

شركة ثمار التنميه القابضة

THIMAR DEVELOPMENT HOLDING CO.

Saudi Joint Stock Company



**The Board of Directors'
Report
2025 G**





**HRH the Crown Prince
Prince Mohammed bin Salman,
may God protect him**



**Custodian of the Two Holy Mosques
King Salman bin Abdulaziz,
may God protect him**

The Kingdom of Saudi Arabia is one of the most important and largest economies in the world, and we are earnestly striving to double the size of the economy.

One of our priorities is to continue supporting the Saudi private sector and empowering it as a partner in the ambitious economic growth phase.



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<p>21)</p>	<p>A description of any interests and contractual financial instruments and subscription rights belonging to members of the company's board of directors, senior executives, and their relatives in the company's shares, debt instruments, or any of its subsidiaries, and any changes in those interests or rights during the last fiscal year: 21-1 Description of any interests, contractual financial instruments, and subscription rights belonging to members of the board of directors and their relatives in the company's shares or debt instruments. 21-2 Description of any interests, contractual financial instruments, and subscription rights belonging to senior executives and their relatives in the company's shares or debt instruments. 21-3 Description of any interests, contractual financial instruments, and subscription rights belonging to members of the board of directors and their relatives in shares or debt instruments of subsidiary companies of the company. 21-4 Description of any interests, contractual financial instruments, and subscription rights belonging to senior executives and their relatives in shares or debt instruments of subsidiary companies of the company.</p>
<p>22)</p>	<p>Information regarding any loans on the company, a statement of the total indebtedness of the company and its subsidiaries, any amounts paid by the company in repayment of a loan during the year, the amount of the loan principal, the name of the lender, the duration of the loan and the remaining amount.</p>
<p>23)</p>	<p>Number of board meetings held during the fiscal year 2025G, the dates of the meetings, and the attendance record of the meetings.</p>
<p>24)</p>	<p>Number of the company's requests for the shareholders' register, the dates of the requests and reasons for these requests.</p>
<p>25)</p>	<p>Description of any transaction between the company and a related party.</p>
<p>26)</p>	<p>Information relating to any business or contract to which the Company is a party, or in which a member of the Company's Board of Directors, senior executives or any person related to any of them has an interest.</p>
<p>27)</p>	<p>A description of any arrangement or agreement under which a member of the Company's Board of Directors or a senior executive has waived any remuneration.</p>
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<p>29)</p>	<p>A statement of the value of regular payments made and due to settle any Zakat, taxes, fees, or other outstanding dues not yet settled by the end of the fiscal year, with a brief description and reasons for them.</p>
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<p>31)</p>	<p>Board members' declarations.</p>
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<p>34)</p>	<p>Disclosure of details regarding treasury shares held by the company and details of the uses thereof.</p>



Board Members



Eng. Waleed bin Abdulaziz Al-Shuwiar
(Board Chairman)



Mr. Abdulkarim Bin Mohammed Al-Nuhayer
(Board Member)



Mr. Melfi bin Manahi Al-Marzoqi
(Board Member - Managing Director)



Mr. Khalid bin Asaad Khashogji
(Vice Chairman of the Board of Directors)



Mr. Yasser bin Suliman Al-Aqeel
(Board Member)



Mr. Aziz bin Mohammed Al-Gahtani
(Board Member)



Mr. Haytham bin Faisal Oskoubi
(Board Member)



Statement of the Chairman

Eng. Waleed bin Abdulaziz Al-Shuwair

It gives me great pleasure, both personally and on behalf of the members of the Board of Directors of THIMAR DEVELOPMENT HOLDING CO., to present to our esteemed shareholders the Company's Annual Report for the fiscal year 2025. This report outlines the key developments witnessed by the Company during the year, as well as the efforts undertaken to strengthen its trajectory toward stability and sustainable growth.

In light of the economic changes affecting the markets, the Company has been keen to adopt a balanced approach based on effective risk management and the prudent capitalization of opportunities aligned with its expertise and capabilities, thereby enhancing its competitive position and reinforcing its standing in the market.

The Board of Directors also continues to place significant emphasis on strengthening the corporate governance framework and adhering to the highest standards of transparency and accountability, in accordance with the applicable laws and regulations governing listed companies, thereby fostering trust with shareholders and stakeholders.

On this occasion, I extend my sincere appreciation and gratitude to the Company's valued shareholders for their continued trust and support. I also express my thanks to my fellow Board members for their dedication and commitment in fulfilling their duties, and I commend the Executive Management and all employees of the Company for their efforts and contributions in supporting the Company's progress and achieving its objectives.

We pray to Allah for continued success in advancing the Company's journey toward a more stable and prosperous future, in a manner that fulfills the aspirations of all stakeholders.



Statement of the CEO and Managing Director

Mr. Melfi bin Manahi Al-Marzoqi

I am pleased to present to the Company's esteemed shareholders the Annual Report of THIMAR DEVELOPMENT HOLDING CO. for the year 2025, which reflects the efforts undertaken by the Company during the previous period to enhance its financial and operational stability and to establish the foundations that support the achievement of sustainable growth over the medium and long term.

During 2025, the Company continued its efforts to enhance its efficiency, alongside evaluating and investing in opportunities aligned with its capabilities and strategic direction, thereby supporting business growth, strengthening its competitive position, and delivering sustainable value to its shareholders.

In line with our future outlook, the Company remains committed to implementing its strategic plans aimed at strengthening its financial position and capitalizing on promising investment opportunities, thereby contributing to the creation of added value for its shareholders and reinforcing its market position.

In conclusion, I extend my sincere appreciation and gratitude to the Board of Directors for their continuous support and guidance. I also thank all employees of the Company for their dedication and commitment in performing their duties, and I express my appreciation to our valued shareholders, partners, and stakeholders for their continued trust and support of the Company's journey.



Company Overview:

Thimar Development Holding Company was registered as a Saudi joint stock company pursuant to Ministerial Resolution No. (364) dated 18/05/1408H (corresponding to 08/01/1988G). The Company is registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010068222 issued in Riyadh on 17/05/1408H (corresponding to 07/01/1988G).

Share Capital:

The Company's share capital amounts to SAR 65,000,000 (Sixty-Five Million Saudi Riyals), divided into 6,500,000 shares with a nominal value of SAR 10 per share.

Overview of Principal Activities:

The principal activities of THIMAR DEVELOPMENT HOLDING CO. include managing subsidiaries of holding companies, investing the funds of such subsidiaries, owning real estate and movable assets necessary for holding companies, providing loans, guarantees, and financing to subsidiaries, owning industrial property rights related to subsidiaries, and leasing such industrial property rights to subsidiaries.

Vision, Mission, Objectives, and Values:

The Company is currently under financial reorganization, and the current management has developed an ambitious strategic plan aimed at revitalizing the Company, based on capital increase and investment in its core activities.

Our vision

Rebuilding THIMAR DEVELOPMENT HOLDING CO. to become a robust investment entity and platform that delivers sustainability and growth for its shareholders.

Our Mission

To invest efficiently in diversified companies and assets in order to achieve sustainable growth and attractive returns for shareholders.

Our objectives

The Company's key objectives include:

- Entering new sectors and building a diversified investment portfolio;
- Divesting from non-performing assets and enhancing the Company's market value.

Our values

- Efficiency and financial discipline;
- Integrity and transparency;
- Sustainability and growth;
- Professionalism and excellence.

Corporate Governance of THIMAR DEVELOPMENT HOLDING CO.

Governance regulations of Thimar Development Holding Company comprise a set of rules, policies, and standards designed to govern the relationship between the Board of Directors, executive management, and various stakeholders. These regulations establish clear procedures that support effective decision-making while safeguarding the rights of shareholders and the interests of stakeholders. Accordingly, a number of governance policies and regulations have been approved by the General Assembly and the Company's Board of Directors, including the following:

Disclosure and Transparency Policy:

Thimar Development Holding Company is dedicated to fostering a culture of disclosure, transparency, and full compliance with applicable laws and regulations. The Company firmly believes in the right of shareholders and stakeholders to access clear, accurate, and non-misleading financial and non-financial information, ensuring equal treatment of all investors and shareholders.

To uphold the highest standards of transparency, the Company has implemented a dedicated Disclosure and Transparency Policy in line with the Capital Market Authority's requirements. This policy reinforces the protection of shareholder and stakeholder rights by enabling them to exercise their entitlements effectively.

Transparency and timely information disclosure are core principles of the Company's governance framework. In support of this, the Board of Directors has established robust and reliable practices that strengthen the Company's engagement with investors, shareholders, and stakeholders.

Conflict of interest policy for board members and senior executives

THIMAR Development Holding Company is committed to applying the highest standards of effective governance, with a focus on integrity and transparency, while avoiding any conflicts of interest that may arise between the company and its board members, officials, employees, or stakeholders. This is achieved through the establishment of policies that define the regulations governing this matter, in accordance with the regulations approved by the Capital Market Authority and other legislative bodies.

1) Implementation of the Corporate Governance Regulations: Applied and Non-Applied Provisions

Article No	Paragraph No	Article/paragraph text	Reasons for non-application
37 (Indicative Article)	-	Training, support and evaluation:	The company keeps the members of the Board and appointed directors informed about the company's business operations and activities. The company will also focus on studying plans for special programs, training and qualifying the members of the Board of Directors and executive management according to the company's needs.
39 (Indicative Article)	A	The Board of Directors, based on the proposal of the Nomination Committee, establishes the necessary mechanisms for evaluating the performance of the Board, its committees, and the executive management annually. This is achieved through appropriate performance measurement indicators that are linked to the extent of achieving the company's strategic objectives, the quality of risk management performance, the adequacy of internal control systems, etc., provided that it shall identify strengths and weaknesses and propose solutions that are in the best interest of the company.	The Article is indicative and has not been applied.
	E	The Board of Directors shall make the necessary arrangements to obtain an evaluation by a competent third party of its performance every three years.	The Article is indicative and has not been applied.
	F	The non-executive members of the Board of Directors shall conduct a periodic evaluation of the performance of the Chairman of the Board after taking the views of the executive members, without the Chairman of the Board attending the discussion designated for this purpose. The evaluation process should identify strengths and	The Article is indicative and has not been applied.



		weaknesses and propose solutions that are in the best interest of the company.	
67 (Indicative Article)	-	Formation of Risk Management Committee	The company did not see it is necessary during the year to form a risk committee. The company will work within the framework of continuous improvement and development of internal control systems by studying the need to form a specialized risk management committee.
68 (Indicative Article)	-	Terms of reference of Risk Management Committee	The roles and scope of work of the Risk Committee shall be determined upon its formation.
69 (Indicative Article)	-	Meetings of Risk Management Committee	Due to the non-formation of the Risk Management Committee.
81 (Indicative Article)	1	Forming committees or holding specialized workshops to listen to the opinions of company employees and discuss with them the issues and topics that are the subject of important decisions.	The Article is indicative and has not been applied.
	2	The company has implemented programs to grant its employees shares in the company or a share of the profits generated thereby, as well as retirement programs. It has also established an independent fund to finance these programs.	
	3	Establishing social institutions for the company's employees.	
84 (Indicative Article)	-	Social Responsibility	The company will study the development of a social responsibility policy in accordance with Article.
85 (Indicative Article)	-	Social work initiatives	The company has not taken any initiatives for social work in accordance with the article. However, it will work on studying programs and means to introduce the company's initiatives in the field of social work and include them within the context of social responsibility through the development of a social responsibility policy.
92 (Indicative Article)	-	The formation of the Company Governance Committee	The Company did not deem it necessary to establish a Corporate Governance Committee during 2025. However, the Company will continue to assess the potential need for a dedicated governance committee and define its scope of responsibilities accordingly.

Mandatory articles which are not applicable:

N/A


2) Names of the Members of the Board of Directors, Committee Members, and Executive Management, Their Current and Previous Positions, Qualifications, and Experience.


a) Board Members

	Current position	Previous Positions	Academic qualifications	Experience
	Chairman of the Board of Directors and Member of the Nomination and Remuneration Committee of THIMAR DEVELOPMENT HOLDING CO.	Al Jomaih Equipment Company.		
<p>Eng. Waleed bin Abdulaziz Al-Shuwair</p>	Member of the Board of Directors, Vice Chairman of the Board, Chairman of the Nomination and Remuneration Committee, and Member of the Executive Committee at Saudi Cable Company.	Alkhorayef Company - Director	Bachelor's degree in agricultural engineering.	Over 27 years of experience
	Member of the Board of Directors, Thimar Towers Real Estate Development and Investment Company.	Member of the Executive Committee of Thimar Development Holding Company.		
	Member of the Board of Directors, Vice Chairman of the Board, and Member of the Nomination and Remuneration Committee at Midal Cables Company.	Member of Chemanol Company's Board of Directors		
		Chief Commercial Officer of Al Jouf Cement Company.		

	Current position	Previous Positions	Academic qualifications	Experience
	Member of the Board of Directors and Vice Chairman of the Board at Thimar Development Holding Company.	Member of the Saudi-French Business Council	Bachelor of Business Administration	Over 22 years of experience.
<p>Mr. Khalid bin Asaad Khashogji</p>	Member of the Board of Directors, Managing Director, and Chief Executive Officer at Saudi Cable Company.	Member of Calin Capital Group's Board of Directors		
	Member of the Board of Directors, Thimar Towers Real Estate Development and Investment Company.	Member of the Marketing Committee, Chemanol Company		

	Member of the Board of Directors of Madar Al Yaqeen Company.	Member of the Saudi-French Business Council		
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	Current Position	Previous Positions	Academic qualifications	Experience
Mr. Melfi bin Manahi Al-Marzoqi	<i>(Board Member - Managing Director) Member of the Executive Committee and CEO of Thimar Development Holding Company.</i>	Senior CEO / Etihad Etisalat Company (Mobily).	Bachelor of Business Administration The Senior Executive Programme, London Business School.	Over 32 years of experience.
		Member of the Board of Directors of Namaa Chemical Company.		
		Member of Chemanol Company's Board of Directors.		

	Current position	Previous Positions	Academic qualifications	Experience
Mr. Abdulkarim Bin Mohammed Al-Nuhayer	Member of the Board of Directors and Member of the Executive Committee of Thimar Holding Company.	CEO of Al-Watania Poultry Company	Master of Executive Directors Program - King Fahd University of Petroleum and Minerals. Bachelor of Industrial Management - King Fahd University of Petroleum and Minerals.	Over 27 years of experience.
		Board Member, Managing Director, and Chief Executive Officer of Al Jouf Cement Company.		
		Member of the Board of Directors and Chairman of the Audit Committee of Saudi Cable Company.		
		Chief Executive of AKEL TRADING AND INDUSTRIAL CO.		
		Executive Vice President, Al Watania for Industries Company		
		General Manager of Saudi Paper Converting Company		
		General Manager of Sales and Marketing		

		Department, Steel Products Company		
		Central Region Manager, Saudi Ceramic Company		

	Current position	Previous Positions	Academic qualifications	Experience
 <div data-bbox="60 880 443 1032" style="border: 1px solid orange; padding: 5px; text-align: center;"> <p>Mr. Aziz bin Mohammed Al-Gahtani</p> </div>	Member of the Board of Directors and Chairman of the Audit Committee of Thimar Development Holding Company.	Member of the Board of Directors and Chairman of the Audit Committee of Thimar Al-Jin Company. Chairman of the Audit Committee, Al Jouf Cement Company.	Bachelor of accounting, King Fahd University of Petroleum and Minerals 1994G. Master of Accounting from King Fahd University of Petroleum and Minerals in 2000G. Board Membership Certificate from the GCC Board of Directors Institute (GCCBDI) in cooperation with the Financial Academy, 2022.	Over 32 years of experience.
	Member of the Board of Directors and Chairman of the Audit Committee of Al Hammadi Holding Company.	Member of the Audit Committee of Al-Mouwasat Medical Services Company.		
	Board Member of East Pipes Company.	Member of the Audit Committee of Al-akaria Saudi Company		
	Member of the Audit Committee of Saudi Cable Company.	Member of the Audit Committee of Nayifat Finance Company.		
		Board Member and Audit Committee Member Middle East Cable Company (MESC)		
		Chief Executive Officer of Internal Audit Department, Saudi Technology Development And Investment Company - TAQNIA.		
		Chief Executive Officer of Internal Audit Department, Petroleum, Chemicals and Mining Company (PCMC).		
		Chief Executive Officer of Internal Audit Department, Petroleum, Chemicals and Mining Company (PCMC).		
	CEO of Internal Audit Department, Saudi Research and Media Group (SRMG).			



		Chief Executive Officer of Internal Audit Department, National Agricultural Development Company (NADEC).	
		Internal Audit Manager, Saudi Telecom Company (STC).	
		Internal auditor, Saudi Aramco.	
		Member of the Basic Chemical Industries (BCI) Audit Committee.	

	Current Position	Previous Positions	Academic qualifications	Experience
Mr. Haytham bin Faisal Oskoubi	Member of the Board of Directors of Thimar Holding Company.	Retired from Saudi Aramco.	MBA, University of Business and Technology - Saudi Arabia.	Over 33 years of experience.
	Member of the Saudi Bar Association.	Member of the Board of Directors of Namaa Chemical Company.	Bachelor of Law, King Saud University.	

	Current Position	Previous position	Academic qualifications	Experience
Mr. Yasser bin Suliman Al-Aqeel	Board member of THIMAR Development Holding Company.	Member of the Board of Directors and Member of the Audit Committee of Wabra Water Works Company Chairman of the Audit Committee and Member of the Nominations and Remuneration Committee, Mqayes Al-Deqah Company	Master's degree in project management from George Washington University in 2016.	Over 13 years of experience.
	Member of the Audit Committee of the Tourism Projects Company (Shams)	Business development of the Helicopter Company.	Master of Management Information Systems, Bowie State	

	Board Member, Chairman of the Nomination and Remuneration Committee, and Member of the Audit Committee of Naseej International Trading Company.	Member of the Board of Directors, Chairman of the Audit Committee, Member of the Nomination and Remuneration Committee and Member of the Investment Committee at Saudi Arabian Refineries Company	University, USA, 2016 Bachelor's degree in Management Information Systems, University of Hail, 2011
	Organizational Management Director of Development Services Company Limited.	Member of the Board of Directors and Member of the Nominations and Remuneration Committee of Tabuk Agricultural Development Company. Member of the Nomination and Remuneration Committee at Afaq Food Company	Certified Project Professional, Project Management Institute, 2020.
		Project delivery manager for the Saudi Electronic Sports Federation (contracted through Sanad Technical Company for Commercial Services)	
		Projects Department Manager at Best Talent Solutions Company.	

b) Committee members:

A. Audit Committee:

Committee member	Current Position	Previous position	Academic qualifications	Experience
Aziz Mohammed Al-Qahtany	Previously introduced in the names and information of the Board members			
Ziad Muhammad Al-Badini	Member of the Audit Committee, THIMAR Development Holding Company	Director of Strategic Planning, Performance and Finance at Saudi Telecom Company	Diploma in Fintech Accounting and Finance at IE Business School Spain 2022	10 years experience
	Member of the Audit Committee of Khaled Dhafer Logistics Services Company.	Cost Accountant and Financial Controller at Advanced Electronic Company	IMA CMA Cost Accountant Certificate in 2022	
	Planning and Budgeting Department Manager at Specialized by STC Company.	Cost accountant at Aramco	MSc Financial Accounting IE Business	



			School Spain 2022	
			Bachelor's degree in Accounting from Imam Muhammad bin Saud University in 2015	
Muhammad Dakhil Al-Saadi	Member of the Audit Committee, THIMAR Development Holding Company	Chief Financial Officer of Al-Amthal Finance Company	Bachelor's degree in Finance from Prince Sultan University in 2007	16 years of experience
	Member of the Executive Committee of Maalem Finance Company	Chief Financial Officer of Maalem Finance Company		
	Member and representative of the Financial Committee of Maalem Finance Company at the Central Bank	Financial Director at Saudi Computer Company Limited (Ibrahim Al-Juffali and Brothers)		
	Director General of the General Department of Financial Policies and Control at the Saudi Telecom Group	Assistant Director of Credit Risk and Control, Samba Bank Bank Correspondent, Financial Institutions Department, Riyadh Bank		

B. Nominations and Remunerations Committee:

Committee member	Current Position	Previous position	Academic qualifications	Experience
Khaled Asaad Khashoqji	Previously introduced in the names and information of the Board members			
Waleed Abdulaziz Al-Shuwiari	Previously introduced in the names and information of the Board members			
Mohammed bin Khaled Al-Mutairy	Executive Vice President for Administrative Affairs at Alujain Company.	CEO of Buyoutat Real Estate Development and Investment Company	Bachelor's degree - Business Administration from Imam Muhammad bin Saud University Bachelor of Da'wa and Media, Imam Muhammad bin Saud University.	The field of governance and management

c) Executive Committee meetings:

Committee member	Current Position	Previous position	Academic qualifications	Experience
Waleed Abdulaziz Al-Shuwiar	Previously introduced in the names and information of the Board members			
Khaled Asaad Khashoqji	Previously introduced in the names and information of the Board members			
Melfi bin Manahi Al-Marzoqi	Previously introduced in the names and information of the Board members			
Abdulkarim Bin Mohammed Al-Nuhayer	Previously introduced in the names and information of the Board members			
Abdullah bin Udah Al-Ghabin	Chairman of the Board of Directors of Al Jouf Cement Company. Chairman of the Board of Directors of Saudi Cable Company. Chairman of the Board of Directors of Al-Maktaba Library Company. Chairman of the Board of Directors, Thimar Towers Real Estate Development and Investment Company. Managing Director, GEONATPET Geotextile Manufacturing Company. Board Member, ASK Company. Member of the Executive Committee of Thimar Development Holding Company. Director at Business Structuring Company. Board Member, Ghars Company. Vice Chairman of the Board of Directors, Rifd Copper Company.	Member of the Board of Directors and CEO of Al-Lujain Company Chairman of THIMAR Development Holding Company's Board of Directors Managing Director of the Saudi Paper Manufacturing Company	Bachelor of Mechanical Engineering Master of Executives Postgraduate Diploma - Administration	

3) The names of companies inside or outside the Kingdom where a board member of the company is a current or former board member or director.

