

Date: 23/10/1446 Corresponding to: 21/04/2025

Audit Committee Report for the financial year ended 31/12/2024

Dear Shareholders of Middle East Specialized Cables Company (MESC)

The Audit Committee has the honor to submit its report to the shareholders of MESC for the financial year ended 31 December 2024, which includes the Committee's opinion on the adequacy and effectiveness of the internal control system in the Company, in addition to reviewing the work carried out by the Committee within the scope of its competence, in accordance with the relevant regulatory requirements.

During 2024, the Audit Committee held eight meetings, during which the quarterly and annual financial statements were reviewed and discussed, in addition to studying internal audit reports and reports issued by executive management. The Committee also assumed its oversight functions, which include supervising the Company's activities, verifying the accuracy and integrity of financial reports, and ensuring the effectiveness of internal control systems. The following is a summary of the most prominent work and tasks accomplished by the Committee during 2024.

First: Financial Reports

- Study the quarterly and annual financial statements, discuss the external audit observations on the financial statements, and follow up on what has been done in this regard.
- Discuss the results of the company's fiscal year review with the company's executive and financial management and ensure that they are in line with the standards approved in the Kingdom.

- Submit the financial statements of the Board of Directors accompanied by the opinion and recommendation of the Committee to consider their approval.
- Review accounting policies and practices and ensure that they are in compliance with approved accounting standards.

Second: Internal Audit Department:

- The Audit Committee supervised the performance of the Internal Audit Department, approved the audit plan, followed up its work, met with the Director of Internal Audit periodically, and discussed the executive management about his observations.
- Follow up the implementation of the recommendations of the Internal Audit Department with the company's management and develop controls to ensure the continuity of work with those recommendations
- Verify the independence of the internal audit department, and the effectiveness of the audit work, in line with the relevant standards.

Third: Auditor:

- Study and evaluate the offers received to provide auditor services and recommend choosing the best, after ensuring their independence, the coverage of the scope of their work and the appropriateness of the terms of their contract.
- Supervising the work of the auditor, meeting with him, discussing his observations with the financial department in the company, and ensuring that he reaches the data required to express his opinion professionally and independently in accordance with the approved standards.

Audit Committee's opinion on the extent and adequacy of internal and financial control systems and the auditor:

Within the framework of its terms of reference, and in accordance with the reports and data submitted by the company's management, internal auditor, and auditor during this year, the Audit Committee conducted a comprehensive study to assess the adequacy and effectiveness of the company's internal control system. Based on what was reviewed, the Committee did not show any material weakness that might affect the integrity and efficiency of oversight processes. The company enjoys a strong and effective internal control system, which contributes to strengthening operational and financial controls in accordance with the best practices.

In this context, the Committee reviewed and evaluated the offers submitted for audit services, ensuring the independence of their providers, the comprehensiveness of the scope of their work, and the appropriateness of the terms of contracting with them before submitting recommendations on the most appropriate choice, and the Committee also supervised the work of the auditor by holding periodic meetings with him, to discuss his observations with the Financial Department, and to ensure that he obtains all the data and information necessary to perform his duties efficiently and independently, in accordance with the approved accounting and control standards.

Yours sincerely,



Chairman of the Audit Committee

Eng. Hathal bin Safar Al-Otaibi