RSM

RSM Allied Accountants Professional Services Co.

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شركة ار اس ام المحاسبون المتحدون للإستشارات المهنية

الريــاض – حي العليا - طريق العروبة
مبنى رقم ٣١٩٣ ، الطابق الأول
ص. ب ٨٣٣٥ ، الرياض - ١٢٣٣٣
هــاتف: ٩٣٦١ ٤١٦ ١١ ٩٦٦+
فاكس: ٩٣٤٩ ٤١٦ ١١ ٩٦٦+
المملكة العربية السعودية
www.rsmksa.com
س.ت ٤٠٣٠٢٢٨٧٧٣

INDEPENDENT AUDITOR'S REPORT

To: the Shareholders
Abdullah Saad Mohammed Abo Moati For Bookstores Company
(A Saudi Joint Stock Company)

Opinion

We have audited the accompanying consolidated financial statements of **Abdullah Saad Mohammed Abo Moati For Bookstores Company**, a Saudi joint-stock company, (the "Company") and its subsidiary (together the "Group") which comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statements of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes accompanying to the consolidated financial statements including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2026 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 issued by 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 International Code of Ethics for Professional Accountants 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 the audit of the consolidated financial statements for the current year. 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.

Key audit matters	How our audit addressed the key audit matters
Revenue recognition During the year ended 31 March 2026, the Group recognized revenues amounting to SAR 259,526,346. Revenue is recognized when the Group satisfies its performance obligations in accordance with its policies, which leads to revenue recognition at a point in time or over a period of time, as appropriate. The Group considers revenue as one of the key performance measures of the Group. The revenue includes a large volume of transactions with relatively small amounts, which include various products sold through retail outlets and other distribution channels. Given the significance of the revenue amount and the inherent risks of overstated revenue rather than their actual value, revenue recognition is considered one of the key audit matters.	**Our audit procedures included, among others, based on our judgment, the following:** • We obtained an understanding of the Group's accounting policies relating to revenue recognition and assessed whether they complied with International Financial Reporting Standard 15 – (Revenue from contracts with customers). • We evaluated the design and implementation of internal control procedures related to revenue, and tested the operating effectiveness of key internal controls related to the information technology environment for retail sales. • We examined the relationship between the quantities of sales during the year and quantities of inventory dispatched for sale, in addition to other analytical procedures to verify the completeness of sales revenue. • We examined the relationship between revenue and cash collected in banks for retail sales, in addition to other analytical procedures to verify the completeness of revenue. • We performed analytical procedures on revenue, including trend analysis and comparing revenue with previous periods, and verifying the reasonableness of significant fluctuations. • We performed cut-off procedures relating to the timing of revenue recognition from sales after delivery of goods to customers and record them during the correct accounting period.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
To: the Shareholders
Abdullah Saad Mohammed Abo Moati For Bookstores Company
(A Saudi Joint Stock Company)

Key Audit Matters (Continued)

Key Audit Matters	How our audit adressed the key audit matters
Revenue recognition (Continued) Refer to note (4) "Material Accounting Policy Information" and notes (18 and 26) to the consolidated financial statements for further details regarding revenue.	**Our audit procedures included, among others, based on our judgment, the following: (Continued)** • We tested samples of recorded revenue transactions and comparing them with supporting documents to verify the occurrence and accuracy of recorded revenue, as well as verifying the proper application of the revenue recognition policy. • We assessed the adequacy and appropriateness of the related disclosures in the consolidated financial statements in accordance with the requirements of International Financial Reporting Standards.
Investment properties As at 31 March 2026, the net book value of investment properties amounted to SAR 49,069,374, which represents 26% of the Group's total non-current assets. Investment properties are carried at cost less accumulated depreciation and impairment losses, if any. For the purposes of impairment testing and the disclosure of fair value in the consolidated financial statements, the investment properties are valued by an independent external valuer accredited by the Saudi Authority for Accredited Valuers (TAQEEM). The valuation is performed using generally accepted valuation techniques and methodologies based on assumptions and estimates relating to various factors that affect the fair value of the investment properties. We considered this matter to be a key audit matter because the impairment assessment of investment properties requires significant management judgment and also involves key estimates. Refer to note (4), "Material Accounting Policy Information," for the accounting policy relating to the recognition of investment properties, and Note (6) for further details regarding the Group's investment properties.	**Our audit procedures we performed, among others, based on our judgment, included the following:** • Evaluated of the objectivity, independence and competence of the certified external valuer. • Reviewed, on a sample basis, the accuracy of the underlying data by verifying the details of the investment properties recorded in the valuation reports against the Group's records and ownership deeds of the investment properties. • Reviewed, on a sample basis, the data provided to the valuer and verifying its consistency with the records maintained by the Group. • Evaluated the valuation methodologies and approaches applied by the external valuer. • Obtained the ownership deeds of the investment properties and discussed their current status with the management. • Reviewed the property valuation reports prepared by the external valuer to assess the reasonableness of the key assumptions used in determining the fair values of the investment properties. • Assessed the adequacy and appropriateness of the related disclosures in the consolidated financial statements in accordance with the requirements of International Financial Reporting Standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon. 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 when it becomes available 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. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
To: the Shareholders
Abdullah Saad Mohammed Abo Moati For Bookstores Company
(A Saudi Joint Stock Company)

