

**Audit Committee Report of Sumo Real Estate Company  
Regarding the Adequacy of Internal Control Systems for the Financial Year Ended 31  
December 2025**

**Dear Shareholders of Sumo Real Estate Company,**

**We extend our sincere greetings and regards.**

The Audit Committee is pleased to present its annual report outlining its key activities and its opinion on the adequacy of the Company's internal control systems, financial controls, and risk management during the year. This report is prepared in accordance with Article (88) of the Corporate Governance Regulations issued by the Capital Market Authority, which states in paragraph (A): *"The Audit Committee report shall include details of its performance of the duties and responsibilities stipulated in these Regulations, and shall include its recommendations and opinion on the adequacy of the Company's internal control, financial control, and risk management systems."*

#### **Formation of the Audit Committee and Its Meetings**

The Audit Committee consists of four members. During the year 2025, the Committee held seven meetings. During these meetings, the Committee discussed matters within its responsibilities in accordance with the Audit Committee work plan based on the Corporate Governance Regulations issued by the Board of the Capital Market Authority, in addition to other related matters.

The following is a summary of the Audit Committee's work for the year ended 31 December 2025, including its main activities and the tasks performed in line with the Committee's charter approved by the General Assembly.

#### **First: Financial Reports**

During several meetings, the Committee discussed the Company's quarterly and annual financial statements for the year 2025. The discussions included several relevant matters with the executive management and the external auditor. The Committee also reviewed the results of the quarterly and annual financial statements, studied the Board of Directors' report and provided its professional opinion on it, and reviewed the accounting policies applied as well as the significant matters included in the financial reports.

#### **Second: External Auditor**

- The Committee recommended to the Board of Directors and the General Assembly the nomination of the external auditors after reviewing the submitted proposals. The General Assembly approved the appointment of Crowe Solutions for Professional Consulting as the Company's external auditor to examine, review, and audit the quarterly and annual financial statements for the fiscal year 2025 and the first quarter of 2026.

- The Committee also reviewed the audit plan submitted by the external auditor, verified its independence, and studied the reports issued by it.

### **Third: Internal Audit and Compliance Assurance**

The Audit Committee followed up on the internal audit activities and the progress made in implementing its approved plans. The Committee reviewed the key findings included in the internal audit reports for the Company's various departments during 2025, as well as the periodic reports issued by the Internal Audit Department.

The Committee also reviewed contracts and transactions with related parties through the report of the Company's external auditor. In addition, the Committee reviewed the periodic compliance reports reflecting the Company's compliance with regulatory requirements issued by supervisory authorities, as well as reports issued by relevant regulatory bodies.

Based on the above reviews and follow-ups, the Committee believes that the results reflect sound financial and operational practices adopted by the Company during the year.

The Committee also reviewed the risks that may face the Company through the external auditor's report. After reviewing these risks — including liquidity risk, capital risk, credit risk, currency risk, and market risk — the Committee believes that these risks do not threaten the Company's operations. However, the Committee emphasizes the importance of the Company continuing to diversify its short- and long-term investments as a strategic option to enhance its ability to address potential risks in the future.

### **Fourth: Evaluation of the Internal Control System**

During 2025, Sumo Real Estate Company undertook all possible efforts to ensure the effectiveness and adequacy of its internal control system in line with the requirements issued by the Capital Market Authority and other relevant authorities.

The activities carried out during the year included reviewing the efficiency of the internal control system through internal audit activities, compliance management, and the external auditor's report. These activities aimed to assess the adequacy of the adopted internal control measures and verify the existence of appropriate systems and procedures to identify and manage financial risks that the Company may face and the mechanisms to address them.

After reviewing the results of these activities, the Committee believes that there are no material weaknesses affecting the adequacy of the internal control system. Accordingly, the Company maintains an adequate internal control system that operates appropriately and is continuously monitored and enhanced.

### **Conclusion**

The Audit Committee confirms that it conducts periodic reviews of the Company's internal control systems and procedures, as well as the effectiveness of these controls over the Company's financial, administrative, and operational activities, with the aim of achieving the highest possible standards of oversight.

The Committee also confirms that the Company's internal control system has been established on sound foundations and is implemented effectively, and that no significant observations were identified by the Committee during its review.

**Yours faithfully,**

Board Member

Chairman of the Audit Committee

**Ziad Bassam Albassam**

**Corporate Social Responsibility Policy of Sumou Real Estate Company**

**Preamble:**

Social responsibility is considered one of the fundamental pillars for the advancement and development of societies, as it represents a comprehensive framework reflecting the level of individual and collective awareness of social obligations. An individual's contribution to their environment is measured by the extent of responsibility they assume toward themselves and others. Social responsibility is also a sustainable institutional commitment aimed at contributing to economic development and improving the quality of life for employees, their families, the local community, and the wider society, as an ethical practice intended to enhance comprehensive development and raise the level of social well-being.

