

شركة أديس القابضة

("الشركة")

سجل تجاري رقم: ٢٠٥١٢٤٥٤٤٦

قرار توصية لجنة المراجعة بشأن تعيين المراجعين الخارجيين

١٤/١١/١٤هـ الموافق ٢٠٢٤/٥/٢٢م

مسائل أولية:

نحن، الموقعون أدناه، أعضاء لجنة المراجعة بالشركة ("أعضاء اللجنة") والأشخاص الوحيدين المخولين حتى تاريخ هذا القرار، بموجب هذا، نصدر القرارات الكتابية التالية كما لو تم تمريرها في اجتماع لجنة المراجعة بالشركة المنعقد على النحو الواجب.

الهدف:

- التوصية لمجلس الإدارة لموافقة الجمعية العامة على تعيين مراجع الحسابات الخارجي للسنة المالية المنتهية في ٣١ ديسمبر ٢٠٢٤.

بناءً على الدعوة الموجهة من مكاتب المراجعة الخارجية لفحص ومراجعة وتدقيق القوائم المالية الموحدة للشركة للسنة المالية المنتهية في ٣١ ديسمبر ٢٠٢٤، و مراجعة وفحص القوائم الاولية غير المراجعة التي تنتهي في ٣١ مارس و ٣٠ يونيو و ٣٠ سبتمبر ٢٠٢٤، وصلتنا العروض التالية:

اسم شركة المراجعة	أتعاب المراجعة لعام ٢٠٢٤
مكتب بي كيه إف ابراهيم احمد البسام وشركاه (PKF)	١,٩٢٠,٠٠٠ ريال سعودي
مكتب إرنست ويونغ (EY)	٢,٩٩٩,٢٥٠ ريال سعودي

*الأسعار غير شاملة ضريبة القيمة المضافة.

توصية لجنة المراجعة:

توصي لجنة المراجعة بتعيين مكتب إرنست ويونغ (EY) كمراجع حسابات خارجي للشركة لفحص ومراجعة وتدقيق القوائم المالية الموحدة للشركة للسنة المالية المنتهية في ٣١ ديسمبر ٢٠٢٤، و مراجعة وفحص القوائم الاولية غير المراجعة التي تنتهي في ٣١ مارس و ٣٠ يونيو و ٣٠ سبتمبر ٢٠٢٤.

وذلك للأسباب الآتية:

١. خبرته الطويلة في تدقيق حسابات شركات خدمات الحفر وبالإضافة لخبرته السابقة بمراجعة حسابات الشركة.

٢. حرص المكتب على التواجد لمرجعة شركات الحفر الكبرى في المنطقة و إستعدادهم بفريق عمل متخصص بأعمال الحفر.

٣. شغل المكتب مع الشركة طوال عملية الاكتتاب العام في عام ٢٠٢٣ كما أنه قام بإعداد القوائم المالية ذات الغرض الخاصة المتعلقة بالطرح العام للشركة وأصدر خطابات التغطية ذات الصلة (Comfort Letters).

وعلى ذلك، توصي لجنة المراجعة بالإجماع على القرار التالي:

توصي لجنة المراجعة بإختيار أحد العروض المذكورة أعلاه لفحص ومراجعة وتدقيق القوائم المالية الموحدة للشركة للسنة المالية المنتهية في ٣١ ديسمبر ٢٠٢٤، و مراجعة وفحص القوائم الاولية غير المراجعة التي تنتهي في ٣١ مارس و ٣٠ يونيو و ٣٠ سبتمبر ٢٠٢٤، وقد تم ترشيحهما بناء على ملائمتها من الناحية الفنية والمالية، والتوصية لمجلس الإدارة باعتماد القرار وعرضه لموافقة الجمعية العامة.

يمكن توقيع هذا القرار في نُسخ متعددة، حيث يُعتبر كل منها أصلاً، وجميعها سيكونون جزءاً من وثيقة واحدة.