Member's name	Membership in boards of directors inside KSA		Membership in boards of directors outside KSA	
	Current	Previous	Current	Previous
Waleed bin Abdulaziz Al-Shuwiar	THIMAR Development Holding Company Thimar Towers Investment and Real	Al Jouf Cement Company Al Jomaih Equipment Company. Alkhorayef Company. Member of Chemanol Company's Board of Directors	Midal Cables Company.	None



	Estate Development Company Saudi Cable Company			
Khalid bin Asaad Khashogji	THIMAR Development Holding Company. Thimar Towers Investment and Real Estate Development Company Saudi Cable Company.	Saudi French Business Council. Calin Capital Company Chemanol Company. Saudi British Business Council.	None	None
Melfi bin Manahi Al-Marzoqi	THIMAR Development Holding Company. Rael Company.	Namaa Chemicals Company. Etihad Etisalat Company (Mobily). Chemanol Company.	None	None
Mr. Aziz bin Mohammed Al-Gahtani	THIMAR Development Holding Company. Al-Hammadi Holding Company East Pipes Company. Saudi Cable Company.	Al Jouf Cement Company, Nayifat Finance Company Al-Lujain Company Middle East Cable Company (MESC) Saudi Technology Development And Investment Company - TAQNIA Petroleum, Chemicals and Mining Company Saudi Research and Media Group (SRMG) National Agricultural Development Company (NADEC) Saudi Telecom (STC) Saudi Aramco Company	None	None
Abdulkarim Bin Mohammed Al-Nuhayer	THIMAR Development Holding Company.	Al Jouf Cement Company Al-Jouf Investments Company Akel Trading and Industry Company Saudi Paper Group. National Industrial Company.	None	National Poultry Company (Egypt)
Haytham bin Faisal Oskoubi	THIMAR Development Holding Company	Namaa Chemicals Company Saudi Aramco Company	None	None
Yasser bin Suliman Al-Aqeel	THIMAR Development Holding Company. Tourism Projects Company (Shams) Naseej International Trading Company.	Wabra Water Works Company. Mqayes Al-Deqah Company The Helicopter Company. Saudi Arabian Refineries Company Tabuk Agricultural Development Company	None	None

4) Formation of the board of directors and the classification of its members.

Capacity	Position	Member's name	No.
Not independent	Chairman of Board of Directors	Waleed bin Abdulaziz Al-Shuwiar	1
Not independent	Deputy Chairman of the Board	Khalid bin Asaad Khashogji	2



Executive	Managing Director - Member of the Board of Directors	Melfi bin Manahi Al-Marzoqi	3
Independent	Member of Board	Mr. Aziz bin Mohammed Al-Gahtani	4
Independent	Member of Board	Abdulkarim Bin Mohammed Al-Nuhayer	5
Independent	Member of Board	Haytham bin Faisal Oskoubi	6
Independent	Member of Board	Yasser bin Suliman Al-Aqeel	7

5) Procedures Taken by the Board to Inform Its Members—Particularly Non-Executive Members—of Shareholders’ Proposals and Comments Regarding the Company and Its Performance

The Company's management responds to inquiries received from shareholders within the limits of the disclosure policies. The Board of Directors disclosed all questions from shareholders or regulatory authorities received during the General Assembly meeting, and there were no suggestions or observations from shareholders about the Company and its performance other than what was disclosed.

6) A brief description of the committees' responsibilities and tasks, including the names of the committees, their chairpersons, members, number of meetings, dates of convening, and attendance records of members for each meeting.

a) Audit Committee:

Audit Committee's Members:

- 1- Mr. Aziz Mohammed Al-Qahtany (Chairman of the Committee)
- 2- Mr. Ziad Muhammad Al-Badini (committee member).
- 3- Mr. Muhammad Dakhil Al-Saadi (committee member).

Audit Committee's meetings:

No.	Member's name	Number of meetings (5)				
		1 st Meeting March 26, 2025G	2 nd Meeting May 14, 2025G	3 rd Meeting Aug 06, 2025G	4 th Meeting October 19, 2025G	5 th Meeting October 22, 2025G
1	Aziz Mohammed Al-Qahtany	Attended	Attended	Attended	Attended	Attended
2	Ziad Muhammad Al-Badini	Attended	Attended	Attended	Attended	Attended
3	Muhammad Dakhil Al-Saadi	Attended	Attended	Attended	Attended	Attended



Audit Committee's terms of reference and responsibilities:

The Audit Committee monitors the Company's business and verifies the integrity of reports, financial statements and internal control regulations. The Committee's duties include:

A. Financial reports:

1. Studying the initial and annual financial statements of the company before being submitted to the Board of Directors to express its opinion and give recommendation about them to ensure their integrity, fairness and transparency.
2. Providing a technical opinion upon the request of the Board of Directors on whether the report of the Board of Directors and the financial statements of the company is fair, balanced and understandable and includes information that allows shareholders and investors to evaluate the financial position of the company, its performance, business model and strategy.
3. Examine any important or unfamiliar issues included in the financial reports.
4. Carefully researching any issues raised by the company's financial manager, whoever assumes his duties, the company's compliance officer, or the auditor.
5. Verify the accounting estimates in the fundamental issues mentioned in the financial reports.
6. Studying the accounting and financial policies followed in the company and expressing an opinion and recommendation to the Board of Directors in this regard.

B. Internal audit:

1. Study and review the company's internal, financial and risk management regulations.
2. Study the internal audit reports and follow up the implementation of corrective measures for the observations contained therein.
3. Control and supervise the performance and activities of the internal auditor and the internal audit department in the company - if any - to verify the availability of the necessary resources and their effectiveness in performing the work and tasks entrusted to them.
4. Recommending to the Board of Directors to appoint a director of an internal audit unit or department or the internal auditor and suggesting his remuneration.

C. Auditor:

1. Recommend to the Board of Directors the nomination and removal of auditors, as well as setting their fees and evaluating their performance, after verifying their independence and reviewing the scope of their work and the terms of their contracts.
2. Verifying the auditor's independence, objectivity and fairness, and the effectiveness of the audit work, taking into account the relevant rules and standards.
3. Reviewing the company's auditor's plan and his work, ensuring that he has not submitted technical or administrative works that are outside the scope of the audit work, and expressing its views on that.
4. Answer the inquiries of the company's auditor.
5. Study the auditor's report and his notes on the financial statements and follow up on what has been taken in their regard.

D. Compliance guarantee:

1. Review the results of the reports of the regulatory authorities and verify that the company has taken the necessary actions in this regard.
2. Verify the company's compliance with the relevant laws, regulations, policies and instructions.

3. Review contracts and transactions proposed to be conducted by the Company with related parties, and submitting its comments thereon to the Board of Directors.
4. Raise the issues it deems necessary to take action in their regard to the Board of Directors, and make recommendations on the measures to be taken.
 - Studying the quarterly and annual financial statements and submitting the necessary recommendations thereon to the Board of Directors.
 - Continuous communication with the Board of Directors to inform it of the updated recommendations of the Audit Committee, as well as with regard to the control policies and procedures in the company.

Audit Committee Report:

Key Activities of the Committee During 2025G:

The Audit Committee held several meetings throughout 2025 to perform duties within its scope of responsibility. The key activities included:

- Reviewing the quarterly and annual financial statements and submitting the necessary recommendations to the Board of Directors.
- Recommendation to the Board of Directors to appoint the external auditor for the fiscal year ending 2025 and for the first quarter of 2026.
- Recommendation to the Board of Directors to appoint the internal auditor.
- Recommendation to the Board of Directors to appoint firms to evaluate the Company's real estate assets for the year 2025.
- Overseeing the work of the external auditor, reviewing the audit plan, ensuring the auditor's independence, and verifying that no technical or administrative services are being provided outside the scope of the audit function; the Committee also held regular meetings with the auditor.
- Supervising the work of the internal auditor, reviewing the internal audit plan, ensuring independence, and confirming that no technical or administrative functions are performed by the internal auditor beyond the audit scope, and that regular meetings were held with the internal auditor.
- Maintaining ongoing communication with the Board of Directors to keep it informed of the Committee's recommendations and updates, as well as matters related to the Company's control policies and procedures.

Results of the Annual Review of the Effectiveness of the Internal Control, Financial Control, and Risk Management Systems

The internal control system aims to ensure the effective and efficient achievement of the Company's objectives, compliance with applicable laws, regulations, and policies, and the identification and management of potential risks. Management is responsible for establishing a comprehensive and effective control system commensurate with the level of risks to which the Company may be exposed. The Audit Committee continuously reviews periodic reports prepared by the internal and external auditors, as well as reports issued by the Company's various departments, in relation to internal controls.

Based on the results of the annual reviews, the Audit Committee would like to indicate that it has not identified any material matters to be reported in this regard concerning the internal control, financial control, and risk management systems. The Committee also confirms that there is ongoing communication between the Audit Committee and the Executive Management regarding the continuous follow-up, evaluation, and review of the control system, in order to ensure the achievement

of internal control objectives, enhance the efficiency and effectiveness of operations, and ensure compliance with the relevant laws and regulations.

b) Nominations and Remunerations Committee:

The Nominations and Remunerations Committee's Members:

- | | |
|--|-----------------------------|
| 1. Mr. Khaled Asaad Khashoggi | (Chairman of the Committee) |
| 2. Engineer. Waleed bin Abdulaziz Al-Shuwiar | (Committee Member) |
| 3. Mr. Mohammed bin Khaled Al-Mutairy | (committee member) |

Nominations and Remunerations Committee meetings:

Number of meetings (3)				
No.	Member's name	1 st Meeting February 24, 2025G	2 nd Meeting March 15, 2025G	3 rd Meeting December 31, 2025G
1	Khalid bin Asaad Khashoggi	Attended	Attended	Attended
2	Waleed bin Abdulaziz Al-Shuwiar	Attended	Attended	Attended
3	Mohammed bin Khaled Al-Mutairy	Attended	Attended	Attended

The Nominations and Remunerations Committee's terms of reference and responsibilities:

The committee shall undertake tasks and competencies related to remunerations and nominations. In addition, it is responsible for submitting reports on its activities to the Board on a regular basis. Duties and powers of the committee are as follows:

a) Regarding Remunerations

1. Preparing a clear policy for the remuneration of members of the Board of Directors, its committees, and the Executive Management that enhances the motivation of the administrative staff and retaining the distinguished personnel. The policy should be submitted to the board of directors for review before it is approved by the general assembly. The policy should consider performance-related criteria, disclosure, and ensure its implementation.
2. Clarify the relationship between the bonuses granted and the applicable remuneration policy, and indicate any material deviation from this policy.
3. Periodically reviewing the remuneration policy for senior executives, and evaluating its effectiveness in achieving its goals.
4. Recommending to the Board of Directors the remuneration of members of the Board of Directors, the committees emanating from it, and the senior executive officers of the company, in accordance with the approved policy
5. Reviewing and approving the recommendations of the Chief Executive Officer regarding general guidelines and criteria for financial remuneration and other benefits for senior executives, which the Chief Executive Officer implements in light of the followed policy mentioned in Paragraph (1) of (A) of the Remuneration and Nomination Committee Bylaws.

b) Regarding Nominations

1. Proposing clear policies and standards for membership in the Board of Directors, executive management, and company representatives in subsidiaries.

2. Annual review of the necessary requirements of skills or experience for membership of the Board of Directors and executive management positions, and preparation of a description of the capabilities and qualifications required for membership of the Board of Directors and for occupying executive management positions, including determining the time that a member should dedicate for the work of the Board of Directors.
3. Reviewing the structure of the Board of Directors, committees and executive management and making recommendations regarding the changes that can be made.
4. Establishing job descriptions for executive members, non-executive members, independent members and senior executive officers.
5. Developing special procedures in the event that there is a vacancy in the membership of the Board of Directors or senior executives.
6. Determine the strengths and weaknesses of the Board of Directors, and propose solutions to address them in line with the company's interest, through:
 - أ. Propose the necessary mechanisms to annually evaluate the performance of the Board of Directors, its members, committees, and executive management; This is done through appropriate performance indicators related to the extent to which the strategic objectives of the company are achieved, the quality of the risk management performance, the adequacy of the internal control systems, etc.
 - ب. Assisting the Board in its responsibility in making the necessary arrangements to obtain an evaluation by a competent external party for its performance every four years and supervising the evaluation process.
7. Reviewing the Board committees' remunerations and recommending any amendments regarding the same to the Board's approval. The committee may also submit its recommendations to the Board in the event that one of the Board committees' membership seats becomes vacant by appointing new members when needed.
8. Checking on an annual basis the independence of the independent members, and the absence of any conflict of interest if the member is a member of the Board of Directors of another company.
9. Studying and reviewing the CEO's recommendations regarding the appointment and termination of senior executives.
10. Studying and reviewing management succession or job replacement plans for the company in general and for the board, CEO and senior executives in particular.
11. Provide an appropriate level of training and familiarization to new members of the Board and Committees about the company's tasks and achievements to enable them to perform their work with the required efficiency.
12. Developing the necessary mechanisms for the members of the Board of Directors and the executive management to obtain training programs and courses on an ongoing basis in order to develop their skills and knowledge in areas related to the company's activities.

c) Other duties and responsibilities

1. Assisting the Board of Directors in developing and reviewing the organizational structure of the company and the operational model that regulates the relationship between the company and its subsidiaries.
2. Monitoring the implementation of the employee grievance policy and ensuring its effectiveness.

c) Executive Committee:

**** Executive Committee's members:**

- | | |
|--|-----------------------------|
| 1. Eng. Waleed bin Abdulaziz Al-Shuwiar | (Chairman of the Committee) |
| 2. Mr. Khalid bin Asaad Khashogji | (Member) |
| 3. Mr. Melfi bin Manahi Al-Marzoqi | (Member) |
| 4. Engineer/Abdulkarim bin Muhammad Al-Nahir | (Committee member) |
| 5. Engineer/ Abdullah bin Udah Al-Ghabin | (Committee Member) |

Executive Committee meetings:

		Number of meetings (2)	
No.	Member's name	1 st Meeting February 8, 2025G	2 nd Meeting July 22, 2025G
1	Waleed Abdulaziz Al-Shuwiar	Attended	Attended
2	Khaled Asaad Khashoqji	Attended	Attended
3	Melfi Manahi Al-Marzoqi	Attended	Attended
4	Abdul Karim Muhammad Al-Nuhair	Attended	Attended
5	* Abdullah bin Udah Al-Ghabin	Attended	He was not a member

* Eng. Abdullah bin Udah Al-Ghabin resigned from the Executive Committee on 2 March 2025.

* The Executive Committee was dissolved pursuant to a Board of Directors' resolution dated 29 October 2025.

The Executive Committee's terms of reference:

The Committee shall be authorized by the Board with full powers to:

- Providing support to the Board of Directors to supervise competency.
- Supporting, guiding and assisting the executive management in performing their duties and regularly monitoring their work.
- Making recommendations to the Board for setting and approving priorities and goals related to allocating the company's financial resources, capital expenditures for projects including financial matters and others, such as mergers and acquisitions, investments, disposal of investments, restructuring, and reorganization.
- Working in an advisory capacity to the Board regarding policies and strategies that affect the company's role.
- Drawing medium and long-term strategies and plans, reviewing them according to market changes, and ensuring their effective implementation.
- Performing any additional tasks from time to time as it deems necessary in its sole discretion and/or as assigned by the Board.
- Reviewing any amendment to the company's work regulations and policies and making recommendations to the Board.
- Formulating, reviewing and communicating with the executive management to present the company's strategy and plans.
- Studying any subject presented to it by the executive management.
- Agreeing on business policy guidelines based on the approved company strategy.
- Presenting the company's budget and plans to the Board, after verifying the budgets and plans following their approval.
- Making recommendations to the Board for ensuring appropriate levels of delegation of authority to senior management in the company.
- Ensuring the existence of an effective organizational structure and arrangement within the company, in line with the company's procedures for the effective implementation of the business plan.
- Taking such decisions that exceed the authority of the Executive Management assigned by the Board regarding capital expenditures or purchase up to an amount owed by the Board to the Committee in accordance with the approved powers.



- Supervising the company's performance, including the performance of agreed-upon key indicators in all aspects of the company's work, and submitting reports to the Board as needed.
- Evaluating the risks facing the company, mitigating them, and continuously monitoring those risks.
- Monitoring the proper implementation of the company's business plan as approved by the Board of Directors.
- Identifying and activating new job opportunities outside the scope of the company's current core activities, and studying geographical diversity.

7) Remunerations of Board Members and Executive Management.

Remuneration of the Board of Directors and Committees Members:

According to the company's articles of association and the list of remunerations for the members of the Board of Directors and its sub-committees.

- The Chairman of the Board shall receive an annual remuneration of SAR 400,000 (Saudi Riyals Four Hundred Thousand).
- The Vice Chairman of the Board shall receive an annual remuneration of SAR 350,000 (Saudi Riyals Three Hundred and Fifty Thousand).
- Each member of the Board of Directors shall receive an annual remuneration of SAR 300,000 (Saudi Riyals Three Hundred Thousand).
- The Chairman of the Executive Committee and the Nomination and Remuneration Committee shall receive an annual remuneration of SAR 200,000 (Saudi Riyals Two Hundred Thousand).
- Members of the Executive Committee and the Nomination and Remuneration Committee shall receive an annual remuneration of SAR 150,000 (Saudi Riyals One Hundred and Fifty Thousand).
- The Chairman of the Audit Committee shall receive an annual remuneration of SAR 300,000 (Saudi Riyals Three Hundred Thousand).
- Members of the Audit Committee shall receive an annual remuneration of SAR 200,000 (Saudi Riyals Two Hundred Thousand).
- Within the limits prescribed by the Companies Law and any other complementary laws, regulations, or instructions, each Chairman and each member shall be paid an amount of SAR 3,000 (Saudi Riyals Three Thousand) for each Board meeting attended, and an amount of SAR 3,000 (Saudi Riyals Three Thousand) for each committee meeting attended. The Company shall also reimburse the Chairman and members of the Board of Directors for actual expenses incurred in attending Board or committee meetings, including travel, accommodation, and lodging expenses.

The Board of Directors' report to the Ordinary General Assembly shall include a comprehensive statement of all amounts received by members of the Board during the financial year, including salaries, profit shares, attendance allowances, expenses, and other benefits. The report shall also include details of any amounts received by Board members in their capacity as employees or executives, or in consideration for technical, administrative, or consultancy services. The Company shall ensure that the General Assembly approves the terms of remuneration and compensation at a General Assembly meeting in which Board members shall not have voting rights on such matters. The remuneration of Board members may be amended upon approval of the Extraordinary General Assembly, subject to the applicable laws, regulations, and instructions in this regard.

a) * Remuneration due to Board Members.

The following table sets out the remuneration and compensation of the Board members for their membership on the Board for the year 2025.