Development experiences confirm that the maturity and progress of societies are closely linked to the awareness of their members of their responsibilities, based on solidarity, cooperation, commitment, and positive social integration. In this context, corporate commitment to social responsibility reflects a strategic dimension that strengthens community trust and enhances the ability to achieve its developmental mission, in addition to supporting the sustainability of the social and economic environment.

Based on this understanding, Sumou Real Estate Company believes in the importance of its role in serving the community and promoting social development, and seeks to enhance its social contributions in line with Saudi Vision 2030, by adopting transparent practices and disclosing its objectives and plans in this field within its official reports, thereby strengthening trust and ensuring the highest levels of clarity and credibility.

**Clause One: Social Responsibility and Its Importance**

Social responsibility is defined as the company's contribution to achieving balance between the various stakeholders related to its activities, including employees' interests, shareholders, the external environment, and society as a whole. This is achieved through responsible conduct driven by religious and ethical motivations to enhance the company's competitive position in its field.

Based on this concept, the company is committed to achieving sustainable development for society in general, and for its employees in particular, by improving the living, social, and economic conditions of the workforce and their families, in addition to contributing to the overall welfare of society. The company also seeks to contribute to reducing unemployment levels and optimizing the use of available resources.

Therefore, the company's awareness of the importance of social responsibility and its commitment to ethical and humanitarian values—such as solidarity, national spirit, and commitment to all stakeholders including employees, shareholders, customers, and society—is a key element in its success and sustainable growth. The more the company recognizes the importance of this role and gives it due value, the greater its opportunities for development and prosperity, positively reflecting on its profitability and reputation.

**Clause Two: Objective of the Policy**

The company's social responsibility policy aims to achieve the following:

١. Enhancing the company's leadership in social responsibility, so that it becomes one of the most contributing and influential entities in serving society.
٢. Commitment to national standards adopted in implementing social responsibility practices as a long-term investment that creates sustainable value for the company and stakeholders.
٣. Contributing to sustainable development of society in general, and improving the quality of life for employees in particular.

- ξ. Achieving balance between corporate objectives and societal goals, ensuring alignment between the company's role and the needs and aspirations of society.
- ο. Enhancing the company's ability to attract and develop human resources and retain talent by creating a work environment that supports stability and professional growth.
- ϒ. Increasing employee and customer loyalty, especially with the growing interest of customers in dealing with companies that have a developmental and socially responsible role.
- Υ. Contributing to the long-term sustainability of the company by supporting the sustainability of natural resources and surrounding environmental services.

### **Clause Three: General Framework of Social Responsibility**

The Board of Directors of the company has directed the Executive Management to establish the company's position as one of the leading entities in adopting and implementing best corporate social responsibility practices, through adherence to professional and ethical conduct in all dealings with stakeholders, believing that these aspects are an essential part of the company's strategy to enhance competitiveness, in addition to being a fundamental element in achieving the company's interests and objectives.

#### **The company's social responsibility policy is based on the following:**

- Ϙ. Continuous commitment to ethical conduct in all institutional practices by complying with applicable laws, regulations, and instructions, and respecting cultural values, customs, and traditions of society.
- Υ. Providing full support to community initiatives and programs implemented by non-profit organizations within the Kingdom of Saudi Arabia, to enhance their developmental impact and sustainability.
- ϙ. Strengthening cooperation and integration with universities and research centers by supporting educational programs, qualitative initiatives, and scientific studies that add value to both the company and society.
- ξ. Active participation in establishing, supporting, renovating, and operating social, charitable, and healthcare centers, contributing to improving the quality of services provided to beneficiaries.
- ο. Contributing to economic and social development and environmental protection through the following initiatives:
  - Developing employees' technical capabilities through training and qualification programs that enhance their professional and technical skills.
  - Training and qualifying national graduates to enable them to access employment opportunities in national institutions and companies.
  - Protecting the environment, reducing pollution, promoting optimal and fair use of natural resources, and spreading environmental awareness among different segments of society.

### **Clause Four: Scope of Application**

The provisions of this policy apply to all shareholders of Sumou Real Estate Company, all stakeholders and direct beneficiaries of the company's activities, all employees, customers, suppliers, the local community, and the surrounding environment.

### **Clause Five: Commitment to Social Responsibility**

Based on the company's core values, most notably the value of participation, which is based on three main pillars:

- \\). Respect and responsibility.
- \\). Supporting and assisting society.
- \\). Environmental protection.

