries (collectively the "Group"), which comprise of the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in shareholders' equity, and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements including a summary of significant accounting policies.

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 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended 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 ("SOCPA").

### **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 professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements and we have fulfilled our ethical responsibilities in accordance with these requirements. 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 for the current year ended. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Revenue recognition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | How the key audit matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p>The Group recognized revenue of SAR 1.1 billion during the year ended 31 December 2022 (31 December 2021: SAR 0.95 billion).</p> <p>The Group recognizes revenue upon satisfaction of performance obligations attached to medical and related services at the fair value of consideration received or receivable, net of variable consideration.</p> <p>Certain contracts with customers include variable considerations in the form of prompt payment discount or any expected discounts for some of the services provided.</p> <p>Significant accounting judgments, estimates and assumptions are made by the management to determine the variable consideration.</p> <p>Revenue recognition is considered as a key audit matter due to the existence of risks associated with the amount of revenues related to the controls and judgments that mainly depend on management's estimates when the amount of revenue is recognized.</p> | <p>Our procedures for auditing revenue recognition included the following:</p> <ul style="list-style-type: none"> <li>- Assessed the appropriateness of the Group's revenue recognition and its compliance with International Financial Reporting Standard No. (15) "Revenue from Contracts with Customers".</li> <li>- Assessed the appropriateness of significant accounting judgments, estimates and assumptions made by the management to determine the revenue recognition and the variable consideration based on the contracts' terms.</li> <li>- Assessed the design and implementation of the operating effectiveness of relevant controls in relation to revenue recognition.</li> <li>- Involved our IT experts in testing the applied IT controls and the internal control around them.</li> <li>- Performed analytical procedures on revenues.</li> <li>- Performed tests (on a sample basis) of settlements, claims and collections made with major clients of the Group.</li> <li>- Assessed the adequacy of relevant disclosures in the consolidated financial statements.</li> </ul> |
| Refer to note 5 for the accounting policies and note 8 for the related disclosures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |



**key audit matters include – (continued)**

| Allowance for expected credit loss of trade receivable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | How the key audit matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <p>As at 31 December 2022, the Group trade receivable balance amounted to SAR 640 million (31 December 2021: SAR 606 million), and the allowance for expected credit loss balance amounted to SAR 159 million (31 December 2021: SAR 243 million).</p> <p>The Group assesses at each reporting date whether the trade receivables is impaired. Management has applied an expected credit loss ("ECL") model to determine the appropriate allowance for impairment loss. Further, the Group performs an assessment based on a defined policy for certain categories of customers.</p> <p>The determination of allowance for expected credit losses of trade receivables is based on certain assumptions that relate mainly to risk of default and expected loss rates. The Group applies judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, market conditions, as well as forward looking estimates.</p> <p>We considered this as a key audit matter due to the level of judgment applied and estimates made in the application of the ECL model and the assessment of allowance for expected credit losses.</p> | <p>Our procedures for auditing an expected credit loss included the following</p> <ul style="list-style-type: none"> <li>- Obtained an understanding of the process used by management in determining the allowance for expected credit losses of accounts receivable.</li> <li>- Assessed significant assumptions used in the ECL model's calculation such as; future events and macro-economic variables that are used to determine the allowance for expected credit losses.</li> <li>- Tested the completeness and mathematical accuracy of the ECL model.</li> <li>- Assessed the assumptions used by management in connection to the determination of allowance for expected credit losses for certain customers' categories.</li> <li>- Tested, on a sample basis, the calculation performed by management of allowance for expected credit losses for these categories of customers.</li> <li>- Assessed the adequacy of the relevant disclosures included in the consolidated financial statements.</li> </ul> |
| Refer to note 5 for the accounting policies and note 23 for the related disclosures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

## **Other information**

Other information consists of the information included in the Group's 2022 annual report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report. The 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 do 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 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. If based on the we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of management and Those Charged with Governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by Saudi Organization for Chartered and Professional Accountants ("SOCPA") and Regulations for Companies 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 have no realistic alternative but to do so.

Those Charged with Governance, in particular the Audit Committee for the Group 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.

As part of an audit in accordance with ISAs 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 a 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 the management and with 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.

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, related safeguards.



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 Dr. Mohamed Al-Amri & Co.**



**Gihad Al-Amri**  
**Certified Public Accountant**  
**Registration No. 362**



Riyadh, on: 20 Sha'ban 1444H

Corresponding to: 12 March 2023 G