Description	Fixed Rewards							Variable Rewards						EOS Indemnity	Grand Total	Expenses allowance	
	A certain amount	Board's Attendance Allowance	Total Committee Meeting Attendance Allowances	In-kind benefits	Statement of amounts received by Board members in their capacity as employees or executives, or in consideration for technical, administrative or consultancy services	Remuneration of the Chairman, the Managing Director, or the Company Secretary, if any of them is a Board member	Total	(Percentage of profits)	Periodic Remuneration	Short-term incentive plans	Long term incentive plans	Shares awarded (add value)	Total				
First: Independent members																	
1	Aziz bin Mohammed Al-Qahtani	300,000	27,000	15,000	0	0	0	342,000	0	0	0	0	0	0	0	342,000	0
2	Abdulkarim Bin Mohammed Al-Nuhayer	300,000	27,000	6,000	0	0	0	333,000	0	0	0	0	0	0	0	333,000	0
3	Yasser bin Suliman Al-Aqeel	300,000	27,000	0	0	0	0	327,000	0	0	0	0	0	0	0	327,000	0
4	Haytham bin Faisal Oskoubi	300,000	27,000	0	0	0	0	327,000	0	0	0	0	0	0	0	327,000	0
	Total	1,200,000	108,000	21,000	0	0	0	1,329,000	0	0	0	0	0	0	0	1,329,000	0
Second: Non-executive members																	
1	Waleed Abdulaziz Al-Shuwiari	400,000	27,000	15,000	0	0	0	442,000		900,000	0	0	0	0	0	1,342,000	0
2	Khaled Asaad Khashojji	350,000	27,000	15,000	0	0	0	392,000			0	0	0	0	0	392,000	0
	Total	750,000	54,000	30,000	0	0	0	834,000		900,000	0	0	0	0	0	1,734,000	0
Third: Executive members																	
1	Melfi Manahi Al-Marzoqi	300,000	27,000	6,000	0	0	0	333,000	0	0	0	0	0	0	0	333,000	0
	Total	300,000	27,000	6,000	0	0	0	333,000	0	0	0	0	0	0	0	333,000	0



* The remuneration of the Board of Directors for the fiscal year 2025 has been calculated in accordance with the remuneration policy approved by the General Assembly. It includes the amounts paid during the year, as well as the amounts accrued for the same year which had not been disbursed as of the date of preparing this report.

b) * Remuneration of Committee Members.

The following table shows the remuneration and compensation of Committees' Members for their office in the Committees for 2025 G.

	Fixed remuneration (excluding attendance allowance)	Attendance allowance	Total
Audit Committee's Members			
Aziz Mohammed Al-Qahtany	300.000	15.000	315.000
Ziad Muhammad Al-Badini	200.000	15.000	215.000
Muhammad Dakhil Al-Saadi	200.000	15.000	215.000
Total	700.000	45.000	745.000
The Nominations and Remunerations Committee's Members			
Khaled Asaad Khashoqji	200.000	9.000	209.000
Waleed Abdulaziz Al-Shuwiari	150.000	9.000	159.000
Mohammed Khaled Al-Mutairy	150.000	9.000	159.000
Total	500.000	27.000	527.000
Executive Committee's members			
Waleed Abdulaziz Al-Shuwiari	165.761	6.000	171.761
Melfi Manahi Al-Marzoqi	124.321	6.000	130.321
Khaled Asaad Khashoqji	124.321	6.000	130.321
Abdul Karim Muhammad Al-Nuhair	124.321	6.000	130.321
Abdullah bin Udah Al-Ghabin	25.834	3.000	28.834
Total	564.558	27.000	591.558

* The remuneration of the committee members for the fiscal year 2025 has been calculated in accordance with the remuneration policy approved by the General Assembly. It includes the amounts paid during the year, as well as the amounts accrued for the same year which had not been disbursed as of the date of preparing this report.

c) Senior Executives Remuneration

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, determines the terms of engagement, including the compensation packages, for the CEO and senior executives of the Company. These terms are established in accordance with standards that are periodically reviewed and include fixed annual remuneration, variable bonuses based on both financial and non-financial performance evaluations, as well as long-term incentive criteria designed to align the interests of executives with those of the Company's shareholders. These terms also take into account prevailing trends in the labor market and are submitted by the Board to the General Assembly for approval. The table below outlines the compensation and benefits provided to senior executives for the year 2025G:

Senior Executives Positions	Fixed Remuneration				Variable Remuneration					Other			
	Salaries	Allowances	In-kind benefits	Total	Periodic Remuneration	Profits	Short-term incentive	Short-term incentive	Shares awarded (add)	Total	EOS Indemnity	Board Total remuneration, if any	Grand Total
Four Senior Executives	1961409.24	686486.76	-	2,647,896	657.600	0	0	0	0	657.600	385.495	300.000	3,990,991

8) Any penalty, sanction, precautionary measure, or provisional restriction imposed on the company by the regulatory authority or any supervisory, regulatory, or judicial entity, along with a statement of the reasons for the violation, the entity imposing it, and ways to remedy and prevent it from recurring in the future.

Authority Issuing the Violation	Reason for the Violation	Date of Violation and Time of Payment	Penalty / Fine / Precautionary Measure / Provision	Corrective Action and Measures to Prevent Recurrence
None				

No penalties, sanctions, or restrictions were imposed on the Company by the Capital Market Authority or by any other supervisory, regulatory, or judicial authority during the year 2025, other than those previously disclosed.

9) Results of the Annual Review of the Effectiveness of the Company’s Internal Control Procedures, and the Audit Committee’s Opinion on the Adequacy of the Internal Control System

- The Audit Committee assists the Board of Directors in performing its responsibilities, particularly in ensuring the effectiveness of internal control procedures and the adequacy of the Company’s internal control system, as well as its efficient and effective implementation. The Committee provides objective and independent assessments covering all of the Company’s activities, including operational, financial, performance, and compliance aspects. It reviews periodic reports submitted by the Company’s departments and the internal audit function, in addition to the external auditor’s observations regarding the evaluation of internal control procedures in terms of their design and implementation. The Committee also follows up on the recommendations of both the internal auditor and the external auditor to address observations and ensure their rectification. Furthermore, through internal audit reports, the Committee reviews matters related to the overall effectiveness of internal control procedures and, in particular, the fairness of the financial statements, taking into consideration that any internal control system, regardless of the soundness of its design and effectiveness of its implementation, cannot provide absolute assurance regarding its effectiveness.
- The Audit Committee submits to the Board of Directors any recommendations aimed at enhancing and developing the internal control system efficiently and cost-effectively, in a manner that supports the Company’s objectives and safeguards the interests of shareholders and investors. The Committee also reinforces the independence and oversight of the Internal Audit Department and the external auditor, while ensuring the quality and reliability of financial reporting. Based on its assessments, the Committee is reasonably satisfied with the effectiveness of the design and implementation of the Company’s internal control system.



- Based on the reports and recommendations received from the Audit Committee, the Board of Directors confirms that the audit results did not reveal any material weaknesses or deficiencies in the Company's internal control system, nor in the integrity of its financial, accounting, and internal control procedures. The Board also affirms that the Executive Management is taking all necessary actions to address and resolve any observations or recommendations, should they arise.

10) Audit Committee Recommendations That Conflict with the Decisions of the Board of Directors, or That Were Rejected by the Board, Regarding the Appointment, Dismissal, Remuneration, or Performance Evaluation of the External Auditor or the Appointment of the Internal Auditor

There were no conflicts between the recommendations of the Audit Committee and the decisions of the Board of Directors.

11) Statement of the Dates of General Assembly Meetings Held During the Last Fiscal Year and the Names of Board Members Attending Such Meetings.

The table below outlines the number of General Assembly meetings held during the year, along with the names of the Board members who attended each meeting.

Number of meetings (2)			
No.	Member's name	Ordinary General Assembly: 24/06/2025	Extraordinary General Assembly: 02/09/2025
1	Waleed Abdulaziz Al-Shuwiar	Attended	Attended
2	Khalid bin Asaad Khashogji	Attended	Attended
3	Melfi bin Manahi Al-Marzoqi	Attended	Attended
4	Mr. Aziz bin Mohammed Al-Gahtani	Attended	Attended
5	Abdulkarim Bin Mohammed Al-Nuhayer	Attended	Attended
6	Haytham bin Faisal Oskoubi	Attended	Attended
7	Yasser bin Suliman Al-Aqeel	Attended	Attended

12) Description of the Company's Key Plans and Decisions (Including Structural Changes, Business Expansions, or Discontinuation of Operations) and Future Business Outlook

The Company's investment strategy—outlined in the approved financial reorganization plan—is centered on enhancing liquidity to fulfill its debt repayment obligations, while channeling investments into a range of vital sectors, including real estate, industry, agriculture, and others. The Company is committed to maximizing the value of its assets through carefully considered investments that ensure sustainable returns. In line with this vision, the Company has entered into a partnership to develop real estate projects in Riyadh, in addition to other investments that have been disclosed via the Tadawul platform and are currently under evaluation. These initiatives reflect the Company's ongoing efforts to pursue promising investment opportunities that support its growth and expansion trajectory. The diversification of the Company's operations and investments is expected to be fully realized upon completion of the capital funding process, in alignment with the financial reorganization plan.

13) Information regarding any risks faced by the company, and the policy for managing and controlling these risks.

The company's activities, operations, financial conditions, future expectations, operating results, and cash flows may be significantly adversely affected if any of the risks outlined in this section materialize, which the company's management currently considers material. In addition, any other risks not identified by the Board of Directors or currently classified as non-material may indeed occur and become material risks.

The company adheres to a disciplined approach by maintaining a set of policies and procedures applied across all its activities, as per the Company's Business Policies Manual, with an appropriate framework for managing and overseeing those activities in general. It takes systematic steps to identify, monitor, and report risks in all forms that the company is exposed to or may be exposed to, according to the nature and type of its activities on a regular basis.

Economic risks:

These are risks that affect the economy in general, whether domestically or internationally, impacting individuals' and corporates' spending, as well as suppliers and manufacturers.

Market risk:

These involve the exposure of fair value or future cash flows of financial instruments to fluctuations due to market price changes. Market risks include:

- Price risk:** This refers to fluctuations in prices and unexpected changes in the value of financial assets. Such risks may arise from economic or political factors, or even from supply and demand dynamics.
- Credit risk:** This involves the risk that a counterparty fails to meet its financial obligations, whether in repaying debt or fulfilling other financial commitments. Credit risk may result in losses for investors and have a negative impact on the market as a whole.
- Liquidity risk:** This relates to the ability of investors to quickly buy or sell financial assets at fair prices. Low liquidity can lead to sharp price fluctuations and difficulties in executing trades.
- Interest Rate Risks:** This refers to changes in interest rates, which can significantly affect the value of bonds and other fixed-income securities.
- Policy and legislative risks:** This includes political and legislative changes that may impact the market, such as the imposition of new restrictions or shifts in economic policy.
- Regulatory market risk:** This involves the risk of inefficiencies or failure within financial systems, potentially leading to trading halts or the loss of financial documents.

14) The company's assets, liabilities and business results for the last five years.

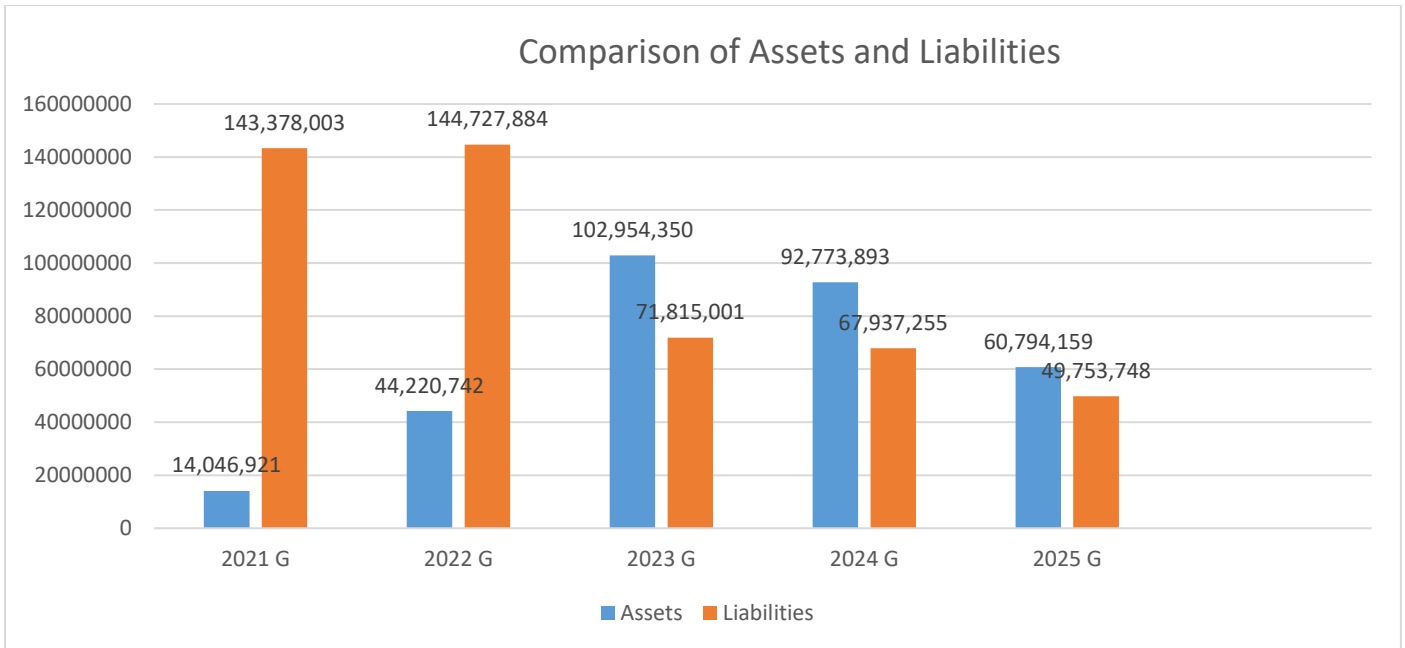
- Comparison of business results:

Description	2021	2022	2023	2024	2025
Revenues	None	None	None	1,794,000	1,088,000
Revenue costs	None	None	None	None	(380,000)
Gross profit	None	None	None	1,794,000	708,000
Net profit	(165,563,843)	(2,955,601)	(6,530,218)	(8,013,419)	(13,027,361)

- Comparing assets and liabilities:

Description	2021	2022	2023	2024	2025
Current assets	2,333,530	902,366	54,517,872	40,874,993	23,773,081
Non-current assets	11,713,391	43,318,376	48,436,478	51,898,900	37,021,078
Total assets	14,046,921	44,220,742	102,954,350	92,773,893	60,794,159

Current liabilities	142,521,937	144,643,074	21,086,244	32,534,368	30,292,192
Non-current liabilities	856.066	84.810	50,728,757	35,402,887	19,461,556
Total liabilities	143,378,003	144,727,884	71,815,001	67,937,255	49,753,748



15) Geographical analysis of the total revenue of the company and its subsidiaries.

Geographical Analysis of the Company's Total Revenues				
Year	Total revenue	Geographic area (1)	Geographic area (2)	Total
2025	1,088,000	Kingdom of Saudi Arabia	None	1,088,000

Geographic analysis of the subsidiary's total revenues (1)				
Year	Total revenue	Geographic area (1)	Geographic area (2)	Total
2025	None	None	None	None

Geographic analysis of the subsidiary's total revenues (2)				
Year	Total revenue	Geographic area (1)	Geographic area (2)	Total
2025	None	None	None	None

16) The significant differences in operating results compared to the previous year or any expectations announced by the company.

Description	2024	2025	Changes (+) (-)	Percentage of change
Sales/Revenue	1,794,000	1,088,000	706,000-	39%
Cost of sales/revenue	None	(380.000)	380,000+	100%
Gross profit	1,794,000	708.000	1,086,000 -	61%



Other operating expenses	(17,772,826) (131.390)	(18,856,100) (1,153,479)	(2,105,363) +	12%
Operating profit (loss).	(16,110,216)	(19,301,579)	(3,191,363) -	20%

17) Differences from the accounting standards approved by the Saudi Organization for Certified Public Accountants (SOCPA).

There are no discrepancies or differences from the accounting standards issued by the Saudi Organization for Certified Public Accountants (SOCPA) that require disclosure. The company's records have been prepared correctly in accordance with the accounting standards issued by SOCPA.

18) Subsidiaries, their capital, ownership percentage, main activity, country of operations, and country of incorporation.

The Company's name	Capital	Company's ownership percentage	Main activity	Operation Sites	Country of incorporation
Wusami and Thimar for meat.	100.000	100%	Retail and wholesale sale of meat products	Saudi	Saudi
Thimar Towers for Real Estate Development and Investment	25.000	100%	Real estate and construction activity	Saudi	Saudi

19) The company's dividend policy.

a) The company's annual net profits are distributed as follows:

- (10%) of the net profits shall be set aside to form the statutory reserve of the company, and the Ordinary General Assembly may decide to stop this deduction when the said reserve reaches 30% of the paid capital.
- The Ordinary General Assembly may, based on the proposal of the Board of Directors, set aside (10%) of the net profits to form a contractual reserve to be allocated for a specific purpose or purposes, according to what the Ordinary General Assembly of Shareholders decides.
- The Ordinary General Assembly may decide to form other reserves, to the extent that serves the interest of the company or ensures the distribution of fixed profits as much as possible to shareholders. The aforementioned assembly may also deduct amounts from the net profits to establish social institutions for the company's employees or to assist existing ones.
- The remainder is then distributed to shareholders in a proportion that does not affect the company's future commitments and projects.

b) Distribution of interim dividends: -

The company may distribute dividends to its shareholders semi-annually or quarterly after meeting the following regulatory requirements:

- that the Ordinary General Assembly authorize the Board of Directors to distribute interim profits according to a resolution issued annually.
- that the Company achieves good and regular profits.
- that the Company should have reasonable liquidity and be able to reasonably predict the level of its profits.
- The company must have distributable profits according to the latest audited financial statements, sufficient to cover the proposed dividends, after deducting what has been distributed and capitalised from those profits after the date of these financial statements.

This is in addition to other regulatory requirements that may be required by any competent authority in the Kingdom of Saudi Arabia

20) A description of any interests in the voting shares category belonging to individuals (excluding members of the company's board of directors, senior executives, and their relatives) who have notified the company of such rights under Article (45) of the registration and listing rules, and any changes in those rights during the last fiscal year.

There is no interest in the class of shares with voting rights held by persons other than members of the Company's Board of Directors, senior executives and their relatives who notified the Company of such rights or any change in such rights during the last financial year of 2025.

21) Any interests, contractual securities, or subscription rights held by members of the Company's Board of Directors, senior executives, or their relatives in the shares or debt instruments of the Company or any of its subsidiaries, as well as any changes in such interests or rights during the last fiscal year:

21-1 Description of any interests, contractual financial instruments, and subscription rights belonging to members of the board of directors and their relatives in the company's shares or debt instruments.

No.	Name of the person who has the interest	Beginning of the year		End of the year		Net change	Percentage of change
		Number of Shares	%	Number of Shares	%		
1	Engineer/ Waleed bin Abdulaziz Al-Shuwar	0	0%	0	0%	0	0%
2	Mr. Khalid bin Asaad Khashogji	0	0%	0	0%	0	0%
3	Mr. Melfi bin Manahi Al-Marzoqi	0	0%	0	0%	0	0%
4	Mr. Aziz bin Mohammed Al-Gahtani	0	0%	0	0%	0	0%
5	Mr. Abdulkarim Bin Mohammed Al-Nuhayer	4875	00075%	0	0	(4875)	0%
6	Mr. Haytham bin Faisal Oskoubi	0	0%	0	0%	0	0%
7	Mr. Yasser bin Suliman Al-Aqeel	2	0%	0	0%	(2)	0%
8	Engineer/ Abdullah bin Udah Al-Ghabin	0	0%	0	0%	0	0%
9	Mr. Mohammed bin Abdul-Wahhab As-Skeet	0	0%	0	0%	0	0%

21-2 Description of any interests, contractual financial instruments, and subscription rights belonging to senior executives and their relatives in the company's shares or debt instruments.

No.	Name of the person who has the interest	Beginning of the year		End of the year		Net change	Percentage of change
		Number of Shares	%	Number of Shares	%		
	None	0	0.000%	0	0.000%	0	0.000%

21-3 Description of any interests, contractual financial instruments, and subscription rights belonging to members of the board of directors and their relatives in shares or debt instruments of subsidiary companies of the company.

No.	Name of the person who has the interest	Beginning of the year		End of the year		Net change	Percentage of change
		Number of Shares	%	Number of Shares	%		
	None	0	0.000%	0	0.000%	0	0.000%

21-4 Description of any interests, contractual financial instruments, and subscription rights belonging to senior executives and their relatives in shares or debt instruments of subsidiary companies of the company.

No.	Name of the person who has the interest	Beginning of the year		End of the year		Net change	Percentage of change
		Number of Shares	%	Number of Shares	%		
	None	0	0.000%	0	0.000%	0	0.000%

22) Information regarding any loans on the company, a statement of the total indebtedness of the company and its subsidiaries, any amounts paid by the company in repayment of a loan during the year, the amount of the loan principal, the name of the lender, the duration of the loan and the remaining amount.

SN	Name of the loan provider	Principal amount of the loan	Loan term	Amounts paid during the year	The remaining amount	Total indebtedness of the company and its subsidiaries
1	SAB Bank	32,024,465	One Year	3,202,446	12,818,711	54,506,460

23) Number of board meetings held during the fiscal year 2025G, the dates of the meetings, and the attendance record of the meetings.

The following table sets out the number of Board of Directors' meetings held during the fiscal year 2025, the dates on which they were convened, and the attendance record of such meetings.

