

Tabuk Agricultural Development Company

Reducing the company's capital by an amount of two hundred and seven million, four hundred and ten thousand, six hundred and ten (207,410,610) Saudi riyals from three hundred and ninety-one million, seven hundred and sixty-seven thousand (391,767,000) Saudi riyals to one hundred and eighty-four million, three hundred and fifty-six thousand, three hundred and ninety (184,356,390) Saudi riyals. This will result in a decrease in the number of shares from thirty-nine million, one hundred and seventy-six thousand, seven hundred (39,176,700) ordinary shares to eighteen million, four hundred and thirty-five thousand, six hundred and thirty-nine (18,435,639) ordinary shares.

Financial Advisor

wasatah capital
وساطة كابتال



Extraordinary General Assembly **/**/1447H (corresponding to **/**/2025G)

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Important Notice

- This circular has been prepared by the Company in accordance with Article (61) of the Rules for the Offering of Securities and Continuing Obligations, to provide the necessary information to the Company's shareholders to enable them to vote on the proposed capital reduction at the Extraordinary General Assembly meeting based on awareness and knowledge. Shareholders must read the circular carefully and completely before making their voting decision.
- The financial information and figures included in this circular have been rounded. If the figures in the tables are added together, there may be a slight difference in the figures mentioned in this circular compared to those mentioned in the financial statements due to rounding.
- This circular contains certain forward-looking statements and expectations. These expectations and forward-looking statements may be inferred from the use of forward-looking words and phrases, including, but not limited to, "expects," "aims," "estimates," "intends," "plans," "will," "believes," "seeks," "may," "will be," "could," "should," or the negative thereof or other words of substantial or similar meaning. Forward-looking statements contained in this circular include, but are not limited to, the effects of a capital reduction, the expected dates thereof, and other matters. These statements are subject to change as a result of a number of factors that cannot be accurately estimated, such as future market conditions and the behavior of other market participants. Recipients of this circular should therefore read these expectations and statements accordingly and not rely on them.

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Company Address

Tabuk Agricultural Development Company

Tabuk - Halat Ammar Road, P.O. Box 808, Postal Code 71421

Kingdom of Saudi Arabia

Telephone: +966 01 44500000

Fax: +966 01 44500025

Email: magdy.abdellatef@tadco-agri.com

Website: www.tadco-agri.com



Financial Advisor

Al Wasatah Al Maliah Company (Wasatah Capital)

Riyadh - Olaya Street, Building No. 7459

Sub-No. 2207, Al-Morouj District, Postal Code 12283

P.O. Box 50315, Riyadh 11523

Kingdom of Saudi Arabia

Telephone: +966 11 4944067

Fax: +966 11 4944205

Email: info@wasatah.com.sa

Website: www.wasatah.com.sa

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Certified Public Accountant for the consolidated financial statements for the fiscal year ending December 31, 2024G and prepared the limited assurance report on the proposed capital reduction based on the consolidated financial statements for the fiscal year ending December 31, 2024G

PKF Al Bassam Chartered Accountants Company (Member of PKF International)

Jeddah - Al Noor Business Park - 2nd Floor - Office No. 2

P.O. Box 15651 Jeddah 21454

Kingdom of Saudi Arabia

Telephone: +966 (12) 652 5333

Fax: +966 (12) 652 2894

Email: info.sa@pkf.com

Website: www.pkfalbassam.com



Disclaimer: The above-mentioned financial advisor and chartered accountant have given their written consent to the publication of their names and logos and to the inclusion of their statements in the form and content stated in this circular. None of them has withdrawn this consent as of the date of this circular.



Term	Definitions
Company or issuer	Tabuk Agricultural Development Company.
Extraordinary General Assembly	Extraordinary General Assembly of the Company's Shareholders.
Capital Market Authority or the Authority	Capital Market Authority of the Kingdom of Saudi Arabia.
Tadawul	The Saudi Stock Exchange (formerly known as the Saudi Stock Exchange) is a subsidiary of the Saudi Tadawul Group, established pursuant to a Cabinet Resolution dated 29/02/1428H (corresponding to 19/03/2007G) in implementation of the Capital Market Law. It is a Saudi closed joint-stock company and the only entity authorized to operate as a stock exchange in the Kingdom of Saudi Arabia, listing and trading securities.
Edaa	Securities Depository Center Company (Edaa).
Ministry of Commerce	Ministry of Commerce in the Kingdom of Saudi Arabia.
Companies Law	The Companies Law issued by Royal Decree (M/132) dated 01/12/1443H (corresponding to 30/06/2022G) and any amendments thereto.
Saudi Stock Exchange or market or Tadawul	Saudi Stock Exchange (for trading stocks in the Kingdom of Saudi Arabia).
Rules for offering securities and continuing obligations	The rules for offering securities and continuing obligations issued by the Board of the Capital Market Authority pursuant to 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 (corresponding to 31/07/2003G), and amended by Resolution No. (1-94-2025) dated 09/03/1447H (corresponding to 01/09/2025G) and any amendments thereto.
Listing Rules	Listing Rules issued by the Saudi Stock Exchange (Tadawul) and approved by Capital Market Authority Board Resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G) and amended by its Resolution No. (2-53-2025) dated 21/11/1447H (corresponding to 19/05/2025G).
Capital reduction	Reducing the company's capital from three hundred and ninety-one million, seven hundred and sixty-seven thousand (391,767,000) Saudi riyals to one hundred and eighty-four million, three hundred and fifty-six thousand, three hundred and ninety (184,356,390) Saudi riyals by cancelling twenty million, seven hundred and forty-one thousand, sixty-one (20,741,061) ordinary shares, at a reduction rate of (52.94%), meaning that the number of (1) share will be reduced for every (1.89) shares.
Circular/Shareholders' Circular	This circular is prepared by the company and addressed to its shareholders regarding the reduction of the company's capital.
Auditor's report on capital reduction	Limited assurance report on the proposed reduction in the company's capital based on the consolidated financial statements for the fiscal year ending December 31, 2024G, which explains the reasons for the capital reduction and its impact on the company.
Shareholders	Shareholders of the company.
Eligible shareholders	Shareholders who own shares at the end of trading on the day of the Extraordinary General Assembly meeting to reduce capital 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 to reduce capital on **/**/1447H (corresponding to **/**/2025G)
Electronic Voting	A free electronic service for companies listed in the Saudi Capital Market, allowing shareholders the opportunity to exercise their voting rights on the items of the general assembly agenda without attending in person, through the Tadawulat platform provided by the Securities Depository Center Company.

The purpose of this circular

This circular has been prepared by the Company in accordance with Article (61) of the Rules for the Offering of Securities and Continuing Obligations, to provide the necessary information to the Company's shareholders to enable them to vote on the proposed capital reduction at the Extraordinary General Assembly meeting based on awareness and knowledge. Shareholders must read the circular carefully and completely before making their voting decision.

Company background

- Tabuk Agricultural Development Company (the Company) was established as a Saudi joint stock company pursuant to Royal Decree No. (M/11) dated 07/06/1403H (corresponding to 22/03/1983G) with a capital of two hundred million (200,000,000) Saudi Riyals divided into two million (2,000,000) ordinary shares. It was registered with the Ministry of Commerce under Commercial Register No. (3550005403) issued in the city of Tabuk on 15/08/1404H (corresponding to 16/05/1984G). The current capital of the company is three hundred and ninety-one million, seven hundred and sixty-seven thousand (391,767,000) Saudi Riyals, divided into thirty-nine million, one hundred and seventy-six thousand, seven hundred (39,176,700) ordinary shares with a nominal value of ten (10) Saudi Riyals per share, fully paid. The company's head office is located in the city of Tabuk, Halat Ammar Road, P.O. Box 808, Tabuk 71421, Kingdom of Saudi Arabia.
- The company's activities, according to its commercial registration number (3550005403) dated 15/08/1404H (corresponding to 16/05/1984G), are to pursue the following purposes:

Sheep farming.	Support activities for animal production.	Mixed farming is the mixed production of crops and animals without specialized production of crops and animals.	Collection and cutting of tree waste.	Firewood collection and production.
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- The company's activities, as stated in its articles of association, include pursuing and implementing the following purposes:

- Establishing, managing, operating and carrying on crop and animal production activities, including permanent and non-perennial cropping, plant propagation, animal production, mixed farming, agricultural support activities, post-harvest cropping activities, fishing, hunting and related service activities; establishing, managing, operating and carrying on forestry and logging activities, including silviculture and other forestry activities, logging and collection of non-timber forest products and forestry support services; establishing, managing, operating and carrying on fishery and aquaculture activities, including marine and freshwater fishing, marine aquaculture, freshwater aquaculture, marine and freshwater fish farming.

□ The company's activities, as stated in its articles of association, include pursuing and implementing the following purposes:

- Carrying out food product manufacturing activities, including the preparation and preservation of meat, fish, crustaceans and molluscs, the preparation and preservation of fruits and vegetables, the manufacture of vegetable and animal oils and fats, the manufacture of dairy products, the manufacture of grain mill products, starch and starch products, the manufacture of other food products such as the manufacture of bakery products, the manufacture of sugar, the manufacture of cocoa, chocolate and sugar confectionery, the manufacture of prepared animal feed, and the manufacture of beverages, including the manufacture of malt liquor (including non-alcoholic beer), the manufacture of non-alcoholic beverages, the production of mineral water and other bottled waters, the manufacture of soft drinks and flavored drinks with fruit extracts and spirits, the production and bottling of water, and other activities related to the manufacture of beverages and mineral waters.
- Manufacture of chemicals and chemical products, including but not limited to the manufacture of fertilizers, nitrogen compounds, pesticides and other agricultural chemical products, and veterinary activities.
- Carrying out water supply, drainage, waste management and treatment activities, including water collection, treatment, delivery and operation of irrigation canals, water collection from rivers, lakes, wells, etc., rainwater collection, water purification for water delivery purposes, desalination of seawater or groundwater for water production and operation of irrigation canals.
- Manufacture of agricultural and forestry machinery, including the manufacture and assembly of agricultural machinery and mechanical equipment, the manufacture of machinery used in agriculture, horticulture or forestry for soil preparation, planting or fertilizing crops, the manufacture of ploughs, the manufacture of seeding machines, the manufacture of harvesting, picking and tree-cutting machines, cleaning and sorting machines for eggs, fruits and vegetables, the manufacture of cattle milking machines, the manufacture of spraying machines for agricultural use, the manufacture of other machinery used in agriculture, farming, forestry, animal husbandry, poultry and beekeeping, and any other activities related to the manufacture of agricultural and forestry machinery.
- Conducting food and beverage service activities, including restaurant activities, mobile food services, event catering activities, and other food and beverage service activities.

