

# Rights Issue Prospectus Thimar Development Holding Company

Thimar Development Holding Company (formerly known as the National Agricultural Marketing Company – Thimar) is a Saudi public joint-stock company established under Ministerial Resolution No. (364) issued on 18/05/1408H (corresponding to 08/01/1988G), and registered under Commercial Registration No. (1010068222) issued in Riyadh on 17/05/1408H (corresponding to 07/01/1988G).

Offering nineteen million five hundred thousand (19,500,000) ordinary shares at an offering price of ten (10) Saudi Riyals per share through the issuance of preemptive rights shares with a total value of one hundred ninety-five million (195,000,000) Saudi Riyals. This represents a (300%) increase in the company's capital, bringing the total capital to two hundred sixty million (260,000,000) Saudi Riyals, divided into twenty-six million (26,000,000) ordinary shares.



Trading Period	Starts on ** **/**/****H ( ** **/**/****G) and ends on ** **/**/****H ( ** **/**/****G)	Subscription period	Starts on ** **/**/****H ( ** **/**/****G) and ends on ** **/**/****H ( ** **/**/****G)
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Thimar Development Holding Company (hereinafter referred to as "Thimar" or "the Company") is a Saudi public joint-stock company established under Ministerial Resolution No. (364) issued on 18/05/1408H (corresponding to 08/01/1988G) granting approval for its establishment. It is registered with the Ministry of Commerce under Commercial Registration No. (1010068222) issued in Riyadh on 17/05/1408H (corresponding to 07/01/1988G). The headquarters is located in Riyadh – Mohammed Ali Jinnah Road, Building No. 3808, Sub-number 7548, Al-Shuhada District, Postal Code 13241. And based on the approval of the Extraordinary General Assembly held on 06/03/1443H (corresponding to 12/10/2021G), the company's commercial name was changed from (National Agricultural Marketing Company) to its current name (Thimar Development Holding Company). The company's current capital is sixty-five million (65,000,000) Saudi Riyals, divided into six million five hundred thousand (6,500,000) ordinary shares with a nominal value of ten (10) Riyals per share, fully paid (referred to individually as the (current share) and collectively as the (current shares). As of the date of this Prospectus, the company does not have any substantial shareholders (those owning 5% or more of the company's shares).

The Board of Directors of the company recommended on 16/05/1445H (corresponding to 30/11/2023G) to increase the company's capital by offering preemptive rights shares valued at one hundred ninety-five million (195,000,000) Saudi Riyals, bringing the capital to two hundred sixty million (260,000,000) Saudi Riyals after the increase. This is after obtaining all necessary regulatory approvals and the approval of the Extraordinary General Assembly.

On \*\* \*\*/\*\*/\*\*\*\*H (corresponding to \*\* \*\*/\*\*/\*\*\*\*G), the company's Extraordinary General Assembly approved the capital increase through the issuance of preemptive rights shares ("subscription"). This will be done by offering nineteen million five hundred thousand (19,500,000) new ordinary shares (hereinafter referred to as "preemptive rights shares" or "new shares") at an offering price of ten (10) Saudi Riyals per share (hereinafter referred to as the "offering price"), with a nominal value of ten (10) Saudi Riyals per share. This is to increase the company's capital from sixty-five million (65,000,000) Saudi Riyals, divided into six million five hundred thousand (6,500,000) ordinary shares, to two hundred sixty million (260,000,000) Saudi Riyals, divided into twenty-six million (26,000,000) ordinary shares, representing a 300% increase in capital, this is after obtaining all necessary regulatory approvals and the approval of the (Extraordinary) General Assembly.

The preemptive rights will be issued as tradable securities (collectively referred to as "Preemptive Rights" and individually as "Preemptive Right") to shareholders who own shares at the end of trading on the day of the Extraordinary General Assembly meeting that includes the approval of the capital increase (referred to as the "Eligibility Date") and who are registered in the Company's shareholders' register at the Depository Center at the end of the second trading day following the day of the Extraordinary General Assembly meeting that includes the approval of the capital increase on \*\* \*\*/\*\*/\*\*\*\*H (corresponding to \*\* \*\*/\*\*/\*\*\*\*G) (collectively referred to as "Registered Shareholders" and individually as "Registered Shareholder"). Such rights will be deposited in the portfolios of the registered shareholders at the end of the second trading day following the day of the Extraordinary General Assembly meeting, taking into account the settlement procedures, at a number of approximately (3) rights for each (1) share of the Company's shares, and each right entitles its holder to subscribe to one new share at the offering price.

Registered shareholders and other general investors (collectively referred to as "New Investors") – who are eligible to trade the Rights and subscribe for the New Shares – will be able to trade and subscribe for the Preemptive Rights Shares on the Saudi Stock Exchange ("Tadawul" or "the Market"). The Trading Period and Subscription Period shall commence three (3) business days after the approval of the Extraordinary General Assembly including the approval of the capital increase, on \*\* \*\*/\*\*/\*\*\*\*H (corresponding to \*\* \*\*/\*\*/\*\*\*\*G), and the Trading Period shall end on \*\* \*\*/\*\*/\*\*\*\*H (corresponding to \*\* \*\*/\*\*/\*\*\*\*G) (referred to as the "Trading Period"), while the Subscription Period shall continue until the end of \*\* \*\*/\*\*/\*\*\*\*H (corresponding to \*\* \*\*/\*\*/\*\*\*\*G) (referred to as the "Subscription Period"). It is worth noting that the trading period and the subscription period will start on the same day, while the trading period will continue until the end of the sixth day from the beginning of the period, while the subscription period will continue until the end of the ninth day from the beginning of the same period. Note that the trading hours for preemptive rights start from ten (10:00) a.m. until three (3:00) p.m., while the subscription hours for preemptive rights start from ten (10:00) a.m. until two (2:00) p.m. Registered shareholders will be able to trade preemptive rights during the trading period by selling the acquired rights or part thereof or purchasing additional rights through the market. They also have the right not to take any action regarding the rights they own. New investors will also be able to purchase rights through the market during the trading period and sell the rights purchased during the trading period.

Subscription to the new shares will be available in one phase as follows:

- During this period, all registered shareholders and new investors will be able to subscribe to new shares.
- The registered shareholder will be able to directly subscribe to the number of his shares or less than the number of his shares during the subscription period. In the event that he purchases new rights, he will be able to subscribe to them after the end of the settlement period (two business days).
- New investors will be able to subscribe to new shares after the settlement of the rights purchase process directly (two business days).
- Subscription will be available electronically through the investment portfolio on trading platforms and applications through which buy and sell orders are entered, in addition to subscription through other channels and means available with the broker.

In the event that there are shares that have not been subscribed to after the end of the subscription period (referred to as the "Rump Shares"), such shares will be offered (at a minimum offer price) to a number of institutional investors (referred to as "Investment Institutions") (referred to as the "Rump Offering"). Such investment institutions will submit their offers to purchase the rump shares, and such offers will be received starting at 10:00 a.m. on \*\* \*\*/\*\*/\*\*\*\*H (corresponding to \*\* \*\*/\*\*/\*\*\*\*G) until 5:00 p.m. on \*\* \*\*/\*\*/\*\*\*\*H (corresponding to \*\* \*\*/\*\*/\*\*\*\*G) (referred to as the "Rump Offering Period"). The rump shares will be allocated to the investment institutions with the highest offer, then the lowest, and so on (provided that it is not less than the Offer Price), with the shares being allocated proportionally to the investment institutions that submit the same offer. As for the fractional shares, they will be added to the rump shares and treated similarly, the total offering price collected from the rump offering process of the company will be paid and the remaining proceeds from the sale of the rump shares and fractional shares (in excess

of the offering price) will be distributed without calculating any fees or deductions to their beneficiaries, from the eligible persons who did not exercise their right to subscribe in whole or in part, as well as the holders of fractional shares, each according to what he is entitled to, no later than the \*\* \*\*/\*\*/\*\*\*\*H (corresponding to \*\* \*\*/\*\*/\*\*\*\*G). Note that the investor who did not subscribe or sell his rights, and the holders of fractional shares may not receive any consideration if the sale is made during the rump offering period at the offering price.

In the event that the investment institutions do not subscribe to all the rump shares and fractional shares, the rump shares will be allocated to the underwriter who will purchase them at the offering price (**for more details, please refer to Section (12) "Information related to the shares and the terms and conditions of the offering" of this prospectus**). The final allocation process will be announced no later than \*\* \*\*/\*\*/\*\*\*\*H (corresponding to \*\* \*\*/\*\*/\*\*\*\*G) (referred to as the "Allocation Date") (**for more details, please refer to Section (12) "Information related to the shares and the terms and conditions of the offering"**).

After the completion of the subscription process, the company's capital will become two hundred and sixty million (260,000,000) Saudi Riyals divided into twenty-six million (26,000,000) ordinary shares. The net proceeds of the offering will be used to maximize the company's expansion capacity in investments to support the company's activities according to the financial organization plan and pay part of the creditors according to the financial organization plan. (**For more details, please refer to Section (6) "Use of the Offering Proceeds and Future Projects" of this prospectus**). All the Company's shares are of one class and no share shall give its holder preferential rights. The New Shares will be fully paid and of equal value to the existing Shares. Each Share shall entitle its holder to one vote and each shareholder of the Company (referred to as a "Shareholder") shall be entitled to attend and vote at the meeting of the General Assembly of Shareholders (referred to as the "General Assembly") (whether Ordinary or Extraordinary). The holders of the New Shares will be entitled to any dividends declared by the Company after the date of issue (if any).

The company was established as a Saudi public joint-stock company under Ministerial Resolution No. (364) issued on 18/05/1408H (corresponding to 08/01/1988G), granting approval for its establishment. The company's shares began trading on 29/03/1416H (corresponding to 26/08/1995G) with a capital of twenty-six million eight hundred twenty-six thousand (26,826,000) Saudi Riyals, divided into two hundred sixty-eight thousand and two hundred sixty (268,260) ordinary shares, each with a nominal value of one hundred (100) Saudi Riyals, fully paid. In 1998G, the Extraordinary General Assembly approved the share split of the company's shares from two hundred sixty-eight thousand and two hundred sixty (268,260) ordinary shares with a nominal value of one hundred (100) Saudi Riyals per share to five hundred thirty-six thousand five hundred twenty (536,520) ordinary shares with a nominal value of fifty (50) Saudi Riyals per share. On 17/04/1421H (corresponding to 19/07/2000G), the company reduced its capital from twenty-six million eight hundred twenty-six thousand (26,826,000) Saudi Riyals to thirteen million four hundred thirteen thousand (13,413,000) Saudi Riyals. Consequently, the number of shares was reduced from five hundred thirty-six thousand five hundred twenty (536,520) ordinary shares to two hundred sixty-eight thousand and two hundred sixty (268,260) ordinary shares, with a nominal value of fifty (50) Saudi Riyals per share, on 17/04/1421H (corresponding to 19/07/2000G), the company increased its capital from thirteen million four hundred thirteen thousand (13,413,000) Saudi Riyals to one hundred million (100,000,000) Saudi Riyals. Consequently, the number of shares increased from two hundred sixty-eight thousand and two hundred sixty (268,260) ordinary shares to two million (2,000,000) ordinary shares, with a nominal value of fifty (50) Saudi Riyals per share, through the issuance of preemptive rights shares. Following the issuance of the Capital Market Authority Decision No. (4-154-2006) dated 27/02/1427H (corresponding to 27/03/2006G), which stipulated a four-phase stock split for joint-stock companies based on a Cabinet decision requiring the nominal value of shares of joint-stock companies to be ten (10) Saudi Riyals per share, the company's shares were split from two million (2,000,000) ordinary shares to ten million (10,000,000) ordinary shares, each with a nominal value of ten (10) Saudi Riyals. On 23/03/1445H (corresponding to 08/10/2023G), the Extraordinary General Assembly approved increasing the company's capital from one hundred million (100,000,000) Saudi Riyals to two hundred fifty million (250,000,000) Saudi Riyals. Consequently, the number of shares increased from ten million (10,000,000) ordinary shares to twenty-five million (25,000,000) ordinary shares, each with a nominal value of ten (10) Saudi Riyals, through the issuance of preemptive rights shares. On 26/11/1445H (corresponding to 03/06/2024G), the company reduced its capital from two hundred fifty million (250,000,000) Saudi Riyals to sixty-five million (65,000,000) Saudi Riyals. As a result, the number of shares was reduced from twenty-five million (25,000,000) ordinary shares to six million five hundred thousand (6,500,000) ordinary shares by canceling eighteen million five hundred thousand (18,500,000) shares, reflecting a capital reduction of (74%) at a rate of (0.74) shares canceled for every one share owned. This capital restructuring was implemented to extinguish accumulated losses. The company's current capital is sixty-five million (65,000,000) Saudi Riyals, divided into six million five hundred thousand (6,500,000) ordinary shares, each with a nominal value of ten (10) Saudi Riyals, fully paid.

The Company's existing shares are currently traded on the Saudi Stock Exchange ("Tadawul" or "the Market"). The Company has applied to the Capital Market Authority of the Kingdom of Saudi Arabia ("the Authority") to register and offer the new shares "subject to this Prospectus" and has also applied to the Saudi Stock Exchange ("Tadawul") to accept their listing. All required documents have been submitted and all requirements of the relevant authorities have been met and this Prospectus has been approved by the Capital Market Authority of the Kingdom of Saudi Arabia ("the Authority"). It is expected that trading of the new shares on the Market will commence shortly after the completion of the allocation of new shares and the return of surplus (**please refer to page (2) "Important Dates and Subscription Procedures"**). Trading in the new shares – after their registration and acceptance for listing – will be available to citizens of the Kingdom of Saudi Arabia and legal residents therein, citizens of the Gulf Cooperation Council member states, Saudi and Gulf companies and investment funds, in addition to qualified foreign investors under the rules governing the investment of qualified foreign financial institutions in listed securities. In addition, other categories of foreign investors are entitled to obtain the economic benefits associated with the new shares by concluding swap agreements with persons authorized by the Authority ("Authorized Person"), noting that the Authorized Person will in this case be the legal registered owner of the shares.

This prospectus should be read in its entirety and consider the "Important Notice" section on page (A) and Section (2) "Risk Factors" contained in this prospectus before making an investment decision in relation to the rights or the new shares.

Financial Advisor and Underwriter wasatah capital وساطة كابيتال



Lead Manager مشاركة Musharaka



This prospectus contains information provided in connection with the application for registration and offering of securities in accordance with the requirements of the Rules on Offering of Securities and Continuing Obligations issued by the Capital Market Authority of the Kingdom of Saudi Arabia (referred to as "the Authority") and the application for admission to listing of securities in accordance with the requirements of the Listing Rules of the Saudi Stock Exchange. The members of the Board of Directors whose names appear in this prospectus collectively and individually bear full responsibility for the accuracy of the information contained in this prospectus and confirm, after making all possible and reasonable inquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement contained therein misleading. The Authority and the Saudi Stock Exchange do not bear any responsibility for the contents of this prospectus, do not give any assurances regarding its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from the contents of this prospectus or from reliance on any part thereof. **This prospectus was issued on 15/03/1447H (corresponding to 07/09/2025G)**

The offering of the Preemptive Rights Shares under this prospectus is subject to the approval of the shareholders, and an invitation to hold an Extraordinary General Assembly meeting of the Company to approve the issuance of the Preemptive Rights Shares will be published on \*\* \*\*/\*\*/\*\*\*\*H (corresponding to \*\* \*\*/\*\*/\*\*\*\*G). Investors should be aware that if the shareholders' approval is not obtained at that meeting for the issuance of the Preemptive Rights Shares, the issuance of the Preemptive Rights Shares will cease, this prospectus will be deemed immediately void, and shareholders will be notified accordingly.

This Prospectus is an unofficial English translation of the official Arabic Prospectus and is provided for information purposes only. The Arabic Prospectus published on the CMA's website ([www.cma.org.sa](http://www.cma.org.sa)) remains the only official, legally binding version and shall prevail in the event of any conflict between the two language versions.

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THIMAR



## Important Notice

This Prospectus (the “Prospectus”) contains detailed information about Thimar Development Holding Company and the preemptive rights shares offered for subscription. When applying to subscribe for new shares, investors will be treated as applying solely on the basis of the information contained in this Prospectus, a copy of which can be obtained from the Company’s Headquarter, the Lead Manager, or by visiting the websites of the Company ([www.thimar.com.sa/main](http://www.thimar.com.sa/main)), the Financial Advisor ([www.wasatah.com.sa](http://www.wasatah.com.sa)), and the Capital Market Authority ([www.cma.org.sa](http://www.cma.org.sa)).

This Prospectus shall be published and made available to the public within a period not less than (14) days prior to the date of the Extraordinary General Assembly meeting to the capital increase. In the event that the Extraordinary General Assembly does not approve the capital increase within six (6) months of the of the Capital Market Authority’s approval of registering and offering the preemptive rights shares, the Capital Market Authority’s approval shall be considered void.

The Company has appointed Al Wasatah Al Maliah Company (Wasatah Capital) as a financial advisor (“Financial Advisor”) and Musharaka Capital Company (“Musharaka Capital”) as the Lead Manager (“Lead Manager”). The Company has also appointed Al Wasatah Al Maliah Company (Wasatah Capital) to act as an underwriter (“Underwriter”) in connection with the offering of preemptive rights shares to increase the Company’s capital pursuant to this Prospectus.

The prospectus contains information presented in accordance with the requirements of the Rules on the Offer of Securities and Continuing Obligations issued by the Board of the Capital Market Authority under Resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G) based on the Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424H and any amendments thereto. The members of the Board of Directors whose names appear on **page (D)** collectively and individually assume full responsibility for the accuracy of the information contained in this prospectus. They confirm, to the best of their knowledge and belief, and after conducting the reasonable studies to the extent possible, that there are no other facts, the omission of which would render any statement contained in the prospectus misleading. The Capital Market Authority and Tadawul Group (Tadawul) bear no responsibility for the content of this prospectus. They make no assurances regarding its accuracy or completeness and expressly disclaim any liability whatsoever for any loss arising from or in connection with the contents of this prospectus or reliance on any part of it.

Although the Company has undertaken all reasonable efforts to verify the accuracy of the information contained in this prospectus as of its issuance date, some of the information included herein has been obtained from external sources. While neither the Company nor any of its managers, Board members, financial advisor, or any of the Company’s advisors mentioned on **pages (F, G) (“Advisors”)** have any reason to believe that this information is materially inaccurate, such information has not been independently verified. Consequently, no assurance or representation can be made regarding the accuracy or completeness of such information.

The information contained in this Prospectus as of its issuance date is subject to change. The Company’s financial position and the value of the shares may be adversely affected by future developments, such as inflation, interest rates, taxes, or other economic, political, or external factors beyond the Company’s control (**please refer to Section (2) “Risk Factors” in this Prospectus**). The provision of this Prospectus or any oral or written information related to the Offer Shares should not, in any way, be interpreted, relied upon, or considered as a promise, assurance, or representation regarding the achievement of any revenues, results, or future events.

This Prospectus should not be considered a recommendation by the Company, its Board members, or any of its advisors to participate in the subscription of the preemptive rights shares. The information contained in this Prospectus is of a general nature and has been prepared without considering individual investment objectives, financial circumstances, or specific investment needs. Any person (whether normal or legal) who receives this Prospectus is responsible for seeking professional advice from a financial advisor licensed by the Authority prior to making an investment decision. This ensures the suitability of this investment and the information contained in this Prospectus with their individual objectives, financial circumstances, and specific needs.

Registered shareholders and other general investors (“New Investors”) – who are eligible to trade the Rights and subscribe to the New Shares – will be able to trade and subscribe to the preemptive rights shares on the Saudi Stock Exchange (“Tadawul” or “the Market”). The Trading Period and the Subscription Period will commence three (3) business days after the approval of the Extraordinary General Assembly including the approval of the capital increase, on **\*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*G)**, and the Trading Period will end on **\*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*G)** (“Trading Period”), while the Subscription Period will continue until the end of **\*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*G)** (“Subscription

Period"). It is worth noting that the Trading Period and the Subscription Period will commence on the same day, while the Trading Period will continue until the end of the sixth day from the beginning of the period, while the Subscription Period will continue until the end of the ninth day from the beginning of the same period. Note that the trading hours for preemptive rights start from ten (10:00) a.m. until three (3:00) p.m., while the subscription hours for preemptive rights start from ten (10:00) a.m. until two (2:00) p.m.

Registered shareholders will be able to trade preemptive rights during the trading period by selling the acquired rights or part thereof or purchasing additional rights through the market. New investors will also be able to purchase rights through the market during the trading period and sell the rights purchased during the trading period.

Subscription to the new shares will be available in one phase as follows:

1. During this period, all registered shareholders and new investors will be able to subscribe to new shares.
2. The registered shareholder will be able to directly subscribe to the number of his shares during the subscription period. In the event that he purchases new rights, he will be able to subscribe to them after the end of the settlement period (two business days).
3. New investors will be able to subscribe to new shares after the settlement of the rights purchase process directly (two business days).
4. Subscription will be available electronically through the investment portfolio on trading platforms and applications through which buy and sell orders are entered, in addition to subscription through other channels and means available with the broker.

In the event that there are shares that have not been subscribed to after the end of the subscription period ("Rump Shares"), such shares will be offered to a number of institutional investors (referred to as "Investment Institutions") (this offering process is referred to as the "Rump Offering"). Such investment institutions will submit their offers to purchase the rump shares, and such offers will be received starting at 10:00 a.m. on \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*G) until 5:00 p.m. on the following day \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*G) ("Rump Offering Period"). The rump shares will be allocated to the investment institutions with the highest offer, then the lowest, and so on (provided that it is not less than the offering price), provided that the shares are allocated proportionately to the investment institutions that submit the same offer. As for the fractional shares, they will be added to the rump shares and treated similarly, and the total offering price collected from the rump offering process will be paid to the company and the remaining proceeds of the offering process (if any) will be distributed (in excess of the offering price) without calculating any fees or deductions to those entitled to them, each according to what he is entitled to, no later than \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*G). Note that the investor who did not subscribe or sell his rights, and the owners of fractional shares, may not receive any consideration if the sale is made during the rump offering period at the offering price.

In the event that the investment institutions do not subscribe to all the rump shares and fractional shares, the rump shares will be allocated to the underwriters who will purchase them at the offering price **(please refer to Section (12) "Information related to the shares and the terms and conditions of the offering")**. The final allocation process will be announced no later than \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*G) ("Allocation Date") **(please refer to Section (12) "Information related to the shares and the terms and conditions of the offering")**.

The offering of the preemptive rights shares under this prospectus is subject to the approval of the shareholders, and an invitation to hold an Extraordinary General Assembly meeting of the Company to approve the issuance of the preemptive rights shares will be published on \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*G). Investors should be aware that if the shareholders' approval is not obtained at that meeting for the issuance of the preemptive rights shares, the issuance of the preemptive rights shares will cease, this prospectus will be deemed immediately void, and shareholders will be notified accordingly.

## Financial information

The Company's audited consolidated financial statements for the fiscal years ended December 31, 2021G, December 31, 2022G and December 31, 2023G and the accompanying notes have been prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements adopted by the Saudi Organization for Chartered and Professional Accountants (SOCPA). The Company's financial statements for the fiscal years ended December 31, 2021G and December 31, 2022G have been reviewed and audited by Osama Abdullah Elkhareiji & Partners Company (Chartered accountants and business consultants).

The company's financial statements for the fiscal year ending December 31, 2023G have been reviewed and audited by PKF Al Bassam (Chartered Accountants), and the company issues its financial statements in Saudi Riyals.

It should be noted that some of the financial and statistical information contained in this prospectus has been rounded to the nearest whole number. If the figures in the table are added together, there may be a slight difference in the figures mentioned in the tables compared to those mentioned in this prospectus.

## Sector and market information

The information and data relating to the Saudi economy and market data contained in this prospectus have been obtained from various public sources. Although there is no reason to believe that this information is materially inaccurate, the Board of Directors, shareholders and advisors have not independently verified the accuracy of this information and data, and therefore no clear statement or assurance can be given as to the accuracy and completeness of this information.

## Forecasts and Forward-looking Statements

The forward-looking statements contained in this prospectus have been prepared based on specific and stated assumptions set forth in the relevant sections. Operating conditions may differ from the assumptions used and therefore no warranty or representation is made as to the accuracy or completeness of any such projections. The Company confirms that the statements contained in this prospectus have been made with due professional care.

Certain statements in this Prospectus are forward-looking statements. These forward-looking statements are generally identified using words such as "intends/plans," "can," "believes," "expects," "It is possible," "will," "intends," "should," "expected," "may," "believes" or the negative thereof or other similar or opposite terms. These forward-looking statements reflect the current views of the Company and its management with respect to future events but are not guarantees of future performance. There are many factors that could cause the Company's actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. The most important risks or factors that could have such an effect are discussed in more detail in other sections of this Prospectus (**refer to Section (2) "Risk Factors"**). If one or more of these risks or uncertainties materialize, or if any of the assumptions relied upon prove incorrect or inaccurate, actual results may differ materially from those expressed in this prospectus in terms of expectations, beliefs, estimates or plans.

In accordance with Article (29) of the "Rules for Offering Securities and Continuing Obligations", the company must submit a supplementary prospectus to the Authority if the company becomes aware at any time after the date of publication of this prospectus and before the completion of the offering of any of the following:

- (1) There has been a significant change in material matters contained in the prospectus or.
- (2) Any significant matters that should have been included in the prospectus have become apparent.

Except in these two cases, the Company does not intend to update or amend any information contained in this Prospectus whether it's additional new information or future events or otherwise relating to the Company, the sector or risk factors. As a result of these and other risks and assumptions, the forward-looking events and circumstances described in this Prospectus may not occur in the manner expected by the Company, or may not occur at all, and accordingly, potential investors should consider all forward-looking statements in light of these interpretations and not place undue reliance on forward-looking statements.



## Company Directory

### Board of Directors and Secretary:

Table (1): Board of Directors Members

Name*	Position	Nationality	Age	Status	Owned Shares				Membership Date
					Direct	Indirect	Total	Percentage%	
Walid Abdul Aziz Al-Shuwaier**	Chairman	Saudi	49	Independent	-	-	-	-	14/05/2023G
Khaled Asaad Khashoggi**	Vice Chairman	Saudi	48	Independent	-	-	-	-	14/05/2023G
Melfi Manahi Al-Marzouki	Managing Director	Saudi	54	Executive	-	-	-	-	14/05/2023G
Abdulkarim bin Mohammed Al-Nuher***	Member	Saudi	50	Independent	4,875	-	4,875	0.07500%	29/05/2023G
Aziz bin Mohammed Al-Qahtani	Member	Saudi	54	Independent	-	-	-	-	14/05/2023G
Haitham bin Faisal Ascoby	Member	Saudi	56	Non-Executive	-	-	-	-	14/05/2023G
Yasser bin Suleiman Al-Aqil	Member	Saudi	37	Independent	2	-	2	0.0000308%	14/05/2023G
Abdulazim Moatamed Abdulazim	Secretary of the Board	Egyptian	39	Executive	-	-	-	-	14/05/2023G

Source: Company Management

\* On 18/10/1444H (corresponding to 08/05/2023G), the Ordinary General Assembly approved the election of the above-mentioned members of the Board of Directors for the current term, which commenced on 14/05/2023G and will conclude on 13/05/2026G.

\*\* On 24/10/1444H (corresponding to 14/05/2023G), the Company's Board of Directors resolved to appoint the Chairman of the Board, the Vice Chairman, the Managing Director, and the Secretary of the Board, as mentioned above, for the current term, which commenced on 14/05/2023G and will conclude on 13/05/2026G.

\*\*\* On 09/11/1444H (corresponding to 29/05/2023G), the Company announced the acceptance of the resignation of Board Member Mr. Mohammed Abdulwahab Al-Sukeet through circulation, effective from 28/05/2023G. The Company also announced the appointment of Mr. Abdulkarim bin Mohammed Al-Nuher as his replacement, with the membership commencing on 29/05/2023G and continuing until the end of the current Board term.

#### Company Address

### Thimar Development Holding Company

Riyadh – Mohammed Ali Jinnah Road, Building No. 3808,  
Sub-number 7548, Al-Shuhada District, Postal Code 13241

Phone: +966 (59) 1616638

Email: [thimarshareholders@thimar.com.sa](mailto:thimarshareholders@thimar.com.sa)

Website: [www.thimar.com.sa/main](http://www.thimar.com.sa/main)



#### Company representatives

### First authorized company representative

Melfi Manahi Al Marzouqi

CEO - Board Member

Thimar Development Holding Company

Riyadh – Mohammed Ali Jinnah Road, Building No. 3808,  
Sub-number 7548, Al-Shuhada District, Postal Code 13241

Phone: +966 (59) 1616638

Email: [melfi@thimar.com.sa](mailto:melfi@thimar.com.sa)

Website: [www.thimar.com.sa/main](http://www.thimar.com.sa/main)

### Second authorized company representative

Haitham bin Faisal Oskoubi

Board Member

Thimar Development Holding Company

Riyadh – Mohammed Ali Jinnah Road, Building No. 3808,  
Sub-number 7548, Al-Shuhada District, Postal Code 13241

Phone: +966 (59) 1616638

Email: [H.Oskoubi@thimar.com.sa](mailto:H.Oskoubi@thimar.com.sa)

Website: [www.thimar.com.sa/main](http://www.thimar.com.sa/main)

#### Stock market

### Saudi Tadawul Company

King Fahd Road - Al Olaya 6897

Unit No. 15

Riyadh 12211-3388

Kingdom of Saudi Arabia

Phone: +966 (11) 920001919

Fax: +966 (11) 2189133

Email: [csc@saudiexchange.sa](mailto:csc@saudiexchange.sa)

Website: [www.saudiexchange.sa](http://www.saudiexchange.sa)



## Advisors

### Financial Advisor and Underwriter

#### Al Wasatah Al Maliah Company (Wasatah Capital)

Riyadh - Al Olaya Main Street, Al Muruj District,

Building No. 7459 Sub-number 2207,

Postal Code 12283

Kingdom of Saudi Arabia

Phone: +966 (11) 4944067

Fax: +966 (11) 4944205

Email: [info@wasatah.com.sa](mailto:info@wasatah.com.sa)

Website: [www.wasatah.com.sa](http://www.wasatah.com.sa)

wasatah capital  
وساطة كابيتال



### Lead Manager

#### Musharaka Capital Company

Al Khobar, Prince Turki Bin Abdulaziz Road, Adair Tower, 13th Floor

P.O. Box 712 Al Khobar 31952

Kingdom of Saudi Arabia

Phone: +966 (13) 8044644

Fax: +966 (13) 8818412

Email: [info@musharaka.sa](mailto:info@musharaka.sa)

Website: [www.musharaka.sa](http://www.musharaka.sa)



### Legal Advisor

#### Alhareth A. Al-Omair & Othman A. Al-Arfaj Company Lawyers & Legal Consultation

Prince Saud Bin Jalawi Street, Al Ahsa

P.O. Box 3833 Al Ahsa 12478

Kingdom of Saudi Arabia

Phone: +966 (53) 4585033

Email: [info@houselow.org](mailto:info@houselow.org)





## The company's Chartered Accountant for the fiscal years ending on 31 December 2021G and 31 December 2022G.

Osama Abdullah Elkhareiji & Partners Company. (Chartered accountants and business consultants)

Jeddah - Al Rawdah District Mahmoud Aref Street

P.O. Box 15046 Jeddah 21444

Kingdom of Saudi Arabia

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OAK

شركة أسامة عبد الله الخريجي وشركاؤه  
محاسبون قانونيون واستشاريو أعمال

Osama Abdullah Elkhareiji & Partners Co.  
Certified Public Accountants & Business Consultants

PrimeGlobal The Association of Accountants and Auditing Firms

## The company's Chartered Accountant for the fiscal year ending December 31, 2023G

PKF Al Bassam (Chartered Accountants)

Riyadh, Al Sulaymaniyah District - Prince Abdulaziz Bin Musa'ed Street

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Website: [www.pkfalbassam.com](http://www.pkfalbassam.com)

شركة بي كي إف البسام  
محاسبون ومراجعون قانونيون



**Note:** All of the above mentioned consultants and chartered accountants have given their written consent to the publication of their names and logos and to the inclusion of their statements in the form contained in this prospectus. None of them has withdrawn that consent as of the date of this prospectus. None of the consultants or chartered accountants or their affiliates or their shareholders or employees or any of their relatives own any shares or interest of any kind in the Company or any of its affiliates as of the date of this prospectus.

## Offering Summary

This offering summary is intended to provide a brief overview of the information contained in this prospectus. Accordingly, this summary does not contain all the information that may be of interest to shareholders and other general institutional and individual investors, as the information in the offering summary is not sufficient to make an investment decision. Accordingly, recipients of this prospectus should read it in full before making any investment decision to subscribe or trade in the preemptive rights shares. In particular, it is necessary to take into account what is stated in **Section (2) "Risk Factors"** of this prospectus, and the following is an offering summary:

<b>Name of the issuer, description and information about its establishment</b>	<p>Thimar Development Holding Company (hereinafter referred to as "Thimar" or "the Company") is a Saudi public joint-stock company established pursuant to Ministerial Resolution No. (364) dated 18/05/1408H (corresponding to 08/01/1988G) with a license for its incorporation. It is registered with the Ministry of Commerce under Commercial Registration No. (1010068222) issued in Riyadh on 17/05/1408H (corresponding to 07/01/1988G).</p> <p>The company's headquarters is located in Riyadh, Mohammed Ali Jinnah Road, Building No. 3808, Sub-number 7548, Al-Shuhada District, Postal Code 13241. Based on the approval of the Extraordinary General Assembly held on 06/03/1443H (corresponding to 12/10/2021G), the company's commercial name was changed from (National Agricultural Marketing Company) to the current name, (Thimar Development Holding Company).</p> <p>The company's current capital amounts to sixty-five million (65,000,000) Saudi Riyals, divided into six million five hundred thousand (6,500,000) ordinary shares, with a nominal value of ten (10) Saudi Riyals per share, fully paid (individually referred to as the "Current Share" and collectively as the "Current Shares"). As of the date of this Prospectus, the company does not have any substantial shareholders (those owning 5% or more of the company's shares).</p>
<b>Issuer Activities</b>	<p>The company operates under Commercial Registration No. (1010068222) issued on 17/05/1408H (corresponding to 07/01/1988G). The company's activities, as stated in its commercial registration, include managing subsidiaries of holding companies, investing the funds of subsidiaries of holding companies, owning real estate and movables necessary for holding companies, providing loans, guarantees, and financing to subsidiaries of holding companies, owning industrial property rights for subsidiaries of holding companies, and leasing industrial property rights for subsidiaries of holding companies.</p> <p>The primary objectives of the company, according to its Articles of Association, are summarized as follows:</p> <ul style="list-style-type: none"> <li>♦ Managing subsidiaries of holding companies.</li> <li>♦ Investing the funds of subsidiaries of holding companies.</li> <li>♦ Owning real estate and movables necessary for holding companies.</li> <li>♦ Providing loans, guarantees, and financing to subsidiaries of holding companies.</li> <li>♦ Owning industrial property rights for subsidiaries of holding companies.</li> <li>♦ Leasing industrial property rights for subsidiaries of holding companies.</li> </ul>
<b>Substantial Shareholders</b>	<p>The company does not have any Substantial shareholders (those who own 5% or more of the company's shares).</p>
<b>The Public</b>	<p>According to securities offering regulations and ongoing obligations, any person other than those listed below:</p> <ol style="list-style-type: none"> <li>1. Affiliates of the Issuer.</li> <li>2. Substantial Shareholders of the Issuer.</li> <li>3. Members of the Board of Directors and Senior Executives of the Issuer.</li> <li>4. Members of the Board of Directors and Senior Executives of the affiliates of the Issuer.</li> <li>5. Members of the Board of Directors and Senior Executives of the Substantial Shareholders of the Issuer.</li> <li>6. Any relatives of the persons referred to in (1, 2, 3, 4 or 5) above.</li> <li>7. Any company controlled by any person referred to in (1, 2, 3, 4, 5, or 6) above, or</li> <li>8. Persons acting in concert with a collective shareholding of 5% or more of the class of shares to be listed.</li> </ol>

<b>Nature of the offering</b>	Increase capital through issuance of preemptive rights shares.
<b>Purpose of the Proposed Preemptive Rights Shares Issue</b>	The company aims, through its capital increase by issuing preemptive rights shares, to enhance its capacity for expansion in investments to support its activities according to the financial reorganization plan and to partially settle creditors as outlined in the financial reorganization plan. <b>(Please refer to Section (6) “Use of the Offering Proceeds and Future Projects”).</b>
<b>Issued capital before offering</b>	Sixty-five million (65,000,000) Saudi Riyals.
<b>Total number of shares issued before the offering</b>	Six million five hundred thousand (6,500,000) ordinary shares.
<b>Share's nominal value</b>	Ten (10) Saudi Riyals per share.
<b>Total number of new shares offered for subscription</b>	Nineteen million five hundred thousand (19,500,000) ordinary shares.
<b>Offering price</b>	Ten (10) Saudi Riyals per share.
<b>Total Offering Value</b>	One hundred and ninety-five million (195,000,000) Saudi Riyals.
<b>Capital increase</b>	The increase in the company's capital will be from sixty-five million (65,000,000) Saudi Riyals to two hundred and sixty million (260,000,000) Saudi Riyals.
<b>Adjusted Price</b>	The company's share price in the financial market was adjusted to <b>(**) Saudi Riyals</b> per share before trading on the day following the day of the extraordinary general assembly meeting to increase the capital, and this represents a decrease in the share price by <b>(**) Saudi Riyals</b> per share.
<b>Registered shareholders</b>	Shareholders who own shares at the end of trading on the day of the Extraordinary General Assembly for the capital increase and who are registered in the company's shareholders' register at the Depository Center at the end of trading on the second trading day following the Extraordinary General Assembly for the capital increase.
<b>New Investors</b>	General investors, individuals and institutions - other than registered shareholders - who purchased preemptive rights during the trading period.
<b>Target investor categories</b>	Registered shareholders and new investors.
<b>Preemptive Rights</b>	These are tradable securities that give their holder the right to subscribe to new shares after the approval of the capital increase, which is an acquired right for all registered shareholders. Preemptive rights may be traded during the trading period. Each preemptive right gives its holder the right to subscribe to one of the new shares at the offering price. The preemptive rights will be deposited in the portfolios of registered shareholders after the Extraordinary General Assembly for the capital increase is held. These rights will appear in the portfolios of registered shareholders under a new symbol for preemptive rights. Registered shareholders will be notified of the deposit of the preemptive rights in their portfolios.
<b>Entitlement factor</b>	Each registered shareholder is granted approximately (3) rights for every (1) share he owns, and this factor is the result of dividing the number of new shares by the number of existing shares of the company.
<b>Number of Preemptive Rights Issued</b>	Nineteen million five hundred thousand (19,500,000) Preemptive Rights.

Number of Offering Shares Underwritten	Nineteen million five hundred thousand (19,500,000) ordinary shares.																										
Total Offering Value Underwritten	One hundred and ninety-five million (195,000,000) Saudi Riyals.																										
Number of shares issued after capital increase	Twenty-six million (26,000,000) ordinary shares.																										
Company capital after capital increase	Two hundred and sixty million (260,000,000) Saudi Riyals																										
Percentage of shares offered from the issued capital	(300%).																										
Total expected proceeds and analysis and description of proposed use	<p>The total proceeds of the subscription to the preemptive rights shares are expected to amount to one hundred and ninety-five million (195,000,000) Saudi Riyals, and the net proceeds of the offering are expected to amount to approximately one hundred and seventy-six million, seven hundred and eighteen thousand (176,718,000) Saudi Riyals after deducting the offering costs of eighteen million, two hundred and eighty-two thousand (18,282,000) Saudi Riyals. The Company intends to use the net proceeds of the offering to maximize the Company's expansion capacity in investments to support the Company's activities according to the financial organization plan and to pay a portion of the creditors according to the financial organization plan. The following table shows the expected use of the proceeds from the offering:</p> <p><b>Table (2): Expected use of proceeds from offering</b></p> <table> <tr> <th>Item</th> <th>Proposed Use Value Saudi Riyals</th> <th>Percentage</th> </tr> <tr> <td>Partial payment of creditors according to the financial reorganization proposal</td> <td>12,099,840</td> <td>6.21%</td> </tr> <tr> <td>Food, agricultural and meat investment</td> <td>60,000,000</td> <td>30.77%</td> </tr> <tr> <td>Real estate investment</td> <td>54,000,000</td> <td>27.69%</td> </tr> <tr> <td>Investing in investment portfolios</td> <td>30,000,000</td> <td>15.38%</td> </tr> <tr> <td>Working capital financing</td> <td>20,618,160</td> <td>10.57%</td> </tr> <tr> <td>Offering costs★</td> <td>18,282,000</td> <td>9.38%</td> </tr> <tr> <td><b>Total Proceeds from Offering</b></td> <td><b>195,000,000</b></td> <td><b>100%</b></td> </tr> </table>			Item	Proposed Use Value Saudi Riyals	Percentage	Partial payment of creditors according to the financial reorganization proposal	12,099,840	6.21%	Food, agricultural and meat investment	60,000,000	30.77%	Real estate investment	54,000,000	27.69%	Investing in investment portfolios	30,000,000	15.38%	Working capital financing	20,618,160	10.57%	Offering costs★	18,282,000	9.38%	<b>Total Proceeds from Offering</b>	<b>195,000,000</b>	<b>100%</b>
	Item	Proposed Use Value Saudi Riyals	Percentage																								
	Partial payment of creditors according to the financial reorganization proposal	12,099,840	6.21%																								
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	<p>For more information (<b>please refer to Section (6) "Use of the Offering Proceeds and Future Projects")</b>.</p> <p>★ The company has paid a portion of the offering costs, amounting to 1,461,400 Saudi Riyals, including value-added tax. The company will offset this amount ("offering costs") from the proceeds of the capital increase, should the increase occur, and redirect the amount to real estate investment as part of the plan to utilize the proceeds from the previous offering.</p>																										
Offering costs	<p>The offering costs are expected to amount to approximately eighteen million two hundred and eighty-two thousand (18,282,000) Saudi Riyals, including the costs of the financial advisor, the lead manager, the underwriter, the legal advisor, the chartered accountant, marketing, printing and distribution expenses, and other expenses related to the offering, noting that this amount is an estimate (<b>please refer to Section (6) "Use of the Offering Proceeds and Future Projects")</b>. The value-added tax (VAT) on the offering expenses amounts to two million, seven hundred twenty-eight thousand, nine hundred eighty-seven (2,728,987) Saudi Riyals. The company will pay the value-added tax, which cannot be refunded, due to the existence of amounts owed to the Zakat, Tax and Customs Authority.</p>																										

Total proceeds previously obtained in the last preemptive rights issue, their analysis, description and clarification of their use	The total proceeds obtained by the company in the last preemptive rights issue process amounted to one hundred and fifty million (150,000,000) Saudi Riyals. The Extraordinary General Assembly of the company's shareholders approved on 23/03/1445H (corresponding to 08/10/2023G) to increase its capital from one hundred million (100,000,000) Saudi Riyals to two hundred and fifty million (250,000,000) Saudi Riyals by issuing fifteen million (15,000,000) new preemptive rights shares with a nominal value of ten (10) Saudi Riyals per share. With a total value of one hundred and fifty million (150,000,000) Saudi Riyals, in order to support the company's activities and pay creditors.							
	The following table shows the use of the proceeds from the offering as disclosed in the relevant prospectus.							
	Item (Saudi Riyals)	Planned usage	Actual use As of the date of the prospectus	The difference between actual and planned usage	Amount directed from real estate investment	Remaining amount for each item ★★★★★	Expected date of use	Actual spending to planned spending percentage
	Partial payment of creditors according to the financial reorganization proposal★	58,519,517	65,538,344		7,018,827			111.99%
	Real estate investment★★★★★	47,000,000	12,138,000	34,862,000		3,918,497.70	During the third quarter of 2025G	25.83% (deviation rate (65.84%))
	Payment of dues under court rulings★★	2,437,322	5,691,792.3		3,254,470.3	-		233.53%
	Working Capital Financing★★★	10,320,925	26,036,253		15,715,328	-		252.27%
	Payment of other due expenses★★★★	13,249,236	18,190,013		4,940,777	-		137.29%
	Offering costs★★★★★	18,473,000	18,487,100		14,100	-		100.08%
	Total	150,000,000	146,081,502.30	34,862,000	30,943,502.3	3,918,497.70		
The causes of deviation are as shown below:								
The company has allocated 30,943,502.3 Saudi Riyals from its real estate investment to repay part of its creditors in accordance with the proposed financial restructuring, lawsuits, working capital, and accrued expenses, which are explained below.								
★ All creditors have been paid the first installment according to the financial arrangement plan, with the exception of some cases shown below:								
▸ Dues of approximately 91,234 Saudi Riyals for workers who left the Kingdom of Saudi Arabia, and the company does not have contact addresses for them and the company is still trying to reach their addresses.								
▸ The company also paid some creditors according to the financial restructuring plan for future payments:								
1. The company paid 220,000 Saudi Riyals to Al Bunya Al Mutamayza for Real Estate Development and Investment Company, instead of the 208,000 Saudi Riyals specified as a down payment according to the financial restructuring plan, in order to benefit from the offer submitted by the Company, which stipulates exempting Thimar Development Holding Company from paying the remaining payment (payment of other payments from the financial restructuring plan) in the amount of 208,000 Saudi Riyals. Thus, the Company obtained a financial exemption in the amount of 196,000 Saudi Riyals.								
2. The company has paid some of the dues to the creditors due from the second installment of the financial restructuring plan as follows: labor dues amounting to 1,452,855 Saudi Riyals and dues to suppliers amounting to 4,950,822 Saudi Riyals.								
3. The company paid the General Organization for Social Insurance an amount of approximately 694,384 Saudi Riyals, which is related to a subsequent payment period as planned according to the financial reorganization plan. The company will pay the above creditors and compensate for the difference from the proceeds of the future offering. The company did so to obtain an exemption of 1,234,909 Saudi Riyals, taking advantage of the discount provided by the General Organization for Social Insurance, which is: (In the event of paying the remaining amount of 694,384 Saudi Riyals, the company will be exempted from fines due of approximately 1,234,909 Saudi Riyals). Thus, the claims of the General Organization for Social Insurance became Zero Saudi Riyals.								

Total proceeds previously obtained in the last preemptive rights issue, their analysis, description and clarification of their use - Cont.

★★ There are amounts related to lawsuits that were not included in the use of the proceeds of the previous offering and were paid from the proceeds of the previous offering, which is:

1. Dan Factory lawsuit amounting to 513,379 Saudi Riyals.
2. An additional claim from the Securities Depository Center Company in the amount of 1,264,820 Saudi Riyals. The claims are invoices owed by both the Securities Depository Center Company and the Saudi Tadawul Holding Group. One of these claims, which the company has not attended to, is (Decision No. 3509/L/D1/2021 of 1443H issued by the Securities Disputes Resolution Committee dated 25/10/2021G to pay the amount of (85,142.17) Saudi Riyals to the benefit of the Saudi Tadawul Holding Group).
3. Basamih Company lawsuit 13,843.75 Saudi Riyals.
4. Sari Al-Mayouf Lawsuit: Vacation and end-of-service benefits amounting to 882,222 Saudi Riyals. The plaintiff's claims amounted to (3,738,917) Saudi Riyals, which included end-of-service benefits, salaries for the last months, and vacation salaries. The preliminary ruling was issued on 27/03/1445H, rejecting the lawsuit in form. This occurred during the first session, and the company's representative did not attend this session. The absence of the representative had no effect, as the lawsuit was dismissed. After the plaintiff appealed the ruling, the company (defendant), represented by its attorney, attended all eight (8) sessions. The final ruling was issued on 09/07/1445H, reducing the amount to (872,222.22) Saudi Riyals from the original claims. In addition, the company paid 10,000 Saudi Riyals as legal costs.
5. Al-sahm Food Distribution Company lawsuit in the amount of 252,564.66 Saudi Riyals.
6. End of service benefits for an employee in the amount of 24,184 Saudi Riyals. The company's attorney did not attend and the judgment was issued on 21/03/1441H (corresponding to 18/11/2019G).
7. Legal costs for a number of cases were paid to the Ministry of Justice in the amount of 71,816 Saudi Riyals.
8. Legal costs from the Ministry of Human Resources and Social Development amounting to 100,000 Saudi Riyals.
9. Al-Jawf Health Water Factory case, amounting to 131,640.9 Saudi Riyals.

★★★ The company has paid certain mandatory expenses that were not included in the use of the proceeds of the previous offering, amounting to (15,715,328) Saudi Riyals, as follows:

**1. Costs and remuneration related to the Board of Directors and committees: were not included in the previous prospectus (7,466,584) Saudi Riyals.**

Remuneration for members of the Board of Directors and committees for the period from January 2024G to May 2025G amounted to 7,466,584 Saudi Riyals. This is consistent with the Board of Directors and Committee Members Remuneration Policy approved by the Extraordinary General Assembly held on October 8, 2023G. This policy stipulates that annual remuneration for Board members are paid quarterly based on a decision by the Chairman of the Board. All required approvals for disbursement have been obtained, as shown in the table below.

Period	Date of Board Chairman's approval of the disbursement	Date of Nominations and Remuneration Committee recommendation
First Quarter 2024G	30/03/2024G	30/03/2024G
Second Quarter 2024G	30/06/2024G	30/06/2024G
Third Quarter 2024G	17/09/2024G	18/09/2024G
Fourth Quarter 2024G	14/12/2024G	15/12/2024G
First Quarter 2025G	15/03/2025G	16/03/2025G



- ♦ The following table shows the details of these rewards during the period specified above and includes the following committees and members:

Board of Directors					
Name	Position	Remuneration	Attendance Allowance	Additional Remuneration★	Total for each member
Walid Abdul Aziz Al-Shuwaier	Chairman	500,000	21,000	1,425,000	1,946,000
Khaled Asaad Khashoggi	Vice Chairman	437,500	21,000		458,500
Melfi Manahi Al-Marzouki	Member	375,000	21,000		396,000
Abdulkarim bin Mohammed Al-Nuher	Member	375,000	18,000		393,000
Aziz bin Mohammed Al-Qahtani	Member	375,000	21,000		396,000
Haitham bin Faisal Ascoby	Member	375,000	21,000		396,000
Yasser bin Suleiman Al-Aqil	Member	375,000	21,000		396,000
Abdulazim Moatamed Abdulazim	Board Secretary	75,000	21,000		96,000
<b>Total</b>		<b>2,887,500</b>	<b>165,000</b>	<b>1,425,000</b>	<b>4,477,500</b>

★ Monthly remuneration of 75,000 Saudi Riyals until June 2025.

Audit Committee				
Name	Position	Remuneration	Attendance Allowance	Total for each member
Aziz bin Mohammed Al-Qahtani	Chairman of the Audit Committee	375,000	42,000	417,000
Mohammed Al-Saedi	Member of the Audit Committee	250,000	42,000	292,000
Ziad Mohammed Al-Badini	Member of the Audit Committee	250,000	42,000	292,000
Mutawakel Muhammad Sayed Ahmed	Board Secretary for the first quarter of 2024G	10,000	3,000	13,000
Yousef Saeed	Committee Secretary	40,000	39,000	79,000
<b>Total</b>		<b>925,000</b>	<b>168,000</b>	<b>1,093,000</b>

Remuneration and Nominations Committee				
Name	Position	Remuneration	Attendance Allowance	Total for each member
Khaled Asaad Khashoggi	Chairman of the Remuneration and Nominations Committee	250,000	21,000	271,000
Walid Abdul Aziz Al-Shuwaier	Member of the Remuneration and Nominations Committee	187,500	21,000	208,500
Mohammed Khaled Al-Mutairi	Member of the Remuneration and Nominations Committee and Secretary of the Committee	237,500	21,000	258,500
<b>Total</b>		<b>675,000</b>	<b>63,000</b>	<b>738,000</b>

Total proceeds previously obtained in the last preemptive rights issue, their analysis, description and clarification of their use - Cont.

Total proceeds previously obtained in the last preemptive rights issue, their analysis, description and clarification of their use - Cont.

Executive Committee				
Name	Position	Remuneration	Attendance Allowance	Total for each member
Walid Abdul Aziz Al-Shuwaier	Chairman of the Executive Committee	250,000	30,000	280,000
Melfi Manahi Al-Marzouki	Member of the Executive Committee	187,500	30,000	217,500
Khaled Asaad Khashoggi	Member of the Executive Committee	187,500	30,000	217,500
Abdulkarim bin Mohammed Al-Nuher	Member of the Executive Committee	187,500	30,000	217,500
Abdullah bin Awda Al-Ghabin★	Member of the Executive Committee	124,584	21,000	145,584
Faisal Al-Shammari	Secretary of the Executive Committee	50,000	30,000	80,000
<b>Total</b>		<b>987,084</b>	<b>171,000</b>	<b>1,158,084</b>

★ Membership starts from the second quarter of 2024G and on 04/05/2024G.

## 2. Operating Costs:

Operating costs not included in the use of the proceeds from the previous offering amounted to 8,248,744 Saudi Riyas, as follows:

- ♦ Zakat, financial, legal, and other studies amounting to 3,646,835 Saudi Riyas.

Statement	Amounts not included in the proceeds of the previous offering "deviations" (Saudi Riyals)	Amounts included in the proceeds of the previous offering (Saudi Riyals)	Payment period	Due date	Purpose
Financial advisor fees	517,500		Q4 2023G	December 2023G	Current capital increase costs.
Zakat Consulting Contract - Al-Sahli Chartered Accountants Office	74,750		Q1 2024G	Payment was made in two equal installments (January 2024G and February 2024G)	Zakat and Tax Consultations, Study of Zakat Links, and Ensuring Adequacy of Provisions
Internal Audit Report - Al-Sahli Chartered Accountants Office	28,750		For the year 2024G	January 2024G	Payment from the Internal Audit Contract for 2024G
Liability Accounts Contract - Al-Sahli Chartered Accountants Office	34,500		Q4 2023G	Payment was made in two equal installments (January 2024G and February 2024G)	Recalculation of the Present Value of Liabilities

Total proceeds previously obtained in the last preemptive rights issue, their analysis, description and clarification of their use - Cont.	Statement	Amounts not included in the proceeds of the previous offering "deviations" (Saudi Riyals)	Amounts included in the proceeds of the previous offering (Saudi Riyals)	Payment period	Due date	Purpose
	2023G Actuarial Report - Al-Sahli Chartered Accountants Office	4,888		Q4 2023G	March 2024G	Payment for Issuing the Actuarial Report for 2023G
	Actuarial and Zakat Report - Alatdal Alruqmi Company	26,450		For the year 2024G	February 2025G	Actuarial Study and Study of Zakat Provision Adequacy
	Internal Audit Report Al-Sahli Chartered Accountants Office	34,500		For the year 2024G	February 2025G	Payment of the Final Installment for the Internal Audit Contract - for 2024G
	Agreed-upon Procedures Report on Reducing the Company's Capital - PKF Al Bassam Company	23,000		Q1 2024G	December 2024G	Costs of Capital Reduction Process
	Financial advisor fees	287,500		Q4 2023G	February 2024G	Costs of Capital Reduction
	Study of the effects of capital adjustment - Al-Sahli Chartered Accountants Office	9,200		Q2 2024G	October 2024G	Limited Assurance Report on Proposed Capital Adjustments
	Policies and Procedures Manual - Osama Abdullah Al-Khuraiji & Partners Company	14,381		Q2 2024G	October 2024G	First Payment for Preparing Policies and Procedures
	Internal Audit Report Al-Sahli Chartered Accountants Office	23,000		Q4 2024G	August 2024G	Payment from the Internal Audit Contract - for 2024G
	VAT refund and objection handling fees - Yasser Al-Zoman, Khaled Fawzan Al-Fahd and Zaher Abdullah Al-Hajjaj Professional Consulting Company.	46,000		Q4 2023G	December 2024G	Payment for Zakat Consultations - VAT Refund

	Statement	Amounts not included in the proceeds of the previous offering "deviations" (Saudi Riyals)	Amounts included in the proceeds of the previous offering (Saudi Riyals)	Payment period	Due date	Purpose
Total proceeds previously obtained in the last preemptive rights issue, their analysis, description and clarification of their use - Cont.	Legal Consultations - Abdulrahman Al-Nafea Office	69,000		Q1 2024G	January 2024G	Settlement of an old contract, providing consulting and legal services, representing the company before third parties, pleading and reviewing it from 01/02/2022G until 01/02/2023G. The purpose of these consultations is to provide legal advice in preparing and formulating policies and procedures in line with the latest developments in the companies' law and corporate governance, as well as redrafting some of the policies and procedures accordingly, in addition to representing the company in cases and claims, whether filed against the company or in its favor.

Total proceeds previously obtained in the last preemptive rights issue, their analysis, description and clarification of their use - Cont.	Statement	Amounts not included in the proceeds of the previous offering "deviations" (Saudi Riyals)	Amounts included in the proceeds of the previous offering (Saudi Riyals)	Payment period	Due date	Purpose
	Mayman Legal Consultants Company	287,632		Q4 2024G	From January 2024G to December 2024G	Providing consulting and legal services to the company, representing the company before third parties, pleading and reviewing it for the year 2024G. The purpose of this consultation is to provide legal advice in preparing and formulating policies and procedures in line with the latest developments in the companies' system and corporate governance, as well as redrafting some of the policies and procedures accordingly, in addition to representing the company in cases and claims, whether filed against the company or in its favor.
	Issuing the financial report required for the capital increase process - United Accountants Company	126,500		Q2 and Q3 2024G	May 2024G - August 2024G	Costs of Current Capital Increase (Financial Due Diligence)
	Issuing the legal report necessary for the capital increase process of Al-Harith Abdullah Al-Omar and Othman Al-Arfaj Law Firm	287,500		Q2 2024G	May 2024G	Costs of Current Capital Increase (Legal Due Diligence)
	Feasibility Study - Your Strategic Project Company for Business Solutions	16,905		Q3 2024G	From July 2024G to August 2024G	Costs of Current Capital Increase
	Supplement Issue - PKF Al Bassam Company 19	37,950		Q3 2024G	August 2024G - October 2024G	Costs of Current Capital Increase
	Capital Market Authority payment	40,000		Q3 2024G	August 2024G	Costs of Current Capital Increase
	Financial advisor costs	345,000		Q3 2024G	September 2024G	Costs of Current Capital Increase
	Design and translation of the prospectus	90,045		Q1 2024G	January 2025G	Costs of Current Capital Increase

Total proceeds previously obtained in the last preemptive rights issue, their analysis, description and clarification of their use - Cont.	Statement	Amounts not included in the proceeds of the previous offering "deviations" (Saudi Riyals)	Amounts included in the proceeds of the previous offering (Saudi Riyals)	Payment period	Due date	Purpose
	Mayman Legal Consultants Company	164,835		Q1 2024G	November 2024G	Fees for the Case of Sari Al-Mayouf - 5% of the savings as per the contract (Mayman Company)
	Osama Abdullah Al-Khuraiji & Partners Company	16,100		Q3 2024G	August 2024G	Payment for Preparing the Financial Policies and Procedures Manual
	Feasibility Study - Arkan Economic Consulting Company	25,300		Q4 2024G	November 2024G - December 2024G	Preparing a feasibility study for a slaughterhouse and livestock market project
	Rasana Financial Company provides financial consulting services.	345,000		Q4 2024G	December 2024G	Two installments were paid to Rasana for consulting services. These services include providing financial, legal, and commercial consulting, arranging deals and partnerships with companies inside and outside the Kingdom, and supporting the structuring of acquisitions, should they occur. This includes a memorandum of understanding signed on 11/08/2024G, for a period of one calendar year with Madar Al Khair Trading Company, which operates in the livestock trade inside and outside the Kingdom, establishing, operating, and managing health quarantines, land/ sea livestock transportation, establishing, operating, and managing veterinary slaughterhouses, and tanning and manufacturing leather products and meat products.



Total proceeds previously obtained in the last preemptive rights issue, their analysis, description and clarification of their use - Cont.	Statement	Amounts not included in the proceeds of the previous offering "deviations" (Saudi Riyals)	Amounts included in the proceeds of the previous offering (Saudi Riyals)	Payment period	Due date	Purpose
	Feasibility Study - Your Strategic Project Company for Business Solutions	10,010		Q4 2024G	November 2024G	First payment of preparations for the feasibility study of the greenhouse project
	Accounting Program - Osama Amin Abdullah Abu Al Hassan Company	16,560		For the year 2025G	January 2024G	Renewal of Technical Support for the Accounting Software
	External Auditor - PKF Al Bassam Company	175,231		Q4 2024G	March 2025G	Final Payment for Audit Works
	Mayman Legal Consultants Company	143,750		Q1 2025G	February 2025G to June 2025G	Consulting and legal services for the company, representing the company before third parties, pleading and reviewing it for the months of February and March 2025G. The purpose of these consultations is to provide legal advice in preparing and formulating policies and procedures in line with the latest developments in the Companies Law and Corporate Governance, as well as redrafting some of the policies and procedures accordingly, in addition to representing the company in cases and claims, whether filed against the company or in its favor.
	Osama Abdullah Al-Khuraiji & Partners Company	44,275		For the year 2025G	From January 2025G to December 2025G	First Payment for Internal Audit Works
	External Auditor - PKF Al Bassam Company	51,750		For the year 2024G	January 2024G to December 2024G	Review of the financial statements for the fiscal year ending December 31, 2024G, for the subsidiaries

Total proceeds previously obtained in the last preemptive rights issue, their analysis, description and clarification of their use - Cont.	Statement	Amounts not included in the proceeds of the previous offering "deviations" (Saudi Riyals)	Amounts included in the proceeds of the previous offering (Saudi Riyals)	Payment period	Due date	Purpose
	External Auditor - PKF Al Bassam Company	58,011		For the year 2025G	January 2025G to March 2025G	Final payment for first quarter of 2025G audit work.
	External Auditor - PKF Al Bassam Company	121,612		For the year 2025G	August 2025G	Audit Work The Second Quarter of 2025G
	Alatdal Alruqmi Certified public accountants and auditors	20,125		Q1 2025G	May 2025G	Zakat consultations due to a zakat inspection case from 2019G to 2022G
	Alatdal Alruqmi Certified public accountants and auditors	25,300		For the year 2024G	January 2024G to December 2024G	Submitting the zakat returns for the company and its subsidiaries for the fiscal year ending December 31, 2024G.
	Mayman Legal Consultants Company	4,025		For the year 2025G	May 2025G	Costs of preparing a list of controls and standards for competitive businesses
	<b>Total</b>	<b>3,646,835</b>				
	♦ Building improvements worth 1,277,781 Saudi Riyals as follows:					
	Statement	Amounts not included in the proceeds of the previous offering ("deviations") (Saudi Riyals)		Payment date		Purpose
	Abdullah Nasser Bin Juman Professional Consulting Company	43,125		December 2023G		The company's factory plans in Riyadh Industrial City have been approved for redevelopment and rehabilitation for investment.
	Asas Company for Cities Development and Operation	19,480		December 2023G		Government fees for two years for the company's factory in Riyadh Industrial City, from 01/01/2022G to 31/12/2023G.
	Creative Graphics Contracting Company	1,215,176		From June 2024G to December 2024G		The company rented its headquarters (a bare skeleton building), and contracted with Creative Graphics Contracting Company to carry out all the necessary finishing works, supply and furnish all offices, and furnish them until the final form was reached according to the approved design.
	<b>Total</b>	<b>1,277,781</b>				

Total proceeds previously obtained in the last preemptive rights issue, their analysis, description and clarification of their use - Cont.