Therefore, the Company continues its diligent efforts in adopting and implementing various community service programs that align with the Company's mission, objectives, and values, and reflect its full commitment to improving the social and living conditions of the neediest groups and providing their needs through the establishment of programs, policies, and a dedicated corporate social responsibility team to assist the largest possible segment of society. The Company works to establish strong relationships with different segments of society that contribute to driving comprehensive development in this precious country. The motivation behind the Company's adoption of these programs and policies is its strong desire to make a significant difference, not only through providing assistance, but also by encouraging and empowering the sons and daughters of the nation by utilizing their skills and expertise in developing their community.

#### **Clause Six: The Company's Social Responsibility Towards Stakeholders**

1. Providing all individuals and related parties with accurate, reliable, and credible information, while considering the timing of disclosure in a manner that does not conflict with applicable laws and professional regulations.
2. Commitment to implementing governance principles and practices in all their components with the highest levels of integrity and transparency, and documenting such practices in relevant official reports.
3. Enhancing the participation of various stakeholders including investors, employees, suppliers, customers, and community members by involving them—each within their field—in the Company's decisions, programs, and studies.
4. Clarifying the regulatory and supervisory procedures governing relationships with stakeholders, ensuring compliance and continuous application to enhance trust and maintain consistency in institutional practices.
5. Operating in accordance with the principle of full transparency to ensure the Company's commitment to its obligations and compliance with regulations, along with responsible disclosure of material information to shareholders and stakeholders in accordance with the approved disclosure policy and the regulations and instructions of the Capital Market Authority.

#### **Clause Seven: The Company's Social Responsibility Towards Employees**

1. Providing a safe and motivating work environment that enables employees to perform their duties effectively and contributes to enhancing their health, well-being, and that of their families, without conflicting with their family obligations.
2. Promoting disciplined freedom of expression by encouraging employees to present their opinions and ideas within the framework of recognized professional conduct, and listening to them with respect and appreciation.
3. Enabling all employees without discrimination to participate in training and development programs, thereby enhancing their competencies and developing their professional and personal skills.
4. Strengthening professional relationships based on responsibility and shared success between the Company and its employees, enhancing institutional belonging and supporting effective performance.

5. Applying the principles of fairness and equality among employees and refraining from any form of discrimination based on race or personal considerations.
6. Encouraging employees and supporting their participation in community activities that serve the local community and enhance the Company's social role.
7. Compliance with all applicable laws, regulations, and systems in the Kingdom of Saudi Arabia.

#### **Clause Eight: The Company's Social Responsibility Towards Society**

1. The Company is committed to investing in the development of the surrounding community through implementing projects and initiatives with long-term developmental impact, taking into account the nature and needs of the community, and based on solid foundations ensuring sustainability.
2. The Company exerts maximum efforts to provide various forms of direct and indirect support to charitable, social, and development institutions, contributing to improving the living standards of the community within its operational scope.
3. Contributing to enhancing employment opportunities for community members by providing training programs and courses that enable them to develop their skills and increase their readiness for the labor market.
4. Investing in the establishment of commercial and residential complexes that contribute to supporting urban development and improving the quality of life of the local community.

#### **Clause Nine: The Company's Social Responsibility Towards the Environment**

1. Identifying all direct and indirect environmental impacts, both positive and negative, resulting from the Company's activities and operations, in order to manage them effectively and mitigate potential negative effects.
2. Striving to achieve sustainable environmental objectives by achieving positive outcomes aligned with international environmental protection standards, while documenting these efforts periodically in CSR reports and including them in the Company's annual report.
3. Contributing to the development of sustainable environmental approaches and applied programs, whether direct or indirect, especially those based on clean and environmentally friendly practices.
4. Conducting continuous evaluation of commercial and development projects overseen by the Company to monitor and address any potential environmental impacts and ensure compliance with best environmental practices.

#### **Clause Ten: The Company's Social Responsibility Towards Customers**

1. Providing rental units, real estate products, and services of high quality standards and reasonable prices, with transparency in advertising, ensuring they are safe and environmentally friendly, while continuously developing real estate products and projects in line with best professional practices.
2. Strengthening and building positive relationships with customers based on trust and mutual benefit, contributing to sustainable partnerships that support the achievement of both parties' objectives.
3. Exercising due diligence in expanding communication channels with customers, conducting surveys and feedback mechanisms that contribute to improving service quality and enhancing customer satisfaction.