Number of meetings (9)										
No.	Member's name	1 st Meeting 26/03/2025 G	2 nd Meeting 14/05/2025 G	3 rd Meeting 30/06/2025 G	4 th Meeting 07/08/2025 G	5 th Meeting 09/08/2025 G	6 th Meeting 24/09/2025 G	7 th Meeting 22/10/2025 G	8 th Meeting 24/11/2025 G	9 th Meeting 27/12/2025
1	Waleed bin Abdulaziz Al-Shuwiar	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
2	Khalid bin Asaad Khashoggi	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
3	Melfi bin Manahi Al-Marzoqi	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
4	Mr. Aziz bin Mohammed Al-Gahtani	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
5	Haytham bin Faisal Oskoubi	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
6	Abdulkarim Bin Mohammed Al-Nuhayer	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
7	Yasser bin Suliman Al-Aqeel	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended

24) Number of the company's requests for the shareholders' register, the dates of the requests and reasons for these requests.

The following table shows the number of the Company's requests for the register of shareholders during the year, and the dates and reasons for these requests:

No.	Reason for the request	Date & time of request	Equity file date
1	Other	06/02/2025	06/02/2025
2	General Assembly	13/06/2025	24/06/2025
3	General Assembly	12/08/2025	02/09/2025
4	Other	12/08/2025	07/08/2025
5	Other	20/08/2025	14/08/2025
6	Other	28/08/2025	28/08/2025
7	Other	08/09/2025	04/09/2025
8	Other	10/09/2025	07/09/2025
9	Other	14/09/2025	08/09/2025
10	Other	18/11/2025	17/11/2025
11	Other	31/12/2025	28/12/2025

25) Description of any transaction between the company and a related party.

There is no transaction between the company and a related party.

26) Information relating to any business or contract to which the Company is a party, or in which a member of the Company's Board of Directors, senior executives or any person related to any of them has an interest.

The Company confirms that there are no existing contracts, transactions, or arrangements related to the Company's operations in which the Chairman, any Board member, or the Chief Executive Officer has a material interest.

27) Statement of Any Arrangements or Agreements Under Which a Board Member or Senior Executive Has Waived Any Compensation

None of the company's board members or senior executives have waived any remuneration.

28) Statement of Any Arrangements or Agreements Under Which a Shareholder Has Waived Any Rights to Dividends.

None of the company's shareholders has waived any rights to the profits.

29) Statement of Statutory Payments Paid or Due in Respect of Zakat, Taxes, Fees, or Other Payables That Remained Unpaid as of the End of the Fiscal Year, Along With a Brief Description and Reasons

Description	2025G		Brief description	Resasons
	Paid	Due by the end of the annual financial period and unpaid		
Zakat, Income and Customs Authority	2,896,691	9,498,000	Zakat Provision	Outstanding obligations on the Company
General Organization for Social Security	272.179	0		
Iqama Fees	83.751	0	Renewal of Iqamas	
Government Fees and Subscriptions	279.288	0	Government fees, subscriptions, and others	
Total	3,531,909	9,498,000		

30) A statement of the value of any investments or reserves established for the benefit of the company's employees.

There are no investments or reserves established for the benefit of the company's employees.

31) Board members' declarations.

- The account records are properly prepared.
- The internal control system is well established and effectively implemented.
- There is no doubt about the company's ability to continue its activity.

32) Assurances of the Board of Directors

- 1- There are no investments or reserves established for the benefit of the company's employees other than the end-of-service gratuity provision.
- 2- The company did not enter into any transactions related to the company's shares with any members of the Board of Directors or those directly related to them.
- 3- The financial statements of the company have been prepared in accordance with the accounting standards issued by the Saudi Organization for Certified Public Accountants.
- 4- It was not recommended to change the auditor before the end of the period for which he was appointed.
- 5- The auditor did not provide any consulting services to the company and did not receive any fees in this regard.
- 6- The auditor did not submit to the Board of Directors any request to invite the company's general assembly to convene during the fiscal year
- 7- The Chairman of the Board of Directors did not receive any written request to hold emergency sessions from two or more members during the fiscal year
- 8- The Company confirms that it did not receive any request from shareholders owning 5% or more of the share capital to convene a General Assembly or to add one or more items to its agenda during the preparation period in the fiscal year 2025.
- 9- No penalties, penalties or precautionary restrictions have been imposed on the company by the Authority or any other bodies, except for what is mentioned in Paragraph (20) above.
- 10- There are no voting shares held by individuals who notified the Company of such rights during the year 2025.

- 11- There is no arrangement or agreement between the company and one of the shareholders in waiving his share in the profits.
- 12- There are no debt instruments convertible into shares, and there are no redeemable debt instruments.
- 13- There are no arrangements or agreements whereby a member of the Board of Directors or a senior executive in the company waived any salary or compensation.

33) Auditor's report.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of THIMAR DEVELOPMENT HOLDING CO. (the "Group") as at 31 December 2025, and its financial performance and cash flows for the year then ended, in accordance with the International Financial Reporting Standards as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants.

We have audited the consolidated financial statements of the Group, which comprise:

- The statement of financial position as at 31 December 2025;
- The statement of profit or loss for the year then ended;
- The statement of changes in equity for the year then ended;
- The statement of cash flows for the year then ended; and
- The notes on the financial statements, including significant accounting policies and other explanatory information.

Basis of Opinion

We conducted our audit in accordance with the International Standards on Auditing as endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) as endorsed in the Kingdom of Saudi Arabia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note (4-1) to the accompanying consolidated financial statements, which indicates that the Group incurred losses amounting to SAR 13,027,361 for the year ended 31 December 2025. In addition, accumulated losses as at 31 December 2025 amounted to SAR 94,653,914, representing 146% of the Company's share capital. Accordingly, pursuant to Article (132) of the Companies Law, the Extraordinary General Assembly would ordinarily be required to be convened within one hundred and eighty days from the date of becoming aware of such losses to consider the continuation of the Group and to take any necessary measures to address such losses or to dissolve the Company. However, in light of the Group being subject to a proposed financial reorganization plan and procedures as disclosed in Note (1), and in accordance with Article (45) of Chapter Four of the Bankruptcy Law and its Implementing Regulations, the Group is exempted from the application of the provisions of the Companies Law in relation to accumulated losses reaching the statutory threshold. The Group's ability to continue as a going concern is dependent upon the successful implementation of the proposed financial reorganization plan.

As disclosed in Note (4-1), these events or conditions, together with the other matters set out in Note (1), indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion has not been modified in respect of this matter.

Emphasis of Matter

We draw attention to Note (1) to the accompanying consolidated financial statements, which indicates that THIMAR DEVELOPMENT HOLDING CO. is subject to financial reorganization proceedings pursuant to the judgment issued on 7 April 2021 (corresponding to 25 Sha'ban 1442H) in Case No. 1970 for the year 1442H, ordering the commencement of financial reorganization procedures for the Company and the appointment of Mr. Hani bin Saleh Al-Aqili as the Financial Reorganization Trustee.

34) Disclosure of Treasury Shares Held by the Company and Details Regarding Their Use

There are no treasury shares held by the company.

Conclusion:

The Chairman and members of the Board of Directors extend their sincere thanks and appreciation to all shareholders for their continued support. The Board also expresses its gratitude to all employees of the Company and to all stakeholders and partners for their efforts and constructive cooperation throughout the fiscal year 2025G. The Board looks forward to advancing the Company's performance in the coming year and beyond, in a manner that fulfills the aspirations of its shareholders, God willing.

Board of Directors



THIMAR DEVELOPMENT HOLDING COMPANY
SUBJECT TO A FINANCIAL REORGANIZATION PROCEDURE
(Saudi Joint Stock Company)
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
AND INDEPENDENT AUDITOR'S REPORT

THIMAR DEVELOPMENT HOLDING COMPANY
(SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE)
(Saudi Joint Stock Company)
CONSOLIDATED FINANCIAL STATEMENTS
Together with the Independent Auditor's Report
For the year ended 31 December 2025

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**TO THE SHAREHOLDERS OF THUMAR DEVELOPMENT HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
RIYADH-KINGDOM OF SAUDI ARABIA
REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

(1/4)

OPINION

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Thumar Development Holding Company (the "Group") as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA")

We have audited the consolidated financial statements of the Group, which comprise the following:

- The consolidated statement of financial position as at 31 December 2025;
- The consolidated statement of profit or loss and other comprehensive income for the year then ended;
- The consolidated statement of changes in equity for the year then ended;
- The consolidated statement of cash flows for the year then ended; and
- The notes to the consolidated financial statements, including material accounting policies and other explanatory information.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing as endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants as endorsed in the Kingdom of Saudi Arabia and relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note (4-1) to the accompanying consolidated financial statements, which indicates that the Group incurred a loss of SAR (13,027,361) for the year ended 31 December 2025. In addition, the accumulated losses as at 31 December 2025 amounted to SAR (94,653,914), representing 146% of the share capital.

Accordingly, pursuant to Article (132) of the Companies Law, the Group is required to convene an Extraordinary General Assembly within one hundred and eighty days from the date of becoming aware of such losses to consider the continuation of the Group and to take any necessary actions to address these losses or dissolve the Company. However, due to the Group entering into a financial reorganization proposal and procedures, as disclosed in Note (1), and in accordance with Article (45), Chapter Four of the Bankruptcy Law and its Implementing Regulations, the Group is exempted from the application of the provisions of the Companies Law with respect to the accumulated losses reaching the statutory threshold. Furthermore, the Group's ability to continue as a going concern is dependent on the successful implementation of the financial reorganization proposal.

As stated in Note (4-1), these events or conditions, along with the other matters set forth in Note (1), indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**TO THE SHAREHOLDERS OF THIMAR DEVELOPMENT HOLDING COMPANY
 (A SAUDI JOINT STOCK COMPANY)
 RIYADH-KINGDOM OF SAUDI ARABIA
 REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

(2/4)

EMPHASIS OF MATTER

We draw attention to Note (1) to the accompanying consolidated financial statements, which indicates that the Group is subject to a financial reorganization procedure in accordance with the court judgment issued on 7 April 2021 (corresponding to 25 Sha'ban 1442H) in Case No. 1970 of 1442H, which ordered the commencement of the financial reorganization procedure for the Group and the appointment of Hamid bin Saleh Al-Aqili as the Financial Reorganization Trustee.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How we addressed the key audit matters
<ul style="list-style-type: none"> ■ As at 31 December 2023, the Group holds land under Property, Plant and Equipment at a fair value of SAR 35,496,786 (31 December 2024: SAR 46,094,245). ■ The land is measured using the revaluation model, whereby the Group's owned land is revalued to its fair value at the reporting date for revaluation purposes. The valuations were performed by independent external valuers appointed by management, and the lower of the two valuations was adopted in accordance with the regulatory instructions in this regard. ■ The revaluation of land is considered a key audit matter because it is a significant area of judgment, supported by a set of assumptions, and involves a high degree of estimation uncertainty with the potential for a material impact on the results. ■ The land was valued using the market approach (comparative method). Refer to the summary of material accounting policies in Note (1-2) relating to property, plant and equipment, Note (4-2) which contains the significant accounting estimates, judgment and assumptions relating to useful life of property, plant and equipment. 	<p style="text-align: center;">Land of Revaluation</p> <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ■ Evaluated the management policy for measuring and recording property, plant and equipment. ■ Assessed the competence, capabilities, and objectivity of the valuation experts. ■ Obtained an understanding of the work performed by the valuation experts and compared the management expert's conclusion with other audit evidence obtained and auditor expert's conclusion. Evaluating the appropriateness of the experts' work as audit evidence for the related assertions. ■ Assessed the adequacy of the information and disclosures related to the revaluation of land, as presented in Notes (3-2) and (6) to the consolidated financial statements. ■ Verified the calculation method applied by management in selecting the lower of the two fair value estimates for each land plot, in accordance with the requirements of Capital Market Authority (CMA). ■ Evaluated the valuation methodology and determined whether the key assumptions including market comparability of land were within acceptable range. ■ Engaged independent external expert and assessed their competence, capabilities and objectivity for the purpose of our audit. ■ Assessed the reasonableness and appropriateness of the conclusions or results of the expert and their consistency with other audit evidence.

**TO THE SHAREHOLDERS OF THIMAR DEVELOPMENT HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
RIYADH-KINGDOM OF SAUDI ARABIA
REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

(3/4)

OTHER INFORMATION

Other information consists of the information included in the Group's Annual Report for the year ended 31 December 2023, other than the consolidated financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditor's report. Management is responsible for the other information included in its annual report.

Our opinion on the consolidated financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information as described above, and to do so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this respect.

MANAGEMENT'S AND THOSE CHARGED WITH GOVERNANCE RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants, and in accordance with the Companies Law and the Company's Articles of Association. Management is also responsible for such internal control as it determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e., the Board of Directors, are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted in accordance with International Standards on Auditing as endorsed in the Kingdom of Saudi Arabia will always detect every material misstatement when it exists. Misstatements can arise from fraud or error, and are considered material if it is reasonably expected that, individually or in aggregate, they could influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit conducted in accordance with the International Standards on Auditing, as endorsed in Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also perform the following procedures:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

INDEPENDENT AUDITOR'S REPORT

**TO THE SHAREHOLDERS OF THIMAR DEVELOPMENT HOLDING COMPANY
(A SAUDI JOINT STOCK COMPANY)
RIYADH-KINGDOM OF SAUDI ARABIA
REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

(4/1)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- ❶ Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ❷ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ❸ Plan and perform the group's audit to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because of the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PKF Al-Bassam
Chartered Accountants

Osman Ahmed Al-Bassam
Certified Public Accountant

License No.: 337
Riyadh
12 Shawwal 1447H

Corresponding to: 31 March 2024



THIMAR DEVELOPMENT HOLDING COMPANY
(SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE)
(Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2025
(ALL AMOUNTS IN SAR UNLESS OTHERWISE STATED)

	Note	31 December 2025	31 December 2024
Assets			
Non-Current Assets			
Property, plant, and equipment, net	6	36,428,701	50,902,003
Right-of-use asset, net	7-1	592,377	996,897
Total Non-Current Assets		37,021,078	51,898,900
Current Assets			
Assets Held for Sale	6	4,900,000	-
Trade Receivables, net	8	-	-
Prepayments and other receivables, net	9	7,064,952	6,185,395
Due from related parties, net	10-2	-	-
Investments carried at FVTPL	11	5,742,000	13,794,000
Cash and cash equivalents	12	6,066,129	20,895,598
Total Current Assets		23,773,081	40,874,993
Total Assets		60,794,159	92,773,893
Equity and Liabilities			
Equity			
Share capital	13	65,000,000	65,000,000
Statutory reserve		2,883,376	2,883,376
Actuarial (loss) / gains on end of service benefits	14	(76,328)	(9,254)
Revaluation surplus	6	37,887,277	39,862,469
Accumulated losses		(94,653,914)	(82,899,953)
Total Equity		11,040,411	24,836,638
Liabilities			
Non-Current Liabilities			
Employee's benefits obligations	14-1	541,445	284,483
Islamic borrowings	15	8,725,873	11,580,080
Trade payables	16	9,876,019	19,705,624
Accruals and other payables	17	105,138	205,293
Due to related parties	10-3	213,081	433,744
Zakat payable	18	-	2,778,720
Lease liabilities – non-current portion	2-7	-	414,943
Total Non-Current Liabilities		19,461,556	35,402,887
Current Liabilities			
Islamic borrowings	15	2,916,730	2,903,089
Trade payables	16	10,702,690	13,136,528
Accruals and other payables	17	6,854,193	6,383,429
Due to related parties	10-3	213,081	576,620
Zakat payable	18	9,188,060	9,137,076
Lease liabilities - current portion	7-2	417,438	397,626
Total Current Liabilities		30,292,192	32,534,368
Total Liabilities		49,753,748	67,937,255
Total Equity and Liabilities		60,794,159	92,773,893
Contingent Liabilities and Capital Commitments	28		

Chairman of Board

Chief Executive Officer

Chief Financial Officer

The accompanying notes 1 to 30 form an integral part of these consolidated financial statements.

THIMAR DEVELOPMENT HOLDING COMPANY
(SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE)

(Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31 December 2025

(ALL AMOUNTS IN SAR UNLESS OTHERWISE STATED)

	Note	31 December 2025	31 December 2024
Revenue		-	-
Net gains from fair value investments at FVTPL	19	1,088,000	1,794,000
Cost of revenue		(380,000)	-
Gross profit		708,000	1,794,000
General and administrative expenses	20	(18,856,100)	(17,772,826)
General and administrative expenses – financial reorganization		-	(275,000)
(Loss) / reversal of impairment in property, plant, and equipment	6	(1,153,479)	143,610
Operating Losses from Operations		(19,301,579)	(16,110,216)
Gains on disposal of Property, Plant, and Equipment		790,233	-
Financing costs	7	(34,943)	(26,529)
Impact of cash flow adjustments for financial liabilities	21	(1,888,540)	(2,260,096)
Reversal of Related Parties Provision		-	1,756,778
Other Income	22	7,481,060	8,714,350
Net loss for the year before zakat		(12,953,769)	(7,925,713)
Zakat	18	(73,592)	(87,706)
Net loss for the year		(13,027,361)	(8,013,419)
<u>Basic and diluted (loss) per share:</u>			
Basic and diluted loss per share of net (loss) for the year attributable to shareholders of the Company	23	(2.00)	(1.23)
<u>Other comprehensive income:</u>			
Items that will not be reclassified subsequently to profit or loss:			
Revaluation surplus	6	(701,792)	1,746,635
Actuarial (losses) / gains from remeasurements of employees defined benefit	14	(67,074)	(35,927)
Total other comprehensive income		(768,866)	1,710,708
Total Comprehensive (Loss) for The Year		(13,796,227)	(6,302,711)



Chairman of Board

Chief Executive Officer



Chief Financial Officer



The accompanying notes 1 to 30 form an integral part of these consolidated financial statements.

THIMAR DEVELOPMENT HOLDING COMPANY
(SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE)
(Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31 December 2025
(ALL AMOUNTS IN SAR UNLESS OTHERWISE STATED)

Note	Share Capital	Statutory Reserve	Actuarial Gains / (Losses) for End of Service Benefits	Revaluation Surplus	Accumulated Losses	Total
Balance as at 1 January 2024	250,000,000	2,883,376	26,673	38,115,834	(259,886,534)	31,139,349
Net (loss) for the year	-	-	-	-	(8,013,419)	(8,013,419)
Other comprehensive income for the year	-	-	(35,927)	1,746,635	-	1,710,708
Total comprehensive (loss) for the year	-	-	(35,927)	1,746,635	(8,013,419)	(6,302,711)
Capital decrease for absorption of accumulated losses	(185,000,000)	-	-	-	185,000,000	-
Balance as at 31 December 2024	<u>65,000,000</u>	<u>2,883,376</u>	<u>(9,254)</u>	<u>39,862,469</u>	<u>(82,899,953)</u>	<u>24,836,638</u>
Balance as at 1 January 2025	65,000,000	2,883,376	(9,254)	39,862,469	(82,899,953)	24,836,638
Net (loss) for the year	-	-	-	-	(13,027,361)	(13,027,361)
Other comprehensive income for the year	-	-	(67,074)	(701,792)	-	(768,866)
Total comprehensive (loss) for the year	-	-	(67,074)	(701,792)	(13,027,361)	(13,796,227)
Capital decrease for absorption of accumulated losses	-	-	-	(1,273,400)	1,273,400	-
Balance as at 31 December 2025	<u>65,000,000</u>	<u>2,883,376</u>	<u>(76,328)</u>	<u>37,887,277</u>	<u>(94,653,914)</u>	<u>11,040,411</u>


Chairman of Board


Chief Executive Officer


Chief Financial Officer

The accompanying notes from 1 to 30 form an integral part of these consolidated financial statements.