- ♦ A pledge and advance of 450,737 Saudi Riyals the total value of the pledge as of the date of this prospectus is 16,046 Saudi Riyals (three employees benefit from it), where the pledge is granted for the company's operating expenses such as iqama renewal fees, government fees and subscriptions, and miscellaneous expenses. It was disbursed in January 2025G and is expected to be used during the third quarter of 2025G. It is liquidated periodically in accordance with the financial procedures policy approved on 01/01/2025G. It is worth noting that the date of the last replacement was on June 4, 2025G, and its value amounted to 2,500 Saudi Riyals. It was classified according to the nature of the expense within other government and operating expenses. The value of the advance amounted to 434,691 Saudi Riyals (benefiting four employees). The advances are based on the human resources policy approved by Board of Directors Resolution No. (96-07-2024) dated 25/07/2024G, whereby the employee is granted an advance equivalent to a maximum of four monthly salaries. The deduction for repayment of these advances begins immediately after the employee receives the advance. These advances were granted during the period from August 2024G to February 2025G.
- ♦ Children's education allowance of 70,000 Saudi Riyals for the benefit of the company's CEO, which was disbursed on 18/09/2024G, in accordance with the human resources policy approved by Board of Directors Resolution No. (96-07-2024) dated 25/07/2024G.
- ♦ Office and administrative expenses amounting to 1,181,196 Saudi Riyals from November 2023G to August 2025G

Statement	Amounts not included in the proceeds of the previous offering "deviations" (Saudi Riyals)	Payment date	Purpose
Office supplies and equipment	52,764	December 2023G to August 2025G	Office equipment (laptops) and stationery
Service payment expenses	176,539	November 2023G to August 2025G	Electricity, water, internet, service expenses (accounting programs, visual identity design, office maintenance) and government expenses (trademark registration, commercial register renewal, Ministry of Commerce fine, and municipal fines)
Board decisions insurance	390,425	August 2024G to February 2025G	Professional liability insurance for board members (professional insolvency insurance)
Medical insurance for subsidiary companies	202,207	July 2025G	Medical insurance for employees of subsidiaries Wasmi and Thimar Meats Company, and Thimar Towers Company for five employees and their family members from July 2024G to July 2025G. And the medical insurance for employees was renewed in July 2025G until July 2026G.
Zakat and tax expenses	203,461	December 2023G to February 2025G	Payment of VAT for previous periods and zakat consultations
Transportation and travel expenses	155,800	March 2024G to August 2025G	Expenses relate to the secondments of five Board members and employees, totaling nine secondments. The secondments were for various purposes, including attending exhibitions, visiting investment sites and meeting investors, visiting the Jeddah Execution Court, and attending Board meetings in Riyadh for one member only. In addition to travel expenses for an employee and his family.
<b>Total</b>	<b>1,181,196</b>		

Total proceeds previously obtained in the last preemptive rights issue, their analysis, description and clarification of their use - Cont.	♦ Other expenses amounting to 3,310,999 Saudi Riyals, as follows:			
	Statement	Amounts not included in the proceeds of the previous offering "deviations" (Saudi Riyals)	Payment date	Purpose
	Payment of government expenses	725,122	November 2023G to July 2025G	Government expenses (renewal of iqama permits and licenses, social insurance, Zakat, Tax and Customs Authority, trading, association costs, resident, issuing agencies, transfer of sponsorship)
	Rent claim	19,167	08/07/2024G	Rent for Al-Orouba Office for One Month
	Payment of service expenses	240,474	February 2024G to July 2025G	Payment of Service Expenses (translation of Board report, website, surveying, engineering consultations, operational services, real estate, debt collector, property appraisal)
	Office rental expenses	244,360	June 2025G	Payment of the company office rent for 6 months from 16/06/2025G to 16/12/2025G
	Bank commissions	1,429	01/04/2024G until 24/07/2025G	-
	Employee bonuses and training courses	33,205	March 2025G to May 2025G	Employee bonus, training courses and secondments (for two employees)
	Miscellaneous expenses	87,492	November 2023G to August 2025G	Miscellaneous Expenses
	Medical insurance	147,021	January 2025G to January 2026G	Medical insurance and treatments for a total of 11 beneficiaries, including employees' and members' families.
	Salaries	38,000	December 2024G to April 2025G	Employees Outside Sponsorship
	Employee salaries	1,394,729	April 2025G to July 2025G	Salaries of (11) employees
	Investment opportunity commission	380,000	April 2025G	Based on the company's investment regulations, brokers, developers, and employees are entitled to an opportunity attraction commission determined by the Board of Directors according to the importance and value of the project, not exceeding 5% of the investment value - a commission for attracting investment opportunities in Al Yamamah Plus Serviced Apartments Company.
	<b>Total</b>	<b>3,310,999</b>		
	♦ In addition to some other expenses that were cancelled and not used as planned, amounting to 1,688,804 Saudi Riyals, including, but not limited to, the costs of hiring new employees amounting to 500,000 Saudi Riyals, the allocation for Dammam contractor dues amounting to 500,000 Saudi Riyals, and other miscellaneous expenses amounting to 688,804 Saudi Riyals.			

Total proceeds previously obtained in the last preemptive rights issue, their analysis, description and clarification of their use - Cont.

\*\*\*\* The company paid accrued expenses that were not included in the use of the proceeds of the previous offering or there was a change in the calculation of some of those expenses, which amounted to a total value of (4,940,777) Saudi Riyals and are represented in the following:

Statement	Accrued expenses not included in the previous offering proceeds "deviations" (Saudi Riyals)	Accrued expenses included in the previous offering proceeds (Saudi Riyals)	Total amounts paid from the proceeds of the previous offering
Board of Directors' Remuneration for 2023G★	1,973,750	2,500,000	4,473,750
Employee salaries from January 2024G to March 2025G for (11) employees of the company until the date of the prospectus	1,076,444	3,643,500	4,719,944
Two-year contractual remuneration for the CEO for the years 2023G and 2024G	1,012,700	-	1,012,700
Office rent★★	292,997	154,000	446,997
Al-Rabish warehouse rent★★★	316,250	-	316,250
Other general expenses (during the first quarter of 2025G)★★★★	210,624	-	210,624
Remaining payment to the external auditor of PKF Al Bassam Company (Q3 2024G)	58,012	-	58,012
<b>Total</b>	<b>4,940,777</b>	<b>6,297,500</b>	<b>11,238,277</b>

★ The company has amended the remuneration policy for members of the Board of Directors, its committees, and the executive management, approved by the Board of Directors on 14/09/2023G and approved by the Extraordinary General Assembly held on 08/10/2023G, which stipulates that the annual remuneration for Board members shall be paid quarterly and based on a decision from the Chairman of the Board. It is worth noting that the company has paid all remuneration to members of the Board of Directors from the proceeds of the previous offering. All required approvals for disbursement have been fulfilled, as shown in the table below:

Period	Nomination and Remuneration Committee Recommendation Date	Date of approval of the Chairman of the Board for disbursement
First, second and third quarters of 2023G	19/11/2023G	20/11/2023G
Fourth quarter 2023G	31/12/2023G	31/12/2023G

Total proceeds previously obtained in the last preemptive rights issue, their analysis, description and clarification of their use - Cont.	Board of Directors 2023G									
	Name	Position	Before adopting the policy				After adopting the policy			
			Remuneration	Attendance Allowance	Additional Remuneration	Total	Remuneration	Attendance Allowance	Additional Remuneration	Total
	Walid Abdul Aziz Al-Shuwaier	Chairman	112,500	15,000	187,500	315,000	362,500	15,000	187,500★	565,000
	Abdullah Awda Al-Anzi	Chairman	67,500	6,000		73,500	150,000	6,000		156,000
	Khaled Asaad Khashoggi	Vice Chairman	120,000	15,000		135,000	350,000	15,000		365,000
	Melfi Manahi Al-Marzouki	Member	120,000	15,000		135,000	300,000	15,000		315,000
	Aziz bin Mohammed Al-Qahtani	Member	75,000	9,000		84,000	187,500	15,000		202,500
	Haitham bin Faisal Ascoby	Member	75,000	9,000		84,000	187,500	9,000		196,500
	Abdulkarim bin Mohammed Al-Nuher	Member	70,000	6,000		76,000	175,000	6,000		181,000
Yasser bin Suleiman Al-Aqil	Member	75,000	9,000		84,000	187,500	9,000		196,500	
Mohammed Abdulwahab Al-Sukeet	Member	50,000	6,000		56,000	125,000	6,000		131,000	
Abdulazim Moatamed Abdulazim	Board Secretary	60,000	7,000		67,000	60,000	9,000		69,000	
Total		825,000	97,000	187,500	1,109,500	2,085,000	105,000	187,500	2,377,500	
★ Monthly remuneration of 75,000 Saudi Riyals, starting from 15/10/2023G.										
Audit Committee 2023G										
Name	Position	Before adopting the policy			After adopting the policy					
		Remuneration	Attendance Allowance	Total	Remuneration	Attendance Allowance	Total			
Aziz bin Mohammed Al-Qahtani	Chairman of the Audit Committee	120,000	15,000	135,000	300,000	12,000	312,000			
Walid Abdul Aziz Al-Shuwaier	Member of the Audit Committee	37,500	6,000	43,500	75,000	6,000	81,000			
Khaled Asaad Khashoggi	Member of the Audit Committee	37,500	6,000	43,500	75,000	6,000	81,000			
Mohammed Al-Saedi	Member of the Audit Committee	62,500	9,000	71,500	125,000	12,000	137,000			
Ziad Mohammed Al-Badini	Member of the Audit Committee	62,500	9,000	71,500	125,000	12,000	137,000			
Mutawakel Muhammad Sayed Ahmed	Committee Secretary	40,000	15,000	55,000	40,000	18,000	58,000			
Total		360,000	60,000	420,000	740,000	66,000	806,000			



Total proceeds previously obtained in the last preemptive rights issue, their analysis, description and clarification of their use - Cont.

Nominations and Remuneration Committee 2023G							
Name	Position	Before adopting the policy			After adopting the policy		
		Remuneration	Attendance Allowance	Total	Remuneration	Attendance Allowance	Total
Khaled Asaad Khashoggi	Chairman of the Nominations and Remuneration Committee	45,000	3,000	48,000	125,000	4,500	129,500
Abdullah Awda Al-Anzi	Member of the Nominations and Remuneration Committee	75,000	4,500	79,500	56,250	3,000	59,250
Mohammed Al-Sukeet	Member of the Nominations and Remuneration Committee	37,500	3,000	40,500	75,000	3,000	78,000
Walid Abdul Aziz Al-Shuwaier	Member of the Nominations and Remuneration Committee	62,500	4,500	67,000	93,750	4,500	98,250
Mohammed Khaled Al-Mutairi	Member of the Nominations and Remuneration Committee	100,000	7,500	107,500	150,000	7,500	157,500
Mohammed Khaled Al-Mutairi	Committee Secretary	40,000	0	40,000	40,000	-	40,000
<b>Total</b>		<b>360,000</b>	<b>22,500</b>	<b>382,500</b>	<b>540,000</b>	<b>22,500</b>	<b>562,500</b>

Executive Committee 2023G							
Name	Position	Before adopting the policy			After adopting the policy		
		Remuneration	Attendance Allowance	Total	Remuneration	Attendance Allowance	Total
Walid Abdul Aziz Al-Shuwaier	Chairman of the Executive Committee	45,000	-	45,000	181,250	9,000	190,250
Khaled Asaad Khashoggi	Member of the Executive Committee	75,000	6,000	81,000	150,000	9,000	159,000
Melfi Manahi Al-Marzouki	Member of the Executive Committee	100,000	6,000	106,000	150,000	9,000	159,000
Abdulkarim bin Mohammed Al-Nuher	Member of the Executive Committee	100,000	6,000	106,000	87,500	9,000	96,500
Abdullah bin Awda Al-Ghabin	Member of the Executive Committee	58,333	6,000	64,333	75,000	-	75,000
Faisal Al-Shammari	Secretary of the Executive Committee	40,000	6,000	46,000	40,000	8,000	48,000
<b>Total</b>		<b>418,333</b>	<b>30,000</b>	<b>448,333</b>	<b>683,750</b>	<b>44,000</b>	<b>727,750</b>

★★ Leased as company headquarters. Contract date: 22/01/2024G Contract start date: 17/06/2024G Contract end date: 16/06/2027G Contract duration: Three years.

Total proceeds previously obtained in the last preemptive rights issue, their analysis, description and clarification of their use - Cont.

\*\*\* Warehouse rent amounting to 316,250 Saudi Riyals, which the company rented on 24/08/2020G for an annual rent of 110,000 Saudi Riyals, excluding tax, for a period of three years. The current management of the company worked to terminate this contract due to the end of the need for it, and an amount of 316,250 Saudi Riyals was paid on 27/11/2023G. This relationship was terminated on that date, and the warehouse was handed over to the lessor, and a final settlement and clearance were made.

\*\*\*\*And other general expenses amounting to 210,624 Saudi Riyals, as follows:

Statement	Amounts not included in the proceeds of the previous offering "deviations" (Saudi Riyals)	Payment period
Cooperative health insurance (for employees) and medical expenses	153,002	January 2024G to January 2025G
Medical insurance for employees of subsidiary companies	45,363	April 2024G to April 2025G
End of service of a former employee whose services were terminated from 2005G to 2019G	12,259	May 2024G
<b>Total</b>	<b>210,624</b>	

\*\*\*\*\* The company paid an amount of (13,800) Saudi Riyals in financial reporting fees for the capital increase - Osama Abdullah Al-Khuraiji & Partners Company, which is related to the costs of the previous capital increase, in addition to 300 Saudi Riyals related to the differences in the capital increase cost invoices such as design and translation invoices and other invoices.

\*\*\*\*\* Contribution was made to two real estate opportunities ("Investment in a real estate fund licensed by the Capital Market Authority to develop the Business Square project (fund capital 120 million Saudi Riyals), which is a modern administrative office complex on the campus of King Saud University in Riyadh, with an expected investment return of approximately 68%, amounting to 6 million Riyals" in addition to 138 thousand Saudi Riyals as subscription fees. And "Investment in a real estate fund licensed by the Capital Market Authority to develop a residential tower project in Riyadh (fund capital 124.1 million Saudi Riyals) (Yamamah City Center) with an expected investment return of 116.36%, amounting to 6 million Saudi Riyals. The company also waived the investment in the real estate project (Yamamah City Center), which was valued at 7,608,000 Saudi Riyals, in exchange for acquiring 26% of the ownership shares of Al Yamamah Plus Serviced Apartments Company, amounting to 9 million Saudi Riyals. The amount will be covered by the in-kind waiver of the Al Yamamah City Center project, which is estimated at 7,608,000 Saudi Riyals, in addition to the cash equivalent of 1,392,000 Saudi Riyals will be paid after the completion of a future capital increase. The company is currently evaluating several real estate opportunities with high returns and low risks.

\*\*\*\*\* Remaining amount for each item:

- Real Estate Investment Item:

The remaining amount of 3,918,497.70 Saudi Riyals will be used in the real estate investment item for the same purpose disclosed in the previous offering prospectus. The financial reorganization plan included "entering into real estate investments as part of the investment plan targeted by the company as part of its strategic financial reorganization plan."

The company did not disclose or obtain the approval of the Extraordinary General Assembly regarding the change in the use of the proceeds of the offering, which may expose the company to a violation based on subparagraph (W) of Article (57) of the Rules for the Offering of Securities and Continuing Obligations, which stipulates that the issuer must disclose to the public when there is a difference of 5% or more between the actual use of the proceeds of the issuance of preemptive rights shares or the issuance of shares with the suspension of the preemptive right versus what was disclosed in the relevant issuance prospectus as soon as it becomes aware of that.

<b>Eligibility Date</b>	Shareholders who own shares at the end of trading on the day of the Extraordinary General Assembly meeting to increase capital and who are registered in the company's shareholders' register at the end of trading on the second trading day following the Extraordinary General Assembly meeting to increase capital, on **/**/****H (corresponding to **/**/****G).
<b>Offering period</b>	<ul style="list-style-type: none"> <li>The trading period shall commence after (3) three business days from the approval of the Extraordinary General Assembly, which includes the approval of the capital increase, on **/**/****H (corresponding to **/**/****G) and shall continue until the end of **/**/****H (corresponding to **/**/****G). During this period, all holders of preemptive rights - whether they are registered investors or new investors - may trade Preemptive Rights.</li> <li>The subscription period shall commence three (3) business days after the approval of the Extraordinary General Assembly, which includes the approval of the capital increase, on **/**/****H (corresponding to **/**/****G) and shall continue until the end of **/**/****H (corresponding to **/**/****G). During this period, all holders of Preemptive Rights - whether they are registered investors or new investors - may exercise their right to subscribe to the new shares.</li> </ul> <p>It is worth noting that the trading period and the subscription period will start on the same day after (3) three business days from the approval of the Extraordinary General Assembly, which includes the approval of the capital increase, while the trading period continues until the end of the sixth day from the beginning of the period, while the subscription period continues until the end of the ninth day from the beginning of the same period. Note that the trading hours for preemptive rights start from ten o'clock (10:00) a.m. until three o'clock (3:00) p.m., while the subscription hours for preemptive rights start from ten o'clock (10:00) a.m. until two o'clock (2:00) p.m.</p>
<b>Rump Shares</b>	The remaining shares that were not subscribed to during the subscription period.
<b>Rump Offering</b>	If there are shares that have not been subscribed to after the end of the subscription period (The Rump Shares), these shares will be offered to a number of institutional investors (investment institutions). These investment institutions will submit their offers to purchase the Rump Shares, and these offers will be received starting from 10:00 am on **/**/****H (corresponding to **/**/****G) until 5:00 pm on the following day **/**/****H (corresponding to **/**/****G) (The Rump Offering Period). The Rump Shares will be allocated to the investment institutions with the highest offer, then the lowest, and so on (provided that it is not less than the offering price), provided that the shares are allocated proportionally to the investment institutions that submit the same offer. As for the fractional shares, they will be added to the Rump Shares and treated similarly.
<b>Payment of compensation amounts (if any)</b>	Cash compensation amounts will be paid to eligible persons who have not exercised their right to subscribe in whole or in part to the new shares and to those entitled to fractional shares without any deductions by **/**/****H (corresponding to **/**/****G), noting that cash compensation amounts represent the amount in excess of the offering price from the net proceeds from the sale of the Rump Shares and fractional shares.
<b>Listing and trading of Preemptive Rights</b>	<p>Preemptive Rights are listed on Tadawul and are traded during the Preemptive Rights Trading Period. Preemptive rights will have a separate and independent symbol from the symbol of the company's current shares on the Tadawul screen.</p> <p>During the trading period, registered shareholders have several options, including selling the rights or part thereof in the market, purchasing additional rights through the market, or taking no action on the Preemptive Rights, whether by selling them or purchasing additional rights. New investors during the trading period will have the right to purchase Preemptive Rights through the market, sell those Rights or part thereof, or take no action on the rights purchased during the trading period.</p> <p>The system of "Tadawul" will cancel the company's Preemptive Rights symbol on the trading screen after the end of the Preemptive Rights trading period, and therefore preemptive rights trading will stop at the end of that period.</p>

Subscription method	Subscription applications shall be submitted electronically through the websites and platforms of electronic brokers that provide these services to subscribers, or through any other means provided by brokers.
Practice of Subscription to Preemptive Rights	<p>Eligible persons are entitled to exercise their right to subscribe to Preemptive Rights Shares by subscribing electronically through the websites and platforms of electronic brokers that provide these subscription services or through any other means provided by brokers. Eligible persons can also exercise Preemptive Rights as follows:</p> <p>Registered Shareholders during the Subscription Period are entitled to exercise the Rights granted to them on the Eligibility Date and any additional Rights they purchased during the Trading Period "immediately after settlement of the Rights Purchase (two Business Days)" by subscribing to the New Shares. They are also entitled not to take any action with regard to the Rights they own.</p> <p>During the subscription period, new investors have the right to exercise the Rights they purchased during the trading period "immediately after the settlement of the Rights purchase process (two business days)" by subscribing to new shares. They also have the right not to take any action regarding the Rights they own.</p> <p>If any of the registered shareholders or new investors do not exercise their right to subscribe for the new shares during the subscription period, the shares associated with those Rights will be offered during the Rump Offering Period.</p>
Indicative Value of Preemptive Right	<p>The indicative value of the Preemptive Right is the difference between the market value of the company's share during the trading period and the offering price.</p> <p>"Tadawul" will calculate and publish the indicative value of the Right during the trading period on its website, delayed by five minutes, and market information service providers will also publish this information so that investors can view the indicative value of the Right when entering orders.</p>
Right Trading Price	It is the price at which the Right is traded, given that it is determined by the supply and demand mechanism, and therefore it may differ from the indicative value of the Right.
Allocation Date	The shares will be allocated no later than <b>**/**/****H (corresponding to **/**/****G)</b> .
Allocation Method and Surplus Return	<p>Shares will be allocated to each investor based on the number of Rights he has validly and fully exercised. Fractional shares will be collected and added to the Rump Shares and then offered to institutional investors during the Rump Offering Period.</p> <p>The Company will receive the total offering price collected from the sale of the Rump Shares, while the remaining proceeds of the Rump Offering will be distributed without calculating any fees or deductions (i.e., any amount exceeding the offering price) to those entitled to them who did not subscribe in whole or in part to the new shares and to those entitled to fractional shares, noting that the investor who did not subscribe or sell his Preemptive Rights, or the owners of fractional shares may not receive any consideration if the sale is made during the Rump Offering period at the offering price (<b>please refer to Section (12) "Information related to the shares and the terms and conditions of the offering"</b>). The surplus subscription (if any) will be returned to the subscribers without any commissions or deductions from the Company.</p>
Date of Return of Surplus Subscription	The subscription's surplus (if any) will be refunded without any commissions or deductions from the company no later than <b>**/**/****H (corresponding to **/**/****G)</b> .
New Shares trading	After completing all necessary procedures, the date of commencement of trading in the new shares will be announced on the Tadawul website. The period of time between the end of the subscription to Preemptive Rights and the deposit of shares in shareholders' portfolios is 9 business days.

<b>Entitlement to Dividends</b>	Owners of new shares will be entitled to any dividends declared by the company after the date of issue.
<b>Voting Rights</b>	All the Company's shares are of one class and no share gives its holder preferential rights. The new shares will be fully paid and of equal value to the existing shares. Each share gives its holder the right to one vote and every shareholder of the Company is entitled to attend and vote at the General Assembly Meeting of Shareholders (whether Ordinary or Extraordinary).
<b>Restrictions on Shares</b>	There are no restrictions on trading in the Company's shares, other than regulatory restrictions on publicly listed shares.
<b>Restrictions on Trading Preemptive Rights</b>	There are no restrictions on trading Preemptive Rights.
<b>Restrictions on new shares resulting from capital increase</b>	There are no restrictions imposed on shareholders in general and founding shareholders after the subscription process resulting from the capital increase.
<b>Shares previously listed by the issuer</b>	<p>The company was established as a Saudi joint-stock company under Ministerial Resolution No. (364) issued on 18/05/1408H (corresponding to 08/01/1988G), and its shares began trading on 29/03/1416H (corresponding to 26/08/1995G) with a capital of twenty-six million eight hundred and twenty-six thousand (26,826,000) Saudi Riyals divided into two hundred sixty-eight thousand two hundred sixty (268,260) ordinary shares, each with a nominal value of one hundred (100) Saudi Riyals, fully paid.</p> <p>In 1998G, the Extraordinary General Assembly approved a Shares split from two hundred sixty-eight thousand two hundred sixty (268,260) ordinary shares with a nominal value of one hundred (100) Saudi Riyals to five hundred thirty-six thousand five hundred twenty (536,520) ordinary shares with a nominal value of fifty (50) Saudi Riyals.</p> <p>On 17/04/1421H (corresponding to 19/07/2000G), the company reduced its capital from twenty-six million eight hundred twenty-six thousand (26,826,000) Saudi Riyals to thirteen million four hundred thirteen thousand (13,413,000) Saudi Riyals, consequently reducing the number of shares from five hundred thirty-six thousand five hundred twenty (536,520) ordinary shares to two hundred sixty-eight thousand two hundred sixty (268,260) ordinary shares with a nominal value of fifty (50) Saudi Riyals.</p> <p>On 17/04/1421H (corresponding to 19/07/2000G), the company increased its capital from thirteen million four hundred thirteen thousand (13,413,000) Saudi Riyals to one hundred million (100,000,000) Saudi Riyals, thereby increasing the number of shares from two hundred sixty-eight thousand two hundred sixty (268,260) ordinary shares to two million (2,000,000) ordinary shares with a nominal value of fifty (50) Saudi Riyals, through an issuance of Preemptive Rights Shares.</p> <p>Following the Capital Market Authority Resolution No. (4-154-2006) dated 27/02/1427H (corresponding to 27/03/2006G), which mandated the divide of shares of listed companies into four phases based on the Council of Ministers' decision requiring a nominal value of ten (10) Saudi Riyals per share, the company's shares were split from two million (2,000,000) ordinary shares to ten million (10,000,000) ordinary shares with a nominal value of ten (10) Saudi Riyals per share.</p> <p>On 23/03/1445H (corresponding to 08/10/2023G), the Extraordinary General Assembly approved an increase in the company's capital from one hundred million (100,000,000) Saudi Riyals to two hundred fifty million (250,000,000) Saudi Riyals, thereby increasing the number of shares from ten million (10,000,000) ordinary shares to twenty-five million (25,000,000) ordinary shares with a nominal value of ten (10) Saudi Riyals per share, through an issuance of Preemptive Rights Shares.</p>

<b>Shares previously listed by the issuer - Cont.</b>	<p>On 26/11/1445H (corresponding to 03/06/2024G), the company reduced its capital from two hundred fifty million (250,000,000) Saudi Riyals to sixty-five million (65,000,000) Saudi Riyals, thus reducing the number of shares from twenty-five million (25,000,000) shares to six million five hundred thousand (6,500,000) shares by canceling eighteen million five hundred thousand (18,500,000) shares, representing a capital reduction of (74%). At a rate of reducing the number of (0.74) share for every one share owned this capital restructuring aimed to offset accumulated losses.</p> <p>The current capital of the company amounts to sixty-five million (65,000,000) Saudi Riyals, divided into six million five hundred thousand (6,500,000) ordinary shares, each with a nominal value of ten (10) Saudi Riyals, fully paid.</p>
<b>Risk factors</b>	<p>Investing in Preemptive Rights Shares involves certain risks. These risks can be classified into: (1) risks related to the issuer, (2) risks related to the market and sector in which the issuer operates, and (3) risks related to the securities offered. These risks have been reviewed in <b>Section (2) "Risk Factors"</b> of this prospectus, which should be carefully considered before making any investment decision in the new Rights or Shares.</p>
<b>Terms of Subscription for Preemptive Rights Shares</b>	<p>Eligible persons wishing to subscribe to the new shares must meet the relevant subscription terms. <b>To view the terms, conditions and instructions for the subscription, please refer to Section (12) "Information related to the shares and the terms and conditions of the offering" of this prospectus.</b></p>
<b>Material changes to the information disclosed in the latest prospectus</b>	<p>The Company issued Preemptive Rights Shares on 23/03/1445H (corresponding to 08/10/2023G). Below are the material changes that have occurred to the Company since that date:</p> <ul style="list-style-type: none"> <li>On 30/11/2023G, the Company announced on the Saudi Exchange (Tadawul) website that its Board of Directors recommended reducing the Company's capital from two hundred and fifty million (250,000,000) Saudi Riyals to sixty-five million (65,000,000) Saudi Riyals by canceling eighteen million five hundred thousand (18,500,000) shares of the company's issued shares. This capital reduction aims to restructure the Company's capital to offset accumulated losses. Subsequently, the Company's capital will be increased by issuing Preemptive Rights Shares worth one hundred ninety-five million (195,000,000) Saudi Riyals, raising the capital to two hundred sixty million (260,000,000) Saudi Riyals to support the Company's activities and settle debts as per the announced financial reorganization plan.</li> <li>On 25/04/2024G, the Capital Market Authority approved the reduction of the company's capital from two hundred and fifty million (250,000,000) shares of the company's issued shares. This approval was announced on the Capital Market Authority's website and the Saudi Stock Exchange (Tadawul) website.</li> <li>On 03/06/2024G, the Extraordinary General Assembly approved reducing the company's capital from two hundred and fifty million (250,000,000) Saudi Riyals to sixty-five million (65,000,000) Saudi Riyals by canceling eighteen million five hundred thousand (18,500,000) shares of the company's issued shares. This approval was announced on the website of the Saudi Stock Exchange (Tadawul).</li> <li>The company established a new company named Thimar Towers Development and Real Estate Investment Company (a limited liability company of one person). It was founded in the Kingdom of Saudi Arabia in accordance with the Companies Law under Company Registration Certificate No. 7011692253 on 05/10/1445H. The authorized capital amounts to 25,000 Saudi Riyals. The main activities of the company include construction and real estate activities (as of the date of this prospectus, the company has not obtained any licenses or certificates).</li> </ul> <p><b>For more information, please refer to Subparagraph (9-1-15) Material information that has changed since the company's establishment and listing of the company's shares on Tadawul) of Section (9 Legal Information).</b></p>

**Note: The "Important Notice" section on page "A" and Section "2" (Risk Factors) of this Prospectus should be carefully considered before making any investment decision in the Preemptive Rights or New Shares.**



## Important Dates and Subscription Procedures

Table (3): Expected timeline for offering Preemptive Rights Shares

Timeline	Date
Holding the Extraordinary General Assembly, including approval of the capital increase and determining the eligibility date and eligible shareholders, noting that eligible shareholders are shareholders who own shares at the end of trading on the day of the Extraordinary General Assembly for the capital increase and who are registered in the company's shareholders' register at the Depository Center at the end of trading on the second trading day following the Extraordinary General Assembly for the capital increase.	**/**/****H (corresponding to **/**/****G)
Trading period*	The trading period shall commence after (3) three business days from the approval of the Extraordinary General Assembly, which includes the approval of the capital increase, on **/**/****H (corresponding to **/**/****G) and shall continue until the end of **/**/****H (corresponding to **/**/****G). During this period, all holders of Preemptive Rights - whether they are registered investors or new investors - may trade Preemptive Rights. Note that the trading hours for the Preemptive Rights start from ten (10:00) a.m. until three (3:00) p.m.
Subscription period	The subscription period shall commence three (3) business days after the approval of the Extraordinary General Assembly, which includes the approval of the capital increase, on **/**/****H (corresponding to **/**/****G) and shall continue until the end of **/**/****H (corresponding to **/**/****G). During this period, all holders of Preemptive Rights - whether they are registered investors or new investors - may exercise their right to subscribe to the new shares. Note that the subscription hours for the Preemptive Rights start from ten (10:00) a.m. until two (2:00) p.m.
Subscription period end date	The subscription period ends and the receipt of subscription applications ends on the date **/**/****H (corresponding to **/**/****G).
Rump Offering Period	Starting at 10:00 a.m. on **/**/****H (corresponding to **/**/****G) and continuing until 5:00 p.m. on **/**/****H (corresponding to **/**/****G)
Final Allocation Notice**	**/**/****H (corresponding to **/**/****G)
Payment of compensation amounts (if any) to eligible persons who did not participate in the subscription in whole or in part and to those entitled to fractional shares	**/**/****H (corresponding to **/**/****G)
Expected date for the start of trading in the new shares	After completing all necessary procedures, the date of commencement of trading in the new shares will be announced on the Tadawul website. The period of time between the end of the subscription to Preemptive Rights and the deposit of shares in shareholders' portfolios is 9 business days.

**Note:** All dates mentioned in the above timeline are approximate, and the actual dates will be announced on the Tadawul website ([www.saudiexchange.com.sa](http://www.saudiexchange.com.sa))

\* The Preemptive Rights trading period begins three (3) business days after the company's Extraordinary General Assembly approves the capital increase.

\*\* The period of time between the end of the subscription to Preemptive Rights and the deposit of shares in shareholders' portfolios will be nine (9) business days.

## Important Announcement Dates

Table (4): Important Announcement Dates

Event	Announcer	Date
Announcement of the invitation to the Extraordinary General Assembly Meeting for the Capital Increase	Company	On ** **/**/****H ( **/**/****G)
Announcement of the results of the Extraordinary General Assembly for the capital increase	Company	On ** **/**/****H ( **/**/****G)
Announcement of the amendment of the company's share price, the deposit of Preemptive Rights and the indicative value of the Right	Tadawul	On ** **/**/****H ( **/**/****G)
Announcement of adding Preemptive Rights to Thimar Development Holding Company	Edaa	On ** **/**/****H ( **/**/****G)
Announcement of the determination of the Preemptive Rights trading period and the subscription period	Company	On ** **/**/****H ( **/**/****G)
Announcement of the start of the Preemptive Rights trading period and the subscription period	Tadawul	On ** **/**/****H ( **/**/****G)
Reminder Announcement of the Start of the Preemptive Rights Trading Period and the Subscription Period	Company	On ** **/**/****H ( **/**/****G)
Reminder Announcement about the last day of trading in Preemptive Rights, and a note on the importance of those who do not wish to subscribe selling the Preemptive Rights they own.	Company	On ** **/**/****H ( **/**/****G)
Announcement of: 1. Subscription Results 2. Details of the sale of unsubscribed shares (if any) and the start of the Period	Company	On ** **/**/****H ( **/**/****G)
Announcement of the results of the Rump Offering and notification of the final allocation	Company	On ** **/**/****H ( **/**/****G)
Announcement of depositing new shares into investors' portfolios*	Edaa	On ** **/**/****H ( **/**/****G)
Announcement of distribution of compensation amounts (if any)	Company	On ** **/**/****H ( **/**/****G)

**Note:** All dates mentioned in the above timeline are approximate, and the actual dates will be announced on the Saudi Stock Exchange (Tadawul) website ([www.saudiexchange.com.sa](http://www.saudiexchange.com.sa)) In addition, the date of depositing the new shares into investors' portfolios will be determined in coordination with the Securities Depository Center Company (Edaa) to determine the date of depositing the shares.

\* The period of time between the end of the subscription to Preemptive Rights and the deposit of shares in shareholders' portfolios will be nine (9) business days.

It is also worth noting that according to Article Thirty-One, Subparagraph "H" of the Rules for Offering Securities and Continuing Obligations, if an announcement related to the offering is published in a local newspaper after the publication of the prospectus, the announcement must include the following:

1. The name of the issuer and its commercial registration number.
2. The securities, their value, type and category included in the application for registration and offering of securities.

3. Addresses and places where the public can obtain the prospectus.
4. Publication date of the prospectus.
5. A statement that the announcement is for information purposes only and does not constitute an invitation or offer to own, purchase or subscribe to securities.
6. Name of the lead manager, underwriters (if any), financial advisor and legal advisor.
7. Disclaimer in the following form: "The Capital Market Authority and the Saudi Stock Exchange do not bear any responsibility for the contents of this announcement, do not give any assurances regarding its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from what is stated in this announcement or from reliance on any part thereof".

## How to Apply for Subscription

The subscription to Preemptive Rights Shares is limited to eligible persons, whether they are registered shareholders or new investors. If the eligible persons do not exercise their preemptive Rights, Any Rump Shares not subscribed by eligible persons will be offered to institutional investors through the Rump Offering Period. Eligible persons wishing to subscribe to the new shares must submit subscription requests through the channels and services provided by the broker to investors, provided that the eligible person has an investment account with one of the brokers offering such services. Additionally, the eligible person's information must be up to date, and no changes to their personal or family details (such as adding or removing a family member) should have occurred since their participation in a recent offering unless these changes were reported to the brokers and approved by them.

Subscription requests are submitted through the investment portfolio on trading platforms used for placing buy and sell orders. Additionally, subscription can be made through any other channels provided by the broker to investors and the custodian of shares. The Company reserves the right to reject any subscription request for the new shares, in whole or in part, if it fails to meet any of the subscription terms or requirements. Subscription requests cannot be amended or withdrawn after submission, and the subscription request, upon submission, constitutes a binding contract between the Company and the eligible shareholder. **(For more information, please refer to Section (12) "Information related to the shares and the terms and conditions of the offering").**

## Questions and answers about Preemptive Rights

### ► What are the Preemptive Rights?

They are tradable securities that give their holder the right to subscribe to the new shares offered upon approval of the capital increase. This is an acquired right for all shareholders who own shares on the day of the Extraordinary General Assembly for the capital increase and who are registered in the company's shareholders' register at the Depository Center by the end of the second trading day following the date of the Extraordinary General Assembly. Each Right gives its holder the right to subscribe to one share, at the offering price.

### ► Who are Preemptive Rights granted to?

To all shareholders registered in the company's shareholders' register at the Depository Center at the end of trading on the second trading day following the date of the Extraordinary General Assembly.

### ► When will the Preemptive Rights be deposited?

Following the convening of the Extraordinary General Assembly and its approval of the capital increase through the offering of Preemptive Rights shares, Preemptive rights shall be deposited as securities in the shareholders' portfolios in the company's shareholders' register at the Depository Center at the end of the second trading day after the Extraordinary General Assembly is held. The shares will appear in their portfolios under a new symbol designated for the Preemptive Rights, and trading or subscription of these Rights will not be permitted until the commencement of the trading and subscription periods.

### ► How is the investor notified of Preemptive Rights Shares by depositing the Rights in the portfolio?

Notification is made through an announcement on Tadawul website, as well as through the (Tadawulaty) service provided by the Securities Depository Center Company and text messages sent through brokerage companies.

### ► How many Preemptive Rights will a registered shareholder receive?

The number depends on the percentage of each shareholder's ownership in the capital according to the company's shareholders' register at the Depository Center at the end of the second trading day after the Extraordinary General Assembly.

### ► What is the Entitlement Factor?

It is the factor that enables registered shareholders to know the number of Preemptive Rights due to them for the shares they own at the end of the second trading day after the Extraordinary General Assembly. This factor is calculated by dividing the number of new shares by the number of current shares of the company. Accordingly, the entitlement factor is (3) Rights approximately for

each (1) share owned by the registered shareholder on the entitlement date. Accordingly, if a registered shareholder owns one thousand (1,000) shares on the entitlement date, he will be allocated (3,000) Rights for the shares he owns.

- ▶ **Will the name and trading symbol of these Rights be different from the name and trading symbol of the company's shares?**

Yes, the acquired Preemptive Right will be added to the investors' portfolios under the name of the original share, with the addition of the word "Preemptive Rights", in addition to a new symbol for these Rights.

- ▶ **What is the value of the Preemptive Right when it is first traded?**

The opening price of the Preemptive Right will be the difference between the closing price of the company's share on the day prior to the listing of the Preemptive Right and the offering price (the indicative value of the Preemptive Right). For example, if the closing price of the company's share on the previous day was fifteen (15) Saudi Riyals, and the offering price was ten (10) Saudi Riyals, then the opening price of the right will be five (5) Saudi Riyals.

- ▶ **Who is a Registered Shareholder?**

It is any shareholder who appears in the company's shareholders' register at the end of the second trading day after the Extraordinary General Assembly for the capital increase is held.

- ▶ **Can Registered Shareholders subscribe for additional shares?**

Yes, Registered Shareholders can subscribe for additional shares by purchasing new Right through the market during the trading period and then subscribe to it during the subscription period after completing the purchase and settlement of Rights.

- ▶ **Is it possible for a shareholder to lose his right to subscribe even if he has the right to attend the Extraordinary General Assembly and vote on increasing the capital by offering Preemptive Right Shares?**

Yes, the shareholder loses his right to subscribe if he sells his shares on the day of the Extraordinary General Assembly or one business day before it.

- ▶ **How does the subscription process work?**

Subscription requests are submitted through the investment portfolio on the trading platforms through which buy and sell orders are entered, in addition to the possibility of subscribing through any other means provided by the broker to investors and the custodian of shares.

- ▶ **Is it possible to subscribe more than once and through more than one broker?**

Yes, it is possible, but it must be considered that the number of subscribed shares does not exceed the number of Preemptive Rights owned at the end of the Preemptive Rights trading period, as any increase in the number of subscribed shares over the number of Preemptive Rights owned at the end of the Preemptive Rights trading period will result in the cancellation of the subscription request.

- ▶ **Can an eligible person subscribe to more shares than the Preemptive Rights he owns?**

An eligible person cannot subscribe to more shares than the Preemptive Rights he owns.

- ▶ **If the company's shares are owned through more than one investment portfolio, in which portfolio are the Preemptive Rights deposited?**

The Preemptive Rights will be deposited in the same portfolio in which the company's shares linked to the Rights are deposited. For example, if a shareholder owns one thousand (1,000) shares in the company as follows: eight hundred (800) shares in portfolio (A) and two hundred (200) shares in portfolio (B), the total Rights that will be deposited will be three thousand (3,000) Rights, considering that each share has (3) Rights. Accordingly, two thousand four hundred (2,400) Rights will be deposited in portfolio (A) and six hundred (600) Rights in portfolio (B).

- ▶ **Are holders of share certificates entitled to subscribe and trade?**

Yes, holders of share certificates are entitled to subscribe, but they will not be able to trade unless they deposit the certificates in electronic investment portfolios through brokers or the Securities Depository Center Company ("Edaa Center") and bring the necessary documents before the end of the subscription period.

► **Is it permissible for someone who has purchased additional Preemptive Rights to trade them again?**

Yes, he has the right to sell it and buy other Preemptive Rights during the trading period only.

► **Is it possible to sell part of the Preemptive Rights?**

Yes, the investor can sell part of these Rights and subscribe to the remaining part.

► **When can a shareholder subscribe to the Preemptive Rights he purchased during the Rights trading period?**

After the settlement of the Preemptive Rights purchase is completed (which is two business days), the Preemptive Rights shall be subscribed to during the subscription period.

► **Can the holder of Preemptive Rights sell or waive the Preemptive Rights after the expiry of the trading period?**

No, it is not possible. After the expiry of the trading period, the Preemptive Rights holder can only exercise the right to subscribe to the Preemptive Rights shares or not exercise it. In the event of not exercising the right, the investor may be subject to a loss or a decrease in the value of his investment portfolio.

► **What happens to Preemptive Rights that are not sold or subscribed for during the trading period and subscription phase?**

If all new shares are not subscribed to during the subscription period, the remaining new shares will be offered for subscription organized by the Lead Manager, and the compensation value (if any) will be calculated for the Preemptive Rights holder after deducting the subscription price. Note that the investor may not receive any consideration if the sale is made during the Rump Offering Period at the offering price.

► **Who is entitled to attend the Extraordinary General Assembly and vote on increasing the company's capital by offering Preemptive Rights Shares?**

A shareholder registered in the company's shareholders' register at the Depository Center after the end of the trading day on the day of the Extraordinary General Assembly has the right to attend the Extraordinary General Assembly and vote on increasing the company's capital by offering Preemptive Rights Shares.

► **When is the share price adjusted as a result of the company's capital increase through the issuance of Preemptive Rights Shares?**

The share price shall be adjusted by the market before the start of trading on the day following the day of the Extraordinary General Assembly.

► **If an investor purchases securities on the day of the Assembly meeting, is he entitled to obtain Preemptive Rights resulting from the increase in the issuer's capital?**

Yes, as the investor will be registered in the company's shareholders' register two business days after the date of purchasing the shares (i.e. at the end of trading on the second trading day following the date of the Extraordinary General Assembly), noting that Preemptive Rights will be granted to all shareholders registered in the company's shareholders' register at the end of trading on the second trading day following the date of the Extraordinary General Assembly. However, he will not have the right to attend or vote in the Extraordinary General Assembly for the capital increase.

► **If an investor has more than one portfolio with more than one brokerage company, how will his Preemptive Rights be calculated?**

The investor's share will be distributed to the portfolios owned by the investor, according to the percentage of ownership in each portfolio. If there are fractions, those fractions will be added, and if they complete one or more whole numbers, the whole number will be added to the portfolio in which the investor owns the largest amount of Preemptive Rights.

► **What are the trading and subscription periods?**

Trading and subscription of Preemptive Rights shall commence at the same time after (3) three business days from the approval of the Extraordinary General Assembly including approval of the capital increase until the end of trading on the sixth day, while subscription shall continue until the ninth day, as stated in this prospectus and the company's announcements.

► **Is it possible to subscribe during the weekend?**

No, it is not possible.

► **Can general investors other than registered shareholders subscribe to Preemptive Rights Shares?**

Yes, after completing the purchase of Preemptive Rights during the trading period.

► **Will there be any additional fees added to Preemptive Rights trading?**

The same commissions will be applied to buy and sell transactions as for shares, but without a minimum commission amount. The maximum amount shall not exceed fifteen and a half basis points (0.155%) of the total transaction value.

► **If the new shares are subscribed to and the Rights are then sold, what happens in this case?**

If a registered shareholder subscribes and then sells the Preemptive Rights and the number of Preemptive Rights equal to the number of Rights subscribed to is not purchased before the end of the trading period, the subscription request will be rejected in full if all or part of the Rights are sold equal to the number of Rights sold, and the registered shareholder will be notified and the rejected subscription amount will be returned to him through the shareholder's broker.

► **Further Assistance:**

In case of any inquiries, please contact the Company at: [thimarshareholders@thimar.com.sa](mailto:thimarshareholders@thimar.com.sa) For legal reasons, the Company will only be able to provide the information contained in this prospectus and will not be able to provide advice on the substantive basis of the Preemptive Rights Issue or even provide financial, tax, legal or investment advice.

For more information on the terms and conditions of the subscription, **please refer to Section (12) "Information related to the shares and the terms and conditions of the offering"** and the rest of the information contained in this prospectus.



## Summary of Key Information

This summary provides a brief overview of the key information contained in this prospectus. Because it is a summary, it does not contain all the information that may be of interest to shareholders and other institutional and individual investors. Recipients of this prospectus should read it in its entirety before making an investment decision regarding the Preemptive Rights or New Shares.

### Description of the Issuer

Thimar Development Holding Company (hereinafter referred to as “Thimar” or the “Company”) is a Saudi public joint stock company established pursuant to Ministerial Resolution No. (364), issued on 18/05/1408H (corresponding to 08/01/1988G), granting its incorporation license. The Company was registered with the Ministry of Commerce under Commercial Registration No. (1010068222), issued in Riyadh on 17/05/1408H (corresponding to 07/01/1988G).

The Company's headquarters are located in Riyadh, at Mohammad Ali Jinnah Road, Building No. 3808, Sub-number 7548, Al-Shuhada District, Postal Code 13241. Based on the approval of the Extraordinary General Assembly held on 06/03/1443H (corresponding to 12/10/2021G) the Company's commercial name was changed from (National Agricultural Marketing Company) to the current name, (Thimar Development Holding Company).

The Company's current capital is sixty-five million (65,000,000) Saudi Riyals divided into six million five hundred thousand (6,500,000) ordinary shares with a nominal value of ten (10) Saudi Riyals per share, fully paid (referred to individually as (the Current Share) and collectively as (the Current Shares). As of the date of publication of this Prospectus, the Company does not have any substantial shareholders (those who own 5% or more of the Company's shares).

### Summary of Issuer Activities

The company operates under Commercial Registration No. (1010068222) issued on 17/05/1408H (corresponding to 07/01/1988G). The company's activities, as stated in its commercial registration, include managing subsidiaries of holding companies, investing the funds of subsidiaries of holding companies, owning real estate and movables necessary for holding companies, providing loans, guarantees, and financing to subsidiaries of holding companies, owning industrial property rights for subsidiaries of holding companies, and leasing industrial property rights for subsidiaries of holding companies.

The primary objectives of the company, according to its Articles of Association, are summarized as follows:

1. Managing subsidiaries of holding companies.
2. Investing the funds of subsidiaries of holding companies.
3. Owning real estate and movables necessary for holding companies.
4. Providing loans, guarantees, and financing to subsidiaries of holding companies.
5. Owning industrial property rights for subsidiaries of holding companies.
6. Leasing industrial property rights for subsidiaries of holding companies.

### Issuer capital structure

The company was established as a Saudi public joint-stock company under Ministerial Resolution No. (364) issued on 18/05/1408H (corresponding to 08/01/1988G), granting approval for its establishment. The company's shares began trading on 29/03/1416H (corresponding to 26/08/1995G) with a capital of twenty-six million eight hundred twenty-six thousand (26,826,000) Saudi Riyals, divided into two hundred sixty-eight thousand two hundred sixty (268,260) ordinary shares, each with a nominal value of one hundred (100) Saudi Riyals, fully paid. In 1998G, the Extraordinary General Assembly approved the share split of the company's shares from two hundred sixty-eight thousand two hundred sixty (268,260) ordinary shares with a nominal value of one hundred (100) Saudi Riyals per share to five hundred thirty-six thousand five hundred twenty (536,520) ordinary shares with a nominal value of fifty (50) Saudi Riyals per share. On 17/04/1421H (corresponding to 19/07/2000G), the company reduced its capital from twenty-six million eight hundred twenty-six thousand (26,826,000) Saudi Riyals to thirteen million four hundred thirteen

thousand (13,413,000) Saudi Riyals. Consequently, the number of shares was reduced from five hundred thirty-six thousand five hundred twenty (536,520) ordinary shares to two hundred sixty-eight thousand two hundred sixty (268,260) ordinary shares, with a nominal value of fifty (50) Saudi Riyals per share, on 17/04/1421H (corresponding to 19/07/2000G), the company increased its capital from thirteen million four hundred thirteen thousand (13,413,000) Saudi Riyals to one hundred million (100,000,000) Saudi Riyals. Consequently, the number of shares increased from two hundred sixty-eight thousand two hundred sixty (268,260) ordinary shares to two million (2,000,000) ordinary shares, with a nominal value of fifty (50) Saudi Riyals per share, through the issuance of preemptive rights shares, Following the issuance of the Capital Market Authority Decision No. (4-154-2006) dated 27/02/1427H (corresponding to 27/03/2006G), which stipulated a four-phase stock split for joint-stock companies based on a Cabinet decision requiring the nominal value of shares of joint-stock companies to be ten (10) Saudi Riyals per share, the company's shares were split from two million (2,000,000) ordinary shares to ten million (10,000,000) ordinary shares, each with a nominal value of ten (10) Saudi Riyals. On 23/03/1445H (corresponding to 08/10/2023G), the Extraordinary General Assembly approved increasing the company's capital from one hundred million (100,000,000) Saudi Riyals to two hundred fifty million (250,000,000) Saudi Riyals. Consequently, the number of shares increased from ten million (10,000,000) ordinary shares to twenty-five million (25,000,000) ordinary shares, each with a nominal value of ten (10) Saudi Riyals, through the issuance of preemptive rights shares. On 26/11/1445H (corresponding to 03/06/2024G), the company reduced its capital from two hundred fifty million (250,000,000) Saudi Riyals to sixty-five million (65,000,000) Saudi Riyals. As a result, the number of shares was reduced from twenty-five million (25,000,000) ordinary shares to six million five hundred thousand (6,500,000) ordinary shares by canceling eighteen million five hundred thousand (18,500,000) shares, reflecting a capital reduction of (74%) at a rate of (0.74) shares canceled for every one share owned. This capital restructuring was implemented to extinguish accumulated losses. The company's current capital is sixty-five million (65,000,000) Saudi Riyals, divided into six million five hundred thousand (6,500,000) ordinary shares, each with a nominal value of ten (10) Saudi Riyals, fully paid.

## ■ Issuer's Vision

A country that has given a lot and deserves a lot of building and development.

## ■ Issuer's Mission

Supporting the national economy with successful and distinguished companies.

## ■ General Issuer Strategy

- ◆ Exploring unique investment opportunities in the agricultural and food sectors.
- ◆ Participate in successful activities with rewarding returns that are capable of growth and expansion.
- ◆ Support opportunities that can be transferred to financial markets after helping them achieve the necessary conditions.
- ◆ Investing in successful opportunities that can be exported outside the Kingdom.
- ◆ Reviving some of the company's previously distinguished activities.

## ■ Issuer's strengths and competitive advantages

- ◆ The company owns assets suitable for agricultural and livestock investment.
- ◆ The company's experience in the field of agriculture and agricultural marketing.
- ◆ The company has relationships with important suppliers and customers in the field of meat supply.
- ◆ The company owns land in Al Kharj area suitable for agricultural and animal production and will be fully exploited to serve the interests of the company.
- ◆ The company owns a factory that can be used for packaging purposes in the fields of vegetables, fruits and meat.
- ◆ The company owns land on Al Kharj Road (between Al Kharj and Riyadh) suitable for livestock and commercial production.

## Market Overview

### ► Agriculture and Food Sector in Saudi Arabia:

The agriculture and food sector is one of the key contributors to the development of the local economy and the enhancement of self-sufficiency in the Kingdom of Saudi Arabia, aligning with Vision 2030's focus on health, nutrition, and increased health awareness. Riyadh, the capital of Saudi Arabia, serves as a hub for a vibrant economy, with investments in the sector expected to reach 70 billion Dollars by the end of 2030G.

In 2023G, the value of the food and beverage market in Saudi Arabia reached 28.8 billion Dollars. This specialized market is flourishing due to the rising demand for healthy food driven by demographic changes and rapid urbanization. The market is projected to grow at a compound annual growth rate of 3.22%, with a 3.5% growth rate expected in the food and beverage packaging market over the next five years.

Saudi Arabia also boasts the largest organic food market in the Middle East. This is attributed to consumers' growing preference for chemical-free foods, reflecting increased health awareness. The value of the organic food market in the Kingdom has reached 54.2 million Dollars, driven by rising purchasing power due to increased disposable income and government support for organic agriculture.

The food market in the Kingdom consists of a number of basic sectors, including the meat, seafood and ready-to-eat food sectors. The fish and seafood sector leads the food market with the largest share, with expected revenues of 36.4 million Riyals in 2025G, followed by the bread and grain products sector with expected revenues of 36.2 million Riyals in 2025G, followed by the vegetable sector with expected revenues of 27.9 million Riyals in 2025G.

The following table shows the details of the food sector revenues by sector (Millions of Saudi Riyals):

Sector	2021	2022	2023	2024	2025	2026	2027	2028	Percentage
Babies' food	4.7	4.6	5.2	6.0	6.1	6.4	6.7	7.0	2.5%
Bread and grain products	36.3	35.6	36.0	32.1	36.2	37.9	39.2	40.8	17.0%
Candies and snacks	23.7	23.2	23.5	24.0	24.7	25.8	26.9	28.2	11.1%
Convenient food	13.4	13.2	13.4	13.8	14.2	14.9	15.4	16.0	6.4%
Dairy and egg products	19.5	19.1	19.4	20.0	20.9	21.9	22.8	23.9	9.2%
Fish and seafood	36.6	36.0	36.5	31.0	36.4	38.2	39.6	40.6	17.3%
Fruits and nuts	18.5	18.2	18.5	19.0	19.7	20.6	21.3	22.2	8.7%
Meat	19.8	19.5	19.7	19.0	21.2	22.5	23.7	24.9	9.3%
Oils and fats	3.9	3.8	3.9	3.4	3.7	3.8	4.0	4.1	1.8%
Pet food	0.8	0.7	0.8	0.9	0.9	0.9	0.9	0.9	0.4%
Sauces and spices	6.8	6.7	6.8	7.0	7.3	7.7	8.1	8.4	3.2%
Spreads and sweeteners	1.5	1.4	1.4	1.1	1.2	1.3	1.4	1.5	0.7%
Vegetables	26.0	25.6	26.0	26.9	27.9	29.3	30.5	31.8	12.3%
<b>Total</b>	<b>211.4</b>	<b>207.5</b>	<b>211.0</b>	<b>204.2</b>	<b>220.3</b>	<b>231.1</b>	<b>240.5</b>	<b>250.3</b>	<b>100.0%</b>

### ► Financial indicators of the food products industry sector:

The investment in the food products manufacturing industry in Saudi Arabia has exceeded 87 billion Saudi Riyals, accounting for 8% of the total investments in the industrial sector. Food product factories represent 11% of the total number of factories in the Kingdom, contributing to job creation for over 82,000 positions.

In 2022G, industrial establishments' expenditures reached approximately 53.5 billion Saudi Riyals, compared to 37.3 billion Saudi Riyals in 2014G, reflecting an average annual growth rate of 5.1%. The revenue of industrial establishments amounted to around 100.02 billion Saudi Riyals in 2022G, compared to 68.3 billion Saudi Riyals in 2014G, also with an average annual growth rate of 5.1%.

The average net profit margin in the food products manufacturing sector in the Kingdom during the period from 2014G to 2022G was approximately 41.8%.

The following table shows the size of revenues, expenses, operating surplus and net profit percentage for industrial establishments specializing in food products:

Year	Expenses / Thousand Saudi Riyals	Revenues / Thousand Saudi Riyals	Operating Surplus / Thousand Saudi Riyals	Net Profit Percentage
2014	37,267,147	68,286,183	26,839,386	39.3%
2015	39,992,019	73,292,050	28,763,933	39.2%
2016	38,660,925	72,255,041	28,900,466	40.0%
2017	34,961,365	79,019,840	39,229,101	49.6%
2018	37,789,041	81,063,191	38,321,085	47.3%
2019	46,708,205	91,992,688	38,741,350	42.1%
2020	45,529,438	85,194,283	33,215,408	39.0%
2021	50,917,435	95,168,909	36,385,117	38.2%
2022	53,493,495	100,017,725	38,331,470	38.3%

#### ► Real estate sector in Saudi Arabia:

The real estate market in Saudi Arabia is one of the largest markets in the Middle East, with the GDP of real estate activities amounting to 60.3 billion Saudi Riyals, representing 6% of the Kingdom's GDP in 2023G. The Kingdom aims to reach a contribution rate of about 8.8% of the total GDP in 2030G. The value of real estate transactions amounted to 212.31 billion Saudi Riyals in 2023G, while real estate transactions amounted to 220.63 billion Saudi Riyals in 2022G, a decrease of 4% compared to the previous year, due to rising interest rates, inflation, raw material prices, and the impact of supply chains. This market has witnessed remarkable developments as a result of economic, political, and social changes. The government has also played a decisive role in guiding the real estate market through its various policies, including exempting real estate transactions from value-added tax and reducing property tax, which has led to increased activity in the real estate market and higher investment returns.

For more details on real estate deals in the Kingdom (Billions of Saudi Riyals):

Year	Value	Change (Value)	Change (%)
2014	428.03	53.08	14%
2015	358.72	(69.31)	(16%)
2016	281.1	(77.62)	(22%)
2017	199.74	(81.36)	(29%)
2018	169.09	(30.65)	(15%)
2019	161.24	(7.85)	(5%)
2020	163.32	2.08	1%
2021	196.84	33.52	21%
2022	220.63	23.79	12%
2023	212.31	(8.32)	(4%)

### ► Financial indicators for real estate activities:

The capital of the Kingdom of Saudi Arabia, Riyadh, is the most active city in real estate transactions, with the value of transactions amounting to 73.81 billion Saudi Riyals in 2023G, representing 40% of the total transactions, while the value of transactions in the city of Jeddah amounted to 26.91 billion Saudi Riyals in 2023G, representing 14.6% of the total transactions. The volume of revenues from real estate activities in the Kingdom amounted to about 27.29 billion Saudi Riyals in 2022G, with a growth rate of 3.5% compared to 2021G, while the expenses of these establishments amounted to about 12.58 billion Saudi Riyals in 2022G, with a growth rate of 6.4%, and the average net profit rate in the sector is 39.2%.

The following table shows the financial indicators of real estate activities:

Year	Expenses / Billions Saudi Riyals	Revenues / Billions Saudi Riyals	Operating Surplus / Billions Saudi Riyals	Net Profit Percentage
2015	8.62	22.23	9.93	44.70%
2016	8.58	22.15	9.79	44.20%
2017	6.8	18.57	8.05	43.40%
2018	6.88	19.6	8.78	44.80%
2019	9.44	23.27	8.23	35.40%
2020	8.4	22.98	9.4	40.90%
2021	11.09	24.7	7.74	31.40%
2022	11.82	27.29	9.29	34.00%
2023	12.58	28.24	9.57	33.90%
<b>Average</b>	<b>9.36</b>	<b>23.23</b>	<b>8.98</b>	<b>39.2%</b>
<b>Average Growth Rate</b>	<b>6.4%</b>	<b>3.5%</b>	<b>3%</b>	<b>-</b>

The size of expenditures, revenues and operating surplus in real estate activities in the Kingdom were also estimated according to previous growth rates:

Year	Expenses / Billions Saudi Riyals	Revenues / Billions Saudi Riyals	Operating Surplus / Billions Saudi Riyals
2024	13.39	29.23	9.86
2025	14.24	30.26	10.15
2026	15.16	31.32	10.46
2027	16.12	32.41	10.77
2028	17.16	33.55	11.09
2029	18.26	34.72	11.43
2030	19.42	35.94	11.77
2031	20.67	37.19	12.12
2032	21.6	38.49	12.49
2033	23.40	39.84	12.86

Source: The Company

## Summary Of Financial Information

The summary of financial information below is based on the Company's audited financial statements for the fiscal years ended December 31, 2021G, 2022G and 2023G and the accompanying notes, in accordance with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements adopted by the Saudi Organization for Chartered and Professional Accountants (SOCPA). The Company's financial statements for the fiscal years ended December 31, 2021G and December 31, 2022G were reviewed and audited by Osama Abdullah Elkhareiji & Partners Company (Chartered Accountants and Business Consultants). The Company's financial statements for the fiscal year ended December 31, 2023G were reviewed and audited by PKF Al Bassam Company (Chartered Accountants). The Company issues its financial statements in Saudi Riyals.