□ The company's activities, as stated in its articles of association, include pursuing and implementing the following purposes:

- Management and operation of botanical gardens, zoos, and nature reserves, including parks, zoos, nature reserves, and other botanical and zoological garden and nature reserve activities, and carrying out activities related to the service and maintenance of beautification of sites, including the care and maintenance of parks and gardens for public housing purposes, the care and maintenance of building landscapes, home gardens, roof gardens, private building facades, etc., the care and maintenance of highway parks, the care and maintenance of sports fields and golf courses, the care and maintenance of static and running water, the care and maintenance of plants to protect against noise, wind, and desertification, and the care and maintenance of other types of natural landscapes not mentioned above, and the practice of landscape design services and land maintenance services activities to keep them agriculturally and environmentally suitable.
- Marketing, retailing, wholesale, and wholesale trading on a fee or contract basis, including but not limited to the activities of commission agents such as agents selling agricultural raw materials, agents selling live animals, and agents selling food and beverages; carrying out and practicing export and import activities; carrying out the wholesale trade in agricultural raw materials and live animals, including the wholesale sale of grains and seeds, the wholesale sale of fruits and oil fruits, the wholesale sale of flowers and plants, the wholesale sale of live animals, the wholesale sale of hides, the wholesale sale of other agricultural raw materials, and recycled waste such as animal feed; the sale of food and beverages, including the wholesale sale of fruits, vegetables, dates, the wholesale sale of dairy products and eggs, the wholesale sale of animal and vegetable oils and fats, the wholesale sale of meat and meat products, fish products, the wholesale sale of sugar, chocolate and its products, coffee, tea, cocoa, spices, honey, the wholesale sale of bakery products, the wholesale sale of beverages of all kinds, the wholesale sale of pet food and feed, and the wholesale sale of food and beverages not mentioned above.
- Owning, managing and operating grain silos and carrying out storage and transportation support activities, including storage in warehouses such as refrigerated and frozen goods stores (cold stores), storage in grain and flour silo warehouses, food and agricultural products stores and general stores that include a variety of goods.

Company background

□ The company's activities, as stated in its articles of association, include pursuing and implementing the following purposes:

- Managing and leasing owned or leased (residential) properties, managing and leasing owned or leased (non-residential) properties, practicing short and long-term accommodation activities, including owning and operating hotels, motels, furnished apartments (hotels), other accommodation facilities, chalets, rest houses, camps, parks, recreational and tourist resorts, practicing specialized construction activities, including but not limited to demolition, site preparation, electrical and plumbing works, and other construction activities, building completion and finishing, and other specialized construction activities.
- Carrying out travel agency activities, tour operators, sports activities, entertainment and leisure activities, including owning, managing and operating equestrian clubs, horse and camel racing clubs, and health clubs.
- Work and invest inside and outside the Kingdom and to practice financial services activities, including financial brokerage, holding company activities, monopoly activities, funds, similar financial entities, and other financial services activities, in accordance with the controls determined by the competent authorities and after obtaining the necessary licenses from the Capital Market Authority.

The company carries out its activities in accordance with applicable regulations and after obtaining the necessary licenses from the competent authorities.

Contact information

Contact Person: Magdy Abdel Latif Abdel Hadi Abdel Hafez

Phone: +966 11 44500000

Fax: +966 01 44500025

Email: magdy.abdellatef@tadco-agri.com

Website: www.tadco-agri.com

Key developments in the company's capital

The current capital of the Company is three hundred and ninety-one million, seven hundred and sixty-seven thousand (391,767,000) Saudi Riyals, divided into thirty-nine million, one hundred and seventy-six thousand, seven hundred (39,176,700) ordinary shares with a nominal value of ten (10) Saudi Riyals per share, fully paid. The following are the most important events and changes in the Company's capital since its establishment:

Date	Event
07/06/1403H (corresponding to 22/03/1983G)	The company was established as a Saudi public joint stock company pursuant to Royal Decree No. (M/11) dated 07/06/1403H (corresponding to 22/03/1983G) with Commercial Register No. (3550005403) issued in the city of Tabuk.
15/03/1436H (corresponding to 06/01/2015G)	The Extraordinary General Assembly approved increasing the company's capital through issuing priority rights shares. The subscription represents the offering of twenty-five million (25,000,000) new ordinary shares at an offering price of ten (10) riyals per share and a nominal value of ten (10) Saudi riyals, in order to increase the company's capital from two hundred million (200,000,000) Saudi riyals to four hundred and fifty million (450,000,000) Saudi riyals and to increase the number of shares from twenty million (20,000,000) to forty-five million (45,000,000) ordinary shares.
23/07/1441H (corresponding to 18/03/2020G)	The Extraordinary General Assembly approved the reduction of capital by cancelling twenty million eight hundred and twenty-three thousand three hundred (20,823,300) shares of the company's issued shares at a rate of (46.274%), so that the company's capital became from four hundred and fifty million (450,000,000) Saudi riyals to two hundred and forty-one million seven hundred and sixty-seven thousand (241,767,000) Saudi riyals, divided into twenty-four million one hundred and seventy-six thousand seven hundred (24,176,700) ordinary shares with a nominal value of ten (10) riyals per share, in order to extinguish the company's accumulated losses.
24/08/1442H (corresponding to 06/04/2021G)	The Extraordinary General Assembly approved increasing the company's capital through issuing priority rights shares. The subscription represented the offering of fifteen million (15,000,000) new ordinary shares at an offering price of ten (10) riyals per share and a nominal value of ten (10) Saudi riyals, in order to increase the company's capital from two hundred and forty-one million, seven hundred and sixty-seven thousand (241,767,000) Saudi riyals to three hundred and ninety-one million, seven hundred and sixty-seven thousand (391,767,000) Saudi riyals, and to increase the number of shares from twenty-four million, one hundred and seventy-six thousand, seven hundred (24,176,700) to thirty-nine million, one hundred and seventy-six thousand, seven hundred (39,176,700) ordinary shares.

Key developments in the company's capital

Date	Event
05/10/1446H (corresponding to 03/04/2025G)	The company announced on the Saudi Stock Exchange (Tadawul) website the recommendation of its Board of Directors to reduce the company's capital from three hundred and ninety-one million, seven hundred and sixty-seven thousand (391,767,000) Saudi riyals to one hundred and eighty-four million, three hundred and fifty-six thousand, three hundred and ninety (184,356,390) Saudi riyals by canceling twenty million, seven hundred and forty-one thousand, sixty-one (20,741,061) ordinary shares of the company's issued shares, in order to restructure the company's capital and extinguish an amount of two hundred and seven million, four hundred and ten thousand, six hundred and ten (207,410,610) Saudi riyals from the company's accumulated losses, representing (99.99%) of the company's accumulated losses amounting to two hundred and seven million, four hundred and ten thousand, six hundred and eighteen (207,410,618) Saudi riyals, as follows: In the consolidated financial statements for the fiscal year ending 31/12/2024G.
09/04/1447H (corresponding to 01/10/2025G)	The Capital Market Authority has approved the reduction of the company's capital from three hundred and ninety-one million, seven hundred and sixty-seven thousand (391,767,000) Saudi Riyals to one hundred and eighty-four million, three hundred and fifty-six thousand, three hundred and ninety (184,356,390) Saudi Riyals by cancelling twenty million, seven hundred and forty-one thousand, sixty-one (20,741,061) ordinary shares with a nominal value of ten (10) Saudi Riyals from the company's issued shares. This approval was announced on the website of the Capital Market Authority and the website of the Saudi Stock Exchange (Tadawul).
//1447H (corresponding to **/**/2025G)	The Extraordinary General Assembly approved the reduction of the company's capital from three hundred and ninety-one million, seven hundred and sixty-seven thousand (391,767,000) Saudi riyals to one hundred and eighty-four million, three hundred and fifty-six thousand, three hundred and ninety (184,356,390) Saudi riyals by cancelling twenty million, seven hundred and forty-one thousand, sixty-one (20,741,061) ordinary shares with a nominal value of ten (10) Saudi riyals from the company's issued shares. This approval was announced on the website of the Saudi Stock Exchange (Tadawul).

The following table shows the members of the company's Board of Directors and their ownership of the company's shares as of the date of this circular.

Name	Position**	Attribute	Nationality	Age	Shares owned before the reduction				Membership start date*
					Directly		Indirect		
					Amount	Ownership percentage	Amount	Ownership percentage	
Nasser Daif Allah Naqa Al-Rahili	Chairman	independent	Saudi	51	984,836	%2.5138309	-	-	12/08/2025G
Faisal Saleh Ahmed Alghamdi	Vice Chairman	independent	Saudi	56	-	-	-	-	12/08/2025G
Abdullah Hamoud Al Salhi Al Harbi	Member	independent	Saudi	48	-	-	-	-	12/08/2025G
Badr Abdullah S Alhanaki	Member	independent	Saudi	46	10	%0.0000255	-	-	12/08/2025G
Waleed Mohammed Saleh M. Ali	Member	independent	Saudi	43	600	%0.0015315	-	-	12/08/2025G
Matar Ali Ahmed AL Zahrani	Member	independent	Saudi	58	-	-	-	-	12/08/2025G
Majid bin Ahmed Ibrahim Al-Suwaigh	Member	independent	Saudi	49	4,000	%0.0102102	-	-	12/08/2025G

Source: The Company and Tadawul.

- On 09/10/1446H (corresponding to 07/04/2025G), the company announced the Board of Directors' recommendation to end the current Board of Directors' term, which began on 01/07/2024G and ends on 30/06/2027G. And on 06/11/1446H (corresponding to 04/05/2025G), the company announced the opening of nominations for membership in the company's Board of Directors, which begins on 12/08/2025G and ends on 11/08/2028G.

* On 18/02/1447H (corresponding to 12/08/2025G), the Ordinary General Assembly approved the election of the above-mentioned Board of Directors members for the current term, which began on 12/08/2025G and ends on 11/08/2028G.

** On 19/02/1447H (corresponding to 13/08/2025G), the Company's Board of Directors decided to appoint the Chairman and Vice Chairman of the Board of Directors mentioned above for the current term, which began on 12/08/2025G and ends on 11/08/2028G.