THIMAR DEVELOPMENT HOLDING COMPANY
(SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE)


(Saudi Joint Stock Company)

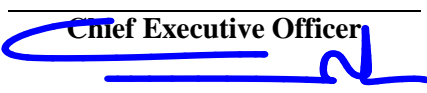
CONSOLIDATED STATEMENT OF CASH FLOW


For the Year Ended 31 December 2025

(ALL AMOUNTS IN SAR UNLESS OTHERWISE STATED)

	Note	31 December 2025	31 December 2024
Cash Flows from Operating Activities			
Net (loss) for the year before zakat		(12,953,769)	(7,925,713)
Adjustments to:			
Unrealized gains from investments at FVTPL	11	444,000	(1,794,000)
Depreciation of property, plant, and equipment	6	614,589	505,041
(Reversal) / Loss of impairment in property, plant, and equipment	6	1,153,479	(143,610)
Depreciation of right-of-use assets	7	404,520	216,667
Finance cost of lease liabilities	7	34,943	26,529
Employee benefit obligations	14	195,707	130,393
Impact of cash flow adjustments for financial liabilities	21	1,888,540	2,260,096
Gains on disposal of property, plant and equipment		(790,233)	-
Net gains from fair value investments through profit or loss	19	(1,292,000)	-
		<u>(10,300,224)</u>	<u>(6,724,597)</u>
Changes in assets and liabilities:			
Prepayments and other receivables, net		623,751	(4,774,554)
Trade payables		(13,509,919)	(577,461)
Accruals and other payables		212,581	(6,351,034)
Cash (used in) operating activities		<u>(22,973,811)</u>	<u>(18,427,646)</u>
Provision for end of service benefits paid	14	(5,819)	-
Zakat paid	18	-	-
Net cash (used in) operating activities		<u>(22,979,630)</u>	<u>(18,427,646)</u>
Cash Flows from Investing Activities			
Payment for purchase of property, plant and equipment	6	(12,171)	(1,080,321)
Payment for investments	11	-	(6,000,000)
Proceeds from disposal of property, plant and equipment		7,905,846	-
Proceeds from disposal of investments carried at FVTPL	11	4,500,000	-
Net cash (used in) investing activities		<u>12,393,675</u>	<u>(7,080,321)</u>
Cash flows from financing activities			
Due to related parties		(610,994)	(275,942)
Lease liabilities paid	7-2	(215,037)	(215,037)
prepayments for lease liabilities	7-2	(215,037)	(212,487)
Islamic borrowings received / (paid)	15	(3,202,446)	-
Net cash (used in) / generated from financing activities		<u>(4,243,514)</u>	<u>(703,466)</u>
Net change in cash and cash equivalents		<u>(14,829,469)</u>	<u>(26,211,433)</u>
Cash and cash equivalents at beginning of the year		20,895,598	47,107,031
Cash and cash equivalents at end of the year	12	<u>6,066,129</u>	<u>20,895,598</u>
Non-Cash Transactions:			
Right-of-Use Assets	27	-	1,001,077
Actuarial Losses / (Gains)		67,074	(35,927)
Revaluation Surplus		(701,792)	-
Realized Gains from Dividend Distributions		240,000	-
Transferred to Assets Held for Sale		4,900,000	-
Derecognition of Revaluation Surplus		(1,273,400)	-
Settlement of Zakat Liabilities against Recoverable Value		(2,896,692)	-
Added Tax (VAT)		-	-


Chairman of Board


Chief Executive Officer


Chief Financial Officer

The accompanying notes 1 to 30 form an integral part of these consolidated financial statements.

THIMAR DEVELOPMENT HOLDING COMPANY
(SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE)

(Saudi Joint Stock Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 31 December 2025

(ALL AMOUNTS IN SAR UNLESS OTHERWISE STATED)

1. LEGAL STATUS AND OPERATIONS

Thimar Development Holding Company was registered as a Saudi Joint Stock Company under Commercial Registration No. 1010068222 and Unified No. 7011692253, issued in Riyadh on 17 Jumada Al-Awwal 1408H (corresponding to January 1988).

As at 31 December 2025, the Group's share capital amounted to SAR 65,000,000, divided into 6,500,000 shares with a nominal value of SAR 10 per share (31 December 2024: SAR 65,000,000, divided into 6,500,000 shares with a nominal value of SAR 10 per share).

The Group is engaged in the following activities:

- Management of subsidiaries of the Holding Companies.
- Investment of funds attributable to subsidiaries of the Holding Companies.
- Holding the underlying real estate and movable properties for the Holding Companies.
- Leasing industrial property rights to subsidiaries of the Holding Companies.
- Holding industrial property rights for subsidiaries of the Holding Companies.
- Providing loans, guarantees and financing to subsidiaries of the Holding Companies.

The consolidated financial statements include the accounts of Thimar Development Holding Company (the Holding Company) and its directly owned subsidiaries (referred to as Subsidiaries).

<u>Subsidiary</u>	<u>Incorporation Country</u>	<u>Legal Form</u>	<u>Effective Ownership Percentage (Direct)</u>
(1) Wasmi and Thimar Meat Company	KSA	LLC	%100
(2) Thimar Towers Development and Real Estate Company	KSA	LLC	%100

(1) Wasmi and Thimar Meat Company (the "Company") is a single shareholder limited liability company, established in the Kingdom of Saudi Arabia under Commercial Registration No. 1010848794, issued in Riyadh on 27 Jumada Al-Awwal 1444H (corresponding to 21 December 2022).

The authorized share capital amounts to SAR 100,000. The share capital has not yet been deposited as of the reporting date, and the Company has not commenced any operations to date.

The Company's principal activities include the production of fresh meat and the wholesale and retail sale of meat and meat products. Certain activities require obtaining licenses from the Ministry of Industry and Mineral Resources.

(2) Thimar Towers Real Estate Development Company (the company) is a One-Person Limited Liability Company. It was established in the Kingdom of Saudi Arabia under Commercial Register No. 1009002193, issued on 3 Ramadan 1445H (corresponding to 13 March 2024). The authorized share capital amounts to SAR 25,000. The share capital has not yet been deposited as of the reporting date, and the Company has not commenced any operations to date. The Company's principal activity is real estate development.

Financial Reorganization Procedures

Pursuant to the ruling issued on Wednesday, 7 April 2021 (corresponding to 25 Sha'ban 1442H) in Case No. 1970, which ordered the commencement of the financial reorganization procedure for Thimar Development Holding Company (the "Group") and the appointment of Hani bin Saleh Al-Aqili as the Financial Reorganization Trustee, the financial reorganization proposal was deposited and the voting dates for shareholders and creditors were approved. The proposal was subsequently ratified by the court on 14 August 2022 (corresponding to 16 Muharram 1444H).

On 8 March 2023 (corresponding to 16 Sha'ban 1444H), the Group's management announced that the Commercial Court in Riyadh had approved the amendment to the financial reorganization proposal.

Details of the Financial Reorganization Trustee:

Name: Hani bin Saleh Al-Aqili

City: Riyadh

License No.: 142126

THIMAR DEVELOPMENT HOLDING COMPANY
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(Saudi Joint Stock Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 31 December 2025
(ALL AMOUNTS IN SAR UNLESS OTHERWISE STATED)

1.LEGAL STATUS AND OPERATIONS (CONTINUED)

Summary of the financial reorganization proposal:

The Group formulated and presented a financial reorganization proposal to the Ninth Circuit of the Commercial Court in Riyadh. The proposal encompassed comprehensive details about the Group, its operations, its financial position, the prevailing economic conditions, a comprehensive list of debts and potential claims, the proposed approach to address them, and the Group's intended course of action during the procedure and its future strategy.

The Group's plan is segmented into two distinct sections:

Section One: Investing in well-established companies that consistently generate sustainable returns.

Section Two: Leveraging the Group's assets by engaging in non-monetary investments (in-kind shares) in the food industry.

The plan's funding sources: Through capital increases in several stages, based on the future business opportunities of the Group

The Group's schedule of indebtedness: claims that have been approved in the proposal, totaling SAR 117,039,035. The breakdown of these claims is as follows:

<u>Category*</u>	<u>Total SAR</u>
Labor Claims	6,685,913
Suppliers	66,183,040
Financing entities	32,024,465
Government agencies	12,145,617
	<u>117,039,035</u>

The classification of these items aligns with the Financial Reorganization Proposal; for a comprehensive breakdown and classification in the consolidated financial statements, refer to Note 25.

The Group's management has incorporated its strategic plan into the Financial Reorganization Proposal, with the objective of ensuring sufficient liquidity for the Company's regular operations.

Plan implementation schedule:

Schedule for the plan implementation :

The implementation of the plan and the fulfillment of creditor obligations will continue in the following manner:

Repayment Dates	<u>31 October 2023</u>	<u>31 March 2025</u>	<u>31 March 2026</u>	<u>31 March 2027</u>	<u>31 March 2028</u>	<u>31 March 2029</u>
Percentage	50%	16%	13%	13%	4%	4%
Obligations Approved Under the Plan	58,519,517	18,790,472	15,447,515	15,447,515	4,417,008	4,417,008
Amount Settled	<u>58,432,325</u>	<u>18,690,624</u>	<u>1,293,634</u>	<u>1,067,734</u>	<u>176,595</u>	<u>176,595</u>
Outstanding Balance	<u>87,192</u>	<u>99,848</u>	<u>14,153,881</u>	<u>14,379,781</u>	<u>4,240,413</u>	<u>4,240,413</u>

During the year ended 31 December 2025, the Group settled and paid part of the outstanding obligations arising under the financial reorganization plan, relating to the second installment of creditors' claims. The total amount of settlements amounted to SAR 18,690,624, representing 99% of the total obligations of the second installment.

The Group continues to follow up on the procedures related to the settlement of the remaining claims and remains committed to proceeding with the implementation of the financial reorganization plan.

In addition, the Group was able to settle scheduled claims up to 31 March 2029 amounting to SAR 2,714,558.

THIMAR DEVELOPMENT HOLDING COMPANY
(SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE)
(Saudi Joint Stock Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 31 December 2025
(ALL AMOUNTS IN SAR UNLESS OTHERWISE STATED)

2. BASIS OF PREPARATION

2-1 Statement of Compliance

These consolidated financial statements "Financial Statements" have been prepared in accordance with International Financial Reporting Standards endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for chartered and professional accountants (together referred to as "International Financial Reporting Standards endorsed in the Kingdom of Saudi Arabia", which includes the financial reporting standard during the bankruptcy procedure: preventive settlement or financial reorganization approved in the Kingdom of Saudi Arabia, which requires presenting the impact of the financial reorganization procedure on the financial statements and disclosing additional information due to entering the procedure.

The financial statements show the impact of transactions and events directly related to financial reorganization procedures independently of the company's business activities.

The principal accounting policies applied in the preparation of these consolidated financial statements have been applied consistently to all periods presented, unless otherwise stated.

2-2 Basis of Consolidation

The consolidated financial statements consist of the financial statements of the holding company and its subsidiary as of 31 December 2025. As mentioned in note No. (1). Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has a right, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee only when the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure to risks, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over an investee to affect its returns and when the Group holds less than a majority of the voting or similar rights of an investee, the Group considers all relevant information and circumstances when assessing the extent of its power over an investee, including:
 - The existing contractual arrangement with the other vote holders of the investee company
 - Rights arising from other contractual arrangements.
 - The Group's voting rights and potential voting rights.

The Group reassesses the extent of its control over an investee if information and circumstances indicate that there are changes in one or more of the three factors of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. Assets, liabilities, revenues and expenses related to the subsidiary that were acquired or sold during the year are included in the consolidated financial statements from the date the Group obtained control until the date the Group ceased to control the subsidiary.

Profit or loss and each component of consolidated comprehensive income are attributed to the shareholders of the parent of the Group and the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Adjustments are made when necessary to the financial statements of subsidiaries in order to bring the accounting policies in line with the accounting policies of the group. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the entire group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control of a subsidiary, it:

- The assets (including goodwill) and liabilities of the subsidiary are excluded.
- Excludes the carrying value of any non-controlling interests.
- Excludes accumulated foreign exchange differences recorded in equity.
- Verify the fair value of the consideration received.
- It works to establish the fair value of any investment held.
- Checks for any surplus or deficit in the consolidated statement of profit or loss.
- Reclassifies the holding company's share of items previously recorded in comprehensive income to consolidated statement of profit or loss or retained earnings, as appropriate, and as necessary if the Group directly sells the related assets or liabilities.

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(Saudi Joint Stock Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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(ALL AMOUNTS IN SAR UNLESS OTHERWISE STATED)

2. BASIS OF PREPARATION (CONTINUED)

2-3 Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis, with the exception of the employees' end of service benefits obligation, which is measured according to the present value of the defined benefit obligations, and land that has been classified under Property, plant and equipment which is measured according to the revaluation model, using the accrual accounting principle and the going concern concept.

2-4 Presentation and Functional Currency

These consolidated financial statements have been presented in SAR, which is the Company's functional and presentation currency.

3. MATERIAL ACCOUNTING POLICIES

The Group has applied the following accounting policies consistently to all periods presented in these consolidated financial statements, unless otherwise stated. In addition, the Group approved the disclosure of accounting policies (amendments to IAS 1) effective 1 January 2023. The amendments require the disclosure of accounting policies ("that are significant") instead of accounting policies that are ("significant") and although the amendments It did not result in any changes in the accounting policy itself, but it affects the accounting policy information that is disclosed in some cases. Below is a summary of the accounting policies applied by the group.

3-1 Current and Non-Current Classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle.
- It is held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period.
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period.
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current liabilities.

THIMAR DEVELOPMENT HOLDING COMPANY
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For the Year Ended 31 December 2025
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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3-2 Property, Plant and Equipment

Recognition and measurement:

As previously detailed, property, plant, and equipment items, excluding land, are measured at cost less accumulated depreciation and impairment losses, if any. This includes the purchase price and costs directly attributable to bringing the asset to the location and condition necessary for it to be used as intended by management. If significant components of property, plant, and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. All costs of repairs and other maintenance are recognized in the statement of profit or loss and other comprehensive income when incurred. The current value of the expected cost to dismantle of the asset from service after it is used in the cost of the underlying asset if the recognition criteria for the provision are met.

At each reporting date, the Company reviews the carrying amounts of its property and equipments excluding land to determine whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. If the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognized immediately in the statement of profit or loss.

Land is included in the statement of financial position at revaluation amounts representing fair value at the revaluation date. The valuations are conducted with sufficient frequency to ensure that the carrying amount of the revalued land does not materially differ from its fair value.

Changes in fair value are recorded in the statement of other comprehensive income and appear in the statement of financial position under the heading of revaluation surplus, except to the extent that any decline in value is recorded that exceeds the balance of the revaluation surplus or reverses this decline in profit or loss. The land is not depreciated, but rather the land and buildings are reevaluated annually by professionally qualified evaluators .

When the asset is disposed of, the revaluation surplus balance is transferred to retained earnings.

Subsequent expenditures are capitalized only if it is probable that the future economic benefits associated with those expenditures will flow to the company.

When major components of property, plant, and equipment have different useful lives, they are accounted for as separate items of property and equipment. Depreciation expense is charged to the consolidated statement of profit or loss and is calculated using the straight-line method to allocate the costs of related assets after deducting residual values over the estimated useful lives of each item of property and equipment. The estimated depreciation rates for assets are as follows:

<u>Item</u>	<u>Years</u>
Wells	25
Buildings	33
Furniture, Fixtures, Office Equipment, and Decorations	10
Vehicles	13.3-5
Electrical Appliances and Computers	5
leasehold improvements	3 or based on the rental period

3-3 Right of Use Assets

The Group recognizes right-of-use assets at the lease commencement date (i.e., the date when the underlying asset becomes available for use). Right-of-use assets are measured at cost less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received and restoration costs. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over their estimated useful life or the lease term, whichever is shorter. Right-of-use assets are subject to impairment.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 31 December 2025
(ALL AMOUNTS IN SAR UNLESS OTHERWISE STATED)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3-4 Investments in Associate Companies

The associate company is a company over which the group has significant influence but not control or joint control. Significant influence is the ability of the group to participate in the financial and operational decisions and policies of the investee company, it is not considered control or joint control over those policies.

Considerations in determining significant influence include holding, directly or indirectly, an interest in the voting rights of the investee company, representation on the board of directors or similar governance bodies, participation in making policies including decisions related to dividend distributions or other distributions, significant transactions, exchanging administrative staff, or providing basic technical information.

Investments in associate companies or joint ventures are accounted for in the group's consolidated financial statements According to the equity method .

Investment in associates or joint ventures is initially recognized in the consolidated statement of financial position at cost and subsequently adjusted to recognize the Group's share of profit or loss and other comprehensive income of the associate or joint ventures, less any impairment in the net investments. In addition, if any change is recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. When the Group's share of losses of associates exceeds its ownership interest in those associates, the Group ceases to recognize its share of additional losses.

Additional losses are recognized and recorded as liabilities only to the extent that the Group has legal or constructive obligations or has made payments on behalf of associates.

Unrealized gains or losses resulting from transactions between the group and the associate company are eliminated to the extent of the group's interest in the associate company. Investments are accounted for using the equity method from the date the investee company becomes an associate. Upon acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of identifiable assets and liabilities is recognized as goodwill, which is included in the carrying value of the investment.

The excess of the Group's share of the net fair value of identifiable assets and liabilities over the cost of the investment, after revaluation, is recognized directly in the consolidated statement of profit or loss in the year of acquisition.

The requirements of International Financial Reporting Standards adopted in the Kingdom are applied to determine whether it is necessary to recognize any impairment loss regarding the group's investment in an associate company.

The group ceases to use the equity method from the date the investment ceases to be an associate or when the investment is classified as held for sale. When the group reduces its ownership interest in an associate company or joint venture while continuing to use the equity method, the group reclassifies previously recognized gains or losses within other comprehensive income related to that decrease in ownership interest to the consolidated statement of profit or loss if the gain or loss includes the elimination of related assets or liabilities.

When any entity within the group transacts with an associate company of the group, gains and losses arising from transactions with the associate company are recognized in the group's consolidated financial statements only to the extent of ownership shares not owned by the group.

THIMAR DEVELOPMENT HOLDING COMPANY
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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3-5 Financial Instruments

Classification and Measurement of Financial Assets and Financial Liabilities

During initial recognition, financial assets are classified as financial assets measured at amortized cost, or at fair value through other comprehensive income (FVOCI) - Investments in debt instruments, or at fair value through other comprehensive income (FVOCI) - Investments in equity instruments, or at fair value through profit or loss.

- Financial assets are measured at amortized cost if they meet both of the following conditions and are not classified at fair value through profit or loss
- They are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Investments in debt instruments are measured at fair value through other comprehensive income (FVOCI) if they meet both of the following conditions and are not classified at fair value through profit or loss:
- They are held within a business model whose objective is to both collect contractual cash flows and to sell financial assets, and
- Its contractual terms give rise on specified dates to cash flows that represent solely payments of principal and interest on the principal amount outstanding.

During initial recognition of investments in equity instruments that are not held for trading, the group has the irrevocable option to present subsequent changes in the fair value of the investment within other comprehensive income. This option is exercised on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or at fair value through other comprehensive income as outlined above are measured at fair value through profit or loss, including all derivative financial assets. During initial recognition, the group may irrevocably designate such financial assets that otherwise meet the requirements for measurement at amortized cost or at fair value through other comprehensive income, as financial assets at fair value through profit or loss, and if it does so, it eliminates or significantly reduces an accounting mismatch that may otherwise arise.

Financial assets (unless they are trade receivables without a significant financing component initially measured at the transaction price) are initially measured at fair value, plus transaction costs directly attributable to the acquisition for items not measured at fair value through profit or loss.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3-5 Financial Instruments (Continued)

The following accounting policies are applied to the subsequent measurement of financial assets.

Financial assets at fair value through profit or loss	Financial assets at fair value through profit or loss are recorded in the statement of financial position at fair value, with net changes in fair value recognized in the statement of profit or loss. This category includes equity instruments.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. Amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss is recognized in the consolidated statement of profit or loss.
Investments in debt instruments at fair value through comprehensive income	The subsequent measurement of these assets is done at fair value. Interest income calculated using the effective interest method, as well as gains and losses from foreign currency translation and impairment, are recognized in the consolidated statement of profit or loss. Net gains and losses from other comprehensive income are also recognized. Upon discontinuation of recognition, accumulated gains and losses in Unified other comprehensive income are reclassified to the consolidated statement of profit or loss.
Investments in equity instruments at fair value through other comprehensive income	The subsequent measurement of these assets is at fair value. Dividend distributions are recognized as revenue in the unified profit or loss unless they represent a clear return of a portion of the investment cost. Other gains and losses are recognized within the unified other comprehensive income and are never reclassified to the unified profit or loss.

3-5-1 Disposal

Financial Assets

A financial asset (or part of a group of similar financial assets) is substantially derecognized (i.e. removed from the group statement of financial position) in the following cases:

- Expiry of the rights to receive cash flows from the asset.
- Group transferring its rights to receive cash flows from the asset or assumes an obligation to pay the received cash flows in full without delay to a third party under a "pass-through" arrangement; and (a) the group transferring substantially all risks and rewards of the asset, or (b) the group transferring control over the asset and not retaining substantially all risks and rewards of the financial asset.

Financial Liabilities

The group derecognizes financial liabilities when they are fulfilled, cancelled, or expired. The group also derecognizes financial liabilities when their terms are substantially modified, and the cash flows of the modified liability are significantly different. In this case, a new financial liability is recognized at fair value based on the modified terms.

Upon derecognition of the financial liability, the difference between the carrying amount extinguished and the amount paid (including any non-cash assets transferred or liabilities assumed) is recognized in the consolidated statement of profit or loss.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3-5 Financial Instruments (Continued)

3-5-2 Impairment of Financial Assets

The financial assets carried at amortized cost consist of receivables, prepaid expenses, other current assets, amounts due from related parties, cash, and cash equivalents.

Provisions for losses are measured based on expected credit losses over the lifetime of the financial instrument (which are the credit losses that result from all possible default events over the expected life of the financial instrument).

The Group measures provisions for losses at an amount equal to the expected credit losses over the lifetime of the financial instrument.

When assessing whether credit risks for a financial asset have increased significantly since initial recognition and estimating expected credit losses, the Group considers relevant and available reasonable and supportive information without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's prior experience and informed credit assessment, including forward-looking information

3-5-3 Measuring Expected Credit Losses

Expected credit losses (ECL) are a potential weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the group according to the contract and the cash flows that the group expects to receive) Expected credit losses are discounted at the effective interest rate of the financial asset.