### Statement of Financial Position

Item (Saudi Riyals)	December 31, 2021G	December 31, 2022G	December 31, 2023G
Total Current Assets	2,333,530	902,366	54,517,872
Total Non-Current Assets	11,713,391	43,318,376	48,436,478
Total Assets	14,046,921	44,220,742	102,954,350
Total Current Liabilities	142,521,937	144,643,074	21,086,244
Total Non-Current Liabilities	856,066	84,810	50,728,757
Total Liabilities	143,378,003	144,727,884	71,815,001
Equity	(129,331,082)	(100,507,142)	31,139,349
<b>Total Equity and Liabilities</b>	<b>14,046,921</b>	<b>44,220,742</b>	<b>102,954,350</b>

Source: Company financial statements.

### Income Statement

Item (Saudi Riyals)	December 31, 2021G	December 31, 2022G	December 31, 2023G
Revenues	425,304	-	-
Cost of Revenues	(410,643)	-	-
Gross Income	14,661	-	-
Income/(Loss) from Operations	(79,416,727)	(6,621,082)	(17,068,169)
Net Income/(Loss) before Zakat	(162,433,098)	(2,955,601)	(6,530,218)
Net Profit/Loss for the Year	(162,451,394)	(2,955,601)	(6,530,218)
<b>Total Comprehensive Income (Loss) for the Year</b>	<b>(162,606,677)</b>	<b>28,823,940</b>	<b>(11,969)</b>

Source: Company financial statements.

## Cash Flow Statement

Item (Saudi Riyals)	December 31, 2021G	December 31, 2022G	December 31, 2023G
Net cash available from operating activities	(1,841,440)	(608,178)	(63,556,929)
Net cash used in investing activities	5,160	188,152	(5,161,973)
Net cash available from financing activities	-	8,924	115,613,732

Source: Company financial statements.

## Key Performance Indicators

Financial indicators	December 31, 2021G	December 31, 2022G	December 31, 2023G
Gross profit margin	3.45%	-	
Net profit margin	(38197%)	-	
Return on total Assets	(1156%)	(7%)	(6%)
Return on total Equity	125.61%	2.94%	(20.97%)
Liabilities/Total Assets Ratio	1021%	327%	70%
Total Assets/Total Liabilities	x0.10	x0.31	x1.43
Current Ratio (x)	x0.02	x0.01	x2.59

Source: The Company



## Summary of Risk Factors

Investors wishing to subscribe to the shares of this offering should, before making their investment decision regarding the subscription or trading in the Preemptive Rights Shares, study and review all the information contained in this prospectus, including in particular the risk factors that are explained in detail in **Section No. (2) “Risk Factors”** of this prospectus. There are a number of risks related to the issuance of Preemptive Rights Shares, which are :

### ♦ Risks related to the Issuer

- Risks related to opening financial organizing procedures
- Risks related to the inability to implement the strategic plan
- Risks related to accumulated losses
- Risks related to the executive seizure of the company's funds
- Risks related to non publication of financial statements and information
- Risks related to lack of accounting documents and records
- Risks related to the bankruptcy of associated companies
- Risks related to reliance on preemptive rights issues to finance the financial reorganization plan
- Risks related to delay in implementing the financial reorganization plan
- Risks related to business interruption
- Risks related to the recent transformation into a holding company
- Risks related to the company's continuity
- Risks related to the outbreak of infectious or malignant diseases, epidemics, or pandemics in general
- Risks related to transactions with related parties
- Risks related to changes in the prices of the company's products
- Risks related to the company's clients' default, procrastination and inability to pay the amounts due to the company
- Risks related to Liquidity
- Risks related to the company's inability to meet its financial obligations
- Risks relating to claims that preceded the opening of the financial reorganization procedure and were not included in the claims
- Risks related to existing and potential sharia zakat entitlements
- Risks related to VAT entitlements
- Risks related to the company's commitment to applying accounting standards and their amendments
- Risks related to the quality of financial reporting
- Risks related to reliance on the human element
- Risks related to violating labor laws
- Risks related to the adequacy of insurance coverage
- Risks related to contingent liabilities
- Risks related to litigation and legal actions
- Risks related to failure to obtain or renew licenses and certificates
- Risks related to trademark and website protection

- Risks related to the new companies' law and the amended governance regulations
- Risks related to investments in other companies
- Risks related to the existence of preemptive rights issues
- Risks related to investing in real estate funds.
- Risks related to the company's failure to continue its investments and enter into new investments
- ♦ **Risks related to the market and sector in which the issuer operates**
  - Risks related to the Kingdom's economic performance
  - Risks of growth opportunity
  - Risks related to the competitive environment
  - Risks related to non compliance with existing laws and regulations and/or the issuance of new laws and regulations
  - Risks related to political and economic instability in the Middle East region
  - Risks related to the imposition of new fees or taxes
  - Risks related to the increase in the price of energy and water
  - Environment, Safety and Occupational Health
- ♦ **Risks related to the offered securities**
  - Risks related to shareholders' lack of awareness of the trading mechanism and their exercise of their rights
  - Risks related to potential fluctuations in the price of preemptive rights
  - Risks related to potential fluctuations in the share price
  - Risks related to the unprofitability or sale of preemptive rights
  - Risks related to Future Data
  - Risks related to the possibility of issuing new shares
  - Risks related to decreased demand for preemptive rights and the company's shares
  - Risks of low equity ratios
  - Risks of not exercising preemptive rights in a timely manner
  - Risks of distributing dividends to shareholders
  - Risks related to speculation in preemptive rights
  - Risks related to the suspension of trading or cancellation of the company's shares as a result of not publishing its financial statements within the statutory period

For more information about the risks mentioned above, **please refer to Section No. (2) "Risk Factors" of this prospectus.**

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# 1- Terms and Definitions

Term	Definitions
"Company" or "Thimar" or "Issuer"	<p>Thimar Development Holding Company (hereinafter referred to as "Thimar" or "the Company") is a Saudi public joint-stock company established pursuant to Ministerial Resolution No. (364) dated 18/05/1408H (corresponding to 08/01/1988G) with a license for its incorporation. It is registered with the Ministry of Commerce under Commercial Registration No. (1010068222) issued in Riyadh on 17/05/1408H (corresponding to 07/01/1988G).</p> <p>The company's headquarters is located in Riyadh, Mohammed Ali Jinnah Road, Building No. 3808, Sub-number 7548, Al-Shuhada District, Postal Code 13241. Based on the approval of the Extraordinary General Assembly held on 06/03/1443H (corresponding to 12/10/2021G), the company's commercial name was changed from (National Agricultural Marketing Company) to the current name, (Thimar Development Holding Company).</p> <p>The company's current capital amounts to sixty-five million (65,000,000) Saudi Riyals, divided into six million five hundred thousand (6,500,000) ordinary shares, with a nominal value of ten (10) Saudi Riyals per share, fully paid (individually referred to as the "Current Share" and collectively as the "Current Shares"). As of the date of this Prospectus, the company does not have any substantial shareholders (those who own 5% or more of the company's shares).</p>
Advisors	The company's advisors whose names appear on <b>pages (F, G)</b> .
Management	Company's Management.
Board or Board of Directors	The Board of Directors of the Company whose names appear on <b>page (D)</b> .
Substantial Shareholders	Shareholders who own 5% or more of the Company's shares. As of the date of this prospectus, the Company does not have any substantial shareholders (who own 5% or more of the Company's shares).
Related Parties	<p>Includes the following:</p> <ol style="list-style-type: none"> <li>1. Affiliates of the company.</li> <li>2. Substantial shareholders of the company.</li> <li>3. Members of the Board of Directors and senior executives of the company.</li> <li>4. Members of the Board of Directors and senior executives of the company's subsidiaries.</li> <li>5. Members of the Board of Directors and senior executives of substantial shareholders of the company.</li> <li>6. Any relatives of the persons referred to in (1, 2, 3, 4, or 5) above.</li> <li>7. Any company controlled by any of the persons referred to in (1, 2, 3, 4, 5, or 6) above.</li> <li>8. Persons who work in agreement together and collectively own (5%) or more of the class of shares to be listed</li> </ol>
Senior Executives	Any normal person who is assigned (alone or with others) by the company's administrative body or by a member of the company's administrative body with supervisory and management tasks, and whose reporting line is to any of the following: (1) the administrative body directly, (2) a member of the administrative body, and (3) the CEO.
Administrative body	The group of individuals who make the strategic decisions of the company, and the Board of Directors of the joint-stock company is its administrative body.

Term	Definitions
<b>Articles of Association</b>	Articles of Association of the company.
<b>Capital Market Authority or the Authority</b>	Capital Market Authority of the Kingdom of Saudi Arabia.
<b>Companies Law</b>	The Companies Law in the Kingdom of Saudi Arabia issued under Royal Decree No. (M/132) dated 01/12/1443H (corresponding to 30/06/2022G), which came into effect on 26/06/1444H (corresponding to 19/01/2023G).
<b>Stock Market</b>	Saudi Exchange (Tadawul)
<b>Securities Depository Center Company</b>	It is a closed joint stock company wholly owned by the Saudi Stock Exchange (Tadawul) established in 2016G under the Saudi Companies Law issued by Royal Decree No. M/3 dated 28/01/1437H (corresponding to 11/11/2015G).
<b>Founding shareholders</b>	Founding shareholders of the company.
<b>General Assembly</b>	The General Assembly that is held in the presence of the company's shareholders in accordance with the provisions of the Companies Law and the company's articles of association. It may be an Ordinary or Extraordinary Assembly.
<b>Ordinary General Assembly</b>	General Assembly of Shareholders of the Company.
<b>Extraordinary General Assembly</b>	Extraordinary General Assembly of the Company's Shareholders.
<b>Gulf Cooperation Council</b>	The Cooperation Council for the Arab States of the Gulf
<b>Gross Domestic Product</b>	The Gross Domestic Product of the Kingdom of Saudi Arabia is the market value of all final goods and services recognized locally.
<b>Government</b>	Government of the Kingdom of Saudi Arabia.
<b>Corporate Governance Regulations</b>	The Corporate Governance Regulations in the Kingdom of Saudi Arabia issued by the Capital Market Authority's Board under Resolution No. (8-16-2017) dated 16/05/1438H (corresponding to 13/02/2017G), based on the Companies Law issued under Royal Decree No. M/3 dated 28/01/1437H (corresponding to 10/11/2015G), and amended by the Capital Market Authority's Board Resolution No. (8-5-2023) dated 25/06/1444H (corresponding to 18/01/2023G), based on the Companies Law issued under Royal Decree No. (M/132) dated 01/12/1443H (corresponding to 30/06/2022G).
<b>Kingdom or Saudi Arabia</b>	Kingdom of Saudi Arabia.
<b>Rights or Preemptive Rights</b>	These are tradable securities that entitle their holders to subscribe to new shares upon approval of the capital increase. This is an acquired Right for all registered shareholders, and each Right entitles its holder to subscribe to one new share at the offering price. The Rights are deposited after the Extraordinary General Assembly for the capital increase is held. These Rights will appear in the accounts of registered shareholders under a new symbol for Preemptive Rights. Registered shareholders will be notified of the deposit of the Rights in their portfolios.
<b>Capital Market Law</b>	The Capital Market Law issued under Royal Decree No. M/30 dated 02/06/1424H (corresponding to 31/07/2003G).

Term	Definitions
<b>Rules for Offering Securities and Continuing Obligations</b>	The Rules for Offering Securities and Continuing Obligations issued by the Board of the Capital Market Authority under Resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G), based on the Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424H, and any amendments thereto.
<b>Listing Rules</b>	The Listing Rules issued by the Saudi Stock Exchange (Tadawul) and approved by the Capital Market Authority Board Resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G), and any amendments thereto.
<b>Listing</b>	Listing of securities on the Main Market or - where the context permits - submitting a listing application to the Saudi Stock Exchange (Tadawul).
<b>Lead Manager</b>	Musharaka Capital Company
<b>Net Offering Proceeds</b>	Proceeds from the offering after deducting the offering expenses.
<b>Offering/Subscription Price</b>	10 Saudi Riyals per share.
<b>Shares offered for subscription</b>	Nineteen million five hundred thousand (19,500,000) ordinary shares.
<b>Right's Indicative Value</b>	The difference between the market value of a company's share during the trading period and the offering price.
<b>Offering Period</b>	The period starting after (3) three business days from the approval of the Extraordinary General Assembly including the approval of the capital increase, from ** **/**/****H (corresponding to ** **/**/****G) to ** **/**/****H (corresponding to ** **/**/****G).
<b>Rump Offering</b>	Offering any remaining shares not subscribed to by eligible persons from investment institutions by offering them during the Rump Offering Period.
<b>Rump Offering Period</b>	If there are shares that have not been subscribed to after the end of the subscription period ("Rump Shares"), such shares will be offered to a number of institutional investors (referred to as "Investment Institutions") (this offering process is referred to as the "Rump Offering"). Such investment institutions will submit their offers to purchase the Rump Shares, and such offers will be received starting from 10:00 a.m on ** **/**/****H (corresponding to ** **/**/****G) until 5:00 p.m on ** **/**/****H (corresponding to ** **/**/****G) ("Rump Offering Period"). The Rump Shares will be allocated to the investment institutions with the highest offer, then the lowest, and so on (provided that it is not less than the offering price), provided that the shares are allocated proportionately to the investment institutions that submit the same offer. As for the fractional shares, they will be added to the Rump Shares and treated similarly.
<b>Fiscal Year/Fiscal Years</b>	It is the period of time to present the results of the establishment's activity, the beginning and end of which are specified in the company's articles of association, noting that the company's fiscal year begins on January 1 and ends on December 31 of each Gregorian year.
<b>Localization/Saudization</b>	Replacing expatriate workers with Saudi citizens in private sector jobs.
<b>Eligible Persons</b>	All holders of Preemptive Rights, whether they are registered shareholders or those who purchased Preemptive Rights during the trading period.
<b>Registered shareholders</b>	Shareholders who own shares on the day of the Extraordinary General Assembly meeting to increase capital and who are registered in the company's shareholders' register at the end of trading on the second trading day following the Extraordinary General Assembly meeting.

Term	Definitions
<b>Person</b>	Normal Person
<b>Prospectus</b>	This prepared document by the Company regarding the subscription of Preemptive Rights Shares.
<b>Riyal</b>	Saudi Riyal, the official currency of the Kingdom of Saudi Arabia.
<b>Functional currency</b>	Saudi Riyal in which the consolidated financial statements are presented.
<b>Shareholder</b>	The owner or holder of shares as of any given time.
<b>Al Wasatah Al Maliah Company or Wasatah Capital</b>	Al Wasatah Al Maliah Company is a closed joint stock Saudi company licensed by the Capital Market Authority with license number (08125-37), Which allows it to deal as a principal and undertake to underwriting, manage, arrange and maintain securities.
<b>Brokers</b>	They are market institutions licensed by the Capital Market Authority to engage in securities trading as an agent.
<b>Investment institutions</b>	<p>It includes a group of institutions, which are as follows:</p> <ol style="list-style-type: none"> <li>1. Government entities and government-owned companies, directly or through a private portfolio manager, or any international body recognized by the Authority, or the market, or any other financial market recognized by the Authority, or the Depository Center.</li> <li>2. Public investment funds established in the Kingdom that are offered for public offering, in addition to private funds that invest in securities listed on the Saudi Stock Exchange if the terms and conditions of the fund allow it to do so, while adhering to the provisions and restrictions stipulated in the Investment Funds Regulations.</li> <li>3. Persons licensed to deal in securities as principal, while adhering to financial adequacy requirements.</li> <li>4. Clients of a person licensed to practice management business, provided that such licensed person has been appointed on terms that enable him to make decisions regarding acceptance of participation in the offering and investment in the Saudi Stock Exchange on behalf of the client without the need to obtain prior approval from him.</li> <li>5. Any other legal persons may open an investment account in the Kingdom and an account with the Depository Center, taking into account the controls for investment by listed companies in securities, provided that the company's participation does not lead to any conflict of interest.</li> <li>6. Gulf investors with legal personality, including companies and funds established In the Gulf Cooperation Council countries.</li> <li>7. Qualified foreign investors.</li> <li>8. An ultimate beneficiary of a legal entity in a swap agreement concluded with a licensed person in accordance with the terms and conditions of swap agreements.</li> </ol>
<b>Saudi Organization for Chartered and Professional Accountants (SOCPA)</b>	The Saudi Organization for Chartered and Professional Accountants in the Kingdom of Saudi Arabia, formerly the Saudi Organization for Certified Public Accountants. It is a professional authority that through its available knowledge and skills, leads and supervises the accounting and auditing profession in the Kingdom of Saudi Arabia, with the aim of improving and developing its practice, advancing it, monitoring the quality of its performance, raising awareness of its rules and behaviors, and enhancing its participation in serving the national economy and society. It also works with all possible efforts to develop and support individuals, institutions, and various groups related to commercial work to increase confidence and transparency in financial statements and protect investors and users of financial statements.

Term	Definitions
<b>International Financial Reporting Standards (IFRS)</b>	A collection of accounting standards and their interpretations issued by the International Accounting Standards Board.
<b>Ministry of Commerce</b>	Ministry of Commerce in the Kingdom of Saudi Arabia (the name “Ministry of Commerce and Investment” has been changed to “Ministry of Commerce”).
<b>Subscriber</b>	Any person who subscribes to shares offered for subscription.
<b>Tadawul</b>	Automated system for buying and selling Saudi stocks.
<b>Zakat, Tax and Customs Authority</b>	It is one of the government agencies that is organizationally linked to the Minister of Finance, and it is the agency entrusted with the work of collecting zakat and taxes.
<b>Value Added Tax (VAT)</b>	The Council of Ministers approved the Unified Agreement for Value Added Tax (VAT) for the Cooperation Council for the Arab States of the Gulf on 02/05/1438H, which came into effect on January 1, 2018G, as a new tax added to the system of other taxes and fees applicable to specific sectors in the Kingdom and the Cooperation Council for the Arab States of the Gulf. The VAT rate was initially set at (5%). However, the Government of Saudi Arabia decided to increase the VAT rate from 5% to 15%, effective July 2020G. Certain products were exempted from VAT, including (basic food items and services related to healthcare and education).
<b>Underwriter</b>	Al Wasatah Al Maliah Company (Wasatah Capital).
<b>Underwriting Agreement</b>	Underwriting agreement between the company and the underwriter.
<b>Capital</b>	The balance shown as a separate item within shareholders' equity in the statement of financial position.
<b>Litigation</b>	Recourse to courts or judicial or quasi-judicial committees to reach a settlement of a dispute.
<b>Rules governing foreign investment in securities</b>	These are special rules regulating investment in securities by non-Saudi persons residing outside the Kingdom. Issued by the Board of the Capital Market Authority pursuant to Resolution (2-26-2023) dated 05/09/1444H (corresponding to 27/03/2023G) based on the Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424H, and any amendments thereto.
<b>Day or business day</b>	Any business day other than Friday and Saturday, any day that is an official holiday in the Kingdom of Saudi Arabia, or any day on which banking institutions are closed for business in accordance with applicable regulations and other government procedures.
<b>Calendar day</b>	Any day, whether it is a business day or not.
<b>H</b>	Hijri calendar.
<b>G</b>	Gregorian calendar.
<b>Financial reorganization</b>	A procedure aimed at facilitating the debtor's reaching an agreement with his creditors on financial reorganization under the supervision of the financial reorganization trustee.
<b>Proposal</b>	Proposal for financial reorganization.
<b>Plan</b>	Approved proposal.
<b>Liquidation Procedures</b>	A procedure aimed at limiting creditors' claims, selling the bankruptcy assets, and distributing the proceeds to creditors under the management of the liquidation trustee.
<b>The trustee</b>	A person appointed by the court to perform the duties and tasks assigned to him as a financial reorganization trustee.



Term	Definitions
<b>Execution law</b>	The Execution law issued by Royal Decree No. (M/53) dated 13/08/1433H (corresponding to 03/07/2012G) and any amendments thereto.
<b>Commercial books law</b>	Commercial books law issued by Royal Decree No. (M/61) dated 17/12/1409H (corresponding to 20/07/1989G) and its amendments.
<b>Health insurance law</b>	Health insurance law issued by Royal Decree No. (M/10) dated 01/05/1420H (corresponding to 12/08/1999G)

## 2- Risk Factors

Alongside the other information contained in this prospectus, anyone interested in investing in the shares offered for subscription must carefully review all the details included in this prospectus, including the risk factors outlined in this section, before deciding to purchase the offered shares. It should be noted that the risks described below may not encompass all risks the company might face. There could be additional risks currently unknown to the company, considered non-material by the company, or not likely to impede its operations. If any of the risk factors mentioned below occur, the company's operations, financial position, results, cash flows, and future expectations may be adversely and materially impacted. The members of the company's Board of Directors, to the best of their knowledge and belief, confirm that there are no material risks unknown to them as of the date of this prospectus that could affect the decisions of shareholders and potential investors, other than those disclosed in this section. Investment in the offered shares is suitable only for investors capable of evaluating the risks and advantages of such an investment and who have sufficient resources to bear any potential losses arising from the investment. Any prospective investor uncertain about the decision to invest in the company should seek advice from a financial advisor licensed by the Capital Market Authority to obtain appropriate guidance regarding the investment in the offered shares. In the event that any of the risk factors that the company currently believes to be significant occur or are realized, or any other risks that the company has not been able to identify occur, or which currently considered immaterial, this may lead to a decline in the market price of the shares and the potential investor may lose all or part of his investment in these shares. The risks described below are listed in an order that does not reflect their degree of importance, and additional risks that are not known or are currently considered immaterial may have the effects described in this prospectus.

### 2-1 Risks related to the Issuer

#### 2-1-1 Risks related to opening financial organizing procedures

The National Agricultural Marketing Company (Thimar) – currently known as Thimar Development Holding Company – was notified by the court regarding a liquidation request filed by one of its creditors on 22/05/1442H (corresponding to 06/01/2021G). The company objected to the liquidation on 21/06/1442H (corresponding to 03/02/2021G). Subsequently, the Ninth Chamber of the Commercial Court in Riyadh ruled to dismiss the creditor's liquidation request and granted the company the right to undergo financial reorganization. The court issued its judgment on 25/08/1442H (corresponding to 07/04/2021G), and the company was informed of the ruling to initiate financial reorganization proceedings by the company's attorney on 07/09/1442H (corresponding to 19/04/2021). Below is a summary of the key events:

- On 02/07/1443H (corresponding to 03/02/2022G), the company prepared a financial reorganization proposal and submitted it to the Ninth Chamber of the Commercial Court in Riyadh. The proposal included details about the company, its operations, financial status, economic conditions, a list of debts and potential claims, methods for addressing these liabilities, how the company would conduct its business during the reorganization period, and its future strategy.
- On 22/07/1443H (corresponding to 23/02/2022G), the Commercial Court approved the claims list under the company's financial reorganization procedure through the Ninth Chamber of the Commercial Court in Riyadh.
- On 20/08/1443H (corresponding to 23/03/2022G), the Commercial Court approved the financial reorganization proposal submitted by the company.
- On 13/09/1443H (corresponding to 14/04/2022G), the shareholders approved the company's proposal to reschedule the repayment of creditors under the financial reorganization plan approved by the Riyadh Commercial Court, with a 99.57% approval rate of the total shareholders present.
- On 17/09/1443H (corresponding to 18/04/2022G), the creditors approved the company's proposal to reschedule the repayment of creditors under the financial reorganization plan approved by the Riyadh Commercial Court, with a 99.73% approval rate of the total creditors present.

- On 16/01/1444H (corresponding to 14/08/2022), the company announced that it had received the judgment from the Ninth Circuit of the Riyadh Commercial Court approving the financial reorganization proposal of Thimar Development Holding Company.
- On 23/03/1444H (corresponding to 19/10/2022G), the company submitted a request for an 11-month extension for the settlement of debts to the financial organizing supervisor, in order to provide sufficient time for the company to prepare all necessary requirements to implement the approved financial reorganization plan. The Riyadh Commercial Court approved the extension request on 22/04/1444H (corresponding to 16/11/2022G). The company also announced the updated financial reorganization proposal dated 25/04/1444H (corresponding to 19/11/2022G).
- On 17/05/1444H (corresponding to 11/12/2022G), the shareholders approved the company's proposal to reschedule the settlement of debts as part of the financial reorganization plan approved by the Riyadh Commercial Court, with 99.77% approval from the total shareholders present.
- On 18/05/1444H (corresponding to 12/12/2022G), the creditors approved the company's proposal to reschedule the settlement of debts as part of the financial reorganization plan approved by the Riyadh Commercial Court, with 96.14% approval from the total creditors present.
- On 29/05/1445H (corresponding to 13/12/2023G), the company announced the settlement of the first installment for more than 95%, representing (50% of the outstanding amounts due according to the financial reorganization plan (58,519,514.44 Saudi Riyals), which pertains to the creditors' claims as per the plan). The company is continuing to follow up on the remaining settlement process, subject to the completion of required documentation in accordance with regulations. As of the date of this prospectus, the company has settled 111.99% of the creditors' claims according to the financial reorganization plan.

**Table (5): Creditors' Payment Dates According to the Financial Reorganization Proposal**

Type of debt	Acceptable amount	Payment dates					
		31/10/2023	31/03/2025	31/03/2026	31/03/2027	31/03/2028	31/03/2029
Labor Claims	6,685,912.88	3,342,956.44	3,342,956.44				
Suppliers	66,183,039	33,091,520	11,030,507	11,030,507	11,030,507		
Financing Agencies	32,024,465	16,012,233	3,202,447	3,202,447	3,202,447	3,202,447	3,202,447
Government Agencies	12,145,617	6,072,809	1,214,562	1,214,562	1,214,562	1,214,562	1,214,562
Total	117,039,035	58,519,517*	18,790,471**	15,447,515	15,447,515	4,417,008	4,417,008
Percentage of Total		50%	16.05%	13.20%	13.20%	3.77%	3.77%

Source: Financial Reorganization Proposal issued on 25/04/1444H (corresponding to 19/11/2022G).

\* 111.99% of the amount was paid from the proceeds of the offering that were previously obtained. **For more information, please review the (Offering Summary) Paragraph (Total proceeds previously obtained in the last preemptive rights issue, their analysis, description and clarification of their use).**

\*\* It will be paid from the proceeds of the offering that the company will receive **(for more details, please refer to Section (6) "Use of the Offering Proceeds and Future Projects" of this prospectus).**

The company's failure to comply with the regulatory provisions for the financial reorganization procedure or its inability to meet its obligations according to the timetable for paying creditors may result in the company entering into the provisions of the liquidation procedures and the liquidation trustee selling the company's assets and distributing the proceeds to the creditors. In the event of this happening, there is no guarantee that the company's shareholders will receive any consideration for their contribution, including the capital invested by them in the company.

## 2-1-2 Risks related to the inability to implement the strategic plan

The company's management intends to implement the strategic plan to return to business as explained in the financial reorganization proposal. The company's plan is divided into two Sections:

### Section One: Entering into partnerships with existing companies that achieve sustainable returns

The company aims to enter into partnerships in the following sectors: agriculture, meat and fish, cafes, restaurants, and real estate investment. The company has also allocated an amount from the proceeds of the offering ("which were previously obtained from the last capital increase process through the issuance of Preemptive Rights Shares") to enter into real estate opportunities.

- The company announced on Tadawul website on 05/05/1445H (corresponding to 19/11/2023G) its entry into an investment of 6 million Saudi Riyals in a real estate fund licensed by the Capital Market Authority. The fund is designated to develop the Business Square project (The fund's capital amounts to 120 million Saudi Riyals). This project consists of a modern administrative office complex within the campus of King Saud University in Riyadh. The investment commenced on 19/11/2023G for a period of 48 months, extendable by an additional 24 months, with an anticipated investment return of approximately 68%.
- On 05/12/1445H (corresponding to 11/06/2024G), the company announced on the Tadawul website its participation in an investment of 6 million Saudi Riyals in a real estate fund licensed by the Capital Market Authority for the development of a residential tower project in Riyadh, Al-Olaya District, located on Olaya Main Street. (The fund's capital amounts to 124.1 million Saudi Riyals) and involves the construction of (97) residential units and their facilities (Yamamah City Center), with a project area of 1,600 square meters. The company initiated the investment in July 2024G, and the investment is expected to last for 37 months, with a projected return on investment of 116.36% at the end of the investment period.
- The company also announced on Tadawul website on 18/08/2024G the signing of a non-binding memorandum of understanding on 18/08/2024G in Riyadh with Madar Al-Khair Trading Company, which has over fifty years of experience in the trade of live livestock both locally and internationally, fresh meat, establishing, operating, and managing quarantine facilities, land/sea transportation of livestock, establishing, operating, and managing veterinary slaughterhouses, tanning and manufacturing leather products, and manufacturing meat products. This aims to acquire up to 50% of Madar Al-Khair Trading Company. The company announced on the Saudi Stock Exchange website on 23/02/1447H (corresponding to 17/08/2025G) the termination of the Memorandum of Understanding without concluding a binding agreement.
- The company also announced on Tadawul website on 26/10/1446H (corresponding to 24/04/2025G) that the company acquired 26% of the ownership shares of Yamamah Plus Serviced Apartments Company. In exchange for a financial amount of nine million (9,000,000) Saudi Riyals, which will be covered by an in-kind consideration, which is the waiver of the company's investment in the real estate project called the Fund of Osool and Bakheet Four Directions Fund for Developing Al-Yamama City Center, in which the company invested an amount of (6) million Saudi Riyals on 11/06/2024G, and it was evaluated as an in-kind consideration for this acquisition in the amount of 7,608,000 Saudi Riyals, while the cash consideration is an amount of 1,392,000 Saudi Riyals that will be paid after the completion of the company's upcoming announced capital increase.

### Section Two: Benefit from the company's assets by entering into in-kind shares in investments in the food sector

The company's plan aims to establish three subsidiaries under the holding company and leverage the available unutilized fixed assets by investing these tangible assets, including lands, buildings, and equipment, as in-kind contributions in strategic partnerships for the following projects: Thimar Agricultural and Fisheries Production Company, Thimar Livestock Production Company, and Thimar Fresh Products Company. On 27/05/1444H (corresponding to 21/12/2022G), the company established Wasmi and Thimar Meats Company (sole proprietorship company) limited liability under Commercial Registration No. 101084794, with a capital of 100,000 Saudi Riyals, wholly owned by Thimar Development Holding Company. Its activities focus on producing fresh meat and wholesale and retail sales of meat and meat products. It is worth noting that, to date, the company's capital has not been deposited, it has not commenced operations, and it does not have any balances reflected in the financial statements. The company announced on Tadawul website on 09/10/1445H (corresponding to 18/04/2024G) the establishment of a new company named Thimar Towers Development and Real Estate Investment Company (a limited liability company of one person) wholly owned by Thimar Development Holding Company with a capital

of 25,000 Saudi Riyals. The company is headquartered in Riyadh and aims to support the company's operations and strategy concerning real estate investment and development.

The Company also plans to use the proceeds of the offering in real estate, agricultural and income-generating investments **(for more details, refer to Section (6) "Use of the Offering Proceeds and Future Projects" of this prospectus)**. The Company does not guarantee the success of implementing these projects or their economic feasibility, which may affect the possibility of achieving the objectives of the financial reorganization plan and the Company's inability to achieve the expected revenues, which will lead to incurring losses and thus will have a negative and material impact on the Company's profitability and financial position.

### 2-1-3 Risks related to accumulated losses

The company began recording losses starting from the third quarter of 2019G. As of 30/09/2019G, the accumulated losses amounted to (43,556,196) Saudi Riyals, representing (43.56%) of the company's capital. The accumulated losses continued to grow in subsequent years, representing (54.82%), (66.50%), (232.05%), (235.01%), and (103.95%) of the capital as of 31 December 2019G, 2020G, 2021G, 2022G, and 2023G, respectively.

The company recorded operational losses in its main activity due to a decline in sales, the write-off of projects under construction, its share of losses from an associated company, and the creation of an expected credit loss provision for old balances. The drop in sales and lack of liquidity led to delays in the company's payments to its suppliers, which resulted in some suppliers filing lawsuits with the Enforcement Court and obtaining final enforceable judgments. **(For more details, refer to Risk No. (2-1-4) "Risks related to the executive seizure of the company's funds" of this prospectus)**.

As a result of the executive suspension of the company's accounts and the partial suspension of its operations in 2019G, followed by a complete suspension at the end of 2021G, sales from the third quarter of 2019G until 2021G were limited to cash sales only in the Al-Azizia Market (the Stalls and Refrigerators), which were later adjusted in 2022G. Consequently, the company's revenues decreased to 0 Saudi Riyals.

The increase in accumulated losses exceeding 100% of the company's capital is attributed to the opening of financial reorganization procedures in 2021G and the bankruptcy of associated companies, the subjection of associated companies to liquidation procedures, the company's management made many adjustments in order to control the book balances in order to deal with the external accountant's failure to provide legal and accounting opinions in the years 2019G, 2020G, and 2021G.

Due to the company entering into financial reorganization procedures on 25/08/1442H (corresponding to 07/04/2021G), the company is not subject to Article (132) of the Companies Law, which stipulates that "an Extraordinary General Assembly shall be called to meet within 180 days from the date of knowledge of this to consider the continuity of the company and take any necessary measures to address or resolve these losses". This exemption is in accordance with Article 45 of Chapter 4 of the Bankruptcy Law, which exempts the debtor from applying the provisions of the Companies Law regarding the accumulation of losses reaching a certain percentage of the capital, starting from the commencement of the financial reorganization procedures.

The Capital Market Authority announced the procedures and instructions for companies whose shares are listed on the market and whose accumulated losses have reached 20% or more of their capital, specifically Article 5: The company's accumulated losses have reached 50% or more of its capital, which includes the company's obligation to disclose to the public immediately and without delay in a separate announcement when the accumulated losses reach 50% or more of its capital, provided that the announcement includes the amount of accumulated losses and their percentage of the capital, and the main reasons that led to reaching these losses, with an indication in the announcement that these procedures and instructions will be applied to it. In the event that the required disclosure coincides with the announcement of the preliminary or annual financial results, the company is exempted from disclosing in a separate announcement if it includes it in the announcement of the preliminary or annual financial results.

There is no guarantee that the company will not incur additional losses in the future, and if the company incurs further losses, this will have a negative and material impact on the company's business, financial position and continuity.

### 2-1-4 Risks related to the executive seizure of the company's funds

At the end of 2019G, some suppliers with old balances carried over from previous years filed lawsuits against the company, which acquired the status of final and enforceable judgments. As a result, the company's bank accounts were suspended

and the amounts in them were frozen in favor of the Enforcement Court and then withdrawn to the account of the Enforcement Court. Additional amounts were withdrawn from the company's accounts at the end of 2020G. As of the date of this prospectus, the total amounts withdrawn from the company's accounts in favor of the Enforcement Court amounted to 5,026,027 Saudi Riyals. In 2021G, the company created a provision for these amounts under the item of debit balances - Enforcement Court.

The executive seizure is made based on a request submitted by the applicant for execution to the execution judge. The judge verifies the formula and the fulfillment of the statutory conditions of the execution bond and places the execution seal on it, including the phrase (execution bond) accompanied by the name of the execution judge, his court, and his signature.

If the debtor does not execute or disclose funds sufficient to pay the debt within five days from the date of notification of the execution order, he shall be considered a procrastinator, and the judge shall immediately order - based on the provisions of Article Forty-Six of the Execution Law - including the following:

1. Suspend the issuance of power of attorney bonds from him, directly or indirectly, in the funds and what belongs to them.
2. Disclosure of the debtor's existing funds and what is received in the future, to the extent that it meets the execution bond, seizing it, and executing on it.
3. Disclosure of licenses and records of the debtor's commercial and professional activities.
4. Notify a licensee of the registration of credit information of the incident of non-execution.

The enforcement judge may take - in addition to the above, as appropriate - any of the following measures:

- A. Preventing government agencies from dealing with the debtor, seizing his financial dues, and notifying the enforcement judge of this.
- B. Preventing financial institutions from dealing with him in any capacity.

With the opening of financial reorganization procedures in 2021G and opening the way for all creditors to submit their current or future financial claims for contracts and agreements that were concluded before the opening of the procedure and their confinement to the financial organization trustee and including their accepted claims in the list of claims scheduled for payment. Additional claims may also arise during or after the financial reorganization procedure period, whose owners request execution and the court accepts their claims and imposes the penalties stipulated in Article Forty-Six of the Execution Law on the company, which will have a negative and material impact on its business, financial position and results of operations.

## 2-1-5 Risks related to non-publication of financial statements and information

According to Article 66 of the Rules for Offering Securities and Continuing Obligations:

1. The issuer must prepare and review its preliminary financial statements in accordance with the accounting and auditing standards approved by the Saudi Organization for Chartered and Professional Accountants and disclose them to the public within a period not exceeding (30) days from the end of the financial period covered by those statements.
2. The issuer must prepare and review its annual financial statements in accordance with the accounting and auditing standards approved by the Saudi Organization for Chartered and Professional Accountants and disclose them to the public within a period not exceeding three months from the end of the annual financial period covered by those statements.

According to the listing rules and Article Thirty-Eight and Subparagraph C, the market shall suspend trading in the issuer's securities in any of the following cases - for example, but not limited to:

1. When the issuer does not adhere to the specified dates for disclosing its periodic financial information in accordance with the executive regulations.
2. When the auditor's report on the issuer's financial statements includes an adverse opinion or a disclaimer of opinion.

The market suspends trading in securities for one trading session following the expiry of the statutory period. If the financial information is not published or the opinion is not addressed within twenty trading sessions following the first suspended trading session, the Saudi Stock Exchange Company announces the re-suspension of the company's securities until the



reason for the suspension is no longer in effect. The Saudi Stock Exchange Company lifts the suspension after one trading session following the reason for the suspension is no longer in effect. If the suspension of trading in the company's shares continues for six months without the company taking appropriate measures to correct the suspension, the Authority may cancel the listing of the company's securities.

The company's shares were suspended from trading on 15/03/1441H (corresponding to 12/11/2019G) for one session due to the company's delay in announcing its preliminary financial results for the third quarter of 2019G. The shares were then suspended again on 15/04/1441H (corresponding to 11/12/2019G), twenty trading sessions after the first suspension, due to the continued reason for the suspension, and the suspension continued because the company did not announce its financial results for the subsequent periods. And it is worth noting that:

- On 06/01/1442H (corresponding to 25/08/2020G), the Board of Directors decided to submit a request for trading the company's shares outside the platform. The Saudi Stock Exchange (Tadawul) issued a decision approving the company's request on 14/01/1442H (corresponding to 02/09/2020G), with the company's shares to be available for trading outside the platform starting from Sunday, 18/01/1442H (corresponding to 06/09/2020G).
- On 01/12/1443H (corresponding to 30/06/2022G), the company's financial statements for the period ending 30/09/2019G through to the fiscal year ending 31/12/2020G were issued, which included a disclaimer of opinion from the chartered accountant due to a lack of documentation and accounting records.
- On 22/06/1444H (corresponding to 15/01/2023G), the company's financial statements for the period ending 31/03/2021G, in addition to the fiscal year ending 31/12/2021G, were issued, which included a disclaimer of opinion from the chartered accountant due to a lack of documentation and accounting records.
- On 24/07/1444H (corresponding to 15/02/2023G), the financial statements for the period ending 31/03/2022G were issued, including a qualified opinion from the chartered accountant.
- On 03/08/1444H (corresponding to 23/02/2023G), the financial statements for the period ending 30/06/2022G were issued, including a qualified opinion from the chartered accountant.
- On 08/08/1444H (corresponding to 28/02/2023G), the financial statements for the period ending 30/09/2022G were issued, including a qualified opinion from the chartered accountant.

Accordingly, the suspension of trading for Thimar Development Holding's shares was lifted, and they resumed trading on the platform on 09/08/1444H (corresponding to 01/03/2023G) after the reasons for the suspension were resolved.

There is no guarantee that the company will comply with the deadline for announcing its financial results, nor that the chartered accountant's opinion will not include a dissenting opinion or a disclaimer of opinion. This makes the company vulnerable to the suspension of its shares again or the delisting of the security, which will have a significant negative impact on the completion of the Preemptive Rights offering, the interests of shareholders and creditors, and the company's continuity.

## 2-1-6 Risks related to lack of accounting documents and records

The company is not committed to keeping some accounting documents and records that support financial transactions for a period of 10 years as required by local laws and regulations. The lack of availability of many accounting documents and data is due to the failure of officials in previous administrations to keep them according to the period indicated in the commercial books law, and the previous administration did not provide easy access to the necessary documents and files.

The lack of a significant portion of the financial statements and opening balances, whether electronic or archived paper, led to a delay in issuing the financial statements and issuing them without expressing an opinion by the chartered accountant. The loss of some documents and their lack of organization also led to the issuance of the financial statements for 2020G and the comparative year with incomplete explanations. Later, when preparing the financial statements for 2021G, the external auditor amended the classification of some expenses based on the provision of some supporting documents.

The most prominent files that were lost, for example, are the loss of inventory records documents as of December 31, 2019G, valuation statements and item cards, the loss of documents related to associated companies (Thimar and Wasmi - Thimar Fresh), the loss of documents related to the expenses of the Dammam project, the loss of accounting restrictions attachments, including: restrictions on the transfer of the company's assets to Thimar and Wasmi Company, and the loss of documents related to asset records (property, plant and equipment). In addition, the loss of opening balance



documents as of January 1, 2019G, which means the loss of files related to previous years before 2019G. The company has taken several methods to try to collect information to assess its financial position, such as inventory and re-evaluation, in an attempt to reach a conclusion regarding whether the financial statements are not free of material misstatement, and whether such misstatement is widespread or not in the financial statements, and there is no confirmation of the company's ability to recover these files or that it has not lost material information that would affect the financial position with its equity and obligations. If the company fails to maintain all accounting records and regularly record all transactions in the electronic system, this may result in a deficiency in the quality of the financial statements and a delay in their issuance and the approval of their balances by the legal accountant, which will have a material impact on the company and the results of its future operations.

## 2-1-7 Risks related to the bankruptcy of associated companies

Associated are companies in which the investor does not exercise full control over the investee company, but exercises some influence over its management, which is usually represented by owning 20-50% of the voting shares. The investments are accounted for using the equity method, where the investment is recognized primarily at cost and subsequently adjusted to reflect the company's share of the profits or losses of the associated company. The following are details of the company's investments in associated companies:

1. National Fresh Fruits Products Company – Limited Liability Company –: The company owns 50% of its capital, representing 250,000 Saudi Riyals. As of 31/12/2023G, the net investment value amounted to zero Saudi Riyals. Its activity is summarized in wholesale and retail trade of vegetables, fruits, and food products. The company's accumulated losses reached 100% of the capital from 2018G to 2023G. The owed debt to the associated company, amounting to 3,920,194 Saudi Riyals, has been written off, and there are no outstanding balances in the consolidated financial statements. On 24/01/2023G, The Bankruptcy Committee announced the opening of the administrative liquidation procedure for the associated company and a ruling was issued to end the administrative liquidation procedures. Issuing a ruling on administrative liquidation procedures for associated companies may have negative effects on the company's reputation, as well as on the company's commercial and administrative relations.
2. Thimar Markets and Wasmi Agricultural Company – Limited Liability Company –: The company owns 30% of its capital, amounting to 3,000,000 Saudi Riyals. As of 31 December 2023G, the net investment value was zero Saudi Riyals. Its activity is summarized in wholesale and retail trade of agricultural, industrial, and food supplies, as well as refrigerated meats, health and cleaning products, consumer goods, and all household items. The company's accumulated losses exceeded 100% of its capital in 2019G, reflected in an investment loss of 920,258 Saudi Riyals. The company has made a provision for these losses. Thimar Markets and Wasmi Agricultural Company had a balance due in the amount of 60,497,450 Saudi Riyals in favor of the company. In 2021G, the Ninth Circuit of the Commercial Court in Riyadh issued a ruling to initiate liquidation proceedings for the associated company. Consequently, the company's management decided to write off the receivable of 60,497,450 Saudi Riyals from the associated company and close the investment loss provision. During the first quarter of 2023G, the company received 847,395 Saudi Riyals, representing its share of the receivable due from the associated company resulting from the liquidation.

It should be noted that the current management of the company submitted a report to the Ministry of Commerce with number 9027 on 24/02/1444H (corresponding to 21/09/2022G) against the Board of Directors of the associated company. The report includes an investigation into their violations of the Companies Law, including the failure to issue financial statements, exceeding accumulated losses of more than half of the company's capital, and charging Thimar Holding Company with losses exceeding 60 million, which are payable debts to Thimar, without informing the company of the significant events that occurred.

The Company's inability to manage and monitor the investment effectively due to lack of control may result in misallocation of capital or poor management decision-making, which exposes the Company to incurring additional losses from investing in associated companies, which will have a negative and material impact on the Company's results and financial performance.

## 2-1-8 Risks related to reliance on preemptive rights issues to finance the financial reorganization plan

The proposed financial reorganization dated 02/07/1443H (corresponding to 03/02/2022G) and updated on 25/04/1444H (corresponding to 19/11/2022G) includes details of the company's plan to resume its activities and develop and expand its operations to meet its obligations. The plan is divided into two sections:

**Section One:** Entering into existing companies that achieve sustainable returns.

**Section Two:** Benefit from the company's assets by entering into in-kind shares in investments in the food sector.

Part of the funding sources will be the issuance of preemptive rights shares in several phases based on the future opportunities of the company's activities. The company cannot guarantee regulatory approval for the proposed capital increases or the approval of the Extraordinary General Assembly or the success of the preemptive rights share issuances. Considering the company's current circumstances and its weak financial condition and cash flows, the only source of funding will be through the issuance of preemptive rights. Therefore, the inability to secure adequate financing for the company's operations and settle its claims will significantly and negatively impact the company's business, financial position, operating results, continuity, and future expectations.

## 2-1-9 Risks related to delay in implementing the financial reorganization plan

The company intends, through increasing its capital by issuing preemptive rights shares, to implement the announced financial reorganization proposal **(for more details, refer to Section (6) "Use of the Offering Proceeds and Future Projects" of this Prospectus)**. In 2023G, the company increased its capital by issuing preemptive rights shares to execute the first steps of the financial reorganization proposal and to pay part of its financial obligations. The company aims to further increase its capital through the issuance of preemptive rights shares to advance its financial reorganization proposal. Although the company has prepared a work plan to implement these projects according to a specific timeline, there are several factors beyond the company's control that could lead to delays in executing the plan or a partial or complete halt in its implementation. These factors include, for example: obtaining shareholder approval for the capital increase through the issuance of preemptive rights shares, acquiring regulatory approvals and government licenses, reaching suitable agreements with other parties, availability of qualified expertise, availability of labor, and other factors that may lead to a temporary or permanent halt in operations, thereby affecting the ability to achieve the targets of the financial reorganization plan, which will have a significant negative impact on the company's profitability and financial position.

## 2-1-10 Risks related to business interruption

The company experienced operational losses that led to a liquidity shortage and failure to meet its financial obligations. At the end of 2019G, it faced the suspension of its bank accounts, which resulted in a reduction of operations and reliance on cash sales in the Al-Azizia Market (the Stalls and Refrigerators). The initiation of the financial reorganization process in 2021G, along with the company's subjection to the oversight of the financial reorganization trustee in its operations and financial transactions, and the company's focus on consolidating claims and preparing the proposal, resulted in a halt in operations. Subsequently, in 2022G, the company accepted the Stalls and Refrigerators.

Accordingly, the company currently does not incur any expenses related to food activities and, therefore, does not have any operational activities generating income at this time. The previous executive seizure and the initiation of financial reorganization procedures, along with the acceptance of the Supermarkets and hypermarkets, have led to a decrease in the company's revenues to 0 Saudi Riyals. The company intends to resume its operational activities according to the announced strategic plan in the financial reorganization proposal **(for more details, refer to Risk No. (2-1-2) "Risks related to the inability to implement the strategic plan" in this Prospectus)**. The company has allocated part of the proceeds from the offering for real estate investment **(for more details, refer to Section (6) "Use of the Offering Proceeds and Future Projects" in this Prospectus)**. If the company is unable to secure an investment with the same specifications or if it fails to achieve the desired return and self-finance part of its expansion and administrative operations, this will significantly and negatively impact the company's ability to continue as a continuing company.

## 2-1-11 Risks related to the recent transformation into a holding company

On 06/03/1443H (corresponding to 12/10/2021G), the Extraordinary General Assembly approved certain amendments to the company's Articles of Association, including changing its name from the National Agricultural Marketing Company – Thimar to Thimar Development Holding Company. This change resulted in a modification of the company's objectives to:

1. Managing subsidiaries of holding companies.
2. Investing the funds of subsidiaries of holding companies.
3. Owning real estate and movables necessary for holding companies.
4. Providing loans, guarantees, and financing to subsidiaries of holding companies.
5. Owning industrial property rights for subsidiaries of holding companies.
6. Leasing industrial property rights for subsidiaries of holding companies.

Holding companies rely primarily on the performance of their subsidiaries and the performance of their investments, which will require certain administrative expertise. Accordingly, any failure to follow up on the performance of subsidiaries or financial investments may lead to the failure to achieve targets and may result in losses reflected in the company's consolidated statements, which will have a negative and material impact on the company's performance, financial position and future results.

## 2-1-12 Risks related to the company's continuity

The company's accumulated losses reached (232.05%) and (235.01%) and (103.95%) of the company's capital as of the fiscal years ending on December 31 for the years 2021G, 2022G, and 2023G, respectively. Consequently, this necessitates the application of Article (132) of Companies Law, which states that "an Extraordinary General Assembly must be convened within 180 days from the date of knowledge of this matter to consider the company's continuity and to take any necessary actions to address or resolve those losses." However, due to the company's entry into financial reorganization procedures and in accordance with Article (45) of Chapter Four of the Bankruptcy Law, the debtor is exempt from applying the provisions of the Companies Law regarding the accumulation of losses reaching a specified percentage of capital upon the commencement of financial reorganization procedures.

The continuity of the company as a going concern is linked to the implementation of the financial reorganization proposal, which depends mainly on increasing the company's capital. The company's inability to increase its capital or implement the financial reorganization plan and transform the company into profitability will have a negative and material impact on the continuity of the company.

## 2-1-13 Risks related to the outbreak of infectious or malignant diseases, epidemics, or pandemics in general

The outbreak of infectious or deadly diseases, epidemics or pandemics, such as COVID-19, or the emergence of other public health concerns, whether in the Kingdom of Saudi Arabia or elsewhere, could have a material adverse impact on economies, financial and commercial activities locally and globally. In the event of an outbreak of any such disease, the Company will be required to take preventive measures determined by health and governmental authorities, which may lead to disruptions in its business and commercial activities. The outbreak of the COVID-19 virus in late 2019G affected global economies, financial markets, global demand for oil and its prices, and the general measures taken to prevent the spread of the virus. Strict decisions were imposed on social distancing, business and corporate closures, and restrictions on movement within and between countries around the world, which led to a decrease in overall demand, a decline in production, a decrease in travel and tourism, and a significant impact on many industries and economic sectors. This resulted in the impact of almost all businesses, reduced working hours, and forced closures. In general, these events affected all economic sectors, and thus affected our ability to meet our customers' requirements for anticipated activities.

Since there is no guarantee that this virus or other disease or epidemic will not re-spread, the company cannot estimate the extent of the losses resulting from it if it occurs. The company does not guarantee that there will be no material negative impact on the company's business, financial position, results of operations and future expectations.

## 2-1-14 Risks related to transactions with related parties

As of the date of this Prospectus, the company has not concluded any agreements or contracts with related parties. However, the financial statements for the years covered by this Prospectus show that there were dealings with related parties represented in dealings with associated companies, a partner in an associated company, and some former members of the Board of Directors. The following is a statement of those balances as of the fiscal year ending on December 31, 2021G, 2022G, and 2023G:

**Table (6): Due from related parties**

Name of the related party	Nature of relationship	Nature of transaction	Fiscal year ended 31 December (Saudi Riyals)		
			2021G	2022G	2023G
Thimar Markets and Wasmi Agricultural Company	Associated company*	Sales	-	-	-
		Finance	-	-	-
		Payment on behalf	-	-	-
Prince/ Faisal bin Turki**	Partner in an associated company	Debt	22,184,085	22,184,085	22,184,085
<b>Total</b>			<b>22,184,085</b>	<b>22,184,085</b>	<b>22,184,085</b>

Source: The Company

\* **(For more details on the balances of transactions with affiliated companies, refer to Risk No. (2-1-7) "Risks related to the bankruptcy of associated companies" of this Prospectus).**

\*\* The amount of the debt dates back to March 31, 2015G, when His Highness Prince Faisal bin Turki purchased a 20% stake in Thimar Markets and Wasmi Agricultural Company through direct negotiation for an amount of 37,184 Saudi Riyals. Under the purchase agreement, he made an initial payment of 15,000 Saudi Riyals, and the remaining balance represents the amount outstanding from that transaction. In 2021G, the company established a credit loss provision of 22,184 Saudi Riyals. It is noteworthy that the company filed a lawsuit and won, the judgment of which became final in favor of the company. On 12/11/1442H (corresponding to 22/06/2021G), enforcement was initiated against the prince under Article 46 of the Enforcement Law, issuing an order to seize the prince's assets in case of non-payment. The company collected an amount of 1,756,778 million Saudi Riyals, and the remainder has not been collected yet.

Other than the debt of His Highness Prince Faisal bin Turki, the company does not have formal mechanisms based on concluded contracts through which transactions with related parties - associate companies - are managed. In addition, the company settles these transactions with related parties based on special agreements that have no commercial basis. The absence of formal mechanisms through which contracts are concluded with related parties will result in risks associated with this transaction, which may result in differences between the company and related parties, which will incur financial and operational losses for the company that will negatively and materially affect the company's business, financial position, results of operations and future expectations.

**Table (7): Due to related parties**

Name of the related party*	Nature of relationship	Nature of transaction	Fiscal year ended 31 December (Saudi Riyals) Audited		
			2021G	2022G	2023G
Mr. Sari Al-Mayouf	Managing Director (Former)	Finance	827,194	827,194	794,698
Mr. Ibrahim Al-Mayouf	Chairman of the Board of Directors	Finance	551,884	551,884	551,884
Effect of adjusting cash flows for financial liabilities **					(87,068)
<b>Total</b>			<b>1,379,078</b>	<b>1,379,078</b>	<b>1,259,514</b>

Source: The Company

★ As part of the financial reorganization procedures, the related parties submitted their claims to the financial reorganization trustee of the company for a total amount of 1,379,078 Saudi Riyals, divided as follows:

- An amount of 827,194 Saudi Riyals to Mr. Sari Al-Mayouf, of which 413,597 Saudi Riyals were paid, where 32,496 Saudi Riyals were paid in 2023G and 381,101 Saudi Riyals were paid in 2025G.
- An amount of 551,884 Saudi Riyals to Mr. Ibrahim Al-Mayouf, of which 275,942 Saudi Riyals were paid during the year 2024G.

These amounts are in the form of financing provided by related parties. Other than the above, no other additions have been made to the amounts due to the parties shown in the table above.

★★ The effect of adjusting the cash flows of financial liabilities results from calculating the present value of long-term liabilities, where the due value has been reduced due to the time value of the amounts that will be paid in the future, and there is no cash effect on the cash flows as a result of this accounting treatment.

It is worth noting that the transactions were made without a formal agreement and were for the purpose of financing the company's expenses and working capital. The company's delay in paying its dues to related parties is due to the lack of liquidity and the cessation of the company's operational activity. The financial claims will be paid within the repayment plan specified in the financial reorganization proposal. It is worth noting that any claim made after the opening of the financial reorganization procedure in 2021G will be included among the company's obligations, and the transactions made after the opening of the procedure will be settled according to the agreement. If the company is unable to complete transactions with related parties in the future on purely commercial grounds, this may negatively affect the company's business and financial results.

## 2-1-15 Risks related to changes in the prices of the company's products

Although the company's activities were partially suspended in 2019 and completely at the end of 2021, when the company resumes its operational activities, products will be priced based on production costs and profit margin. Any increase in production inputs or increase in profit margin will lead to an increase in product prices. Since price is an important factor for the consumer, the level of demand may decrease and alternative goods may be available at a lower price, which will have a negative and material impact on the company's business and results of operations.

## 2-1-16 Risks related to the company's clients' default, procrastination and inability to pay the amounts due to the company

Due to the partial suspension of the company's activities at the end of 2019G and the full suspension in 2021G, there were minimal sales on credit. It is noteworthy that the company previously faced delays in customer payments, with the aging of trade receivables exceeding 360 days. This prompted the company to establish a credit loss provision in 2019G amounting to 13.19 million Saudi Riyals, representing 79.88% of total trade receivables. This provision was reinforced in 2021G based on a the Board decision by an amount of 26,517 Saudi Riyals, bringing the provision to 13.21 million Saudi Riyals, which represented 100% of total trade receivables due to delays in payment. In 2022G, part of the provision was reversed for an amount of 107,969 Saudi Riyals against an amount collected through enforcement from a previous customer, reducing the provision to 13.10 million Saudi Riyals, representing 100% of the remaining trade receivables. No additions were recorded in either accounts receivable or the provision for expected credit losses during the year 2023G. The balance of the provision for expected credit losses amounts to 13.10 million Saudi Riyals, representing 100% of the total accounts receivable as of December 31, 2023G. There is no guarantee that the company will be able to collect the amounts due to it from these customers, which may result in the debit balances being written off completely if the accounts receivable are proven to be insolvent. **(For more details, refer to Section (5) "Financial Information and Management Discussion and Analysis," subparagraph (5-9-7) "Trade Receivables, Net" of this Prospectus).**

As the company resumes its activities, a portion of the company's sales may represent deferred sales. Therefore, if some customers are unable, late or procrastinate in paying the amounts due on their due dates, this will have a negative and material impact on the company's cash flows, and consequently on its ability to meet its financial obligations and continue its business.

## 2-1-17 Risks related to Liquidity

The company faces liquidity risks when it is unable to provide the necessary funds to meet its financial obligations arising from operating activities in a timely manner. It suffers from liquidity risks due to the lack of any regular and continuous operating revenues to provide sufficient liquidity. The company's current liquidity ratios were (0.016), (0.006), (2.59),



and (1.25) times as of December 31 for the years 2021G, 2022G, 2023G, and the six-month period ending June 30, 2024G, respectively. The increase in the liquidity ratio during 2023G and the six-month period ending June 30, 2024G, is attributed to a cash balance of (30.2) million Saudi Riyals as of June 30, 2024G, resulting from the surplus from the preemptive rights offering during 2023G, with expectations to direct the funds toward investments as outlined in the previous prospectus for the preemptive rights shares (for more information, **please refer to the subparagraph "Total proceeds previously obtained in the last preemptive rights issue, their analysis, description and clarification of their use" from the "Offering Summary" section**). The company cannot guarantee that no unforeseen or emergency events will occur that may require immediate liquidity, which could impact the company's operational performance and financial position.

## 2-1-18 Risks related to the company's inability to meet its financial obligations

The company is currently undergoing financial reorganization, and the financial reorganization trustee, Mr. Hani Al-Aqili, was appointed on 25/05/1442H (corresponding to 07/04/2021G). The role of the financial reorganization trustee is to receive creditors' claims, verify their validity, prepare a list of them, and supervise the debtor's activity from the date of his appointment until the completion of the procedure.

According to Article 63 of Chapter Four of the Bankruptcy Law, Paragraph One: "Every creditor whose debt arose before the court's ruling to open the financial reorganization procedure must submit to the trustee - within a period not exceeding ninety days from the date of announcing the opening of the procedure - any claim he has, whether current or future, or conditional or potential or otherwise, which may have a current or future financial value, and attach to his claim the documents and information stipulated in the regulations and a statement of the value of his claim on the date of the court's ruling to open the procedure, the debt that has not yet been due and its due date, and any other document supporting his claim. He must also specify whether his claim is secured and the nature of the guarantees provided for it."

Accordingly, the following table shows the claims that were submitted and accepted and their payment dates as a result of the opening of the financial reorganization procedure:

**Table (8): Payment of accepted financial claims under the financial reorganization proposal plan as December 31, 2023G**

Claims under the items of the statement of financial position	Accepted claim value	Paid	Expected to be paid within one year**	Expected to be paid within more than one year
Loans	32,024,465	16,012,232	-	16,012,233
Other receivables and credit balances	11,019,550	5,198,324	-	5,821,226
Trade payables*	64,165,250	31,874,625	-	32,290,625
Due to related parties	1,379,078	32,496	275,942	1,070,640
Zakat provision	8,450,692	3,543,543	-	4,907,149
<b>Total</b>	<b>117,039,035</b>	<b>56,661,220***</b>	<b>-</b>	<b>60,377,815</b>

\* Trade payables items includes an amount of 45.2 million Saudi Riyals that were not recorded in the company's book balances and were recorded in the creditors' book balances. More than 68% of the trade payables balance was not recorded in the company's book balances, which creates a potential risk of increasing the value of claims if it is proven that the creditor is owed more than what was recorded in the company's book balances due to the previous management's negligence in the lack of accounting documents and records and failure to follow the correct methods and sound financial procedures that prevent the existence of such differences such as periodic reconciliations of suppliers. The liability lawsuit filed against the previous management included this negligence in all its aspects. **For more details, refer to subparagraph No. (2-1-6) "Risks related to lack of accounting documents and records" of this section.**

\*\* 31/12/2024G.

