

Audit Committee Report to the Shareholders For the Fiscal Year Ended 31/12/2025

Dear Shareholders of Riyadh Development Company,

The Audit Committee of Riyadh Development Company is pleased to present its report for the year ended December 31, 2025.

During 2025, the Committee held five meetings. In accordance with the responsibilities approved by the General Assembly of Shareholders, the Committee continuously supervised internal and external audit activities. Through coordination with the Internal Audit Department and the Company's executive management, the Committee ensured the adequacy and effectiveness of the Company's internal control system.

The Committee reviews audit results agreed corrective actions, and monitors management's implementation of these corrective actions within the specified timelines. It also prepares reports to the Board of Directors on the outcomes of its activities during the year.

The Internal Audit Department carries out its routine work by examining the efficiency and effectiveness of the internal control system and ensuring its application across different departments. This is conducted through an annual risk-based audit plan, which is reviewed and approved by the Committee.

Below is a summary of the Committee's activities for the year ended 31/12/2025:

First: External Audit and Financial Reporting

1. Through its direct meetings with the external auditors, the Committee ensured their independence and compliance with relevant professional standards during the execution of audit and review work, in line with the agreed engagement terms and approved fees.

During these meetings, the Committee raised questions to both the auditors and the Company's executive management to ensure the completeness of audit work and the existence of sufficient basis supporting the auditors' opinion. The Committee also discussed matters raised in the management letter and followed up on their resolution.

The Committee also held separate meetings with the external auditors to obtain their observations regarding the cooperation and performance of the Company's finance department, to confirm that no restrictions were imposed on their work, and to ensure the adequacy of provisions and estimates, as well as the sound basis for the auditor's opinion.

The Committee confirmed that the financial statements and reports are materially complete and include all significant financial information. It submitted its recommendations regarding the financial statements and the external auditor's reports to the Board of Directors for discussion and approval.

Additionally, the Committee supervised the process of requesting and evaluating audit proposals for the financial statements for the next three years (starting from Q2, Q3, and annual 2026, and for 2027 and 2028, as well as Q1 of 2029). Based on the evaluation results, the Committee recommended to the General Assembly the selection of the external auditor from Ernst & Young Professional Services and PricewaterhouseCoopers, with a recommendation to appoint Ernst & Young Professional Services based on technical and financial evaluation results.

2. The Committee discussed with executive management the Company's operational results and financial position as reflected in the financial statements and audit reports, in the presence of the external auditor. It raised questions regarding financial policies, provisions, and estimates to ensure that the financial reports fairly present the Company's activities and financial position for the relevant period.

Second: Internal Audit

1. The Committee ensured the independence of the Internal Audit Department and the availability and adequacy of the resources required for it to perform its duties effectively in a manner that serves the interests of the Company and its shareholders.

2. The Committee reviewed and approved updates to key internal audit infrastructure documents, including the Internal Audit Charter, manual, and procedures.

3. The Committee reviewed and approved the internal audit plan, which is based on a risk assessment prepared by the Internal Audit Department.

4. The Committee supervised the Internal Audit Department's work related to reviewing the Company's internal control system to ensure its adequacy and effectiveness through the implementation of the approved annual audit plan.
5. The Committee reviewed completed internal audit reports, followed up on management's implementation of agreed corrective actions, and addressed any outstanding high-risk issues, discussing them with executive management when necessary.

Third: Committee's Opinion on Internal Control, Financial Control, and Risk Management Systems

Based on the results of internal audit activities, management's implementation of corrective actions, the work and findings of the external auditor, and the discussions held with both the auditors and management, as well as the reports submitted to the Audit Committee during the fiscal year 2025, the Committee did not identify any material weaknesses in the Company's internal control, financial control, or risk management systems that would require disclosure.

It should be noted, however, that no audit or review system can provide absolute assurance regarding the effectiveness of any internal control system.

On behalf of the Audit Committee of Riyadh Development Company
Sulaiman bin Nasser Al-Hatlan
Chairman of the Committee

