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INDEPENDENT REASONABLE ASSURANCE REPORT

To the Shareholders of ZAD Holding Company Q.P.S.C.

Report on Internal Controls over Financial Reporting

In accordance with Article 24 of the Corporate Governance Code for Companies and Legal Entities Listed on the Main Market (“the Code”) issued by the Qatar Financial Markets Authority (“QFMA”), we were engaged by the Board of Directors of ZAD Holding Company Q.P.S.C. (“the Company”) and its subsidiaries (together referred to as “the Group”) to carry out a reasonable assurance engagement over Board of Directors’ description of the processes and internal controls and assessment of the suitability of the design, implementation and operating effectiveness of the Group’s internal controls over financial reporting (the ‘ICFR’) as at 31 December 2023 (the “Statement”).

Responsibilities of the Board of Directors

The Board of Directors is responsible for preparing and fairly stating the Statement that is free from material misstatement and for the information contained therein.

The Statement, which was signed by the Group Board of Directors and shared with KPMG on 29 March 2024 and is to be included in the annual report of the Group, includes the following:

- the Board of Directors’ assessment of the suitability of design, implementation and operating effectiveness of the ICFR;
- the description of the process and internal controls over financial reporting for the processes of Revenue, Inventory, Accounts payables, Accounts receivables, Treasury, Payroll, Expenses, General Ledger and Financial reporting.
- designing, implementing and testing controls to achieve the stated control objectives.
- identification of control gaps and failures, how they are remediated, and procedures set to prevent such failures or to close control gaps; and
- planning and performance of the management’s testing, and identification of the control deficiencies.



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Responsibilities of the Board of Directors (continued)

The Board of Directors is responsible for establishing and maintaining internal controls over financial reporting based on the criteria established in *Internal Control – Integrated Framework* (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO” or “COSO Framework”).

This responsibility includes designing, implementing, maintaining and testing internal control relevant to the preparation and fair presentation of the Statement that is free from material misstatement, whether due to fraud or error. It also includes developing the control objectives in line with the COSO Framework; designing, implementing and effectively operating controls to achieve the stated control objectives; selecting and applying policies, making judgments and estimates that are reasonable in the circumstances, and maintaining adequate records in relation to the appropriateness of the Group’s ICOFR.

The Board of Directors is also responsible for preventing and detecting fraud and for identifying and ensuring that the Group complies with laws and regulations applicable to its activities. The Board of Directors is responsible for ensuring that management and staff involved with the preparation of the Statement are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

Our Responsibilities

Our responsibility is to examine the Statement prepared by the Group and to issue a report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the Statement is fairly presented, in all material respects, in accordance with the control objectives set out therein.

We apply International Standard on Quality Management 1, which requires the firm to 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.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our Responsibilities (continued)

The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the suitability of the design, implementation and operating



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effectiveness of the Group's internal controls over financial reporting, whether due to fraud or error.

Our engagement also included assessing the appropriateness of the Group's ICOFR, and the suitability of the criteria used by the Group in preparing and presenting the Statement in the circumstances of the engagement,, evaluating the overall presentation of the Statement, and whether the internal controls over financial reporting are suitably designed, implemented and are operating effectively as of 31 December 2023 based on the COSO Framework. Reasonable assurance is less than absolute assurance.

The procedures performed over the Statement include, but are not limited to, the following:

- Conducted inquiries with management of the Group to gain an understanding of the risk assessment and scoping exercise conducted by management;
- Examined the in-scope areas using materiality at the Group's consolidated financial statement level;
- Assessed the adequacy of the following:
 - Process level control documentation and related risks and controls as summarized in the Risk & Control Matrix ("RCM");
 - Control Environment, Risk Assessment, Monitoring, and Information and Communication (CERAMIC) controls documentation and related risks and controls as summarized in the RCM;
 - Risk arising from Information Technology and controls as summarized in the RCM;
 - Disclosure controls as summarized in the RCM.
- Obtained an understanding of the methodology adopted by management for internal control design and implementation testing;
- Inspected the walkthrough and design and implementation testing completed by management and conducted independent walkthrough testing, on a sample basis, as deemed necessary;
- Assessed the significance of any internal control weaknesses identified by management;

Our Responsibilities (continued)

- Assessed the significance of any additional gaps identified through the procedures performed.
- Examined the management plans for testing the operating effectiveness to evaluate the reasonableness of tests with respect to the nature, extent and timing thereof, and whether the testing responsibilities have been appropriately assigned;



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- Examined the management’s testing documents to assess whether the operating effectiveness testing of key controls has been performed by the management in accordance with the management testing plan; and
- Re-performed tests on key controls to gain comfort on the management testing of operating effectiveness.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Statement nor of the underlying records or other sources from which the Statement was extracted.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information to be included in the Group’s annual report which is expected to be made available to us after the date of this report. The Statement and our reasonable assurance report thereon will be included in the annual report. When we read the annual report if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors.

Characteristics and Limitations of the Statement

Non-financial information is subject to more inherent limitations than financial information, given the characteristics of the Board of Directors’ Report on Internal Controls over Financial Reporting and the methods used for determining such information. Because of the inherent limitations of internal controls over financial reporting including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Therefore, internal controls over financial reporting may not prevent or detect all errors or omissions in processing or reporting transactions and consequently cannot provide absolute assurance that the control objectives will be met. Also, projections of any evaluation of the internal controls over financial reporting to future periods are subject to the risk that the internal control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Characteristics and Limitations of the Statement (continued)

Furthermore, the controls activities designed, and operated as of 31 December 2023 covered by our assurance report will not have retrospectively remedied any weaknesses or deficiencies that existed in relation to the internal controls over the financial reporting prior to the date those controls were placed in operation.

The Statement is prepared to meet the common needs of a broad range of users and may not, therefore, include every aspect of the information that each individual user may consider important in its own particular environment.



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Criteria

The criteria for this engagement are the control objectives set out therein against which the design, implementation and operating effectiveness of the controls is measured or evaluated. The control objectives have been internally developed by the Group, based on the criteria established in the COSO Framework.

Conclusions

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

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

In our opinion, based on the results of our reasonable assurance procedures, the Board of Directors' Statement fairly presents that the Group's ICOFR were properly designed and implemented and are operating effectively in accordance with the COSO framework as at 31 December 2023.

Restriction of Use of Our Report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the shareholders of the Company and QFMA for any purpose or in any context. Any party other than the shareholders of the Company and QFMA who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the shareholders of the Company and QFMA for our work, for this independent reasonable assurance report, or for the conclusions we have reached.

Restriction of Use of Our Report (continued)

Our report is released to the shareholders of the Company and QFMA on the basis that it shall not be copied, referred to or disclosed, in whole (save for the Company own internal purposes) or in part, without our prior written consent.

29 April 2024
Doha
State of Qatar

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