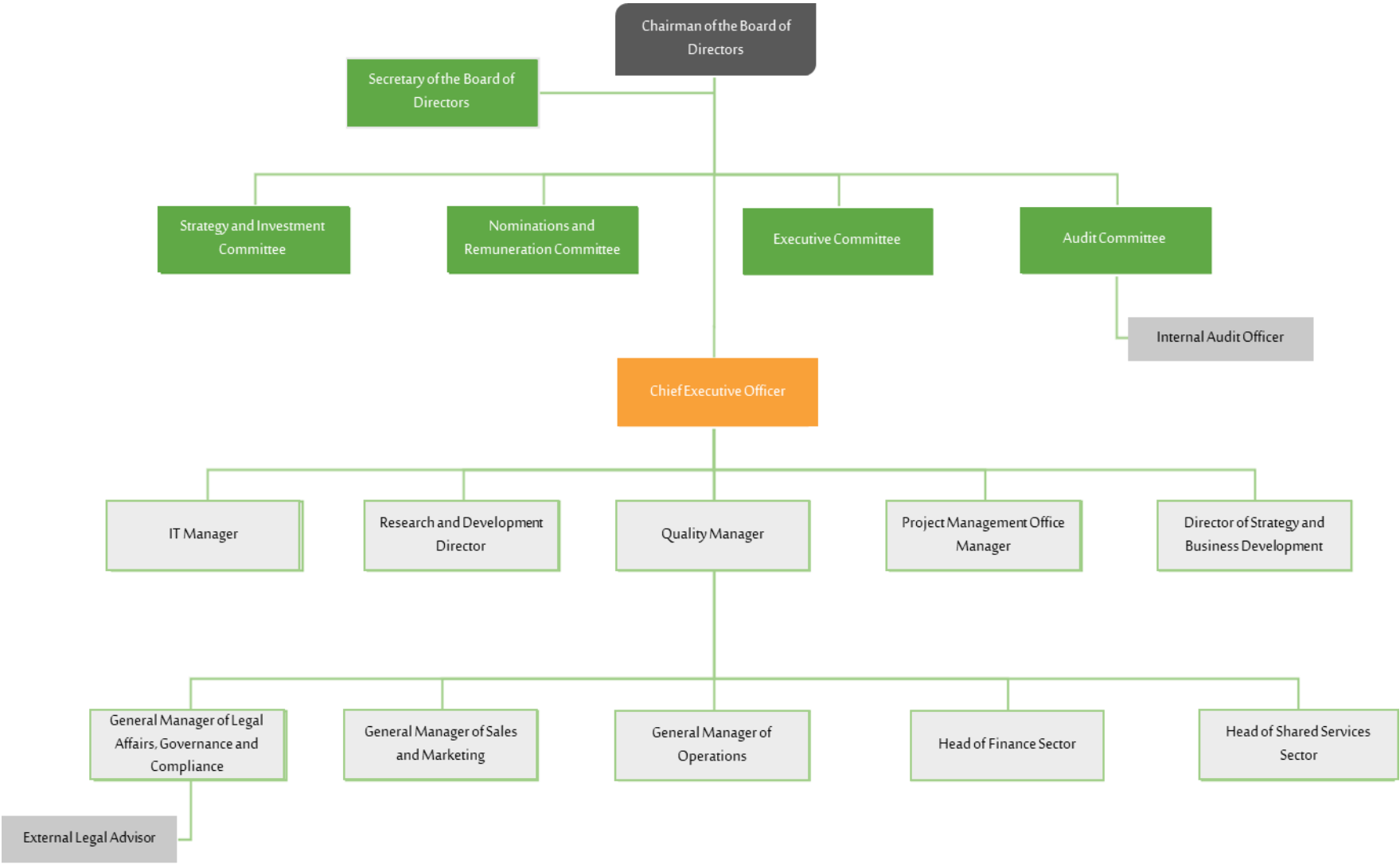
Executive Management Members

The following table of contents shows the members of the company's executive management and their ownership of the company's shares as of the date of this circular.

Name	Position	Nationality	Date of appointment	Shares owned before the reduction			
				Directly		Indirect	
				Amount	Ownership percentage	Amount	Ownership percentage
Yahya Ahmed Ibrahim Aqis Mubarak	CEO	Saudi	٢٠٢٤/٠٤/٠١	-	-	-	-
Mohamed Saad Kamel Ali Bakry	CFO	Egyptian	٢٠٢١/١١/٠١	-	-	-	-
Ayed Saleh Awda Al-Mus'ar	Head of Shared Services	Saudi	٢٠٢٣/٠٥/٠٩	15,123	0.03860%	-	-
Yahya Ali Razzaq	General Manager – Sales and Marketing Division	Lebanese	٢٠٢٥/٠٢/٠٥	-	-	-	-
Kenneth Smith	General Manager of Operations Sector	South African	٢٠٢٤/٠٩/٠٣	-	-	-	-

Source: The Company

The company's organizational structure



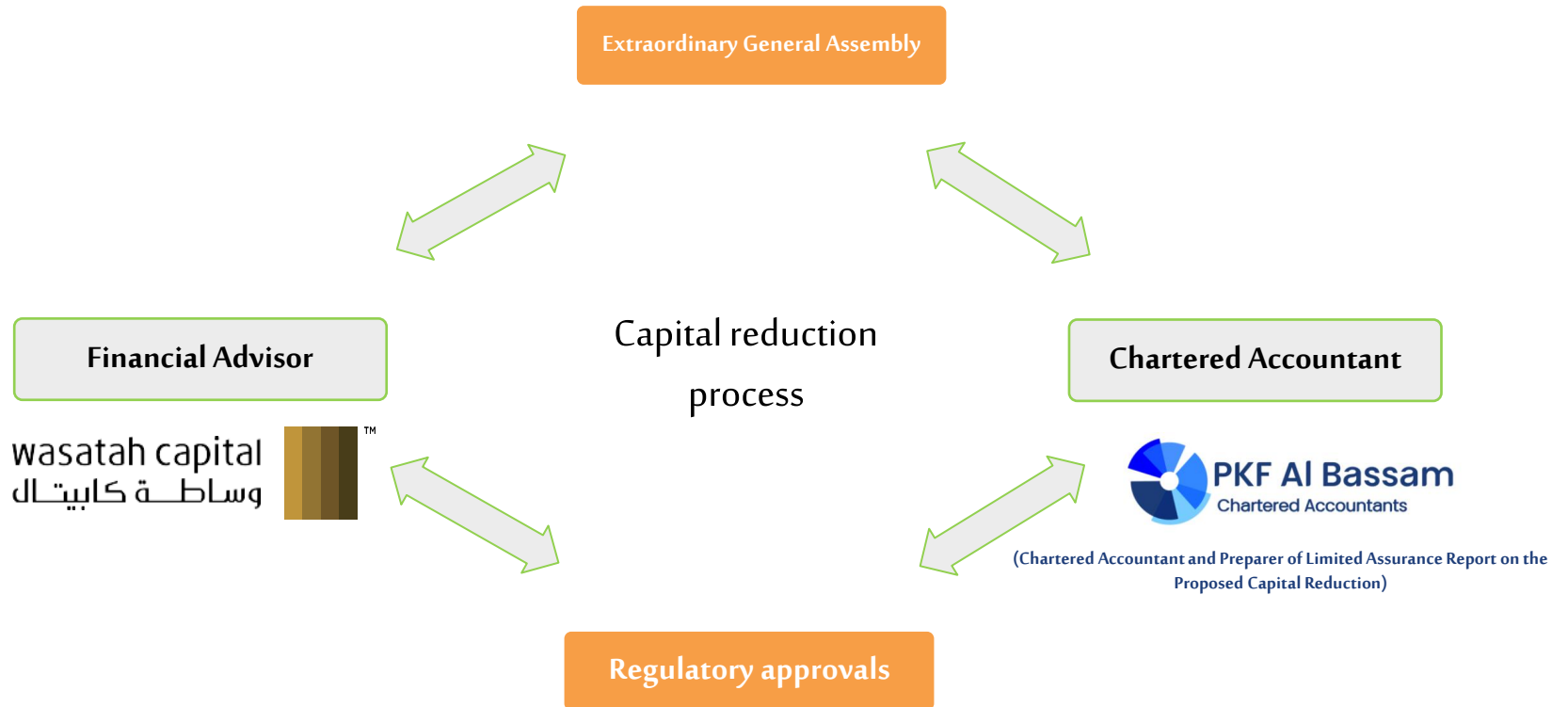
Source: The Company

Capital reduction procedures

- The capital reduction process is subject to the following procedures:
 - The Board of Directors' recommendation to the company to reduce its capital.
 - Appointing a financial advisor for the capital reduction process.
 - Appointing chartered accountant to prepare the accounting report for the Capital Reduction process.
 - Preparing and submitting a capital reduction request to the Capital Market Authority in accordance with the provisions of Article 61 of the Rules for the Offering of Securities and Continuing Obligations, which relate to the conditions for capital reduction.
 - Approval of the Capital Market Authority for the company's capital reduction request.
 - Submitting a notice to the Saudi Stock Exchange (Tadawul) in the form set out in Appendix (5) of the Listing Rules.
 - The capital reduction process is subject to the approval of the Extraordinary General Assembly. Shareholders should be aware that if the approval of the Extraordinary General Assembly for this capital reduction process is not obtained, the capital reduction process will be halted completely.
 - In the event that the Extraordinary General Assembly approves the reduction of the Company's capital, the Saudi Stock Exchange (Tadawul) will suspend trading in the company's shares for two consecutive trading sessions, starting from the day following the approval of the Extraordinary General Assembly for the capital reduction. Trading will then resume at the revised price. The resolution will be effective on the shareholders who own the shares on the day of the extraordinary general assembly and who appear in the company's records upon deposit at the end of trading for the second day following the extraordinary general assembly related to the capital reduction.
 - If the Extraordinary General Assembly approves the capital reduction, the company will contact the Ministry of Commerce to obtain its approval to amend the commercial register and the company's articles of association.
 - The deposit of the proceeds (if any) from the sale of fractional shares resulting from the company's capital reduction will be announced in the accounts of eligible shareholders within (30) days from the date of the shareholders' approval at the Extraordinary General Assembly to reduce the company's capital.

Capital reduction

The figure below shows the parties involved in the capital reduction process:



Evolution of accumulated losses

Fiscal year ending	Capital (million Saudi Riyals)	Net loss/profit (million Saudi Riyals)	Accumulated losses (million Saudi Riyals)	Accumulated loss ratio of capital (%)	Main Reasons for Accumulated Losses Increasing
December 31, 2018G	450	(62.1)	61.7	13.71%	Increase in marketing expenses, general and administrative expenses, recording the amortization of capital project expenses amounting to 9.6 million Saudi Riyals, and recording a provision for investee companies' liabilities amounting to 13.0 million Saudi Riyals.
December 31, 2019G	450	(181.3)	243.1	54.02%	The losses during the period were due to a decline in the value of inventory and vital assets in the sheep sector as a result of revaluation, in addition to provisions for a decline in the value of capital projects, the formation of a provision for loan guarantees and obligations related to affiliated companies, and the recording of impairment losses in subsidiaries and affiliated companies, in addition to investments in equity instruments. The results were also negatively affected by higher financing costs, increased administrative expenses, and a decline in sales volume.
December 31, 2020G	241.8	(52.1)	86.5	35.80%	The primary reasons for these accumulated losses are a net impairment assessment of the value of crop inventory at the point of harvest, along with a decline in capital projects. A provision for loan guarantees and obligations from associates was also established, in addition to losses resulting from the disposal of non-recoverable land. Provisions were also made for the removal and transfer of assets associated with the disposed non-recoverable land.
December 31, 2021G	391.8	(70.5)	111.6	28.49%	The main reasons for these accumulated losses are lower revenues, a decline in the value of property, plant and equipment in a subsidiary, increased VAT claims, and increased general and administrative expenses.