\*\*\* According to the financial reorganization plan, the total amounts to be paid on 31/10/2023G are 58,519,517 Saudi Riyals, and the company has complied with them and paid 56,661,220 Saudi Riyals, and the company seeks to pay the remaining amount as disclosed in the financial statements ending on December 31, 2023G. The total amounts paid according to the financial reorganization plan until the date of issuance of the prospectus amounted to 65,538,344 Saudi Riyals, and the difference is due to the payment of dues to related parties. **For more details on the reasons, see the**

**subparagraph “Total proceeds previously obtained in the last preemptive rights issue, their analysis, description and clarification of their use” from the offering summary section.**

There is no guarantee that the company will be able to adhere to the payment dates mentioned in the proposal or that the proposal has included all existing claims against the company before opening the financial reorganization procedures or that the company's management will be able to implement the plan and transform the company into a profitable company to enable it to pay its existing obligations, which will have a negative and material impact on the company's continuity.

The agreements and loans concluded with the financing entities impose conditions and commitments on the Company, and these conditions and commitments may limit the Company's ability to carry out certain types of procedures. If the Company breaches any of the items of the agreements and loans concluded and does not comply with them, the financing entity may have the right to request immediate repayment of the debt and collect the guarantees provided by the Company. In this case, the Company may not be able to obtain sufficient alternative sources of financing to meet the repayment of the debt, and any of these factors will have a material and negative impact on the Company's business, financial position and future expectations.

It is worth noting that all claims arising after 25/05/1442H (corresponding to 07/04/2021G), i.e. after the opening of the financial reorganization procedure, will be recorded as an obligation on the company and it will be required to pay those dues or guarantees, which will give the creditors the right to request the guarantees provided by the company, each according to the agreement. In the event that the company is unable to achieve sufficient cash flows, it will not be able to fulfill its obligations due on it, which will negatively affect the company's business and financial position **(for more details on the company's current obligations, refer to Section No. (5) “Financial Information and Management Discussion and Analysis” Subparagraph No. (5-9-12) “Current Liabilities” of this prospectus).**

## **2-1-19 Risks relating to claims that preceded the opening of the financial reorganization procedure and were not included in the claims**

The company is currently undergoing financial reorganization. Given that the primary objective of the company's financial reorganization proposal is to pay off all debts owed by the company and to develop the necessary plans to cover all debts, including potential or overdue debts that may arise after the proposal is approved, namely:

1. Claims rejected by the debtor and pending before the court.
2. Claims received from government agencies (Zakat, Income, Tax and Customs Authority, General Organization for Social Insurance) relating to previous years that were rejected by the debtor.
3. Late claims are those claims related to rights that arose before the date of opening the procedure but were not proven or recorded in the company's records for any reason, or were not submitted by the creditor to the trustee within the statutory period.

In the event that the company receives any claims, they will be studied by the financial department and then presented to the trustee for decision. If they are approved by the trustee, a request will be made to amend the proposal and present it to the trustee. Also, in the event that the proposal is closed and implemented, the company is not legally responsible for any claims due before the proposal is implemented and the debtor does not claim them until after the proposal is closed and implemented. The creditor is considered negligent and has no right to claim the debt.

It is worth noting that until the date of this prospectus, there are no claims against the company except for what was disclosed in the financial reorganization plan. In the event of additional claims that were not included and those claims were accepted by the company and the trustee, the company's financial obligations will increase, which will have a negative impact on the company and its financial position.

## **2-1-20 Risks related to existing and potential sharia zakat entitlements**

The company, like other registered enterprises operating in the Kingdom, is obligated to submit its zakat declarations for the purpose of renewing its zakat certificate. As of the current date, an updated zakat certificate has not been issued. The company is registered as a taxpayer under the unique number (3000653872) and has not fulfilled its obligations to the Zakat, Tax, and Customs Authority. It received a final zakat assessment from its establishment until December 31, 2005G, resulting in zakat liabilities totaling 1,440,098 Saudi Riyals, which remain unpaid to this date.



The company has submitted its zakat declarations for the years 2006G to 2019G, with total claims from the authority for those years amounting to 13,452,152 Saudi Riyals, according to the information available on the electronic platform of the Zakat, Tax, and Customs Authority, which have not been settled as of the date of this prospectus. In 2020G, the Zakat, Tax, and Customs Authority issued an electronic zakat assessment on the company for an amount of 25,219 Saudi Riyals. Subsequently, the company submitted its zakat declaration for the fiscal year ending December 31, 2020G, which indicated that the due zakat amounted to 884,690 Saudi Riyals, which also remains unpaid to date. The company has also submitted its zakat declarations for the year 2021G.

Zakat is mandatory for liable companies. The Zakat, Tax, and Customs Authority communicated with the company on 27/06/1441H (corresponding to 21/02/2020G) and notified it of the implementation of mandatory collection procedures. The mandatory collection includes, according to the provisions set forth in Article (28) of the Executive Regulation for Zakat Collection: seizing movable and immovable assets held in banks, seizing imports at the Zakat, Tax, and Customs Authority, seizing any amounts held by the Ministry of Finance, prohibiting any transactions involving immovable properties (real estate), and denying the company the ability to participate in government competitions or to recruit any labor or to issue and renew work permits necessary for conducting its activities.

In the event that the declarations are not submitted on the specified dates and the certificate is not renewed, the company will not be able to disburse its dues and renew the remaining licenses and will be subject to legal accountability by the Zakat, Tax and Customs Authority, and the services of the Labor Office and the Ministry of Commerce will be suspended. This may negatively affect the company's business, especially since the certificate is considered one of the basic requirements when applying for projects.

With the commencement of financial reorganization procedures on 25/08/1442H (corresponding to 07/04/2021G), the Zakat, Tax, and Customs Authority submitted its claims to the financial reorganization trustee of the company for a total amount of 17,199,377 Saudi Riyals. A portion of this claim, amounting to 8,450,692 Saudi Riyals, was accepted, while the remaining amount of 8,748,685 Saudi Riyals was rejected. The rejected amounts are either due to modified assessments by the Zakat, Tax, and Customs Authority or due to fines and penalties, with the fines totaling 6,130,589 Saudi Riyals.

The list of claims in the company's financial reorganization procedures was approved by the Ninth Commercial Circuit of the Commercial Court in Riyadh on 22/07/1443H (corresponding to 23/02/2022G) and was included in the zakat provision amounting to 15,776,941 Saudi Riyals as of March 31, 2023G. On December 6, 2023G, a payment of (3,543,544) Saudi Riyals was made, leaving a total outstanding amount of (11,786,395) Saudi Riyals. The Zakat provision amounted to 8,008,049 Saudi Riyals as of December 31, 2023G, and amounted to 9,013,565 Saudi Riyals as of June 30, 2024G.

The company has submitted its zakat declarations for the fiscal years 2022 and 2023, which did not result in any outstanding zakat balances. The company cannot predict whether the Zakat, Tax, and Customs Authority will accept negotiations with the company to settle the outstanding zakat payments or whether the authority will accept its zakat estimates or demand the payment of any future zakat differences. If the Zakat, Tax, and Customs Authority demands that the company pay such differences or initiates mandatory collection, it will have a significant negative impact on the company's profits, operational results, financial position, and future expectations.

## 2-1-21 Risks related to VAT entitlements

The Saudi Council of Ministers, on 02/05/1438H (corresponding to 30/01/2017G), approved the Unified Agreement for Value Added Tax (VAT) for the Gulf Cooperation Council (GCC) States. The VAT came into effect on 14/04/1439H (corresponding to 01/01/2018G) as a new tax of 5% on the sale price, in addition to other taxes and fees applied to specific sectors in the Kingdom, including the sectors in which the company operates. On 17/10/1441H (corresponding to 09/06/2020G), the Board of Directors of the General Authority of Zakat and Tax issued Resolution No. (20-3-2) to increase the VAT rate to 15% of the sale price, effective from 07/10/1438H (corresponding to 01/07/2020G).

It is worth noting that the company was registered as a taxable entity on 01/12/1438H (corresponding to 23/08/2017G) with the tax registration number (300065387200003), effective from 14/04/1439H (corresponding to 01/01/2018G). The company failed to comply with the payment of VAT, which subjected it to VAT-related penalties and fines. The company has recorded the outstanding VAT balance payable to the Zakat, Tax, and Customs Authority based on the amounts invoiced in the electronic system records under the "VAT Payable" account, amounting to (7,357,931) Saudi Riyals, including late payment penalties, as of 31 March 2023G.

With the initiation of financial reorganization procedures on 25/08/1442H (corresponding to 07/04/2021G), the Zakat, Tax, and Customs Authority submitted its claims to the company's financial reorganization trustee for a total amount of

4,733,580.75 Saudi Riyals. A portion of this amount, totaling 1,928,967.31 Saudi Riyals, was accepted, while the remaining amount of 2,804,613.44 Saudi Riyals, representing cumulative late payment penalties up to 2021G, was rejected. The claims list under the company's financial reorganization procedures was approved by the Ninth Chamber of the Commercial Court in Riyadh on 22/07/1443H (corresponding to 23/02/2022G) and is included in the VAT balance of (3,075,033) Saudi Riyals as of 31 December 2023G.

Since VAT is by nature borne by the end consumer, companies usually raise their product prices to reflect the value of the VAT. Consequently, the prices of their services, including VAT, will increase, which may lead to a decrease in demand for them, and thus the company's operations and profits will be negatively affected. However, if the company fails to transfer the VAT value in full to the customer due to competitive factors or otherwise, it will be forced to bear the value of the uncollected tax from the customer. The company's failure to pay VAT may result in financial penalties and sanctions from Zakat, Tax and Customs Authority, and may result in a tax audit that consumes additional time and effort. This may also negatively affect the company's reputation, increase legal administrative costs, and weaken its ability to meet its financial obligations. This will negatively impact its profits and operations.

## 2-1-22 Risks related to the company's commitment to applying accounting standards and their amendments

The Company's financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) adopted in the Kingdom of Saudi Arabia and other versions approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA), and the Company is obligated to apply them and the amendments or changes that occur to them from time to time.

During the fiscal year ending December 31, 2022G, the company's management decided to change the accounting policy related to measuring property, plant and equipment items in accordance with the requirements of International Accounting Standard No. (16), where the revaluation model was applied instead of the cost model used to record the land item. In accordance with the requirements of the standard, the new policy was adopted prospectively, and accordingly the revaluation model was applied. It is worth noting that the impairment loss recorded for buildings in the fiscal year 2021G did not comply with the International Standard IAS 36 Impairment of Assets. The company did not comply with the International Standard IAS 36 Impairment of Assets in two points:

1. There were no indications of impairment of the asset value.
2. Net book value was calculated instead of value in use.

Details of the accounting policy change and the resulting financial impact are as follows:

New accounting policy	Previous accounting policy
<p>Initial recognition is made at cost, except for land, which is measured using the revaluation model based on fair value, based on periodic assessments by professionally qualified appraisers. These revaluations are conducted regularly enough to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Changes in fair value are recognized in other comprehensive income and appear in the statement of financial position under the revaluation surplus, except to the extent that any impairment is recognized in excess of the revaluation surplus or reversals of such impairments are recognized in profit or loss. Land is not subject to depreciation. Land and buildings are revalued annually by professionally qualified appraisers.</p> <p>When the asset is disposed of, the revaluation surplus balance is transferred to retained earnings.</p>	<p>Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Land and capital work-in-progress are stated at cost less accumulated impairment losses, if any.</p> <p>Historical cost includes expenditure that is directly attributable to the acquisition of an asset. Subsequent costs are included in the carrying amount of the asset or are recognized as a separate asset, as appropriate, only when it is probable that the economic benefits associated with the item will flow to the Group and the cost can be measured reliably.</p> <p>Depreciation is recognized to write off the cost of assets after deducting their residual value over their useful lives using the fixed installment method.</p> <p>An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising on disposal of an item of property, plant and equipment, determined as the difference between the net sales proceeds and the carrying amount of the asset, is recognized in profit or loss.</p>

The change in accounting policy resulted in the following financial impact:

♦ **Statement of Financial Position:**

Term	2023G	2022G
Increase in property, plant and equipment term by the gain resulting from the increase in the fair value over the book value of land item	6,457,273	31,658,561
Record a separate item of equity under the title "Recalibration Surplus"	38,115,834	31,658,561

♦ **Statement of profit or loss and other comprehensive income**

A new term has been added under the title "Property, Plant and Equipment Recalibration Surplus" in the amount of 6,457,273 Saudi Riyals for the year 2023G, and 31,658,561 Saudi Riyals for the year 2022G for items of comprehensive income that are not subsequently reclassified to profit or loss.

♦ **Statement of changes in equity**

A new term has been added under the title "Recalibration Surplus" with a balance of 31,658,561 Saudi Riyals for the year 2022G, and a balance of 38,115,834 Saudi Riyals for the year 2023G. It is worth noting that the financial statements for the fiscal year ending December 31, 2021G included recording a decline in the value of buildings amounting to (12,672,951) Saudi Riyals, and compliance with International Standard No. IAS 36 "Impairment in the Value of Assets" was not achieved, as there were no indications of a decline in the value of the asset and the usable value was not calculated before recognizing the decline in value. Therefore, the company's failure to implement the standards may lead to a decrease in the accuracy of the financial report, and any changes in these policies or the mandatory application of some new standards may negatively affect the financial statements and consequently the company's financial results and financial position.

## 2-1-23 Risks related to the quality of financial reporting

The financial statements contained a large number of errors in formulation and compilation. In addition, the Arabic and English versions of the financial statements are not identical and contain some differences as follows:

**1. Disclosure of assets and properties available for sale:**

In the financial statements for the fiscal years 2021G and 2022G, in both Arabic and English, Disclosure No. 8 "Assets and Properties Held for Sale" clarified that a portion of the iron and scrap piles was sold for 230,000 Saudi Riyals in the 2021G statements. The company received an offer to purchase this portion at this value, without specifying whether VAT was included. It was later determined that the buyer's offer included VAT, meaning the sale amount was 200,000 Saudi Riyals, with 30,000 Saudi Riyals being the VAT. This item was revised in the 2022G financial statements, but the reason for the change in the sale value for the same transaction was not disclosed.

**2. Disclosure of the movement in the provision for credit losses on trade receivables:**

In the financial statements for the fiscal year 2021G in Arabic and English, Disclosure No. 10, Net Trade Receivables Balances, shows the movement of the provision for credit losses for trade receivables, an opening balance of (12,438,576) Saudi Riyals and a closing balance of (13,190,471) Saudi Riyals in the fiscal year for the comparative year 2020G, despite the absence of movement in the provision in 2020G; a typographical error in writing the opening balance, and the correct balance is that the balance of 01/01/2020G is (13,190,471) Saudi Riyals.

**3. Disclosure of related parties:**

- ♦ In the financial statements for the fiscal year 2022G in English only, Disclosure No. 12 due to related parties, it appears that the balance on 31/12/2022G is (1,379,078) instead of (1,570,078); a typographical error in the English version only and was not reflected in the total.
- ♦ In the financial statements for the first quarter of 2023G in English only, Disclosure No. 10 due to related parties, the amount of (1,580,078) appears instead of (1,570,078) in the balance of 01/01/2023G, and the amount of (1,379,078) appears in the balance of 31/03/2023G instead of (1,570,078); a typographical error in the English version and was not reflected in the total.

#### 4. Disclosure of property, plant and equipment:

In the financial statements for the fiscal year 2021G in Arabic and English, Disclosure No. 5 Property, Plant and Equipment, a decline in the value of buildings was recorded without indicators of decline in value and without taking into account the value in use and relying on the book value only, amounting to 18,092,561 Saudi Riyals as of December 31, 2021G; It was not clarified that due to the cessation of the company's activities, the value in use was considered zero. The evaluation process resulted in a decline in value during the year amounting to 12,672,951 Saudi Riyals.

#### 5. Disclosure of Trade payables:

In the financial statements for the fiscal year 2022G, Arabic and English, Disclosure No. 16, Trade Payables, it was stated in detail that the amount of creditors' claims is (68,529,529) Saudi Riyals instead of (68,682,529) Saudi Riyals, a typographical error.

In addition to the above errors, the financial statements included bad debts with a material value of 60,497,450 Saudi Riyals related to the balance due from the associate company, Thimar Markets and Wasmi Agricultural Company, due to the liquidation and bankruptcy of the associate company during the fiscal year 2021G. The company classified the amount of bad debts within general and administrative expenses instead of classifying it within the statement of comprehensive income in accordance with International Accounting Standard IAS-1. The incorrect classification of financial statement items affects the quality of the financial statements for comparison and decision-making purposes, and addressing classification issues requires a comprehensive approach, including a set of corrective actions, preventive measures, and communication with stakeholders.

The repetition of these typographical errors and lack of disclosures leads to difficulty in reading the financial information, which will affect the quality of decision-making based on the financial information from these statements, which may negatively and materially affect the company's operational results.

### 2-1-24 Risks related to reliance on the human element

As a result of the company's operational cessation and the initiation of financial reorganization procedures, the company did not have a sufficient number of employees with the required technical expertise. The company will need to employ qualified individuals when resuming its operational activities. The company aims to attract and employ qualified individuals to ensure the efficiency and quality of its work through effective management and sound operation, considering that the company's success depends on its ability to attract and retain them. However, the company may face what prompts it to dispense with its employees in order to reduce the volume of monthly spending and expenses. The company may be forced to rely on an external service provider to carry out the responsibilities of some departments in order to reduce costs.

The number of employees in the company was (8) employees only as of 31/12/2023G. Accordingly, the company's loss of skilled human elements or its inability to retain them will negatively affect the company's business, and the company's profitability may be affected if the company is forced to pay higher salaries and benefits in exchange for retaining them.

### 2-1-25 Risks related to violating labor laws

The Labor Law and its Executive Regulations require all employers to ensure that employment contracts with employees and workers are written and made in two copies. Additionally, the Ministry of Human Resources and Social Development mandates that employment contracts be documented electronically by uploading and updating the relevant information. This allows employees to verify the accuracy of their contract data through the "Qiwa" platform for both Saudi and non-Saudi workers, as per the ministerial decision issued on 16/05/1444H (corresponding to 11/12/2022G). It is mandatory to document the contracts of all employees hired after the date of this decision immediately, while the contracts of those hired previously must be documented in phases, with completion required by the end of the fourth quarter of 2020G. The company is committed to achieving 100% electronic documentation of contracts. Failure to comply with this requirement may constitute a violation of the Labor Law and its Executive Regulations, subjecting the company to a fine of (1,000) Saudi Riyals per non-compliant worker, as stipulated in the Table of Violations and Penalties issued under Ministerial Decision No. (178743) dated 27/09/1440H (corresponding to 01/06/2019G). Such violations could negatively impact the company's operations and financial results.

As of the date of publication of this prospectus, the company is committed to implementing the Wage Protection System, one of the programs initiated by the Ministry of Human Resources and Social Development. This program aims to provide a suitable and secure work environment in the private sector by enhancing transparency and safeguarding the rights of contracting parties. The system monitors wage disbursement for all employees in the private sector, including (Saudis and

expatriates), and assesses the compliance of establishments in paying wages on time and at the agreed-upon value, thereby reducing wage disputes between establishments and their employees in the private sector.

This system requires establishments to upload the wage disbursement file to the Ministry's electronic services portal and to update employee data periodically as changes occur. The program monitors monthly wage disbursement data from establishments and compares it with the records at the Ministry of Human Resources and Social Development. The Ministry evaluates the employer's adherence to paying wages on time and at the agreed value as recorded in the Wage Protection System. In the event of failure by the company to upload the wage file to the Ministry's website by the due date or to pay wages on time and/or at the agreed value may subject it to penalties and fines. These include the suspension of Ministry services and financial penalties of up to (10,000) Saudi Riyals, as well as an additional fine of (3,000) Saudi Riyals for each employee whose salary is not paid on the due date, as stipulated in the Table of Violations and Penalties issued under Ministerial Decision No. (178743) dated 27/09/1440H (corresponding to 01/06/2019G). Additionally, failure to upload the Wage Protection file monthly may subject the company to fines for not paying salaries on time. If these penalties are imposed, they could negatively impact the company's operations and financial performance. It is worth noting that, as of the date of this prospectus, the company has not faced any violations or penalties under the Labor Law, which could lead to the closure of the establishment for up to thirty days or even permanent closure.

## 2-1-26 Risks related to the adequacy of insurance coverage

As of the date of this prospectus, the company holds valid insurance policies for its employees provided by Al-Tawuniya Company under Policy No. 43407840, effective from 16/01/2025G to 15/01/2026G. It is worth noting that, according to Article (14) of the Health Insurance Law, "If an employer does not subscribe to or fails to pay the cooperative health insurance premiums, they shall be obligated to pay all outstanding premiums in addition to a financial penalty not exceeding the value of the annual subscription for each individual, and they may also be prohibited from recruiting workers permanently or temporarily". The company's inability to conclude new insurance policies or renew expired ones may subject it to penalties and fines, which could have a significant and material negative impact on the company's performance and operational results.

The company, as an insured, provides insurance policies to cover some risks that the company's assets or properties may be exposed to in the course of practicing its activity. The company has insurance on its vehicles. These accidents, if they occur - God forbid - may result in serious damages that will lead to material losses that the company will not be able to compensate for partially or completely due to the lack of sufficient insurance coverage, which will negatively affect the company's operations and its ability to bear the amounts resulting from the losses in addition to temporarily stopping its operations, which will have a negative impact on its financial results and profits.

## 2-1-27 Risks related to contingent liabilities

Any potential liabilities of the Company, such as lawsuits and claims that have not been submitted to the financial reorganization trustee and other liabilities or other costs related to the Company's activity, if realized, will negatively affect the Company's financial status, financial position, results of its operations and future expectations. It is worth noting that any lawsuits or financial claims not included in the financial reorganization ruling or any financial claim by a judicial ruling issued after the financial reorganization ruling are enforceable and the penalties stipulated in Article 46 of the Execution law will be applied to the creditor. As of the date of this prospectus, the Company does not have any potential liabilities and therefore the Company has not made any provision for them.

## 2-1-28 Risks related to litigation and legal actions

The company and its subsidiaries may, in the course of their operations, face lawsuits and claims related to their activities. The company cannot guarantee the absence of disputes with internal parties (such as employees or managers) or external parties it deals with, such as customers, suppliers, distributors, and others. Such disputes could result in lawsuits (e.g., labor claims, financial demands, or contract termination lawsuits due to a party's breach of obligations or commitments) being filed with the competent judicial authorities. As a result, the company may be subject to legal claims from governmental bodies or departments and investigations. Naturally, the company cannot predict the outcomes of such claims if they arise, nor can it guarantee that such claims would not have a material impact on its business, financial position, and operating results. Moreover, the company cannot accurately estimate the cost of lawsuits or legal proceedings it may file or face, nor can it predict the final outcomes of such lawsuits, or the judgments issued, including compensation and penalties. As of the date of this prospectus, the company is not a party to any ongoing or potential lawsuits, claims, arbitration,



or administrative proceedings, whether individually or collectively. However, the company is pursuing (3) lawsuits as a plaintiff, with total claims amounting to (230,416,942) Saudi Riyals. **(For further details on the lawsuits, refer to Section (9) "Legal Information," Subsection (9-1-13) "Litigation" in this prospectus).**

## 2-1-29 Risks related to failure to obtain or renew licenses and certificates

The Company and its Subsidiary must obtain the necessary permits, licenses and regulatory approvals from a number of relevant government agencies in order to be able to carry out their business and activities. For example, these permits, licenses and approvals include, but are not limited to, the Company's and its Subsidiary's commercial registration certificates issued by the Ministry of Commerce, Civil Defense permits, membership certificates with the relevant chambers of commerce, trademark registration certificates, and localization and social insurance certificates, as applicable in each case with respect to the Company's and its Subsidiary's business. Each approval is subject to the fulfillment of certain conditions, and the Company and its Subsidiary may face difficulties in obtaining any government approvals, or in fulfilling the conditions required to obtain such approvals, or may be unable to comply with new regulations, rules or policies that may be applied from time to time. **For more information, please refer to paragraph (9-1-6) "Government Approvals, Licenses and Certifications" of Section (9) "Legal Information" of this Prospectus.**

Failure of the Company and its subsidiary to obtain these licenses, certificates or approvals may result in the imposition of fines or penalties. Failure of the Company to comply with the requirements of the Ministry of Municipal and Rural Affairs and Housing regarding the renewal/issuance of municipal licenses for offices/branches through which it carries out its commercial activity is considered a violation and may expose the Company to penalties stipulated in the Municipal Violations Penalties Regulations issued on 05/02/1442H (corresponding to 22/09/2020G), which may reach (50,000) one thousand Riyals, in addition to closing the office and doubling the penalty in the event of repetition, which may negatively affect the Company's operations, results of operations and financial position.

The Civil Defense System issued by Royal Decree No. (M/10) dated 10/05/1406H (corresponding to 21/01/1986G) and amended by Royal Decree No. (M/66) dated 02/10/1424H (corresponding to 26/11/2003G) requires compliance with security and safety requirements. Failure to comply will expose the company to penalties and fines stipulated in Article (30), which stipulates that a penalty for violating any provision of this system, its regulations, or decisions based on it shall be imprisonment for a period not exceeding six months, or a fine not exceeding 30,000 Riyals, or both. The company's failure to obtain Civil Defense licenses will also result in the company's inability to obtain new municipal licenses or renew existing licenses. In the event of its inability to obtain safety licenses from Civil Defense, this may lead to the office being closed until the regular procedures for obtaining Civil Defense licenses are completed, which may negatively affect the company's and subsidiary's operations, results of operations, and financial position.

## 2-1-30 Risks related to trademark and website protection

As of the date of this prospectus, the company owns a trademark registered with the Saudi Authority for Intellectual Property under Registration No. (MT-01-00-17085-24), with protection starting from 29/10/1445H until 29/10/1455H. **(For more information, please refer to Subsection (9-1-14) "Trademarks" in Section (9) "Legal Information" of this prospectus).**

In addition, the Company may from time to time have to renew the registration of such trademarks, register new trademarks, or file a lawsuit to protect its rights to its trademarks and other intellectual property rights, and the Company may be subject to accusations and allegations by third parties that it has infringed their intellectual property rights, or that the Company has misused such rights, which may result in legal action. The outcome of litigation relating to the Company's intellectual property rights cannot be guaranteed, and this may cause the Company to incur significant costs and allocate financial resources to cover the expenses of such litigation, which will negatively affect the Company's income and profits regardless of whether the Group is able to successfully prove or defend its intellectual property rights. Any of the aforementioned factors will have a negative and material effect on the Company's business, financial position, results of operations and future expectations.

## 2-1-31 Risks related to the new companies' law and the amended governance regulations

The company has complied with the companies law issued under Royal Decree No. (M/3) dated 28/01/1437H (corresponding to 10/11/2015G) and published in the Official Gazette (Umm Al-Qura) on 22/01/1437H (corresponding to 04/12/2015G), which came into effect on 27/07/1437H (corresponding to 04/05/2016G) and was amended by Royal Decree No. (M/79)

dated 25/07/1439H (corresponding to 11/04/2018G). The company has also complied with Article (224) of the companies law by amending its articles of association in accordance with the provisions of the companies law. The Extraordinary General Assembly approved the updated articles of association during its meeting held on 09/02/1438H (corresponding to 09/11/2016G). The latest version of the articles of association was issued based on the resolution of the Extraordinary General Assembly on 05/05/1441H (corresponding to 31/12/2019G) and was approved by the Ministry of Commerce on 18/06/1441H (corresponding to 12/02/2020G).

On 25/07/1439H (corresponding to 11/04/2018G), Royal Decree No. (M/79) was issued, amending certain articles of the new companies law, including Article (91) concerning the notice period for convening the General Assembly, Article (104) concerning the audit committee's report, Paragraph (3) of Article (126) concerning financial documents, and Article (80) concerning liability claims, allowing the company to bear the expenses incurred by a shareholder in filing a lawsuit against the company regardless of its outcome. The company presented these amendments to the Extraordinary General Assembly for approval on 10/03/1442H (corresponding to 27/10/2020G). The Extraordinary General Assembly approved the updated Articles of Association in accordance with the companies law, and it was subsequently approved by the Ministry of Commerce on 18/04/1442H (corresponding to 03/12/2020G).

On 01/12/1443H (corresponding to 30/06/2022G), Royal Decree No. (M/132) was issued, amending the companies law. The new law came into effect on 26/06/1444H (corresponding to 19/01/2023G), and grants companies a period of two years from the date of its implementation to adjust their affairs in accordance with its provisions. The new companies law introduces new requirements, including the obligation for official registration of all companies, including unregistered joint ventures, organizing and documenting stock options arrangements, and imposing certain prerequisites for profit distribution. The company has not assessed the impact of the new companies law on its operations.

The company has updated the draft of its Articles of Association to align with the new companies law and its executive regulations. The company's Extraordinary General Assembly approved the updated Articles of Association on 06/07/2023G to comply with the new amendments. There is no guarantee that future amendments to the companies law will not require further compliance. If such amendments are significant, the company may incur additional costs to take the necessary steps to ensure compliance, or it may be subject to penalties and fines imposed by the Ministry of Commerce for non-compliance with these regulations and laws. This could have a material negative impact on the company's business, financial position, operating results, and future expectations.

The company is committed to the new Corporate Governance Regulations in accordance with the issuance of the new Companies Law. The Corporate Governance Regulations issued by the Board of the Capital Market Authority were amended under Decision No. (8-16-2017) dated 16/05/1438H. Based on the Companies Law issued under Royal Decree No. (M/3) dated 28/01/1437H, and amended by the Authority's Board Decision No. (8-5-2023) dated 25/06/1444H (corresponding to 18/01/2023G) in accordance with the Companies Law issued under Royal Decree No. (M/132) dated 01/12/1443H, Any violation of these rules and procedures, or failure to apply them, may expose the company to accountability by the Capital Market Authority. This will have a material and negative impact on the company and its subsidiaries' business, financial position, operating results, and future expectations.

## 2-1-32 Risks related to investments in other companies

Companies face a range of risks when investing in other companies, which directly impact their performance. These risks include financial risks, such as market fluctuations and high debt levels in the invested companies, which can lead to financial losses. Operational risks also play an important role, as the outcomes depend on management efficiency and potential changes in operations, which could negatively affect returns. Additionally, legal and regulatory risks arise, such as legislative changes that may limit the ability of the invested company to operate, as well as the legal liability the parent company may bear in the event of issues. Economic crises and changes in demand can affect the performance of companies, which is reflected in their profitability. Reputational risks also play an important role, as the negative performance of the invested company may negatively reflect on the reputation of the parent company and affect the confidence of investors and customers. All these factors can lead to fluctuations in profits and market value, requiring companies to reassess their investment strategies to effectively manage these risks and achieve the desired returns.

It is worth noting that the company has invested in associate companies, namely National Fresh Fruits Products Company, in which Thimar Development Holding Company holds (50% of the capital equivalent to 250,000 Saudi Riyals), and Thimar Markets and Wasmi Agricultural Company (30% of the capital, equivalent to 3,000,000 Saudi Riyals). These companies have been liquidated, and the investment balance for these companies is now Zero. **(For more information, please refer to Subsection (2-1-7) "Risks Related to the Bankruptcy of Associated Companies" in Section (2) "Risk Factors" of this prospectus).**



## 2-1-33 Risks related to the existence of preemptive rights issues

In 2023G, the company increased its capital by issuing preemptive rights of (15,000,000) shares at a price of (10) Saudi Riyals, with the total proceeds of the offering amounting to (150,000,000) Saudi Riyals. The company disclosed in the relevant prospectus that the proceeds of the offering will be used to support the company's activities and pay creditors according to the financial reorganization plan in addition to the offering expenses. And the following table outlines the changes made to the proceeds of the offering as disclosed in the previous prospectus, along with the percentage variance for each item. **For more details and information, please refer to (Offering Summary) paragraph (Total proceeds previously obtained in the last preemptive rights issue, their analysis, description and clarification of their use).**

Item (Saudi Riyals)	Planned usage	Actual use As of the date of the prospectus	The difference between actual and planned usage	Amount directed from real estate investment	Remaining amount for each item	Actual spending to planned spending percentage
Partial payment of creditors according to the financial reorganization proposal	58,519,517	65,538,344		7,018,827		111.99%
Real estate investment	47,000,000	12,138,000	34,862,000		3,918,497.70	25.83% (deviation rate (65.84%))
Payment of dues under court rulings	2,437,322	5,691,792.3		3,254,470.3	-	233.53%
Working Capital Financing	10,320,925	26,036,253.00		15,715,328	-	252.27%
Payment of other due expenses	13,249,236	18,190,013		4,940,777	-	137.29%
Offering costs	18,473,000	18,487,100.00		14,100	-	100.08%
<b>Total</b>	<b>150,000,000</b>	<b>146,081,502</b>	<b>34,862,000</b>	<b>30,943,502</b>	<b>3,918,498</b>	

The company did not disclose or obtain the approval of the Extraordinary General Assembly to change the use of the proceeds of the offering, which exposes the company to a violation based on subparagraph (W) of Article (57) of the Rules for Offering Securities and Continuing Obligations, which stipulates that the issuer must disclose to the public when there is a difference of 5% or more between the actual use of the proceeds of the issuance of preemptive rights shares or the issuance of shares with the suspension of the preemptive right versus what was disclosed in the relevant prospectus as soon as it becomes aware of it.

The Board of Directors of the Company recommended in its decision dated 16/05/1445H (corresponding to 30/11/2023G) to increase the Company's capital by offering preemptive rights shares worth one hundred and ninety-five million (195,000,000) Saudi Riyals, through the offering of preemptive rights shares in the amount of nineteen million and five hundred thousand (19,500,000) new ordinary shares, representing an increase in the Company's capital by (300%), so that the Company's capital after the increase becomes two hundred and sixty million (260,000,000) Saudi Riyals.

If the Company fails to raise sufficient funds through preemptive rights issues or to use them optimally, or if, after the completion of the capital increase process, it modifies the use of the proceeds of the offering from what was disclosed in the prospectus and these uses have a negative impact on the Company, this will have a negative and material impact on the Company's business, financial position and future expectations.

## 2-1-34 Risks related to investing in real estate funds

The real estate sector experiences significant fluctuations in value periodically, and any change in the Saudi economy may lead to a decline in the market value of the Fund's investments. This decline may cause a decrease in expected returns, affecting the Fund's ability to successfully implement its investment strategy. The Fund's performance depends largely on

changes in supply and demand conditions in the real estate sector, which may be affected by economic and political factors or increased competition, which may lead to a decline in the value of real estate and thus a reduction in the net value of units. This in turn negatively affects investors in the Fund.

Real estate assets may also face the risk of default due to several factors, leading to delays in the implementation or marketing of projects, which may result in the loss of part or all of the invested capital, which will directly affect the company's financial position, business results and future expectations.

## **2-1-35 Risks related to the company's failure to continue its investments and enter into new investments**

The Company may face risks related to the discontinuity of its real estate investments or the redirection of the use of the offering proceeds, as a result of a change in its investment orientation or a restructuring of its portfolio, which could negatively impact its financial performance and future stability.

The company recently exited its investment in a real estate fund developing the Yamamah City Center project (in which it had previously invested 6 million Saudi Riyals, with a final valuation of 7.6 million Saudi Riyals), in exchange for acquiring a 26% stake in Al Yamamah Plus Serviced Apartments Company for a total amount of 9 million Saudi Riyals. The deal was financed through an in-kind waiver of the previous investment, in addition to a commitment to pay 1.392 million Saudi Riyals in cash, which will be provided later from the proceeds of a future capital increase. This investment shift reflects a move toward operating assets with more stable returns, but it involves several risks, most notably:

- ♦ Lack of clarity on the medium - and long-term investment strategy, and the possibility of repeatedly exiting projects before they mature or achieve their targeted returns.
- ♦ Partial reliance on deferred financing linked to a future capital increase to increase ownership from 22% to 26% exposes the company to liquidity risks or failure to achieve its targeted returns if this transaction is delayed or disrupted.
- ♦ The absence of a final assessment of the financial impact resulting from the exit and entry into an alternative investment, and the possibility of not achieving the expected investment returns.
- ♦ Reduced ability of investors and users of financial statements to assess the stability and reliability of the company's investment orientations in light of unplanned or unannounced changes in the use of proceeds.

Accordingly, these changes may negatively impact the stability of the company's financial performance and limit its ability to attract investors or participate in future projects, unless its investment orientations are supported by clear risk management plans and comprehensive financial scheduling that ensures sustainable liquidity and the achievement of profitable operating returns.

## **2-2 Risks related to the market and sector in which the issuer operates**

### **2-2-1 Risks related to the Kingdom's economic performance**

The company's expected future performance depends on a number of factors related to the economic conditions in the Kingdom in general, including but not limited to factors such as inflation, GDP growth, per capita income, and others. The overall and sectoral economy of the Kingdom is primarily dependent on oil and oil industries, which still dominate a large share of the GDP. Therefore, any unfavorable fluctuations in oil prices will have a direct and material impact on the plans and growth of the Kingdom's economy in general, as well as on government spending rates, which could negatively affect the company's financial performance, as it operates within the Kingdom's economic system and is influenced by government spending rates.

The continued growth of the Kingdom's economy also depends on several other factors, including continued population growth and public and private sector investments in infrastructure. Therefore, any negative change in any of these factors will have a significant impact on the economy and will consequently have a negative and material impact on the company's business, financial results and future expectations.

## 2-2-2 Risks of growth opportunity

The company's ability to develop its business depends on the level of competition in the market, the availability of material and human resources, the capacity of its management team, legal systems, etc. There is no guarantee that the company will achieve growth in its activity and achieve the company's strategic plan referred to in the financial organizing, as the company may face difficulties in attracting skilled workers capable of advancing the company, expanding its activity, developing its market share and increasing its sales. Accordingly, if the company is unable to implement its strategic plan, its ability to develop its activity, increase its market share, increase its business profits and enhance returns to its shareholders may be affected, which means that the company's financial position will be negatively affected.

## 2-2-3 Risks related to the competitive environment

The Company and its subsidiaries operate in a competitive environment and face strong competition. There is no guarantee that the Company will continue to be able to compete effectively with other companies in the market. The Company's competitive ability depends on distinguishing the Company's products from other products offered in the market by providing high-quality products at reasonable prices. If current or potential competitors offer products of higher quality or at better competitive prices than those offered by the Company, the Company cannot guarantee that they will keep pace with and adapt quickly to evolving industry trends or changing market requirements, which will have a negative impact on the Company's financial results and profitability.

## 2-2-4 Risks related to non-compliance with existing laws and regulations and/or the issuance of new laws and regulations

The Company and its subsidiaries (within the Kingdom) are subject to the supervision of a number of government agencies in the Kingdom of Saudi Arabia. Accordingly, the Company and its subsidiaries are exposed to the risks of changes in the laws, regulations, circulars and policies in the Kingdom. The costs of compliance with these regulations are high. In the event that changes are made to the current laws or regulations or the issuance of new laws or regulations, this will result in the Company incurring additional unexpected financial expenses for purposes related to compliance with these regulations and meeting the requirements of these laws, or it may be subject to penalties and fines imposed by the competent supervisory authorities in the event of its failure to comply with these regulations and systems on an ongoing basis, on its business, results of operations, financial position and future expectations.

## 2-2-5 Risks related to political and economic instability in the Middle East region

Some countries in the Middle East are currently experiencing economic, political or security instability. There are no guarantees that these economic, political and security conditions in these countries or any other countries will not have a negative impact on the Company's business, results of operations, financial position and future expectations.

## 2-2-6 Risks related to the imposition of new fees or taxes

Although the Company is not currently subject to any type of taxes other than Zakat and Value Added Tax, which is currently 15% of the selling price, it is possible that other fees or taxes may be imposed on companies by the government in the future. Accordingly, if new taxes or fees are imposed on companies other than those currently in effect, this will negatively affect the Company's net profits.

## 2-2-7 Risks related to the increase in the price of energy and water

The Council of Ministers issued Decision No. (95) dated 17/03/1437H (corresponding to 28/12/2015G), approving the increase in prices of energy products, electricity consumption tariffs, water pricing, and sanitation services for the residential, commercial, and industrial sectors. This decision is part of policies aimed at rationalizing energy consumption and reducing government subsidies in the Kingdom. Additionally, the Ministry of Energy issued a statement on 24/03/1439H (corresponding to 12/12/2017G) regarding the Financial Balance Program plan to adjust energy product prices, effective from 14/04/1439H (corresponding to 01/01/2018G). The company's operations rely on the availability of energy products and electricity; therefore, any disruption or reduction in the supply of these products, or any increase in their prices, could significantly impact the company's profitability, operating results, and future expectations.

## 2-2-8 Environment, Safety and Occupational Health

The company's operations, like those of other companies in the same sector, are subject to a wide range of environmental, health, and safety regulations in the Kingdom, which increasingly impose strict standards that the company must continuously adhere to. Compliance with these regulations and the resulting fines can be costly, and meeting new and stricter standards may require additional capital expenditures or adjustments to operational practices. Environmental, health, and safety incidents can occur beyond the company's control. For instance, the company's operations may produce waste materials and pollutants, which if not properly managed or treated, could pose environmental contamination risks. Failure to fully comply with environmental laws and regulations may result in the closure of the company's industrial facilities, as well as fines, penalties, or sanctions imposed by regulatory authorities. Such consequences could negatively impact the company's operations, limit its revenue growth, suspend its activities or licenses, and impair its ability to conduct business, ultimately affecting its financial performance and profitability.

## 2-3 Risks related to the offered securities

### 2-3-1 Risks related to shareholders' lack of awareness of the trading mechanism and their exercise of their rights

In 2013G, the Capital Market Authority, in cooperation with the Saudi Stock Exchange, developed a mechanism for offering, registering and trading rights as securities that allows registered shareholders to subscribe or sell their rights in whole or in part, or to purchase or trade in rights during the rights trading period. This mechanism allows investors (other than shareholders) to purchase rights from eligible shareholders during the rights trading period. Although the Authority has published awareness materials and workshops to familiarize investors with preemptive rights and the method of raising capital through issuing preemptive rights shares, how to subscribe and trade, etc., it may be difficult for some shareholders and investors to understand the mechanism of preemptive rights trading, especially the method of calculating the final price, which may miss the opportunity for shareholders to make an appropriate decision at the appropriate time. It is worth noting that an investor who purchases preemptive rights and then does not subscribe to the shares may lose the entire investment he paid for the preemptive rights if institutional investors subscribe to the new shares during the rump offering period at the offering price.

### 2-3-2 Risks related to potential fluctuations in the price of preemptive rights

The market price of the preemptive rights may be subject to significant fluctuations due to changes in factors affecting the Company's share. This fluctuation may be significant due to the difference between the permissible daily fluctuation rate (which is 10% up and down from the previous day's closing price) for the rights, compared to the permissible daily fluctuation rate for the Company's shares. The trading price of the rights depends on the trading price of the Company's shares and the market's view of the fair price of the rights. These factors may adversely affect the trading price of the rights.

### 2-3-3 Risks related to potential fluctuations in the share price

The market price of the rights during the trading period may not be indicative of the market price of the company's shares after the offering. Similarly, the price of the company's shares may not remain stable and could be significantly affected by market fluctuations related to the rights or the company's existing shares. These fluctuations may also result from various factors, including but not limited to: stock market conditions, poor company performance, inability to execute the company's future plans, the entry of new competitors into the market, changes in analysts' or experts' views and estimates of the financial market, and announcements by the company or its competitors regarding mergers, acquisitions, or strategic alliances.

The sale of large quantities of shares by shareholders, or the belief that such sales may occur, will negatively affect the market price of the company's shares. Additionally, shareholders may not be able to sell their shares in the market without adversely impacting the share price. There is no guarantee that the market price of the company's shares will not fall below the offering price. If this occurs after investors subscribe to the new shares, the subscription cannot be canceled or modified. Consequently, investors may incur losses as a result. Furthermore, there is no assurance that a shareholder will be able to sell his shares at a price equal to or higher than the offering price after subscribing to the new shares.

### 2-3-4 Risks related to the unprofitability or sale of preemptive rights

There is no guarantee that the share will be profitable by trading at a higher price. In addition, there is no guarantee that it will be able to be sold at all, which indicates that there is no guarantee of sufficient demand in the market to exercise preemptive rights or receive compensation from the company, noting that the investor who did not subscribe or sell his rights, and the owners of fractional shares, may not receive any compensation if the sale is made during the rump offering period at the offering price.

### 2-3-5 Risks related to Future Data

The future results and performance data of the Company cannot be predicted and may differ from what is stated in this prospectus. The achievements and ability of the Company to develop are what determine the actual results, which cannot be predicted or determined. The inaccuracy of the data and results is one of the risks that the shareholder must be aware of so as not to affect his investment decision. Whereas if the future results and performance data differ materially from what is stated in this prospectus, this will lead to the shareholders losing part or all of their investment in the Company's shares.

### 2-3-6 Risks related to the possibility of issuing new shares

If the Company decides to issue new shares (other than the preemptive rights shares mentioned in this prospectus), and the current shareholders do not exercise their rights when issuing new preemptive rights, the ownership of the shares will decrease proportionately in addition to the voting rights and the right to receive dividends, and any additional offering may have a material impact on the market price of the share.

### 2-3-7 Risks related to decreased demand for preemptive rights and the company's shares

There is no guarantee that there will be sufficient demand for the preemptive rights during the trading period to enable the holder of the preemptive rights (whether a registered shareholder or a new investor) to sell these rights and generate a profit or to sell the rights at all. Similarly, there is no assurance of adequate demand for the company's shares from institutional investors during the rump offering period. If institutional investors do not submit high-priced bids for the rump shares, there may not be sufficient compensation to distribute to holders of preemptive rights who did not exercise their subscription rights and those entitled to fractional shares. Furthermore, there is no guarantee of sufficient market demand for shares acquired by a subscriber, whether through exercising preemptive rights, the rump offering, or in the open market.

### 2-3-8 Risks of low equity ratios

If holders of preemptive rights do not fully exercise their rights to subscribe to the new shares, their ownership and corresponding voting rights will decrease. Additionally, there is no guarantee that if a registered holder of preemptive rights wishes to sell their rights during the trading period, the proceeds they receive will be sufficient to fully compensate them for the reduction in their ownership percentage in the company's capital resulting from the capital increase. Furthermore, there is no assurance that any compensation amount will be distributed to eligible shareholders who did not exercise their subscription rights or to fractional shareholders if institutional investors during the rump offering period do not submit high-priced bids for the rump shares. Even if compensation is distributed, there is no guarantee that it will be sufficient to offset the decrease in ownership percentage in the company's capital.

### 2-3-9 Risks of not exercising preemptive rights in a timely manner

The subscription period shall commence three (3) business days after the approval of the Extraordinary General Assembly including the approval of the capital increase, on **\*\*/\*\*/\*\*\*\*H** (corresponding to **\*\*/\*\*/\*\*\*\*G**) and shall end on **\*\*/\*\*/\*\*\*\*H** (corresponding to **\*\*/\*\*/\*\*\*\*G**). The rights holders and the financial brokers representing them must take appropriate measures to follow all necessary instructions before the expiry date of the subscription period. If the eligible shareholders are unable to exercise their subscription rights properly by the end of the subscription period, based on their preemptive rights, there is no guarantee that there will be a compensation amount distributed to the eligible shareholders who are not participating or who have not properly exercised the subscription procedures or to the holders of fractional shares.

## 2-3-10 Risks of distributing dividends to shareholders

Future earnings per share will depend on a number of factors including the company's profitability, maintaining its sound financial position, capital requirements, distributable reserves, the company's credit strength and general economic conditions. Increasing the company's capital may result in a decrease in future earnings per share on the grounds that the company's profits will be distributed over a larger number of shares as a result of increasing its capital.

The Company does not guarantee that any dividends on shares will actually be distributed, nor does it guarantee the amount that will be distributed in any given year. The distribution of dividends is subject to certain restrictions and conditions stipulated in the Company's Articles of Association.

## 2-3-11 Risks related to speculation in preemptive rights

Speculation in preemptive rights is subject to risks that may cause substantial losses. The permissible daily fluctuation range for the trading price of preemptive rights exceeds the permissible daily fluctuation range for the market price (which is 10% up and down from the closing price of the previous day). There is also a direct relationship between the price of the company's share and the indicative value of the right, as the indicative value of the right reflects the difference between the market value of the company's share during the trading period and the offering price. Accordingly, the daily price limits (i.e. the daily fluctuation range) for trading rights will be affected by the daily price limits for trading shares. If the speculator does not sell the rights before the end of the trading period, and does not exercise these rights to subscribe for the new shares, he may incur some losses. Therefore, investors must review the full details of the mechanism for listing and trading the new rights and shares and how they work, and be familiar with all the factors affecting them, in order to ensure that any investment decision is based on full awareness and understanding. **(Please refer to Section (12) "Information Related to the Shares and the Terms and Conditions of the Offering" in this prospectus).**

## 2-3-12 Risks related to the suspension of trading or cancellation of the company's shares as a result of not publishing its financial statements within the statutory period

If the company fails to publish its financial information within the regulatory period (30 days from the end of the financial period for interim financial statements and three months from the end of the financial period for annual financial statements), the procedures for suspending listed securities will be applied in accordance with the Listing Rules, approved by the Capital Market Authority's Board under Decision No. (3-123-2017) dated 09/04/1439H (corresponding to 27/12/2017G) and any amendments thereto. These rules stipulate that the Exchange will suspend trading of the company's securities for one trading session following the end of the regulatory period. If the company does not publish its financial information within 20 trading sessions following the first suspension, the Saudi Exchange (Tadawul) will announce the re-suspension of the company's securities until the financial results are disclosed. Should the suspension of the company's shares persist for six months without the company taking appropriate corrective action, the Capital Market Authority may cancel the listing of the company's securities based on Article Thirty-Eight (38) Subparagraph (Z) of the Listing Rules. The Saudi Exchange will lift the suspension after one trading session following the announcement of the company's financial results. However, if the company delays announcing its financial results, it could negatively and materially impact shareholders' interests, the company's reputation, and its operational results. If the company fails to publish its financial information within the specified regulatory period, it may result in the suspension of its shares or the delisting of its securities. This would have a negative and material impact on shareholders' interests, the company's reputation, and its operational performance. Additionally, the Capital Market Authority may cancel the company's preemptive rights offering if it determines that the offering may not be in the best interest of the shareholders.



## 3- Background about the Company and the Nature of its Business

### 3-1 About the Company

Thimar Development Holding Company (hereinafter referred to as "Thimar" or "the Company") is a Saudi public joint-stock company established pursuant to Ministerial Resolution No. (364) dated 18/05/1408H (corresponding to 08/01/1988G) with a license for its incorporation. It is registered with the Ministry of Commerce under Commercial Registration No. (1010068222) issued in Riyadh on 17/05/1408H (corresponding to 07/01/1988G). The company's headquarters is located in Riyadh, Mohammed Ali Jinnah Road, Building No. 3808, Sub-number 7548, Al-Shuhada District, Postal Code 13241. Based on the approval of the Extraordinary General Assembly held on 06/03/1443H (corresponding to 12/10/2021G), the company's commercial name was changed from (National Agricultural Marketing Company) to the current name, (Thimar Development Holding Company).

The company's current capital amounts to sixty-five million (65,000,000) Saudi Riyals, divided into six million five hundred thousand (6,500,000) ordinary shares, with a nominal value of ten (10) Saudi Riyals per share, fully paid (individually referred to as the "Current Share" and collectively as the "Current Shares"). As of the date of this Prospectus, the company does not have any substantial shareholders (those owning 5% or more of the company's shares).

### 3-2 Company history and major developments in its capital structure

The company was established as a Saudi public joint-stock company under Ministerial Resolution No. (364) issued on 18/05/1408H (corresponding to 08/01/1988G), granting approval for its establishment. The company's shares began trading on 29/03/1416H (corresponding to 26/08/1995G) with a capital of twenty-six million eight hundred twenty-six thousand (26,826,000) Saudi Riyals, divided into two hundred sixty-eight thousand two hundred sixty (268,260) ordinary shares, each with a nominal value of one hundred (100) Saudi Riyals, fully paid. In 1998G, the Extraordinary General Assembly approved the share split of the company's shares from two hundred sixty-eight thousand two hundred sixty (268,260) ordinary shares with a nominal value of one hundred (100) Saudi Riyals per share to five hundred thirty-six thousand five hundred twenty (536,520) ordinary shares with a nominal value of fifty (50) Saudi Riyals per share. On 17/04/1421H (corresponding to 19/07/2000G), the company reduced its capital from twenty-six million eight hundred twenty-six thousand (26,826,000) Saudi Riyals to thirteen million four hundred thirteen thousand (13,413,000) Saudi Riyals. Consequently, the number of shares was reduced from five hundred thirty-six thousand five hundred twenty (536,520) ordinary shares to two hundred sixty-eight thousand two hundred sixty (268,260) ordinary shares, with a nominal value of fifty (50) Saudi Riyals per share. On 17/04/1421H (corresponding to 19/07/2000G), the company increased its capital from thirteen million four hundred thirteen thousand (13,413,000) Saudi Riyals to one hundred million (100,000,000) Saudi Riyals. Consequently, the number of shares increased from two hundred sixty-eight thousand two hundred sixty (268,260) ordinary shares to two million (2,000,000) ordinary shares, with a nominal value of fifty (50) Saudi Riyals per share, through the issuance of preemptive rights shares. Following the issuance of the Capital Market Authority Decision No. (4-154-2006) dated 27/02/1427H (corresponding to 27/03/2006G), which stipulated a four-phase stock split for joint-stock companies based on a Cabinet decision requiring the nominal value of shares of joint-stock companies to be ten (10) Saudi Riyals per share, the company's shares were split from two million (2,000,000) ordinary shares to ten million (10,000,000) ordinary shares, each with a nominal value of ten (10) Saudi Riyals. On 23/03/1445H (corresponding to 08/10/2023G), the Extraordinary General Assembly approved increasing the company's capital from one hundred million (100,000,000) Saudi Riyals to two hundred fifty million (250,000,000) Saudi Riyals. Consequently, the number of shares increased from ten million (10,000,000) ordinary shares to twenty-five million (25,000,000) ordinary shares, each with a nominal value of ten (10) Saudi Riyals, through the issuance of preemptive rights shares. On 26/11/1445H (corresponding to 03/06/2024G), the company reduced its capital from two hundred fifty million (250,000,000) Saudi Riyals to sixty-five million (65,000,000) Saudi Riyals. As a result, the number of shares was reduced from twenty-five million (25,000,000) ordinary shares to six million five hundred thousand



(6,500,000) ordinary shares by canceling eighteen million five hundred thousand (18,500,000) shares, reflecting a capital reduction of (74%) at a rate of (0.74) shares canceled for every one share owned. This capital restructuring was implemented to extinguish accumulated losses. The company's current capital is sixty-five million (65,000,000) Saudi Riyals, divided into six million five hundred thousand (6,500,000) ordinary shares, each with a nominal value of ten (10) Saudi Riyals, fully paid.

The company operates under Commercial Registration No. (1010068222) issued on 17/05/1408H (corresponding to 07/01/1988G). The company's activities, as stated in its commercial registration and articles of association, are summarized as follows:

1. Managing subsidiaries of holding companies.
2. Investing the funds of subsidiaries of holding companies.
3. Owning real estate and movables necessary for holding companies.
4. Providing loans, guarantees, and financing to subsidiaries of holding companies.
5. Owning industrial property rights for subsidiaries of holding companies.
6. Leasing industrial property rights for subsidiaries of holding companies.

### 3-3 Vision, Mission and Strategy

#### Company Vision

A country that has given a lot and deserves a lot of building and development.

#### Company Mission

Supporting the national economy with successful and distinguished companies.

#### Company Strategy

- Exploring unique investment opportunities in the agricultural and food sectors.
- Participate in successful activities with rewarding returns that are capable of growth and expansion.
- Support opportunities that can be transferred to financial markets after helping them achieve the necessary conditions.
- Investing in successful opportunities that can be exported outside the Kingdom.
- Reviving some of the company's previously distinguished activities.

### 3-4 Competitive advantages

- The company owns assets suitable for agricultural and livestock investment.
- The company's experience in the field of agriculture and agricultural marketing.
- The company has relationships with important suppliers and customers in the field of meat supply.
- The company owns land in Al Kharj area suitable for agricultural and animal production and will be fully exploited to serve the interests of the company.
- The company owns a factory that can be used for packaging purposes in the fields of vegetables, fruits and meat.
- The company owns land on Al Kharj Road (between Al Kharj and Riyadh) suitable for livestock and commercial production.

### 3-5 Company Branches

The company does not have any branches inside or outside the Kingdom of Saudi Arabia.

### 3-6 Subsidiaries

Table (9): Subsidiaries

Company Name*	Capital (Saudi Riyals)	Place of Establishment	Legal Entity	Commercial Registration Number	Activity	Ownership Percentage
Wasmi and Thimar Meats Company*	100,000	Riyadh	Limited Liability	1010848794	- Production of fresh meat. - Wholesale of meat products. - Retail of meat and meat products.	100%
Thimar Towers Development and Real Estate Investment Company**	25,000	Riyadh	Limited Liability	7036062136	- Prefabricated building construction on sites - General construction of government buildings. - And other real estate activities.	100%

\* The capital has not been deposited yet and the company has not engaged in any activities yet.

\*\* Thimar Towers Development and Real Estate Investment Company was established on 13/03/2024G. The company is still under establishment and no capital has been deposited into the company and the company has not engaged in any activities yet.

### 3-7 Investments in other Companies

The company has investments in companies in the Kingdom of Saudi Arabia. The table below shows a summary of the ownership of Thimar Development Holding Company in these companies:

Table (10): Investments in other Companies

Company Name	Capital (Saudi Riyals)	Place of Establishment	Legal Entity	Activity	Ownership Percentage
Thimar Markets and Wasmi Agricultural Company*	10,000,000	Saudi Arabia	Limited Liability	Wholesale and retail trade in agricultural, industrial and food products, refrigerated meat, sanitary, cleaning and consumer goods, and all household items.	30%
National Fresh Fruits Products Company**	500,000	Saudi Arabia	Limited Liability	Wholesale and retail trade in vegetables, fruits, food products, cooked and uncooked catering services, import and export services and marketing for others	50%


\* In 2021G, a ruling was issued by the Ninth Circuit of the Commercial Court in Riyadh to initiate liquidation proceedings for Thimar Markets and Wasmi Agricultural Company. Based on the liquidation results, which confirmed the bankruptcy of the company, there are no remaining balances for it within the consolidated financial statements. During the fiscal year ended 31 December 2023G, the company received an amount of 847,395 Saudi Riyals, representing its entitled share from the liquidation of the associate company.

\*\* The company's accumulated losses amounted to 100% of its capital over previous years, and the company's management decided to stop calculating equity. The debt balance owed by the associate company was written off, and there are no outstanding balances for it in the consolidated financial statements. Due to the existence of an ongoing lawsuit to liquidate the company that has not been adjudicated, the Bankruptcy Committee announced the opening of the administrative liquidation procedure for the National Fresh Fruits Products Company, and a ruling was issued to end the administrative liquidation procedures.

### 3-8 Trademark

The company relies on its trademark in marketing its services, which supports its business and competitive position, and gives it a clear distinction in the market among customers. The company has registered its trademark with the Ministry of Commerce and Industry according to the table below:

Table (11): Trademark

Trademark	Trademark Owner Company	Country	Category	Registration Number	Registration Date	Status	Expiry Date of Protection
 ثمار القابضة THIMAR HOLDING	Thimar Development Holding Company	Kingdom of Saudi Arabia	35	TM-01-00-17085-24	18/04/1446H	Valid	29/10/1455H

### 3-9 Company Activity

The main activities of Thimar Development Holding Company (formerly National Agricultural Marketing Company - Thimar) are divided into **two main activities**:

**1. Production of Agricultural Products:** Since its establishment, the company has primarily focused on the production of fresh agricultural products. The company also imports certain agricultural products from within and outside the Kingdom of Saudi Arabia and sells them through retail outlets.

**2. Animal Production:** The company raises and trades livestock that it sells to customers, including, but not limited to: government agencies, palaces, hotels, and hospitals.

After the company was converted into a holding company, its activities expanded to include managing subsidiaries of holding companies, investing the funds of subsidiaries of holding companies, owning real estate and movables necessary for holding companies, providing loans, guarantees, and financing to subsidiaries of holding companies, owning industrial property rights for subsidiaries of holding companies, and leasing industrial property rights for subsidiaries of holding companies.

As part of its commitment to optimizing its assets and reinforcing its leading role in food security, the company plans to invest in companies engaged in the following activities: livestock raising, supplying live and chilled meat, agricultural marketing, and utilizing existing assets such as the agricultural land in Al-Kharj, the commercial land on Al-Kharj Road, and the factory located in the Al-Obeikan Industrial Area in Riyadh.

### 3-10 Business Interruption

The company incurred losses due to a decline in its operational activities, which led to a shortage in its liquidity and an inability to meet its financial obligations. In 2019G, all of the company's bank accounts were frozen, which resulted in a reduction of operations to sales at the Al-Azizia Market (the Stalls and Refrigerators), relying solely on cash transactions. On 22/05/1442H, one of the creditors filed a request for the liquidation of the company. The company objected to the liquidation request on 21/06/1442H, and the Ninth Circuit of the Commercial Court ruled to reject the creditor's request, granting National Agricultural Marketing Company – Thimar – the right to initiate financial reorganization proceedings. This process included identifying creditors and preparing the financial organization plan, enabling the company to improve its economic performance, change its activities, and transform it into a holding company. Which led to the company's operations stopping completely after the sale of the stalls and refrigerators, in addition to financial reorganization procedures.

### 3-11 Employees

#### Company Employees and Saudization rate

The company falls under the (small green - category A) range of the Saudization Nitaqat program, and the following table shows the number of Employees and the Saudization rate in the company.

Table (12): Employees

Item	2021G		2022G		2023G	
	Number	Percentage%	Number	Percentage%	Number	Percentage%
Saudis	3	21%	3	30%	2	25%
Non-Saudis	11	79%	7	70%	6	75%
<b>Total</b>	<b>14</b>	<b>100%</b>	<b>10</b>	<b>100%</b>	<b>8</b>	<b>100%</b>

Source: The Company

### 3-12 Employees Shares Program Existing Prior to Submitting the Application for Registration and Offering of Securities Subject to This Prospectus:

As of the date of this Prospectus, the Company does not have any Employees Shares allocation programs.