3-5-4 Financial Assets That Are Credit-Impaired

On each financial statement date, the group evaluates whether the financial assets carried at amortized cost and Debt securities carried at fair value through comprehensive income are credit-impaired. A financial asset is assessed as credit-impaired when one or more events occur that have a detrimental effect on the estimated future cash flows of that financial asset.

3-5-5 Presentation of Impairment in Value

Loss provisions for financial assets measured at amortized cost are deducted from the carrying amount of the assets.

3-5-6 Write-off

The total carrying value of a financial asset is written off (either partially or in full) to the extent there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor has no assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, the written-off financial assets may remain subject to enforcement activities to comply with the team's procedures for recovering the amounts due.

3-5-7 Offsetting Financial Instruments

Financial assets and liabilities are offset, and the net amount reported in the standalone statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis of assets and liabilities simultaneously.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3-6 Trade Receivables

Trade receivables represent amounts due from customers in the private and public sectors for supplies, within the normal course of the group's activities, and do not bear interest. If credit terms exceed normal credit terms, trade receivables are measured at amortized cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade receivables and other debtors are reviewed to determine whether there is any objective evidence that amounts are not recoverable. In such cases, a loss due to impairment is recognized directly in the consolidated statement of profit or loss.

3-7 Cash and Cash Equivalents

Cash and cash equivalents include balances with banks and bank deposits maturing in three months or less, if any. It also includes overdrafts from banks that form an integral part of the group's cash management and are likely to fluctuate from overdraft to positive balances.

3-8 Benefits For Employees

3-8.1 Short-term liabilities

The liabilities related to wages and salaries, including non-cash benefits, accrued leave, and expected travel expenses, which are expected to be fully settled within twelve months after the end of the period in which employees render the related services, are recognized based on the services provided by the employees until the end of the period of preparation of the consolidated financial statements and are measured at the amounts expected to be paid upon settlement of the obligations. These obligations are presented as current employee benefit obligations within accrued expenses in the consolidated statement of financial position.

3-8.2 Other long-term employee benefit liabilities

The liability or asset related to defined benefits is recognized in the consolidated statement of financial position. The liability for employee end of service benefits represent the present value of the defined benefit liability as of the financial reporting year. The liability for defined benefits is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit liability is determined by discounting the estimated future cash outflows using Interest rates based on yields of high-quality corporate bonds denominated in the currency in which the benefits will be settled. Its terms are close to the terms of the relevant obligation

Costs of defined benefits are classified as follows:

The cost of service

The service costs include both the current service cost and the past service cost, which are recognized directly in the consolidated statement of profit or loss.

Changes in the present value of defined benefit obligations resulting from plan modifications or reductions are recognized directly in the statement of profit or loss as an employee end-of-service benefit expense.

Interest cost

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit liabilities. This cost is then included in financing costs in the consolidated statement of profit or loss.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3-9 Loans

The recognition of loans initially occurs at fair value (as receivables received), net of transaction costs if any. Subsequently, long-term loans are measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the consolidated statement of profit or loss over the period of the loan using the effective interest rate method. Fees paid on loan facilities are recognized within loan transaction costs to the extent that it is probable that some or all of the facility will be drawn down. In such cases, the fees are deferred until the facility is drawn down and Fees are capitalized in advance payments for liquidity services to the extent that there is no evidence that part or all of the facility is likely to be withdrawn, and are amortized over the term of the relevant facility.

Recognition of loans in the consolidated statement of financial position ceases when the obligation is settled, cancelled, or expired. The difference between the carrying amount of the financial liabilities that have been extinguished or transferred to another party and the consideration paid, including non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of profit or loss other income or finance costs.

Loans are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing cost

General and specific loans directly related to the purchase, construction or production of assets eligible for capitalization are capitalized during the time period required to complete and prepare the asset for its intended use or sale, as appropriate. Eligible assets are assets that necessarily take a significant period of time to become ready for their intended use or sale. Investment income earned on temporary investment of specific borrowings until spent on qualifying assets is deducted from borrowing costs eligible for capitalization.

Other borrowing costs are recognized as expenses in the year in which they are incurred in the consolidated statement of profit or loss.

3-10 Accruals and Other Payables

Trade payable and other accrued expenses are recognized at fair value and subsequently measured at amortized cost using the effective commission rate method.

3-11 Provisions

Provisions are recognized in the consolidated financial statements when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount. When the impact is significant, provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The discount reduction is recognized as a financing cost in the consolidated statement of profit or loss.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3-12 Zakat Payable

The Group is subject to zakat in accordance with the regulations of the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia (“the Authority”), and an entitlement to zakat is recognized and charged to the consolidated statement of profit or loss for the current period. Additional zakat liabilities, if any, are calculated, related to assessments for previous years by the Authority in the period in which the final assessments are issued.

The group is primarily eligible to pay zakat only. Whereas the reversal of timing differences, if any, is not expected to have any material impact on the amount of zakat in the foreseeable future, and therefore no deferred tax liability or asset has been recognized in these consolidated financial statements.

3-13 Value Added Tax (VAT)

Expenses and assets are recognized after deducting the value-added tax amount, except for:

- When the incurred VAT on purchases of assets or services is non-recoverable from tax authorities. In this case, the VAT is recognized as part of the cost of the asset purchase or as part of the expense item, where applicable
- When presenting both accounts receivable and accounts payable inclusive of VAT

The net amount of VAT recoverable from/to the tax authority is included either as part of prepaid expenses and other current assets or as part of accrued expenses and other current liabilities in the consolidated statement of financial position.

3-14 Re-Measurement Gains or Losses

Re-measurement gains or losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in the consolidated statement of comprehensive income.

3-15 Contingent Liabilities and Capital Commitments

All Contingencies and Capital commitments arise from past events that will only be confirmed through the occurrence or non-occurrence of one or more future uncertain events that are not fully within the control of the Group or all current liabilities arising from past events but not recognized for the following reasons:

- (1) There is no probability that an outflow of economic resources embodying benefits will be required to settle the obligation.
- (2) The amount of the liability cannot be measured reliably. They must all be evaluated at the date of each financial position and disclosed in the group’s consolidated financial statements as potential liabilities.

3-16 Short-term leases and leases of low-value assets

The group applies the exemption from recognizing short-term lease contracts to leases of its short-term leased properties (i.e., leases with a lease term of 12 months or less from the commencement date of the lease and that do not include a purchase option). It also applies the exemption from recognizing leases of low-value assets. Lease payments relating to short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis over the term of the lease.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3-17 Revenue Recognition

Revenue consists of the fair value of consideration received or receivable from the provision of services in the ordinary course of the Group's business taking into account contractually specified payment terms. Revenue is stated net of trade discounts, incentives and rebates.

The Group recognizes revenue when the amount of revenue can be measured reliably; When it is probable that future economic benefits will flow to the group; When specific criteria are met for each group activity, as described below.

The Group recognizes revenue under International Financial Reporting Standard 15 using the five-step model:

Step 1: Identify the contract with the customer	The contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and specifies the criteria for each contract that must be fulfilled.
Step 2: Identify the performance obligations	Performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
Step 3: Determining the Transaction Price	The transaction price is the amount of consideration that an entity expects to be entitled to in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4: Distribute or allocate the transaction price	For contracts containing multiple performance obligations, the entity allocates the transaction price to each performance obligation by an amount that reflects the consideration the entity expects to be entitled to in exchange for satisfying each performance obligation.
Step 5: Revenue Recognition	The group recognizes revenue whenever (or when) it satisfies a performance obligation by transferring a promised good or service to the customer under the contract.

Due to the company undergoing financial reorganization and the cessation of its operational activities in 2019, the group's management is still following up on the measures taken in carrying out its commercial business again.

3-18 Cost of revenue

All expenses are recognized on an accrual basis. Operating costs are recognized on a historical cost basis. There is no cost of revenues during the year ended 31 December 2025, due to the cessation of the Group's operational activities since 2019 and its undergoing financial Reorganization.

3-19 General and Administrative Expenses

General and administrative expenses include direct and indirect costs that are not specifically part of the cost of revenue. The allocation between the cost of revenues and general and administrative expenses, when needed, is made on a consistent basis.

3-20 General and Administrative Expenses – Financial Reorganization

General and administrative expenses include fees payable to the Financial Reorganization Trustee.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3-21 Earnings Per Share

The Group presents basic diluted earnings per share (if any) per ordinary share. Basic earnings per share are calculated from the net profit or loss by dividing the profit or loss attributable to holders of the group's ordinary shares by the weighted average number of ordinary shares traded during the year. Adjusted by the number of common shares repurchased or issued during the year. Diluted earnings per share are adjusted for the profit or loss attributable to holders of ordinary shares of the Group and the weighted average number of shares outstanding during the year with the effect of all ordinary shares potentially issued.

4. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGMENTS, AND ASSUMPTIONS

In preparing these consolidated financial statements, management has used judgments and estimates that affect the application of accounting policies and the amounts recognized for assets, liabilities, revenues, and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The critical estimates and assumptions are reviewed on an ongoing basis. Recognition of revised accounting estimates occurs in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

In the context of applying accounting policies for the Group, management has made the following significant judgments, which have a material impact on the amounts recognized in the consolidated financial statements.

4-1 Going Concern

The consolidated financial statements have been prepared on a going concern basis, which is primarily dependent on the Group's commitment to implementing the financial reorganization plan, as disclosed in Note (1).

As presented in the consolidated financial statements, the Group incurred a net loss for the year ended 31 December 2025 amounting to SAR 12,953,769, and the accumulated losses as at that date amounted to SAR 94,653,914, exceeding the Group's entire share capital. Accordingly, pursuant to Article (132) of the Companies Law, an Extraordinary General Assembly meeting is required to be convened to consider the continuation of the Group.

However, due to the Group being subject to financial reorganization procedures, and in accordance with Article (42) of the Bankruptcy Law, the Group has been exempted from the application of the provisions of the Companies Law relating to accumulated losses exceeding the statutory threshold.

Although the Group announced on 25 January 2026 that the Extraordinary General Assembly did not approve the proposed capital increase, management has reviewed the Group's cash flow forecasts and approved a comprehensive alternative plan to improve liquidity, which includes the following measures:

Improving the efficiency of managing underutilized assets. During the subsequent period, the Group completed the sale of its land located in Al-Kharj Governorate for SAR 5.1 million. The Group also intends to sell another agricultural land located in Riyadh (Al-Kharj Road) with a fair value of approximately SAR 35 million, and has initiated the process of obtaining formal offers in this regard.

1. Improving administrative cost efficiency by reducing the number of Board of Directors members from seven (7) to five (5), revising the remuneration policies of the Board, its committees, and executive management, and reducing discretionary expenditures, which is expected to result in cash savings.
2. The Group expects to recover amounts due from a related party pursuant to an Enforcement Court ruling issued on 17 September 2025, which ordered the sale of the related party's properties and vehicles through a public auction. These matters are currently under review by the Group's legal advisor.
3. The Group is also planning to resume the process of increasing its share capital and is currently coordinating with its legal advisor to submit a new proposal aimed at ensuring the Group's sustainability and future growth.
4. Despite the existence of negative operating cash flows amounting to SAR 22,979,630 and current liabilities of SAR 30,292,192, which indicate the existence of a material uncertainty that may cast doubt on the Group's ability to continue as a going concern, management has successfully settled approximately 70% of the total obligations under the financial reorganization plan (i.e., SAR 79 million out of SAR 117 million). The Group has also made advance settlements amounting to SAR 2.7 million relating to future installments under the reorganization plan to support the implementation of the plan. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

Nevertheless, Management believes that these alternative plans are sufficient to meet the Group's obligations and to continue implementing the financial reorganization plan. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

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4. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGMENTS, AND ASSUMPTIONS (CONTINUED)

4-2 Estimates and Assumptions

The following estimates have been made by management in the process of applying the company's accounting policies, which have a significant impact on the amounts recognized in the financial statements.

4-2-1 Depreciation of Property and Equipment

The company's assets are depreciated on a straight-line method over their estimated economic productive life.

4-2-2 Actuarial Evaluation of Employee's End-of-Service- Benefits

The present value of pension liabilities depends on a number of factors that are determined using actuarial valuations that use a number of assumptions. Assumptions used in determining the net cost (income) of retirement include the discount rate. Any change in these assumptions will affect the carrying value of the pension liabilities.

The Group determines the appropriate discount rate at the end of each year, which is the interest rate used to determine the present value of estimated future cash flows expected to be required to settle post-employment obligations. When determining the appropriate discount rate, the Group takes into account the interest rates of high-quality corporate bonds with the term of the bonds being consistent with the estimated period of end-of-service benefit liabilities.

4-2-3 Useful lives of Property, Plant, and Equipment

The useful lives of property and equipment are estimated for calculating depreciation expense. This estimate is prepared based on the expected useful lives of the relevant assets.

The useful lives of the company's assets are determined by management based on the technical evaluation purchase asset and are reviewed annually to ensure their suitability. Useful lives are based on historical experience with similar assets, as well as expectations of future events that may impact the lives of assets

4-2-4 Provision for Expected Credit Losses (ECL)

The Group uses a model to estimate lifetime ECL not credit impaired and lifetime ECL credit impaired based on the change in credit risk for the financial instrument. The Group uses the simplified approach using a provision matrix to measure customers' expected credit losses, which usually consist of a very large number of small balances. To measure expected credit losses, receivables are grouped based on the characteristics of common credit risks and the periods in which they fall due. Historical loss rates are adjusted to reflect current and future information according to indicators of macroeconomic activity that affect decision makers' and clients' ability to settle receivables.

4-2-5 Zakat Payable

The Group evaluated the status of zakat and value-added tax, taking into account the legislation issued by the Authority, the decisions issued periodically and the agreements. The interpretation of such legislation, decisions and agreements will not be completely clear, necessitating the completion of an evaluation by the Zakat, Tax and Customs Authority.

4-3 Fair Value Measurement of Financial Instruments

When the fair values of financial assets and liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques that include net asset value (NAV). Inputs to these techniques are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required to determine fair values. Judgments include considerations of inputs such as liquidity risk, credit risk, and price volatility. Changes in assumptions related to these factors could affect the reported fair value of financial instruments.

4-4 Property, Plant and Equipment - Revaluation of Land

The Group applies the revaluation model for the land class under the property, plant, and equipment item. The Group appointed independent valuers to evaluate the fair values of the lands as of December 31, 2025, and December 31, 2024. In addition to available comparable market data, the Group revalues these properties through their relationship to market transactions involving properties with similar physical locations, conditions, and specifications. Revaluations are performed with sufficient regularity to ensure that the carrying amount of the lands does not differ materially from their fair value at the date of the consolidated statement of financial position.

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5. NEW AMENDMENTS TO STANDARDS ISSUED

5-1 New amendments to standards issued and applied effective 2025

The following amendments to the Group's relevant standards are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated). The Group has adopted these standards and/or amendments, but they do not have a material impact on the financial statements:

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IAS 21	Lack of Exchangeability	January 1, 2025	The amendments provide guidance on how to determine when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments also introduce new disclosure requirements to help users of financial statements assess the impact of using an estimated exchange rate..

5-2 New standards, amendments and revised IFRS issued but not yet effective

The Group has not applied the following new and revised IFRSs and amendments to IFRS that have been issued but are not yet effective.

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IFRS 9 and 7	Presentation and Disclosure of Financial Instruments	January 1, 2026	The amendments clarify the recognition and derecognition of financial assets and financial liabilities, including the settlement date accounting for certain electronic payment systems. The amendments also provide additional guidance on the assessment of contractual cash flow characteristics of financial assets, including contingent cash flows arising from environmental, social and governance (ESG)-linked features. In addition, the amendments introduce new and updated disclosure requirements in International Financial Reporting Standard (IFRS) 7.
IFRS 9 and 7	Nature-dependent Electricity Contracts	January 1, 2026	These amendments modify the "own use" requirements and hedge accounting provisions in IFRS 9 for contracts that expose entities to electricity price volatility arising from natural conditions beyond their control, such as weather conditions. The amendments also introduce specific disclosure requirements in IFRS 7.
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027	IFRS 18 replaces International Accounting Standard (IAS) 1, which sets out the fundamental presentation and disclosure requirements for financial statements. The amendments, which mainly affect the statement of profit or loss, introduce requirements to classify income and expenses into three new categories: operating, investing, and financing, and to present new subtotals for operating profit or loss and profit or loss before financing and income taxes. Furthermore, operating expenses are presented directly in the statement of profit or loss, classified either by nature (for example, employee benefits) or by function (for example, cost of sales), or using a mixed presentation. Expenses presented by function require additional disclosures regarding their nature. IFRS 18 also provides guidance on the aggregation and disaggregation of information in the financial statements, introduces new disclosure requirements for management-defined performance measures, and eliminates certain classification options for interest and dividends in the statement of cash flows.
IFRS 19	Subsidiaries without Public Accountability	January 1, 2027	IFRS 19 permits eligible subsidiaries to apply reduced disclosure requirements while applying International Financial Reporting Standards (IFRS). A subsidiary is eligible when the ultimate parent prepares consolidated financial statements for public use in accordance with IFRS.

Management expects that these new standards, interpretations, and amendments will be adopted in the Group's financial statements when they become effective, where applicable. The adoption of these interpretations and amendments is not expected to have a material impact on the Group's consolidated financial statements in the period of initial application.

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6. PROPERTY, PLANT, AND EQUIPMENT, NET

6-1 ,Propertyplant ,and equipment as at 31 December 2025:

	<u>Land</u>	<u>Buildings</u>	<u>Vehicles</u>	<u>Furniture, Fixtures, Office Equipment & Decorations</u>	<u>Wells</u>	<u>Electrical Equipment & Computers</u>	<u>leasehold improvements</u>	<u>Total</u>
<u>Cost or Revalued Amount:</u>								
Balance at 1 January 2025	46,094,245	25,300,697	37,633	241,097	100,359	160,557	718,612	72,653,200
Additions	-	-	-	-	-	12,171	-	12,171
Disposals	(9,895,667)	(23,241,446)	-	(14,217)	-	(10,606)	-	(33,161,936)
Revaluation deficit during the year	(701,792)	-	-	-	-	-	-	(701,792)
Balance as at 31 December 2025	35,496,786	2,059,251	37,633	226,880	100,359	162,122	718,612	38,801,643
<u>Accumulated Impairment Losses:</u>								
Balance at 1 January 2025	-	13,161,697	-	-	-	-	-	13,161,697
Impairment Losses Aggregation	-	-	-	-	-	-	-	-
Exemptions	-	(13,223,711)	-	-	-	-	-	(13,223,711)
Reversal of impairment losses for the year	-	1,153,479	-	-	-	-	-	1,153,479
Balance as at 31 December 2025	-	1,091,465	-	-	-	-	-	1,091,465
<u>Accumulated Depreciation:</u>								
Balance on 1 January 2025	-	8,300,750	37,633	17,970	100,359	18,763	114,025	8,589,500
Depreciation for the year	-	317,168	-	22,811	-	33,978	240,632	614,589
Disposals during the year	-	(7,914,135)	-	(4,152)	-	(4,325)	-	(7,922,612)
Balance as at 31 December 2025	-	703,783	37,633	36,629	100,359	48,416	354,657	1,281,477
Net book value as at 31 December 2025	35,496,786	264,003	-	190,251	-	113,706	363,955	36,428,701
Depreciation expense for the year is allocated as follows:				31 December 2025	31 December 2024			
General and administrative expenses (Note 20)				614,589	505,041			
				614,589	505,041			

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6. PROPERTY, PLANT, AND EQUIPMENT, NET (CONTINUED)

6-2 Property, plant, and equipment as at 31 December 2024

	Land	Buildings	Vehicles	Furniture, Fixtures, Office Equipment & Decorations	Wells	Electrical Equipment & Computers	leasehold improvements	Total
<u>Cost or Revalued Amount:</u>								
Balance at 1 January 2024	44,347,610	25,300,697	37,633	24,218	100,359	15,727	-	69,826,244
Additions	-	-	-	216,879	-	144,830	718,612	1,080,321
Disposals	-	-	-	-	-	-	-	-
Revaluation surplus during the year	1,746,635	-	-	-	-	-	-	1,746,635
Balance as at 31 December 2024	46,094,245	25,300,697	37,633	241,097	100,359	160,557	718,612	72,653,200
<u>Accumulated Impairment Losses:</u>								
Balance at 1 January 2024	-	13,305,307	-	-	-	-	-	13,305,307
Reversal of impairment losses for the year	-	(143,610)	-	-	-	-	-	(143,610)
Balance as at 31 December 2024	-	13,161,697	-	-	-	-	-	13,161,697
<u>Accumulated Depreciation:</u>								
Balance on 1 January 2024	-	7,940,890	37,633	4,561	100,359	1,016	-	8,084,459
Depreciation for the year	-	359,860	-	13,409	-	17,747	114,025	505,041
Disposals during the year	-	-	-	-	-	-	-	-
Balance as at 31 December 2024	-	8,300,750	37,633	17,970	100,359	18,763	114,025	8,589,500
Net book value as at 31 December 2024	46,094,245	3,838,250	-	223,127	-	141,794	604,587	50,902,003
Depreciation expense for the year is allocated as follows:								
General and administrative expenses (Note 20)				<u>31 December 2024</u>	<u>31 December 2023</u>			
				505,041	377,404			
				<u>505,041</u>	<u>377,404</u>			

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6. PROPERTY, PLANT, AND EQUIPMENT, NET (CONTINUED)

During the year ended 31 December 2025, the Group added property, plant, and equipment amounting to SAR 12,171 (31 December 2024: SAR 1,080,321), which does not include any non-cash additions.