Evolution of accumulated losses

Fiscal year ending	Capital (million Saudi Riyals)	Net loss/profit (million Saudi Riyals)	Accumulated losses (million Saudi Riyals)	Accumulated loss ratio of capital (%)	Main reasons for accumulated losses increasing
December 31, 2022G	391.8	(53.7)	163.1	41.63%	The main reasons for these accumulated losses are the decline in the value of property, plant, and equipment in one of the subsidiaries, in addition to recording a provision for government grants from the Ministry of Finance owed to one of the subsidiaries. Equity instrument issuance costs were also amortized, along with an increase in the cost of sales, increased general and administrative expenses, and increased selling and distribution expenses.
December 31, 2023G	391.8	81	63.2	16.13%	The main reasons for these accumulated losses are the decline in the value of property, plant, and equipment in one of the subsidiaries, in addition to recording a provision for expected credit losses related to government grants due from the Ministry of Finance to one of the subsidiaries. The reasons also included the amortization of equity instrument issuance costs, an increase in the cost of sales, an increase in administrative and general expenses, and an increase in selling and distribution expenses.
December 31, 2024G	391.8	(145.9)	207.4	52.94%	The main reasons for these accumulated losses are lower revenues, higher cost of revenues, increased general and administrative expenses, and higher selling and distribution expenses. A decrease in the value of investments in one of the subsidiaries (Horizon Food Company) by the end of 2024G was recorded, amounting to 71.49 million Saudi Riyals, representing 18.2% of the company's capital. Additionally, the company incurred losses from discontinued operations amounting to 21.7 million Saudi Riyals, equivalent to 5.5% of the company's capital.

Company plan and corrective steps to stop losses

Structural Changes

The company has implemented several structural changes aimed at improving operational efficiency and reducing costs, which will positively impact its financial performance. These changes include re-examining production costs and reducing uneconomical items. The company is also adjusting its sales policy by reaching the end consumer directly through authorized sales outlets, launching its own brand, and strengthening its marketing efforts to open new markets and increase sales.

Business Expansion / Cessation of Operations

The company liquidated the sheep project in order to limit the losses resulting from its continuation.	On 22/03/1446H (corresponding to 25/09/2024G), the Ordinary General Assembly approved the divestment of the company's stake in Feed Sources Company, with the aim of halting the annual losses resulting from the investment therein. The necessary regulatory procedures are being completed.	The company is working on selling a portion of its stake in Horizon Food Company, as part of arrangements related to the transition of "Horizon Food" from the parallel market to the main market.	The company owns a 21.6% stake in Rakhaa Agricultural Investment and Development Company, and is currently in the process of completing the listing procedures for it on the Egyptian Stock Exchange.
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Future Prospects – Acquisitions and Shares Plans

- **Saudi Agricultural Technology Alliance:** The company joined as a founding member with the aim of exchanging expertise in agricultural technologies, enhancing operational efficiency, and developing the company's business.
- **Memorandum of Understanding with the "Weqaa" Center:** The company signed a memorandum of understanding with the National Center for the Prevention and Control of Plant and Animal Pests and Diseases (Weqaa) to exchange expertise in plant and animal health and enhance cooperation in preventing pests and diseases that threaten the safety and quality of agricultural crops.
- **Memorandum of Understanding (non-binding) with Topian Company (NEOM's food sector):** On 09/10/1445H (corresponding to 18/04/2024G), the Company announced on the Tadawul website, the company signed a (non-binding) memorandum of understanding with Topian Company to cooperate in planning, developing, constructing, and operating greenhouse cultivation operations for the production of fruits and vegetables, on an area of 100 hectares at the company's site in the Tabuk region,. On 16/10/1446H (corresponding to 14/04/2025G), the Company announced on the Tadawul website the extension of the Memorandum of Understanding for an additional six months starting from 17/04/2025G, to carry out additional feasibility work and required reports, such as the environmental and social impact assessment and infrastructure.

Future Prospects – Implementing the Company's Strategy (2030)

The company's Board of Directors approved the company's strategic plan (TADCO 2030), which aims to develop the company's business and achieve sustainable growth through four main pillars:

Improving agricultural performance: by enhancing productivity and employing new agricultural technologies.	Growing business: by developing sales, improving branding and marketing efforts	Diversifying the business model: by expanding food trade, food industries, partnerships, leveraging assets and facilities, and exploring new sectors such as logistics and agritourism.	Institutional excellence: by building core capabilities, promoting digital transformation, and maximizing the use of human capital.
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As part of implementing this strategy, the company has launched several initiatives to improve agricultural activity, including: expanding the cultivation of strategic crops such as potatoes, onions, and intensive olive cultivation to support olive oil production; adopting seasonal fodder cultivation to help rationalize water consumption; and investing in protected agriculture.

The company is also moving towards using modern agricultural technologies to enhance operational efficiency, along with developing refrigerated warehouse infrastructure to improve production and marketing operations. The company also seeks to transition from the use of traditional fuel (diesel) to electric power, in line with the national initiative "Displacing Liquid Fuels." Regarding business diversification, the company has begun entering into activities complementary to its agricultural operations, such as poultry production, agricultural marketing, and the manufacture of food products such as dried and frozen fruits, jams, and canned goods. This will enhance added value and expand the company's revenue base.

Future Prospects – Installing a New ERP System:

- The company continues to complete the implementation of its Enterprise Resource Planning (ERP) system, which relies on an integrated suite of software modules designed to support core internal operations and automate numerous support functions such as human resources, services, and information technology. This system aims to provide accurate and real-time data that contributes to enhancing decision-making efficiency and speeding up cost tracking and analysis with greater clarity. It also enables comparison of total costs and real-time insights into selling prices, enabling the company to select the most appropriate sales outlets and set optimal prices, enhancing operational efficiency and improving performance.

General structure of the proposed capital reduction

- The current capital of the company is three hundred and ninety-one million, seven hundred and sixty-seven thousand (391,767,000) Saudi riyals, divided into thirty-nine million, one hundred and seventy-six thousand, seven hundred (39,176,700) ordinary shares with a nominal value of ten (10) Saudi riyals per share, fully paid.
- The Board of Directors recommended on 04/10/1446H (corresponding to 02/04/2025G) to reduce the company's capital from three hundred and ninety-one million, seven hundred and sixty-seven thousand (391,767,000) Saudi Riyals to one hundred and eighty-four million, three hundred and fifty-six thousand, three hundred and ninety (184,356,390) Saudi Riyals by cancelling twenty million, seven hundred and forty-one thousand, and sixty-one (20,741,061) ordinary shares, in order to restructure the company's capital to extinguish accumulated losses.
- The percentage of capital reduction is (52.94%), and the reduction process will be carried out by cancelling twenty million seven hundred forty-one thousand and sixty-one (20,741,061) ordinary shares, meaning that the number of (1) share will be reduced for every (1.89) shares. To extinguish an amount of two hundred and seven million, four hundred and ten thousand, six hundred and ten (207,410,610) Saudi riyals from the company's accumulated losses, representing (99.99%) of the company's accumulated losses amounting to two hundred and seven million, four hundred and ten thousand, six hundred and eighteen (207,410,618) Saudi riyals as in the consolidated financial statements for the fiscal year ending 31/12/2024G, so that the company's accumulated losses after the reduction become an amount of eight (8) Saudi riyals, at a rate of (0.0000043%) of the company's new capital amounting to one hundred and eighty-four million, three hundred and fifty-six thousand, three hundred and ninety (184,356,390) Saudi riyals.
- With reference to the Company's announcement on the Saudi Exchange website regarding the results of the Ordinary General Assembly held on 24 June 2025, which included the disapproval of the auditor's report for the financial year ended 31 December 2024 after discussing it, the aforementioned disapproval is limited to the auditor's report, and does not include the Company's financial statements, which were relied upon to determine the values related to capital reduction procedures, and therefore there is no impact on the correctness or accuracy of the financial statements used for this purpose.
- With reference to a corrective announcement by the Company dated 13 April 2025 regarding the Company's announcement of the annual financial results ended 31 December 2024, the aforementioned amendment is the result of a reclassification of some items of the cash flow statement, and therefore there is no impact on the correctness or accuracy of the financial statements that were relied upon to determine the values related to the capital reduction measures.
- Following the approval of the Extraordinary General Assembly to reduce capital, the reduction decision will be deemed effective, and trading of the company's shares on the Saudi Stock Exchange (Tadawul) website will be suspended for two trading days, starting from the day following the Extraordinary General Assembly's approval of the capital reduction. Trading will then resume at the revised price.
- The Company will collect any fractional shares (if any) in one portfolio that will result from the capital reduction process and then sell them in the market at the prevailing price at that time. The proceeds of their sale will then be distributed to the eligible shareholders in the Company, each according to his ownership, within thirty (30) days from the date of the shareholders' approval in the Extraordinary General Assembly to reduce the company's capital.
- Date of the financial statements relied upon for the purposes of capital reduction: Consolidated financial statements for the fiscal year ending 31/12/2024G.

Reasons for capital reduction and management analysis discussion

- The company's management worked on developing a strategy to improve the current situation and support the company's future growth and financial performance, and reached a decision to restructure the company's capital by reducing the company's capital to extinguish (99.99%) of the accumulated losses, which amounted to two hundred seven million, four hundred and ten thousand six hundred and eighteen (207,410,618) Saudi riyals as in the consolidated financial statements for the fiscal year ending 31/12/2024G.
- Reducing accumulated losses is one of the most important decisions a company can make under the current circumstances. The company is working to improve its position to stop losses and achieve profits.
- On 05/10/1446H (corresponding to 03/04/2025G), the Company announced through the Saudi Stock Exchange (Tadawul) website the recommendation of its Board of Directors to reduce the company's capital from three hundred and ninety-one million, seven hundred and sixty-seven thousand (391,767,000) Saudi Riyals to one hundred and eighty-four million, three hundred and fifty-six thousand, three hundred and ninety (184,356,390) Saudi Riyals by canceling twenty million, seven hundred and forty-one thousand, and sixty-one (20,741,061) shares of the Company's issued shares, in order to restructure the Company's capital to extinguish accumulated losses.
- After reducing the company's capital, the accumulated losses will decrease to eight (8) Saudi riyals, i.e. (0.0000043%) of the company's capital after the reduction, as in the consolidated financial statements for the fiscal year ending 31/12/2024G.
- The accumulated losses of the company amounted to two hundred thirty-two million, four hundred eighty-seven thousand, one hundred sixty-nine (232,487,169) Saudi Riyals, as per the condensed interim consolidated financial statements (unaudited) for the period ended June 30, 2025. A portion of these losses will be extinguished through a capital reduction of two hundred seven million, four hundred ten thousand, six hundred ten (207,410,610) Saudi Riyals. As a result, the accumulated losses will be reduced to twenty-five million, seventy-six thousand, five hundred fifty-nine (25,076,559) Saudi Riyals, representing (13.60%) of the company's capital after the reduction.

The impact of reducing the company's capital on the company's liabilities

- The company has appointed PKF Al Bassam Chartered Accountants Company (a member of PKF international) to prepare a limited assurance report on the proposed capital reduction. The report outlines the reasons for the capital reduction and its impact on the company company's liabilities and shareholders' equity.
- There will be no impact of the capital reduction on the company's liabilities as stated in the auditor's report in (Appendix 1) of the attached report.