التوقيعات	المنصب	الاسم
	رئيس لجنة المراجعة	السيد/ محمد وليد شريف
	عضو لجنة المراجعة	السيد/ أحمد كردي
	عضو لجنة المراجعة	السيد/ عمر صالح

A hand holding a pen pointing at a financial chart on a laptop screen. The chart shows a line graph with a yellow trend line and a red shaded area. The background is a blurred laptop screen with various financial data and charts.

Audit Committee Presentation for audit and non-audit fees – ADES Holding Company

For the year ending 31 December 2024



Contents

1 Independence and ethics confirmation

03

2 Audit Fees for 2024

05

3 Pre-concurrence for non-audit services

07

4 Appendix A

12



Independence and ethics confirmation

01

Independence and ethics confirmation



ISA 260 requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our independence and objectivity. The aim of these communications is to ensure full and fair disclosure by us to those charged with governance on matters in which they have an interest.

We are not aware of any relationships between EY and ADES Holding Company (the "Company") and its subsidiaries (together "the Group") that, in our professional judgment, may reasonably be thought to bear on our independence or the objectivity of the audit engagement team.

We confirm that in our professional judgment, the Firm is independent within the meaning of regulatory and professional requirements and the objectivity of the engagement leader and audit team has not been compromised.

We consider that our independence in this context is a matter that should be reviewed by both you and ourselves. It is therefore important that you, the Audit Committee members and the management consider the facts of which you are aware and come to a view. Should you have any specific matters that you wish to discuss, please contact us.

EY has policies and procedures that instil professional values as part of Firm culture and ensure the highest standards of objectivity, independence and integrity are maintained.

Audit Fees for 2024

02



Audit Fees for 2024

Sr. No	Entity Name and deliverables	Nature	Proposed Audit Fee for 2024 (In USD)
1	ADES Holding Company and its subsidiaries – Interim Review for Q1, Q2 and Q3 of 2024 including fees for EY component audit teams*	Interim review	433,700
	Fees for Interim Review		433,700
1	Reporting to the auditors of the parent company of ADES Holding Company	Audit fees	2,500
2	ADES Holding Company – Audit of the separate financial statements	Audit fees	12,300
3	ADES International Holding Limited – Audit of the separate financial statements	Audit fees	12,600
4	Audit of consolidated financial statements of ADES International Holding Limited and its subsidiaries	Audit fees	17,200
6	ADES Holding Company and its subsidiaries – Audit of consolidated financial statements including fees for statutory audits of material components (Qatar and Kuwait) audited by EY*	Audit fees	549,700
	Fees for audit		594,300
	Total Fees		1,028,000

* ADES Holding Company - Interim review for Q1, Q2, Q3 and year end audit fees USD 799,800 (SAR 2,999,250)



Pre-concurrence for non-audit services

03

Pre-concurrence requirement

Pre-concurrence from those charged with governance (TCWG) will be required for any proposed non audit services (“NAS”) to:

- ▶ PIE entity
- ▶ Entities controlled by the PIE
- ▶ Entities controlling the PIE

The requirements provide TCWG and auditors the flexibility to agree a pre-concurrence process or TCWG can provide pre-concurrence for each individual NAS.

TCWG will be asked to provide concurrence on:

- ▶ The audit firm’s conclusion that the provision of the NAS will not create a threat to independence as the auditor of the PIE or that any identified threat is at an acceptable level or, if not, will be eliminated or reduced to an acceptable level
- ▶ The provision of that service

An audit firm cannot undertake to perform or commence a NAS before pre-concurrence from TCWG is provided.

This presentation and our accompanying discussion is intended to establish and agree a pre-concurrence process to comply with this pre-concurrence requirements for any NAS to be performed for the financial year ending 31 December 2024.

Proposed pre-concurrence process - continued

- The Audit Committee of the Group provides pre-concurrence on behalf of TCWG in all PIEs within the Group.
- As your auditor, we will provide you with the expected or potential future services that we have determined to be permitted to obtain your pre-concurrence as a general policy to accept such services if and as requested by you or your controlling or controlled entities. Refer to next slides for the list of services.
- One or more individuals within the Audit Committee are named delegates who can provide pre-concurrence on behalf of the Audit Committee in regard of any additional NAS requests from you or your controlling or controlled entities.

