



Date: 11/10/1447H

Corresp. to: 30/03/2026G

Audit Committee Report for the Financial Year ended 31/12/2025

Respected Shareholders of Saudi Industrial Development Company "SIDC"

Greetings,,,

The Audit Committee of "SIDC" is pleased to present to the esteemed shareholders of the company its annual report for the year ended 31/12/2025 outlining all activities undertaken within its scope of responsibilities in accordance with Article (88) of the Corporate Governance Regulations issued by the Capital Market Authority.

First: Committee's Meetings:

In accordance with the Audit Committee Charter, the Committee convenes its meetings upon an invitation from its Chairman or a delegated representative. The Committee meets at least four (4) times per year and may convene more frequently as necessary. During the financial year 2025, the Audit Committee held a total of seven (7) meetings.

Second: Summary of key responsibilities of the Audit Committee During 2025

A. Financial Reports:

1. Studied the Company's interim and annual financial statements prior to their submission to the Board of Directors, expressed its opinion thereon, and provided recommendations to ensure their integrity, fairness, and transparency.
2. Provided a technical opinion—upon the request of the Board of Directors—on whether the Board's report and the Company's financial statements were fair, balanced, and understandable, and included information that enabled shareholders and investors to assess the Company's financial position, performance, business model, and strategy.
3. Examined any significant or unusual matters contained in the financial reports.
4. Carefully investigated any issues raised by the Company's Financial Manager (or equivalent), Compliance Officer, or the external auditor.
5. Verified accounting estimates related to material matters presented in the financial reports.
6. Reviewed the accounting policies adopted by the Company, expressed an opinion thereon, and provided recommendations to the Board of Directors in this regard.

B. Internal Audit

1. Reviewed and evaluated the Company's internal control systems, financial controls, and risk management framework.
2. Reviewed internal audit reports and followed- up on the implementation of corrective actions in respect of the observations contained therein.
3. Oversighted and supervised the Internal Audit Department in the Company to ensure the availability of adequate resources and its effectiveness in performing its assigned duties and responsibilities.
4. Reviewed and approved the Internal Audit Department's annual audit plan.

C. External Auditor:

1. Recommended to the Board of Directors the appointment and dismissal, determined the fees and evaluated their performance after having verified their independence and reviewed the scope of their work and the terms of engagement.
2. Verified the independence, objectivity, and fairness of the external auditor, as well as the effectiveness of the audit activities, considering the applicable rules and standards.
3. Reviewed the external auditor's audit plan and work, ensured that no technical, administrative, or advisory services are provided beyond the scope of the audit, and expressed its views in this respect.
4. Responded to the inquiries of the Company's External Auditor.
5. Reviewed the external auditor's report and observations on the financial statements, followed- up on the actions taken in response, and addressed the auditor's inquiries.
6. Met with the external auditor and ensured that the Company's executive management has provided the necessary support and facilitation, and that no difficulties were encountered during the audit, including the absence of any restrictions on the scope of the audit or access to the required information.

D. Compliance Assurance:

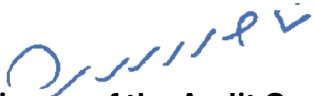
1. Reviewed the results of reports issued by regulatory authorities and verified that the Company has taken the necessary actions in response thereto.
2. Verified the Company's compliance with applicable laws, regulations, policies, and relevant instructions.
3. Reviewed contracts and proposed transactions between the Company and related parties, provided its views thereon to the Board of Directors, and reviewed the limited assurance report on related parties prepared by the external auditor—which included the Board of Directors' report on transactions executed with related parties during the year—and provided recommendations, if any.
4. Escalated to the Board of Directors any matters it deems requiring action and provided recommendations on the measures to be taken.
5. Ensured the adequacy and accuracy of disclosures related to transactions with related parties in the Board of Directors' report and the financial statements.

Conclusions of the Annual Review of the Effectiveness of the Internal Control System and Its Procedures:

Based on the results of internal and external audit activities and the information provided by management to the Committee regarding the internal control system, the Audit Committee has not identified any material weaknesses in the internal control system that would affect the integrity and fairness of the Company's financial statements. This provided the Audit Committee with reasonable assurance regarding the adequacy and effectiveness of the internal control system and enterprise risk management. However, the committee acknowledges that no internal control system can provide absolute assurance of achieving its objectives.

With best regards,,

Nasser bin Mishari Alfarhood

A handwritten signature in blue ink, appearing to read "Nasser bin Mishari Alfarhood".

Chairman of the Audit Committee