The impact of reducing the company's capital on the company's shareholders' equity

- The company's accumulated losses amounted to two hundred and seven million, four hundred and ten thousand, six hundred and eighteen (207,410,618) Saudi riyals as per the consolidated financial statements for the fiscal year ending 31/12/2024G. Reducing the capital by two hundred and seven million, four hundred and ten thousand, six hundred and ten (207,410,610) Saudi riyals will result in the extinguishment of (99.99%) of the total accumulated losses.
- There will be no adverse impact on the company's liabilities and shareholders' equity, and the impact on shareholders' equity will be based on the consolidated financial statements for the fiscal year ending 31/12/2024G.

Shareholders' equity	Before capital reduction Saudi Riyals	After capital reduction Saudi Riyals	Impact Saudi Riyal
Capital	391,767,000	184,356,390	(207,410,610)
Other reserves	1,858,734	1,858,734	
Employee defined benefit obligation remeasurement reserve	(165,415)	(165,415)	
Foreign currency translation reserve	(7,283,311)	(7,283,311)	
Fair value reserve	718,800	718,800	
Accumulated losses	(207,410,618)	(8)	207,410,610
Net equity of non-controlling interests	500,000	500,000	
Total shareholders' equity	179,985,190	179,985,190	-

Source: The attached auditor's report, the consolidated financial statements for the fiscal year ending 31/12/2024G.

The impact of reducing the company's capital on the company's shareholders' equity

- The Company intends to reduce its capital by two hundred and seven million, four hundred and ten thousand, six hundred and ten (207,410,610) Saudi Riyals from three hundred and ninety-one million, seven hundred and sixty-seven thousand (391,767,000) Saudi Riyals to one hundred and eighty-four million, three hundred and fifty-six thousand, three hundred and ninety (184,356,390) Saudi Riyals by cancelling twenty million, seven hundred and forty-one thousand, sixty-one (20,741,061) ordinary shares of the Company's issued shares at a cancellation rate of (0.5294) shares for every (1) share.
- The Company will collect any fractional shares (if any) in one portfolio that will result from the capital reduction process and then sell them in the market at the prevailing price at that time. The proceeds of their sale will then be distributed to the eligible shareholders in the Company, each according to his ownership, within thirty (30) days from the date of the shareholders' approval in the Extraordinary General Assembly to reduce the Company's capital.
- Reducing the company's capital will not affect the market value of the company's shareholders' portfolios, as shown below for a shareholder who owns 1,000 shares of the company's stock in his portfolio:

Item (estimated)*	With the capital reduction process	Without the capital reduction process
Shares owned before the reduction	1,000	1,000
Stock price before the reduction (closing date 17/09/2025G)**	10.12 Saudi Riyals	10.12 Saudi Riyals
Cancelled shares	530	Not applicable
Shares owned after the reduction	470	Not applicable
Share price after the reduction (estimated)	21.51 Saudi Riyals	Not applicable
Market value of shares before reduction (estimated)	10,120 Saudi Riyals	10,120 Saudi Riyals
Market value of shares after reduction (estimated)	10,108 Saudi Riyals	Not applicable
Compensation value resulting from the capital reduction process (estimated)	12.40 Saudi Riyals	Not applicable

*The example in the table above contains estimated values and is for guidance purposes only. No investment decision should be made based on the information contained therein. The actual value of the shares will be determined based on market conditions at the time.

**The circular to shareholders will be updated with the closing share price on the day of the Extraordinary General Assembly.

The impact of reducing the company's capital on the company's shareholders' equity

- It should be noted that a shareholder who owns two or less shares of the company's shares in his portfolio will have his shares cancelled and will be compensated for the fractional shares due. The following table illustrates the impact on a shareholder who owns up to 10 shares:

Item (estimated)*	1	2	3	4	5	6	7	8	9	10
Shares owned before the reduction	1	2	3	4	5	6	7	8	9	10
Share price before the reduction (closing date 17/09/2025G)**	10.12	10.12	10.12	10.12	10.12	10.12	10.12	10.12	10.12	10.12
Cancelled shares	1	2	2	3	3	4	4	5	5	6
Shares owned after the reduction	0	0	1	1	2	2	3	3	4	4
Number of fractional shares outstanding (estimated)	0.47	0.94	0.41	0.88	0.35	0.82	0.29	0.76	0.24	0.71
Share price after the reduction (estimated)	21.51	21.51	21.51	21.51	21.51	21.51	21.51	21.51	21.51	21.51
Market value of shares before the reduction	10.12	20.24	30.36	40.48	50.60	60.72	70.84	80.96	91.08	101.20
Market value of shares after reduction (estimated)	0.00	0.00	21.51	21.51	43.01	43.01	64.52	64.52	86.02	86.02
Compensation value resulting from the capital reduction process (estimated)	10.12	20.24	8.85	18.97	7.59	17.71	6.32	16.44	5.06	15.18

*The example in the table above contains estimated values and is for guidance purposes only. No investment decision should be made based on the information contained therein. The actual value of the shares will be determined based on market conditions at the time.

**The circular to shareholders will be updated with the closing share price on the day of the Extraordinary General Assembly.

How to calculate the share price after capital reduction

- The share price before the capital reduction was considered to represent the closing price of Tabuk Agricultural Development Company shares on 17/09/2025 G, which amounted to (10.12) Saudi riyals. The following table shows how to calculate the share price after the capital reduction.

Item (estimated)*	Value
(A) Share price before the reduction (closing date 17/09/2025G)** (Saudi Riyals)	10.12
(B) Number of shares before the reduction	39,176,700
(C) The market value of the company's shares before the reduction = (A) * (B) (Saudi Riyals)	396,468,204
(D) Number of shares after the reduction	18,435,639
The market value of the company's share after the reduction = (C) ÷ (D) (Saudi Riyals)	21.51

*The example in the table above contains estimated values and is for guidance purposes only. No investment decision should be made based on the information contained therein. The actual value of the shares will be determined based on market conditions at the time.

**The circular to shareholders will be updated with the closing share price on the day of the Extraordinary General Assembly.

Potential risks resulting from reducing the company's capital

- The company's management believes that the decision to reduce the company's capital is one of the most important decisions in light of the circumstances the company is going through as a result of accumulated losses amounting to two hundred and seven million, four hundred and ten thousand, six hundred and eighteen (207,410,618) Saudi riyals, as in the consolidated financial statements for the fiscal year ending 31/12/2024G, which constitutes (52.94%) of the company's capital. It will also decrease after reducing the capital by an amount of two hundred and seven million, four hundred and ten thousand, six hundred and ten (207,410,610) Saudi riyals to eight (8) Saudi riyals, i.e. (0.0000043%) of the company's capital after the reduction (for more information, please see page No. (23) "Reasons for reducing capital and discussing management's analysis" of this circular).
- In addition, this decision and its impact were studied from an accounting perspective, and the limited accounting assurance report on the capital reduction confirmed that there are no risks related to financial obligations resulting from this decision. As for the ranking of the potential risks mentioned below, their ranking does not imply their importance.

Risks related to the volatility of the share price in the market and the impact of compensation for fractional shares (if any)

The company's share price may be subject to significant volatility and instability due to several factors, including equity market conditions, regulatory changes in the sector, and the entry of new competitors. If the market price of the share declines following the capital reduction, shareholders will lose the value of their investment in the company's shares. Furthermore, the impact on the value of the fractional share compensation is similar to the impact of fluctuations in the company's share price, as these fractional shares will be sold at the prevailing market price at the time.

Risks related to Owning Two Shares or less

In the event that a shareholder owns two shares or less, his shares will be cancelled and he will be compensated with fractional shares that will be sold at the time. It should be noted that trading in the company's share will be suspended for two business days following the day of approval of the Extraordinary General Assembly, provided that the Securities Depository Center (Edaa) applies the reduction to the shareholders' investment portfolios, based on Article No. 38 and Subparagraph C-6 of the Listing Rules (for more details, see page No. (25) "The impact of reducing the company's capital on the company's shareholders' equity").

Potential risks resulting from reducing the company's capital

Risks related to future expectations and unknown future events

Certain statements in this circular may represent forward-looking statements and involve known and unknown risks and uncertainties that could affect the Company's financial results. These statements include, but are not limited to, the Company's future plans, the effects of the capital reduction, and other matters. The Company's future results and performance data cannot be accurately predicted and may differ from those contained in this circular, as actual results depend on the Company's performance and ability to develop. The inaccuracy of these expectations and statements is one of the risks borne by shareholders when they approve the capital reduction. If the Company's future expectations differ from actual results, this could adversely affect the share price.

Risks related to non-compliance with existing laws and regulations and the issuance of new laws and regulations

The company is subject to the supervision of several government agencies in the Kingdom of Saudi Arabia. Therefore, the company is exposed to the risks of changes in the laws, regulations, circulars, and policies in the Kingdom. The costs of complying with these regulations are high. If changes are introduced to existing laws or regulations, or new laws or regulations are issued, the company will incur additional unexpected financial expenses related to compliance with these regulations and the requirements of these laws. Failure to comply with these regulations on a consistent basis could result in penalties and fines imposed by the competent supervisory authorities. This could adversely affect its business, results of operations, financial position, and future prospects.

Liquidity risks

Liquidity risk is the company's inability to meet its obligations related to current financial liabilities when due. The company's current liabilities consist of, but are not limited to, accrued expenses, trade receivables, and lease obligations.

The company's liquidity ratio amounted to approximately (0.67) times, (0.46) times, and (0.32) times as of December 31, 2022G, 2023G, and 2024G, respectively. These ratios reflect a significant decline in the ability to cover current liabilities using the company's current assets. When the liquidity ratio is less than (1), this indicates that the company may not have sufficient capacity to meet its current liabilities using its current assets. The working capital amounted to (-46,547,576) Saudi Riyals, (-78,353,305) Saudi Riyals, and (-114,353,445) Saudi Riyals as of December 31, 2022G, 2023G, and 2024G, respectively. This indicates that the company's current liabilities exceed its current assets, which reflects a liquidity deficit, which may result in the company's inability to meet its short-term financial obligations using its current assets.

There is no guarantee that the company will be able to meet its current or future obligations on their due dates, particularly short-term ones. Therefore, the company must work to improve its liquidity level to meet its short-term obligations. Otherwise, it will face additional liquidity problems that could negatively impact the company's business and, consequently, its operational and financial results and future prospects.

Potential risks resulting from reducing the company's capital

Risks related to accumulated losses

The company's accumulated losses amounted to (41.6%), (16.1%) and (52.9%) of the capital as of the fiscal years ending December 31, 2022G, 2023G and 2024G, respectively. Based on the procedures and instructions for companies whose shares are listed on the market and whose accumulated losses amounted to 20% or more of their capital issued by the Board of the Capital Market Authority pursuant to Resolution No. 4-48-2013 dated 15/01/1435H (corresponding to 18/11/2023G), based on the Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424H and amended by Resolution No. (5-8-2023) dated 25/06/1444H (corresponding to 18/01/2023G) from Article Five: If the company's accumulated losses amounted to 50% or more of its capital, the company must The company shall disclose to the public immediately and without delay in a separate announcement when its accumulated losses reach 50% or more of its capital. The announcement shall include the amount of the accumulated losses, their percentage of capital, and the main reasons that led to these losses. The announcement shall indicate that these procedures and instructions will be applied to it. If the required disclosure coincides with the announcement of preliminary or annual financial results, the company shall be exempt from disclosing the information in a separate announcement if it includes it in the announcement of preliminary or annual financial results.