### 3-13 Arrangements involving Employees in Capital

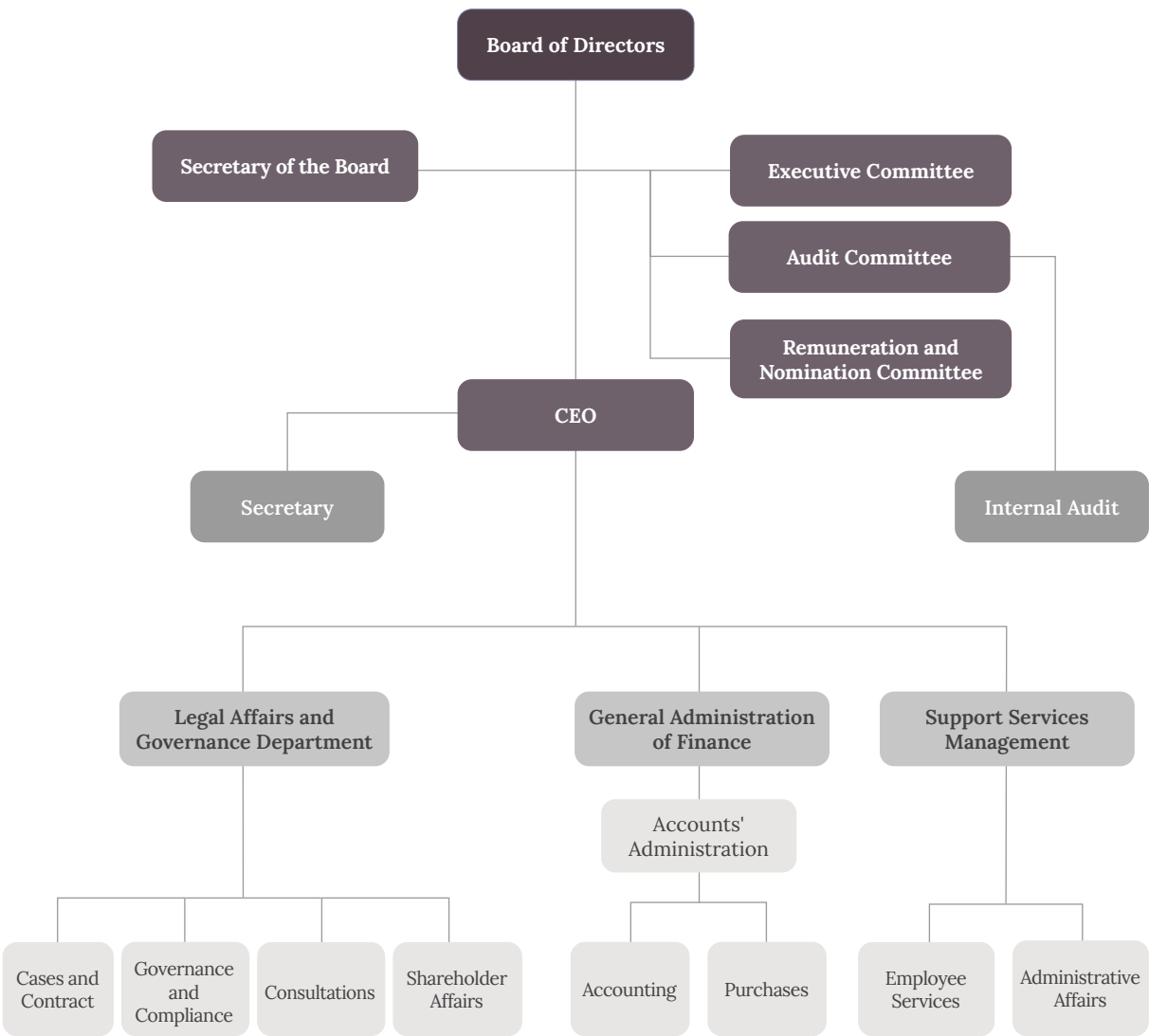
As of the date of this Prospectus, there are no Arrangements involving Employees in the Company's Capital.

## 4- Organizational Structure of the Company

### 4-1 Organizational Structure

The following is an illustration showing the company’s organizational structure as of the date of issuance of this prospectus. The company’s organizational structure was approved on 01/12/2024G:

Figure (1) Organizational Structure



Source: The Company

## 4-2 Board of Directors and Board Secretary

The following table shows the members of the Board of Directors as of the date of the prospectus.

**Table (13): Members of the Board of Directors**

Name*	Position	Nationality	Age	Status	Owned Shares				Membership Date
					Direct	Indirect	Total	Percentage%	
Walid Abdul Aziz Al-Shuwaier**	Chairman	Saudi	49	Independent	-	-	-	-	14/05/2023G
Khaled Asaad Khashoggi**	Vice Chairman	Saudi	48	Independent	-	-	-	-	14/05/2023G
Melfi Manahi Al-Marzouki	Managing Director	Saudi	54	Executive	-	-	-	-	14/05/2023G
Abdulkarim bin Mohammed Al-Nuher***	Member	Saudi	50	Independent	4,875	-	4,875	0.07500%	29/05/2023G
Aziz bin Mohammed Al-Qahtani	Member	Saudi	54	Independent	-	-	-	-	14/05/2023G
Haitham bin Faisal Ascoby	Member	Saudi	56	Non-Executive	-	-	-	-	14/05/2023G
Yasser bin Suleiman Al-Aqil	Member	Saudi	37	Independent	2	-	2	%0.0000308	14/05/2023G
Abdulazim Moatamed Abdulazim	Secretary of the Board	Egyptian	39	Executive	-	-	-	-	14/05/2023G

Source: Company Management

\* On 18/10/1444H (corresponding to 08/05/2023G), the Ordinary General Assembly approved the election of the above-mentioned members of the Board of Directors for the current term, which commenced on 14/05/2023G and will conclude on 13/05/2026G.

\*\* On 24/10/1444H (corresponding to 14/05/2023G), the Company's Board of Directors resolved to appoint the Chairman of the Board, the Vice Chairman, the Managing Director, and the Secretary of the Board, as mentioned above, for the current term, which commenced on 14/05/2023G and will conclude on 13/05/2026G.

\*\*\* On 09/11/1444H (corresponding to 29/05/2023G), the Company announced the acceptance of the resignation of Board Member Mr. Mohammed Abdulwahab Al-Sukeet through circulation, effective from 28/05/2023G. The Company also announced the appointment of Mr. Abdulkarim bin Mohammed Al-Nuher as his replacement, with the membership commencing on 29/05/2023G and continuing until the end of the current Board term.

**Table (14): Number of Board Members Meetings**

Administrative body	2021G	2022G	2023G
Board Members	3	3	5

Source: The Company

## 4-3 Board Committees

The Board has five (3) committees: (1) Executive Committee, (2) Audit Committee, (3) Remuneration and Nominations Committee. These committees support the Board of Directors in monitoring the company's activities and providing the company's management with the necessary guidance and direction. The committees were formed as follows:

### 4-3-1 Executive Committee

The Executive Committee consists of five (5) members appointed by the Board of Directors. The purpose of the Executive Committee is to assist the Board of Directors in overseeing the interests of the Company with the highest level of efficiency while adhering to best practices related to governance. The responsibilities and duties of the Executive Committee include:

- ♦ To provide support to the Board to supervise competence.
- ♦ To support, guide, and assist the Executive Management in performing its tasks, and follow up on its activities periodically.
- ♦ Recommending to the Board the determination and approval of priorities and objectives in relation to the allocation of the Company's financial resources and capital expenditures for projects, including financial and other matters such as mergers, acquisitions, investments, disposal of investments, restructuring and reorganization.
- ♦ Act in an advisory capacity to the Board on policies and strategies that affect the Company's role.
- ♦ Drawing up medium and long-term strategies and plans, reviewing them according to market changes, and ensuring their effective implementation.
- ♦ To occasionally perform any additional tasks as it deems necessary and at its own discretion/or as assigned thereto by the Board.
- ♦ Review any amendment to the company's work regulations and policies and recommend it to the Board.
- ♦ Formulate, review and communicate with Executive Management to deliver company strategy and plans.
- ♦ Study any topic presented to it by the Executive Management.
- ♦ Agree on business policy guidelines based on the approved company strategy.
- ♦ Presentation of the company's budget and plans to the Board after its approval. Investigation of budgets and plans.
- ♦ Recommending to the Board to ensure appropriate levels of delegation of authority to senior management in the Company.
- ♦ Ensure that there is an effective management and organizational structure within the company that is consistent with the company's procedures for the effective implementation of the business plan.
- ♦ To take decisions which exceed the Executive Management authority entrusted to the Board regarding capital expenditures or purchases up to an amount authorized by the Board to the Committee in accordance with the approved powers.
- ♦ Oversee the Company's performance including the performance of agreed key indicators across all aspects of the Company's business and report to the Board as required.
- ♦ Assess the risks to which the company is exposed in order to mitigate them and monitor those risks on an ongoing basis.
- ♦ Monitor the proper implementation of the company's business plan as approved by the Board of Directors.
- ♦ Identify and activate new business opportunities outside the scope of the company's current core activities and study geographical diversity.



The Executive Committee consists of the following members:

**Table (15): Executive Committee Members**

Name	Position	Membership Date
Walid Abdul Aziz Al-Shuwaier	Chairman	14/05/2023G
Melfi Manahi Al-Marzouki	Member	14/05/2023G
Khaled Asaad Khashoggi	Member	14/05/2023G
Abdulkarim bin Mohammed Al-Nuher	Member	14/05/2023G
Abdullah Awda Al-Ghabin	Member	04/05/2024G

Source: The Company

**Table (16): Number of Executive Committee meetings**

Administrative body	2021G	2022G	2023G
Executive Committee	5	2	4

Source: The Company

### 4-3-2 Audit Committee

The Audit Committee consists of three (3) members appointed by the General Assembly upon the recommendation of the Board of Directors. The Audit Committee is responsible for monitoring the company's activities and verifying the integrity and honesty of its reports, financial statements and internal control systems. The Committee's tasks include, in particular, the following:

♦ **Financial Reports:**

- Studying the company's initial and annual financial statements before presenting them to the Board of Directors and expressing its opinion and recommendation regarding them, to ensure their integrity, fairness and transparency.
- Expressing a technical opinion, upon the request of the Board of Directors, on whether the Board of Directors' report and the company's financial statements are fair, balanced, understandable and include information that enables shareholders and investors to evaluate the company's financial position, performance, business model and strategy.
- Study any important or unusual issues contained in the financial reports.
- Carefully investigate any issues raised by the company's CFO or his designee, or the company's compliance officer or the auditor.
- Verifying accounting estimates in material matters contained in financial reports.
- Study the accounting policies followed in the company and express an opinion and recommendation to the Board of Directors regarding them.

♦ **Internal Audit:**

- Study and review the company's internal control, financial and risk management systems.
- Studying Internal Audit reports and following up on the implementation of corrective actions for the observations contained therein.

- Monitoring and supervising 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 assigned to them. If the company does not have an Internal Auditor, the committee must submit its recommendation to the Board regarding the need to appoint him.
- Recommending to the Board of Directors the appointment of the Director of the Internal Audit Unit or Department or the Internal Auditor and proposing his remuneration.

♦ **Auditors:**

- Recommending to the Board of Directors the nomination and dismissal of Auditors, determining their fees and evaluating their performance, after verifying their independence, reviewing the scope of their work and the terms of contracting with them.
- Verifying the independence, objectivity and fairness of the Auditor, and the effectiveness of the audit work, taking into account the relevant rules and standards.
- Reviewing the company's Auditor's plan and work, ensuring that no technical or administrative work is submitted that falls outside the scope of the Audit work, and expressing its views on this.
- Answering inquiries from the company's Auditors.
- Study the Auditor's report and his comments on the financial statements and follow up on what has been taken regarding them.

♦ **Guarantee of Commitment:**

- Reviewing the results of regulatory reports and verifying that the company has taken the necessary measures regarding them.
- Verifying the company's compliance with relevant regulations, policies and instructions.
- Reviewing contracts and transactions proposed to be conducted by the company with related parties, and submitting its views on this to the Board of Directors.
- Submitting any issues it deems necessary to take action on to the Board of Directors and making recommendations on the actions that should be taken.
- Study the quarterly and annual financial statements and submit the necessary recommendations regarding them to the Board of Directors.
- Continuous communication with the Board of Directors to inform it of the latest developments in the Audit Committee's recommendations, as well as matters related to the company's regulatory policies and procedures.

The Audit Committee consists of the following members:

**Table (17): Audit Committee Members**

Name	Position	Membership Date
Aziz Mohammed Al-Qahtani	Chairman	14/05/2023G
Ziad Mohammed Al-Badini	Member	14/05/2023G
Mohammed Dakhil Al-Saedi	Member	14/05/2023G

Source: The Company

**Table (18): Number of Audit Committee Meetings**

Administrative body	2021G	2022G	2023G
Audit Committee	3	2	10

Source: The Company.

### 4-3-3 Remuneration and Nominations Committee

The Remuneration and Nomination Committee consists of three (3) members appointed by the Board of Directors. The duties and responsibilities of the Remuneration and Nomination Committee include:

- ◆ **Regarding Remuneration:**

- Preparing a clear policy for the Remuneration of the members of the Board of Directors, the committees emanating from the Board, and the Executive Management, which enhances the motivation of the administrative apparatus and the preservation of distinguished cadres, and submitting it to the Board of Directors for consideration in preparation for its approval by the General Assembly, provided that this policy takes into account the adoption of standards related to performance, disclosing them, and ensuring their implementation.
- Clarify the relationship between the Remuneration granted and the applicable Remuneration policy and indicate any material deviation from this policy.
- Periodically review the Remuneration policy for Senior Executives, and evaluate its effectiveness in achieving its objectives.
- Recommending to the Board of Directors the Remuneration of the members of the Board of Directors, its committees and the company's Senior Executives in accordance with the approved policy.
- Reviewing and approving the CEO's recommendations on the general guidelines and standards for financial Remuneration and other benefits for Senior Executives, which the CEO shall implement in light of the policy followed and mentioned in paragraph (1) of (a) of the Remuneration and Nominations Committee's Bylaws.

- ◆ **Regarding Nomination:**

- Proposing clear policies and standards for membership in the Board of Directors, Executive Management and Company representatives in subsidiaries.
- Annual review of the necessary skills or experience requirements 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 holding Executive Management positions, including determining the time that the member must devote to the work of the Board of Directors.
- Review the structure of the Board of Directors, committees and Executive Management and make recommendations regarding changes that can be made.
- Develop job descriptions for Executive, non-Executive, independent and Senior Executive Directors.
- Establish special procedures in the event of a vacancy within the Board of Directors or Senior Executives.
- Identifying the strengths and weaknesses of the Board of Directors, and proposing solutions to address them in a manner consistent with the company's interests through:
  - Proposing the necessary mechanisms to evaluate the performance of the Board, its members, committees and Executive Management annually; through appropriate performance measurement indicators related to the extent of achieving the company's strategic objectives, the quality of risk management, the adequacy of internal control systems, etc., provided that the strengths and weaknesses are identified and proposed to be addressed in a manner consistent with the company's interest.
  - Assist the Board in its responsibility to make arrangements for a competent external body to evaluate its performance every four years and supervise the evaluation process.
- Reviewing the Remuneration of the Board's committees, recommending any amendments thereto and presenting them to the Board for approval. The Committee may also submit its recommendations to the Board in the event that a seat in any of the Board's committees becomes vacant, by appointing new members when needed.
- Verifying the independence of independent members annually, and verifying the absence of any conflict of interest if the member is a member of the Board of Directors of another company.
- Study and review the CEO's recommendations regarding the appointment and termination of Senior Executives.

- Study and review the administrative succession or job replacement plans for the company in general and for the board, CEO and Senior Executives in particular.
- Providing an appropriate level of training and familiarization for new members of the Board and Committees about the company's tasks and achievements, enabling them to perform their work with the required efficiency.
- Developing the necessary mechanisms for all members of the Board of Directors and the Executive Management to receive continuous training programs and courses for the purpose of developing their skills and knowledge in areas related to the company's activities.

**Table (19): Members of the Remuneration and Nominations Committee**

Name	Position	Membership Date
Khaled Asaad Khashoggi	Chairman	14/05/2023G
Walid Abdul Aziz Al-Shuwaier	Member	14/05/2023G
Mohammed Khaled Al-Mutairi	Member	14/05/2023G

Source: The Company.

**Table (20): Number of meetings of the members of the Remuneration and Nominations Committee**

Administrative body	2021G	2022G	2023G
Remuneration and Nominations Committee	2	1	4

Source: The Company

## 4-4 Executive Management

The table below shows the names of the Executive Management Team Members as of this prospectus:

**Table (21): Executive Management Team Members**

Name	Position *	Nationality	Age	Owned Shares		Ownership Percentage		Appointment Date
				Direct	Indirect	Direct	Indirect	
Melfi Manahi Al-Marzouki	CEO	Saudi	54	0	0	0	0	22/03/2023G
Moayyad Mohammed Al-Jahni	Director of Legal Affairs and Governance Department	Saudi	33	0	0	0	0	13/05/2023G
Faisal Faiz Al-Shammari	Administrative and Human Affairs Supervisor	Saudi	27	0	0	0	0	01/10/2022G

Source: The Company.

\* The company has (5) employees registered under the subsidiary companies “Wasmi and Thimar Meats Company - a limited liability company wholly owned by Thimar Development Holding Company” “Thimar Towers Development and Real Estate Investment Company - a limited liability company wholly owned by Thimar Development Holding Company” which the company will transfer after increasing the capital and processing the company's situation with social insurance and the labor office.

## 4-5 Remuneration of Board Members and Senior Executives

The responsibility for proposing the Remuneration of the Board members and Senior Executives falls within the framework of the Remuneration and Nominations Committee. The following table shows the value of (salaries, Remunerations and allowances received by the Board members) during the past three years:

The following table shows the Remuneration and compensation of the Board members for their membership in the Board:

**Table (22): Remuneration of Board Members and Executive Directors**

In Saudi Riyals	2021G	2022G	2023G
Board Members*	540,000	660,000	2,025,000
Executive Directors	2,853,000*	679,042	2,575,289

Source: The Company

\* The Remuneration of Mr. Sari Ibrahim Al-Mayouf for the year 2021G is estimated at 2,205,000 Saudi Riyals.

## 5- Financial information and Management Discussion and Analysis

The “Financial information and Management Discussion and Analysis” section provides an analytical presentation of the operational performance and financial position of Thimar Development Holding Company (formerly National Agricultural Marketing Company - Thimar), a Saudi public joint stock company (during the fiscal years ending December 31, 2021G, 2022G and 2023G).

This section and the accompanying clarifications have been prepared based on the audited consolidated financial statements for the fiscal years ended December 31, 2021G, 2022G and 2023G. The Company's financial statements for the fiscal years ended December 31, 2021G and 2022G were reviewed and audited by Osama Abdullah Elkhareiji & Partners Company (Chartered Accountants and Business Consultants). and the fiscal year ended December 31, 2023G by PKF Al Bassam (Chartered Accountants).

The financial statements and accompanying clarifications have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted in the Kingdom of Saudi Arabia and other standards and publications issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA) and in accordance with the Companies Law and the Company's Articles of Association in preparing the audited consolidated financial statements for the fiscal years ending December 31, 2021G and 2022G, which were audited by Osama Abdullah Elkhareiji & Partners Company (Chartered Accountants and Business Consultants), while the audited consolidated financial statements for the year ending December 31, 2023 were audited by PKF Al Bassam (Chartered Accountants).

Neither Osama Abdullah Elkhareiji & Partners Company (Chartered Accountants and Business Consultants) nor any of their subsidiaries nor any of their relatives own any share or interest of any kind in the company that may affect their independence, and written consent has been given regarding the publication of their name, logo and statement without retraction until the date of preparing the report.

Neither PKF Al Bassam (Chartered Accountants) nor any of their subsidiaries nor any of their relatives own any share or interest of any kind in the company that may affect their independence, and written consent has been given regarding the publication of their name, logo and statement without retraction until the date of preparing the report.

The amounts in this section are stated in Saudi Riyals, And all amounts in this section have been rounded to the nearest whole number, and figures and percentages have been rounded to the nearest decimal place, so the sum of these figures may differ from what is shown in the tables.

This report may include forward-looking statements about the Company's future plans based on management's current plans and expectations of the Company's growth, results of operations and financial condition. Therefore, it may involve risks and uncertainties related to future assumptions. The Company's actual results may differ materially from those disclosed or implied in such forward-looking statements due to various factors and future events, including those discussed in the report.

### 5-1 About the Company

Thimar Development Holding Company (formerly National Agricultural Marketing Company - Thimar) was registered as a Saudi joint-stock company under Commercial Registration No. 1010068222 issued in Riyadh on 17 Jumada Al-Awwal 1408H (corresponding to 07 January 1988G). As of 31 December 2023G, the company's capital amounts to 250,000,000 Saudi Riyals, divided into 25,000,000 shares, each valued at 10 Saudi Riyals (as of 31 December 2022G: 100,000,000 Saudi Riyals, divided into 10,000,000 shares, each valued at 10 Saudi Riyals).

**Name Change:** Based on the Extraordinary General Assembly meeting held on 12 October 2021G, it was approved to change the company's name from National Agricultural Marketing Company to Thimar Development Holding Company. The Group's activity is as follows: Managing subsidiaries of holding companies, investing the funds of subsidiaries of holding companies, owning real estate and movables necessary for holding companies, providing loans, guarantees, and financing to subsidiaries of holding companies, owning industrial property rights for subsidiaries of holding companies, and leasing industrial property rights for subsidiaries of holding companies.

The Group's Board of Directors held a meeting on 23 Safar 1444H (corresponding to 19 September 2022G), during which it approved the establishment of Wasmi and Thimar Meats Company ("sole proprietorship Limited Liability Company") in the Kingdom of Saudi Arabia with a capital of 100 thousand Saudi Riyals. The company was established on 20 December 2022G.

Thimar Development Holding Company ("the Holding Company") will exercise control over Wasmi and Thimar Meats Company, and it will be accounted for as a subsidiary.

The consolidated financial statements include the accounts of Thimar Development Holding Company ("the Holding Company") and the company it directly owns (referred to as "the subsidiary").

Subsidiary	Country of Establishment	Legal Entity	Actual ownership percentage (Direct)
Wasmi and Thimar Meats Company (1)	Saudi Arabia	Limited Liability Company	100%

Source: The Company

The company's main activity is the production of fresh meat and the wholesale and retail sale of meat and meat products. Some activities require obtaining licenses from the Ministry of Industry and Mineral Resources. The capital has not yet been deposited for the company, and the company has not engaged in any activities and has not yet obtained any licenses necessary to practice its activity.

**Financial Reorganization Procedures:** On January 6, 2021G, the Saudi British Bank (SABB), the Company's main lender, filed a request with the Commercial Court in Riyadh to liquidate the Company due to its inability to pay its debts due to the deteriorating financial situation. The Company objected to the Bank's request on February 3, 2021G, whereby the Court issued a decision to reorganize the Company's finances on April 4, 2021G. According to the judgment issued on Wednesday, April 7, 2021G, corresponding to Sha'ban 25, 1442H, in Case No. 197, ordering the financial reorganization of Thimar Development Holding Company ("the Company") and appointing Mr. Hani bin Saleh Al-Aqili as the Company's financial reorganization trustee, this was done in accordance with the following events:

- The company was given a period of 150 days to prepare the proposal from the date of opening the procedure.
- The deadline has been extended to the company's request for a period of 100 days, starting from Muharram 25, 1443H corresponding to October 5, 2021G.
- The court agreed to extend the deadline by 60 days, starting from Jumada Al-Awwal 6, 1443H corresponding to December 10, 2021G.
- On Rajab 5, 1443H corresponding to February 6, 2022G, the company submitted the proposal (financial reorganization plan) to the court through the financial reorganization trustee.
- The proposal was accepted by the court and the dates for shareholders and creditors to vote on the proposal were approved.
- On Ramadan 13, 1443H, corresponding to April 14, 2022G, shareholders approved the proposal with 99.57% of those present.
- On Ramadan 17, 1443H, corresponding to April 18, 2022G, the creditors approved with a percentage of 99.73% of those present.
- The proposal was approved by the court on Muharram 16, 1444H, corresponding to August 14, 2022G.
- On Rabi' al-Awwal 21, 1444H, corresponding to October 19, 2022G, the company submitted a request to the Financial Reorganization Trustee to postpone the payment of creditors for a period of 11 months, in accordance with the requirements of the rescheduling system. This comes to give the company sufficient time to prepare everything necessary to implement the approved financial organization plan.
- On Rabi' al-Thani 22, 1444H, corresponding to November 16, 2022G, the Commercial Court in Riyadh approved the company's proposal to reschedule the payment of creditors in the previously approved financial organization plan.
- On Jumada Al-Awwal 17, 1444H, corresponding to December 11, 2022G, shareholders approved the proposal to reschedule the payment of creditors in the financial organization with a percentage of 99.77% of attendance.



- On Jumada Al-Awwal 18, 1444H, corresponding to December 12, 2022G, creditors approved the proposal to reschedule the payment of creditors in the financial organization, with a percentage of 96.14% of those present.
- On Sha'ban 16, 1444H, corresponding to March 8, 2023G, the company's management announced that the Riyadh Commercial Court had approved the amendment to the proposed financial reorganization of Thimar Development Holding Company.

**Company Financial Reorganization Trustee Information:**

Name: Hani bin Saleh bin Abdullah Al-Aqili

Riyadh City

License No. 142126

**Summary of the proposed financial organizing**

The Group prepared the financial organizing proposal and submitted it to the Ninth Circuit of the Commercial Court in Riyadh. The proposal included information about the Group, its activity, financial status, economic status, list of debts and potential claims, how to deal with them, the method of carrying out its activity during the period of validity of the procedure, and its future strategy.

The Group's plan is divided into two sections:

**The first section:** Entering existing companies that achieve sustainable returns.

**The second section:** Benefiting from the Group's assets by entering in-kind shares in food sector investments.

Sources of financing the plan: by increasing the capital in several stages according to the future opportunities of the Group's activity.

List of debts owed by the Group: The total claims accepted in the proposal amounted to 117,039,035 Saudi Riyals as follows:

Category *	Total in Saudi Riyals
Labor Claims	6,685,913
Suppliers	66,183,040
Financing Agencies	32,024,465
Government Agencies	12,145,617
<b>Total</b>	<b>117,039,035</b>

\* These categories have been classified in accordance with the proposed financial organization. Please refer to Disclosure No. 17 of the 2023G Annual Statements for clarification of the classification of the interim condensed consolidated financial statements.

The Group's management has included its strategic plan within the financial organization proposal, through which it aims to provide sufficient liquidity to carry out the company's normal activity.

**Plan Implementation Timeline:**

The plan is executable if the group obtains approval from the Capital Market Authority for the capital increase request and then the shareholders' approval. The plan will be implemented, and creditors will be paid according to the following:

- Pay 50% of the total debts during the month following the capital increase.
- Pay 16% of the total debts after 2 years.
- Pay 13% of the total debts after 3 years.
- Pay 13% of the total debts after 4 years.
- Pay 4% of the total debts after 5 years.
- Pay 4% of the total debts after 6 years.

The company announced the payment of 95% of the first installment (“50% of the value of the company’s dues as stated in the financial reorganization”) related to creditors’ claims according to the plan. The company’s management is still following up on the remaining payment procedures once the documents are completed according to the regulations.

**Shares Trading Suspension:** Trading in Thimar shares was suspended on 11 December 2019G, as the company failed to publish its financial results for the third quarter of 2019G. The suspension continued as the company failed to submit its financial records for subsequent periods as well. Tadawul approved the company’s request to trade its shares over-the-counter (OTC) as of 6 September 2020G, with several transactions being executed on the shares.

**Resume Trading:** Trading of the Company’s shares resumed on March 1, 2023G, after publishing the financial statements for the previous periods along with the interim financial statements for the first quarter of the fiscal year 2023G on Tadawul website and after resolving the issues related to the withholding of opinion on the External Auditor’s Report.

**Address:** The Company’s headquarters located at P.O. Box 13241, Building No. 3808, Mohammed Ali Jinnah Road, Al-Shuhada District, Riyadh 7548, Kingdom of Saudi Arabia. The Company’s Executive Management is also located in Riyadh.

## 5-2 Board of Directors’ Declarations on Financial Information

The members of the Board of Directors of the Company acknowledge the following:

1. The financial information contained in this prospectus has been extracted from the audited consolidated financial statements for the fiscal years ended December 31, 2021G, 2022G and 2023G and the accompanying notes without any material amendments thereto, and that it includes financial information presented on a consolidated basis in a form consistent with the Company’s annual financial statements prepared in accordance with the International Financial Reporting Standards adopted in the Kingdom of Saudi Arabia.
2. Except as disclosed in this Prospectus Section (2) “Risk Factors” **Subparagraph (2-1-3) “Risks Related to Accumulated Losses”, Subparagraph (2-1-10) “Risks Related to Business Interruption”** and **Section (5) “Financial information and Management Discussion and Analysis” Subparagraph (5-8) “Income Statement”**, there has been no material adverse change in the Company’s financial and commercial position during the three fiscal years ending December 31, 2021G, 2022G and 2023G immediately preceding the date of submitting the application for registration and offering of the securities subject to this Prospectus in addition to the end of the period covered by the Auditor’s report until the approval of the Prospectus.
3. The Company has no information about any governmental, economic, financial, monetary, political or other policies that have or could materially affect (directly or indirectly) the Company’s operations.
4. The Board of Directors acknowledge that the Company has not granted any commissions, discounts, brokerage fees or any non-cash compensation by the Company or any of its subsidiaries to any of the Board of Directors, proposed Board of Directors, Senior Executives, securities offerors or experts during the three fiscal years ending on December 31, 2021G, 2022G and 2023G, which immediately preceded the date of submitting the application for the issuance of preemptive rights shares subject to this prospectus in connection with the issuance or offering of any securities.
5. The Board of Directors acknowledge that the Company does not own any assets, including contractual securities or other assets, the value of which is subject to fluctuations or the value of which is difficult to ascertain, which may significantly affect the assessment of the financial position.
6. The Company does not have any significant fixed assets that it intends to purchase or lease other than what was disclosed in this prospectus in **Section (6) “Use of the Offering Proceeds”**.
7. The Company does not have any other loans or debts including overdrafts from bank accounts, obligations under acceptance or acceptance credit or hire purchase obligations, or loans and debts covered by a personal guarantee or not covered by a personal guarantee or secured by a mortgage or not secured by a mortgage except as disclosed in this section of the prospectus, **subparagraph (5-9-12) “Current Liabilities”** and **subparagraph (5-9-11) “Non-Current Liabilities”**.
8. There are no mortgages, rights, encumbrances or liens on the property of the Company or any of its subsidiaries as of the date of this prospectus.
9. Except as disclosed in this Section **Subparagraph (5-9-15) “Contingent Liabilities and Capital Commitments”**, the Company has no contingent liabilities or guarantees.

10. The Company acknowledges that the capital is not subject to any option contract.
11. Except as stated in **Section (5) "Financial information and Management Discussion and Analysis" in Subparagraph (5-9-10) "Equity"**, the Company has not witnessed any changes in capital during the three years immediately preceding the date of submitting the application for registration and offering the securities subject to this prospectus.
12. The Company is not aware of any seasonal factors or economic cycles related to the activity that may have an impact on the Company's business and financial position.
13. The Board of Directors acknowledge that the Company has no issued or outstanding debt instruments or approved but not issued debt instruments and does not have term loans covered by a personal guarantee or secured by a mortgage (whether the issuer or another has provided a mortgage for them) or not secured by a mortgage except for what is mentioned in this section, **Subparagraph No. (5-9-12) "Current Liabilities."**

## 5-3 Basis of preparation and significant information about accounting policies

### 5-3-1 Basis for preparing financial statements

#### 5-3-1-1 Accounting convention/basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for the employees' end of service benefits obligation which is measured at the present value of the defined benefit obligation, and land within property, plant and equipment which is measured under the revaluation model, using the accrual basis of accounting and the going concern concept.

#### 5-3-1-2 Functional currency and presentation currency

The consolidated financial statements are presented in Saudi Riyals, which is the Company's functional and presentation currency.

#### 5-3-1-3 Important information about accounting policies

The Group has applied the following accounting policies consistently to all periods presented in the consolidated financial statements, unless otherwise stated. In addition, the Group has adopted the Disclosure of Accounting Policies (Amendments to IAS 1) effective from 1 January 2023G. The amendments require disclosure of the accounting policy ("Material") rather than the accounting policies ("Significant"). Although the amendments do not result in any changes to the accounting policy itself, they do affect the accounting policy information disclosed in some cases. The following is a summary of the accounting policies applied by the Group:

##### ▸ Classification of Current and Non-current

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;
- ♦ Held primarily for the purpose of trading.
- ♦ It is expected to be achieved within twelve months after the reporting period. Or
- ♦ Cash and cash equivalents 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.

Liabilities are current when:

- ♦ It is expected to be settled in the normal operating cycle.
- ♦ Held primarily for the purpose of trading.
- ♦ Due within twelve months after the reporting period. Or
- ♦ There is no unconditional right to defer settlement of the obligation for a period of not less than twelve months after the reporting period.

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

► **Property, Plant and Equipment**

**Change in accounting policies**

During the year ended 31 December 2022G, the company's management decided to change the accounting policy related to measuring property, plant and equipment items in accordance with the requirements of International Accounting Standard No. (16), whereby the revaluation model was applied instead of the cost model used to recognize the land item. In accordance with the requirements of the standard, the new policy was adopted prospectively, and accordingly the revaluation model was applied.

Details of the accounting policy change and the resulting financial impact are as follows:

New accounting policy	Previous accounting policy
Initial recognition is made at cost, except for land, which is measured using the revaluation model based on fair value, based on periodic assessments by professionally qualified appraisers. These revaluations are conducted regularly enough to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Changes in fair value are recognized in other comprehensive income and appear in the statement of financial position under the revaluation surplus, except to the extent that any impairment is recognized in excess of the revaluation surplus or reversals of such impairments are recognized in profit or loss. Land is not subject to depreciation. Land and buildings are revalued annually by professionally qualified appraisers.	Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Land and capital work-in-progress are stated at cost less accumulated impairment losses, if any.
When the asset is disposed of, the revaluation surplus balance is transferred to retained earnings.	Historical cost includes expenditure that is directly attributable to the acquisition of an asset. Subsequent costs are included in the carrying amount of the asset or are recognized as a separate asset, as appropriate, only when it is probable that the economic benefits associated with the item will flow to the Group and the cost can be measured reliably.  Depreciation is recognized to write off the cost of assets after deducting their residual value over their useful lives using the fixed installment method.  An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising on disposal of an item of property, plant and equipment, determined as the difference between the net sales proceeds and the carrying amount of the asset, is recognized in profit or loss.

The change in accounting policy resulted in the following financial impact:

► **Statement of Financial Position:**

Item	2023G	2022G
Increase in property, plant and equipment item by the gain resulting from the increase in the fair value over the book value of land item	6,457,273	31,658,561
Record a separate item of equity under the heading "Revaluation Surplus"	38,115,834	31,658,561

► **Statement of profit or loss and other comprehensive income**

A new item has been added under the title “Property, Plant and Equipment Revaluation Surplus” in the amount of 6,457,273 Saudi Riyals for the year 2023G, and 31,658,561 Saudi Riyals for the year 2022G for items of comprehensive income that are not subsequently reclassified to profit or loss.

► **Statement of changes in equity**

A new item has been added under the title “Revaluation Surplus” with a balance of 31,658,561 Saudi Riyals for the year 2022G, and a balance of 38,115,834 Saudi Riyals for the year 2023G.

► **Cash flow statement**

The cash flow statement is not affected by this change in accounting policy as it represents a non-cash transaction.

Disclosure No. (6) of the 2023G Financial Statements “Property, Plant and Equipment” includes information on the book value and fair value of items of property, plant and equipment recorded according to the revaluation model.

► **Recognition and measurement**

As previously detailed, items of property, plant and equipment other than land are measured at cost less accumulated depreciation and impairment losses, if any, which comprise their purchase price and costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of using in the manner intended by management. If significant parts of property, plant and equipment have different useful lives, they are accounted for as separate items (Main Components) of property, plant and equipment. All other repair and maintenance costs are recognized in the statement of profit or loss and other comprehensive income as incurred. The present value of the expected cost of removing the asset from service after its use is included in the cost of the underlying asset if the criteria for recognizing a provision are met.

Land is carried in the statement of financial position at revalued amounts which represent the fair value at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the book value of revalued land does not differ materially from its fair value.

The revaluation surplus is recognized in other comprehensive income and added to the revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit on the same asset previously recognized in profit or loss, the increase is recognized in profit or loss. The revaluation deficit is recognized in profit or loss, except to the extent that it offsets a current surplus on the same asset recognized in the revaluation surplus.

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

When main components of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. Depreciation is charged to the consolidated statement of profit or loss and is calculated using the fixed installment method to allocate the costs of the relevant assets after deducting their residual values over the estimated useful lives of each item of property, plant and equipment. No changes are expected to these policies and the estimated depreciation rates for the assets are as follows:

Item	Years
Wells	25
Buildings	15.2
Furniture, fixtures, office equipment and decorations	10
Cars	13.3-5
Electrical appliances and computers	5

► **Investments in Associate Companies**

An associate is an entity over which the Group has significant influence but is neither controlling nor jointly controlling. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Considerations in determining significant influence include holding- Directly or Indirectly- a proportion of the voting power of the investee, representation on the Board of Directors or similar governance bodies, participation in policy making, including participation in decisions relating to dividends or other distributions, material transactions, exchange of managerial personnel, or provision of key technical information.

Investments in associates or joint ventures are accounted for in the Group's consolidated financial statements using the equity method. Under the equity method, an investment in an associate or joint venture is initially recognized in the consolidated statement of financial position at cost and is adjusted subsequently to recognize the Group's share of the profit or loss and other comprehensive income of the associate or joint venture, less any impairment in the amount of the net investment. In addition, when a change has been 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 interest in those associates, the Group discontinues recognizing its share of further losses.

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

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

The excess of the Group's share of the net fair value of the 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 as endorsed in the Kingdom are applied to determine whether it is necessary to recognize any impairment loss in respect of the Group's investment in an associate.

The Group discontinues the use of the equity method from the date on which the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group reduces its interest in an associate or a joint venture while continuing to use the equity method, the Group reclassifies the gain or loss previously recognized in other comprehensive income relating to that reduction in equity interest to the consolidated statement of profit or loss, if the gain or loss includes the disposal of the related assets or liabilities.

When an entity within the Group transacts with an associate of the Group, gains and losses resulting from transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of the equity interests not held by the Group.

## ► Financial Instruments

### Classification and measurement of financial assets and financial liabilities

Upon initial recognition, financial assets are classified as financial assets measured at amortized cost, at fair value through comprehensive income – debt investments, at fair value through comprehensive income – equity investments, or at fair value through profit or loss. Financial assets are measured at amortized cost if they meet both of the conditions below and are not classified as at fair value through profit or loss.

- ♦ They are held within a business model whose objective is to hold assets 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 comprehensive income if they meet both of the following conditions and are not designated at fair value through profit or loss.
- ♦ They are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, 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.



On initial recognition of investments in equity instruments that are not held for trading, the Group may irrevocably elect to present subsequent changes in the fair value of the investment in comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or at fair value through comprehensive income as described above are measured at fair value through profit or loss, including all derivative financial assets. On initial recognition, the Group has the right to irrevocably designate financial assets that otherwise meet the requirements to be measured at amortised cost or at fair value through comprehensive income as financial assets at fair value through profit or loss and, if it does so, eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

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

<b>Financial assets at fair value through profit or loss</b>	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the consolidated statement of profit or loss.
<b>Financial assets at amortized cost</b>	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.
<b>Investments in debt instruments at fair value through comprehensive income</b>	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the consolidated statement of profit or loss. Net other gains and losses are recognized in comprehensive income. On derecognition, gains and losses accumulated in consolidated comprehensive income are reclassified to the consolidated statement of profit or loss.
<b>Investments in equity instruments at fair value through other comprehensive income</b>	These assets are subsequently measured at fair value. Dividends are recognized as income in consolidated profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other gains and losses are recognized in the consolidated statement of other comprehensive income and are never reclassified to the consolidated statement of profit or loss.

#### 5-3-1-4 Exclusion

##### ► Financial Assets

A financial asset (or part of a group of similar financial assets) is essentially excluded (i.e. removed from the group's statement of financial position) in the following circumstances:

- ♦ Expiration of the rights to receive cash flows from the asset
- ♦ The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and (A) the Group has transferred substantially all the risks and rewards of the asset, or (B) the Group has transferred control of the asset and the Group has neither transferred nor retained substantially all the risks and rewards of the financial asset.

##### ► Financial Liabilities

The Group derecognizes financial liabilities when its contractual obligations are discharged, cancelled or expire. The Group also derecognizes financial liabilities when its terms and the cash flows of the modified liability are substantially modified, in which case a new financial liability based on the modified terms is recognized at fair value.



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

#### ► **Impairment of Financial Assets**

Financial assets carried at amortized cost consist of accounts receivable, prepaid expenses, other current assets, due from a related party and cash and cash equivalents.

Loss allowances are measured based on lifetime expected credit losses: the credit losses that result from all possible default events over the expected life of the financial instrument.

The Group measures loss allowances at an amount equal to the expected credit losses over the life of the financial instrument.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment, including future outlook information.

#### ► **Measurement of Expected Credit Losses**

Expected credit losses are a probability-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 in accordance with the contract and the cash flows that the Group expects to receive). Expected credit losses are discounted at the financial asset's effective interest rate.

#### ► **Credit-Impaired Financial Assets**

The Group assesses at each reporting date whether 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 that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

#### ► **Show the decrease in value**

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

#### ► **Write Off**

The gross carrying amount of a financial asset is written off (either in part or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, written off financial assets may still be subject to enforcement activities in order to comply with the Group's actions to recover amounts due.

#### ► **Offset of Financial Instruments**

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

#### ► **Cost-Effective Investing**

Investments in subsidiaries are initially recognized at acquisition cost, including any direct costs of acquisition, and are subsequently measured at cost less accumulated impairment losses, if any.

#### ► **Assets Held for Sale**

Non-current assets (and exclusion group) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and exclusion group are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is met only when the sale is highly probable and the asset (or exclusion group) is available for immediate sale in its present condition. Management must commit to a sale that is expected to qualify as a completed sale within one year from the date of classification.

#### ► Trade Receivables

Accounts receivable represent amounts due from private and public sector customers for supplies made in the ordinary course of the Group's business and do not bear interest. If the credit exceeds normal credit terms, accounts receivable is measured at amortized cost using the effective interest method. The carrying amounts of accounts receivable and other receivable are reviewed at the end of each reporting period to determine whether there is any objective evidence that the amounts are not recoverable. In this case, an impairment loss is recognized immediately in the consolidated statement of profit or loss.

#### ► Cash and Cash Equivalents

Cash and Cash Equivalents include bank balances and bank deposits with an original maturity of three months or less, if any. It also includes bank overdrafts which form an integral part of the Group's cash management and are likely to fluctuate from overdrawn to positive balances.

#### ► Employee Benefits

##### Short-term liabilities

Liabilities for wages and salaries, including non-cash benefits, accrued vacations and travel tickets that are expected to be settled in full within twelve months after the end of the period in which the employees render the related services, are recognized based on the services rendered by the employees up to the end of the period for preparing the consolidated financial statements and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations within accrued expenses in the consolidated statement of financial position.

##### Other long-term employee benefit liabilities

The liability or asset is recognized in the consolidated statement of financial position in respect of defined benefit. The employee end of service benefit obligation represents the present value of the defined benefit obligation in the reporting year, and the defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the benefit obligation is determined by discounting the estimated future cash outflows using the interest rates of high-quality corporate bonds denominated in the currency in which the benefits will be paid, and whose terms approximate those of the related obligation.

Defined benefit costs are classified as follows:

##### Service Cost

Service costs include current service cost and 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 amendments or reductions are recognized directly in the statement of profit or loss as an expense for employee termination benefits.

##### Interest Cost

Net interest cost is calculated by applying the discount rate to the net defined benefit obligation balance. This cost is included in finance costs in the consolidated statement of profit or loss.

#### ► Loans

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

Loans are derecognized in the consolidated statement of financial position when the obligation is discharged, cancelled or expires. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of profit or loss within 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 year.

### **Borrowing Cost**

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

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

#### ► **Trade and Other Payables**

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

#### ► **Provisions**

A provision is recognized in the consolidated statement of financial position when the Group has a legal or constructive obligation as a result of a past event, 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 effect is material, 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 reduction in the discount is recognized as a finance cost in the consolidated statement of profit or loss.

#### ► **Zakat and Income Tax**

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

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

#### ► **Value Added Tax**

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

- ◆ Where the Value Added Tax incurred on the purchase of assets or services is not recoverable from the tax authorities, in which case the Value Added Tax is recognised as part of the cost of the purchase of the assets or as part of the expense of the item, where applicable, and/or
- ◆ When showing receivables and payables including the amount of Value Added Tax

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

#### ► **Remeasurement Profit or Losses**

Remeasurement Profits or Losses arising from adjustments or changes in actuarial assumptions are recognized in the year in which they occur directly in the consolidated statement of comprehensive income.

#### ► **Potential Liabilities**

All Potential Liabilities arise from past events that will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or all current liabilities arise from past events but are not recognized because:

- ◆ There is no possibility that an outflow of external resources embodying economic benefits will be required to settle the obligation.

- ♦ The amount of the liability cannot be measured reliably, they must all be assessed at each financial position date and disclosed in the Group's consolidated financial statements under potential liabilities.

► **Short-Term Leases and Leases of Low-Value Assets**

The Group applies the short-term lease recognition exemption to its short-term leases of leased and leasehold properties (i.e. leases with a term of 12 months or less from the commencement date and without a purchase option), and also applies the recognition exemption to 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 fixed installment basis over the term of the lease.

► **Revenue Recognition**

Revenue comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Group's business taking into account contractually specified payment terms. Revenue is recognized 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; and when specific criteria have been met for each of the Group's activities, as described below.

The Group recognizes revenue under IFRS 15 using the following five-step model:

<b>Step 1: Identify the contract with the customer</b>	A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets the standards for each contract to be fulfilled.
<b>Step 2: Identify the performance obligations</b>	A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
<b>Step 3: Determine the transaction price</b>	The transaction price is the amount to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
<b>Step 4: Allocate or allocate the transaction price</b>	For a contract that contains more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that shows the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
<b>Step 5: Revenue recognition</b>	The Group recognizes revenue whenever (or when) it satisfies a performance obligation by transferring a promised good or service to a customer under the contract.

As previously stated, the Company's business activity has been modified. Given that the Company has undergone financial reorganization and ceased operations since 2019G, the Group's management is following the procedures followed to resume its business activities.

► **Cost of Revenues**

All expenses are recognized on an accrual basis. Operating costs are recognized on a historical cost basis. There is no cost of revenue during the year ended 31 December 2023G due to the Group's operational cessation since 2019G and its financial reorganization.

► **General and Administrative Expenses**

General and administrative expenses include direct and indirect costs that are not specifically part of cost of revenues. Allocations between cost of revenues and general and administrative expenses, when necessary, are made on a consistent basis.

► **General and Administrative Expenses - Financial Reorganization**

General and administrative expenses associated with financial reorganization include, in particular, fees payable to the financial reorganization trustee.

#### ► Earnings Per Share

The Group presents basic and diluted earnings per share (if any) for ordinary shares. Basic earnings per share is calculated from net profit or loss by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year, adjusted for the number of ordinary shares repurchased or issued during the year. Diluted earnings per share is adjusted for the profit or loss attributable to ordinary shareholders of the Group and the weighted average number of ordinary shares outstanding during the year, with the effect of all ordinary shares that are probable to be issued.

## 5-4 Significant Judgments, Estimates, and Assumptions

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the Group's accounting policies, management has made the following judgements which have a significant effect on the amounts recognized in the consolidated financial statements.

### 5-4-1 Going Concern

As shown in the consolidated financial statements, the Group achieved a net loss for the year 2023G in the amount of (6,530,218) Saudi Riyals, and the Group's accumulated losses as of December 31, 2023G amounted to (259,886,534) Saudi Riyals, exceeding half of the Group's capital, which requires, in implementation of Article No. (132) of the Companies Law, that the Extraordinary General Assembly be called to meet within one hundred and eighty days from the date of knowledge of this to consider the continuity of the Group and take any necessary measures to address or resolve those losses; However, due to the Group's entry into the financial reorganization proposal and procedures (Disclosure No. 1) and in application of Article No. (42) of Chapter Four of the Bankruptcy Law and its Executive Regulations, the Group is exempted from applying the provisions of the Companies Law with regard to the debtor's losses reaching the percentage specified in the law.

The continuity of the Group as a going concern is linked to the implementation of the Group's financial reorganization proposal, which is mainly based on increasing the Group's capital. On June 19, 2023G, the Group's Board of Directors submitted its recommendation regarding increasing the capital through the issuance of preemptive rights shares worth 150 million Saudi Riyals, so that the capital after the increase becomes 250 million Saudi Riyals, in order to maximize the Group's expansion capacity in investments and provide the necessary liquidity to pay part of the financial obligations due according to the announced financial reorganization plan. As explained in Disclosure No. 21, the Group announced on Rabi' Al-Awwal 24, 1445H, corresponding to October 9, 2023G, the results of the Extraordinary General Assembly, which included approval to increase the Company's capital, and the increase was completed during the year 2023G.

### 5-4-2 Estimates and uncertain assumptions

The following are the estimates made by management in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognized in the financial statements:

#### ► Depreciation of property, plant and equipment

The Company's assets are depreciated on a straight-line basis over their estimated economic productive lives.

#### ► Actuarial valuation of employee end-of-service benefits

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

The Group determines the appropriate discount rate at each year end, which is the interest rate used to determine the present value of the estimated future cash flows expected to be required to settle the post-employment liabilities. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds provided that the term of the bonds is consistent with the estimated term of the post-employment benefit liabilities.

► **Useful lives of property, plant and equipment**

The useful lives of property and equipment are estimated for the purposes of calculating depreciation expense. These estimates are 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 technical assessment upon acquisition of the asset and are reviewed annually to ensure their suitability. The useful lives are based on historical experience with similar assets, as well as expectations of future events that may affect the lives of the assets.

► **Expected Credit Loss Allowance**

The Group uses a model to estimate lifetime expected credit losses that are not credit-impaired or credit-impaired based on the change in the credit risk associated with the financial instrument. The Group uses a simplified model using a custom matrix to measure expected credit losses for customers that typically consist of a very large number of small balances. To measure expected credit losses, receivables are grouped based on common credit risk characteristics and the periods in which they are past due. Historical loss rates are adjusted to reflect current and future information based on indicators of macroeconomic activity that affect the ability of parents and customers to settle receivables

► **Sharia Zakat Due**

The Group has assessed the Zakat and Value Added Tax situation 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, which requires the completion of the assessment by the Zakat, Tax and Customs Authority.

## 5-5 New Amendments to Issued Standards

### 5-5-1 New Amendments to Issued Standards Effective From 2023G

Amendments to the Standard	Description	Effective for years beginning on or after	Summary of Amendments
IFRS 9 (Amendments to IFRS 4)	Extension of the temporary exemption from applying IFRS 9 (amendments to IFRS 4)	January 1, 2023G	The amendment changes the fixed expiry date of the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instruments, so that entities are required to apply IFRS 9 for annual periods beginning on or after 1 January 2023G.
IFRS 17	Insurance contracts and their amendments	January 1, 2023G	This is a new, comprehensive accounting standard for insurance contracts covering recognition, measurement, presentation and disclosure. When effective, IFRS 17 (together with its subsequent amendments) will replace IFRS 4 Insurance Contracts issued in 2005G.
IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies	January 1, 2023G	This amendment aims to help entities determine which accounting policies to disclose in their financial statements.
IAS 8	Amendment to the definition of accounting estimate	January 1, 2023G	These amendments to the definition of accounting estimates help entities distinguish between accounting policies and accounting estimates.

Amendments to the Standard	Description	Effective for years beginning on or after	Summary of Amendments
IAS 12	Deferred tax on assets and liabilities arising from a single transaction	January 1, 2023G	These amendments require companies to recognize deferred tax on transactions that, upon initial recognition, result in equal amounts of taxable and deductible temporary differences.
IAS 12	International Tax Reform (Pillar 2 Model Rules)	January 1, 2023G	These amendments provide companies with temporary relief from deferred tax accounting arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce specific disclosure requirements for affected companies.

Amendments to the Standard	Description	Effective for years beginning on or after	Summary of Amendments
IAS 1	Classification of liabilities as current or non-current	January 1, 2024G	The amendment clarifies what is meant by the right to defer settlement, that the deferral right must exist at the end of the reporting period, and that this classification is not affected by the possibility that an entity will exercise its deferral right, if and only if the derivative embedded in a convertible liability is itself an equity instrument and the terms of the liability do not affect its classification.
IFRS 16	Lease-to-Sale and Leaseback Agreements	January 1, 2024G	These amendments include the requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for sale and leasebacks after the date of the transaction. Sale and leaseback transactions where some or all of the lease payments are variable lease payments that do not depend on an index or rate are likely to be affected.
IAS 7 and IFRS 7	Supplier Financing Arrangements	January 1, 2024G	These amendments require the addition of disclosure requirements to enhance the transparency of supplier financing arrangements, and "guidance signals" within the existing disclosure requirements, requiring entities to provide qualitative and quantitative information about supplier financing arrangements.
IAS 21	Difficulty of conversion	January 1, 2024G	The amendments contain guidelines for determining when a currency is convertible and how to determine the exchange rate when it is not.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements when applicable, and the adoption of these interpretations and amendments may not have any material impact on the Company's financial statements in the period of initial application.

## 5-6 Key Performance Indicators

The following table shows the key performance indicators of Thimar Development Holding Company for the fiscal years 2021G, 2022G and 2023G:



**Table (23): Key Performance Indicators**

Saudi Riyal	FY 2021G	FY 2022G	FY 2023G
Sales	425,304	Nothing	Nothing
Operating Loss from Operations (Saudi Riyal)	(79,416,727)	(6,621,082)	(17,068,169)
Operating Loss Margin (%)	18673%	Not Applicable	Not Applicable
Gross Profit Margin / (Loss)	3.45%	Not Applicable	Not Applicable
Current Ratio (Current Assets / Current Liabilities)	1.64%	0.62%	258.55%
Weighted Average Number of Shares	10,000,000	10,000,000	12,266,000
Loss for the Year	(162,451,394)	(2,955,601)	(6,530,218)
Earnings Per Share (Saudi Riyals)	(16.25)	(0.30)	(0.53)
Total Assets (Saudi Riyals)	14,046,921	44,220,742	102,954,350
Return on Assets (%)	(1156.49%)	(6.68%)	(6.34%)
Total Equity (Saudi Riyals)	(129,331,082)	(100,507,142)	31,139,349
Return on Equity (%)	125.61%	2.94%	(20.97%)
Total Liabilities	143,378,003	144,727,884	71,815,001
Total Current Assets	2,333,530	902,366	54,517,872
Total Debt	32,024,465	32,033,389	14,121,289
Debt to Total Assets Ratio	227.98%	72.44%	13.72%
Debt to Equity Ratio	Not Applicable	Not Applicable	45.35%

Source: The Company

★ Total shareholders' equity was negative in the review years 2021G and 2022G, and therefore the debt-to-equity ratio calculation does not apply in this case.

## 5-7 Financing Structure

The following table shows the financing structure of Thimar Development Holding Company for the years 2021G, 2022G and 2023G:

**Table (24): Financing Structure**

Saudi Riyal	FY 2021G	FY 2022G	FY 2023G
Total Liabilities	143,378,003	144,727,884	71,815,001
Total Debt	32,024,465	32,033,389	14,121,289
Cash and Cash Equivalents	623,303	212,201	47,107,031
Capital	100,000,000	100,000,000	250,000,000
Equity	(129,331,082)	(100,507,142)	31,139,349
Capital Structure (Total Debt + Equity)	(97,306,617)	(68,473,753)	45,260,638
Borrowing Rate % = (Total Debt / Capital Structure)	Not Applicable	Not Applicable	31.20%

Source: The Company

## 5-8 Income Statement

The following table shows the revenues for the review period

Table (25): Income Statement

Saudi Riyal	FY 2021G	FY 2022G	FY 2023G
Revenues	425,304	-	-
Cost of Revenues	(410,643)	-	-
<b>Gross Profit</b>	<b>14,661</b>	<b>-</b>	<b>-</b>
Selling and Marketing Expenses	(1,326,944)	-	-
General and Administrative Expenses	(77,829,444)	(6,412,734)	(15,719,161)
Reversal / (Losses) Impairment of Property and Equipment		341,652	(974,008)
Provision for Legal Cases			(275,000)
General and Administrative Expenses - Financial Reorganization	(275,000)	(550,000)	(100,000)
<b>Operating Loss from Operations</b>	<b>(79,416,727)</b>	<b>(6,621,082)</b>	<b>(17,068,169)</b>
Provision for Impairment of Prepayments and Other Receivables	(22,210,602)	(256,988)	(74,422)
Reversal of Expected Credit Loss Provision	-	107,969	
Allowance for Receivables - Enforcement Court	(4,015,027)		
Impact of Cash Flow Adjustment on Financial Liabilities			7,312,523
Reversal / (Losses) Impairment of Property and Equipment	(12,672,951)		
Legal Cases and Financial Claims	(45,508,738)	-	
Revenues and (Expenses) Other - Net	1,390,947	3,814,500	3,299,850
<b>Loss Before Zakat and Financing Costs</b>	<b>(162,433,098)</b>	<b>(2,955,601)</b>	<b>(6,530,218)</b>
Financing Costs	(18,296)	-	
Zakat	-	-	
<b>Net Loss</b>	<b>(162,451,394)</b>	<b>(2,955,601)</b>	<b>(6,530,218)</b>
Other Comprehensive Income:			
Items that will not be reclassified to profit or loss			
Profit / (Losses) Actuarial from Employee Benefit Plan Obligations	(155,283)	120,980	60,976
Revaluation Surplus	-	31,658,561	6,457,273
<b>Total Other Comprehensive Income</b>	<b>(155,283)</b>	<b>31,779,541</b>	<b>6,518,249</b>
<b>Total Comprehensive Income for the Year</b>	<b>(162,606,677)</b>	<b>28,823,940</b>	<b>(11,969)</b>

Source: Audited annual financial statements for the fiscal years ending on December 31, 2021G, December 31, 2022G, December 31, 2023G.

\* Due to adjustments, particularly with respect to accumulated losses in fiscal year 2021G, it is important to note that the net loss for fiscal year 2021G does not correspond to the figures reported in the originally issued financial statements for that fiscal year.

### 5-8-1 Revenue and Gross Profit

The following table shows the revenues for the review period.

Table (26): Gross Profit

Saudi Riyal	FY 2021G	FY 2022G	FY 2023G
Revenue	425,304	-	-
Cost of Revenue	(410,643)	-	-
<b>Gross Profit</b>	<b>14,661</b>	<b>-</b>	<b>-</b>

Source: Audited annual financial statements for the fiscal years ending on December 31, 2021G, December 31, 2022G, December 31, 2023G.

Revenue consists of revenue from refrigerator sales and sales through Azizia Markets. Revenue decreased significantly from fiscal year 2019G to fiscal year 2020G (91%) due to the seizure of bank accounts by regulatory authorities in fiscal year 2020G, and no revenue was reported in fiscal year 2022G due to the cessation of operations due to the financial reorganization process.

Revenues generated in fiscal year 2021G were entirely from cash sales due to the hold on bank accounts.

### 5-8-2 Cost of Revenue

The following table shows the cost of revenue for the review period:

Table (27): Cost of Revenue

Saudi Riyal	FY 2021G	FY 2022G	FY 2023G
Inventory at the beginning of the period	20,654	-	-
Purchases	389,989	-	-
Inventory at the end of the period	-	-	-
<b>Cost of revenue</b>	<b>410,643</b>	<b>-</b>	<b>-</b>

Source: Audited annual financial statements for the fiscal years ending on December 31, 2021G, December 31, 2022G, December 31, 2023G.

As for the Company's cost of revenue, the main components are agricultural inventory items, including meat, fruits and vegetables. However, during an emergency meeting of the Board of Directors held in fiscal year 2022G, it was decided to write off inventory balances. In fiscal year 2021G, operating costs were related to the Company's cash-related operations. However, starting from fiscal year 2022G, these operations were discontinued due to the ongoing restructuring phase within the Company. The restructuring included significant management and policy changes that were implemented to address and improve the Company's overall performance and operations.

### 5-8-3 Selling and Marketing Expenses

The following table shows the selling and marketing expenses for the review period:

**Table (28): Selling and Marketing Expenses**

Saudi Riyal	FY 2021G	FY 2022G	FY 2023G
Salaries, wages and their equivalents	663,162	-	-
Short-term Lease Contracts	593,589	-	-
Electricity and water	18,758	-	-
Maintenance and repair	15,006	-	-
Miscellaneous	36,429	-	-
<b>Total selling and marketing expenses</b>	<b>1,326,944</b>	<b>-</b>	<b>-</b>

Source: Audited annual financial statements for the fiscal years ending on December 31, 2021G, December 31, 2022G, December 31, 2023G.

These primarily consist of salaries and wages for the Company's sales and marketing staff, short-term lease contracts, and utility expenses. Selling and marketing expenses increased by 9.17% in fiscal year 2021G due to increased costs of short-term leases. These costs were incurred in fiscal year 2020G but were recorded in fiscal year 2021G when new management discovered that they had been erroneously excluded in fiscal year 2020G by old management.

