

Date

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## Audit Committee Report for the Year 2023

- Dear Shareholders of Saudi Cable Company,

The Audit Committee is pleased to present to the shareholders of Saudi Cable Company its annual report, which includes the performance of its duties and responsibilities as stipulated in the Companies Bylaw and its internal policies and procedures, and its opinion on the adequacy of the internal control systems and its observations for the period from May 9, 2023 to the end of the term on January 13, 2024.

### Audit Committee Responsibilities

The Audit Committee is responsible for exercising oversight and control responsibilities over the company's activities to ensure the integrity and effectiveness of its financial reports, financial statements, and internal control systems. The Audit Committee performs its duties in accordance with its charter and the requirements of the applicable regulatory authorities.

### Committee Formation and Meetings

The members of the Audit Committee for the current Board term were formed and changed few times. The previous formation of the committee assumed its duties from June 22, 2022 until May 1, 2023, and the composition was as follows:

Member	Membership	Note
Mr. Ghaith Raji Fayeze	Chairman of the Audit Committee (outside the Board)	Submitted their resignation on May 1, 2023 due to "the company's financial inability to attract human resources to perform essential tasks"
Mr. Omar Bahathek	Member (outside the Board)	

that fall within the scope of the Audit Committee".

Mr. Azhar Kenji

Member (Independent)

The Audit Committee was restructured with Mr. Majed Kareem assuming the chairmanship of the committee and Mr. Mr. Mohammed Daghistani joining as a member. The current formation assumed its duties since being assigned to the committee's work until the end of the Board of Directors' term from May 9, 2022 (appointment date) until January 14, 2024 (end date of the Board's term), composition was as follows:

Member	Membership	2023 Jul 20	2023 Sep 16	2023 Oct 11	2023 Oct 26	2023 Oct 31	2023 Nov 02	2023 Nov 19	2023 Nov 23	2023 Dec 08	2024 Jan 11	2024 Feb 20	2024 Mar 14
Mr. Majed Kareem	Chairman outside the ) (Board	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Mr. Mohammed Daghistani	Member (outside the (Board	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Azhar Kenji	Member (Independent)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

The committee held ten meetings in 2023 and three meetings in 2024, for a total of thirteen meetings.

## Committee Tasks

During the year 2023, the committee carried out its activities and tasks, and the following is a summary of the most important work:

## Financial Statements

The Audit Committee studied, reviewed, and recommended the approval of the following quarterly and annual financial statements:

1- Financial Statements for the fiscal year ending 2022

2- Financial Statements for the first quarter of the fiscal year ending 2023

3- Financial Statements for the second quarter of the fiscal year ending 2023

4- Financial Statements for the third quarter of the fiscal year ending 2023

The committee despite the lack of both financial and human resources in the company, the committee worked closely with the Finance Department and the external auditor to issue the pending financial statements.

### External Auditors

The committee maintained close cooperation with the external auditor and worked to enhance transparency and accountability. It also ensured the independence of the external auditor and oversaw the review of the financial statements prepared above.

### Internal Audit Results

The company currently suffers from a shortage of human resources in the Finance Department and internal audit department, which has contributed to the delay in issuing financial statements and producing internal audit reports.

### The Audit Committee's Opinion on the Adequacy of the Internal Control System

The committee was advised during its meetings with the executive management, head of internal audit department, head of Financial Manager, and the external auditor, about the mechanism of financial and non-financial transactions in the company. It became clear to the committee that there is a matrix of authorities under which the executive management operates to run the company's activities. As for the internal audit work, the committee was not able to obtain evidences of an applied methodology for internal audit duties. the methodology assumes proper understanding and assessment of risks involved in various activities, and the priorities in executing audit work are based on the developed audit plan for current year and future years, This shortcoming is attributed to the exceptional stage that the company is going through in terms of freezing bank accounts and the leakage of the company's human recourses, which significantly affected the performance of the internal audit department and other departments. Accordingly, the committee's opinion on the adequacy of the company's internal control system requires support of





the Board of Directors and the executive management in providing specialized human resources to build an internal audit department and selecting a risk-based audit methodology so that the committee can obtain the necessary reports to provide an integrated opinion on the company's internal control environment.

Mr. Mohammed Daghistani

Members of the Audit Committee

Eng. Azhar Kenji

Chairman of the Audit Committee

Mr. Majed Kareem