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants, and Regulations for Companies and the Company's Bylaws and such internal control as management determines is necessary to enable the preparation of the 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 has no realistic alternative but to do so.

Those charged with governance, namely the Board of Directors, are 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 International Standards on Auditing that are 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 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's 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 fair presentation.
- Plan and perform the group audit to 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
To: the Shareholders
Abdullah Saad Mohammed Abo Moati For Bookstores Company
(A Saudi Joint Stock Company)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

We communicate with those 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 controls that we identify during our audit.

We also provided 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, the actions taken to eliminate threats or safeguards applied.

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 year 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.

RSM Allied Accountants Professional Services

شركة ار اس ام المحاسبون المتحدون للإستشارات المهنية
س.ت: ٤٠٣٠٢٢٨٧٧٣
C.R. 4030228773
RSM Allied Accountants Professional Services Co.

Abdullah Bin Ahmed Al Faddaghi
License No. 706
Riyadh, Saudi Arabia
8 Muharram 1448H (corresponding 23 June 2026)

Abdullah Saad AboMoati Stationery
Joint Stock Co.)
Head Office: Riyadh
C.R. 1010125151
Paid up Capital: SR. 200,000,000

شركة عبدالله سعد أبومعطي للمكتبات
مساهمة مدرجة)
الإدارة العامة : الرياض
سجل تجاري رقم : ١٠١٠١٢٥١٥١
رأس المال : ٢٠٠,٠٠٠,٠٠٠ ريال

ABO MOATI

Audit Committee Report to the General Assembly

for the fiscal year ending March 31, 2026

To The Shareholders of Abdullah Saad Mohammed Abumati Stationery Company

May the peace, blessings, and mercy of God be upon you,

Greetings:

Introduction:

The Audit Committee of Abdullah Saad Mohammed Abumati for Libraries is pleased to present to its esteemed shareholders its report on its opinion regarding the adequacy of the company's internal and financial control systems and risk profile, as well as the work and tasks performed by the committee within the scope of its competence, in accordance with the provisions of the Companies Law and based on the relevant regulatory requirements.

Powers of the Audit Committee:

The Audit Committee shall be responsible for monitoring the company's activities and verifying the accuracy and integrity of its reports, financial statements, and internal control systems. To this end, it shall have the right to inspect the company's records and documents and to request any clarification or statement from the members of the Board of Directors or the executive management. It may request the Board of Directors to convene a general meeting of the company if the Board of Directors obstructs its work or the company suffers serious damage or losses.

P.O.Box.9994 Riyadh 11423 Head Office : 114010113 Fax : 114010046 C.C.No : 196188 ١٩٦١٨٨ : رقم العضوية ١١٤٠١٠٠٤٦ : فاكس ١١٤٠١٠١١٣ : الإدارة ١١٤٢٣ ص.ب ٩٩٩٤ الرياض

Audit Committee Members:

The Audit Committee was appointed on 13/07/1446 AH, corresponding to 13/01/2025 AD. The members of the Audit Committee for the new Board of Directors term, which begins on 01/01/2025 AD for a period of four years and ends on 31/12/2028 AD, were appointed based on the Board of Directors' resolution issued on 13/01/2025 AD, as follows:

The name	Position
Abdullah bin Saud Abdulaziz Al-Rashoud	Chairman of the Audit Committee (Non-Executive)
Sultan Ahmed Mohammed AlShubaily	Member of the Audit Committee (Independent)
Abdullah bin Khalaf Al-Youssef	Member of the Audit Committee (a member from outside the Board)

Committee meetings:

During the year 2025/2026 AD, the Committee held (four) meetings as follows:

s	The name	First meeting 26/06/2025	Second meeting 4/8/2025	Third meeting 4/11/2025	Fourth meeting 08/02/2026	Number of attendees
1	Abdullah bin Saud Abdulaziz Al-Rashoud	✓	✓	✓	✓	4
4	Sultan Ahmed Mohammed AlShubaily	✓	✓	✓	✓	4
5	Abdullah bin Khalaf Al-Youssef	✓	✓	✓	✓	4

Audit Committee Duties and Key Activities During 2025/2026

During the year 2025/2026, the Audit Committee carried out a number of activities. The following is a summary of the key activities performed:

Financial Reports:

The Audit Committee reviewed the Company's annual and quarterly financial statements. Significant matters were discussed with the Finance Department and the External Auditor, including a review of comparative figures, verification of the reasons for material variances, assessment of the adequacy of disclosures, and the extent of compliance with applicable accounting policies and standards.