### 5-8-4 General and Administrative Expenses

The following table shows the general and administrative expenses for the review period:

**Table (29): Administrative and general expenses**

Saudi Riyal	FY 2021G	FY 2022G	FY 2023G
Salaries, wages and their equivalents	4,207,354	2,261,141	2,948,535
Remunerations for Board Members and Committees	-	2,054,500	9,321,442
Short-term Lease Contracts	354,030	238,012	236,500
Electricity and Water	3,223	-	-
Telephone, Mail, and Internet	10,716	-	-
Professional and Consulting Fees	1,538,150	664,574	1,660,139
Government Fees and Subscriptions	77,200	259,917	691,779
Depreciation of Property, Plant, and Equipment	1,100,552	421,576	377,404
Maintenance, Repair, and Software	213	213,760	122,008
Losses on Bank Guarantees	570,000	-	-
Bad Debts	60,497,450	-	-
Differences in Zakat Claims	3,338,365	-	-
Penalties and VAT Fines	6,130,589	-	-
Miscellaneous	1,602	299,254	361,354
<b>Total General and Administrative Expenses</b>	<b>77,829,444</b>	<b>6,412,734</b>	<b>15,719,161</b>

Source: Audited annual financial statements for the fiscal years ending on December 31, 2021G, December 31, 2022G, December 31, 2023G.

Below are the main components of general and administrative expenses:

- ♦ **Salaries, wages and their equivalents** decreased by 46.26% in fiscal year 2022G and increased by 30.40% in fiscal year 2023G. The main reason for the decline in the fiscal year 2022G is attributed to the large layoffs of workers as part of the company's ongoing financial reorganization procedures, and the reason for the increase in salaries and wages for the year 2023G is attributed to the recruitment of new experienced cadres.
- ♦ **Remunerations for Board Members and Committees** increased by 353.71% in the fiscal year 2023G to constitute 60% of the total general and administrative expenses. This increase was a result of the company changing the remuneration policy for members of the Board of Directors and committees, which was approved at the Extraordinary General Assembly meeting on 23/03/1445H (corresponding to 08/10/2023G).
- ♦ **Facilities, maintenance, etc.** Includes electricity, water, telephone, stationery and miscellaneous expenses, decreased in fiscal year 2021G by 89.73% due to the reduction of the company's operations. These costs increased by 1473.51% in fiscal year 2022G due to increased maintenance and repair costs for various assets of the company.
- ♦ **Differences in Zakat Claims, VAT Penalties and Fines** arose in the fiscal year 2021G when the Zakat and Tax authorities re-evaluated the balance payable by the company and submitted it to the financial reorganization trustee who was accepted.
- ♦ **Professional and consulting fees** include Audit and advisory fees. They increased significantly in fiscal year 2023G as a result of procedures related to capital increase.
- ♦ **Bad debts** consisting of receivables, these are mainly from the associate company, Thimar Markets and Wasmi, which went bankrupt in fiscal year 2021G. The Company obtained a valuation of these amounts from a firm of financial experts who are experts in the region of these balances and transferred them as part of its expected credit losses to its bad debts. The figures in fiscal year 2022G reflect the balances of amounts receivable from third parties that were written off in fiscal year 2022G.
- ♦ **Depreciation of property, plant and equipment** decreased by 61.69% in fiscal year 2022G and 10.48% in fiscal year 2023G. The decrease was due to impairment of assets as a result of revaluation in fiscal year 2021G of buildings and some assets were disposed of during the period.
- ♦ **General and administrative expenses - financial reorganization procedure** the fees of the company's financial reorganization trustee, who was appointed pursuant to a ruling by the Ninth Commercial Circuit of the Commercial Court in Riyadh, amount to 1,100,000 Saudi Riyals. The first installment of 275,000 Saudi Riyals was recorded and paid during the fiscal year 2021G, and the second installment of 550,000 Saudi Riyals was recorded and paid during the fiscal year ending on December 31, 2022G. During the fiscal year ending on December 31, 2023G, the company recorded and paid 100,000 Saudi Riyals, and the remaining amount of 175,000 Saudi Riyals is due upon completion of the financial reorganization work.

Table (30): General and administrative expenses - financial reorganization procedure

Saudi Riyal	FY 2021G	FY 2022G	FY 2023G
Professional fees	275,000	550,000	100,000
<b>Total</b>	<b>275,000</b>	<b>550,000</b>	<b>100,000</b>

Source: Audited annual financial statements for the fiscal years ending on December 31, 2021G, December 31, 2022G, December 31, 2023G.

#### ► Provisions and reversals of provisions

- ♦ **Reflection of decline in value** the decrease of 341,652 Saudi Riyals is based on comparing the total value of the building valuation for 3 sites owned by it on December 31, 2022G with the total net balances of the cost of those items and the accumulated depreciation of their books. Based on the results of those valuations, part of the decrease value was reflected in the value of the buildings recorded last year, based on the valuations conducted by the company for the buildings by accredited valuers, and the valuation at the lowest value was taken into account. In the fiscal year 2023G, an decrease in the value of property and machinery amounting to 974,008 Saudi Riyals was recorded.

- ♦ **Provisions of debit balances - Execution Court** The company representative submitted an item totaling the amounts recorded as debit balances in the execution court. The court withdrew the amount of 4,015,027 Saudi Riyals based on the cases issued against the company. The company was not sure who the parties were behind those cases, and expected that the court might have issued a judgment for the same creditors, so they made a provision for debit balances - execution court. The identity of the parties is being followed up with the legal department.
- ♦ **Provision for potential claims** The provision for lawsuits filed against the company amounted to 843,720 Saudi Riyals. Upon reviewing the report received from the lawyer, it was decided to form a ruling for three cases where the success rates were less than 50%, namely: A lawsuit filed against the company by Mohammed Fahd Al-Otaibi in the amount of: 303,075 Saudi Riyals. A lawsuit filed against the company by lawyer Yousef Al-Halabi in the amount of 500,000 Saudi Riyals. A lawsuit filed against the company by Namer Food Corporation in the amount of 40,645 Saudi Riyals. The total amount is 843,720 Saudi Riyals. It is worth noting that this provision has been settled and equalized to zero.
- ♦ **Financial cases and claims** many creditors (workers and employees - suppliers - other payables - government agencies) submitted their claims to the company's financial reorganization trustee, and the company recorded the approval of the claims as well as the differences in the approved claims balances and recorded them as losses on the comprehensive income for the 2021G fiscal year statement.

## 5-8-5 Other revenues and expenses - net

The following table shows the other revenues and expenses for the review period:

**Table (31): Other Revenues and Expenses**

Saudi Riyal	FY 2021G	FY 2022G	FY 2023G
Revenues from Refrigerator and Stalls Rentals	855,421	-	-
Company's Share of Results from Liquidation of an Associate	-	3,800,000	847,395
Revenue from Reimbursed Salaries	-	-	437,500
Profit / (Loss) from Disposing of Property, Plant, and Equipment	(1,548,629)	14,500	251,144
Gains from Waivers of Due Fines	-	-	1,234,909
Bank Returns	-	-	478,116
Losses from Disposing of Intangible Assets	(25,973)	-	-
Settlement of Loan Interest	661,221	-	-
Settlement of Differences in Account Balances and Receivables	540,824	-	-
Settlement of Cash Shortages	(25,009)	-	-
Reversal of Investment Loss Provision in an Associate	920,258	-	-
Miscellaneous	12,834	-	50,786
<b>Total Other Revenues and Expenses - Net</b>	<b>1,390,947</b>	<b>3,814,500</b>	<b>3,299,850</b>

Source: Audited annual financial statements for the fiscal years ending on December 31, 2021G, December 31, 2022G, December 31, 2023G.

- ♦ **Other revenues and expenses consist** of sales of refrigeration products, reversals of provisions, and adjustments to settle various account balances shown in the financial statements. Other revenues and expenses showed an 115% increase in fiscal year 2021G due to adjustments to balances resulting from financial reorganization procedures. In fiscal year 2022G, the receipt of final amounts from sales of refrigeration products resulted in an additional 174% increase.
- ♦ **Gain/(loss) on disposal of property and equipment** in the fiscal year 2021G, the gain/(loss) figure from disposal of property and equipment showed a negative amount due to the actual physical inventory of the property, plant and equipment owned by the company. Based on the results of that inventory, a portion of the property, plant and equipment

was disposed of, resulting in capital losses of 1,548,629 Saudi Riyals. In the following years, the figure increased due to the sale of underutilized assets, resulting in higher gains/(losses) in subsequent periods. The company sold part of its fixed assets "Cars" for 252,500 Saudi Riyals, resulting in capital gains of 251,144 Saudi Riyals. The net book value of these assets upon sale was 1,356 Saudi Riyals.

- **The Company's share of the proceeds of liquidation of an associate company** the amount received by the company from the liquidation of the associate company, Thimar Markets and Wasmi, which went bankrupt in the fiscal year 2021G. The company received an amount of 847,395 Saudi Riyals.
- **Differences in the balances of the General Organization for Social Insurance** the reconciliation shows the differences held by the company as well as by the General Organization for Social Insurance. This has been amended after the General Organization for Social Insurance issued a certificate for the balances in the fiscal year 2023G.
- **Revenue from rental of refrigerator and stalls** shows sublease of refrigerator and stalls. Shows a 51.4% increase in fiscal year 2021G due to final settlements arising from the cessation of the acceptance lease at the end of fiscal year 2021G.
- **Settlement of differences in recording credit balances and receivables** represents the difference in creditor claims added during the fiscal year 2023G and claims already recorded in the company's books prior to this period.

## 5-8-6 Effect of adjusting cash flows of financial liabilities

Saudi Riyal	FY 2023G
Islamic Loans	1,899,868
Trade Payables	4,051,048
Accrued Expenses and Other Credit Balances	773,870
Amounts Due to Related Parties	87,068
Sharia Zakat Due	500,669
<b>Total</b>	<b>7,312,523</b>

Source: Audited Annual Financial Statements for the fiscal year ending December 31, 2023G. .

During the fiscal year 2023G, the company's management re-measured its liabilities due to amendments to its terms, which included rescheduling creditors' payments in accordance with the financial reorganization and also obtaining the approval of the Extraordinary General Assembly to increase the capital. Accordingly, the present value of these claims was recalculated, resulting in an adjustment effect to the contractual cash flow of 7.3 million Saudi Riyals in the statement of profit or loss according to the financial instruments standard.

## 5-9 Statement of Financial Position

The following table shows the statement of financial position for the review period:

Table (32): Statement of Financial Position

Saudi Riyal	FY 2021G	FY 2022G	FY 2023G
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant, and Equipment, Net	11,713,391	43,318,376	48,436,478
Intangible Assets, Net	-	-	-
<b>Total Non-Current Assets</b>	<b>11,713,391</b>	<b>43,318,376</b>	<b>48,436,478</b>



Saudi Riyal	FY 2021G	FY 2022G	FY 2023G
<b>Current Assets</b>			
Assets Held for Sale	780,000	580,000	-
Trade Receivables, Net	-	-	-
Prepaid Expenses and Other Receivables, Net	930,227	110,165	1,410,841
Investments Measured at Fair Value through Profit or Loss	-	-	6,000,000
Amounts Due from Related Parties, Net	-	-	-
Cash and Cash Equivalents	623,303	212,201	47,107,031
<b>Total Current Assets</b>	<b>2,333,530</b>	<b>902,366</b>	<b>54,517,872</b>
<b>Total Assets</b>	<b>14,046,921</b>	<b>44,220,742</b>	<b>102,954,350</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Capital	100,000,000	100,000,000	250,000,000
Statutory Reserve	2,883,376	2,883,376	2,883,376
Other Reserves	(155,283)	(34,303)	26,673
Revaluation Surplus	-	31,658,561	38,115,834
Accumulated Losses	(232,059,175)	(235,014,776)	(259,886,534)
<b>Total Equity</b>	<b>(129,331,082)</b>	<b>(100,507,142)</b>	<b>31,139,349</b>
<b>Non-Current Liabilities</b>			
Employee Benefit Obligations	856,066	84,810	118,163
Islamic Loans	-	-	14,121,289
Trade Payables	-	-	28,031,577
Accrued Expenses and Other Payables	-	-	4,130,579
Amounts Due to Related Parties	-	-	602,472
Sharia Zakat Due	-	-	3,724,677
<b>Total Non-Current Liabilities</b>	<b>856,066</b>	<b>84,810</b>	<b>50,728,757</b>
<b>Current Liabilities</b>			
Islamic Loans	32,024,465	32,033,389	
Trade Payables	69,680,793	69,578,556	4,141,560
Other Payables and Accrued Liabilities	23,660,660	25,875,110	8,279,593
Amounts Due to Related Parties	1,379,078	1,379,078	657,042
Zakat Provision	15,776,941	15,776,941	8,008,049
<b>Total Current Liabilities</b>	<b>142,521,937</b>	<b>144,643,074</b>	<b>21,086,244</b>
<b>Total Liabilities</b>	<b>143,378,003</b>	<b>144,727,884</b>	<b>71,815,001</b>
<b>Total Liabilities and Equity</b>	<b>14,046,921</b>	<b>44,220,742</b>	<b>102,954,350</b>

Source: Audited annual financial statements for the fiscal years ending December 31, 2021G, December 31, 2022G, December 31, 2023G.

## 5-9-1 Non-Current Assets

Table (33): Non-current assets for the review period

Saudi Riyal	FY 2021G	FY 2022G	FY 2023G
Property, Plant and Equipment	11,713,391	43,318,376	48,436,478
<b>Total Non-Current Assets</b>	<b>11,713,391</b>	<b>43,318,376</b>	<b>48,436,478</b>

Source: Audited annual financial statements for the fiscal years ending on December 31, 2021G, December 31, 2022G, December 31, 2023G.

Table (34): Accumulated depreciation of company assets

Saudi Riyal	FY 2021G	FY 2022G	FY 2023G
Land	6,231,776	37,890,337	44,347,610
Buildings	5,419,610	5,382,430	4,054,500
Cars	62,005	21,581	0
Furniture and Fixtures	0	22,076	19,657
Electrical Appliances and Computers	0	1,952	14,711
<b>Total (Net Book Value)</b>	<b>11,713,391</b>	<b>43,318,376</b>	<b>48,436,478</b>
<b>Accumulated Depreciation</b>	<b>20,221,634</b>	<b>7,867,399</b>	<b>8,084,459</b>

Source: Audited annual financial statements for the fiscal years ending on December 31, 2021G, December 31, 2022G, December 31, 2023G.

- Non-current assets consist of property, plant and equipment.
- Non-current assets constituted 83.39%, 97.96%, and 47.05% of total assets for the fiscal years 2021G, 2022G, and 2023G, respectively. Non-current assets increased by 269.82% and 11.82% in the fiscal years 2022G and 2023G, respectively. In the fiscal year 2021G, there was an impairment in the value of property, plant, and equipment due to the valuation conducted for the category of real estate assets (land and buildings) included under property, plant, and equipment. Due to the lack of detailed data on real estate assets, the total appraised value of 3 properties owned by the company was compared to the total cost balances and accumulated depreciation of those items. Based on the results of these valuations, there was a decrease in the value of buildings amounting to 12,762,951 Saudi Riyals, which was recorded in the financial statements for the fiscal year 2021G based on a Board of Directors' resolution. The valuation was conducted by the Middle East Real Estate Valuation Company, License No. 323/18/323.
- In the fiscal year 2022G, based on a resolution by the Board of Directors, the revaluation model was adopted to measure the fair value of properties, plant, equipment, and investment properties during the first quarter of the fiscal year 2022G. Based on this model, there was an increase in the value of property, plant, and equipment amounting to 31,658,561 Saudi Riyals, which was recorded under other comprehensive income as "Revaluation Surplus." The valuation was conducted by two certified appraisers, and the lower value was adopted.
- In the fiscal year 2023G, the value of property, plant, and equipment increased by 11.82%. The company revalued its land as of 31 December 2023G, resulting in a net revaluation surplus of 6,457,273 Saudi Riyals. The land was appraised by two independent certified valuers.

## 5-9-2 Property, Plant, and Equipment

Property, plant and equipment items include land, buildings, wells, computers, electrical equipment, furniture, office fixtures and equipment, decorations and leasehold improvements. Property, plant and equipment are depreciated on a fixed installment basis over the estimated useful lives of the assets. Property, plant and equipment experienced the following changes during the reporting period:

- In the fiscal year 2021G, the total net carrying value of assets amounted to 11,713,891 Saudi Riyals. An addition of 1,840 Saudi Riyals was made for computers and electrical equipment. A significant disposal of vehicles, equipment, leasehold improvements, furniture, fixtures, decorations, and computers amounting to 10,532,849 Saudi Riyals was carried out based on decisions made in the Board of Directors' meeting to dispose of unutilized assets. Accumulated depreciation amounted to 20,231,634 Saudi Riyals, while accumulated depreciation for disposals during the year totaled 8,197,209 Saudi Riyals, and annual depreciation was 1,100,552 Saudi Riyals.
- In the fiscal year 2022G, the total net carrying value of assets amounted to 43,318,376 Saudi Riyals. New office equipment was purchased at a cost of 24,128 Saudi Riyals, and computers were acquired at a cost of 2,130 Saudi Riyals during the year, while vehicles with a net carrying value of 112,860 Saudi Riyals were sold during the year. A revaluation surplus on land amounting to 31,658,561 Saudi Riyals was recorded as a result of the appraisal conducted during the year. Total accumulated depreciation for the year amounted to 20,198,698 Saudi Riyals, and an impairment reversal of 341,652 Saudi Riyals was recognized as compensation for impairment due to the revaluation of real estate properties.
- In the fiscal year 2023G, the net carrying value of property, plant, and equipment amounted to 48,436,468 Saudi Riyals. During the year, additions of 13,597 Saudi Riyals were made for computers and IT equipment. Disposals included cars with a value of 161,700 Saudi Riyals, and impairment losses on buildings amounted to a total of 13,305,307 Saudi Riyals.

Property and equipment items were measured at cost less accumulated depreciation and impairment losses, if any, up to the fiscal year 2021G, excluding projects under construction. Starting from the fiscal year 2022G, the company shifted to the fair value measurement model for real estate and investment properties while continuing to use the cost model for measuring plant and equipment.

### 5-9-3 Intangible Assets

The value of intangible assets purchased amounted to 40,000 Saudi Riyals in the fiscal year 2019G, representing an accounting software named "Aswaq6." Amortization expenses were 6,005 Saudi Riyals, 8,002 Saudi Riyals, and 8,002 Saudi Riyals for the fiscal years 2019G, 2020G, and 2021G, respectively. The carrying value of the intangible asset in the fiscal year 2021G was 17,951 Saudi Riyals, which was fully amortized due to the following:

1. Aswaq6 program was suspended, and another accounting program called MicroTec was purchased.
2. The new accounting program was not worth much, only 10,000 Saudi Riyals which was spent in full.

### 5-9-4 Current Assets

The following table shows the current assets for the review period:

**Table (35): Current Assets**

Saudi Riyal	FY 2021G	FY 2022G	FY 2023G
Assets and Properties Held for Sale	780,000	580,000	-
Trade Receivables, Net	-	-	-
Prepaid Expenses and Other Receivables, Net	930,227	110,165	1,410,841
Investments Measured at Fair Value through Profit or Loss	-	-	6,000,000
Amounts Due from Related Parties, Net	-	-	-
Cash and Cash Equivalents	623,303	212,201	47,107,031
<b>Total Current Assets</b>	<b>2,333,530</b>	<b>902,366</b>	<b>54,517,872</b>

Source: Audited annual financial statements for the fiscal years ending on December 31, 2021G, December 31, 2022G, December 31, 2023G.

Current assets consist of cash and cash equivalents, assets and properties held for sale, trade receivables, prepaid expenses and other receivables, investments measured at fair value through profit or loss, and amounts due from related parties. Current assets represented 16.61%, 2.04%, and 52.95% of total assets in the fiscal years 2021G, 2022G, and 2023G, respectively. They decreased by 61.33% in the fiscal year 2022G due to a reduction in prepaid expenses and assets held for sale. In the fiscal year 2023G, current assets increased by 5,941.66%, driven by an increase in cash and cash equivalents amounting to 46,894,830 Saudi Riyals, resulting from proceeds from the capital increase, which contributed to the rise in cash **(Please refer to subsection (5-10) Cash Flow of this section).**

### 5-9-5 Amounts Due from Related Parties, Net

Based on the liquidation status of the associate company, Thimar Markets and Wasmi Agricultural Company, and according to the liquidation letter, it was decided to write off the balance due from the associate company amounting to 60.49 million Saudi Riyals instead of creating an expected credit loss provision as previously decided. Additionally, it was resolved to reverse the investment loss provision balance in the company amounting to 920,258 Saudi Riyals.

It was decided to write off the balance of the National Fresh Fruits Products Company using the credit loss provision for related parties amounting to 3.9 million Saudi Riyals. Subsequently, the Bankruptcy Authority announced the initiation of administrative liquidation proceedings.

A credit loss provision was created for a related party balance amounting to 22.18 million Saudi Riyals, which had been outstanding for several years. The company filed a lawsuit against the party in court, and the final judgment was ruled in favor of the company in the fiscal year 2021G.

### 5-9-6 Assets and Properties Held for Sale

The balance of assets and properties held for sale primarily consists of unusable piles of iron and scrap, valued at 780,000 Saudi Riyals. A portion was sold for 200,000 Saudi Riyals during the fiscal year 2022G. Another portion of the scrap was sold for 45,000 Saudi Riyals during the first quarter of the fiscal year 2023G, and multiple price offers have been received for the remaining scrap pile.

### 5-9-7 Trade Receivables, Net

The following table shows the trade receivables for the review period:

**Table (36): Trade Receivables for the review period**

Saudi Riyal	FY 2021G	FY 2022G	FY 2023G
Trade Receivables	13,216,988	13,109,019	13,109,019
Less: Provision for Credit Losses	(13,216,988)	(13,109,019)	(13,109,019)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Movement in Provision for Credit Losses on Trade Receivables</b>			
Balance as of January 1	13,190,471	13,216,988	13,109,019
Provision / (Reversal) during the Year	26,517	(107,969)	
Balance as of December 31	13,216,988	13,109,019	13,109,019

Source: Audited annual financial statements for the fiscal years ending on December 31, 2021G, December 31, 2022G, December 31, 2023G.

Trade receivables include provisions amounting to 13.19 million Saudi Riyals created in the fiscal year 2019G for trade receivables exceeding 360 days. A provision of 26,517 Saudi Riyals was established in the fiscal year 2021G based on the Board of Directors' decision to approve the closing balance as of December 31, 2021G as losses. Due to the cessation of operations during the financial reorganization proceedings, there was no movement in the trade receivables balance during the review period. However, in the fiscal year 2022G, part of the provision was reversed against an amount of 107,969 Saudi Riyals collected through the Enforcement Court from a former client.

The following table shows the top ten customers in trade receivables balances:

**Table (37): Top Ten Customers in Trade Receivables Balances**

Customers	Amount (Saudi Riyals)
Customer 1	7,505,548
Customer 2	2,745,040
Customer 3	671,952
Customer 4	467,610
Customer 5	359,789
Customer 6	300,119
Customer 7	296,624
Customer 8	200,245
Customer 9	179,586
Customer 10	158,149
<b>Total</b>	<b>12,884,662</b>

Source: The Company.

Please note that operations ceased after fiscal year 2021G and therefore customer balances did not move.

## 5-9-8 Prepaid Expenses and Other Receivables

The following table shows prepaid expenses and other receivables balances for the review period:

**Table (38): Prepaid expenses and other receivables balances**

Saudi Riyal	FY 2021G	FY 2022G	FY 2023G
Advances and Employee Receivables	127,504	77,487	91,934
Short-term Lease Contracts	32,573	32,488	32,488
Deposits with Others			60,000
Professional, Consulting, and Legal Fees	-	256,988	1,389,026
Others	770,150	190	168,803
Deduct	930,227	367,153	1,742,251
Provision for Impairment of Prepaid Expenses and Other Receivables	-	(256,988)	(331,410)
<b>Total</b>	<b>930,227</b>	<b>110,165</b>	<b>1,410,841</b>

Source: Audited annual financial statements for the fiscal years ending on December 31, 2021G, December 31, 2022G, December 31, 2023G.

- The balance of prepaid expenses and other receivables consists of advances and employee receivables, short-term lease contracts, deposits with others, professional, consulting, and legal fees, as well as other expenses. There was a decrease of 88.16% in net prepaid expenses and other receivables in the fiscal year 2022G and an increase of 1180.66% in the fiscal year 2023G.
- The primary reason for the decrease is attributed to the company's management writing off the advance payment balance to a supplier amounting to 11.302 million Saudi Riyals, following a court ruling in favor of the supplier. The advance payment balance was closed under the provision for receivables – Enforcement Court.

- The significant increase in the fiscal year 2023G is attributed to the professional, consultancy, and legal fees incurred due to the capital increase process.

## 5-9-9 Cash and Cash Equivalents

Cash and cash equivalents consist of cash and bank balances that are subject to minimal risks of changes in their fair value, which the company uses to manage its short-term liabilities. In the fiscal year 2020G, the company ceased its commercial activities (buying and selling) due to the suspension and freezing of its bank accounts, except for operations in the Al-Azizia market (buying and selling) in cash.

**Table (39): Cash and Cash Equivalents**

Saudi Riyal	FY 2021G	FY 2022G	FY 2023G
Bank Balance	605,628	211,504	47,107,031
Cash	17,675	697	
<b>Total</b>	<b>623,303</b>	<b>212,201</b>	<b>47,107,031</b>

Source: Audited annual financial statements for the fiscal years ending on December 31, 2021G, December 31, 2022G, December 31, 2023G.

**(For more details on cash balances during the review period, please refer to Subparagraph (5-10) "Cash Flow Statement" of this section.)**

## 5-9-10 Equity

The following table shows the equity for the review period:

**Table (40): Equity**

Saudi Riyal	FY 2021G	FY 2022G	FY 2023G
Capital	100,000,000	100,000,000	250,000,000
Statutory Reserve	2,883,376	2,883,376	2,883,376
Other Reserves	(155,283)	(34,303)	26,673
Revaluation Surplus	-	31,658,561	38,115,834
Accumulated Losses	(232,059,175)	(235,014,776)	(259,886,534)
<b>Total Shareholders' Equity</b>	<b>(129,331,082)</b>	<b>(100,507,142)</b>	<b>31,139,349</b>

Source: Audited annual financial statements for the fiscal years ending on December 31, 2021G, December 31, 2022G, December 31, 2023G.

- Equity includes capital, accumulated losses, revaluation surplus, statutory reserve, and other reserves. It decreased by 22.29% in the fiscal year 2022G and by 130.98% in the fiscal year 2023G. This decrease is primarily attributed to an increase in accumulated losses and the cessation of regular business operations. During an emergency meeting of the Board of Directors in the fiscal year 2021G, several balances were written off, primarily related to the liquidation of an associate company and the non-payment of certain debts. The creation of provisions in the financial statements also contributed to the losses incurred during that year. However, in the fiscal year 2022G, the accumulated losses were partially alleviated by adopting the fair value model for property, plant, and equipment, resulting in a positive impact of 31.65 million Saudi Riyals.
- The authorized and issued capital of the company is 100 million Saudi Riyals, divided into 10 million shares with a nominal value of 10 Saudi Riyals per share, as of December 31, 2021G and December 31, 2022G. On 08/10/2023G, the Extraordinary General Assembly of the company approved the Board of Directors' recommendation to increase the capital through offering preemptive rights shares of 150 million Saudi Riyals by offering 15 million ordinary shares with

a nominal value of 10 Saudi Riyals each, representing an increase of 150%. As a result, the paid-up capital increased to 250 million Saudi Riyals, divided into 25 million shares, each with a nominal value of 10 Saudi Riyals, as of December 31, 2023G, according to the approval of the Capital Market Authority on 11/09/2023G and the approval of Tadawul Group on 23/07/2023G. On 03/06/2024G, the company reduced its capital from 250 million Saudi Riyals to 65 million Saudi Riyals by canceling 18.5 million ordinary shares with a nominal value of 10 Saudi Riyals each, representing a 74% reduction in the capital before the decrease. This reduction was carried out to restructure the company's capital and offset accumulated losses, in accordance with the approval of the Capital Market Authority on 25/04/2024G. The current capital of the company is 65 million Saudi Riyals, divided into 6.5 million ordinary shares with a nominal value of 10 Saudi Riyals per share.

- Other reserves represent differences arising from the actuarial calculation of employees' end-of-service benefits as defined in IFRS 19.

## 5-9-11 Non-Current Liabilities

The following table shows non-current liabilities for the review period:

**Table (41): Employee Defined Benefit Liabilities**

Saudi Riyal	FY 2021G	FY 2022G	FY 2023G
Employee Benefit Liabilities	856,066	84,810	118,163
Islamic Loans*			14,121,289
Trade Payables			28,031,577
Accrued Expenses and Other Payables			4,130,579
Amounts Due to Related Parties			602,472
Sharia Zakat Due			3,724,677
<b>Total Non-Current Liabilities</b>	<b>856,066</b>	<b>84,810</b>	<b>50,728,757</b>

Source: Audited annual financial statements for the fiscal years ending on December 31, 2021G, December 31, 2022G, December 31, 2023G.

\* As part of the financial reorganization plan, a local bank submitted its claims to the company's financial reorganization trustee for a total amount of 37,071,930 Saudi Riyals. An amount of 32,024,465 Saudi Riyals was accepted, while an amount of 5,047,465 Saudi Riyals was rejected. The list of claims in the company's financial reorganization procedure was approved by the Ninth Commercial Circuit at the Commercial Court in Riyadh on Rajab 22, 1443H, corresponding to February 23, 2022G.

As of December 31, 2023G, the Group classified all loan balances as non-current. Additionally, the Group settled an amount of 16,012,232 Saudi Riyals of the claims owed to the local bank.

The following table shows trade payables:

**Table (42): Trade Payables**

Saudi Riyal	FY 2021G	FY 2022G	FY 2023G
Trade Payables	69,680,793	69,578,556	36,224,185
Impact of Cash Flow Adjustment on Financial Liabilities			(4,051,048)
<b>Net Trade Payables</b>	<b>69,680,793</b>	<b>69,578,556</b>	<b>32,173,137</b>
Classifies into:			
<b>Current</b>	<b>69,680,793</b>	<b>69,578,556</b>	<b>4,141,560</b>
<b>Non-Current</b>			<b>28,031,577</b>



Saudi Riyal	FY 2021G	FY 2022G	FY 2023G
Historical Details of Outstanding Trade Payables are as follows:			
Trade Payables Due to Creditors Who Submitted Claims to the Financial Reorganization Trustee	64,165,250	64,165,250	32,290,625
Trade Payables Due to Creditors Who Did Not Submit Claims to the Financial Reorganization Trustee	5,515,543	5,413,306	3,933,560
Impact of Cash Flow Adjustment on Financial Liabilities			(4,051,048)
	<b>69,680,793</b>	<b>69,578,556</b>	<b>32,173,137</b>

Source: Audited annual financial statements for the fiscal years ending on December 31, 2021G, December 31, 2022G, December 31, 2023G.

- As part of the financial reorganization procedure, the creditors submitted their claims to the Company's financial reorganization trustee for a total amount of 68,529,529. A portion of these claims amounting to 64,165,250 Saudi Riyals was accepted, while 4,517,279 Saudi Riyals was rejected. The list of claims under the financial reorganization procedure for the Group was approved by the Ninth Commercial Circuit of the Commercial Court in Riyadh on 22 Rajab 1443H, corresponding to February 23, 2022G.
- During 2023G, the Group settled part of its liabilities to creditors in accordance with their claims filed with the financial reorganization trustee and the court ruling, amounting to 31,874,625 Saudi Riyals.
- As of December 31, 2023G, the Group's management faces uncertainties regarding liabilities recorded in the condensed interim financial statements, arising from supplier balances amounting to 336,228 Saudi Riyals. These balances stem from transactions in prior years with no resulting settlements. The management has attempted to contact the suppliers. In the management's view, this may lead to changes in the value of the liability or impact the likelihood of outflows of economic benefits associated with these balances.
- The Group's management has not written off these balances until it is convinced that it is unlikely that these liabilities will be claimed in the future.

## 5-9-12 Current Liabilities

The following table shows the current liabilities for the review period:

**Table (43): Current Liabilities**

Saudi Riyal	FY 2021G	FY 2022G	FY 2023G
Islamic Loans	32,024,465	32,033,389	-
Trade Payables	69,680,793	69,578,556	4,141,560
Accounts Receivable and Other Credit Balances	23,660,660	25,875,110	8,279,593
Amounts Due to Related Parties	1,379,078	1,379,078	657,042
Zakat Provision	15,776,941	15,776,941	8,008,049
<b>Total Current Liabilities</b>	<b>142,521,937</b>	<b>144,643,074</b>	<b>21,086,244</b>

Source: Audited annual financial statements for the fiscal years ending on December 31, 2021G, December 31, 2022G, December 31, 2023G.

- Current liabilities include current portion of Islamic loans, trade payables, accounts receivable and other credit balances, amounts due to related parties, claims provision and zakat provision. Current liabilities increased by 1.49% in fiscal year 2022G and decreased by 85.42% in fiscal year 2023G.

- The main reason for the increase in the fiscal year 2022G was the rise in trade payables and outstanding payables resulting from claims submitted by the company's suppliers, which were accepted by the financial reorganization trustee. These represent current liabilities. Current liabilities represented 99.40%, 99.94%, and 29.36% of total liabilities in the fiscal years 2021G, 2022G, and 2023G, respectively.
- The main reason behind the 586% decrease in current liabilities in the fiscal year 2023G is the significant decrease in trade payables, accruals and other credit balances after 70.42% of these items were reclassified to non-current liabilities.
- Islamic Loans: The facilities obtained by the company from SAB Bank until 31 December 2022G amounted to 32,033,389 Saudi Riyals (31 December 2021G: 32,024,465 Saudi Riyals). During the year 2022G, a reconciliation was made with the bank and an amount of 8,924 Saudi Riyals was settled under general and administrative expenses for previous fees charged by the bank for the valuation of the company's properties, which had not been recorded in the company's books before.
- As part of the financial reorganization procedures, SAB Bank submitted its claims to the company's financial reorganization trustee for a total amount of 37,071,930 Saudi Riyals. An amount of 32,024,465 Saudi Riyals was accepted, and an amount of 5,047,465 Saudi Riyals was rejected. The claims list in the company's financial reorganization procedures was approved by the Ninth Commercial Circuit of the Riyadh Commercial Court on 22/07/1445H, corresponding to 23 February 2022G.

### 5-9-13 Accounts Receivable and Other Credit Balances

The following table shows the accounts receivable and other credit balances for the review period:

**Table (44): Accounts Receivable and Other Credit Balances**

Saudi Riyal	FY 2021G	FY 2022G	FY 2023G
Salaries and Employee Benefits Payable	9,157,344	8,961,194	6,955,379
Other Accrued Expenses	7,346,330	8,216,343	4,001,257
Bonuses Payable - Board and Committees	1,943,000	3,676,000	489,999
End of Service Benefits for Terminated Employees	2,624,680	2,670,838	2,670,838
Value Added Tax	7,418,509	7,376,762	2,516,525
Provision for Legal Cases*	-	-	275,000
Credit Balance of Excess Shares Issued**	-	-	1,301,071
Amounts Drawn - Enforcement Court***	(4,829,203)	(5,026,027)	(5,026,027)
<b>Impact of Cash Flow Adjustment on Financial Liabilities</b>			<b>(773,870)</b>
<b>Net Accrued Expenses and Other Payables</b>	<b>23,660,660</b>	<b>25,875,110</b>	<b>12,410,172</b>
<b>Classifies into:</b>			
<b>Current</b>	<b>23,660,660</b>	<b>25,875,110</b>	<b>8,279,593</b>
<b>Non-Current</b>	<b>-</b>	<b>-</b>	<b>4,130,579</b>

Source: Audited annual financial statements for the fiscal years ending on December 31, 2021G, December 31, 2022G, December 31, 2023G.

- The company's accounts receivable and other credit balances include accrued employee salaries and benefits, other accrued expenses, Board and Committee members' bonuses, end-of-service benefits for employees whose service has ended, value-added tax (VAT), legal provisions, surplus shares offering payable, amounts withdrawn from the enforcement court, and the impact of adjustments in cash flows for financial obligations. The net accounts receivable and other credit balances increased by 9.36% in the fiscal year 2022G and decreased by 52.04% in the fiscal year 2023G.

- ♦ The increase in accrued employee salaries and benefits is due to an amount of 4,533,427 Saudi Riyals payable to the current general manager and the former managing director (4,381,760 Saudi Riyals in the fiscal year 2022G). Additionally, the bonuses payable as of March 31, 2023G, amount to 2,913,500 Saudi Riyals (2,865,500 Saudi Riyals in the fiscal year 2021G) for the benefit of Board members and Committees.
- ♦ There is an increase in the liability for Value Added Tax due to the company management registering the outstanding Value Added Tax balance payable to the Zakat, Tax and Customs Authority, according to the invoiced amounts in the Authority's electronic system records. This includes unpaid liabilities, revaluation fees, and fines.
- ★ As of December 31, 2023G, the Company's management has established a provision for legal cases against execution orders issued against it ("execution orders for outstanding checks") due to the effects resulting from the loss of documents in previous years. The Company's management does not have any material information related to the supporting documents for those executions. As a result of these previous events ("execution orders from the court"), the management has considered the possibility of an external cash flow of economic benefits in exchange for settling them, and the management has a sufficient estimate of the amounts due in a reliable manner (checks submitted to the court).
- ★★ The amount represents the total remaining dues resulting from compensation due to unsubscribed preemptive rights holders.
- ★★★ The balance represents amounts withdrawn from the group's bank accounts by the Enforcement Court in return for cases issued against the group, as the group's management does not have sufficient data on those cases and they are being followed up with the relevant authorities.

## 5-9-14 Zakat

- ♦ The Company is subject to Zakat in accordance with the Zakat Regulations issued by the Saudi Charity Fund, which are subject to interpretation. Zakat is collected at a flat rate of 2.5% of the Zakat base as specified in the Zakat Regulations.
- ♦ The following table shows the movement in Zakat provisions throughout the review period. Zakat claims increased by 26.84% in fiscal year 2021G. The closing Zakat provision includes 3.33 million Saudi Riyals recognized in relation to current Zakat assessments:

Table (45): Zakat provision movement

Saudi Riyal	FY 2021G	FY 2022G	FY 2023G
Balance at the Beginning of the Year	12,438,576	15,776,941	15,776,941
Used During the Year			(3,543,546)
Provision Made During the Year	3,338,365		
<b>Impact of Cash Flow Adjustment on Financial Liabilities</b>			<b>(500,669)</b>
<b>Balance at the End of the Year</b>	<b>15,776,941</b>	<b>15,776,941</b>	<b>11,732,726</b>
<b>Classifies into:</b>			
<b>Current</b>	<b>15,776,941</b>	<b>15,776,941</b>	<b>8,008,049</b>
<b>Non-Current</b>			<b>3,724,677</b>

Source: Audited annual financial statements for the fiscal years ending on December 31, 2021G, December 31, 2022G, December 31, 2023G.

- ♦ Since the establishment of the Company until December 31, 2005G, the Company has received a final assessment for the years until December 31, 2005G in the amount of 1,440,098 Saudi Riyals, but this assessment has not been paid yet.
- ♦ From fiscal year 2006G to fiscal year 2019G, the company submitted its zakat returns, and the total claims to the Authority for those years amounted to 13,452,152 Saudi Riyals, according to the information contained in the invoices on the Authority's electronic portal, and have not been paid yet.
- ♦ During the fiscal year 2020G, the Authority issued an electronic assessment of Zakat on the company in the amount of 25,219 Saudi Riyals, with the company submitting the Zakat declaration at the end of the fiscal year 2021G, according to which the Zakat due amounted to 884,690 Saudi Riyals, which has not been paid yet.

- In the fiscal year 2021G, the company submitted zakat returns for the year to the Zakat, Tax and Customs Authority.
- As part of the financial reorganization process, the Authority submitted its claims to the company's financial reorganization trustee in the total amount of 17,199,377 Saudi Riyals. A portion of the claims, amounting to 8,450,962 Saudi Riyals, was accepted, while the remaining claims amounted to 8,748,685 Saudi Riyals. These balances, which appear in the company's financial statements, were approved by the Ninth Commercial Circuit of the Commercial Court in Riyadh on 22 Rajab 1443H (corresponding to 23 February 2022G).

## 5-9-15 Contingent Liabilities and Capital Commitments

The Company has legal claims related to balances that were rejected by the financial organizer in the financial reorganization proposal. The Group's management believes that these claims are unlikely to require an external flow of economic resources, and the management will continue to update them. For more information, **please refer to paragraph (2-1-19) "Risks relating to claims that preceded the opening of the financial reorganization procedure and were not included in the claims"** and **paragraph (2-1-27) "Risks related to contingent liabilities"** of Section (2) "Risk Factors" of this prospectus).

The Group is facing legal proceedings, lawsuits and other claims that could have an impact on the Group's financial position or results of operations, as reflected in the consolidated financial statements. In November 2024G, the Company settled a legal claim against Al-Sahm Food Distribution Company in the amount of 252,564 Saudi Riyals as a result of the supply of goods that the Company did not pay. In May 2025G, the company also paid legal claims to the Al-Jouf Health Water Factory amounting to 131,640.9 Saudi Riyals. Additionally, the company incurred other legal costs, including employee end-of-service benefits and claims issued by the Ministry of Human Resources and the Ministry of Justice amounting to 196,000 Saudi Riyals.

As mentioned in relation to the investment in the National Fresh Fruits Products Company, a ruling was issued by the Ninth Circuit of the Commercial Court in Riyadh to terminate the administrative liquidation procedures of the company, and no obligations were due on the Thimar Development Holding Company, which meets the external flow of economic resources. Furthermore, the group's management is unable to reliably measure those liabilities. The company will continue to monitor this matter with the relevant authorities. For more information, **please refer to paragraph (2-1-7) "Risks related to the bankruptcy of associated companies"** and **paragraph (2-1-32) "Risks Related to Investments in Other Companies"** from section (2) "Risk Factors" of this prospectus.

## 5-10 Cash Flow Statement

The following table shows the company's cash flow statement for the review period:

Table (46): Cash Flow Statement

Saudi Riyal	FY 2021G	FY 2022G	FY 2023G
<b>Operating Activities</b>			
<b>Net (Loss) Before Zakat</b>	<b>(162,451,394)</b>	<b>(2,955,601)</b>	<b>(6,530,218)</b>
<b>Adjustments</b>			
Depreciation of Property, Plant, and Equipment	1,100,552	421,576	377,404
Bad Debts	60,497,450	-	
Provision for Expected Credit Loss	22,210,602		
Reversal of Expected Credit Loss Provision	-		
Provision for Receivables - Enforcement Court	4,015,027		
Provision for Contingent Liabilities	-		

Saudi Riyal	FY 2021G	FY 2022G	FY 2023G
Reversal of Investment Loss Provision in Associates	(920,258)		
Gains from Disposal of Assets Held for Sale			(19,124)
Impairment / (Reversal of Impairment) of Property and Plant	12,672,951	(341,652)	974,008
(Profit) / Losses from Disposal of Property, Plant, and Equipment	1,548,629	(14,500)	(251,144)
Losses from Disposing of Intangible Assets	25,974	-	
Closing Inventory Differences	20,653	-	
Closing Guarantee Letter Insurance	570,000	-	
Revenue from Adjustments to Prior Balances	(1,023,280)	-	
Settlements, Claims, and Fines	54,977,682	-	
Financing Costs	18,296	-	
Impact of Cash Flow Adjustment on Financial Liabilities			(7,312,523)
Component of Employee Benefit Plan Obligations	62,276	58,976	117,991
	<b>(6,674,840)</b>	<b>(2,831,201)</b>	<b>(12,643,606)</b>
<b>Changes in Working Capital:</b>			
Amounts Due from Related Parties	150,893	-	
Trade Receivables	-		
Prepaid Expenses and Other Receivables	790,695	820,062	(1,300,676)
Trade Payables	(774)	(102,237)	(33,354,371)
Other Payables and Accrued Liabilities	3,680,676	2,214,450	(12,691,068)
Amounts Due to Related Parties	211,910		
<b>Cash Provided by Operating Activities</b>	<b>(1,841,440)</b>	<b>101,074</b>	<b>(59,989,721)</b>
Used from Provision for Claims	-		
End of Service Benefits Paid to Employees	-	(709,252)	(23,662)
Zakat Paid			(3,543,546)
<b>Net Cash (Used in) / Provided by Operating Activities</b>	<b>(1,841,440)</b>	<b>(608,178)</b>	<b>(63,556,929)</b>
<b>Investing Activities</b>			
Purchase of Property and Plant	(1,840)	(26,348)	(13,597)
Proceeds from Sale of Property, Plant, and Equipment	7,000	14,500	252,500
Proceeds from Sale of Assets and Property Held for Sale	-	200,000	599,124
Payment for Investments			(6,000,000)
<b>Net Cash Provided by / (Used in) Investing Activities</b>	<b>5,160</b>	<b>188,152</b>	<b>(5,161,973)</b>

Saudi Riyal	FY 2021G	FY 2022G	FY 2023G
<b>Cash Flows from Financing Activities</b>			
Amounts Due to Related Parties			(32,496)
Proceeds from Capital Increase			150,000,000
Offering Costs Paid			(18,341,540)
(Paid) / Proceeds from Islamic Loans	-	8,924	(16,012,232)
<b>Net Cash Provided by / (Used in) Financing Activities</b>	<b>-</b>	<b>8,924</b>	<b>115,613,732</b>
<b>Net Cash Flow</b>	<b>(1,836,280)</b>	<b>(411,102)</b>	<b>46,894,830</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>2,459,583</b>	<b>623,303</b>	<b>212,201</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>623,303</b>	<b>212,201</b>	<b>47,107,031</b>

Source: Audited annual financial statements for the fiscal years ending on December 31, 2021G, December 31, 2022G, December 31, 2023G.

### 5-10-1 Cash flow from operating activities

Showed an additional decline of 66.97% in the fiscal year 2022G due to the complete cessation of operational activities. In the fiscal year 2023G, the cash used in operating activities was 63,556,929 Saudi Riyals after an increase of 10,350.38%. This significant increase is due to the reversal of the effect of cash flow adjustments for non-cash financial liabilities amounting to a negative 7,312,523 Saudi Riyals. Additionally, there were negative changes in working capital totaling 47,346,115 Saudi Riyals.

### 5-10-2 Cash flow from investing activities

The net cash flow from investing activities was 188,152 Saudi Riyals in the fiscal year 2022G, resulting from collections of 200,000 Saudi Riyals from the sale of assets and properties held for sale. In the fiscal year 2023G, the cash used in investing activities amounted to 5,161,973 Saudi Riyals due to the decision of the company's Board of Directors to allocate 6 million Saudi Riyals for investment in a real estate project.

### 5-10-3 Cash flow from financing activities

No cash was used in financing activities during the review period, except for a small movement in loan balances amounting to 8,250 Saudi Riyals. In the fiscal year 2023G, cash generated from financing activities amounted to 115,613,732 Saudi Riyals due to the capital raised from the issuance of preemptive rights shares amounting to 150 million Saudi Riyals.

## 6- Use of the Offering Proceeds and Future Projects

### 6-1 Net Offering Proceeds

The total proceeds from the issuance of preemptive rights shares are estimated at (195,000,000) Saudi Riyals, of which approximately (18,282,000) Saudi Riyals will be paid to cover the offering costs, including the fees of the financial advisor, the lead manager, the legal advisor, the underwriter, as well as marketing, printing, distribution, and other expenses related to the subscription. The value-added tax (VAT) on the offering expenses amounts to two million, seven hundred twenty-eight thousand, nine hundred eighty-seven (2,728,987) Saudi Riyals. The company will pay the value-added tax, which cannot be refunded, due to the existence of amounts owed to the Zakat, Tax and Customs Authority.

The net proceeds from the offering will amount to approximately (176,718,000) Saudi Riyals, which will primarily be used to enhance the company's expansion capacity in investments to support its activities in accordance with the financial organization plan and pay part of the creditors according to the financial organization plan. Shareholders will not receive any of the proceeds generated from the offering.

The company will disclose to the public on the website of the Saudi Exchange (Tadawul) before the trading session opens if there is a difference of (5%) or more between the actual use of the offering proceeds and what has been disclosed in this prospectus, as soon as it becomes aware of such a difference, in accordance with Paragraph (W) of Article (57) of the Rules on the Offer of Securities and Continuing Obligations. This paragraph states: "The issuer must disclose to the public any difference of (5%) or more between the actual use of the proceeds from issuing preemptive rights shares or an issue of shares without preemptive rights and what was disclosed in the related prospectus, as soon as it becomes aware of such a difference."

### 6-2 Use of Net Proceeds from Offering

The company intends to use the net proceeds of the offer to implement the financial reorganization proposal, as the financial reorganization procedure represents the tool and means that ensures correcting the company's financial performance and building a financial and economic base capable of meeting its requirements, burdens and obligations towards all creditors. Accordingly, the proceeds of the offering will be distributed as follows:

Table (47): Use of Proceeds from Offering

Item	Amount in Saudi Riyals	Percentage of Total Offering Proceeds
Partial payment of creditors according to the financial reorganization proposal	12,099,840	6.21%
Food, agricultural and meat investment	60,000,000	30.77%
Real estate investment	54,000,000	27.69%
Investment in investment portfolios	30,000,000	15.38%
Working capital financing	20,618,160	10.57%
Offering costs*	18,282,000	9.38%
<b>Total</b>	<b>195,000,000</b>	<b>100%</b>

Source: The Company

\* The company has paid a portion of the offering costs, amounting to 1,461,400 Saudi Riyals, including value-added tax. The company will offset this amount "offering costs" from the proceeds of the capital increase, should the increase occur, and redirect it to real estate investment as part of the plan to utilize the proceeds from the previous offering.



### Payment of creditors under the financial reorganization proposal

The company has made significant efforts to account for claims and classify all creditors in accordance with the requirements and classifications outlined in the Bankruptcy Law. The financial reorganization trustee, Mr. Hani Al-Aqili, was appointed on 07/04/2021G. One of the trustee's key responsibilities is to receive, verify, and prepare a list of creditors' claims. Accordingly, an amount of (12,099,840) Saudi Riyals from the net offering proceeds will be allocated for the payment of the second installment to creditors, as per the financial reorganization plan, which is due by 31/03/2025G, as detailed below:

**Table (48): Creditors' Payment of the Second Installment According to the Financial Reorganization Proposal**

Type of Debt	Amount in Saudi Riyals
Employee settlements (salaries, vacation entitlements, end of service, ticket entitlements)	1,884,850
Accounts payable (suppliers)	7,012,543
Financial entities*	3,202,447
Total	12,099,840
<b>Percentage of total</b>	<b>6.2%</b>

Source: Financial Reorganization Proposal issued on 25/04/1444H (corresponding to 19/11/2022G).

\* Saudi British Bank – SABB

### Investment

The company's strategy is to activate its entity as a holding company, invest in existing companies operating in promising sectors, and enter into partnerships or acquisitions that generate lucrative returns. This will be reflected in the company's performance, achieving sustainable growth in its income, as outlined in the financial restructuring plan. The company will adhere to the details of the use of the offering proceeds, and will promptly announce to the public any delays in the use of these funds and obtain any required approvals, if necessary.

It is worth noting that the company's investment strategy is based on an investment bylaw approved by the Board of Directors on 12/10/2021G and updated on 07/08/2024G. These bylaws set clear criteria for investment, acquisition, and merger operations, most notably: focusing on the food, agriculture, and real estate sectors; achieving an internal rate of return of no less than 15%; and owning a stake of no less than 26% in companies with a value less than 200 million Saudi Riyals, while ensuring effective representation on Boards of Directors and audit committees. The Executive Committee evaluates available investment opportunities, and its recommendations are submitted to the Board of Directors for appropriate decision-making, taking into account limited liquidity and the presence of competitors seeking to acquire similar opportunities in the market.

The company is currently investing in agriculture, real estate, and commercial sectors, and seeks to diversify its investments to ensure the company's continued profitability and growth. The following table outlines the sectors in which the company intends to invest:

Investment Type	Planned investment amount	Percentage of total investment
Food, Agricultural and Meat Investment	60,000,000	41.7%
Real Estate Investment	54,000,000	37.5%
Investing in investment portfolios	30,000,000	20.8%
<b>Total Investment</b>	<b>144,000,000</b>	<b>100%</b>

Source: The Company.

### Food, Agricultural and Meat Investment

The company intends to allocate an amount of 60,000,000 Saudi Riyals from the proceeds of the offering to invest in the food, agriculture and meat sectors. The company has prepared a study of the economic indicators of the targeted sectors explained above. There are promising investment opportunities in the fields of food, agriculture and meat investment in the Kingdom of Saudi Arabia and abroad.

The company plans to direct investments in this sector toward various projects, including the establishment and operation of greenhouses for the production of vegetables and seedlings, the development of integrated livestock markets and modern slaughterhouses, and the entry into processing industries related to food and meat products. It is worth noting that the company is currently studying a number of investment opportunities in these areas, carefully evaluating them to select the most suitable ones based on return and feasibility criteria. All these evaluations are conducted by the Executive Committee and in accordance with the approved investment regulations, which require a return of no less than 15% and appropriate representation in governance to ensure efficient monitoring and management.

The company has prepared a feasibility study that includes economic indicators for the targeted sectors to examine the feasibility of investing in them. Revenues in the food market amount to 211 billion Saudi Riyals in 2023G, and the market is expected to grow at an annual rate of 4.27%. The total volume of food products expected to be consumed during the current year is estimated at 16.52 billion kg, with some sectors accounting for the largest share, led by the vegetable sector, which is expected to have a share of 4.28 billion kg, followed by the bread and grain products sectors with 3.75 billion kg, dairy and egg products with 2.84 billion kg, fruits and nuts with 1.77 billion kg, in addition to 0.9 billion kg of sweets, 0.81 billion kg of meat, 0.64 billion kg of fish and seafood, and 0.9 billion kg of snacks.

Thimar Development Holding Company considers this investment as one of the steps towards achieving its investment goals in the food, agricultural, and meat sectors. The company aims to seize additional opportunities to maximize benefits and returns. The investment process is expected to be completed in 2025G, following the completion of due diligence, a fair valuation of the opportunity, and Thimar Development Holding Company's acceptance of its results and outcomes.

The company also announced on Tadawul website on January 6, 2025G, the signing of an agreement to establish an investment fund (a private equity investment fund (closed)) with Jiyad Al-Ezz Limited Company and Rassanah Capital Company, with a capital of 100 million Saudi Riyals for a period of 7 years, extendable (two additional periods of 12 months each), with the aim of investing in an amount not exceeding thirty million Saudi Riyals, after completing the necessary studies, and it will be financed from the upcoming capital increase. The fund aims to acquire 70% of Jiyad Al-Ezz Limited Company, which has the right to use and operate for a period of 25 years, to invest in the livestock market and Al-Maisem slaughterhouse in Mecca Al-Mukarramah.

Based on a careful study of investment opportunities in this sector, a detailed analysis of market indicators, and compliance with the requirements of the approved investment regulations, the company intends to allocate a total of 60,000,000 Saudi Riyals from the offering proceeds to enter into the above-mentioned investments, achieving its investment objectives and ensuring sustainable returns in line with its strategic direction as a holding company. The company has internally set an internal implementation timeline extending over one year, starting from the third quarter of 2025G, with full disclosure in accordance with relevant regulations in the event of any material developments.

### Real Estate Investment

Within this sector, the company targets real estate opportunities that include owning income-generating commercial real estate assets and entering into development or operational investments with recurring annual returns, in line with the company's strategy to grow stable revenues.

The company intends to allocate 54,000,000 Saudi Riyals of the offering proceeds to investments in the real estate sector. The company targets real estate investments or the ownership of real estate assets with an average annual return of 6% or more. In this context, it is worth noting that the company is currently studying a number of real estate investment opportunities, ranging from income-generating assets to development projects, and is evaluating them in terms of expected returns, operational solvency, and economic feasibility.

The company also waived its investment in the real estate project (Yamamah City Center), which was valued at 7,608,000 Saudi Riyals, after achieving a profit rate exceeding 27% in approximately ten months, in exchange for acquiring 26% of the ownership shares of Al Yamamah Plus Serviced Apartments Company for an amount of 9 million Saudi Riyals. The amount will be covered by the in-kind waiver of the Al Yamamah City Center project, which is estimated at 7,608,000 Saudi Riyals, in addition to the cash equivalent of 1,392,000 Saudi Riyals, which will be paid after the completion of the capital increase process.

### Investing in Investment Portfolios

Through this investment approach, the company aims to achieve semi-fixed and regular income that supports the company's cash flows in the medium term and contributes to reducing the volatility resulting from investments in other higher-risk sectors. Investing in investment portfolios is one of the appropriate tools for achieving this goal, as these investments are directed towards financial instruments that enjoy a high degree of stability and periodic distributions, such as fixed-income instruments, defensive investment funds, and certain stocks with stable returns. This falls within the company's strategy to diversify its investment portfolio and achieve a balance between growth and returns, enhancing the company's financial stability and providing additional sources of income capable of supporting its commitments and future expansion.

Accordingly, the Company intends to allocate an amount of 30,000,000 Saudi Riyals from the proceeds of the offering to enter into these investments, taking into account the internal evaluation controls and acceptable return determinants in accordance with the approved investment regulations.

### Working Capital Financing

Considering the company's plan to expand its investments and enter new sectors as indicated above, and its attraction of competencies in several departments and its continuation of the company's strategic plans, the company continues to study multiple projects and seeks to invest its assets. The company intends to allocate an amount of (20,618,160) Saudi riyals from the net proceeds of the offering to support the company's working capital during the coming period, which will contribute to improving financial solvency, meeting its obligations and potential expenses, and supporting the company's expansion activities. The following table shows the details of working capital financing:

**Table (49): The details of working capital financing:**

Item	Planned amount	Percentage of total working capital financing
Salaries, bonuses and allowances	10,020,631	48.60%
Auditing, reviewing and legal fees	1,167,371	5.66%
Board and committee members' remuneration	6,215,000	30.14%
Subsidiary financing	1,500,000	7.28%
Payment of unscheduled creditors in the financial restructuring plan	545,158	2.64%
Office, administrative and government expenses	1,170,000	5.67%
<b>Total</b>	<b>20,618,160</b>	<b>100%</b>

**Table (50): Timeline for using the proceeds of the offering**

Spending Item (Saudi Riyals)	2025		2026G			Total (Saudi Riyals)
	Q3	Q4	Q1	Q2	Q3	
Payment of creditors according to the financial reorganization proposal	12,099,840	-	-	-	-	12,099,840
Food, agricultural and meat investment	-	35,000,000	15,000,000	5,000,000	5,000,000	60,000,000
Real estate investment	-	21,000,000	11,000,000	11,000,000	11,000,000	54,000,000
Investment in investment portfolios	-	10,000,000	8,000,000	6,000,000	6,000,000	30,000,000
Working capital financing	-	4,837,374	4,756,168	4,474,193	6,550,425	20,618,160
Offering costs	18,282,000	-	-	-	-	18,282,000
<b>Total</b>	<b>30,381,840</b>	<b>70,837,374</b>	<b>38,756,168</b>	<b>26,474,193</b>	<b>28,550,425</b>	<b>195,000,000</b>

Source: The Company

It should be noted that the timeline is approximate and the above items will be financed from the proceeds of the offering.

## 7- Experts Statements

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Written consent has been obtained from the Company's Financial Advisor, Legal Advisor, Underwriter and Lead Manager whose names appear on pages **(F, G)** to include their names, logos and statements in the form contained in this Prospectus. Written consent has also been obtained from the Company's Chartered Accountants to include their names, logos and statements in the form contained in this Prospectus. These consents have not been withdrawn as of the date of this Prospectus, and neither the above-mentioned nor any of their relatives have any shares or any interest of any kind in the Company or its subsidiaries.

## 8- Board of Directors Declarations

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The members of the Board of Directors acknowledge as of the date of this Prospectus the following:

- Other than what is stated on page (14), **subparagraph (2-1-10) “Risks Related to Business Interruption” of Section (2) “Risk Factors”** and page (37), **subparagraph (3-10) “Business Interruption” of Section (3) “Background about the Company and the Nature of its Business”**, there has been no interruption in the business of the Issuer or any of its subsidiaries that could have or had a significant impact on the financial position during the last (12) months.
- No commissions, discounts, brokerage fees or other non-cash consideration have been granted by the Issuer or any of its subsidiaries during the three years immediately preceding the date of filing the application for registration and offering of securities in connection with the issuance or offering of any securities.
- Other than what is stated on page (10) **subparagraph (2-1-3) “Risks Related to Accumulated Losses” of Section (2) “Risk Factors”**, there has been no material adverse change in the financial and commercial position of the issuer or any of its subsidiaries during the three years immediately preceding the date of submitting the application for registration and offering of the securities subject to this prospectus, in addition to the period covered by the auditor's report until the approval of the prospectus.
- Other than as stated on page “D” of this Prospectus, neither the Directors nor any of their relatives have any shares or interest of any kind in the Issuer or any of its subsidiaries.
- The Company did not hold treasury shares, and the Company's Extraordinary General Assembly did not approve the purchase of the Company's shares.

## 9- Legal Information

### 9-1 Introduction to the company and the most important changes that have occurred in it

#### 9-1-1 Company Name:

Thimar Development Holding Company (formerly National Agricultural Marketing Company - Thimar) (subject to financial reorganization procedure) was registered as a Saudi joint-stock company under Commercial Registration No. 1010068222 issued in Riyadh on 17 Jumada Al-Awwal 1408H (corresponding to 07/01/1988G). Based on the Extraordinary General Assembly meeting held on 12/10/2021G, the company approved the amendment of its name to Thimar Development Holding Company, and on 29/10/2021G, the company's name was officially changed from National Agricultural Marketing Company to Thimar Development Holding Company.

#### 9-1-1-1 Company establishment and stages of capital development

- Thimar Development Holding Company (formerly National Agricultural Marketing Company - Thimar) (subject to financial reorganization procedure) was established as a Saudi joint-stock company under 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 Jumada Al-Awwal 1408H (corresponding to 07/01/1988G).
- The company's current capital amounts to sixty-five million Saudi Riyals (65,000,000) Saudi Riyals, divided into six million five hundred thousand (6,500,000) ordinary shares with a nominal value of ten (10) Saudi Riyals per share, fully paid.