If the company continues to incur future losses, which may require it to take action and instructions specific to listed companies whose accumulated losses amount to 50% or more of their capital, this will have a material and negative impact on the company's business, results of operations, financial position, and future prospects.

Risks related to the company's continuity

The company's sustainability, as it strives to achieve sustainable growth and strengthen its competitive position, depends on its ability to efficiently implement its expansion strategy. This strategy includes, but is not limited to, improving agricultural productivity, exploring new sectors such as logistics and agritourism, strengthening institutional capabilities, and accelerating digital transformation. Given the rapidly changing market and its increasing reliance on innovation, failure to implement these plans could weaken the company's competitiveness and negatively impact its future growth opportunities, negatively impacting its financial position, business results, and future prospects.

Risks related to the company's reputation

Companies reducing their capital are generally interpreted negatively by the market. Furthermore, they may generate numerous assumptions and expectations about the company's financial and commercial position, which may be incorrect or inaccurate. This may affect the share price and trading behavior of the company's shares, and may adversely affect the company's business, financial position, results of operations, and future prospects.

Risks related to unexpected accidents

The Company's business and results depend entirely on its continuity. Therefore, if any event occurs that would negatively impact its business or if it is exposed to any accident or emergency that would temporarily or permanently affect the continuity of the Company's business, this will have a negative and material impact on the Company's operational and financial results and, consequently, working capital.

Timeline for capital reduction process

Date	Event
1- Procedures related to obtaining the approval of the Capital Market Authority to reduce capital	
05/10/1446H (corresponding to 03/04/2025G)	Announcement of the Board of Directors' recommendation to reduce the capital from three hundred and ninety-one million, seven hundred and sixty-seven thousand (391,767,000) Saudi Riyals to one hundred and eighty-four million, three hundred and fifty-six thousand, three hundred and ninety (184,356,390) Saudi Riyals.
25/10/1446H (corresponding to 23/04/2025G)	Announcement of the appointment of the financial advisor for the company's capital reduction process.
27/12/1446H (corresponding to 23/06/2025G)	Submitting an application to reduce the company's capital to the Capital Market Authority.
09/04/1447H (corresponding to 01/10/2025G)	The Capital Market Authority approved the company's request to reduce its capital. This approval was announced on the websites of the Capital Market Authority and the Saudi Stock Exchange (Tadawul).
2- Procedures related to the Extraordinary General Assembly	
//1447H (corresponding to **/**/2025G)	The invitation to this Extraordinary General Assembly was made and announced on the website of the Saudi Stock Exchange (Tadawul), and a copy of this circular was included in the announcement.
//1447H (corresponding to **/**/2025G)	Providing the available documents for inspection related to the capital reduction process, including this circular (within a period of no less than (14) days before the date of the Extraordinary General Assembly meeting to reduce the company's capital) (during official working hours from 8:00 a.m. to 4:30 p.m.).
//1447H (corresponding to **/**/2025G)	Beginning of electronic voting on the items of the Extraordinary General Assembly meeting, including the reduction of capital (first meeting).
//1447H (corresponding to **/**/2025G)	The Extraordinary General Assembly meeting, which includes a capital reduction (first meeting), shall be held. The quorum for the first meeting shall be completed by the presence of a number of shareholders representing at least half of the company's capital.
//1447H (corresponding to **/**/2025G)	The Extraordinary General Assembly, which includes a capital reduction (the second meeting), shall be held one hour after the end of the period specified for the first Extraordinary General Assembly meeting, if the legal quorum required for its convening is not met. The legal quorum for the second meeting shall be met with the attendance of a number of shareholders representing at least a quarter of the company's capital.
//1447H (corresponding to **/**/2025G)	Publishing the reduction decision and other decisions taken at the first or second extraordinary general assembly meeting of the company on the website of the Saudi Stock Exchange (Tadawul) (or announcing the non-convening of the Extraordinary General Assembly if the legal quorum is not achieved).

Timeline for capital reduction process

Date	Event
3- Procedures related to the failure to achieve a quorum for the first and second meetings of the Extraordinary General Assembly	
//1447H (corresponding to **/**/2025G)	Announcing on the Saudi Stock Exchange website the invitation to the third meeting of the Extraordinary General Assembly at least (21) days before the date set for it.
//1447H (corresponding to **/**/2025G)	The electronic voting period for shareholders in the third Extraordinary General Assembly meeting has begun.
//1447H (corresponding to **/**/2025G)	The third meeting of the Extraordinary General Assembly shall be held. The legal quorum for the third meeting of the Extraordinary General Assembly shall be achieved regardless of the number of shares represented therein.
//1447H (corresponding to **/**/2025G)	Publishing the reduction decision and other decisions taken at the third extraordinary general assembly meeting on the Saudi Stock Exchange (Tadawul) websites.
4- Procedures related to completing the capital reduction process	
//1447H (corresponding to **/**/2025G)	The decision to reduce capital shall be implemented and announced in the resolutions of the Extraordinary General Assembly.
//1447H (corresponding to **/**/2025G)	Suspension of trading of shares on the Saudi Stock Exchange (Tadawul) website for two trading days, starting from the day following the approval of the Extraordinary General Assembly to reduce capital.
//1447H (corresponding to **/**/2025G)	The share price shall be adjusted after the capital reduction, and shall be on the day following the suspension of share trading.
within (30) days from the date of the shareholders' approval in the Extraordinary General Assembly to reduce the company's capital.	Announcing the deposit of the proceeds from the sale of fractional shares resulting from the reduction of the company's capital into the accounts of eligible shareholders.

Board of Directors' declaration

The members of the Company's Board of Directors confirm, to the best of their knowledge and belief, that reducing the Company's capital is in the best interests of the Company and its shareholders.

Regulatory approvals required to complete the company's capital reduction process

- The Company obtained the approval of the Capital Market Authority on 09/04/1447H (corresponding to 01/10/2025G to reduce the company's capital from three hundred and ninety-one million, seven hundred and sixty-seven thousand (391,767,000) Saudi Riyals to one hundred and eighty-four million, three hundred and fifty-six thousand, three hundred and ninety (184,356,390) Saudi Riyals by canceling twenty million, seven hundred and forty-one thousand, and sixty-one (20,741,061) ordinary shares of the Company's issued shares, which represent (52.94%) of the capital. This approval was announced on the website of the Capital Market Authority and the website of the Saudi Stock Exchange (Tadawul) on 09/04/1447H (corresponding to 01/10/2025G).
- The capital reduction process requires shareholders' approval, and shareholders should be aware that if their approval is not obtained for this capital reduction process, the capital reduction process will not take place. (The company called for this Extraordinary General Assembly and announced it on the Saudi Stock Exchange's website on **/**/1447H (corresponding to **/**/2025G), and a copy of this circular was included in the announcement.)
- If shareholders approve the capital reduction, the company will proceed with the capital reduction process and contact the Ministry of Commerce to obtain its approval to amend the company's articles of association and commercial register.
- Other than the above, there are no other regulatory approvals that the Company is required to obtain to complete the capital reduction process.

Relevant rules, regulations and instructions

- The Companies Law issued by Royal Decree (M/132) dated 01/12/1443H (corresponding to 30/06/2022G) and any amendments thereto.
- The Capital Market Law issued by Royal Decree No. (M/30) dated 02/06/1424H (corresponding to 31/07/2003G) and any amendments thereto.
- The rules for offering securities and continuing obligations issued by the Board of the Capital Market Authority pursuant to 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 amended by Resolution No. 1-94-2025 of the Board of the Capital Market Authority dated 09/03/1447H (corresponding to 01/09/2025G) and any amendments thereto.
- The Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. 8-16-2017 dated 16/05/1438H (corresponding to 13/02/2017G) based on the Companies Law issued by Royal Decree No. M/3 dated 28/01/1437H, as amended by Resolution No. 8-5-2023 of the Board of the Capital Market Authority dated 25/06/1444H (corresponding to 18/01/2023G) based on the Companies Law issued by Royal Decree No. M/132 dated 01/12/1443H and any amendments thereto.
- The Executive Regulations of the Companies Law for Listed Joint Stock Companies issued by the Board of the Capital Market Authority pursuant to Resolution No. 8-127-2016 dated 16/01/1438H (corresponding to 17/10/2016G) based on the Companies Law issued by Royal Decree No. M/3 dated 28/01/1437H, amended by Resolution No. 2-114-2024 of the Capital Market Authority Board dated 04/04/1446H (corresponding to 07/10/2024G) based on the Companies Law issued by Royal Decree No. M/132 dated 01/12/1443H and any amendments thereto.
- Listing Rules approved by Capital Market Authority Board Resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G) and amended by Capital Market Authority Board Resolution No. 1-104-2019 dated 01/02/1441H (corresponding to 30/09/2019G) and amended by Capital Market Authority Board Resolution No. 1-22-2021 dated 12/07/1442H (corresponding to 24/02/2021G) and amended by Capital Market Authority Board Resolution No. 1-19-2022 dated 12/07/1443H (corresponding to 13/02/2022G) and amended by Capital Market Authority Board Resolution No. 1-52-2022 dated 12/09/1443H (corresponding to 13/04/2022G) and amended by its Resolution No. 3-96-2022 dated 10/02/1444H (corresponding to 06/09/2022G) and amended by its Resolution No. 1-108-2022 dated 23/03/1444H (corresponding to 19/10/2022G) and amended by its Resolution No. 4-114-2024 dated 04/04/1446H (corresponding to 07/10/2024G) and amended by its Resolution No. 2-53-2025 dated 21/11/1446H (corresponding to 19/05/2025G) and any amendments thereto.
- Procedures and instructions for companies whose shares are listed on the market and whose accumulated losses amount to (20%) or more of their capital, issued by the Board of the Capital Market Authority pursuant to Resolution No. 4-48-2013 dated 15/01/1435H (corresponding to 18/11/2013G) based on the Capital Market Law issued by Royal Decree No. (M/30) dated 02/06/1424G, and amended by Resolution No. 8-5-2023 dated 25/06/1444H (corresponding to 18/01/2023G) and any amendments thereto.
- The company's articles of association and any amendments thereto.