During the year, the Group disposed of property, plant, and equipment for total cash proceeds of SAR 7,905,846. The main component of the disposals was the sale of a real estate asset for SAR 7,904,000, which had a net book value of SAR 7,099,267.

These transactions resulted in gains of SAR 804,733 and losses of SAR 14,500, which were included in net gains on disposal of property, plant, and equipment.

Furthermore, an amount of SAR 1,273,400 was transferred from the revaluation surplus to retained earnings as a result of the disposal of the related assets.

Information on fair valuation of property, plant and equipment items recognised under revaluation model:

The Group applies the revaluation model to its land holdings. Based on the revaluation results, a decrease in the value of land amounting to SAR 701,792 was recognized as at 31 December 2025 (31 December 2024: SAR 1,746,635) and recorded in other comprehensive income under the revaluation surplus.

The fair value of the land is determined by two independent valuers: “Ada Management Real Estate Valuation Company” and “Middle East Real Estate Valuation Company”, both of whom are certified by the Saudi Authority for Accredited Valuers (“Taqeem”). Management adopted the lower valuation of the two and it falls under fairvalue hierarchy level 3.

Asset held for sale

During the year ended 31 December 2025, the Board of Directors decided to sell a property with a carrying amount of SAR 5,016,333. In the subsequent period (Note 29), management completed the sale of the property for SAR 4,900,000, and accordingly, the property was reclassified as an asset held for sale.

	Historical Cost	31 December 2025	31 December 2024
A land and building - New Industrial Cities in Riyadh	3,985,600	-	5,259,000
Agricultural land with buildings - Riyadh – Al-Kharj Road	1,477,426	35,496,786	35,172,245
Land plot divided into 14 part of Lands and a building - Riyadh - Al-kharj	768,750	-	5,663,000
	<u>6,231,776</u>	<u>35,496,786</u>	<u>46,094,245</u>

As at 31 December 2025, lands and buildings revaluation was as follows:

The first valuer (“Ada Management Real Estate Valuation Company”)			Fair value
Property	Description	Valuation Technique	31 December 2025
A land and building - New Industrial Cities in Riyadh	Land	Market Technique - Comparison Method	35,496,786
	Building	Cost Technique - Replacement Method	264,003
			<u>35,496,786</u>
The second valuer (“Middle East Real Estate Valuation Company”)			Fair value
Property	Description	Valuation Technique	31 December 2025
A land and building - New Industrial Cities in Riyadh	Land	Market Technique - Comparison Method	35,923,000
	Building	Cost Technique - Replacement Method	42,000

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7. RIGHT-OF-USE ASSET AND LEASE LIABILITIES

7-1 Right-of-use-asset

The group entered into a lease agreement on 22 January 2024, for an amount of 1,466,160 SAR to lease an office located in the Al-Shuhada District to be used as the company's headquarters. The duration of this contract is 3 years, starting from 17 June 2024, until 16 June 2027, with an area of 260.65 square meters.

	<u>31 December 2025</u>	<u>31 December 2024</u>
<u>Cost</u>		
Balance at the beginning of the year	1,213,564	-
Additions during the year	-	1,213,564
Balance at the end of the year	<u>1,213,564</u>	<u>1,213,564</u>
<u>Accumulated Depreciation</u>		
Balance at the beginning of the year	216,667	-
Charged during the year	404,520	216,667
Balance at the end of the year	<u>621,187</u>	<u>216,667</u>
	<u>592,377</u>	<u>996,897</u>

The depreciation for the year has been charged as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
General and administrative expenses (Note 20)	404,520	216,667
	<u>404,520</u>	<u>216,667</u>

7-2 Lease Liabilities

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance at the beginning of the year	812,569	-
Additions during the year	-	1,001,077
Interest charged during the year	34,943	26,529
Paid during the year	(430,074)	(215,037)
	<u>417,438</u>	<u>812,569</u>
Divided into:		
Non-current	-	414,943
Current	<u>417,438</u>	<u>397,626</u>

The Group entered into a lease agreement on 22 January 2024 with a total value of SAR 1,466,160 for the lease of an office located in Al-Shuhada District, to be used as the Company's head office. The initial lease term is three years, commencing on 17 June 2024 and ending on 16 June 2027, covering an area of 260.65 square meters.

The contract includes an extension option, which management has assessed and concluded that it is reasonably certain to exercise. Accordingly, the extension option has been considered in determining the lease term and measuring the lease liability.

The total interest expense on lease liabilities, calculated using a discount rate of 5%, amounted to SAR 76,658. Of this amount, SAR 34,943 was charged to the year ended 31 December 2025 (31 December 2024: SAR 26,529), while the remaining balance of SAR 15,186 will be recognized over the remaining lease term.

As at 31 December 2025, the entire balance of the lease liability was classified as current liabilities, as the remaining contractual lease payments fall due within twelve months after the reporting date. The maturity analysis of lease liabilities is disclosed under liquidity risk (Note 26-3). Payments made during the year represent the cash outflows for lease contracts during the period.

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8. TRADE RECEIVABLES, NET

	<u>31 December 2025</u>	<u>31 December 2024</u>
Trade receivables	13,109,016	13,109,016
Provision for expected credit losses	(13,109,016)	(13,109,016)
	<u>-</u>	<u>-</u>

During the year ended 31 December 2025, aging receivables was above 360 days.

The movement on the provision for expected credit losses during the year was as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance on 1 January	(13,109,016)	(13,109,016)
(Reversal) / charged during the year	-	-
Balance as at 31 December	<u>(13,109,016)</u>	<u>(13,109,016)</u>

9. PREPAYMENTS AND OTHER RECEIVABLES, NET

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balances receivable arising from investment transactions	4,712,717	-
Recoverable Value Added Tax (VAT)	1,634,598	3,812,026
Capital increase costs	-	1,246,304
Prepaid professional, consultancy and legal fees	259,205	592,541
Employee advances and imprests	306,471	420,017
Security deposits with third parties	319,151	314,947
Prepayments and other receivables	164,220	130,970
Allowance for impairment of prepayments and other receivables	(331,410)	(331,410)
	<u>7,064,952</u>	<u>6,185,395</u>

The balance represents receivables arising from investment transactions, which include an amount of SAR 4,400,000 representing the uncollected portion from the sale of an investment (Note 11), and SAR 240,000 representing dividends receivable (Note 19). During the subsequent period after the reporting date, the Group collected these amounts (Note 29).

The Group incurred costs related to the capital increase process (transaction costs) amounting to SAR 2,536,304 (31 December 2024: SAR 1,246,304). As disclosed in (Note 29), the Extraordinary General Assembly did not approve the Group's request to increase its share capital. Accordingly, the Group wrote off these costs and recognized them within general and administrative expenses in the consolidated statement of profit or loss for the year ended 31 December 2025 (Note 20).

10. RELATED PARTIES TRANSACTIONS

The related parties represent the major shareholders, key management personnel of the Group, and entities owned or managed by these parties, as well as entities over which these parties exercise joint control or significant influence. Transactions with related parties are carried out in the normal course of business and under terms similar to those prevailing with other parties, through contracts approved by management.

The following table presents the major transactions carried out during the year, as well as the balances with related parties as at the end of the financial year:

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10 RELATED-PARTIES TRANSACTIONS (CONTINUED)

10-1 Related-Parties Transactions

<u>Related parties</u>	<u>Nature of Relationship</u>	<u>Nature of Transaction</u>	<u>For the year ended 31 December 2025</u>	<u>For the year ended 31 December 2024</u>
Prince Turki Bin Faisal Al Saud	Shareholder of associate	Receivables	-	1,756,778
Mr. Sari Al-Ma'youf	Former board member	Receivables	(4,057,254)	(882,222)
Mr. Ibrahim Al-Ma'youf	Former board member	Receivables	(91,999)	(275,942)

10-2 Due from Related Party, Net

<u>Related party</u>	<u>Nature of Relationship</u>	<u>Nature of Transaction</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Prince Turki Bin Faisal Al Saud	Shareholder of associate	Receivables	20,427,307	20,427,307
Less: Provision for Expected Credit Losses on related party.			(20,427,307)	(20,427,307)
Net Due from related-party			-	-

* During the year 2021, the Group's management strengthened the provision for credit losses related to a related party by an amount of SAR 22,184,085, based on a Board of Directors' resolution, due to the inability to collect the receivable. During the year ended 31 December 2024, an amount of SAR 1,756,778 was subsequently collected from these receivables.

On 25 Rabi' I 1447 AH, corresponding to 17 September 2025, the Execution Court in Riyadh issued a ruling to sell the real estate and vehicles owned by the related party at public auction, while suspending the sale of the debtor's remaining assets if the proceeds from the sale of some properties were sufficient to settle the secured debt, and assigned the execution and liquidation tasks to the Execution and Liquidation Center.

10-3 Due to related parties

<u>Related party</u>	<u>Nature of Relationship</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Mr. Sari Al-Mayouf	Board member (Former)	275,703	794,698
Mr. Ibrahim Al-Mayouf	Chairman (Former)	183,943	275,942
Impact of Cash Flow Adjustments for Financial Liabilities (Note 22)		(33,484)	(60,276)
		<u>426,162</u>	<u>1,010,364</u>
Divided into:			
Current		<u>213,081</u>	<u>576,620</u>
Non-Current		<u>213,081</u>	<u>433,744</u>

During the year, the Group settled an amount of SAR 518,995 in favor of a former Board member Mr. Sari Al-Mayouf, representing 67% of the total claims payable under the first installment according to the financial reorganization plan.

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10. RELATED-PARTIES TRANSACTIONS (CONTINUED)

10-4 Compensations to Key Management Personnel

	<u>31 December 2025</u>	<u>31 December 2024</u>
Board of Directors and Committees' Fees	5,414,708	5,937,916
Salaries and benefits of key management personnel	3,926,965	3,732,474
	<u>9,341,673</u>	<u>9,670,390</u>

11 INVESTMENTS CARRIED AT FVTPL

	<u>31 December 2025</u>	<u>31 December 2024</u>
Square Business Development Fund*	5,742,000	6,186,000
Osool & Bakheet – Al Yamama City Center Fund**	-	7,608,000
	<u>5,742,000</u>	<u>13,794,000</u>

As at 31 December 2025, the Group continues to hold its investment in Murabba Al-A'mal Fund, a closed-end real estate development investment fund established under the Investment Funds Regulations issued by the Capital Market Authority, aimed at developing a land plot located in Al-Nakheel District, Riyadh. The fund's objective is to invest in real estate by constructing an office housing project to generate periodic returns for unit holders in the medium term through leasing the project units upon completion.

As at 31 December 2025, the Group's management revalued its investment in the fund, resulting in unrealized losses from the fair value remeasurement of investments through profit or loss of SAR 444,000 (31 December 2024: SAR 186,000), due to a change in the carrying value per unit from SAR 10.31 as at 31 December 2024 to SAR 9.57 as at 31 December 2025, on 600,000 units held.

During the year ended 31 December 2025, the fund declared dividends to the Group amounting to SAR 240,000, which were included in other receivables as at 31 December 2025 since they were not yet collected as of the reporting date. Both the unrealized gains or losses from fair value remeasurement and the dividends were included in net gains from investments at fair value through profit or loss in the statement of profit or loss (Note 19).

The Group's investment in the "Arsan Wabkheet Al-Jihat Al-Arba'a Fund" for the development of Yamamah City Center ("the Fund") amounted to SAR 7,608,000 (fair value) as at 31 December 2024. During 2025, on 25 May 2025, the Group entered into an agreement to assign its entire investment in the Fund in exchange for a 22% ownership interest in Yamamah Plus Serviced Apartments Company ("the Company"), and this investment was measured at fair value through profit or loss.

On 30 December 2025, the Group sold its entire stake in Yamamah Plus Serviced Apartments Company for a total of SAR 8,900,000, of which SAR 4,500,000 was received as at 31 December 2025. During the subsequent period (Note 29), the Group collected the remaining balance of SAR 4,400,000, which was recorded under prepayments and other receivables (Note 9) in the statement of financial position as at 31 December 2025. The sale resulted in gains from the disposal of investments measured at fair value through profit or loss amounting to SAR 1,292,000, included in net gains from investments at fair value through profit or loss in the statement of profit or loss (Note 19).

The Group's investments in funds at fair value through profit or loss (FVTPL) are classified within Level 3 of the fair value hierarchy. This classification is based on the latest net asset value (NAV) reported by the fund managers as at the date of the consolidated statement of financial position.

12 CASH AND CASH EQUIVALENTS

	<u>31 December 2025</u>	<u>31 December 2024</u>
Cash at bank	6,066,129	20,895,598
	<u>6,066,129</u>	<u>20,895,598</u>

Cash and Cash Equivalents represent cash balances held at banks in current accounts amounting to SAR 6,066,129 as at 31 December 2025 (31 December 2024: SAR 20,895,598). These cash and cash equivalent balances do not include any restricted amounts or balances subject to usage limitations, and no pledges or guarantees are associated with the bank balances.

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13 SHARE CAPITAL

The Group's authorized and paid-up capital is SAR 65,000,000 as at 31 December 2025 (31 December 2024: SAR 65,000,000), divided into 6,500,000 shares (31 December 2024: 6,500,000 shares) with a par value of SAR 10 per share. As disclosed in Note 29, on 25 January 2026, the Group announced the results of the Extraordinary General Assembly, which did not approve the proposed 300% capital increase, leaving the capital at SAR 65,000,000 as of the reporting date.

14 END OF SERVICE BENEFITS

The system provides post-employment benefits to all employees who complete the qualifying service period, entitling them to amounts specified under the Labor Law for each year/period of service.

The annual provision is based on an actuarial valuation. The valuation as of 31 December 2025 and 31 December 2024 was conducted by the Group's management using the Projected Unit Credit Method.

The actuarial assumptions used in calculating the employees' end-of-service benefits are as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Discount rate (% per annum)	4.95%	4.20%
Salary increasing rate (% per annum)	2%	5.0%

14-1 Movement in the present value of defined benefit obligations

	<u>31 December 2025</u>	<u>31 December 2024</u>
Present value at beginning of the year	284,483	118,163
Current service cost	184,003	125,430
Interest cost	11,704	4,963
Paid during the year	(5,819)	-
Actuarial losses / (gains)	67,074	35,927
Present value at end of the year	541,445	284,483

14-2 Sensitivity of the defined benefit obligations to changes in the weighted average of the principal assumptions:

<u>Factor</u>	<u>Changes in Assumption</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Discount rate	+1%	540,172	272,116
	-1%	579,006	298,685
Salary increasing rate	+1%	568,045	299,015
	-1%	524,507	271,631

The above sensitivity analyses are based on a change in one assumption while all other assumptions remain constant. In practice, this is unlikely to occur, as changes in some assumptions may be correlated with changes in others.

When calculating the sensitivity of employees' end-of-service benefits to a significant actuarial assumption, the same method is applied as that used in calculating the end-of-service benefit obligation recognized in the consolidated statement of financial position, i.e., the present value of the defined benefit obligation calculated using the projected unit credit method at the end of the reporting period.

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15. ISLAMIC BORROWINGS

As at 31 December 2025, the Islamic financing represents a facility provided by a local bank, which has been included in the claims under the Company's financial reorganization plan. Under these procedures, the bank submitted its claims to the Financial Reorganization Trustee totaling SAR 37,071,930, of which SAR 32,024,465 were accepted and SAR 5,047,465 were rejected. The claims schedule was approved by the Ninth Commercial Circuit of the Riyadh Commercial Court on 23 February 2022 (corresponding to 22 Rajab 1443 AH) and was included in the approved financial reorganization plan

The following table shows the balance of Islamic financing as at the reporting date:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Islamic borrowings	12,818,711	16,021,157
Impact of cash flow adjustments for financial liabilities (Note 21)	(1,176,108)	(1,537,988)
Net Islamic Loans	11,642,603	14,483,169
Divided into:		
Current	<u>2,916,730</u>	<u>2,903,089</u>
Non-Current	<u>8,725,873</u>	<u>11,580,080</u>

16. TRADE PAYABLES

	<u>31 December 2025</u>	<u>31 December 2024</u>
Trade payables	22,136,805	35,646,724
Impact of cash flow adjustments for financial liabilities (Note 21)	(1,558,096)	(2,804,572)
Net Trade payables	20,578,709	32,842,152
Divided into:		
Current	<u>10,702,690</u>	<u>13,136,528</u>
Non-Current	<u>9,876,019</u>	<u>19,705,624</u>

The historical details of outstanding trade payables are as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Outstanding payables to creditors that have filed their claims with the Financial Reorganization Trustee	21,238,896	32,290,625
***Outstanding payables to creditors that haven't filed their claims with the Financial Reorganization Trustee	897,909	3,356,099
Impact of cash flow adjustments for financial liabilities (Note 21)	(1,558,096)	(2,804,572)
	20,578,709	32,842,152

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17. ACCRUALS AND OTHER PAYABLES

	<u>31 December 2025</u>	<u>31 December 2024</u>
Other accrued expenses	3,496,376	3,382,789
Accrued bonuses – Board of Directors and committees	2,514,874	504,999
End-of-service benefits for employees whose service has ended	1,508,250	1,563,334
Accrued salaries and employee benefits*	950,394	5,968,387
Share premium credit balance**	164,524	164,526
Provision for legal claims***	-	275,000
Withdrawn amounts – Enforcement Court***	(1,588,829)	(5,026,027)
Impact of cash flow adjustment on financial liabilities	(86,258)	(244,286)
Net accruals and other payables	6,959,331	6,588,722
Divided into:		
Current	<u>6,854,193</u>	<u>6,383,429</u>
Non-Current	<u>105,138</u>	<u>205,293</u>

Historical details of outstanding accruals and other payables are as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Outstanding accruals and other payables to creditors that have filed their claims with the Financial Reorganization Trustee	399,969	5,492,636
Outstanding accruals and other payables to creditors that haven't filed their claims with the Financial Reorganization Trustee	6,645,620	1,340,372
Impact of cash flow adjustments for financial liabilities (Note 22)	(86,258)	(244,286)
	<u>6,959,331</u>	<u>6,588,722</u>

As part of the financial reorganization procedure, other creditors (workers and employees – other payables – government entities) submitted their claims to the Group's Financial Reorganization Trustee totaling SAR 16,583,646. Part of the claims, amounting to SAR 11,019,550, was accepted, while the remaining SAR 5,564,096 was rejected. The list of claims under the Group's financial reorganization procedure was approved by the Ninth Commercial Circuit of the Riyadh Commercial Court on 23 February 2022, corresponding to 22 Rajab 1443H.

*The item "Salaries and Benefits Due to Employees as of December 31, 2025" includes SAR 598,400 for the current Managing Director (as of December 31, 2024, the total was SAR 4,168,460: current Managing Director SAR 630,200, previous members SAR 3,538,260). This represents salaries and benefits due to the current Managing Director. Additionally, during the period ending September 30, 2025, the Group paid all outstanding dues to a former Board Member, amounting to SAR 3,570,000 (related parties, Note 10), which represents the full payment as per the financial restructuring plan.

** Represents the total remaining obligations arising from compensations due to non-subscribing holders of preferential rights

*** The total amount withdrawn by the Enforcement Court was SAR 5,026,025 as of December 31, 2024, in exchange for enforcement claims issued against the Group. During the year ending December 31, 2025, the Group obtained final judgments from the Enforcement Court stating that the Group had settled those previously established claims against the Group. Accordingly, the Group closed the related obligation in the amount of SAR 3,437,198, which consisted of the following payment items: (Accounts payable: SAR 2,302,322, Other accrued expenses: SAR 859,876, Provision for legal cases: SAR 275,000). The remaining balance for which the Group still does not have sufficient data amounted to SAR 1,588,827 as of December 31, 2025, and is being followed up with the relevant authorities.

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18. ZAKAT PAYABLE

18-1 Zakat and Tax Status

As part of the financial reorganization procedures, the General Authority (Zakat, Tax and Customs Authority) submitted its claims to the Company's Financial Reorganization Trustee totaling SAR 17,199,377. Part of these claims, amounting to SAR 8,450,692, was accepted, while the remaining SAR 8,748,685 was rejected. The list of claims under the Company's financial reorganization procedure was approved by the Ninth Commercial Circuit of the Riyadh Commercial Court on 22 Rajab 1443H, corresponding to 23 February 2022, and included in the outstanding balance. During the financial period ended 31 March 2025, the Group conducted a financial settlement with the General Authority, which involved offsetting the Group's payable claims to the Authority against the claims receivable from the Authority. The total value of this settlement amounted to SAR 2,896,692.