#### 9-1-1-2 The most important events and changes in the company's capital since its establishment:

- On 18/05/1408H (08/01/1988G), Thimar Development Holding Company (formerly National Agricultural Marketing Company "Thimar") was established as a Saudi joint-stock company with a capital of twenty-six million eight hundred twenty-six thousand (26,826,000) Saudi Riyals, divided into two hundred sixty-eight thousand two hundred sixty (268,260) ordinary shares with a nominal value of one hundred (100) Saudi Riyals per share.
- In 1998G, the Extraordinary General Assembly approved the split of the company's shares from two hundred sixty-eight thousand two hundred sixty (268,260) ordinary shares with a nominal value of one hundred (100) Saudi Riyals per share, to five hundred thirty-six thousand five hundred twenty (536,520) ordinary shares with a nominal value of fifty (50) Saudi Riyals per share.
- On 19/07/2000G, the Extraordinary General Assembly approved the reduction of the company's capital from twenty-six million eight hundred twenty-six thousand (26,826,000) Saudi Riyals to thirteen million four hundred thirteen thousand (13,413,000) Saudi Riyals, thus reducing the number of the company's shares from five hundred thirty-six thousand five hundred twenty (536,520) ordinary shares to two hundred sixty-eight thousand two hundred sixty (268,260) ordinary shares with a nominal value of fifty (50) Saudi Riyals per share.
- On 19/07/2000G, the Extraordinary General Assembly approved the increase of the company's capital from thirteen million four hundred thirteen thousand (13,413,000) Saudi Riyals to one hundred million (100,000,000) Saudi Riyals, thus increasing the number of the company's shares from two hundred sixty-eight thousand two hundred sixty (268,260) ordinary shares to two million (2,000,000) ordinary shares with a nominal value of fifty (50) Saudi Riyals per share, through the issuance of preemptive rights shares.
- In 2006G, the company's shares were split from two million (2,000,000) ordinary shares to ten million (10,000,000) ordinary shares with a nominal value of ten (10) Saudi Riyals per share.

- ♦ On 19/04/2021G, the company announced the commencement of its financial reorganization procedures. The National Agricultural Marketing Company "Thimar" was notified by the court about a liquidation request filed by one of its creditors on 06/01/2021G. The company objected to the liquidation on 03/02/2021G, and the Ninth Chamber of the Commercial Court in Riyadh ruled to reject the creditor's liquidation request, granting the National Agricultural Marketing Company "Thimar" the right to proceed with financial reorganization. The judgment was issued on 07/04/2021G, and the company was informed of the ruling by its lawyer on 19/04/2021G.
- ♦ Based on the Extraordinary General Assembly meeting held on 12/10/2021G, it was approved to change the company's name to Thimar Development Holding Company. On 29/10/2021G, the company's name was officially changed from National Agricultural Marketing Company to Thimar Development Holding Company.
- ♦ On 03/02/2022G, the company prepared and submitted a financial reorganization proposal to the Ninth Chamber of the Commercial Court in Riyadh. The proposal included information about the company, its activities, its financial status, the economic situation, the list of debts, potential claims, how to handle them, its operations during the procedure, and its future strategy.
- ♦ On 23/03/2022G, the Commercial Court accepted the financial reorganization proposal submitted by the company and scheduled a meeting for shareholders and creditors to vote on the proposal. On 14/04/2022G, the shareholders approved the company's proposal to reschedule the creditors' payments according to the financial reorganization plan approved by the Commercial Court. On 18/04/2022G, the creditors approved the company's proposal to reschedule the creditors' payments according to the financial reorganization plan approved by the Commercial Court in Riyadh.
- ♦ On 14/08/2022G, the company announced on Tadawul website that it had received a ruling from the Commercial Court in Riyadh "approving the financial reorganization proposal of Thimar Development Holding Company."
- ♦ On 20/10/2022G, the company announced on Tadawul website that it had submitted a request on 19/10/2022G to delay creditor payments for 11 months to the financial organizer, in order to grant the company enough time to prepare everything necessary to implement the approved financial reorganization plan.
- ♦ On 20/11/2022G, the company announced on Tadawul website that it had received a response from the company's financial organizer on 16/11/2022G, with the commercial court's approval of the delay request. The company also attached the updated financial reorganization proposal dated 19/11/2022G in the same announcement.
- ♦ On 11/12/2022G, the shareholders approved the company's proposal to reschedule the payment of creditors in the financial reorganization plan approved by the commercial court. On 12/12/2022G, the creditors approved the company's proposal to reschedule the payment of creditors in the financial reorganization plan approved by the commercial court in Riyadh.
- ♦ On 01/03/2023G, the suspension of the trading of Thimar Development Holding Company's shares was lifted, after the reasons for the suspension ceased to exist, and the shares were traded off-platform.
- ♦ On 08/03/2023G, the company announced on Tadawul website that the Commercial Court in Riyadh had approved the amendment of Thimar Development Holding Company's financial reorganization proposal.
- ♦ On 08/10/2023G, the Extraordinary General Assembly approved increasing the company's capital from one hundred million (100,000,000) Saudi Riyals to two hundred fifty million (250,000,000) Saudi Riyals, thereby increasing the number of the company's shares from ten million (10,000,000) ordinary shares to twenty-five million (25,000,000) ordinary shares with a nominal value of ten (10) Saudi Riyals per share, through a preemptive rights shares offering. This approval was announced on Tadawul website.
- ♦ On 30/11/2023G, the company announced through Tadawul website the Board of Directors' recommendation to reduce the company's capital from two hundred fifty million (250,000,000) Saudi Riyals to sixty-five million (65,000,000) Saudi Riyals, by canceling eighteen million five hundred thousand (18,500,000) shares of the company's issued shares, in order to restructure the company's capital to offset the accumulated losses. The company also plans to increase its capital through a preemptive rights shares offering of one hundred ninety-five million (195,000,000) Saudi Riyals, bringing the capital after the increase to two hundred sixty million (260,000,000) Saudi Riyals, to support the company's activities and settle debts according to the announced financial reorganization plan.
- ♦ On 03/06/2024G, the Extraordinary General Assembly approved the reduction of the company's capital from two hundred fifty million (250,000,000) Saudi Riyals to sixty-five million (65,000,000) Saudi Riyals by canceling eighteen million five hundred thousand (18,500,000) shares of the company's issued shares. This approval was announced on Tadawul website.



- The company's activity, before amending its Articles of Association, consisted of marketing and wholesale and retail trade of agricultural products, foodstuffs, and meats of all types, including fresh, chilled, and frozen white and red meats, as well as providing services in marketing, maintenance, agricultural project management, and the management and operation of central wholesale markets.
- Article 3 of the amended Articles of Association stipulates the following: (The company shall carry out and implement the following objectives: managing its subsidiaries or participating in the management of other companies in which it holds shares, providing the necessary support to them, investing its funds in stocks and other securities, owning the properties and movable assets necessary to carry out its activities, providing loans, guarantees, and financing to its subsidiaries, owning industrial property rights, franchise rights, and other intangible rights, exploiting and leasing them to its subsidiaries or others).
- The company's headquarters is located in Riyadh, Mohammed Ali Jinnah Road, Building No. 3808, Sub-number 7548, Al-Shuhada District, Postal Code 13241, Kingdom of Saudi Arabia.

### 9-1-1-3 Historical changes in the company's capital since its establishment

- On 18/05/1408H (08/01/1988G), Thimar Development Holding Company (formerly the National Agricultural Marketing Company "Thimar") was established as a Saudi joint-stock company with a capital of (26,826,000) Saudi Riyals, divided into (268,260) ordinary shares, each with a nominal value of (100) Saudi Riyals per share.
- In 1998G, the Extraordinary General Assembly approved the division of the company's shares from (268,260) ordinary shares with a nominal value of (100) Saudi Riyals to (536,520) ordinary shares with a nominal value of (50) Saudi Riyals.
- On 19/07/2000G, the Extraordinary General Assembly approved a reduction in the company's capital from (26,826,000) Saudi Riyals to (13,413,000) Saudi Riyals, thus reducing the number of the company's shares from (536,520) ordinary shares to (268,260) ordinary shares, each with a nominal value of (50) Saudi Riyals per share.
- On 19/07/2000G, the Extraordinary General Assembly approved increasing the company's capital from (13,413,000) Saudi Riyals to (100,000,000) Saudi Riyals, thus increasing the number of shares from (268,260) ordinary shares to (2,000,000) ordinary shares with a nominal value of (50) Saudi Riyals per share, by issuing preemptive rights shares.
- In 2006G, the company's shares were split from (2,000,000) ordinary shares to (10,000,000) ordinary shares, each with a nominal value of (10) Saudi Riyals per share.
- On 08/10/2023G, the Extraordinary General Assembly approved increasing the company's capital from (100,000,000) Saudi Riyals to (250,000,000) Saudi Riyals, thereby increasing the number of shares from (10,000,000) ordinary shares to (25,000,000) ordinary shares, with a nominal value of (10) Saudi Riyals per share, by offering preemptive rights shares. This approval was announced on the Saudi Stock Exchange (Tadawul) website.
- On 30/11/2023G, the company announced, through the Saudi Stock Exchange (Tadawul) website, the Board of Directors' recommendation to reduce the company's capital from (250,000,000) Saudi Riyals to (65,000,000) Saudi Riyals by canceling (18,500,000) shares of the company's issued shares, as part of a capital restructuring to extinguish accumulated losses. The company will then increase its capital through offering preemptive rights shares worth (195,000,000) Saudi Riyals, raising the capital to (260,000,000) Saudi Riyals to support the company's activities and pay off creditors according to the announced financial organizing plan.
- On 03/06/2024G, the Extraordinary General Assembly approved reducing the company's capital from (250,000,000) Saudi Riyals to (65,000,000) Saudi Riyals by canceling (18,500,000) shares of the company's issued shares, and this approval was announced on the Saudi Stock Exchange (Tadawul) website.

### 9-1-1-4 Company's Objectives

According to the text of Article (Third) of the Articles of Association, the company's objectives are defined as:

- Managing subsidiaries of holding companies.
- Investing the funds of subsidiaries of holding companies.
- Owning real estate and movables necessary for holding companies.
- Providing loans, guarantees, and financing to subsidiaries of holding companies.

- ♦ Owning industrial property rights for subsidiaries of holding companies.
- ♦ Leasing industrial property rights for subsidiaries of holding companies.

The company carries out its activities through its main office, which the company established within the Kingdom in accordance with the applicable regulations and after obtaining the necessary licenses from the competent authorities. The company has obtained a number of necessary licenses from the competent authorities to carry out its activities **(for more details, please refer to subparagraph (9-1-6) “Government Approvals, Licenses and Certifications” of this section).**

#### 9-1-1-5 Company's Duration

Article (6) of the Articles of Association stipulates that the company's term shall be (60) sixty Hijri years starting from the date of its registration in the Commercial Register, and shall be automatically renewed for a similar period unless the Extraordinary General Assembly issues something to the contrary before the expiry of its term by at least a percentage. The Commercial Register data indicates that the company's term is (60) years starting from 17/04/1408H until 20/02/1470H.

#### 9-1-1-6 Headquarters

- ♦ Article Five (5) of the Articles of Association stipulates that the company's main headquarters shall be in the city of Riyadh, and it may be transferred to any other city within the Kingdom of Saudi Arabia pursuant to a decision issued by the company's Extraordinary General Assembly. The Board of Directors may establish branches, offices, or agencies for it within or outside the Kingdom of Saudi Arabia.
- ♦ According to the commercial registry data, the company's headquarters is located in Riyadh, Mohammed Ali Jinnah Road, Building No. 3808, Sub-number 7548, Al-Shuhada District, Postal Code 13241, Kingdom of Saudi Arabia.

### 9-1-2 Board of Directors

#### 9-1-2-1 Formation of the Board

The company is currently compliant with the Companies Law issued under Royal Decree No. (M/132) dated 28/01/1444H and the Corporate Governance Regulations issued by the Board of Directors of the Capital Market Authority under Resolution No. (8-16-2017) dated 16/05/1438H (corresponding to 13/02/2017G), as amended by Capital Market Authority Board Resolution No. (8-5-2023) dated 25/06/1444H (corresponding to 18/01/2023G). Article (17) of the company's Articles of Association stipulates that the company shall be managed by a Board of Directors consisting of seven (7) members elected by the Ordinary General Assembly of shareholders for a term of four years, with the possibility of re-election by the General Assembly. The composition of the Board of Directors must reflect appropriate representation of independent members. In all cases, the number of independent directors must not be fewer than two members or one-third of the Board, whichever is greater. This ensures the company's compliance with Article (16) of the Corporate Governance Regulations, which mandates that the majority of the board members in listed companies must be non-executive members, and that the number of independent members must not be fewer than two or one-third of the Board (whichever is greater). Currently, six out of seven board members are non-executive, and six out of seven are independent. Noting that the membership status may change in the event of any factor affecting independence or the absence of independence from the member, if any, or in the event that the status of the executive and non-executive member changes according to the definition specified in the Corporate Governance Regulations.

The following are the members of the Board of Directors elected by the Ordinary General Assembly on 18/10/1444H (corresponding to 08/05/2023G), based on the Board of Directors' decision dated 14/05/2023G. Mr. Mohammed bin Abdulwahab Al-Sukeet resigned based on the Board of Directors' decision issued on 28/05/2023G, and Mr. Abdulkarim bin Mohammed Al-Nuher was appointed in his place based on the Board of Directors' decision issued on 29/05/2023G.

Table (51): Members of Board of Directors

Name	Position	Nationality	Status	Owned Shares				Membership Date
				Direct	Indirect	Total	Percentage	
Walid Abdul Aziz Al-Shuwaier	Chairman	Saudi	Independent	0	0	0	0	14/05/2023G
Khaled Asaad Khashoggi	Vice Chairman	Saudi	Independent	0	0	0	0	14/05/2023G
Melfi Manahi Al-Marzouki	Member	Saudi	Executive	0	0	0	0	14/05/2023G
Abdulkarim bin Mohammed Al-Nuher	Member	Saudi	Independent	4,875	-	4,875	0.07500%	29/05/2023G
Aziz bin Mohammed Al-Qahtani	Member	Saudi	Independent	0	0	0	0	14/05/2023G
Haitham bin Faisal Ascoby	Member	Saudi	Independent	0	0	0	0	14/05/2023G
Yasser bin Suleiman Al-Aqil	Member	Saudi	Independent	2	-	2	0.0000308%	14/05/2023G
<b>Secretary of the Board</b>								
Abdulazim Moatamed Abdulazim	Secretary of the Board	Egyptian	Executive	-	-	-	-	14/05/2023G

Source: The Company

### 9-1-2-2 Chairman, Vice Chairman and Secretary

According to Article (23) of the Company's Articles of Association, the Board of Directors shall appoint from among its members a Chairman and a Vice Chairman, and it may appoint a Managing Director. It is not permissible to combine the position of Chairman of the Board of Directors with any executive position in the Company. The Chairman of the Board shall be responsible for representing the Company in its relations with third parties before the courts, in addition to the powers stipulated in the Articles of Association.

As for the company, it was found that it had appointed to these positions during the period from 14/05/2023G until the end of the Board's term on 13/05/2026G, as follows:

Position	Date of the Board or Assembly's decision to appoint	Name of the person appointed
Chairman	Minutes of the Board of Directors meeting dated 14/05/2023G	Eng. Walid Abdul Aziz Al-Shuwaier
Vice Chairman	Minutes of the Board of Directors meeting dated 14/05/2023G	Mr. Khaled Asaad Khashoggi
Managing Director	Minutes of the Board of Directors meeting dated 14/05/2023G	Mr. Melfi Manahi Al-Marzouki
Chief Executive Officer	Minutes of the Board of Directors meeting dated 22/03/2023G	Mr. Melfi Manahi Al-Marzouki
Secretary of the Board	Minutes of the Board of Directors meeting dated 14/05/2023G	Mr. Abdulazim Moatamed Abdulazim

Source: The Company.

### 9-1-2-3 Rights and Obligations of Board Members

- The company's articles of association specify in Article (22) of the articles of association how to reward the members of the Board of Directors. The remunerations of the members of the Board of Directors consists of financial amounts (remunerations, attendance allowance for meetings, transportation allowance and expenses) and other benefits and allowances in accordance with the policy approved by the General Assembly for disbursing the rewards of the members of the Board and its committees and within the limits of what is stipulated in the Companies Law or any other regulations, decisions, instructions or controls issued by the competent authorities. The report of the Board of Directors to the Ordinary General Assembly must include a comprehensive statement of all the remunerations, allowances, expenses and other benefits received by the members of the Board of Directors during the fiscal year, and it must also include a statement of what the members of the Board received in their capacity as employees or administrators or what they received in return for technical or administrative work or consultations, and it must also include a statement of the number of Board meetings and the number of meetings attended by each member.
- It is worth noting that Article (76) of the Companies Law stipulates that the company's articles of association shall specify the method of remunerating the members of the Board of Directors. This remuneration may be a specific amount, an attendance allowance for meetings, in-kind benefits, or a specific percentage of net profits. It is permissible to combine two or more of the above. The company's articles of association may also specify the upper limit for these remunerations. The Ordinary General Assembly shall determine the amount of these remunerations, provided that the remunerations are fair, motivating, and commensurate with the member's performance and the company's performance.

Below are details of the total amount received by the Board of Directors and Senior Executives during the years 2021G, 2022G and 2023G.

Statement (Saudi Riyal)	2021G	2022G	2023G
Board Members	540,000	660,000	2,025,000
Senior Executives	2,853,000	679,042	2,575,289

Source: The Company.

- As of the date of preparing this prospectus, no lawsuits have been filed against any of the current members of the Board of Directors before any court or before the Securities Dispute Resolution Committees.

### 9-1-2-4 Board Meetings

- According to Article (80) of the Companies Law, Article (30) of the Corporate Governance Regulations, and Article (24) of the Articles of Association, the Company's Board of Directors shall meet at least (four) times a year upon the invitation of its Chairman in accordance with the conditions stipulated in the Company's Articles of Association, with no less than one meeting every three months. The Chairman of the Board must invite the Board to meet whenever any member of the Board requests him to do so in writing to discuss one or more issues.
- The Board of Directors held a number of meetings during the years 2021G (3) meetings, 2022G (3) meetings, 2023G (5) meetings, 2024G (3) until 19/08/2024G, a number of (14) meetings, and issued (74) decisions by circulation, in accordance with Article (82) of the Companies Law for the Board of Directors to issue its decisions on urgent matters by presenting them to all members by circulation, unless a member requests - in writing - a meeting of the Board to deliberate on them. These decisions are issued with the approval of the majority of the votes of its members, unless the company's articles of association stipulate a larger percentage or number; These decisions are presented to the Board at its first subsequent meeting to record them in the minutes of that meeting. The company did not provide us with a copy of these meetings.

### 9-1-2-5 Board Committees

- The Board may form sub-committees to assist it in its work. With regard to the formation of committees, a sufficient number of non-executive Board members must be appointed to committees concerned with tasks that may result in conflicts of interest (such as ensuring the integrity of financial and non-financial reports, reviewing contracts and transactions of related persons, nomination for Board membership, appointing executive directors, and determining remuneration).

- ♦ In accordance with the Corporate Governance Regulations, and based on the new Companies Law, the Board of Directors - taking into account Article 51 of the Corporate Governance Regulations regarding the Audit Committee - shall form other specialized committees in accordance with the following:
  1. The company's needs, circumstances and conditions that enable it to perform its tasks effectively.
  2. The formation of committees shall be in accordance with general procedures established by the Board, which include defining the mission of each committee, the duration of its work, the powers granted to it during this period, and how the Board of Directors shall monitor it. The committee shall inform the Board of the results it reaches or the decisions it takes with transparency, and the Board shall follow up on the work of these committees regularly to verify that they are carrying out the tasks assigned to them.
  3. Each committee shall be responsible for its work before the Board, without prejudice to the Board's responsibility for such work and for the powers or authorities delegated to it.
  4. The number of committee members shall not be less than (3) three and not more than (5) five.
  5. Committee chairs or their representatives from among their members must attend General Assemblies to answer shareholders' questions.
  6. The company shall notify the Authority of the names of the committee members and their membership descriptions within five working days from the date of their appointment and any changes thereto within five working days from the date of the changes.

As of the date of preparing this prospectus, the company has three committees emanating from the Board of Directors, as follows:

#### 9-1-2-6 Audit Committee

- ♦ According to Article (38) of the Company's Articles of Association, the Board of Directors may form committees emanating from the Board to assist in performing its duties in accordance with the relevant regulations and bylaws. An audit committee consisting of (3) three members other than the executive members of the Board of Directors, whether shareholders or others, shall be formed by a decision of the Ordinary General Assembly. The committee's tasks, work controls and members' remuneration shall be specified in the decision. The Audit Committee is responsible for monitoring the company's activities, and for this purpose it has the right to review its records and documents and request any clarification or statement from the members of the Board of Directors or the Executive Management. It may request the Board of Directors to call the company's General Assembly to convene if the Board of Directors obstructs its work or the company suffers significant damages or losses. In addition, according to Article (39) of the company's Articles of Association, the Audit Committee must review the company's financial statements, reports and notes submitted by the auditors, and express its views on them, if any. It must also prepare a report on its opinion regarding the adequacy of the company's internal control system and any other work it has done that falls within its jurisdiction. This is in addition to the powers delegated to it under the Companies Law and the Corporate Governance Regulations.
- ♦ The company has an Audit Committee composed of three (3) members, appointed by the Ordinary General Assembly of shareholders during its meeting held on 18/10/1444H (corresponding to 08/05/2023G). The committee's duties, operational regulations, and member remuneration were determined for the new term, which begins on 14/05/2023G and ends on 13/05/2026G. The Audit Committee consists of the following members:
  1. Mr. Aziz Mohammed Al-Qahtani, Committee Chairman.
  2. Mr. Ziad Mohammed Al-Badini, Committee Member.
  3. Mr. Mohammed Dakhil Al-Saedi, Committee Member.
- ★ It is worth noting that, as of the date of preparing this prospectus, the members of the Audit Committee do not hold any other positions in the company.
- ♦ The company has a work regulation specific to the Audit Committee, which was approved by the Ordinary General Assembly of Shareholders held on 13/10/2021G. The Audit Committee reviewed the financial statements for the period ending 31 March 2021G, the financial statements for the period ending 30 June 2021G, the financial statements for

the period ending 30 September 2021G, and the financial statements for the year ending 31 December 2021G. The committee also reviewed the Audit Committee report to the General Assembly for the fiscal year ending 31 December 2022G. Additionally, it reviewed the Audit Committee report to the General Assembly for the fiscal year ending 31 December 2023G.

- ♦ In accordance with Article (13) of the Audit Committee's work regulations, the Audit Committee meets periodically and whenever necessary, with a minimum of (4) meetings during the fiscal year. Any of its members has the right to request a meeting with reasons stated. The Board of Directors, the Internal Audit Manager, Auditor, the Managing Director, the CEO, or the CFO may also request to convene a meeting with the committee when necessary. The committee schedules its meetings in line with the regulatory deadlines for publishing the preliminary and annual financial statements and considers the timing of the Board of Directors' meetings as much as possible to ensure that its recommendations and decisions are presented to the Board in a timely manner, especially on material matters that require the company's disclosure.
- ★★ The Audit Committee held (3) meetings during the year 2021G, (2) meetings during the year 2022G, (10) meetings during the year 2023G, and (5) meetings during the year 2024G up to the date 19/08/2024G.
- ♦ It is worth noting that the text of Article (51) Paragraph (W) of the Corporate Governance Regulations prohibits any person who has worked or was working during the past two years in the executive or financial management of the company, or with the company's auditors, from being a member of the audit committee, and the company stated that it is committed to this.
- ♦ The company is committed to the provisions of the Articles of Association, especially Article (42) thereof, as the annual report of the Audit Committee for the fiscal year ending on December 31, 2022G, and the annual report of the Audit Committee for the fiscal year ending on December 31, 2023G were reviewed, and it includes its opinion on the adequacy of the company's internal control system.

#### 9-1-2-7 Remuneration and Nominations Committee

- ♦ A committee called the (Remuneration Committee) and a committee called the (Nominations Committee) shall be formed by a decision of the Company's Board of Directors from outside the Executive Board of Directors, provided that at least one independent member is among them.
- ♦ When forming the Remuneration and Nomination Committees, the Company shall ensure that their members are executive members of the Board of Directors. It is permissible to seek assistance from non-executive members or persons who are not members of the Board, whether shareholders or others, provided that the chairmen of the two committees are independent members. The Company may merge the Remuneration and Nomination Committees into one committee called the Remuneration and Nomination Committee. In this case, the committee must meet the requirements for each of them contained in Chapters Three and Four of Part Four of the Corporate Governance Regulations, and exercise all the powers contained in Articles Fifty-Eight and Sixty-Two of the Corporate Governance Regulations, provided that the committee meets periodically at least every six months.
- ♦ The company has a Remuneration and Nominations Committee consisting of three members. The members of the Remuneration and Nominations Committee were appointed pursuant to the Board of Directors' decision at its meeting held on 14/05/2023G, in which it decided to form the Remuneration and Nominations Committee from 14/05/2023G until the end of the Board's term. The Remuneration and Nominations Committee consists of the following members:
  1. Walid Abdul Aziz Al-Shuwaier (Independent).
  2. Khaled Asaad Khashoggi (Independent).
  3. Mohammed Khaled Al-Mutairi (Member from outside the Board).
- ♦ The General Assembly of the company, based on a proposal from the Board of Directors, issues the Remuneration and Nominations Committee's work regulations, which includes the rules, procedures, duties, criteria for selecting members, membership duration, and their remuneration. The company has a specific work regulation for the Remuneration and Nominations Committee. On 06/03/1443H (corresponding to 12/10/2021G), the General Assembly (Extraordinary) of shareholders, in its second meeting, approved the amendment of the committee's work regulation. Additionally, the General Assembly (Extraordinary) of shareholders, in its second meeting held on 23/03/1445H (corresponding to 08/10/2023G), approved another amendment to the committee's work regulation.



★ The number of meetings of the Remuneration and Nominations Committee during the year 2021G was (2) meetings, in the year 2022G (1) meeting, in the year 2023G (4) meetings, and in the year 2024G until 19/08/2024G (3) meetings.

- ◆ Members of the Remuneration and Nominations Committee hold some other positions in the Company and other companies as detailed below:

Name	Position	Status	Other positions currently held by the member
Khaled Asaad Khashoggi	Chairman of the Remuneration and Nominations Committee	Independent	Member of the Executive Committee of the Company, Vice Chairman of the Board of Directors, Board Member, Managing Director and Executive Committee Member of Saudi Cable Company, Marketing Committee Member of Chemanol Company, Board Member of Canadian Caline Capital Company
Walid Abdul Aziz Al-Shuwaier	Member of the Remuneration and Nominations Committee	Independent	Chairman of the Board of Directors and Member of the Executive Committee of Thimar Company, Board Member, Vice Chairman of the Board of Directors, Chairman of the Remuneration and Nominations Committee and Member of the Executive Committee of Saudi Cable Company, Board Member and Member of the Marketing Committee of Chemanol Company.
Mohammed Khaled Al-Mutairi	Member of the Remuneration and Nominations Committee	Member from outside the Board	Member of the Nominations Committee of Saudi Cable Company. Member of the Board of Directors of the Infrastructure Company

Source: The Company

#### 9-1-2-8 Executive Committee

- ◆ The company has an Executive Committee consisting of (5) members, appointed by the Board of Directors in its meeting held on 14/05/2023G. The Board decided to form the Executive Committee from 14/05/2023G until the end of the Board's term. The Executive Committee consists of the following members:

1. Walid Abdul Aziz Al-Shuwaier, (Independent) Committee Chairman.
2. Melfi Manahi Al-Marzouki, (Executive) Committee Member.
3. Khaled Asaad Khashoggi, (Independent) Committee Member.
4. Abdulkarim bin Mohammed Al-Nuher, (Independent) Committee Member.
5. Eng. Abdullah Awda Al-Ghabin, (Executive) Committee Member.

★ The number of Executive Committee meetings during the year 2021G was (5) meetings, in the year 2022G (2) meetings, in the year 2023G (4) meetings, and in the year 2024G until 19/08/2024G (6) meetings.



### 9-1-2-9 Executive Management

Table (52): Executive Management Team Members.

Name	Position	Nationality	Age	Owned Shares				Appointment Date
				Direct	Indirect	Total	Percentage	
Melfi Manahi Al-Marzouki	CEO	Saudi	56	0	0	0	0	22/03/2023G
Moayyad Mohammed Al-Jahni	Director of Legal Affairs and Governance Department	Saudi	33	0	0	0	0	13/05/2023G
Faisal Faiz Al-Shammari	Administrative and Human Affairs Supervisor	Saudi	27	0	0	0	0	01/10/2022G

Source: The Company.

### 9-1-3 Corporate Governance

Corporate governance aims to create a system that enables the company to be led and directed. This system includes procedures for regulating the various relationships within the company between shareholders (through annual shareholders meetings or extraordinary meetings) and the Board of Directors on the one hand, and between the Board of Directors and Executive Directors on the other hand, in addition to regulating the company's relationship with stakeholders, by establishing special rules and procedures to facilitate the decision-making process in the company's affairs, and to give these decisions a transparent and credible character; to protect the rights of shareholders and stakeholders and to achieve justice, competitiveness and transparency in the market. While governance does not provide detailed mechanisms for making daily decisions, each company has its own distinctive character and objectives, which requires these companies to develop their own governance regulations, in accordance with the systems, regulations and instructions issued by the Authority, and in particular the Corporate Governance Regulations according to its various amendments, the latest of which is the amendment issued by the Capital Market Authority Board Resolution No. (8-5-2023) dated 25/06/1444H (corresponding to 18/01/2023G), as these regulations have become mandatory for companies, with the exception of the provisions that indicate that they are advisory. The Board of Directors of any listed company shall establish governance rules specific to the company that do not conflict with the mandatory provisions stipulated in the Corporate Governance Regulations. It shall monitor their implementation, verify their effectiveness, and amend them when necessary, provided that the Authority, shareholders, and the public are notified of any amendments made to the governance regulations.

- As of the date of this prospectus, the Company has a governance regulation. A governance regulation specific to the Company has been prepared and updated and the update was approved at the (Extraordinary) General Assembly of Shareholders at its second meeting held on 23/03/1445H (corresponding to 08/10/2023G).
- In addition to the governance regulations, the company has a number of internal regulations and policies, including (the Audit Committee's work regulations, the Remuneration and Nominations Committee's work regulations, policies, standards and procedures for membership in the Board of Directors, the matrix of powers, the work organization regulations, and the investment regulations).
- The attached table in "Ongoing Obligations as Required by the Capital Market Authority" of this prospectus summarizes the mandatory articles of the Corporate Governance Regulations that the Company has complied with and those that it has not complied with.

### 9-1-4 Agreements and transactions with related parties

According to the summarized consolidated interim financial statements for the three-month period ending on 31 March 2024G and the independent auditor's review report, there are amounts due from related parties. During the year 2021G, the Group's management supported the expected credit loss provision for a related party in the amount of 22,184,085 Saudi Riyals, based on the Board of Directors' decision, due to the inability to collect the debt. Additionally, there are payables to related parties, whereby, as part of the financial reorganization procedure, related parties submitted their claims to the

financial reorganization trustee for the company, totaling 1,379,078 Saudi Riyals, which were fully accepted. The claims list was approved within the company's financial reorganization procedure by the Ninth Commercial Circuit of the Riyadh Commercial Court on 23 February 2022G.

### 9-1-5 Subsidiaries and associated companies

According to Article (4) of the Articles of Association, the company may establish closed joint-stock companies on its own, provided that the capital is not less than (5) million Saudi Riyals. It may also establish limited liability companies on its own, according to the capital requirements. It may also own shares and stakes in other existing companies or merge with them, and it has the right to participate with others in establishing joint-stock or limited liability companies after fulfilling the requirements of the regulations and instructions followed in this regard. The company may also dispose of these shares or stakes, provided that this does not include brokerage in their trading.

#### The company has subsidiaries, which are:

- Wasmi and Thimar Meats Company, sole proprietorship Limited Liability Company, was established in the Kingdom of Saudi Arabia under the Companies Law with a Company Registration Certificate No. 1010848794 dated 27/05/1444H. Its authorized capital amounts to 100,000 Saudi Riyals. The company's primary activities include wholesale and retail trade of agricultural, industrial, food products, and chilled meats. However, the company has not yet obtained the required licenses, certificates, and approvals.
- Thimar Towers Development and Real Estate Investment Company a limited liability company of one person, was established in the Kingdom of Saudi Arabia under the Companies Law with a Company Registration Certificate No. 7011692253 dated 05/10/1445H. Its authorized capital amounts to 25,000 Saudi Riyals. The company's primary activities include construction and real estate activities. However, the company has not yet obtained the required licenses, certificates, and approvals.

#### The company has associated companies, which are:

- Thimar Markets and Wasmi Agricultural Company, a limited liability company, was established in the Kingdom of Saudi Arabia in accordance with the Companies Law under Commercial Registration Certificate No. 1010423915, dated 15/11/1435H (corresponding to 21/12/2022G), with an authorized capital of 100,000 Saudi Riyals. The company's primary activities include wholesale and retail trade of agricultural, industrial, and food products, chilled meats, sanitary materials, cleaning products, consumer goods, and all household materials. In 2021G, a ruling was issued by the Ninth Circuit of the Commercial Court in Riyadh to initiate liquidation proceedings for Thimar Markets and Wasmi Agricultural Company. Based on the liquidation results, which indicated the bankruptcy of the associate company, the company's management decided to reverse and close the provision for investment losses in the associate company and write off the outstanding receivable balance due from the associate. There are no remaining balances recorded in the current financial statements. However, in 2023G, the company received 395,847 Saudi Riyals, representing its due share from the liquidation of the associate company.
- The National Fresh Fruits Products Company, a limited liability company, was established in the Kingdom of Saudi Arabia in accordance with the Companies Law. The company's accumulated losses have reached 100% of its capital over previous years, and the company's management decided to cease accounting for equity rights due to an ongoing liquidation lawsuit, which has not yet been resolved. During the period following the date of the financial statements, the Bankruptcy Committee announced the initiation of administrative liquidation proceedings for National Fresh Fruits Products Company (the associate company). Previously, in 2021G, the outstanding receivable balance due from the associate company was written off, and no remaining balances are recorded in the current financial statements.

### 9-1-6 Government Approvals, Licenses and Certifications

The Company shall obtain and maintain the necessary permits, licenses and regulatory approvals in relation to its activity. These licenses include, but are not limited to: company and branch registration certificates issued by the Ministry, chambers of commerce membership certificates required by the Commercial Register System, trademark registration certificates, in addition to registration certificates with other government agencies such as the Labor Office (to obtain Saudization certificates, Nitaqat and other services provided by the Ministry of Human Resources and Social Development such as issuing visas for foreign employees and work permits, etc.), the Zakat, Tax and Customs Authority (as a taxpayer to pay zakat or tax) and the General Organization for Social Insurance.

The following table shows the basic licenses, certificates and approvals obtained by the Company and its subsidiary:

**Table (53): Basic Licenses, Certificates and Approvals of the Parent Company**

License Type	Purpose	Number	Issuing Authority	Note
Commercial Registration	Company Registration in the Commercial Companies Registry (Joint Stock Company)	1010068222	Ministry of Commerce - Commercial Registration Office	-
Chamber of Commerce Membership Certificate	Compliance with the Commercial Registration System requiring the company to subscribe in the Chamber of Commerce	10233	Chamber of Commerce	The company provided us with a certificate confirming its registration in the Chamber of Commerce with membership number 10233, which is recorded in the Ministry of Commerce website, showing that the company's subscription to the Chamber of Commerce is active.
Zakat and Income Certificate	Confirmation that the company has submitted its annual declaration and committed to paying Zakat	Not available	Zakat, Tax and Customs Authority	No updated Zakat certificate has been issued for the company due to outstanding obligations that have not been settled with the Zakat, Income, and Customs Authority.
VAT Registration Certificate	Confirmation that the company is registered for Value Added Tax	3000653872	Zakat, Tax and Customs Authority	The company stated that it has paid the Value Added Tax from 2018G until the date of this prospectus.
Company Entity Evaluation Certificate	Evaluating the company entity according to the Nitaqat program.	18853301-174916	Electronic Services Department - Ministry of Human Resources and Social Development	The company holds a Localization certificate indicating that it is in the Nitaqat program, Small Green category A.
Saudization Certificate	Confirmation that the company is committed to the required localization percentage according to the Nitaqat Program	Exist 16627881-141974	Electronic Services Department - Ministry of Human Resources and Social Development	The company is compliant and at the Small Green Nitaqat level (Category A).
Social Insurance Certificate	Compliance with the General Organization for Social Insurance regulations	Subscription Number (13227713)	General Organization for Social Insurance	The company has a compliance certificate.
Wage Protection Certificate	Compliance with the Wage Protection System	652627-67354996	Ministry of Human Resources and Social Development (Labor Office - Electronic Services)	The company stated that it is compliant with the Wage Protection System.

License Type	Purpose	Number	Issuing Authority	Note
Municipal License	Compliance with municipal regulations and licensing for conducting the company's activities	460116393304	Ministry of Municipal and Rural Affairs	The company has obtained a municipal license.
Safety Certificate	Compliance with the safety conditions set by Civil Defense	1-001587875-46	General Directorate of Civil Defense	The company has obtained a civil defense license.

**Table (54): Basic Licenses, Certificates and Approvals of Thimar Towers Development and Real Estate Investment Company.**

License Type	Purpose	Number	Issuing Authority	Note
Commercial Registration	Company Registration in the Commercial Companies Registry (Joint Stock Company)	1009002193	Ministry of Commerce - Commercial Registration Office	-
Chamber of Commerce Membership Certificate	Compliance with the Commercial Registration System requiring the company to subscribe in the Chamber of Commerce	926670	Chamber of Commerce	The company provided us with a certificate confirming its registration in the Chamber of Commerce with membership number 926670, which is recorded in the Ministry of Commerce website, showing that the company's subscription to the Chamber of Commerce is active.
Zakat and Income Certificate	Confirmation that the company has submitted its annual declaration and committed to paying Zakat	102240005440567 Distinctive Number 3121133365	Zakat, Tax and Customs Authority	The company has an updated Zakat certificate.
VAT Registration Certificate	Confirmation that the company is registered for Value Added Tax	Certificate Number 100241108842267 Tax Number 312113336500003	Zakat, Tax and Customs Authority	The company has a VAT registration certificate.
Company Entity Evaluation Certificate	Evaluating the company entity according to the Nitaqat program.	843055-67531672	Electronic Services Department - Ministry of Human Resources and Social Development	The company has a Localization certificate stating that the company is in the High Green Nitaqat program, category A.

License Type	Purpose	Number	Issuing Authority	Note
Saudization Certificate	Confirmation that the company is committed to the required localization percentage according to the Nitaqat Program	843055-67531672	Electronic Services Department - Ministry of Human Resources and Social Development	The company is compliant and has a High Green Nitaqat level (category A).
Social Insurance Certificate	Compliance with the General Organization for Social Insurance regulations	Subscription Number (647004326)	General Organization for Social Insurance	The company has a compliance certificate.
Wage Protection Certificate	Compliance with the Wage Protection System	Provided to us 124585-87679849	Ministry of Human Resources and Social Development (Labor Office - Electronic Services)	The company stated that it is compliant with the Wage Protection System.

★ Wasmi and Thimar Meats Company, the subsidiary, has not obtained any licenses.

### 9-1-7 Continuing obligations imposed by government agencies on the company and some of its subsidiaries in its capacity as (license holder)

In addition to the licenses and certificates mentioned in the table above, the company is committed to obtaining all licenses necessary to practice its activity in accordance with the applicable regulations of the competent regulatory authorities, which oblige the license holder to adhere to some essential requirements in order to maintain the license, as follows:

#### 9-1-7-1 Continuing obligations as per Ministry of Commerce requirements

- The company is committed to the commercial registry system in terms of registration with the Commercial Registry Department in the city of Riyadh, where the headquarters is located, under Commercial Registry No. 1010068222 issued by the city of Riyadh, which expires on 12/06/1446H.
- The company is compliant with the Companies Law regarding the approval of its Articles of Association in alignment with the recent amendments to the Companies Law. This was achieved after obtaining prior approval from the Ministry of Commerce on the draft Articles of Association and the approval of shareholders during the Extraordinary General Assembly meeting held on 03/06/2024G. The Articles of Association were approved by the Riyadh branch of the Ministry of Commerce on 04/01/1446H, (corresponding to 10/07/2024G). The company has adhered to the requirements of the Capital Market Authority and the Saudi Exchange (Tadawul) by uploading a copy of the Articles of Association to its dedicated page on the Tadawul website.
- The company is also compliant with the Commercial Registry System regarding obtaining a membership certificate from the Riyadh Chamber of Commerce. The company has provided a certificate confirming its registration with the Chamber of Commerce under membership number 10233, which expires on 13/12/2024G. It is recorded in the Commercial Registry on the Ministry of Commerce's website that the company's Chamber of Commerce subscription is active.
- The company complies with Article (123) of the Companies Law regarding the allocation of (10%) of net profits to form the company's statutory reserve. The value of the allocated statutory reserve amounted to (2,883,376) Saudi Riyals as of 31 December 2023G.

- The company is also committed to the provisions of Article (182) of the Companies Law, which obliges the Board of Directors to disclose that the losses of the joint-stock company have reached (half) of the issued capital, and the recommendations it has reached regarding those losses within (sixty) days from the date of its knowledge that they have reached this amount, and to call the Extraordinary General Assembly to meet within (one hundred and eighty) days from the date of knowledge of that to consider the continuation of the company and taking any necessary measures to address those losses, or dissolve it. Accordingly, on 29/03/2023G, the Board of Directors decided to amend the recommendation of the Extraordinary General Assembly regarding increasing the company's capital by offering preemptive rights shares worth one hundred million Saudi Riyals (100,000,000) Saudi Riyals instead of two hundred million Saudi Riyals (200,000,000) Saudi Riyals. The Board of Directors also decided to recommend to the Extraordinary General Assembly to reduce the capital before the company's capital increase process by canceling nine million shares (9,000,000) of the company's shares, so that the capital after the reduction becomes ten million Saudi Riyals (10,000,000) Saudi Riyals. On 07/05/2023G, the Board of Directors decided to amend the Board of Directors' recommendation issued on 29/03/2023G to amend the Board's recommendation to the Extraordinary General Assembly regarding reducing the company's capital and then increasing the capital by offering preemptive rights shares, so that the Board's recommendation after the new amendment becomes as follows: Cancel the recommendation to reduce the capital while continuing to increase the capital by offering preemptive rights shares With a value of one hundred million (100,000,000) Saudi Riyals, so that the capital after the increase becomes two hundred million (200,000,000) Saudi Riyals, and the number of its shares is twenty million (20,000,000) shares. On 19/06/2023G, the Board of Directors decided to amend the Board of Directors' recommendation issued on 07/05/2023G to amend the Board's recommendation to the Extraordinary General Assembly regarding reducing the company's capital and then increasing the capital by offering preemptive rights shares, so that the Board's recommendation after the new amendment becomes as follows: Cancel the recommendation to reduce the capital while continuing to increase the capital by offering preemptive rights shares with a value of one hundred million (100,000,000) Saudi Riyals, so that the capital after the increase becomes two hundred million (200,000,000) Saudi Riyals, and the number of its shares is twenty million (20,000,000) shares.

On 03/06/2024G, the Extraordinary General Assembly approved the reduction of the company's capital from two hundred and fifty million (250,000,000) Saudi Riyals to sixty-five million (65,000,000) Saudi Riyals by canceling eighteen million five hundred thousand (18,500,000) shares of the company's issued shares. This approval was announced on the website of the Saudi Stock Exchange (Tadawul).

#### **9-1-7-2 Continuing obligations as per Zakat, Tax and Customs Authority requirements**

- Like other registered entities and companies operating in the Kingdom, the company is required to submit its Zakat and tax declarations in order to renew the certificate issued by the Zakat, Tax, and Customs Authority. The company was registered as a taxpayer under the tax number (3000653872). The company has not met its obligations to the Zakat, Tax, and Customs Authority, and as of the date of this prospectus, no updated Zakat certificate has been issued for the company. Additionally, the company has outstanding liabilities to the Zakat, Tax, and Customs Authority. During the financial reorganization procedures, the Authority submitted its claims to the company's financial reorganization trustee totaling (17,119,377) Saudi Riyals. A portion of these claims, amounting to (8,450,692) Saudi Riyals, was accepted, while the remaining claims were rejected. The claims list in the financial reorganization procedures was approved by the Ninth Commercial Court of Riyadh on 22 Rajab 1443H, corresponding to 23 February 2022G, and was included in the outstanding balance. In 2023G, the group made a partial payment of the debt to the Authority according to their claims with the financial reorganization trustee and the court ruling, amounting to (3,543,543) Saudi Riyals. In 2021G, 2022G, and 2023G, the company submitted its Zakat declarations for the year 2021G to the Zakat, Tax, and Customs Authority.
- The company is registered in the value-added tax system with the Zakat, Tax and Customs Authority under tax number (300065387200003) dated 01/01/2018G. The company is not committed to paying the value-added tax during the period from 2018G until the date of preparing this prospectus. The company, according to the financial organization plan, has paid part of the value-added tax amount.

#### **9-1-7-3 Continuing obligations as per the Ministry of Human Resources and Social Development requirements**

The company is committed to the provisions of Article (13) of the Labor Law, which obliges the employer to prepare a regulation to organize work in his facility according to the form prepared by the Ministry and to announce any amendments thereto in a visible place in the facility. Also, on the date of preparing this prospectus, the company's internal work regulation was reviewed, approved by the Ministry of Labor, according to the following details: (Document type: Work regulation for the



National Agricultural Marketing Company - Thimar, Approving Authority: Ministry of Labor, Approval date: Resolution No. 672/1 dated 17/03/1431H, Document details: Work regulation for the National Agricultural Marketing Company - Thimar).

- The company provided us with the localization certificate issued by Human Resources and Social Development No. 16627881 - 141974, dated 29/05/2024G, and expiration date 27/08/2024G, stating that the localization rate is (71%) and that the Nitaqat level is (small green - category A).
- The company provided us with a copy of the Mudad website stating that it is registered under the Wage Protection System.
- We could not verify the company's commitment to documenting its employees' employment contracts electronically because it did not provide us with a report issued by the (Mudad) platform.

#### 9-1-7-4 Continuing obligations as per the General Organization for Social Insurance requirements

A file was opened for the company with the General Organization for Social Insurance under subscription number (13227713). The total number of employees registered in the social insurance system was (6) employees, including (4) Saudi employees and (2) non-Saudis. The company did not provide us with a recent certificate indicating that the company has fulfilled its obligations towards the General Organization for Social Insurance. It is also worth noting that a number of penalties were imposed on the company by the General Organization for Social Insurance that the company has not paid to date.

Unemployment Insurance System (Sand): This program is binding on all companies, and they must register all Saudi subscribers in the pension branch and bear the percentage stipulated in the system. Failure to comply or violate any provision of the Unemployment Insurance System and its regulations exposes the employer to the fines stipulated in the system.

**Table (55): Number of Saudi and non-Saudi employees in the company**

Entity	Document Type	Saudi Employee	Non-Saudi Employee	Total	Notes
Social Insurance	Insurance Certificate	4	2	6	Proven by the occupational safety and health certificate issued by the General Organization for Social Insurance
Labor Office	Nitaqat Certificate	-	-	-	Proven by the commercial register that the company is in a Small Green level A
Passports - Muqem	Extract from Muqem	-	-	-	We were not provided with it
Company	Salary payroll	2	4	6	As of April 2024G

Source: The Company

#### 9-1-7-5 Continuing obligations as per the Capital Market Authority requirements

- The Authority requires listed companies to comply with the rules of offering securities, continuing obligations and special instructions issued by the Authority, especially the commitment to periodically disclose material and financial developments and the Board of Directors' Report. According to the Guide to Continuing Obligations for Listed Companies, the annual financial results announced on the (Tadawul) website must be derived from the audited financial statements approved by the company's external auditor appointed by the Assembly and approved by the Board of Directors, and the announcement forms included in the instructions for companies' announcements of their financial results must be adhered to. The company must also submit a statement of all reasons and influences for the change in the financial results for the current fiscal year with the comparison period, so that the reasons include all items of the financial results announcement.
- As required by the Authority, companies listed on the financial market must disclose their stages of compliance with the transition to International Financial Reporting Standards (IFRS). On 29/11/1437H (corresponding to 01/09/2016G), the company announced on the Tadawul website its commitment to this transition. Additionally, on



12/08/1438H (corresponding to 08/05/2017G), the company announced the reissuance of the preliminary financial statements for the first quarter ending on 31 March 2017G to comply with IFRS. On 15/08/1438H (corresponding to 11/05/2017G), the company announced the issuance of these statements in accordance with IFRS.

- ♦ The Authority also required companies listed on the financial market to adhere to the instructions for announcements of listed joint stock companies issued by the Board of the Capital Market Authority under Decision No. (1-199-2006) dated 18/07/1427H (corresponding to 12/08/2006G), and amended by Decision No. (10-5-2023) dated 25/06/1444H (corresponding to 18/01/2023G).
- ♦ The Authority required companies listed on the financial market to appoint representatives to the Capital Market Authority for all purposes related to the implementation of the Capital Market Authority's regulations and executive bylaws. The company complies with this requirement, as the Board of Directors, in its meeting held on 14/05/2023G, appointed Mr. Mohammed Abdulwahab Al-Sukeet on behalf of the Board of Directors and Mr. Melfi Manahi Al-Marzouki on behalf of the executive management as the company's representatives before the Capital Market Authority to handle all purposes related to the regulations and executive bylaws.
- ♦ By a Board of Directors resolution passed on 28/05/2023G, Mr. Haitham bin Faisal Ascoby was appointed as the company's representative to the Capital Market Authority and the Saudi Tadawul Group on behalf of the Board of Directors, replacing Mr. Mohammed Abdulwahab Al-Sukeet.
- ♦ On 23/01/1438H (corresponding to 24/10/2016G), the Capital Market Authority issued Resolution No. (1-130-2016) amending the procedures and instructions related to listed companies whose shares have reached losses amounting to (50%) or more of their capital, in light of the new Companies Law. The title of the procedures was changed to (Procedures and Instructions Related to Listed Companies with Accumulated Losses of 20% or More of Their Capital), issued by the Capital Market Authority Board pursuant to Resolution No. (4-48-2013) dated 15/01/1435H (corresponding to 18/11/2013G), and amended by Capital Market Authority Board Resolution No. (8-5-2023) dated 25/06/1444H (corresponding to 18/01/2023G). These procedures stipulate that if a company's accumulated losses reach 50% or more of its capital, the company must immediately disclose this to the public without delay through a standalone announcement. The announcement must include the amount of the accumulated losses, their percentage of the capital, the main reasons for these losses, and a reference indicating that these procedures and instructions will apply to the company. If this disclosure coincides with the announcement of the company's preliminary or annual financial results, the company is exempt from issuing a standalone announcement, provided the required information is included in the financial results announcement. Additionally, the market adds a mark next to the company's name on the electronic market platform to indicate that the accumulated losses have reached 50% or more of its capital upon the release of the announcement. In compliance with Article 32 of the Companies Law, the company must, after announcing that its accumulated losses have reached 50% or more of its capital, disclose the date of the last day on which the Board of Directors can call for an Extraordinary General Assembly meeting, the date of the last day for holding the Extraordinary General Assembly to address the accumulated losses, and the Board of Directors' recommendation to the Extraordinary General Assembly regarding the accumulated losses as soon as it is issued.
- ♦ The company is committed to this, as it announced on 20/12/1443H (corresponding to 19/07/2022G) that its accumulated losses reached (54.82%) of the capital amounting to Saudi Riyals (100,000,000), based on the audited financial results for the fiscal year ended 31 December 2019G.
- ♦ The company complies with the Rules for Registering Auditors of Entities Subject to the Authority's Supervision, issued by the Board of the Capital Market Authority under Resolution No. (1-135-2018) dated 12/04/1440H (corresponding to 19/12/2018G), and amended by the Board of the Capital Market Authority Resolution No. (1-70-2022) dated 9/11/1443H (corresponding to 08/06/2022G, Where it deals with auditors registered with the Authority.
- ♦ For corporate governance, the table below includes a summary of the company's compliance with the governance regulations issued by the Capital Market Authority.

**Table (56): Summary of the most important provisions of the Corporate Governance Regulations to which the company has committed**

Article	Detail	Responsible Authority	Comment
9/B	The Board of Directors must establish a clear policy regarding the distribution of dividends in a manner that achieves the interests of shareholders and the company in accordance with the company's articles of association.	Board of Directors	Committed - The dividend distribution policy was approved pursuant to Board of Directors Resolution No. 88-03-2024 dated 26/03/2024G approving the recommendation of the Executive Committee dated 25/03/2024G regarding the dividend distribution policy of Thimar Holding Company.
8/A	Providing a copy of the information about the candidates for membership of the Board of Directors on the company's website.	Board of Directors	Committed.
51	Formation of the audit committee.	Board of Directors	Committed - The Audit Committee was formed by a decision issued by the Ordinary General Assembly of Shareholders in its meeting held on 18/10/1444H (corresponding to 08/05/2023G).
51/H	The General Assembly of the Company shall issue - based on a proposal from the Board of Directors - the Audit Committee's work regulations, provided that these regulations include the controls and procedures for the Committee's work, its tasks, the rules for selecting its members, the method of nominating them, the duration of their membership, their remuneration, and the mechanism for appointing its members temporarily in the event that one of the Committee's seats becomes vacant.	General Assembly of Shareholders	Committed - The Extraordinary General Assembly meeting held on 08/10/2023G approved amending the company's Audit Committee's work regulations.
12/5	Approval of the financial statements	General Assembly of Shareholders	Committed - The financial statements for the fiscal year ending December 31, 2019G, the financial statements for the fiscal year ending December 31, 2020G were reviewed as voted on and approved by the (Ordinary) General Assembly of Shareholders - held on 18/01/1444H (corresponding to 16/08/2022G), and the financial statements for the year ending December 31, 2022G were reviewed as voted on and approved by the (Ordinary) General Assembly of Shareholders - held on 18/10/1444H (corresponding to 08/05/2023G).
12/6	Approval of the annual report of the Board of Directors	General Assembly of Shareholders	Committed - The Board of Directors' report for the year ending December 31, 2019G, and for the year ending December 31, 2020G, was approved by the (Ordinary) General Assembly of Shareholders held on 18/01/1444H (corresponding to 16/08/2022G). The Board of Directors' report for the year 2022G was approved by the (Ordinary) General Assembly of Shareholders held on 18/10/1444H (corresponding to 08/05/2023G). The Board of Directors' report for the year 2023G was approved by the (Extraordinary) General Assembly of Shareholders held on 25/11/1445H (corresponding to 03/06/2024G).

Article	Detail	Responsible Authority	Comment
12/8	Appointing the company's auditors, determining their remuneration, reappointing them, changing them and approving their reports.	General Assembly of Shareholders	<p>Committed - The minutes of the (Ordinary) General Assembly of Shareholders were reviewed - held on 18/01/1444H (corresponding to 16/08/2022G), in which the financial statements for the fiscal year ending on December 31, 2019G were approved, the external auditor's report for the fiscal year ending on December 31, 2019G, the financial statements for the fiscal year ending on December 31, 2020G, the external auditor's report for the fiscal year ending on December 31, 2020G, and the appointment of the company's external auditor and determining his fees based on the recommendation of the Audit Committee, in order to examine and review the preliminary financial statements for the first, second, third and annual quarters of the fiscal year 2022G and the first quarter of the year 2023G. The minutes of the (Ordinary) General Assembly of Shareholders were reviewed - held on 22/07/1444H (corresponding to 13/02/2023G), in which the external auditor's report for the fiscal year ending on December 31, 2021G was approved. The minutes of the (Ordinary) General Assembly of Shareholders were reviewed - held on 18/10/1444H (corresponding to 08/05/2023G), in which the Board of Directors' report for the fiscal year ending on December 31, 2022G was approved, the financial statements and their discussion for the fiscal year ending on December 31, 2022G, and the company's auditor's report for the fiscal year ending on December 31, 2022G after discussing them. The (Extraordinary) General Assembly of Shareholders also approved in its second meeting held on 06/03/1443H (corresponding to 12/10/2021G) the appointment of Osama Abdullah Elkhareiji &amp; Partners Company auditor of the company to review, audit and audit the financial statements for the third quarter and annual of the fiscal year 2019G, and the first, second, third and annual quarters of the fiscal year 2020G.</p> <p>The minutes of the (Ordinary) General Assembly of Shareholders were reviewed - held on 12/06/2023G, and the General Assembly approved the appointment of Al Bassam Chartered Accountants (Al-Bassam &amp; Partners) and determining his fees as the company's external auditor to examine and review the financial statements for the quarters (second and third) and the annual of the fiscal year ending on December 31, 2023G and the first quarter of the fiscal year 2024G.</p>

Article	Detail	Responsible Authority	Comment
13/D	The announcement of the date, place and agenda of the General Assembly meeting shall be published at least twenty-one days prior to the date on the company's website.	Board of Directors	Committed
14/C	Providing shareholders, through the company's website - when publishing the invitation to hold the General Assembly - with access to information related to the items on the General Assembly's agenda, especially the report of the Board of Directors, the auditors, the financial statements, and the report of the audit committee.	Board of Directors	Committed - There is a website licensed by the Communications, Space & Technology Commission and it contains an explanation of what is necessary for it as is apparent on the special website.
21/2	Establishing internal control systems and controls and general supervision thereof, including: establishing a written policy to address actual and potential "conflict of interest" cases for each of the members of the Board of Directors, the Executive Management and shareholders, including the misuse of the Company's assets and facilities, and misconduct resulting from dealings with related persons. Ensuring the integrity of the financial and accounting systems, including systems related to the preparation of financial reports. Ensuring the implementation of appropriate control systems to measure and manage risks, by developing a general perception of the risks that the Company may face, and creating an environment familiar with the culture of risk management at the Company level and presenting it transparently to stakeholders and parties related to the Company. And annually reviewing the effectiveness of the Company's internal control procedures.	Board of Directors	Committed - The governance system was approved by the decision of the Extraordinary General Assembly dated 23/03/1445H (corresponding to 08/10/2023G).
22/2	Establishing clear and specific policies, standards and procedures for membership in the Board of Directors, and implementing them after their approval by the General Assembly.	General Assembly of Shareholders	Committed - The Board of Directors membership policy and criteria were approved, and on 18/01/1444H (corresponding to 16/08/2022G), the (Ordinary) General Assembly of Shareholders approved amendments thereto.

Article	Detail	Responsible Authority	Comment
80	<p>Develop a written policy that regulates the relationship with stakeholders in accordance with the provisions of the governance regulations, and must cover - in particular - the following:</p> <ul style="list-style-type: none"> <li>- Mechanisms for compensating stakeholders in the event of a violation of their rights as stipulated by regulations and protected by contracts.</li> <li>- And mechanisms for settling complaints or disputes that may arise between the company and stakeholders.</li> <li>- And appropriate mechanisms for establishing good relationships with customers and suppliers and maintaining the confidentiality of information related to them.</li> </ul>	Board of Directors	There is no independent policy, and it is based on what is stated in the amended company governance regulations.
21/5	Developing policies and procedures that ensure the company's compliance with regulations and laws and its commitment to disclosing material information to shareholders and stakeholders and verifying the executive management's compliance therewith.	Board of Directors	Committed - There is a disclosure policy within the amended corporate governance regulations.
21/13 47 57 61 67	Forming specialized committees emanating from it through decisions specifying the committee's term, powers, and responsibilities, and how the Board will supervise it, provided that the formation decision includes naming the members and specifying their tasks, rights, and duties, along with evaluating the performance and work of these committees and their members.	Board of Directors	Committed - (Three committees were formed from the Board, namely (the Audit Committee, the Remuneration and Nominations Committee, and the Executive Committee)
22/1	Adopting internal policies related to the company's work and development, including defining the tasks, competencies and responsibilities assigned to the various organizational levels.	Board of Directors	Committed
22/2	Adopting a written and detailed policy specifying the powers delegated to the executive management and a schedule explaining those powers, the method of implementation and the duration of the delegation. The Board of Directors may request the executive management to submit periodic reports regarding its exercise of the delegated powers.	Board of Directors	Committed
23 24/3	CEO Appointment	Board of Directors	Committed - Board of Directors decision dated 22/03/2023G to appoint Mr. Melfi Manahi Al-Marzouki

Article	Detail	Responsible Authority	Comment
25/5	Developing the company's organizational and functional structures and submitting them to the Board of Directors for approval.	Executive Management - Board of Directors	Committed - Board of Directors Decision dated 22/06/2023G.
25/10	Propose the policy and types of rewards given to employees, such as fixed rewards, performance-related rewards, and rewards in the form of shares.	Board of Directors	Committed - There is a human resources policy manual approved by Board of Directors Resolution No. 96-07-2024 dated 25/07/2024G.
41	A written and clear policy for dealing with actual or potential conflicts of interest that could affect the performance of members of the Board of Directors, executive management, or other employees of the company when dealing with the company or with other stakeholders.	Board of Directors	There is a conflict of interest policy and code of conduct and ethics by decision of the Extraordinary General Assembly dated 23/05/1445H.
24/4	Appointing the director of the internal audit unit or department or the internal auditor and proposing his remuneration.	Board of Directors	Committed - Pursuant to the Board of Directors' Resolution No. (85-1-2024) dated 03/01/2024G approving the appointment of an internal auditor for the company.
57	Formation of the Remuneration Committee	Board of Directors	Committed - and merged with the Nominations Committee in line with the Corporate Governance Regulations - The Board of Directors' decision in its meeting held on 14/05/2023G, in which it decided to form the Remuneration and Nominations Committee from 14/05/2023G until the end of the Board's term. The Remuneration and Nominations Committee consists of the following members: Walid Abdul Aziz Al-Shuwaier (Independent), Khaled Asaad Khashoggi (Independent), Mohammed Khaled Al-Mutairi (Member from outside the Board).
57/B	The General Assembly of the Company shall issue - based on a proposal from the Board of Directors - the Remuneration Committee's work regulations, provided that these regulations include the committee's controls, procedures, work plan, tasks, rules for selecting its members, their membership term, and their remuneration.	General Assembly of Shareholders	Committed - and merged with the Nominations Committee in line with the Corporate Governance Regulations - The company has a specific work plan for the Remuneration and Nominations Committee, and on 06/03/1443H (corresponding to 12/10/2021G), the (Extraordinary) General Assembly of Shareholders approved in its second meeting to amend the committee's work plan
58/A	The Remuneration Committee shall prepare a clear policy for the remuneration of the members of the Board of Directors, the committees emanating from the Board, and the Executive Management, and submit it to the Board of Directors for consideration in preparation for its approval by the General Assembly, provided that this policy takes into account the adoption of standards related to performance, disclosure thereof, and verification of its implementation.	General Assembly of Shareholders	Committed - There is a list of remunerations for members of the Board of Directors, committees emanating from the Board and the Executive Management

Article	Detail	Responsible Authority	Comment
61	Formation of the Nominations Committee	Board of Directors	Committed - and merged with the Remuneration Committee in line with the Corporate Governance Regulations - The Board of Directors' decision in its meeting held on 14/05/2023G, in which it decided to form the Remuneration and Nominations Committee from 14/05/2023G until the end of the Board's term. The Remuneration and Nominations Committee consists of the following members: Walid Abdul Aziz Al-Shuwaier (Independent), Khaled Asaad Khashoggi (Independent), Mohammed Khaled Al-Mutairi (Member from outside the Board).
61/B	The General Assembly of the Company shall issue - based on a proposal from the Board of Directors - the Nominations Committee's work regulations, provided that these regulations include the committee's controls, procedures, work plan, tasks, rules for selecting its members, their membership term, and their remuneration.	General Assembly of Shareholders	Committed - The company has a specific work plan for the Remuneration and Nominations Committee, and on 06/03/1443H (corresponding to 12/10/2021), the (Extraordinary) General Assembly of Shareholders approved in its second meeting to amend the committee's work plan.
61/3	Preparing a description of the capabilities and qualifications required for membership in the Board of Directors and Executive Management.	Nominations Committee	Committed - There are policies, standards and procedures for membership on the Board of Directors.
65	Publishing the nomination announcement for membership in the Board of Directors on the company's website, the market's website, and in any means determined by the Authority.	Board of Directors	Committed
80 81	Policies or procedures followed by stakeholders in submitting complaints or reporting irregular practices.	Board of Directors	There is no independent policy and we rely on what is stated in the amended company governance regulations.
83	Professional Conduct and Ethical Values Policy	Board of Directors	There is no independent policy and we rely on what is stated in the amended company governance regulations.
86	Written disclosure policies, procedures and supervisory systems in accordance with the disclosure requirements contained in the Companies Law and the Capital Market Law - as the case may be - and their implementing regulations.	Board of Directors	There is no independent policy and we rely on what is stated in the amended company governance regulations.
88	Publishing the Audit Committee's report on the company's website and the market's website.	Board of Directors	Committed
91	Corporate governance rules that do not conflict with mandatory provisions	Board of Directors	Committed - The company has a corporate governance policy.