Important information

Based on the Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443H corresponding to (30/06/2022G), and any amendments thereto, and in particular Article (133) of the Companies Law, which stipulates that capital shall be reduced in one of the following ways:

- ❑ Cancelling a number of shares equal to the amount to be reduced.
 - ❑ Reducing the nominal value of a share by canceling a portion equal to the loss incurred by the company.
 - ❑ Reducing the nominal value of a share by returning a portion of it to the shareholder or by absolving them of all or part of the unpaid share value.
 - ❑ The company repurchasing a number of its shares equal to the amount to be reduced, then canceling them.
-
- With reference to the procedures and instructions for companies whose shares are listed on the market and whose accumulated losses amount to (20%) or more of their capital, issued by the Board of the Capital Market Authority pursuant to Resolution No. 4-48-2013 dated 15/01/1435H (corresponding to 18/11/2013G) based on the Capital Market Law issued by Royal Decree No. (M/30) dated 02/06/1424H, and amended by Resolution No. 8-5-2023 dated 25/06/1444H (corresponding to 18/01/2023G) of the Capital Market Authority Board and any amendments thereto.
 - The company must disclose to the public immediately and without delay in a separate announcement when its accumulated losses reach (20%) or more and less than (35%) of its capital, provided that the announcement includes the amount of accumulated losses, their percentage of 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. If the disclosure required in accordance with this paragraph coincides with the announcement of the preliminary or annual financial results, the company is exempt from disclosure in a separate announcement if it includes it in the announcement of the preliminary or annual financial results.
 - The company must disclose to the public immediately and without delay in a separate announcement when its accumulated losses reach (35%) or more and less than (50%) of its capital, provided that the announcement includes the amount of accumulated losses, their percentage of 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. If the disclosure required in accordance with this paragraph coincides with the announcement of the preliminary or annual financial results, the company is exempt from disclosure in a separate announcement if it includes it in the announcement of the preliminary or annual financial results.
 - The company must disclose to the public immediately and without delay in a separate announcement when its accumulated losses reach (50%) or more of its capital. The announcement must include the amount of the accumulated losses, their percentage of the capital, and the main reasons that led to these losses, with an indication in the announcement that the procedures and instructions for companies whose shares are listed on the Saudi Stock Exchange, whose accumulated losses reach (50%) or more of their capital, will be applied. If the disclosure required in accordance with this paragraph coincides with the announcement of the preliminary or annual financial results, the company is exempt from disclosure in a separate announcement if it includes it in the announcement of the preliminary or annual financial results.

- Pursuant to Article (134) of the Companies Law, the company's capital may be reduced by a decision of the Extraordinary General Assembly if it incurs losses. In this case alone, the capital may be reduced to less than the limit stipulated in Article (59) of the Companies Law, i.e. (500,000) Saudi Riyals. The decision shall not be issued except after reading a statement in the General Assembly prepared by the Board of Directors on the reasons for the reduction, the company's obligations, and the effect of the reduction on fulfilling them. A report from the company's auditors shall be attached to this statement.
- According to Article (93) of the Companies Law, an extraordinary general assembly meeting shall not be valid unless attended by shareholders representing at least (half) of the company's voting shares, unless the company's articles of association stipulate a higher percentage, provided that it does not exceed (two-thirds). If the quorum required to hold an extraordinary general assembly meeting is not present, an invitation shall be sent to a second meeting to be held under the same conditions stipulated in Article (91) of the Companies Law. However, the second meeting may be held one hour after the expiry of the period specified for holding the first meeting, provided that the invitation to hold the first meeting includes information indicating the possibility of holding such a meeting. In all cases, the second meeting shall be valid if attended by shareholders representing at least (one-quarter) of the company's voting shares. If the quorum required to hold the second meeting is not present, an invitation shall be sent to a third meeting, and the third meeting shall be valid regardless of the number of voting shares represented therein.
- According to Article (93) of the Companies Law, the decision of the Extraordinary General Assembly to reduce the company's capital shall be issued with the approval of (three-quarters) of the voting rights represented at the meeting.
- If the Company's shareholders approve the capital reduction, the reduction decision will be effective for all the Company's shareholders who own shares at the end of trading on the day of the Extraordinary General Assembly meeting to reduce the capital 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 to reduce the capital. This includes shareholders who did not attend the Extraordinary General Assembly meeting, as well as shareholders who attended the meeting but did not vote or voted against the capital reduction decision.

- The company has appointed PKF Al Bassam Chartered Accountants Company (a member of PKF International) to prepare a limited assurance report on the proposed capital reduction. The report outlines the reasons for the capital reduction and its impact on the company's liabilities and shareholders' equity, in order to obtain the approval of the Capital Market Authority for the capital reduction request. (For more details, please refer to attached the limited assurance report on the proposed capital reduction.)
- Based on Article 134 of the Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443H (corresponding to 30/06/2022G), which entered into force on 26/06/1444H (corresponding to 19/01/2023G) and the amendments thereto, the reduction decision shall not be issued except after reading a special report prepared by the auditor on the reasons for it, the obligations of the company, and the effect of the reduction on these obligations.
- A copy of the limited assurance report prepared by the auditor was included in the announcement of the invitation to this extraordinary general meeting on the website of the Saudi Stock Exchange (Tadawul) dated **/**/1447H (corresponding to **/**/2025G).

- The shareholders' circular will be published and made available to the public within a period of no less than (14) days prior to the holding of the extraordinary general assembly to reduce the company's capital.
- The Company will provide the following documents for review at the Company's headquarters in Tabuk City - Halat Ammar Road, P.O. Box 808, Postal Code 71421, Kingdom of Saudi Arabia, from the date of the Capital Market Authority's approval on 09/04/1447H (corresponding to 01/10/2025G), until the date of the Extraordinary General Assembly meeting on **/**/1447H (corresponding to **/**/2025G) during official working hours from 8:00 AM to 4:30 PM:
- A copy of the company's Board of Directors' recommendation to reduce the company's capital.
- A copy of the letter appointing the financial advisor.
- A copy of the limited assurance report on the proposed capital reduction.
- A copy of the Authority's announcement approving the company's request to reduce its capital, published on the CMA's website and the Saudi Stock Exchange (Tadawul).
- A copy of this circular to shareholders (the circular made to the company's shareholders at the Extraordinary General Assembly meeting).

- A copy of the limited assurance report on the proposed capital reduction
- Form of proxy to attend the Extraordinary General Assembly meeting

LIMITED ASSURANCE REPORT ON SHARE CAPITAL REDUCTION

TO THE SHAREHOLDERS of TABUK AGRICULTURAL DEVELOPMENT COMPANY (A Saudi Joint Stock Company)

We have conducted a limited assurance engagement to determine whether it has come to our attention a matter that makes us believe that what has been detailed in the below assurance Subject Matter paragraph (the "Subject") has not been reported and fairly presented, in all material respects, in accordance with the Applicable Criteria (the "Criteria"), indicated below.

SUBJECT MATTER

The subject of the limited assurance engagement relates to the attached Company's management report in connection with the reasons for the proposed reduction of share capital of Tabuk agricultural development Company (the "Company"), recommended to the Extraordinary General Assembly by the Board of Directors and the impact of that reduction on the Company's net assets. The Board of Directors has recommended in its meeting held in 04 Shawal 1446H (corresponding to 02 April 2025) to decrease the Company's share capital from 391,767,000 SAR to 184,356,390 SAR representing a 52.94% reduction in capital by cancelling of 20,741,061 shares with a nominal value of SAR 10 per share. This is to offset accumulated losses amounting to 207,410,610 SAR, bringing the company's accumulated losses after the reduction to 8 SAR, as reflected in the consolidated financial statements for the year ended December 31, 2024.

APPLICABLE CRITERIA

Article (132-133-134) of the Regulations for Companies, issued by the Ministry of Commerce.
Article (61) of the second chapter (Part 6) of the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority ("CMA").
Article (14) of the Company's By-laws.

MANAGEMENT'S RESPONSIBILITY

The Company's Management is responsible for the preparation and fair presentation of the information mentioned in the above Subject paragraph in accordance with the Relevant Regulations, also for selecting the techniques of implementing those regulations. As well as management is responsible for the application of the internal control systems that are deemed necessary to prepare and present the information contained in the above Subject paragraph, free of any material misstatements, whether due to fraud or error, and to apply appropriate controls, maintain adequate records, and prepare reasonable estimates according to the relevant circumstances and events.

OUR RESPONSIBILITY

Our responsibility is to express a limited assurance conclusion on the above Subject based on the assurance engagement that we have performed in accordance with the International Standard on Assurance Engagements (ISAE) 3000: "Assurance Engagements other than Audits or Review of historical financial information" as endorsed in Kingdom of Saudi Arabia, along-with the terms and conditions related to this engagement, which has been agreed on by the Company's management.

Our procedures have been designed to obtain a limited level of assurance that is sufficient to provide a basis for expressing our conclusion, we have not obtained all the evidence required to provide a reasonable level of assurance. The performed procedures depend on our professional judgement, including the risk of material misstatements in the Subject, whether due to fraud or error. We also took into consideration the effectiveness of internal control systems when determining the nature and extent of our procedures, and our engagement was not designed to provide an assurance on the effectiveness of those systems.

LIMITED ASSURANCE REPORT ON SHARE CAPITAL REDUCTION (Continued)

TO THE SHAREHOLDERS of UNITED COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)

INDEPENDENCE AND QUALITY MANAGEMENT

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants (including International Independence Standards) issued by the international Ethics Standards Board for Accountants (“IESBA Code”) and endorsed by the Saudi Organization for Chartered and Professional Accountants in the Kingdom of Saudi Arabia.

Our Firm applies the international Standard on Quality Management (1) “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements”, endorsed by the Saudi Organization for Chartered and Professional Accountants in the Kingdom of Saudi Arabia, and accordingly, maintains a comprehensive system of quality management including documented policies and procedures regarding the compliance with the ethical requirements, professional standards and applicable legal and regulatory requirements.

SUMMARY OF THE PERFORMED PROCEDURES

The procedures performed in a limited assurance engagement differ in nature, timing, and are less in scope than those performed in reasonable assurance engagement. As a result of that, the level of assurance that is obtained in a limited assurance engagement is significantly less than the assurance that would be obtained if a reasonable assurance engagement was performed.

The performed procedures included, but were not limited to, the following:

- ❖ Reviewing the Board of Director’s resolution dated 04 Shawal 1446H (corresponding to 02 April 2025) in which the Board resolved to recommend to the Extraordinary General Assembly to reduce the share capital from 391,767,000 SAR to 184,356,390 SAR, at a reduction percentage of capital decrease of 52.94%.
- ❖ Examining the accompanied information provided by the Company “Management’s Report on the Proposed Capital Reduction”, which shows the rationales for reducing share capital and the impact of the reduction on the Company’s obligations.
- ❖ Reviewing Articles (133 and 134) of the Regulations for the Companies issued by the Ministry of Commerce, Article (61) of the second chapter (Part 6) of the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority (“CMA”) and Article (14) of the Company’s By-laws.

LIMITED ASSURANCE REPORT ON SHARE CAPITAL REDUCTION (Continued)

TO THE SHAREHOLDERS of UNITED COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)

LIMITED ASSURANCE CONCLUSION

Based on our limited assurance procedures performed and the evidence obtained, nothing has come to our attention that caused us to believe that what was disclosed in the above Subject paragraph and set out in the attached statement, has not been reported and fairly presented, in all material respects, in accordance with the applicable Criteria.