SOCPA Permissible Services

EY is permitted to provide the following services to the Audited ADES Holding Company and its controlled entities:

- 1) Audit of the annual financial statements of the Company/Group or for reporting on special purpose frameworks
- 2) Engagements to report on the reviews of financial statements performed according to review engagement standards endorsed in KSA.
- 3) Assurance engagements performed in line with assurance engagement standards endorsed to be applied in KSA.
- 4) Assurance engagements performed according to the requirements of Zakat, Tax and Customs Regulations and other proposed Zakat and Value Added Tax (VAT) compliance services permissible under the new SOCPA's circular.
- 5) Engagements of agreed upon procedures to be obtained by a certified public accountant as per local laws and related implementing regulations
- 6) Engagements of agreed upon procedures performed in line with related service standard endorsed in KSA on the financial information extracted from records and the financial statements audited by the same auditor, provided that the target user is independent from the entity. This shall not include engagements activities of advisory nature.
- 7) Engagements to prepare reports required by the auditor under laws and regulations in another jurisdiction, in a way not in contradiction with the applicable laws in KSA, and provided that such reports should not include advisory services.
- 8) Engagements to prepare reports required by client's auditor in relation with Sukuk, IPOs, pre-emptive rights as per Capital Market Authority's Law and regulations.

* Please note that points 3,4 and 6 are subject to the 70% CAP in aggregate of the audit fees for the year. Refer to the separate slide no. 2 for 2024 audit and interim review fees.

SOCPA Permissible Services - continued

Non audit services to the controlling shareholder of the Group:

Pre-concurrence is required for NAS provided to an entity controlling the Group regardless of how immaterial the Group is to its controlling entities and regardless of whether the controlling entity is part of the audit client definition for the PIE audit client. Due to this, pre-concurrence is required from TCWG of the Company, for NAS provided to the controlling entity even though EY is not required to be independent of controlling entity under the IESBA audit client definition.

EY may provide NAS and is not required to be independent at Controlling entity given the below criteria are met:

- a) EY does not express an opinion on the financial statements of Controlling entity ;
- b) EY does not assume a management responsibility, directly or indirectly, for any entity on whose financial statements EY does express an opinion on; and
- c) it is reasonable to conclude that the services do not create a self-review threat because the results of the services will not be subject to audit procedures.

Given the above, we would appreciate your pre-concurrence to EY for NAS it may provide to the Controlling entity . We have attached a summary of the NAS we may provide to the Controlling entity as presented in [Appendix A](#).

Appendix A

04



Appendix A – Services to be provided to Controlling entity

Categories	Services
Assurance	<ul style="list-style-type: none"> ➤ Accounting services excluding statutory audit, review and agreed upon procedures services ➤ International financial reporting standards (IFRS) support services ➤ Treasury, governance and performance assessment and improvement ➤ Transformation programs for finance, procurement, etc. ➤ Systems, processes, and analytics
Consulting	<ul style="list-style-type: none"> ➤ Digital transformation and cyber security ➤ Business & technology strategy, business transformation, systems implementation ➤ Corporate governance including organization structure, operating models, policies and procedures ➤ Program management ➤ Enterprise risk management
Tax Services	<ul style="list-style-type: none"> ➤ Global compliance reporting ➤ Tax technology ➤ International and transaction tax (Transfer pricing, tax policy, treasury and finance, controversy, international compliance, post-merger integration, tax due diligence and structuring) ➤ Indirect tax (VAT, global trade, excise taxes) ➤ Personal advisory services (Mobility services, reward and recognition, change and learning, HR Transformation)
Strategy and Transaction Advisory	<ul style="list-style-type: none"> ➤ Strategy development and execution including new market entry strategy, growth strategy, and turnaround / restructuring services ➤ Valuation and financial modelling ➤ Financial and commercial due diligence ➤ Lead advisory / Corporate finance services, strategy and business planning, feasibility studies and infrastructure advisory ➤ Liquidity and working capital management, portfolio assessment, restructuring, divestments, carve outs/spin offs, IPO preparation and execution support, etc. ➤ Operational improvement such as synergy optimization and consolidation, etc.