It is worth noting that violating any of the rules and procedures or failing to implement them exposes the company to accountability by the Capital Market Authority, which may impose any of the following penalties:

1. Warning the company.
2. Obligating the company to stop, or refrain from carrying out the work subject to the lawsuit.
3. Obligating the company to take the necessary steps to avoid the occurrence of the violation, or take the necessary corrective steps to address the results of the violation.
4. Imposing a financial fine not exceeding twenty-five million (25,000,000) Saudi Riyals for each violation committed by the company.

The company reported that there were penalties imposed by the Capital Market Authority in the amount of (170,000) Saudi Riyals.

The company also did not comply with paragraph (W) of Article (57) of the Rules for Offering Securities and Continuing Obligations, which stipulates that the issuer must disclose to the public the existence of a difference of 5% or more between the actual use of the proceeds of the issuance of preemptive rights shares or the issuance of shares with the suspension of the preemptive right versus what was disclosed in the relevant issuance prospectus (Issued on 26/02/1445H (corresponding to 11/09/2023G)) immediately upon learning of that, and the company has not received any fine until the date of this prospectus.

#### 9-1-7-6 Continuing obligations as per Ministry of Municipal, Rural Affairs, and Housing requirements

- ♦ A municipal license and a safety license issued by the Civil Defense for sites owned or rented by the company must be obtained in order to be able to operate them by submitting an application to the municipality in which the site is located.
- ♦ As of the date of this prospectus, the company is not obligated to obtain a municipal license for the office.
- ♦ The company has concluded an office lease contract in Riyadh, in order to carry out its activity. **(For more information, please refer to paragraph (9-1-8-2) Lease Contracts of this prospectus).**

#### 9-1-8 Summary of Material Contracts

We have reviewed (3) contracts concluded by the company within the framework of practicing its activity, which are as follows: 1- The contract of Osool and Bakheet and the four parties to develop the business square 2- The contract of Osool and Bakheet and the four parties to develop Al Yamamah City Center 3- The contract of Rassanah Capital Company and Jiyad Al-Ezz Limited Company, and it has become clear to us that they are essential contracts that must be disclosed.

Summary of the above-mentioned Material Contracts:

##### 1. Regarding the contract of Osool and Bakheet and the four parties to develop the business square:

Thimar Development Holding Company has concluded this contract for a period of (4) years starting from the date of the end of the first closing of the fund units offering period specified on 31/10/2023G until 24/04/2025G for the purpose of investing an amount of 6 million Saudi Riyals only (six million Riyals only) in a real estate fund licensed by the Capital Market Authority to develop the Business Square project, which is a modern administrative office complex on the campus of King Saud University in Riyadh. This investment is expected to have a positive financial impact and comes within the company's direction to invest in distinctive real estate projects.

##### 2. Regarding the contract of Osool and Bakheet and the four parties to develop Al Yamamah City Center:

Thimar Development Holding Company has concluded this contract for a period of (4) years starting from the date of the end of the first closing of the fund units offering period specified on 21/05/2023G until 20/05/2025G for the purpose of investing an amount of 6 million Saudi Riyals (six million Saudi Riyals only) in a real estate fund licensed by the Capital Market Authority to develop a residential tower project in the city of Riyadh, Al-Olaya district, on Al-Olaya main street. This investment is expected to have a positive financial impact and comes within the company's direction to invest in distinguished real estate projects.

### 3. Regarding the contract between Rassanah Capital Company and Jiyad Al-Ezz Limited Company:

On the evening of January 5, 2025G, Thimar Development Holding Company signed an agreement with Jiyad Al-Ezz Limited Company and Rassanah Capital Company (fund manager and financial advisor) to establish an investment fund. The fund's objective is to acquire 70% of Jiyad Al-Ezz Limited Company, which has the right to use and invest in the livestock market and Al-Maisem slaughterhouse in Mecca Al-Mukarramah for a period of 25 years. As of the date of this prospectus, this fund has not been established.

### 4. Regarding the contract for the sale and transfer of shares of Al Yamamah Plus Serviced Apartments Company:

Thimar Development Holding Company signed an investment agreement on 24/04/2025G with (1- Muhammad Ibrahim Muhammad Al-Raz'ah, 2- Abdullah Abdulaziz Nasser Al-Majed) in their capacity as owners of Al Yamamah Plus Serviced Apartments Company, Commercial Registration No. (1009156510) and registered in the Commercial Register in the city of Riyadh on 16/06/1446H, for the purpose of selling and transferring a portion of the shares of the aforementioned company at a rate of (26%) of the total capital in favor of Thimar Company for an amount of (9 million Riyals) to be paid according to the mechanism agreed upon in the contract.

#### 9-1-8-1 Supply Contracts

- The company stated that it does not have long-term contracts or written agreements with any of its suppliers, as it deals with them through purchase orders.
- Accordingly, there are no long-term or short-term contracts or agreements, and all current transactions are conducted through buy and sell orders with all of the company's clients.

#### 9-1-8-2 Lease Contracts

One (1) contract was reviewed, concluded by the company as a tenant, for the purpose of carrying out its activity, as detailed below:

**Table (57): Office Lease Contract**

Lease Contract	Nasser Abdulrahman Al Qassim (First Party Lessor)	Thimar Development Holding Company (Second Party Tenant)
Contract Type	Office Lease Contract	
Contract Date	22/01/2024G, the lease starts from 17/06/2024G.	
Contract Subject	Leasing the rental unit according to the terms, conditions, and obligations specified in the contract.	
Contract Duration	(1094) days starting from 11/12/1445H (corresponding to 17/06/2024G) and ending on 11/01/1449H (corresponding to 16/06/2027G). In case of any discrepancy between the Hijri and Gregorian dates, the Gregorian date shall prevail in all contract clauses.	
Renewal	The lease duration ends with the contract term, and if both parties wish to renew, a new contract will be written as agreed upon.	
Contract Value	(1466160.00) Saudi Riyals	
Note	The contract is electronically documented.	

- The persons with whom the company deals as a tenant do not have any direct or indirect relationship with the members of the Board of Directors.
- The company is committed to documenting the lease contract in accordance with Cabinet Resolution No. (292) dated 16/05/1438H (corresponding to 13/02/2017G), which stipulates that a lease contract not registered on the electronic network shall not be considered a valid contract producing its administrative and judicial effects.

### 9-1-8-3 Consulting Services Contracts

In the course of its business, the Company has entered into a number of advisory and financial services agreements as detailed below:

**Table (58): Consulting Services Contracts**

Name of the agreement	Date	Parties	Subject
Financial Services Agreement concluded with Osama Abdullah Elkhareiji & Partners Company (Chartered Accountants and Business Consultants).	14/07/2021G	First Party: Osama Abdullah Elkhareiji & Partners Company (Chartered Accountants and Business Consultants). Second Party: National Agricultural Marketing Company (Thimar) (Second Party)	Review of the company's financial statements for the fiscal years ending December 31, 2019G, December 31, 2020G, December 31, 2021G and limited review of the interim quarterly statements from 30/09/2021G to 30/09/2029G
Financial Services Agreement concluded with Osama Abdullah Elkhareiji & Partners Company (Chartered Accountants and Business Consultants).	20/07/2021G	First Party: Osama Abdullah Elkhareiji & Partners Company (Chartered Accountants and Business Consultants). Second Party: National Agricultural Marketing Company (Thimar) (Second Party)	Review of the company's financial statements for the fiscal year ending December 31, 2022G and limited review of the preliminary quarterly financial statements for 2022G and the first quarter of 2023G.
Agreement to provide legal services and consultations with Mayamen Law Firm and Legal Consultations	20/01/2023G	First party: Mayamen Law Firm and Legal Consultations Second party: Thimar Development Holding Company	Providing all legal advice needed by the second party for the duration of the contract and in accordance with the method approved by the two parties.
Legal Services Agreement with Mayamen Law Firm and Legal Consultations	12/03/2023G	First party: Mayamen Law Firm and Legal Consultations Second party: Thimar Development Holding Company	Representing the second party before the judicial authorities in the lawsuit filed by him against the former Board of Directors of Thimar Company during the period from 06/03/2017G to 04/07/2021G
Legal Services Agreement with Al-Omair and Al-Arfaj Group for Law and Legal Consultations	29/04/2024G	First party: Al-Omair and Al-Arfaj Group for Law and Legal Consultations Second party: Thimar Development Holding Company	Conducting limited due diligence on the company's documents and papers, and submitting a report on all information provided for the purpose of increasing the company's capital through the issuance of preemptive rights shares.

### 9-1-9 Real Estate Properties

#### Real Estate Owned by the Company

The company owns a number of lands, and the table below shows the real estate owned by the company:

**Table (59): Real Estate Properties**

S	Property	City	Property Type	Area
1	Land No. 63 of Plan No. 2896 located in the New Industrial City district in Riyadh	Al Sina'iyah/ Riyadh	Land	4982 four thousand nine hundred and eighty-two square meters
2	Land on Al Kharj Road / Riyadh, with (14) plots of land	Al Kharj / Riyadh	Land	700,000 seven hundred thousand meters
3	Land on Al Kharj Road	Al Kharj / Riyadh	Land	58,793.85 fifty-eight thousand seven hundred and ninety-three meters and eighty-five centimeters

## 9-1-10 Conflict of Interest

The Board of Directors acknowledge that no conflict of interest has arisen between the Board of Directors in relation to the contracts and/or transactions concluded with the Company and that they were not part of any activity similar or competing to the Company's activities as of the date of this prospectus.

## 9-1-11 Credit facilities and loans

- Based on the 12/2022G statements, the initial unaudited condensed financial statements and the independent auditor's review report for the three-month period ending March 31, 2023G, the credit facilities granted to the company by SABB Bank until December 31, 2022G amounted to 32,033,389 Saudi Riyals. During 2022G, the bank was reconciled and an amount of 8,924 Riyals was settled under the general and administrative expenses item for previous fees paid to the bank for the valuation of the company's properties that had not been previously recorded.
- As part of the financial reorganization procedure, SABB Bank submitted claims to the company's financial reorganization trustee totaling 37,071,930 Saudi Riyals. 32,024,465 Saudi Riyals was accepted, and 5,047,465 Saudi Riyals was rejected. The list of claims in the company's financial reorganization procedures was approved by the Ninth Commercial Circuit of the Commercial Court in Riyadh on 22/07/1443H (corresponding to 23/02/2022G).
- Based on what the company has informed us, it has not provided any cash loan of any kind to its board members, nor has it provided any guarantees for any loans to its board members or employees with others, nor has it opened any bank credits.

## 9-1-12 Insurance Documents

### 9-1-12-1 Health insurance for employees

- Article (144) of the Labor Law stipulates that the employer must provide preventive, therapeutic, and healthcare for their employees in accordance with the standards determined by the Minister of Labor, taking into account the provisions of the Cooperative Health Insurance Law. Article (5) of the Executive Regulations for the Cooperative Health Insurance Law, issued under Ministerial Resolution No. (9/35/1/Q) dated 13/04/1435H (corresponding to 13/02/2014G), further emphasizes the employer's obligation to enter into a health insurance policy with an insurance company. This policy must cover all employees subject to the law and their family members. The employer is required to ensure insurance coverage for the beneficiary from the date of their arrival in the Kingdom and must deliver the insurance card within a maximum of ten working days from the date of arrival.
- According to Article (14) of the Cooperative Health Insurance Law, if an employer fails to subscribe to or pay the premiums for the cooperative health insurance for an employee covered by this law and their family members included in the cooperative health insurance policy, the employer is obligated to pay all outstanding premiums. Additionally, they may be subject to a financial penalty not exceeding the annual subscription amount for each individual, along with the possibility of being permanently or temporarily barred from recruiting workers.
- If any of the cooperative insurance companies breaches any of its limited obligations in the cooperative health insurance policy, it shall be obligated to fulfill these obligations and compensate for any damages resulting from the breach, in addition to paying a fine not exceeding (5,000) five thousand Riyals for each individual covered by the policy subject to the violation.
- The insurance company issues a certificate to the employer (policy holder) upon request stating that his employees are insured, to be submitted to the authority responsible for issuing and renewing residence permits.
- The company submitted to us an offer submitted by Al-Tawuniya Company Insurance, No. (2852637) dated 16/01/2024G, submitted to it and stated that this offer is the contract applicable to the company's employees.

### 9-1-12-2 Mandatory Cars Insurance

The company provided us with evidence that it insures its owned cars according to the attached document, which indicates that it subscribes to insurance documents from licensed insurance companies.

## 9-1-13 Litigation

- The Company's management confirms that the Company is not a party to any lawsuit, cases, complaints, claims, arbitrations, administrative procedures or investigations, whether ongoing or likely to be initiated, that would have, collectively or individually, a material impact on the Company's business or financial position. The Company's management has not been informed of any material legal disputes currently pending or potential or facts that could, collectively or individually, give rise to an imminent risk of material dispute, except for those shown in the following table and up to the date of preparing this prospectus:

**Table (60): Claims filed by the Company (as Plaintiff) as of the date of this Prospectus**

Defendant	Subject of the case	Date of filing	Status of the case	Requests
Geant Saudi Arabia Co. Ltd.	Opening of liquidation proceedings against the debtor	06/05/2024G	Under consideration	A liquidation order has been issued against Geant Company. The claim was submitted to the Bankruptcy Committee under No. 11157 dated 23/12/2024G and a liability lawsuit will be filed against the directors.
National Commercial Bank	Compensation	09/01/2024G	Under consideration	A preliminary ruling was issued ordering National Commercial Bank to pay the amount of 6,762,690.6 Saudi Riyals to Thimar Development Holding Company as compensation for damages. However, the ruling has not yet become final. In this context, the company filed an objection to the preliminary ruling on March 25, 2025G, demanding the full amount of 8,412,732 Saudi Riyals.
Members of the previous Board of Directors of the company during the period from 06/03/2017G to 04/07/2021G, and the Financial Director and the Accounting Director.	Liability suit	28/11/2024G	Under consideration	Compensation for damages in the amount of two hundred and twenty-two million and four thousand and two hundred and ten (222,004,210) Saudi Riyals. Case No. 349/1446 was registered with the Securities Disputes Resolution Committee. The pleadings in the case were closed and the case was reserved for study and deliberation in preparation for issuing a decision. On 07/08/2025G, the company was notified of the issuance of a preliminary ruling on 27/07/2025G, not to hear the case, due to the lack of authorization from the General Assembly for the current Board of Directors. An appeal will be filed against the issued decision before the Appeal Committee for Securities Disputes and other relevant parties after obtaining authorization from the General Assembly.


Source: The Company

The following should be noted:

- On 07/04/2021G, a ruling was issued to implement the financial reorganization procedures for the company.
- On 06/02/2022G, the financial reorganization proposal was submitted to the Riyadh Commercial Court.
- On 24/02/2022G, the court issued a final approval of the creditors' claims with a definitive ruling and issued a deed.
- On 23/03/2022G, the court approved the financial reorganization proposal submitted by the company and set 14/04/2022G for the shareholders' vote and 18/04/2022G for the creditors' vote.

5. On 14/04/2022G, 99.57% of the attending shareholders approved the financial reorganization proposal.
6. On 18/04/2022G, 99.73% of the attending creditors approved the financial reorganization proposal.
7. On 20/11/2022G, the Commercial Court approved the proposal to reschedule the repayment of creditors.
8. On 08/03/2023G, the Riyadh Commercial Court approved the amendment to the financial reorganization proposal for Thimar Development Holding Company.
9. The company's continuity as a going concern depends on the implementation of the financial reorganization proposal, which primarily relies on increasing the company's capital.

## 9-1-14 Trademarks

- The company has a logo (  ) that it uses in its dealings. The logo has been registered as a trademark with the Saudi Authority for Intellectual Property under registration number MT-01-00-17085-24, category 35, registration date 18/04/1446H, start of protection 29/10/1445H, end of protection 29/10/1455H. Accordingly, the company has granted its trademarks the necessary legal protection in accordance with the Trademark System, which will enable the company to place and use them on its products or place them on the external facade of the building, offices, or company cars.
- The Company acknowledges that it has no intangible assets.
- The company is not committed to registering its website, nor has it registered the domain with the Communications and Information Technology Commission - Saudi Network Information Center.

## 9-1-15 Material information that has changed since the company was established and the company's shares were listed on Tadawul.

- Thimar Development Holding Company (formerly known as the National Agricultural Marketing Company - Thimar) (currently under financial reorganization procedures) was registered as a Saudi joint-stock company under commercial registration number 1010068222 issued in Riyadh on 17/05/1408H (corresponding to 07/01/1988G).
- The company's initial capital was twenty-six million eight hundred twenty-six thousand (26,826,000) Saudi Riyals, divided into (268,260) ordinary shares with a nominal value of one hundred (100) Saudi Riyals per share.
- On 07/04/1421H (corresponding to 19/07/2000G), the company's capital was amended to one hundred million (100,000,000) Saudi Riyals, divided into two million (2,000,000) ordinary shares with a nominal value of fifty (50) Saudi Riyals per share.
- Following the issuance of the Capital Market Authority decision No. (4-154-2006) on 27/02/1427H (corresponding to 27/03/2006G), which mandated the splitting of shares for listed joint-stock companies into four phases, based on the Cabinet's resolution stipulating that the nominal value of shares should be ten (10) Saudi Riyals per share, the company split its two million (2,000,000) ordinary shares into ten million (10,000,000) ordinary shares with a nominal value of ten (10) Saudi Riyals per share.
- On 12/10/2021G, during the Extraordinary General Assembly meeting, it was approved to change the company's name to Thimar Development Holding Company, and on 29/10/2021G, the name was officially changed from the National Agricultural Marketing Company to Thimar Development Holding Company.
- Before amending its articles of association, the company's activities included wholesale and retail trade of agricultural products, food items, meats of all types fresh, chilled, and frozen, as well as providing services related to marketing, maintenance, agricultural project management, and operating central wholesale markets.
- Article 3 of the amended Articles of Association states that: (The Company's purposes: The Company shall carry out and implement the following purposes: managing its subsidiaries or participating in the management of other companies in which it has a stake and providing them with the necessary support, investing its funds in shares and other securities, owning real estate and movable property necessary to carry out its activity, providing loans, guarantees and financing to its subsidiaries, owning industrial property rights, franchise rights and other moral rights and exploiting and leasing them to its subsidiaries or others).
- The company's headquarters is located in Riyadh, Mohammed Ali Jinnah Road, Building No. 3808, Sub-number 7548, Al-Shuhada District, Postal Code 13241, Kingdom of Saudi Arabia.



- ♦ Financial Reorganization Procedures: According to the ruling issued on Wednesday, 25/08/1442H (corresponding to 07/04/2021G) in case number 197 for the year 1442H, the financial reorganization procedure for Thimar Development Holding Company was approved. Mr. Hani bin Saleh Al-Aqili was appointed as the financial reorganization trustee. The company was granted a period of 150 days to prepare the proposal from the start of the proceedings. This period was extended at the company's request for an additional 100 days, starting from 25/01/1443H (corresponding to 05/10/2021G). The court subsequently approved a further 60-day extension, starting from 06/05/1443H (corresponding to 10/12/2021G). The company submitted the proposal (financial reorganization plan) to the court through the financial reorganization trustee, and the court accepted the filing. Voting dates for shareholders and creditors on the proposal were set. The proposal was approved by 99.57% of the attending shareholders and 99.73% of the attending creditors. The court certified the proposal accordingly.
- ♦ On 15/09/2022G, the Board of Directors decided to amend the Board of Directors' recommendation issued on 09/04/2019G to increase the company's capital by offering priority rights shares worth 200 million Saudi Riyals instead of 150 million Saudi Riyals, so that the company's capital after the increase becomes 300 million Riyals, in order to maximize the company's expansion capacity in investments and provide the necessary liquidity to pay part of the financial obligations due according to the announced financial organization plan.
- ♦ On 20/11/2022G, the Commercial Court approved the proposal to reschedule the creditors' payment.
- ♦ On 01/03/2023G, it was announced that the suspension of trading in the company's shares in the market would be lifted starting from 02/03/2023G, due to the absence of reasons for the suspension and trading outside the platform.
- ♦ On 08/03/2023G, the Commercial Court in Riyadh approved the amendment to the proposed financial reorganization of Thimar Development Holding Company.
- ♦ On 29/03/2023G, the Board of Directors decided to amend the recommendation to the Extraordinary General Assembly regarding increasing the company's capital by offering preemptive rights shares worth one hundred million (100,000,000) Saudi Riyals instead of two hundred million (200,000,000) Saudi Riyals. The Board of Directors also decided to recommend to the Extraordinary General Assembly to reduce the capital before the company's capital increase process by canceling nine million shares (9,000,000) of the company's shares, so that the capital after the reduction becomes ten million (10,000,000) Saudi Riyals.
- ♦ On 07/05/2023G, the Board of Directors decided to amend the Board of Directors' recommendation issued on 29/03/2023G to amend the Board's recommendation to the Extraordinary General Assembly regarding reducing the company's capital and then increasing the capital by offering preemptive rights shares, so that the Board's recommendation after the new amendment becomes as follows: Cancel the recommendation to reduce the capital while continuing to increase the capital by offering preemptive rights shares worth one hundred million (100,000,000) Saudi Riyals, so that the capital after the increase becomes two hundred million (200,000,000) Saudi Riyals, and the number of its shares is twenty million (20,000,000) shares.
- ♦ On 19/06/2023G, the Board of Directors decided to amend the Board of Directors' recommendation issued on 07/05/2023G to amend the Board's recommendation to the Extraordinary General Assembly regarding reducing the company's capital and then increasing the capital by offering preemptive rights shares, so that the Board's recommendation after the new amendment becomes as follows: Cancel the recommendation to reduce the capital while continuing to increase the capital by offering preemptive rights shares worth one hundred million (150,000,000) Saudi Riyals, so that the capital after the increase becomes two hundred million (250,000,000) Saudi Riyals, and the number of its shares is twenty million (25,000,000) shares.
- ♦ On 30/11/2023G, the company announced through the Saudi Stock Exchange (Tadawul) website the recommendation of its Board of Directors to reduce the company's capital from two hundred and fifty million (250,000,000) Saudi Riyals to sixty-five million (65,000,000) Saudi Riyals by canceling eighteen million five hundred thousand (18,500,000) shares of the company's issued shares, in order to restructure the company's capital to extinguish accumulated losses, and then increase the company's capital by offering preemptive rights shares worth one hundred and ninety-five million (195,000,000) Saudi Riyals, so that the capital after the increase becomes two hundred and sixty million (260,000,000) Saudi Riyals, in order to support the company's activities and pay creditors according to the announced financial reorganization plan.
- ♦ On 25/04/2024G, the Capital Market Authority approved the reduction of the company's capital from two hundred and fifty million (250,000,000) shares of the company's issued shares. This approval was announced on the Capital Market Authority's website and the Saudi Stock Exchange (Tadawul) website.



- ♦ On 03/06/2024G, the Extraordinary General Assembly approved reducing the company's capital from two hundred and fifty million (250,000,000) Saudi Riyals to sixty-five million (65,000,000) Saudi Riyals by canceling eighteen million five hundred thousand (18,500,000) shares of the company's issued shares. This approval was announced on the website of the Saudi Stock Exchange (Tadawul).
- ♦ Thimar Company has subsidiaries, which are:
  - Wasmi and Thimar Meats Company is a sole proprietorship, and a limited liability company established in the Kingdom of Saudi Arabia under the Companies Law, with Commercial Registration Certificate No. 1010848794 dated 27/05/1444H. The authorized capital amounts to 100,000 Saudi Riyals. The company's main activities include wholesale and retail trade in materials and supplies for agricultural, industrial, and food products, as well as chilled meats. The company has been unable to obtain the required licenses, certificates, and approvals.
  - Thimar Towers Development and Real Estate Investment Company is a sole proprietorship, and a limited liability company established in the Kingdom of Saudi Arabia under the Companies Law, with Commercial Registration Certificate No. 7011692253 dated 05/10/1445H. The authorized capital amounts to 25,000 Saudi Riyals. The company's main activities include construction and real estate operations. The company has been unable to obtain the required licenses, certificates, and approvals.

## 9-1-16 Board of Directors' Declarations Regarding Legal Information

In addition to the other declarations referred to in this prospectus, the Directors hereby acknowledge the following:

- ♦ The issuance does not violate the relevant rules and regulations in the Kingdom of Saudi Arabia.
- ♦ The issuance does not prejudice any contracts or agreements to which the issuer is a party.
- ♦ That all material legal information relating to the Company has been disclosed in the prospectus.
- ♦ Other than as stated on page (115) **subsection (9-1-13) of this prospectus**, the Issuer and its subsidiaries are not subject to any legal claims or proceedings that may, individually or in their entirety, materially affect the business of the Issuer or its subsidiaries or their financial condition.
- ♦ The members of the Board of Directors of the Issuer are not subject to any legal claims or proceedings that may, individually or in their entirety, materially affect the business of the Issuer or its subsidiaries or their financial position.
- ♦ The Company continues to adhere to the requirements of the Capital Market Authority and the Saudi Stock Exchange (Tadawul) until the date of this prospectus, and they pledge to continue to adhere to them.

## 10- Underwriter

The Company and the Underwriter (Al Wasatah Al Maliah Company (Wasatah Capital)) have entered into an underwriting agreement to underwrite the subscription of nineteen million five hundred thousand (19,500,000) ordinary shares at a price of ten (10) Saudi Riyals per share, with a total value of one hundred and ninety-five million (195,000,000) Saudi Riyals, representing (100%) of the preemptive rights shares offered for subscription ("Underwriter Agreement").

### 10-1 Underwriter



#### Al Wasatah Al Maliah Company (Wasatah Capital)

Riyadh - Al Olaya Main Street, Al Muruj District,

Building No. 7459 Sub-number 2207,

Postal Code 12283

Kingdom of Saudi Arabia

Phone: +966 11 4944067

Fax: +966 11 4944205

Website: [www.wasatah.com.sa](http://www.wasatah.com.sa)

Email: [info@wasatah.com.sa](mailto:info@wasatah.com.sa)

### 10-2 Key Terms of Underwriting Agreement

In accordance with the terms and conditions of the underwriting agreement:

1. The Company undertakes to the underwriter that on the allocation date it will issue and allocate to the underwriters all the preemptive rights shares underwritten in this subscription that have not been subscribed by the eligible shareholders as additional shares at the subscription price.
2. The underwriter of the subscription undertakes to the company that on the date of allocation, it will purchase the shares underwritten in this subscription, which have not been subscribed by the eligible shareholders as additional shares at the subscription price.
3. The underwriter receives a specific financial consideration for his undertaking to underwrite, which will be paid from the proceeds of the subscription.
4. The Underwriter's obligation to purchase all remaining Shares is subject to provisions relating to termination of the Agreement such as the occurrence of any force majeure as defined in the Agreement, or the failure to meet a number of conditions precedent to the Subscription.
5. The Company will provide a number of guarantees, representations and undertakings to the Underwriter.

## 11- Exemptions

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The Company has not submitted any exemption request to the Capital Market Authority in relation to the Offering.

## 12- Information about the shares and the terms and conditions of the offering

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The Company has applied to the Capital Market Authority to register and offer the new shares and to the Saudi Stock Exchange (Tadawul) to list the new shares and all requirements have been met under the Securities Offering and Continuing Obligations Rules and the Listing Rules.

All eligible shareholders, holders of acquired rights and bidders must carefully read the subscription terms and instructions before subscribing electronically or submitting the subscription application through a broker or filling out the rump offering form. Submitting the subscription application or signing and delivering the rump offering form shall be deemed as approval and acceptance of the aforementioned terms and conditions.

### 12-1 Offering

Pursuant to this prospectus, nineteen million five hundred thousand (19,500,000) ordinary shares will be offered through preemptive rights shares at an offering price of (10) ten Saudi Riyals per share and a nominal value of (10) ten Saudi Riyals, with a total offering value of one hundred and ninety-five million (195,000,000) Saudi Riyals, representing 300% of the Company's capital before the capital increase, in order to increase the Company's capital from sixty-five million (65,000,000) Saudi Riyals divided into six million five hundred thousand (6,500,000) ordinary shares to two hundred and sixty million (260,000,000) Saudi Riyals divided into twenty-six million (26,000,000) shares.

### 12-2 How to apply for subscription to preemptive rights shares (new shares)

Registered shareholders wishing to subscribe to preemptive rights shares must submit a subscription application during the subscription period through the investment portfolio on the trading platforms through which buy and sell orders are entered, in addition to the possibility of subscribing through any other means provided by the broker and the custodian of the shares in the Kingdom during the subscription period. This is provided that the eligible person has an investment account with one of the brokers that provide these services. Or that the data of the eligible person is updated, and that no changes have occurred to the data or information of the eligible person (by deleting or adding a family member) since his subscription in a recent offering unless these amendments have been communicated to the brokers and approved by them. In the event that there is a rump offering period, subscription applications for any rump shares may also be submitted during it by investment institutions only.

By participating in the subscription, the subscriber acknowledges the following:

- Approval of his subscription in the company for the number of shares specified in the subscription application.
- That he has reviewed the prospectus and all its contents, studied it and understood its content.
- Approval of the company's articles of association and the conditions contained in the prospectus.
- That he has not previously applied to subscribe to the same shares for this offering with the broker, and the company has the right to reject all applications in the event of a repeated subscription application.
- Acceptance of the shares allocated under the subscription application, and acceptance of all subscription terms and instructions contained in the application and in this prospectus.
- Ensuring that the application will not be cancelled or modified after it is submitted to the broker.

## 12-3 Subscription Request

The eligible person who wishes to exercise his full right and subscribe to all the preemptive rights shares that he is entitled to subscribe to must subscribe through the investment portfolio on the trading platforms through which buy and sell orders are entered or through any other means provided by the broker and the custodian of the shares. The data of the eligible person must be up to date, and no changes have occurred to the data or information of the eligible person since his subscription in a recent offering, unless these amendments have been communicated to the broker and approved by him.

The number of shares that an eligible person is entitled to subscribe to is calculated according to the number of preemptive rights he owns. The subscription amount that the subscriber must pay is calculated by multiplying the number of existing preemptive rights he owns before the end of the subscription period by (10) Saudi Riyals.

## 12-4 Trading and subscription phase and rump offering period

Eligible shareholders wishing to subscribe to preemptive rights shares must submit the subscription application during the subscription period, which begins three (3) business days after the approval of the Extraordinary General Assembly, including the approval of the capital increase, on \*\*\* \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*G) and ends on \*\*\* \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*G), during the period from ten o'clock (10:00) a.m. until two o'clock (2:00) p.m.

Eligible shareholders wishing to trade in preemptive rights shares must submit a trading request during the trading period, which begins on \*\*\* \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*G) and ends on \*\*\* \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*G), during the period from ten o'clock (10:00) a.m. until three o'clock (3:00) p.m.

The Extraordinary General Assembly, held on \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*G), approved the Board of Directors' recommendation to increase the company's capital by issuing preemptive rights shares. The company's capital will increase from sixty-five million (65,000,000) Saudi Riyals, divided into six million five hundred thousand (6,500,000) ordinary shares, to two hundred sixty million (260,000,000) Saudi Riyals, divided into twenty-six million (26,000,000) ordinary shares. Under this Prospectus, nineteen million five hundred thousand (19,500,000) ordinary shares will be offered for subscription as part of the preemptive rights shares, representing approximately (300%) of the company's capital before the subscription, at an offer price of ten (10) Saudi Riyals per share, including a nominal value of ten (10) Saudi Riyals per share, with a total offering value of one hundred ninety-five million (195,000,000) Saudi Riyals. The new shares will be issued at a ratio of one share for each right issued. The subscription of the preemptive rights shares will be available to shareholders registered in the company's shareholder register at the end of the second trading day following the Extraordinary General Assembly's approval of the capital increase on \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*G) and to eligible persons who purchased preemptive rights during the trading period, including registered shareholders who purchased additional preemptive rights beyond those they originally owned.

In the event that the preemptive rights of the eligible persons are not exercised by the end of the subscription period, the rump shares resulting from the failure to exercise those rights or their sale by the eligible persons will be offered to the investment institutions by offering them during the rump offering period. In the event that the investment institutions do not subscribe to all the rump shares and fractional shares, the rump shares will be allocated to the underwriter who will purchase them at the offering price.

Registered shareholders will be able to trade the preemptive rights deposited in their portfolios through the Saudi Stock Exchange (Tadawul). These rights are considered an acquired right for all shareholders registered in the company's records at the end of the second trading day following the holding of the Extraordinary General Assembly for the capital increase. Each right entitles its holder to exercise the subscription for one new share, at the offering price. The preemptive rights will be deposited after the Assembly is held. The rights will appear in the portfolios of registered shareholders under a new preemptive rights symbol, and registered shareholders will then be notified of the deposit of the rights in their portfolios.

The timetable for the sequence and details of the preemptive rights offering process will be as follows:

1. **Eligibility Date:** At the end of trading on the day of the Extraordinary General Assembly meeting on **\*\*/\*\*/\*\*\*\*H** (corresponding to **\*\*/\*\*/\*\*\*\*G**).
2. **Trading and Subscription Phase:** The trading and subscription phase begins after (3) three business days from the approval of the Extraordinary General Assembly, which includes the approval of the capital increase, on **\*\*/\*\*/\*\*\*\*H** (corresponding to **\*\*/\*\*/\*\*\*\*G**), and the trading period ends on **\*\*/\*\*/\*\*\*\*H** (corresponding to **\*\*/\*\*/\*\*\*\*G**), and the subscription period continues until the end of **\*\*/\*\*/\*\*\*\*H** (corresponding to **\*\*/\*\*/\*\*\*\*G**). It is worth noting that the trading hours for preemptive rights start from ten o'clock (10:00) a.m. until three o'clock (3:00) p.m., while the subscription hours for preemptive rights start from ten o'clock (10:00) a.m. until two o'clock (2:00) p.m.
3. **Rump Offering Period:** Starting on **\*\*/\*\*/\*\*\*\*H** (corresponding to **\*\*/\*\*/\*\*\*\*G**) from 10:00 a.m. until 5:00 p.m. of the following day on **\*\*/\*\*/\*\*\*\*H** (corresponding to **\*\*/\*\*/\*\*\*\*G**). During this period, the rump shares will be offered to a number of institutional investors (referred to as "investment institutions"), provided that these investment institutions submit offers to purchase the rump shares. The rump shares will be allocated to the investment institutions with the highest offer, then the lowest (provided that it is not less than the offering price), provided that the shares are allocated proportionately to the investment institutions submitting the same offer. As for the fractional shares, they will be added to the rump shares and treated similarly. The subscription price for the new shares that were not subscribed to during this period will be at the minimum of the offering price. If the selling price of the unsubscribed shares is higher than the offering price, the difference (if any) will be distributed as compensation to the holders of preemptive rights who did not subscribe to their rights and the holders of fractional shares in proportion to the rights they own. If the investment institutions do not subscribe to all the rump shares and fractional shares, the rump shares will be allocated to the underwriter who will purchase them at the offering price.
4. **Final Allocation of Shares:** Shares will be allocated to each investor based on the number of rights he has fully and correctly exercised. As for those entitled to fractional shares, the fractional shares will be collected and offered to investment institutions during the rump offering period. The total offering price of the rump shares of the company will be paid, The company shall distribute the remaining proceeds from the sale of the rump shares and fractional shares without calculating any fees or deductions (exceeding the offering price) to those entitled to them, each according to what he is entitled to, no later than **\*\*/\*\*/\*\*\*\*H** (corresponding to **\*\*/\*\*/\*\*\*\*G**).
5. **Trading new shares in the market:** Trading of the offered shares will commence on the (Tadawul) system upon completion of all procedures related to registering and allocating the offered shares. The time period between the end of the subscription to preemptive rights and the deposit of the shares in the shareholders' portfolios will be 9 business days.

The Company has applied to the Capital Market Authority to register and offer the new shares and has also applied to the Saudi Stock Exchange (Tadawul) to accept its listing.

## 12-5 Eligible persons not participating in the subscription to the new shares

Registered shareholders who do not participate in the subscription of shares, in whole or in part, will be exposed to loss and a decrease in their ownership percentage in the company, in addition to a decrease in the value of the shares currently owned by them. While registered shareholders who have not exercised their subscription rights will retain the same number of shares they owned before the capital increase. Eligible persons who are not participants in the subscription to the new shares will not receive any benefits or advantages in exchange for the preemptive rights shares due to them, except for receiving cash compensation from the proceeds of selling the shares in the rump offering, each according to what he is entitled to. It is worth noting here that if the investment institutions have applied to purchase the rump shares at the offering price only, or if these investment institutions have not subscribed to the rump offering and therefore the underwriter has purchased the rump shares at the offering price, the eligible persons who are not participants in the subscription will not receive any compensation for the preemptive rights in the new shares that they have not exercised. In the event that the rump shares are sold to investment institutions at a price higher than the offering price, the compensation amount will be determined for the eligible persons who did not participate in the subscription to the new shares in whole or in part according to the following equation:

Compensation amount for each unsubscribed share = (Total rump offering price - Total rump offering proceeds) / (Number of unsubscribed shares).

## 12-6 Allocation and Refund

The Company and the Lead Manager will open a bank account into which the proceeds of the subscription will be deposited.

Preemptive rights shares will be allocated to eligible persons based on the number of rights they have fully and correctly exercised. As for those eligible for fractional shares, the fractional shares will be collected and added to the rump unsubscribed shares and offered to investment institutions during the rump offering period. The total offering price of the rump shares of the company will be paid, and the remaining proceeds from the sale of the rump shares and fractional shares (in excess of the offering price) will be distributed to those eligible, each according to what he is entitled to, no later than **\*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*G)**. In the event that there are shares left unsubscribed after that, the underwriter will purchase those new rump shares and they will be allocated to him at the offering price of ten (10) Riyals per share. There will be no compensation for investors who did not subscribe or sell their rights and holders of fractional shares during the rump offering period.

The final number of shares allocated to each eligible person is expected to be announced without any commissions or deductions from the Lead Manager by crediting them to the subscribers' accounts. Eligible persons should contact the broker through whom the subscription application was submitted to obtain any additional information. The allocation results will be announced no later than **\*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*G)**.

The refund (the remaining proceeds of the offering process in excess of the offering price) will be refunded to the eligible persons who did not participate in whole or in part in the subscription of the preemptive rights shares (if any) by Thimar Development Holding Company without any deductions by **\*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*G)**. It should also be noted that it is necessary to link the bank accounts to the portfolios, so that the amounts can be deposited in the bank accounts of the eligible persons who did not exercise their right to subscribe to the new shares and those entitled to fractions.

## 12-7 Supplementary Prospectus

The Company shall submit to the Authority a supplementary prospectus in accordance with the requirements of Article (29) of the Rules for the Offering of Securities and Continuing Obligations, if the Company becomes aware at any time after the date of publication of this prospectus and before the completion of the offering of any of the following:

- ♦ There has been a significant change in material matters contained in this prospectus.
- ♦ Any important issues that should have been included in this prospectus.

An investor who subscribed to the new shares before the publication of the supplementary prospectus may cancel or amend his subscription to these shares before the end of the offering period.

## 12-8 Suspension or Cancellation of the Offering

The Capital Market Authority may at any time issue a decision to suspend the offering if it deems that the offering may result in a breach of the Capital Market Law, its implementing regulations or the market rules. The offering may also be cancelled if the Extraordinary General Assembly does not approve any of the offering details.

## 12-9 Questions and answers about Preemptive Rights

### ► What are the Preemptive Rights?

They are tradable securities that give their holder the right to subscribe to the new shares offered upon approval of the capital increase. This is an acquired right for all shareholders who own shares on the day of the Extraordinary General Assembly for the capital increase and who are registered in the company's shareholders' register at the Depository Center by the end of the second trading day following the date of the Extraordinary General Assembly. Each Right gives its holder the right to subscribe to one share, at the offering price.



› **Who are Preemptive Rights granted to?**

To all shareholders registered in the company's shareholders' register at the Depository Center at the end of trading on the second trading day following the date of the Extraordinary General Assembly.

› **When will the Preemptive Rights be deposited?**

Following the convening of the Extraordinary General Assembly and its approval of the capital increase through the offering of Preemptive Rights shares, Preemptive rights shall be deposited as securities in the shareholders' portfolios in the company's shareholders' register at the Depository Center at the end of the second trading day after the Extraordinary General Assembly is held. The shares will appear in their portfolios under a new symbol designated for the Preemptive Rights, and trading or subscription of these Rights will not be permitted until the commencement of the trading and subscription periods.

› **How is the investor notified of Preemptive Rights Shares by depositing the Rights in the portfolio?**

Notification is made through an announcement on Tadawul website, as well as through the (Tadawulaty) service provided by the Securities Depository Center Company and text messages sent through brokerage companies.

› **How many Preemptive Rights will a registered shareholder receive?**

The number depends on the percentage of each shareholder's ownership in the capital according to the company's shareholders' register at the Depository Center at the end of the second trading day after the Extraordinary General Assembly.

› **What is the Entitlement Factor?**

It is the factor that enables registered shareholders to know the number of Preemptive Rights due to them for the shares they own at the end of the second trading day after the Extraordinary General Assembly. This factor is calculated by dividing the number of new shares by the number of current shares of the company. Accordingly, the entitlement factor is (3) Rights approximately for each (1) share owned by the registered shareholder on the entitlement date. Accordingly, if a registered shareholder owns one thousand (1,000) shares on the entitlement date, he will be allocated (3,000) Rights for the shares he owns.

› **Will the name and trading symbol of these Rights be different from the name and trading symbol of the company's shares?**

Yes, the acquired Preemptive Right will be added to the investors' portfolios under the name of the original share, with the addition of the word "Preemptive Rights", in addition to a new symbol for these Rights.

› **What is the value of the Preemptive Right when it is first traded?**

The opening price of the Preemptive Right will be the difference between the closing price of the company's share on the day prior to the listing of the Preemptive Right and the offering price (the indicative value of the Preemptive Right). For example, if the closing price of the company's share on the previous day was fifteen (15) Saudi Riyals, and the offering price was ten (10) Saudi Riyals, then the opening price of the right will be five (5) Saudi Riyals.

› **Who is a Registered Shareholder?**

It is any shareholder who appears in the company's shareholders' register at the end of the second trading day after the Extraordinary General Assembly for the capital increase is held.

› **Can Registered Shareholders subscribe for additional shares?**

Yes, Registered Shareholders can subscribe for additional shares by purchasing new Right through the market during the trading period and then subscribe to it during the subscription period after completing the purchase and settlement of Rights.

› **Is it possible for a shareholder to lose his right to subscribe even if he has the right to attend the Extraordinary General Assembly and vote on increasing the capital by offering Preemptive Right Shares?**

Yes, the shareholder loses his right to subscribe if he sells his shares on the day of the Extraordinary General Assembly or one business day before it.

► **How does the subscription process work?**

Subscription requests are submitted through the investment portfolio on the trading platforms through which buy and sell orders are entered, in addition to the possibility of subscribing through any other means provided by the broker to investors and the custodian of shares.

► **Is it possible to subscribe more than once and through more than one broker?**

Yes, it is possible, but it must be considered that the number of subscribed shares does not exceed the number of Preemptive Rights owned at the end of the Preemptive Rights trading period, as any increase in the number of subscribed shares over the number of Preemptive Rights owned at the end of the Preemptive Rights trading period will result in the cancellation of the subscription request.

► **Can an eligible person subscribe to more shares than the Preemptive Rights he owns?**

An eligible person cannot subscribe to more shares than the Preemptive Rights he owns.

► **If the company's shares are owned through more than one investment portfolio, in which portfolio are the Preemptive Rights deposited?**

The Preemptive Rights will be deposited in the same portfolio in which the company's shares linked to the Rights are deposited. For example, if a shareholder owns one thousand (1,000) shares in the company as follows: eight hundred (800) shares in portfolio (A) and two hundred (200) shares in portfolio (B), the total Rights that will be deposited will be three thousand (3,000) Rights, considering that each share has (3) Rights. Accordingly, two thousand four hundred (2,400) Rights will be deposited in portfolio (A) and six hundred (600) Rights in portfolio (B).

► **Are holders of share certificates entitled to subscribe and trade?**

Yes, holders of share certificates are entitled to subscribe, but they will not be able to trade unless they deposit the certificates in electronic investment portfolios through brokers or the Securities Depository Center Company ("Edaa Center") and bring the necessary documents before the end of the subscription period.

► **Is it permissible for someone who has purchased additional Preemptive Rights to trade them again?**

Yes, he has the right to sell it and buy other Preemptive Rights during the trading period only.

► **Is it possible to sell part of the Preemptive Rights?**

Yes, the investor can sell part of these Rights and subscribe to the remaining part.

► **When can a shareholder subscribe to the Preemptive Rights he purchased during the Rights trading period?**

After the settlement of the Preemptive Rights purchase is completed (which is two business days), the Preemptive Rights shall be subscribed to during the subscription period.

► **Can the holder of Preemptive Rights sell or waive the Preemptive Rights after the expiry of the trading period?**

No, it is not possible. After the expiry of the trading period, the Preemptive Rights holder can only exercise the right to subscribe to the Preemptive Rights shares or not exercise it. In the event of not exercising the right, the investor may be subject to a loss or a decrease in the value of his investment portfolio.

► **What happens to Preemptive Rights that are not sold or subscribed for during the trading period and subscription phase?**

If all new shares are not subscribed to during the subscription period, the remaining new shares will be offered for subscription organized by the Lead Manager, and the compensation value (if any) will be calculated for the Preemptive Rights holder after deducting the subscription price. Note that the investor may not receive any consideration if the sale is made during the Rump Offering Period at the offering price.

► **Who is entitled to attend the Extraordinary General Assembly and vote on increasing the company's capital by offering Preemptive Rights Shares?**

A shareholder registered in the company's shareholders' register at the Depository Center after the end of the trading day on the day of the Extraordinary General Assembly has the right to attend the Extraordinary General Assembly and vote on increasing the company's capital by offering Preemptive Rights Shares.

- ▶ **When is the share price adjusted as a result of the company's capital increase through the issuance of Preemptive Rights Shares?**

The share price shall be adjusted by the market before the start of trading on the day following the day of the Extraordinary General Assembly.

- ▶ **If an investor purchases securities on the day of the Assembly meeting, is he entitled to obtain Preemptive Rights resulting from the increase in the issuer's capital?**

Yes, as the investor will be registered in the company's shareholders' register two business days after the date of purchasing the shares (i.e. at the end of trading on the second trading day following the date of the Extraordinary General Assembly), noting that Preemptive Rights will be granted to all shareholders registered in the company's shareholders' register at the end of trading on the second trading day following the date of the Extraordinary General Assembly. However, he will not have the right to attend or vote in the Extraordinary General Assembly for the capital increase.

- ▶ **If an investor has more than one portfolio with more than one brokerage company, how will his Preemptive Rights be calculated?**

The investor's share will be distributed to the portfolios owned by the investor, according to the percentage of ownership in each portfolio. If there are fractions, those fractions will be added, and if they complete one or more whole numbers, the whole number will be added to the portfolio in which the investor owns the largest amount of Preemptive Rights.

- ▶ **What are the trading and subscription periods?**

Trading and subscription of Preemptive Rights shall commence at the same time after (3) three business days from the approval of the Extraordinary General Assembly including approval of the capital increase until the end of trading on the sixth day, while subscription shall continue until the ninth day, as stated in this prospectus and the company's announcements.

- ▶ **Is it possible to subscribe during the weekend?**

No, it is not possible.

- ▶ **Can general investors other than registered shareholders subscribe to Preemptive Rights Shares?**

Yes, after completing the purchase of Preemptive Rights during the trading period.

- ▶ **Will there be any additional fees added to Preemptive Rights trading?**

The same commissions will be applied to buy and sell transactions as for shares, but without a minimum commission amount. The maximum amount shall not exceed fifteen and a half basis points (0.155%) of the total transaction value.

- ▶ **If the new shares are subscribed to and the Rights are then sold, what happens in this case?**

If a registered shareholder subscribes and then sells the Preemptive Rights and the number of Preemptive Rights equal to the number of Rights subscribed to is not purchased before the end of the trading period, the subscription request will be rejected in full if all or part of the Rights are sold equal to the number of Rights sold, and the registered shareholder will be notified and the rejected subscription amount will be returned to him through the shareholder's broker.

- ▶ **Further Assistance:**

In case of any inquiries, please contact the Company at [thimarshareholders@thimar.com.sa](mailto:thimarshareholders@thimar.com.sa). For legal reasons, the Company will only be able to provide the information contained in this prospectus and will not be able to provide advice on the substantive basis of the Preemptive Rights Issue or even provide financial, tax, legal or investment advice.

For more information on the terms and conditions of the subscription, **please refer to Section (12) "Information related to the shares and the terms and conditions of the offering"** and the rest of the information contained in this prospectus.

## 12-10 Decisions and approvals under which the shares will be offered

- On 16/05/1445H (corresponding to 30/11/2023G), the company's Board of Directors recommended increasing the company's capital by offering preemptive rights shares worth one hundred and ninety-five million (195,000,000) Saudi Riyals. Maximizing the company's expansion capacity in investments to support the company's activities according to the financial organization plan and repaying part of the creditors according to the financial organization plan.
- The Saudi Stock Exchange (Tadawul) approved the request to list the new shares on \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*G).
- The Capital Market Authority's approval to increase the Company's capital through the issuance of preemptive rights shares ("the Subscription"). The Subscription consists of offering nineteen million five hundred thousand (19,500,000) new ordinary shares at an offering price of (10) ten Saudi Riyals per share, with a nominal value of (10) ten Saudi Riyals, with a total offering value of one hundred and ninety-five million (195,000,000) Saudi Riyals, in order to increase the Company's capital by sixty-five million (65,000,000) Saudi Riyals to two hundred and sixty million (260,000,000) Saudi Riyals, and publishing this prospectus and all supporting documents requested by it on the date of its announcement on the Authority's website on Sunday 15/03/1447H (corresponding to 07/09/2025G).
- On \*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*G), the Company's Extraordinary General Assembly approved increasing the Company's capital by issuing preemptive rights shares ("the Subscription"). The Subscription consists of offering nineteen million five hundred thousand (19,500,000) new ordinary shares at an offering price of (10) ten Saudi Riyals per share, with a nominal value of (10) ten Saudi Riyals, with a total offering value of one hundred and ninety-five million (195,000,000) Saudi Riyals, in order to increase the Company's capital from sixty-five million (65,000,000) Saudi Riyals to two hundred and sixty million (260,000,000) Saudi Riyals.

## 12-11 Miscellaneous Items

The Subscription Application and all related terms, conditions and undertakings shall be binding upon and for the benefit of the parties thereto, their successors, assigns, executors, estate administrators and heirs. Provided that, except as specifically provided for in this Prospectus, the Application or any rights, interests or obligations arising therefrom shall not be assigned or delegated to any of the parties referred to in this Prospectus without the prior written consent of the other party.

These instructions and terms and any receipt of subscription application forms or contracts arising therefrom shall be subject to and construed in accordance with the laws of the Kingdom. This prospectus may be distributed in both Arabic and English, and in the event of a conflict between the Arabic and English texts, the Arabic text of the prospectus shall prevail.

The Capital Market Authority may at any time issue a decision to suspend the offering if it deems that the offering may result in a breach of the Capital Market Law, its executive regulations or market rules. The offering may also be cancelled if the Extraordinary General Assembly does not approve any of the offering details.

According to Article (29) of the Rules for the Offering of Securities and Continuing Obligations, the company must submit a supplementary prospectus to the Authority if it becomes aware at any time after the date of publication of the prospectus and before the completion of the offering: (1) of a significant change in material matters contained in the prospectus; or (2) the emergence of any important matters that should have been included in this prospectus. In both cases, the company is obligated to submit a supplementary prospectus to the Authority in accordance with the requirements of the Rules for the Offering of Securities and Continuing Obligations, and then the supplementary prospectus will be issued and the new subscription dates will be announced.

## 12-12 Statement of any arrangements in place to prevent the disposal of certain shares

There are no arrangements in place to prevent the disposal of any shares.

## 13- Changes in share price due to capital increase

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The closing price of the company's share on the day of the Extraordinary General Assembly including approval of the capital increase is (\*\*) Saudi Riyals and is expected to reach (\*\*) Saudi Riyals at the opening of the following day. The change represents a decrease of (\*\*%). In the event that none of the shareholders registered in the company's shareholders' register at the Depository Center subscribe at the end of the second trading day following the date of the Extraordinary General Assembly including approval of the capital increase, this will lead to a decrease in their ownership percentage in the company.

The method of calculating the share price as a result of the capital increase is as follows:

**First: Calculating the company's market value at the closing on the day of the Extraordinary General Assembly that includes approval of the increase in the company's capital:**

Number of shares at the end of the day of the Extraordinary General Assembly x the closing price of the company's share on the day of the Extraordinary General Assembly = the market value of the company at the close on the day of the Extraordinary General Assembly.

**Second: Calculating the share price at the opening of the day following the day of the Extraordinary General Assembly that includes approval of the increase in the company's capital:**

(The company's market value at the close of business on the day of the Extraordinary General Assembly + the value of the shares offered) / (the number of shares at the end of the day of the Extraordinary General Assembly + the number of shares offered for subscription) = the expected share price at the opening of the day following the day of the Extraordinary General Assembly.

## 14- Underwriting Commitments

### 14-1 About the subscription request and Underwritings

Subscription can be made using trading platforms or through any other means provided by the broker to investors. The new shares will be subscribed in one phase according to the following:

1. During this period, all registered shareholders and new investors will be able to subscribe for new shares.
2. The registered shareholder will be able to subscribe directly to the number of his shares during the subscription period. In the event that he purchases new rights, he will be able to subscribe to them after the end of the settlement period (two business days).
3. New investors will be able to subscribe for new shares immediately after the rights purchase transaction is settled (two business days).
4. Subscription will be available electronically through the investment portfolio on trading platforms and applications through which buy and sell orders are entered, in addition to subscription through other channels and means available to the broker, provided that the subscription is approved only for a number of new shares due under the preemptive rights existing in the investment portfolio.

Each preemptive right entitles its holder to subscribe for one new share, at the offering price. The subscriber for the new shares acknowledges the following:

- Acceptance of all subscription terms and instructions contained in this prospectus.
- That he has read this prospectus and all its contents, studied it carefully and understood its content.
- Acceptance of the company's articles of association.
- Undertaking not to cancel or amend the subscription request after its execution.

### 14-2 Allocation Processes

Preemptive rights shares will be allocated to eligible persons based on the number of rights they have fully and correctly exercised. As for those eligible for fractional shares, the fractional shares will be collected and offered to investment institutions during the rump offering period, and the total offering price of the rump shares of the company will be paid, and the remaining proceeds from the sale of the rump shares and fractional shares (in excess of the offering price) will be distributed to those eligible, each according to what he deserves, no later than **\*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*G)**. In the event that there are shares left unsubscribed after that, the underwriters will purchase those new rump shares and they will be allocated to him, and there will be no compensation for investors who did not subscribe or did not sell their rights, and the owners of fractional shares during the rump offering period.

Eligible persons should contact the broker through which the subscription was made for any additional information. The allocation results will be announced no later than **\*\*/\*\*/\*\*\*\*H (corresponding to \*\*/\*\*/\*\*\*\*G)**.

### 14-3 Saudi Stock Exchange (Tadawul)

The Saudi Tadawul Group (Tadawul), formerly the Saudi Stock Exchange Company, announced on 25/08/1442H (corresponding to 07/04/2021G) its transformation into a holding company under the name of the Saudi Tadawul Group, with a new structure that supports the development of the future of the Saudi financial market and ensures its continued development, and as another step towards the group's readiness for the initial public offering during the current year 2021G. The Saudi Tadawul Group will include four subsidiaries: Saudi Stock Exchange (as a stock exchange), the Securities

Clearing Center Company (Muqassa), and the Securities Depository Center (Edaa), and (Wamid) a company specializing in innovation-based technical services and solutions. The group will benefit from the integration of the services of its subsidiaries and joint businesses, and the independence of the companies will provide a flexible and innovative work environment to keep pace with the rapid developments in global markets.

Tadawul system was established in 2001G as an alternative system to the electronic securities information system. Electronic stock trading began in the Kingdom in 1990G. The trading process is carried out through an integrated electronic system, starting from executing the transaction until its settlement. Trading takes place every business day of the week from Sunday to Thursday in one period from 10 a.m to 3 p.m, during which orders are executed. Outside these times, orders may be entered, modified and cancelled from 9:30 a.m to 10 a.m.

Trades are executed through automated order matching, and orders are received and prioritized according to price. In general, market orders are executed first, which are the orders containing the best prices, followed by fixed price orders, and if several orders are entered at the same price, they are executed according to the entry time.

Tadawul system distributes a comprehensive range of information through various channels, most notably the Tadawul website, and market data is provided in real time to well-known information providers such as "Reuters". Trades are settled automatically within two business days (T+2).

The company must disclose all decisions and information important to investors through the "Tadawul" system. The Tadawul system is responsible for monitoring the market, with the aim of ensuring fair trading and efficient market operations

## 14-4 Trading the company's shares on the Saudi Stock Market

An application has been submitted to the Authority to register and offer the Preemptive Rights Shares on the Saudi Stock Market and an application has been submitted to the Financial Market (Tadawul) to list them. This prospectus has been approved and all requirements have been met. It is expected that the registration and trading of the Preemptive Rights Shares on the Saudi Stock Market will be approved after the final allocation of the Preemptive Rights Shares is completed, and this will be announced in due course on the Tadawul website. The dates mentioned in this prospectus are preliminary and may be changed with the approval of the Capital Market Authority.

Although the existing shares are registered on the Saudi Stock Exchange and the Company's shares are listed on the Financial Market (Tadawul), new shares cannot be traded until the final allocation of shares has been approved and deposited in the portfolios of subscribers. Trading in new shares is strictly prohibited before the allocation process has been approved.

Subscribers and bidders in the rump offering who engage in such prohibited trading activities shall bear full responsibility for them and the Company shall not bear any legal liability in such case.



## 15- Documents available for viewing

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The following documents will be available for inspection at the Company's headquarters are located in Riyadh, at Mohammad Ali Jinnah Road, Building No. 3808, Sub-number 7548, Al-Shuhada District, Postal Code 13241, Kingdom of Saudi Arabia, during official business days from Sunday to Thursday during official business hours (from 8:00 a.m to 4:30 p.m), starting from the first business day following the date of the invitation to hold the Extraordinary General Assembly, provided that this period is not less than 14 days before the date of the Extraordinary General Assembly. These documents will remain available for inspection until the end of the offering:

### **Documents related to the establishment and the company's law:**

- ♦ The company's commercial registration certificate.
- ♦ The company's articles of association and any amendments thereto.

### **Approvals related to capital increase shares:**

- ♦ Board of Directors' decision to recommend increasing capital.
- ♦ A copy of the Capital Market Authority's announcement of approval of the offering of preemptive rights shares.
- ♦ The Saudi Stock Exchange (Tadawul)'s approval of listing preemptive rights shares.
- ♦ The Extraordinary General Assembly's decision to approve the capital increase.

### **Reports, letters and documents:**

- ♦ Underwriting Agreement and Lead Manager Agreement.
- ♦ Written approvals from the Financial Advisor, Lead Manager, Underwriter and Legal Advisor to use their name, logo and statements in the prospectus.
- ♦ Written approvals from the Certified Public Accountants to use their name, logo and statements in the prospectus.
- ♦ Financial Reorganization Proposal.
- ♦ A study of the food, agricultural and meat investment sectors, and the real estate investment sector, which will be financed from the proceeds of the Offering

