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LIMITED ASSURANCE REPORT TO THE SHAREHOLDERS OF SAUDI RESEARCH AND MEDIA GROUP (A SAUDI JOINT STOCK COMPANY)

Scope:

We have been engaged by the Saudi Research and Media Group (the “Company”) to perform a “limited assurance engagement”, as defined by International Standards on Assurance Engagements endorsed in the Kingdom of Saudi Arabia, here after referred to as (“the engagement”), to report on the Company’s compliance with the requirements of Article (71) of the companies’ law (the “Subject Matter”) contained in the Company’s attached notification (Appendix A) which is presented by of the Company’s Board of Directors to the Ordinary General Assembly on the transactions and contracts in which some members of the Company’s board of directors have a direct or indirect personal interest in them for the year ended 31 December 2023.

Criteria Applied by the Company:

In preparing the Subject Matter, the Company applied the below criteria (the “Criteria”). Such Criteria were specifically designed for the notification presented by the Company’s Board of Directors to the Ordinary General Assembly (Appendix A). As a result, the subject matter information may not be suitable for another purpose.

- Article (71) of the Companies’ Law issued by the Ministry of Commerce.
- Notification submitted by the chairman of the Company’s Board of Directors (Appendix A)

Company’s Responsibilities:

The Company’s management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

Our Responsibilities:

Our responsibility is to express conclusion on the presentation of the Subject Matter above based on evidence we have obtained.

We conducted our engagement in accordance with *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (“ISAE 3000” “Revised”)* endorsed in the Kingdom of Saudi Arabia, and the terms of reference for this engagement as agreed with the Company on 11 March 2024. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

**LIMITED ASSURANCE REPORT TO THE SHAREHOLDERS OF
SAUDI RESEARCH AND MEDIA GROUP
(A SAUDI JOINT STOCK COMPANY) (continued)**

Our Independence and Quality Management:

We have maintained our independence and confirm that we have met the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia, and have the required competencies and experience to conduct this assurance engagement.

Our firm also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, that is endorsed in the Kingdom of Saudi Arabia, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of Procedures Performed:

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Obtained the notification presented by the Company's Board of Directors (Appendix A) regarding transactions and contracts entered between some of the board of directors' members directly or indirectly with the Company during the year 31 December 2023.
- Comparing the financial information contained in the attached notification with the Company's accounting records for the year ended 31 December 2023.

We also performed such other procedures as we considered necessary in the circumstances.

**LIMITED ASSURANCE REPORT TO THE SHAREHOLDERS OF
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(A SAUDI JOINT STOCK COMPANY) (continued)**

Other Matter:

The Form as set out in appendix (A) has been stamped by us for identification purposes.

Conclusion:

Based on our procedures performed and evidence obtained, we are not aware of any material modifications that need to be made to the Subject Matter for the year ended 31 December 2023, in order for it to be in accordance with the Criteria.

for Ernst & Young Professional Services



Waleed G. Tawfiq
Certified Public Accountant
License No. (437)



Riyadh: 14 Shawwal 1445H
(23 April 2024)

Appendix A

To Messrs. Shareholders of Saudi Research and Media Group

According to the Corporate Governance Regulations, and with reference to the existing contracts and transactions with the Board of Directors of The Saudi Research and Media Group based on the provided information and disclosures, and for the purpose of approving those transactions and contracts till 31/12/2023, which are defined as follows:

1. Transaction and contracts executed between the group and Hala Printing Company, which is one of the subsidiaries of Saudi Printing and Packaging Company, in which the Board members, Mr. Adel Marzouk Al-Nasser, Dr. Turki Omar Buqshan, Mr. Mohammed Nazer, Chief Financial Officer, and Mr. Saleh Hussain Al Dowais, General manager of Saudi Research and Publishing Company, which is one of the subsidiaries of Saudi Research and Media Group, own an indirect interest. These transactions represent printing contracts, noting that the total value of these transactions amounted to SAR 24,355,719 during the year 2023, there were no due amounts as of 31 December 2023.
2. Transaction and contracts executed between the group and Medina Printing and Publishing Co., which is one of the subsidiaries of Saudi Printing and Packaging Company, in which the Board members, Mr. Adel Marzouk Al-Nasser, Dr. Turki Omar Buqshan, Mr. Mohammed Nazer, Chief Financial Officer, and Mr. Saleh Hussain Al Dowais, General manager of Saudi research and Publishing Company, which is one of the subsidiaries of Saudi Research and Media Group, own an indirect interest. These transactions represent a printing contract, noting that the total value of these transactions amounted to SAR 24,000,805 during 2023, there were no due amounts as of 31 December 2023.
3. For transactions made with Saudi Printing and Packaging Company and its subsidiaries; in which the Board members, Mr. Adel Marzouk Al-Nasser, Dr. Turki Omar Buqshan, Mr. Mohammed Nazer, Chief Financial Officer, and Mr. Saleh Hussain Al Dowais, General Manager of Saudi Reserach and Publishing Company, which is one of the subsidiaries of Saudi Research and Media Group, own an indirect interest. The group paid in advance an amount of SR 40,583,710 to be used to cover 2024 transactions.
4. Transaction and contracts executed between the Group and Argaam Commercial Investment Co. Ltd, in which the Board member Ms. Jomana Rashed AlRashid, and Mr. Mohammed Nazer, Chief Financial Officer of the Group, own an indirect interest. These transactions represent technical support provided, noting that the total value of these transactions amounted to SAR 712,670 during the fiscal year 2023, while the amounts owed to Argaam Commercial Investment Co. Ltd were SAR 1,649,724 as of 31 December 2023.
5. Transaction and contracts executed between the group and Thmanyah Co. for Publishing and Distribution, in which the Board member Ms. Jomana Rashed AlRashid, Chief Executive Officer of the group, and Mr. Mohammed Nazer, Chief Financial Officer of the group, own an indirect interest. These transactions represent advertising and other media services provided, noting that the total value of these transactions amounted to SAR 3,000,000 during the fiscal year 2023, while the amounts owed to Thmanyah Co. for Publishing and Distribution were SAR 402,500 as of 31 December 2023.

6. For transactions made with Thmanyah Co. for Publishing and Distribution, in which the Board member Ms. Jomana Rashed AlRashid, Chief Executive Officer of the group, and Mr. Mohammed Nazer, Chief Financial Officer of the group, own an indirect interest. The group paid in advance an amount of SR 12,000,000 to be used to cover 2024 services related films and programs production transactions, while the amounts owed from Thmanyah Co. for Publishing and Distribution were SAR 18,300,000 as of 31 December 2023.
7. Transaction and contracts executed between the group and Al-Fahd Law Firm, in which the Board member, Dr. Abdulaziz Al-Fahd owns a direct interest. These transactions represent legal services, noting that the total value of these transactions amounted to SAR 287,649 during the fiscal year 2023, and there were no due amounts as of 31 December 2023.
8. Transaction and contracts executed between the Group and Red Sea Films Foundation, in which the Board member Ms. Jomana Rashed AlRashid, owns an indirect interest. These transactions represent Sponsorship and media services provided in a form of barter deal between the two parties, noting that the total value of these transactions amounted to SAR 3,000,000 during the fiscal year 2023, and there were no due amounts as of 31 December 2023.

Accordingly, we would like to inform the shareholders of those transactions and contract in accordance with the disclosures and information received, and we recommend the Assembly to approve and permit them.

Please accept our best regards,

Eng. Abdulrahman Ibrahim Al- Ruwaita
(The Chairman of the Board)

Signature	Name of board member	Signature	Name of board member
	H.E Dr. Adel Zaid Al-Toraifi		Mr. Majed Abdulrahman Al-Issa
	Mr. Mohiddin Saleh Kamel		Dr. Abdulaziz Hamad Al- Fahd
	Mr. Adel Marzouk Al- Nasser		Dr. Turki Omar Bugshan
	Ms. Jomana Rashed AlRashid		Eng. Moussa Omran Al- Omran
	Mr. Hamad Saud Al-Omar		Eng. Abdullah Suleiman Al-Rubaian

Secretary of the Board of Directors

Wael Al-Fakhri

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**A statement and description of the company in which
the member practices an activity that would compete
with the company**

A statement and description of the companies in which Eng/ Moussa Omran Al-Omran practices activities that would compete with the company

member name	Company Name	Membership status	Company activity
Eng. Moussa Omran Al-Omran	MBC group Company	non- executive	Broadcast news and entertainment content
Eng. Moussa Omran Al-Omran	AL Arabiya News holding company	Member of the Board of Directors	Broadcast news

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**A statement and description of the company in which
the member practices an activity that would compete
with the company**

A statement and description of the companies in which Eng/ Abdulrahman Ibrahim Al-Ruwaita practices activities that would compete with the company

member name	Company Name	Membership status	Company activity
Eng. Abdulrahman Ibrahim Al-Ruwaita	MBC group Company	non- executive	Broadcast news and entertainment content
Eng. Abdulrahman Ibrahim Al-Ruwaita	AL Arabiya News holding company	Member of the Board of Directors	Broadcast news
Eng. Abdulrahman Ibrahim Al-Ruwaita	News 24 company	Member of the Board of Directors	Broadcast news