RESTRICTION OF USE

This report has been prepared at the Company's management request only, for the purpose of assisting the Company to fulfil its obligations to report to the Extraordinary General Assembly under the applicable Criteria. It's not allowed to use this report for any other purposes, or to distribute to any other party other than the Ministry of Commerce and Capital Market Authority ("CMA") or to quote from or to refer to it without our preapproval.

For PKF AI Bassam
Chartered Accountants



Ahmed A. Mohandis
Certified Public Accountant
License No. (477)
Jeddah: 26 Dhul Hijjah 1446H
Corresponding to: 22 June 2025G



**TABUK AGRICULTURAL DEVELOPMENE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

MANAGEMENT'S REPORT ON THE PROPOSED SHARE CAPITAL REDUCTION

RIYADH

Tel. +966 11 206 5333 | P.O.Box 69658
Fax +966 11 206 5444 | Riyadh 11557

JEDDAH

Tel. +966 12 652 5333 | P.O.Box 15651
Fax +966 12 652 2894 | Jeddah 21454

AL KHOBAR

Tel. +966 13 893 3378 | P.O.Box 4636
Fax +966 13 893 3349 | Al Khobar 31952

TABUK AGRICULTURAL DEVELOPMENE COMPANY

(A Saudi Joint Stock Company)

THE COMPANY'S MANAGEMENT REPORT ON THE PROPOSED SHARE CAPITAL REDUCTION

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The Company's management report on the proposed share capital reduction

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THE COMPANY'S MANAGEMENT REPORT ON THE PROPOSED SHARE CAPITAL REDUCTION

1- The reason of share capital reduction, impact of the reduction on the Company's assets and the fulfilment of its liabilities:**1-1 Reasons that make the reduction is necessary:**

The company's capital restructuring involves reducing the amount of 207,410,610 SAR by cancelling 20,741,061 shares due to accumulated losses reaching approximately 52.94% of the capital, in order to offset the accumulated losses balance to reach a balance of 8 SAR after the reduction, based on the consolidated financial statements for the year ended 31 December 2024. There will be no material impact from the capital reduction on the company's obligations, operations, financial or operational performance, or regulatory standing. The ownership percentage of any shareholder will not change as a result of the capital reduction. The company will consolidate any fractional shares (if any) resulting from the capital reduction into a single portfolio, which will then be sold in the market at the prevailing price at the time. The proceeds from the sale will be distributed to eligible shareholders of the company, each according to their ownership, within thirty (30) days from the date of the shareholders' approval at the Extraordinary General Assembly on the capital reduction.

1-2 Applicable Criteria**1-2-1 Company bylaws****Article 14: Capital reduction**

The capital of the company may be reduced by a resolution of the Extraordinary General Assembly if it exceeds the company's needs or if the company incurs losses. In the latter case only, the capital may be reduced below the limit stipulated in Article (54) of the Companies Law. The resolution may not be issued except after reading a special report prepared by the auditor outlining the reasons for the reduction, the company's liabilities, and the impact of the reduction on these liabilities, in accordance with the provisions of the Companies Law.

1-2-2 The Regulations for Companies, issued by the Ministry of Commerce.**Article 132: Company losses**

If the company's losses reach half of its capital, the board of directors shall, within sixty (60) days of becoming aware of reaching that threshold, disclose the fact and present its recommendations regarding those losses. The board must also convene an extraordinary general meeting within one hundred eighty (180) days from the date of such awareness, to consider whether the company should continue with the adoption of any measures necessary to remedy the losses or be dissolved.

Article 133: Methods of Capital Decrease

Capital shall be decreased by any of the following methods:

- a) Cancellation of a number of shares equal to the amount to be decreased.
- b) Reduction of the nominal value of a share by canceling a part thereof equal to the amount of losses incurred by the Company.
- c) Reduction of the nominal value of a share by returning a part thereof to the shareholder or relieving him from all or part of the unpaid amount of the share's value.
- d) The Company's purchase of a number of its shares equal to the amount to be decreased, and the cancellation of such shares thereafter.

Article 134: Issuance of a Capital Decrease Decision

The extraordinary general assembly may decide to decrease the capital if it exceeds the Company's needs or if the Company incurs losses. In case of losses, the capital may be decreased below the limit specified in Article 59 of this Law. The decision to decrease the capital shall not be issued until a statement prepared by the board of directors stating the grounds for such decrease, the Company's liabilities, and the effect of the decrease on satisfying such liabilities is presented at the general assembly. Said statement shall include the report of the Company's auditor, and may be presented to shareholders in cases where the general assembly decision is passed by circulation.

THE COMPANY'S MANAGEMENT REPORT ON THE PROPOSED SHARE CAPITAL REDUCTION

1) The reason of share capital reduction, impact of the reduction on the Company's net assets and the fulfilment of its liabilities – (Continued):

1-2-3 The second chapter (Part 6) of the Rules on the Offer of Securities and Continuing Obligations issued by the board of Capital Market Authority ("CMA")

Article 76: Conditions and Requirements Applicable to a Capital Reduction

- a) Where an issuer wishes to reduce its share capital, it must submit to the Authority a letter of application that includes the minimum information set out in Annex (23) of these Rules, for the Authority's approval prior to obtaining the approval of the relevant extraordinary general assembly of the issuer on the capital reduction. The application must be accompanied by the following:
1. The letter of appointment for the financial advisor;
 2. The letter of appointment for the legal advisor (if any);
 3. An external auditor's report on the reasons for the capital reduction and the impact of the capital reduction on the issuer's liabilities;
 4. The proposed method of capital reduction and the expected effect of such reduction;
 5. A copy of the shareholders' circular as per paragraph b) below; and
 6. Any other documentation as may be required by the Authority.
- b) Where an issuer wishes to reduce its share capital, it must also produce a circular for its shareholders stating the information required to enable the shareholders to make an informed vote at the relevant extraordinary general assembly. This circular shall include, but is not limited to, the following:
1. the general structure of the proposed reduction in share capital;
 2. the rationale behind the proposed reduction in share capital, including a reasoned discussion from management in this regard;
 3. the risk factors related to the proposed reduction in share capital;
 4. the proposed timing of the process; and
 5. a statement from the directors of the issuer confirming that in the board's view, the proposed reduction in share capital is in the best interests of the issuer and the shareholders.
- c) The shareholders' circular - submitted to the Authority in respect of a capital reduction request - must be produced in Arabic language and be annotated in the margin to indicate where the information required by the applicable paragraphs of these Rules have been included and any changes from any previous drafts must be clearly marked. Each draft shareholders' circular must indicate the draft number and date of submission on its cover page.

THE COMPANY'S MANAGEMENT REPORT ON THE PROPOSED SHARE CAPITAL REDUCTION

1-3 Impact of share capital reduction

A) The impact on the share capital, accumulated losses, asset and liabilities as of 31 December 2024 will be as follows:

	Before reduction	After reduction	Impact
<u>Assets</u>			
Non-Current Assets			
Property, plant and equipment, net	181,109,579	181,109,579	--
Investments in companies through equity method	131,385,313	131,385,313	--
Investments at fair value through OCI	1,131,600	1,131,600	--
Total Non-Current Assets from Continued Operations	313,626,492	313,626,492	--
Current Assets			
Trade Receivable, net	4,147,696	4,147,696	--
Inventory, net	20,285,480	20,285,480	--
Biological assets - Current portion, net	23,826,006	23,826,006	--
Governmental grants	1,851,667	1,851,667	--
Property, plant and equipment held for sale	35,628	35,628	--
Prepayments and other receivables, net	2,721,922	2,721,922	--
Cash and cash equivalents	1,143,798	1,143,798	--
Total Current Assets from Continued Operations	54,012,197	54,012,197	--
Total Assets from discontinued Operations	20,509,115	20,509,115	--
Total Assets	388,147,804	388,147,804	--
<u>Shareholders' Equity and Liabilities</u>			
Shareholders' Equity			
Share capital	391,767,000	184,356,390	(207,410,610)
Other reserves	1,858,734	1,858,734	--
Re-measurement reserve of employee defined benefit obligations	(165,415)	(165,415)	--
Foreign currency translation reserve	(7,283,311)	(7,283,311)	--
Fair value reserve	718,800	718,800	--
Accumulated losses	(207,410,618)	(8)	207,410,610
Total equity attributable to shareholders of the Parent Company	179,485,190	179,485,190	--
Non-controlling interest	500,000	500,000	--
Total Shareholders' Equity	179,985,190	179,985,190	--
Liabilities			
Non-Current Liabilities			
Long term loan– non-current portion	3,381,366	3,381,366	--
Employee defined benefit obligations	14,821,030	14,821,030	--
Total Non-Current Liabilities from Continued Operations	18,202,396	18,202,396	--
Current Liabilities			
Long-term loans - current portion	63,594,054	63,594,054	--
Trade payables	38,423,168	38,423,168	--
Dismantling provision	1,277,200	1,277,200	--
Deferred revenue	1,851,667	1,851,667	--
Accrued expenses and other payables	35,569,996	35,569,996	--
Dividends payable to shareholders	22,941,737	22,941,737	--
Provision for Zakat	4,707,820	4,707,820	--
Total Current Liabilities from Continued Operations	168,365,642	168,365,642	--
Total liabilities from discontinued operations	21,594,576	21,594,576	--
Total Liabilities	208,162,614	208,162,614	--
Total Shareholders' Equity and Liabilities	388,147,804	388,147,804	--

Power of attorney form

Dear Tabuk Agricultural Development Company

Greetings,

I am the shareholder: (full name of principal), nationality, under National ID No.: or (residence or passport number for non-Saudis), issued by in my (personal) capacity or as authorized signatory for/Director/Chairman of the Board of Directors of (name of the principal company), and owner of: shares of Tabuk Agricultural Development Company (Saudi joint stock company), Commercial Registration No. (3550005403), and based on the text of Article No. 26 of the company's bylaws, I hereby authorize: (full name of principal) under National ID No.: or (residence or passport number for non-Saudis)), issued by to represent me in attending the Extraordinary General Assembly meeting to be held at the Guest Palace of Tabuk Agricultural Development Company - Halat Ammar Road - Tabuk City, Kingdom of Saudi Arabia, at exactly 6:30 PM on Wednesday, June 18, 2025 AD, corresponding to Dhu al-Hijah 22, 1446 AH.

I have authorized him to vote on my behalf on the items on the agenda and other items that may be put to a vote by the General Assembly, and to sign on my behalf all resolutions and documents related to these meetings.

This authorization is valid for this meeting or any subsequent meeting adjourned to it.

Power of Attorney Name:

Power of Attorney Title:

Power of Attorney National ID Number (or Resident ID Number or Passport Number for non-Saudis):

Principal Signature:

Note: The signature must be authenticated by the Chamber of Commerce, a Saudi bank, or any authorized authentication authority.

Meeting location link - TABUK: <https://goo.su/iOjR>