#### **Clause Eleven: The Company's Responsibility Towards Suppliers**

1. Committing, as far as possible, to prioritizing procurement from local suppliers in support of small and medium enterprises and enhancing principles of shared responsibility and mutual success.
2. Opening and activating effective communication channels with all Company suppliers to enhance the quality of services provided to consumers and improve supply chain efficiency.
3. Working, as far as possible, to require suppliers to apply corporate social responsibility standards, ensuring alignment with institutional values and approved environmental and social standards.
4. Providing various forms of awareness and professional support to suppliers to enhance their capabilities and readiness to successfully implement their CSR programs.
5. Maintaining continuous communication with suppliers and holding periodic meetings to discuss cooperation, strengthen partnerships, and achieve mutual sustainable benefits.

#### **Clause Twelve: The Company's Responsibility Towards Competitors**

1. Strict adherence to fair competition rules, ensuring business practices are conducted in accordance with fairness and equal opportunity principles.
2. Full abstention from all forms of corruption and bribery, and not seeking any unlawful preferential advantages in filing bids or executing and delivering real estate products or projects, in compliance with ethical and legal standards.
3. Compliance with all relevant local laws, regulations, and systems, particularly those related to competition law, ensuring full legal compliance.
4. Adherence to professional ethics, business conduct rules, and recognized industry norms in the field of competition, enhancing integrity and ensuring fair and responsible business practices.

#### **Clause Thirteen: The Company's Responsibility Towards Shareholders**

1. Maximizing share value and achieving the highest possible financial return as one of the Company's primary objectives reflecting operational efficiency and strategic success.
2. Protecting Company assets and ensuring shareholders' rights to access sufficient information regarding the Company's financial and operational performance, while ensuring fair treatment of all shareholders without discrimination, in accordance with best professional practices.
3. Receiving and effectively addressing shareholder complaints, and involving them in key Company decisions through the Ordinary General Assembly, thereby enhancing participation and transparency.
4. Fair and regulated disclosure of material information related to shareholders in accordance with the regulations and instructions of the Capital Market Authority, ensuring full compliance with disclosure requirements.

#### **Clause Fourteen: Community Engagement and Charitable Matters**

Sumou Real Estate Company firmly believes in the importance of its pivotal role in corporate social responsibility and seeks to strengthen its leadership in this field by creating a positive and sustainable developmental impact within society. This is achieved through supporting youth and community initiatives and enhancing the Company's role in supporting charitable organizations and development initiatives that effectively serve society. **The Company is committed to conducting its business according to established ethical principles and sustainability standards through:**

1. Commitment to the highest levels of integrity and transparency in all dealings, activities, and business relationships.
2. Applying sustainable business practices and reducing negative environmental impacts resulting from Company activities.
3. Promoting a culture of diversity, equality, and inclusion within the workplace and across the supply chain.
4. Active participation in community awareness initiatives and support for charitable causes with social impact.
5. Ensuring the health, safety, and well-being of employees and stakeholders by providing a safe and sustainable working environment.
6. Compliance with relevant local and international laws and regulations, in addition to real estate industry standards.
7. Strengthening cooperation with educational and community institutions to train and empower students and enable their participation in CSR programs, highlighting the importance and positive impact of these programs on individuals and society.

#### **Clause Fifteen: Corporate Social Responsibility Team**

Based on the Company's commitment to serving society and meeting its needs, and supporting the development journey in the Kingdom, the Company continues its efforts in adopting and implementing various CSR programs and activities through the Corporate Social Responsibility Team, which is responsible for developing plans related to CSR concepts and the Company's obligations towards society. These efforts align with the Company's mission and values and reflect its full commitment to improving the social and living conditions of needy groups and providing their needs. The Board is authorized to delegate whomever it deems appropriate to undertake all necessary actions to achieve the objectives of this policy.

#### **The formation of the CSR Team aims to achieve the following:**

1. Developing appropriate plans and strategies for CSR activities and programs within the Company, ensuring effectiveness and sustainability.
2. Encouraging Company employees and partners to adopt CSR initiatives and embed a culture of community engagement within the workplace.
3. Sharing successful experiences and highlighting distinguished CSR initiatives as models to be followed.
4. Proposing and developing innovative programs aimed at serving society and achieving measurable and sustainable social impact.
5. Enhancing communication with society, stakeholders, institutions, and organizations involved in CSR practices to strengthen cooperation and knowledge exchange.
6. Providing internal advisory services to employees and partners regarding CSR practices and programs to support efficient implementation.

#### **Corporate Social Responsibility Team Duties**

1. Supervising all corporate social responsibility activities and programs within the Company, and providing the necessary recommendations to ensure diversity of initiatives and their alignment with the Company's objectives and corporate values.