The Committee also considered all related matters and obtained confirmation from the External Auditor regarding the cooperation of the Company's management in providing all required documents and responding to their inquiries.

Following the discussions, and after the External Auditor confirmed that there were no material observations affecting the fair presentation of the financial statements, the Committee expressed its opinion and submitted its recommendation thereon to the Board of Directors.

External Auditor:

The Audit Committee recommended to the Board of Directors and the General Assembly the nomination of the Company's external auditors after reviewing and evaluating the submitted proposals. The Company's General Assembly, held on **25/03/1447H corresponding to 17/09/2025**, approved the appointment of **RSM – United Accountants Office** as the Company's external auditor to examine, review, and audit the financial statements for the **second and third quarters of 2025, the fourth quarter of 2026, and the annual financial statements for the period from 01/04/2025 to 31/03/2026**, for a total fee of **SAR 397,000**.

The Audit Committee also approved the audit plan submitted by the External Auditor for reviewing the Company's activities. In addition, the Committee emphasized the importance of the External Auditor providing the Committee with a copy of the annual Management Letter, and directed the Executive Management to implement and follow up on the required corrective action plans.

The Committee evaluated the External Auditor's performance, objectivity, independence, and potential conflicts of interest, and confirmed that the auditor had not provided any consulting services to the Company.

Furthermore, the Audit Committee reviewed the work performed by the Company's External Auditor in accordance with the applicable procedures and responded to the auditor's inquiries. The Committee also reviewed the External Auditor's report and observations on the financial statements and followed up on the actions taken in response to those observations until their full and effective closure.

Compliance Assurance:

The Audit Committee discussed with Executive Management the extent of the Company's compliance with the laws, regulations, and instructions issued by the regulatory authorities to which the Company is subject, and whether any instances of non-compliance occurred during the year **2025/2026**.

Executive Management confirmed that **no cases of non-compliance were identified during the year 2025/2026**.

Internal Audit:

During the financial year, the Audit Committee reviewed and evaluated the Company's internal control systems through the review of internal and external audit reports and discussions with Executive Management regarding the control procedures in place. The Committee also followed up on the implementation of corrective actions related to the observations raised. No material deficiencies were identified that would adversely affect the effectiveness of the Company's internal control system; however, certain observations were noted and the necessary corrective actions were taken to address them.

The Committee also assessed the adequacy and effectiveness of the internal control system, the reliability of financial reporting, and compliance with applicable regulations and approved policies.

In addition, the Committee approved the **Risk Register Report** prepared by **Othman Younes Al Diabeh, Internal Audit Manager of the Company**, as well as the **three-year audit plan** developed based on the risk assessment study.

The Audit Committee submitted recommendations to the Board of Directors regarding the improvement and enhancement of the adequacy and effectiveness of the Company's risk management systems. The Committee also made recommendations to the Board regarding the scope of work of the Internal Audit Department and the annual audit plan.

Furthermore, the Committee reviewed the audit reports covering the **Human Resources, Sales, Procurement, Finance, and Warehouses Departments**.

Audit Committee's Opinion on the Adequacy of Internal Control Systems:

The Audit Committee evaluates the Company's internal control procedures in terms of both design and implementation. During the year, a number of periodic and special audit engagements were carried out to ensure the accuracy, effectiveness, and quality of performance. The Committee also contributed to the review of the interim financial statements and recommended their approval to the Board of Directors, in addition to coordinating the activities of external regulatory and supervisory bodies.

The Audit Committee reviewed the relevant reports and did not identify any material matters that would adversely affect the effectiveness of the internal control systems. However, the Committee believes that there remains room for further improvement and development.

In conclusion, maintaining effective internal control systems is one of the primary responsibilities entrusted to the Board of Directors. The Audit Committee's role is to assist the Board in fulfilling this responsibility. Its key objectives include ensuring the adequacy of the internal control system and its effective implementation, and providing recommendations to the Board of Directors that enhance and further develop the system in a manner that supports the achievement of the Company's objectives and protects shareholders' interests efficiently and at a reasonable cost.

Please accept the warmest regards from the Chairman and members of the Audit Committee.

Chairman of Committee
Abdullah bin Saud Al-Rashoud

Member Committee
Abdullah bin Khalaf Al-Youssef

Member Committee
Sultan Ahmed Mohammed AlShubaily

Secretary of the Committee

Othman Al-diabeh