



Audit Committee Report for
the Year ending on 31-12-2024



ANNUAL AUDIT COMMITTEE REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

JAHEZ INTERNATIONAL COMPANY FOR INFORMATION
SYSTEMS TECHNOLOGY



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EXECUTIVE SUMMARY

This report provides details on the work performed by the Audit Committee in discharge of its responsibilities during the year 2024 with regard to risk, controls, and governance.

During the year 2024, the Committee reviewed effectiveness of both the external audit process and the internal audit function as part of the continuous improvement of financial reporting and controls environment across Jahez. The Committee also focused particularly on the appropriateness of Jahez's financial statements to ensure compliance with applicable International Accounting and Financial Reporting Standards along with relevant local Laws and Regulations of Kingdom of Saudi Arabia (KSA). The committee has ensured itself, and has advised the Board accordingly, that the 2024 financial statements are fair, balanced, and understandable, and provide the information necessary for shareholders to assess Jahez performance, business model and strategy.

The Committee held six meetings during the year 2024, which took place with the participation of the Internal Audit, Key Management Personnel and External Auditors, to review the internal controls, compliance, and risk management.

THE COMPOSITION OF AUDIT COMMITTEE

The Audit Committee consists of three non-executive members and all of them are independent. The Committee includes members that specialize in the finance and accounting field and operate under the rules and procedures defined in the Audit Committee Charter. Below are the names of the Audit Committee members for the year 2024:

Name	Designation	Appointment Date
Mrs. Loulwa Mohammed Bakr	The Committee Chair	3 July 2022
Mr. Mishaal Salman bin Mandeel*	Member of the committee	21 April 2021
Mr. Amine Abdulraouf Hariz	Member of the committee	21 April 2021
Mr. Hammam Mustafa Salama	Member of the committee	9 May 2024

*AC Member in the Period ended 20 April 2024

AUDIT COMMITTEE ROLES AND RESPONSIBILITIES

The key responsibilities of the Audit Committee are to assist the Board in fulfilling its oversight responsibilities in relation to: the financial reporting, the effectiveness of the system of risk management and internal control, the compliance with applicable external legal and regulatory requirements, the monitoring of the qualifications, expertise, resources and independence of both the internal and external auditors, and assessing the internal and external auditors' performance and effectiveness each year. The Audit Committee helps to achieve the Company's objectives and protects the interests of shareholders and investors.

The Committee's role is summarized below:

Financial Reporting

The role of the Audit Committee is to ensure reliable financial information and integrity of the financial reporting process by:

- Analyzing the Company's interim and annual financial statements before presenting them to the Board of Directors and providing its opinion and recommendation thereon; to ensure their integrity, fairness, and transparency.
- Providing its technical opinion, at the request of the Board of Directors, regarding whether the Board of Directors' report and the Company's financial statements are fair, balanced, understandable and contain information that allows shareholders and investors to assess the Company's financial position, performance, business model and strategy.
- Analyzing any important or non-familiar issues contained in the financial reports.

- Accurately investigating any issues raised by the Company's for clarification by the Chief Financial Officer or any person assuming his/her duties, the Company's compliance officer, or the external auditor.
- Examining the accounting estimates in respect of significant matters that are contained in the financial reports.
- Examining the accounting policies followed by the Company and providing its opinion and recommendation to the Board of Directors thereon.

Internal Audit

The Audit Committee strengthens the internal audit function by ensuring that management has established and is maintaining an adequate and effective internal audit structure and ensures the internal audit function's effectiveness and objectivity. The role of the Committee related to the internal audit is as follows:

- Examining and reviewing the Company's internal and financial control system, and risk management systems.
- Analyzing the internal audit reports and following up the implementation of the corrective measures in respect of the remarks made in such reports.
- Monitoring and overseeing the performance and activities of the Company's internal audit department to ensure the availability of the necessary resources and their effectiveness in performing the assigned activities and duties.
- Providing a recommendation to the Board of Directors on appointing the Head of Internal Audit and suggesting his/her remuneration.

External Audit

The Audit Committee has a responsibility for:

- Providing recommendations to the Board to nominate the external auditors after verifying their independence, dismiss them, determine their remunerations, assess their performance, and review the scope of their work and the terms of their contracts.
- Verifying the independence of the external auditors, their objectivity, fairness, and effectiveness of the audit activities, considering the relevant rules and standards.
- Reviewing the plans of the Company's external auditor and its activities, and ensuring that it does not provide any technical, administrative or consulting work that is beyond its scope of work and provides its opinion thereon.

- Responding to specific queries of the external auditors.
- Reviewing the external auditors' reports and their comments on the financial statements, while considering the key procedures taken in connection therewith.

Compliance

The Audit Committee is responsible for the oversight over matters of financial compliance (including the statutory audit, financial reporting, and disclosures to investors), as well as the oversight responsibility for matters of non-financial compliance, including the Company's overall compliance programs, policies and procedures and significant legal or regulatory compliance exposure.