2. Enhancing the Company's role in adopting and activating CSR policies and initiatives towards shareholders, customers, suppliers, employees, and society, reflecting the Company's commitment to its developmental role.
3. Disclosing the approved CSR objectives within the Company, and working to raise awareness, educate, and engage employees in relevant initiatives and programs.
4. Preparing and disclosing CSR implementation plans within periodic reports related to the Company's activities, enhancing transparency and documenting efforts.
5. Activating institutional communication channels and using them as an effective means to highlight the Company's CSR initiatives and achievements.
6. Reviewing and approving donations and charitable contributions related to CSR activities and programs in accordance with approved standards and policies.
7. Communicating with organizations sponsoring community programs and activities to identify their needs and determine potential areas of Company support.
8. Adopting and implementing initiatives aimed at establishing and spreading CSR culture within the Company and its surrounding environment.
9. Enhancing the participation of Company employees in social activities and volunteer work, and ensuring team members understand their responsibilities and allocate sufficient time to perform their duties in this area.
10. Preparing and filing periodic reports to the Board of Directors including implemented actions and achievements in CSR, to evaluate performance and monitor progress toward objectives.

**Clause Sixteen: Financial Allocations for the CSR Team**

The Executive Management shall annually file a recommendation to the Board of Directors regarding the proposed budget for the Corporate Social Responsibility program.

**Clause Seventeen: General Provisions**

1. This policy shall be subject to periodic review by the Board of Directors as part of evaluating the effectiveness of corporate governance, or upon issuance of new instructions or regulations related to the policy. In all cases, any amendment or modification to this policy must be approved by the General Assembly.
2. All Company departments shall provide the necessary support to the Corporate Social Responsibility Team to enable it to perform its duties and implement its programs effectively.
3. The Board of Directors shall disclose in its annual report all details related to CSR activities, including expenditures incurred in implementing this policy, in order to enhance transparency.
4. This policy shall be reviewed at least once every three years to ensure its comprehensiveness and completeness, and to ensure its continued alignment with regulatory requirements and best practices.
5. This policy shall be implemented and complied with from the date of its approval by the competent authorities.

**Audit Committee Resolution of Sumou Real Estate Company No. (1/2026)  
Dated 11/09/1447 corresponding to 28/02/2026**

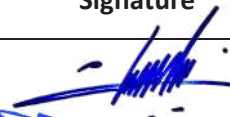


With the help of Allah Almighty, on Saturday, 11 Ramadan 1447 corresponding to 28 February 2026G, the Audit Committee reviewed the proposals submitted for the audit and examination of the Company's financial statements for the second, third, and fourth quarters and the annual financial statements for the year 2026, as well as the first quarter of 2027. Accordingly, the Committee resolved to recommend to the Board of Directors the nomination of the following Five proposals to be voted on at the Company's upcoming Ordinary General Assembly for selection among them:

**List of Nominated Firms**

#	Statement	BDO Jeddah	RSM Jeddah	PKF Jeddah	Crowe	Moore Jeddah
		Dr. Mohamed Al-Amri & Co – Certified Public Accountants	RSM United Accountants Professional Consulting Company	PKF Al-Bassam Company, Accountants and Legal Auditors	Crowe Solutions for Professional Consulting	EL SAYED EL AYOUTY & Co – Certified Public Accountants
1	Consolidated Annual Financial Statements	100,000	95,000	140,000	40,000	50,000
2	Standalone Annual Financial Statements	450,000	200,000	500,000	300,000	400,000
3	Interim Financial Statements	240,000	120,000	360,000	150,000	150,000
4	Audit Instructions	50,000	None	None	None	None
5	Financial Statements Translation	50,000	included	Not included	included	included
6	Financial Statements Filing	10,000	included	Not included	Not included	Not included
7	Related Parties Report	Not included	25,000	25,000	15,000	15,000
8	Zakat	Not included	20,000	35,000	25,000	35,000
9	Travel, Transportation, and Accommodation Costs	None	None	None	70,000	None
	<b>Total</b>	<b>900,000</b>	<b>460,000</b>	<b>1,060,000</b>	<b>600,000</b>	<b>650,000</b>

And the recommendation shall be presented to the Company's General Assembly at its upcoming meeting to select one of the audit firms nominated in the table above.

In witness whereof, this resolution has been signed by all members of the Audit Committee.

members of the audit committee	Member Status	Signature
Mr. Ziad Bassam Al Bassam	Chairman Committee	
Mr. Abdulrahman Ayedh Al-Qahtani	member	
Mr. Saeed Salem Al-Nahdi	member	
Eng. Faisal Abdullah Alkhaldi	member	