During the financial period ended 30 September 2025, the General Authority completed its review of the Zakat returns of the Company for the years 2019, 2020, 2021, and 2022. The final outcome of the review confirmed that the previously submitted Zakat returns were accepted without any adjustments. No additional liabilities arose for the Company, while the Authority continues to review the Group's Zakat assessments for 2023 and 2024.

During the year ended 31 December 2025, the Group increased the provision by SAR 73,592 to ensure adequacy of the Zakat provision against the Company's actual obligations to the General Authority.

A- Zakat Calculation	31 December 2025	31 December 2024
Total zakat items	39,694,701	37,348,701
Less: Total non-zakat items	(37,021,078)	(72,715,757)
Zakat Base	2,673,623	(35,367,056)
Zakat at 2.5% of the zakat base	68,918	-
B- Movement in Zakat Payable	31 December 2025	31 December 2024
Balance at beginning of the year	11,915,796	12,233,395
Charged during the year	73,592	87,706
Paid during the year	(2,491,387)	-
Impact of cash flow adjustments for financial liabilities (Note 22)	(309,941)	(405,305)
Balance at end of the year	9,188,060	11,915,796
Divided into:		
Current	9,188,060	9,137,076
Non-Current	-	2,778,720

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19. Net gains from fair value investments through profit or loss

	31 December 2025	31 December 2024
Realized gains from dividend distributions	240,000	-
Unrealized gains/(losses) from revaluation of fair value through profit or loss investments	(444,000)	1,794,000
**Gains from the sale of fair value through profit or loss investments (Note 11)	1,292,000	-
Total impact on the profit or loss statement for the year	1,088,000	1,794,000

On 31 December 2025, the Group sold its entire stake in Yamama Plus Serviced Apartments Company for total proceeds of SAR 8,900,000 (Note 11), of which SAR 4,400,000 had been collected by the reporting date, while the remaining amount of SAR 4,640,000 was recorded under receivable from sale of investment in the statement of financial position as of 31 December 2025. The sale resulted in gains from derecognition/sale of fair value through profit or loss investments amounting to SAR 1,292,000.

As of 31 December 2025, the Group's management revalued its investment in the Square Business Development Fund, resulting in unrealized losses from the change in the unit carrying value from SAR 10.31 as of 31 December 2024 to SAR 9.57, amounting to SAR (444,000) (31 December 2024: SAR 186,000). During the year ended 31 December 2025, the fund approved dividend distributions to the Group amounting to SAR 240,000, which were recorded under other receivables as of 31 December 2025 due to non-collection by the reporting date.

20. GENERAL AND ADMINISTRATIVE EXPENSES

	31 December 2025	31 December 2024
Salaries, wages and equivalents	5,786,076	6,028,559
Board and related committees' remuneration (Note 4-10)	5,414,708	5,937,916
Professional and legal fees*	2,723,470	2,729,666
Capital increase expenses	2,536,304	-
Government fees and subscriptions	600,739	969,357
Depreciation of property, plant and equipment (Note 6)	614,589	505,041
Rentals	-	220,405
Depreciation of right-of-use assets (Note 7)	404,520	216,667
Maintenance and repairs	65,638	113,222
Others	710,056	1,051,993
	18,856,100	17,772,826

*Professional and advisory fees include amounts for auditing services of the consolidated financial statements for the year ended 31 December 2025 for the Group, amounting to SAR 474,000.

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21. IMPACT OF CASH FLOW'S MODIFICATIONS FOR FINANCIAL LIABILITIES

During 2023, the Group's management remeasured its financial liabilities due to a rescheduling of the repayment of these obligations in accordance with the financial reorganization plan. Accordingly, the present value of these claims was recalculated in accordance with the Financial Instruments Standard, resulting in a cash flow adjustment of SAR 7,312,523, which was recognized as a gain in the profit or loss statement for 2023.

During the year ended 31 December 2025, the Group recognized an expense of SAR 1,888,540 resulting from the cash flow adjustment of financial liabilities in the profit or loss statement in accordance with the Financial Instruments Standard (31 December 2024: SAR 2,260,096)

	31 December 2025	Expense charged for the year ended 31 December 2025	31 December 2024
Due from related parties (Note 10-3)	33,484	(26,792)	60,276
Islamic loans (Note 15)	1,176,108	(361,880)	1,537,988
Trade payables (Note 16)	1,558,096	(1,246,476)	2,804,572
Other accrued expenses and payables (Note 17)	86,258	(158,028)	244,286
Due zakat liabilities (Note 18)	309,941	(95,364)	405,305
	3,163,887	(1,888,540)	5,052,427

22. OTHER REVENUE

	31 December 2025	31 December 2024
Revenue from court's rulings **	6,762,690	1,738,761
Bank interest returns ***	150,489	1,644,708
Other revenue	567,881	2,499
Fines exemption gains *	-	5,328,382
	7,481,060	8,714,350

*On 18 September 2025, corresponding to 26 Rabi' Al-Awwal 1447H, the First Department of Banking Violations and Disputes – Riyadh issued its decision upholding the decision dated 10 February 2025, corresponding to 11 Sha'ban 1446H, which obligates a local bank to pay the Company an amount of SAR 6,762,690 as per judicial rulings. During the subsequent period, the Company was able to collect the outstanding amount.

** The Company collected an amount of SAR 150,489 representing bank returns from a local Islamic bank (Albilad Bank).

23. BASIC AND DILUTED (LOSS) PER SHARE

	31 December 2025	31 December 2024
Net (loss) for the year	(13,027,361)	(8,013,419)
Number of shares	6,500,000	6,500,000
Basic loss per share	(2.00)	(1.23)

Basic and diluted loss per share was calculated based on the number of shares outstanding at year-end.

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24. FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement of fair value assumes that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability,
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or most advantageous market must be accessible to the Group. Fair value is measured using assumptions that market participants would use when pricing the asset or liability, assuming that all parties to the transaction act in their economic best interest.

The definition of fair value is based on the assumption that the Group is a going concern and has no intention or need to significantly curtail its operations or conduct a forced transaction. A financial instrument is considered listed in an active market if prices are readily and continuously available from a dealer, broker, industry group, pricing service, or regulatory agency, and these prices represent actual and orderly market transactions on a commercial basis.

Fair value hierarchy

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

At each reporting date, the Group analyses the changes in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Group also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as outlined above.

The management believes that the fair values of assets and liabilities are an approximation of carrying value; this is largely due to the short-term nature of these financial instruments.

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24. FAIR VALUE (CONTINUED)

The Group holds the following financial instruments at fair value in the consolidated statement of financial position as follows:

31 December 2025	Level 1	Level 2	Level 3	Total
Investment carried at FVTPL	-	-	5,742,000	5,742,000
31 December 2024	Level 1	Level 2	Level 3	Total
Investment carried at FVTPL	-	-	13,794,000	13,794,000

25. CURRENT AND NON-CURRENT LIABILITIES RELATED TO THE CLAIMS ACCEPTED IN THE COMPANY'S FINANCIAL REORGANIZATION PROPOSAL:

Pursuant to the Financial Reorganization Proposal (Note 1) and the Riyadh Commercial Court's approval of the amended Financial Reorganization Proposal for Thimar Development Holding Company, and given that the proposal includes a timeline for the implementation of the plan, which is primarily based on the Group obtaining a capital increase and then commencing the implementation of the plan and repaying creditors from November 2023 to the end of March 2029 for a total of accepted claims of SAR 117,039,035, and considering that the proposal is based on forecasts, plans, and projected cash flows during the debt payment period, for the purpose of disclosing the amounts of liabilities expected to be settled after more than 12 months, the liability items on the statement of financial position as at 31 December 2022, is presented below, specifically related to the accepted claims:

Scheduling the settlement for the claims accepted in the Financial Reorganization Proposal	Outstanding claims	Settlement of claims until the year ended 31 December 2025	Expected to be settled within 1 year	Expected to be settled within more than 1 year
<i>Claims for the statement of financial position items:</i>				
Islamic borrowings	32,024,466	19,214,679	3,202,447	9,607,340
Accruals and other payables	11,019,550	10,619,583	293,528	106,439
Trade payables	64,165,250	42,926,259	10,615,124	10,623,867
Due to related parties	1,379,078	919,432	229,823	229,823
Provision for Zakat	8,450,692	6,157,553	-	2,293,139
Total	117,039,036	79,837,506	14,340,922	22,860,608

Claims for the statement of financial position items:

	Outstanding claims	Current	Non-current
Claims	37,201,530	14,340,922	22,860,608
	<u>37,201,530</u>	<u>14,340,922</u>	<u>22,860,608</u>

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26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group's main financial liabilities consist of loans, trade payables, accrued expenses and other payables, and amounts due to related parties.

The Group's main financial assets consist of trade receivables, advance payments and other receivables, amounts due from related parties, and cash and cash equivalents.

The primary financial risks arising from the Group's financial instruments are market risks (including interest rate risk and foreign currency risk), credit risk, and liquidity risk. Management reviews and aligns policies to effectively manage these risks.

26-1 Market Risk

Market risk refers to the risk of fluctuations in the value of a financial instrument due to changes in prevailing market prices, such as foreign exchange rates and interest rates, which may affect the Group's income or the value of its financial instruments.

The objective of market risk management is to manage and control exposure to market risks within acceptable limits while maximizing returns. There has been no change in the Group's exposure to market risks, nor in the manner in which these risks are managed and measured.

26-1-1 Interest Rate Risk

Interest rate risk refers to the exposure to potential financial impact resulting from fluctuations in prevailing interest rates on the Group's financial position and cash flows. The Group is not exposed to interest rate risk on its financial assets and liabilities. Management mitigates interest rate risks by monitoring changes in interest rates. Management monitors interest rate movements and considers the Group's exposure to cash flow and fair value interest rate risks to be immaterial.

The Group's trade receivables and payables, measured at amortized cost, are not subject to interest rate risk as defined in IFRS 7, since their carrying amounts or future cash flows do not change as a result of market interest rate fluctuations. Accordingly, the Group is not exposed to fair value interest rate risk.

26-1-2 Foreign Currency Risk

Foreign Currency Risk refers to the risk of fluctuations in the value of financial instruments due to changes in foreign exchange rates. Foreign currency risk arises when future commercial transactions, assets, or liabilities are denominated in a currency other than the Saudi Riyal. Management believes that the Group is not significantly exposed to foreign currency risk, as the majority of the Group's transactions are conducted in Saudi Riyals. The Group also considers its exposure to foreign currency risk to be limited because the Saudi Riyal is pegged to the US Dollar. Management closely and continuously monitors foreign exchange rate fluctuations, and based on its experience and market response, it does not consider it necessary to hedge against foreign currency risk, as most exposures are relatively limited in the medium term.

26-2 Credit Risk

Is the risk that a counterparty will fail to meet its obligations, resulting in financial loss to the other party. The Group does not have a significant concentration of credit risk. Cash and cash equivalents are deposited with local banks that have high credit ratings. Trade receivables and other receivables are mainly due from customers and due to related party in the local market and are presented at their collectible amounts. The Group has policies in place to minimize its exposure to credit risk. The carrying amounts of financial assets represent the maximum credit risk exposure.

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26-2-1 The following is the bank credit rating and balances at the banks that the Group transacts with as at 31 December 2025:

	<u>31 December 2025</u>	<u>31 December 2024</u>
A2	-	1,728
A3	<u>6,066,129</u>	<u>20,893,870</u>
	<u>6,066,129</u>	<u>20,895,598</u>

26-2-2 Credit risk on trade receivables and amounts due from related parties are as follows:

<u>31 December 2025</u>	<u>Total receivables</u>	<u>Expected credit losses</u>	<u>Expected credit losses rate</u>
One year and less than two years	-	-	-
2 years and onwards	<u>13,109,019</u>	<u>(13,109,019)</u>	<u>100%</u>
Total	<u>13,109,019</u>	<u>(13,109,019)</u>	<u>100%</u>
<u>31 December 2024</u>	<u>Total receivables</u>	<u>Expected credit losses</u>	<u>Expected credit losses rate</u>
One year and less than two years	-	-	-
2 years and onwards	<u>13,109,019</u>	<u>(13,109,019)</u>	<u>100%</u>
Total	<u>13,109,019</u>	<u>(13,109,019)</u>	<u>100%</u>

- Trade receivables are presented net of the expected credit loss (ECL) allowance in accordance with the simplified approach prescribed by IFRS 9 – Financial Instruments.
- Default in the consolidated financial statements is defined as a counterparty failing to make contractual payments within two years of their due date.

As noted in (Note 1), the Company is under a financial reorganization, with the Financial Reorganization Trustee overseeing the debtor's operations from the date of appointment until the completion of the process. Accordingly, the Group faces challenges in generating sufficient cash flows to meet its obligations under the financial reorganization plan, which may negatively affect the Company's operations and financial position.

The Group is exposed to credit risk related to delayed customer payments, as trade receivables aged over 360 days prompted the establishment of an expected credit loss provision in 2019 amounting to SAR 13.19 million. This provision was supplemented in 2021 by SAR 26,517 based on a Board decision, bringing the total to SAR 13.21 million due to delayed payments. In 2022, part of the provision (SAR 107,969) was reversed following collection from a former customer, leaving a total provision of SAR 13.11 million, representing 100% of the remaining trade receivables.

There is no guarantee that the Company will be able to collect the amounts due from these customers, which could result in a full write-off if the receivables are confirmed uncollectible. The Group's management continues to monitor outstanding amounts to obtain supporting documentation and pursue its financial claims.

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26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

26-2 Credit Risk (Continued)

26-2-2 Credit risk on trade receivables and amounts due from related parties are as follows (Continued):

31 December 2025	Due from Related Party	Expected Credit Losses	Expected Credit Losses rate
One year and less than two years	-	-	-
2 years and onwards	20,427,307	(20,427,307)	100%
Total	20,427,307	(20,427,307)	100%

31 December 2024	Due from Related Party	Expected Credit Losses	Expected Credit Losses rate
One year and less than two years	-	-	-
2 years and onwards	20,427,307	(20,427,307)	%100
Total	20,427,307	(20,427,307)	%100

The Group is also exposed to credit risk related to amounts due from a related party totaling SAR 20,427,307. During 2021, the Group's management increased the expected credit loss provision for this related party by SAR 22,184,085, based on a Board resolution, due to the inability to collect the outstanding balance. During the year ended 31 December 2024, the Group successfully collected SAR 1,756,778 of these outstanding amounts.

26-3 Liquidity Risk

It is the risk that the Group will encounter difficulty in obtaining the financing necessary to meet commitments associated with financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly at a value close to its fair value. Liquidity risk is managed by regularly monitoring the adequacy of liquidity available to meet the Group's financial obligations. The Group's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and established conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following table summarizes the Group's financial liabilities into relevant maturity profile based on the remaining period from the consolidated statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows:

31 December 2025	Undiscounted value	Less than one year	1 - 5 years	Carrying amount
Islamic borrowings	12,818,711	2,916,730	8,725,873	11,642,603
Trade payables	22,136,805	10,702,690	9,876,019	20,578,709
Accruals and other payables	7,045,589	6,854,193	105,138	6,959,331
Due to related parties	459,646	213,081	213,081	426,162
Zakat payables	-	-	-	-
Lease liabilities	456,602	417,438	-	417,438
	42,917,353	21,104,132	18,920,111	40,024,243

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26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

26-3 Liquidity Risk (Continued)

As stated in (Note 1), the Group's management has been exposed to operational disruptions since 2019 due to incurring operating losses, which led to liquidity shortages and an inability to settle its financial obligations. This resulted in the freezing of its bank accounts and a reduction in its operations. The initiation of the financial reorganization procedure in 2021 placed the Group under the supervision of the Financial Reorganization Trustee, focusing on overseeing operations and financial transactions as well as compiling creditor claims, which contributed to the operational disruption. The Group's management continues to follow its strategic plan related to the financial reorganization to achieve its objectives.

Accordingly, the Group currently does not incur any expenses related to the food business, and at present, it has no operational activities generating income. The prior execution freeze, the initiation of the financial reorganization procedure, and subsequent acceptance of the premises and warehouse have led to a lack of operational cash flows.

The Company intends to resume its operational activities according to the strategic plan outlined in the financial reorganization proposal and has allocated a portion of the proceeds from the capital raising for real estate investment. The inability of the Group to obtain an investment with similar specifications or to achieve the required returns to self-fund part of its expansion and administrative operations would have a materially adverse effect on the Company's ability to continue as a going concern. The Group's management is confident in its strategic plan and has invested in low-risk closed-end real estate funds (Note 11).

The Company also faces risks related to legal claims and potential obligations that have not been submitted to the Financial Reorganization Trustee, as well as other contingent costs related to its operations. If realized, these could adversely affect the Company's financial position, results of operations, and future prospects. It should be noted that any financial claims not covered under the financial reorganization ruling or any judicially mandated financial claims issued after the reorganization ruling are enforceable and may adversely impact the Company's operations if not complied with.

27. SIGNIFICANT EVENTS

Significant events during the year ended 31 December 2025 that may have an impact on the financial statements are as follows:

- On 18 September 2025, corresponding to 26 Rabi' Al-Awwal 1447H, the First Department for Banking Violations and Disputes – Riyadh issued a decision upholding the ruling dated 10 February 2025, corresponding to 11 Sha'ban .1446H, which obligated a local bank to pay SAR 6,762,690 to the Group in connection with judicial rulings. Subsequently, the Group was able to collect the amount due.
- During the year ended 31 December 2025, the Group obtained final court rulings issued by the Execution Court confirming the settlement of part of its obligations recorded in its books, amounting to SAR 3,437,198 (Note 17).
- During the year ended 31 December 2025, the Group disposed of property, plant, and equipment (primarily representing the sale of a real estate asset) with a net book value of SAR 7,099,267 (Note 6).

28. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Group has legal claims related to balances that were rejected by the financial regulator under the proposed financial reorganization plan. The Group's management believes that it is unlikely that these claims will require an outflow of economic resources, and management will continue to monitor developments in this regard.

The Group is also subject to legal proceedings, lawsuits, and other claims, which are not expected to have a material impact on the Group's financial position or operating results as presented in these consolidated financial statements.

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29. SUBSEQUENT EVENTS

On 22 January 2026, the Group held its Extraordinary General Assembly, during which the following decisions were made:

- The recommendation of the Board of Directors to increase the Group's capital through a rights issue of 19.5 million shares, valued at SAR 195 million, was not approved.
- Approval of the amendment to Article (17) of the Articles of Association, reducing the number of Board members from seven (7) to five (5) members, effective from the next term.
- Approval of the amendment to the remuneration policy for the Board, its committees, and executive management, including a reduction in the remuneration of Board and committee members.
- On 11 February 2026, the Group announced the completion of the sale of its property located in Al-Kharj Governorate – Haradh Road, northeast of the military base, consisting of undeveloped agricultural land with old warehouses, totaling an area of 700,000 square meters. The property had a carrying amount of SAR 5,016,333 as of 31 December 2025 (Note 6) and was sold for net proceeds of SAR 4,900,000.

30. APPROVAL OF THE CONSILDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved for the year ended 31 December 2025, on 10 Shawwal 1447 AH, corresponding to 29 March 2026.

Audit Committee Report to the General Assembly for the Financial Year Ended 31 December 2025

Key Activities of the Committee During 2025:

The Audit Committee held several meetings during 2025 to carry out activities within its scope of responsibilities, including:

- Reviewing the quarterly and annual financial statements and submitting the necessary recommendations to the Board of Directors.
- Recommending to the Board of Directors the appointment of the external auditor for the financial year ended 2025 and the first quarter of 2026.
- Recommending to the Board of Directors the appointment of the internal auditor.
- Recommending to the Board of Directors the appointment of companies to evaluate the Company's real estate for 2025.
- Overseeing the work of the external auditor, reviewing the audit plan, verifying its independence, ensuring that it does not provide technical or administrative services
- Overseeing the work of the internal auditor, reviewing the audit plan, verifying its independence, ensuring that it does not provide technical or administrative services outside the scope of audit work, and meeting with it periodically.
- Maintaining continuous communication with the Board of Directors to keep it informed of the developments of the Audit Committee's recommendations, as well as matters related to the Company's control policies and procedures.

Results of the Annual Review of the Effectiveness of Internal Control, Financial Control, and Risk Management Systems:

The internal control system aims to ensure that the Company's objectives are achieved efficiently and effectively, and that it complies with applicable laws, regulations, and policies. It also aims to identify potential risks. Management is responsible for establishing a comprehensive and effective control system commensurate with the level of risks faced by the Company.

The Audit Committee continuously reviews periodic reports prepared by the internal and external auditors, as well as reports from various Company departments related to internal control.

Based on the results of the annual reviews, the Audit Committee would like to indicate that no material issues were identified that need to be disclosed in this report regarding the internal control, financial control, and risk management systems. The Committee also noted that there is continuous communication between the Audit Committee and the executive management regarding the periodic follow-up and evaluation of the control system to ensure achieving internal control objectives, improving operational efficiency and effectiveness, and ensuring compliance with relevant laws and regulations.

Aziz Mohammed Al-Qahtani
Chairman of the Audit Committee