Thank you



EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

The MENA practice of EY has been operating in the region since 1923. For over 98 years, we have grown to over 7,500 people united across 26 offices and 15 countries, sharing the same values and an unwavering commitment to quality. As an organization, we continue to develop outstanding leaders who deliver exceptional services to our clients and who contribute to our communities. We are proud of our accomplishments over the years, reaffirming our position as the largest and most established professional services organization in the region.

© 2023 EYGM Limited.
All Rights Reserved.

ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice.

ey.com



Ades Holding Co.

Audit Financial
Proposal

21 May 2024

Ades Holding Co.
Riyadh
Kingdom of Saudi Arabia
Attn: Audit Committee

Dear Sir,

Thank you for providing us the opportunity for rendering the professional services relating to the audit and review of the financial statements of Ades Holding Co. ("the Company") for the year ending December 31, 2024, First Quarter of 2025.

The following is the fee structure for the above services (SAR excluding VAT):

S. No	Description	Location	Total Fees per location	Total Fees	Payment Terms
1.	Annual Audit of the Financial Statements for the year ending 31 December 2024 of the Company consolidated*	DXB - For Consolidation purpose	170,000	1,290,000	<ul style="list-style-type: none"> - 50% upon signing of Engagement letter - 50% upon issuance of draft deliverables
		KSA	1,000,000		
		KWT - For Consolidation purpose	60,000		
		QAT - For Consolidation purpose	60,000		

RIVADH

Tel: +966 11 206 5533 | P.O.Box 69659
Fax: +966 11 206 5444 Riyadh 11557

JEDDAH

Tel: +966 12 652 5333 | P.O.Box 15451
Fax: +966 12 652 2884 Jeddah 21454

AL KHOBAR

Tel: +966 13 893 3378 | P.O.Box 4688
Fax: +966 13 893 3349 Al Khobar 31952

2.	Annual Audit of the Financial Statements for the year ending 31 December 2024 of the Company Standalone	DXB	150,000	150,000	- 50% upon signing of Engagement letter - 50% upon issuance of draft deliverables
3.	Annual Audit of the Financial Statements for the year ending 31 December 2024 of the Company Standalone	DXB	90,000	90,000	
4.	Reporting to RSM for consolidated financial statements of ADES International Holding Limited for the year ended 31 December 2024	DXB	120,000	120,000	
5.	Annual Audit of the Financial Statements for the year ending 31 December 2024 of the Company Standalone	KSA	200,000	200,000	
6.	3 Quarterly review of the financial statements for the period ending 30 June 2024, 30 September 2024 and 31 March 2025 (SAR 286,000 per Quarter)*	DXB - For Consolidation purpose	150,000	858,000	
		KSA	600,000		
		KWT - For Consolidation purpose	54,000		
		QAT - For Consolidation purpose	54,000		
7.	QAWAEM Upload	Nil		N/A	
8.	Total	2,708,000		N/A	

*ADES Holding company – interim review for Q1, Q2, Q3 and year end audit fees is SAR 1,920,000

TERMS AND CONDITIONS

- All Invoices are required to be cleared within 1 week of invoice date. Signed deliverables will be issued upon clearance of outstanding dues only. Without limiting its rights or remedies, Firm may halt or terminate immediately its services entirely, without any prior written notice if payment is not received within 30 days of the date of the invoice.
- Our proposal is valid for the period of **30 working days**.
- Acceptance of proposal is subject to clearance from risk and quality department.
- Out of pocket expenses will be billed separately based on the overrun hours due to management delays, implication of new accounting treatment and adoption of new standards after mutual consent.
- Pricing of the proposal is based on the minimum timeline required, If there is a need to reduce the timeline, additional resources can be deployed as per the required and the pricing will be increased in the same proportion.
- Pricing is based on the assumptions that field work will start in according to the RFP
- Pricing is considered as a group package and will not be valid for individual selection.
- For any travelling need (including inventory counts and field visits) logistics including accommodation, food and per diem other than Riyadh, has to be arranged by the management or PKF can arrange the same and will be billed to the client.