ATTENDANCE OF THE AUDIT COMMITTEE

The Audit Committee held six meetings during the year-ended 31 December 2024. The attendance of the members according to the attendance records is as follows:

Name	Attendance of Meetings					
	1 st /18 Feb	2 nd /18 Mar	3 rd /19 May	4 th /5 Jun	5 th /8 Aug	6 th /30 Oct
Mrs. Loulwa Mohammed Bakr	✓	✓	✓	✓	✓	✓
Mr. Mishaal Salman bin Mandeel	✓	✓	-	-	-	-
Mr. Amine Abdulraouf Hariz	✓	✓	✓	✓	✓	✓
Mr. Hammam Mustafa Salama	-	-	✓	✓	✓	✓

The quorum was compliant in all Audit Committee meetings as required by the corporate governance regulations and the companies' law of the Kingdom of Saudi Arabia. The decisions of the Audit Committee were also recommended and approved with consensus from all the Committee members and there was no dissenting vote in all the decisions.

OUTCOME OF AUDIT COMMITTEE WORK

During the year 2024, the Audit committee worked on activities to fulfill its responsibilities under governance and to strengthen internal controls. Major activities are detailed below:

Review of financial statements

During the financial year 2024, the Committee considered the accounting policies, estimates and judgments used in the preparation of the financial statements, considering the impact of such factors on the financial position of Jahez and its suitability to the nature of the Company's activity. The following financial statements have been reviewed by the Committee during the period:

Period of Financial Statements
Period ended 30 Jun 2024
Period ended 30 Sep 2024
Year ended 31 Dec 2024 (Meeting in 2025)

The Audit Committee reviewed the integrity, fairness, and transparency of the financial statements that were recommended to the Board for adoption, along with the basis of provisions and various accounting treatments during the year. Major areas reviewed were:

- Existence and accuracy of Cash & Cash equivalent.
- Existence and accuracy of Revenue.
- Existence and accuracy of Acquisition.
- Purchase of Real Estate.
- Existence and accuracy of provision of share-based payment.
- Revenue recognition IFRS 15.
- Management override of controls.
- Goodwill recognition and Impairment assessment.
- Related Party Transactions.

Oversight of the Work of External Auditors

The Committee reviewed the outcome of the external auditors including their plan and reports, ensuring their independence, and complying with relevant standards.

Oversight of the Internal Audit Department

The Committee oversaw the work of the Internal Audit Department and reviewed its reports, along with supporting it in fulfilling its responsibilities and ensuring the availability of the required resources.

Major areas during the year are as follows:

- Approving Annual Internal Audit Plan.
- Reviewing and approving resources of Internal Audit.
- Reviewing and approving Internal Audit reports of Logi, Jahez Kuwait, Jahez Bahrain, Procurement, Accounting, IT, Cybersecurity, Operations and Legal.

As part of the Internal Audit's periodic reporting to the Board, the Audit Committee convened with the Board of Directors to address and highlight areas of concern requiring the Board's attention.

INTERNAL CONTROL AND RISK MANAGEMENT ENVIRONMENT

The internal control system aims at ensuring the achievement in an efficient and effective fashion of the Company's objectives such as issuing reliable financial reports, compliance to rules, regulations, and policies, and managing the potential risks to mitigate the impact of high risks that could hinder the achievement of Jahez's objectives.

The Committee continuously reviews the reports issued by the internal and external auditors. Based on the Annual Audit results, internal controls are improving. The Company, with assistance and oversight from the Audit Committee, will continue to regularly assess the internal control system to ensure the improvement of operational efficiency and effectiveness and compliance with the related rules and regulations.

EXTERNAL AUDITOR REVIEW

The Audit Committee has responsibility for overseeing Jahez's relationship with the external auditors, including reviewing the quality and effectiveness of their performance, their external audit plan and process, their independence, their appointment, and their audit fee proposals.

The Committee reviewed the external auditors' reports, which had unqualified opinions on the annual and interim financial statements. The Committee also obtained confirmation from KPMG that they are independent and that there was nothing that may affect their independence.

For the year 2025, the Committee evaluated the external audit proposals and recommended two names to be reviewed and approved in the Ordinary General Assembly.

CONCLUSION

The Audit Committee was able to carry out its work at Jahez to fulfill its statutory mandate under unrestricted conditions.

With reference to the financial statements, based on assurance obtained during the review of unqualified opinions issued by the external auditor and review of the documentation deemed necessary, the Committee concludes that the interim and annual financial statements for the year ended 31 December 2024 give a true and fair view of the financial position of Jahez International Company.

Regarding internal controls, the Committee observes ongoing enhancements in the internal control environment and systems. The Committee anticipates that, with its oversight, the Company will continue to evaluate its internal control system to enhance operational efficiency, effectiveness, and compliance with regulations. Additionally, the Committee acknowledges that further enhancements are necessary to foster robust risk and control culture. It emphasizes the importance of ensuring all employees are fully cognizant of their responsibilities concerning risk management, compliance, and the internal control environment.

Loulwa Bakr



Chair of Audit Committee
Jahez International Company