- **The fees quoted for the services are based on certain assumptions. Circumstances may arise during the engagement that may significantly affect the targeted completion dates and our fee estimate. As a result, additional fees may be necessary. Such circumstances include but are not limited to the following:**

Audit Facilitation

- Changes to the timing of the engagement at the Company's request usually require reassignment of personnel used by the firm in the performance of services hereunder. However, because it is often difficult to reassign individuals to other engagements, firm may incur significant unanticipated costs.
- Deterioration in the quality of the Company's accounting records.
- A completed trial balance, referenced to the supporting analyses and schedules and the Financial Statements, is not provided timely by the Company.
- Draft of the Financial Statements with appropriate supporting documentation are not prepared accurately and timely by the Company's personnel.
- Electronic files in an appropriate format and containing the information requested are not provided by the Company on the date requested for our use in performing file interrogation. Firm will provide the Company with a separate listing of the required files and the dates the files are needed.

RIYADH

Tel. +966 11 206 5333 | P.O.Box 69669
Fax. +966 11 206 5444 | Riyadh 11557

JEDDAH

Tel. +966 12 652 5333 | P.O.Box 10661
Fax. +966 12 652 2894 | Jeddah 21434

AL KHOBAR

Tel. +966 13 893 5378 | P.O.Box 4638
Fax. +966 13 893 5369 | Al Khobar 31562

Significant issues or changes

- Significant deficiencies or material weaknesses in the design or operating effectiveness of the Company's internal control over financial reporting are identified during our audit that result in either an expansion of the scope of our testing procedures related to internal control over financial reporting and/or an expansion of our audit procedures on the related financial-statement accounts.
- A significant level of proposed audit adjustments is identified during our audit.
- A significant number of drafts of the Financial Statements submitted for our review or we identify a significant level of deficiencies in the draft of the Financial Statements.
 - *Significant new issues or changes as follows:*
 - *New accounting issues.*
 - *Changes in accounting policies or practices from those used in prior year.*
 - *Events or transactions not contemplated in our budgets.*
 - *Changes in the Company's financial reporting process or IT systems.*
 - *Changes in the Company's accounting personnel, their responsibilities, or their availability.*
 - *Changes in auditing standards.*
- Change in the Company's use of specialists or their work product does not meet the qualifications required by generally accepted auditing standards for our reliance upon their work.
- The procedures necessary to adopt any new Financial Reporting Framework Standards have not been completed by the Company's personnel.
- Changes in audit scope caused by events that are beyond our control.

RIVADH
Tel: +966 11 206 5583 | P.O.Box 69656
Fax: +966 11 206 5444 | Riyadh 11557

JEDDAH
Tel: +966 12 662 5333 | P.O.Box 15651
Fax: +966 12 652 2894 | Jeddah 21454

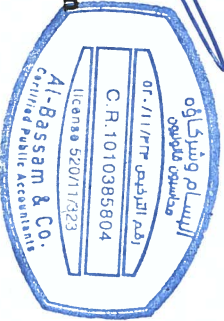
AL KHOBAR
Tel: +966 13 993 2378 | P.O.Box 4536
Fax: +966 13 993 2319 | Al Khobar 31952

Upon your acceptance, we will provide you with the engagement letter, which will formalize the terms of the engagement for our professional services
We want to take this opportunity to assure you that, if appointed, our people will be responsive and contribute in every way to your future success.

Sincerely,

For Al-Bassam & Co.

Abdullelah Al Bassam
Partner



RIVADH

Tel. +966 11 206 5393 | P.O.Box 69968
Fax +966 11 206 5444 | Riyadh 11557

JEDDAH

Tel. +966 12 662 5333 | P.O.Box 15651
Fax +966 12 662 2694 | Jeddah 217454

AL KHOBAR

Tel. +966 13 893 3378 | P.O.Box 4638
Fax +966 13 893 3349 | Al-Khobar 31952