SHAREHOLDER CIRCULAR

Tabuk Agricultural Development Company

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The capital reduction of Tabuk Agricultural Development Company by three hundred and fifteen million, two hundred and forty-two thousand, four hundred (315,242,400) Saudi Riyals, from three hundred and ninety-one million, seven hundred and sixty-seven thousand (391,767,000) Saudi Riyals to seventy-six million, five hundred and twenty-four thousand, six hundred (76,524,600) Saudi Riyals. As a result, the number of ordinary shares decreased from thirty-nine million, one hundred and seventy-six thousand, seven hundred (39,176,700) ordinary shares to seven million, six hundred and fifty-two thousand, four hundred and sixty (7,652,460) ordinary shares.

Extraordinary General Assembly **//1448H (corresponding to **/**/2026G)**

Financial Advisor

wasatah capital
وساطـــة كابيتـال

Important Notice

This Circular has been prepared by the Company in accordance with Article (61) of the Rules on the Offer of Securities and Continuing Obligations, to provide the necessary information to the Company's shareholders to enable them to make an informed and knowledgeable decision when voting on the proposed capital reduction at the Extraordinary General Assembly meeting. Shareholders must read this Circular carefully and in its entirety before making their voting decision.

Financial information and figures included in this Circular have been rounded. Consequently, in the event that figures in the tables are summed, minor differences may appear between the totals and the figures mentioned in the financial statements due to such 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. However, these statements are subject to change after the date of this Circular due to a number of factors that cannot be accurately estimated, such as future market conditions and the behavior of other market participants. Accordingly, the publication of this Circular does not necessarily mean that any of the facts and information relating to the Company will not change.

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01 | Company Information, Financial Advisor and Auditor

1. Company Information, Financial Advisor and Auditor

Company Address

Tabuk Agricultural Development Company

Tabuk - Halat Ammar Road, P.O. Box 808, Postal Code 71421
Kingdom of Saudi Arabia
Tel: +966 (14) 44500000
Fax: +966 (14) 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
Ext. 2207, Al Muruj District, Postal Code 12283
P.O. Box 50315, Riyadh 11523
Kingdom of Saudi Arabia
Tel: +966 11 4944067
Fax: +966 11 4944205
Email: info@wasatah.com.sa
Website: www.wasatah.com.sa

Auditor's report on the interim condensed consolidated financial statements (unaudited) for the three-month period ended March 31, 2026G and prepared the limited assurance report on the proposed capital reduction based on the consolidated financial statements for (unaudited) for the three-month period ended 31/03/2026G.

Alzoman, Alfahad & Alhajjaj Professional Services

Anas Ibn Malik Rd -
Alyasmin Distirict - Alsamil Commercial Building
2nd Floor, Office No. 1.
P.O. Box 13326
Riyadh
Tel: 920018802
E-mail: info@ay-cpa.sa
Website: www.ay-cpa.sa

Note: The above-mentioned financial advisor and auditor have given their written consent for the publication of their names and logos and for their statements to be included in the form and content of this circular. Neither has withdrawn that consent as of the date of this circular.

02 | Terms and Definitions

2. Terms and Definitions

Term	Definition
Company or Issuer	Tabuk Agricultural Development Company
Extraordinary General Assembly	Extraordinary General Assembly of the Company's Shareholders
Capital Market Authority (CMA) or the Authority	Capital Market Authority of the Kingdom of Saudi Arabia.
Saudi Tadawul	Saudi Tadawul Company (formerly known as the Saudi Exchange), a subsidiary of the Saudi Tadawul Group, established pursuant to a Council of Ministers 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.
The Saudi Exchange, Exchange or Tadawul	The Saudi Exchange (for the trading of shares in the Kingdom of Saudi Arabia).
Rules on the Offer of Securities and Continuing Obligations	The Rules on the Offer of Securities and Continuing Obligations issued by the CMA's Board 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), as amended by CMA's Board Resolution No. (3-6-2026) dated 30/07/1447H (corresponding to 19/01/2026G) and any amendments thereto.
Listing Rules	The Listing Rules issued by the Saudi Exchange (Tadawul) and approved by CMA's Board Resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G) and amended by its Resolution No. (1-46-2026) dated 13/10/1447H (corresponding to 01/04/2026G) and any amendments thereto.
Capital Reduction	The reduction the Company's capital from three hundred and ninety-one million, seven hundred and sixty-seven thousand (391,767,000) Saudi riyals to seventy-six million, five hundred twenty-four thousand, six hundred (76,524,600) Saudi riyals by cancelling thirty-one million, five hundred twenty-four thousand, two hundred forty (31,524,240) ordinary shares, at a reduction rate of (80.47%), meaning that (1) share will be reduced for every (1.24) shares.
Circular/Shareholders Circular	The Shareholders' Circular prepared by the Company, addressed to its shareholders, and related to the Company's capital reduction.
Auditor's Report on Capital Reduction	The Limited assurance report on the proposed capital reduction of the Company based on the interim condensed consolidated financial statements (unaudited) for the three-month period ended March 31, 2026G, which details the reasons for the capital reduction and its impact on the Company.

Term	Definition
Shareholders	Shareholders of the Company.
Eligible shareholders	Shareholders who own shares at the end of trading on the day of the Extraordinary General Assembly related to the capital reduction and who are registered in the Company's shareholders' registry at the Security Depository Center ("Edaa") at the end of the second trading day following the day of the Extraordinary General Assembly meeting related to the capital reduction, held on **/**/1448H (corresponding to **/**/2026G)
Electronic Voting	A free electronic service for companies listed on the Saudi Exchange that enables Shareholders to exercise their voting rights on the agenda items of General Assembly meetings without attending in person through the Tadawulaty platform of the Securities Depository Center Company (Edaa).

03 | Purpose of this Circular

3. Purpose of this Circular

This Circular has been prepared by the Company in accordance with Article (61) of the Rules on the Offer of Securities and Continuing Obligations, to provide the necessary information to the Company's shareholders to enable them to make an informed and knowledgeable decision when voting on the proposed capital reduction at the Extraordinary General Assembly meeting. Shareholders must read this Circular carefully and in its entirety before making their voting decision.

04 | Company Overview

4. Company Overview

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. (7000875653) issued in the city of Tabuk on 15/08/1404H (corresponding to 16/05/1984G). The Company's current capital 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 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 (7000875653) dated 15/08/1404H (corresponding to 16/05/1984G), are to pursue the following purposes: agricultural, livestock, and fisheries activities; food and manufacturing industries; water production and treatment; waste management and recycling; construction and finishing works; wholesale trade; warehousing and logistics; hospitality and restaurants; facilities management; and recreational and sports activities, in addition to other activities registered in the Company's commercial registration.

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

Section	Activity	Section	Activity
Agriculture, Forestry and Fishing	• Growing of cereals (except rice), leguminous crops and oil seeds • Growing of rice • Growing of vegetables, melons, roots and tubers • Growing of sugar cane • Growing of fibre crops, including cotton, jute, flax, etc. • Growing of other non-perennial crops • Growing of grapes • Growing of tropical and subtropical fruits • Growing of citrus fruits • Growing of pome fruits and stone fruits, including apples, apricots, cherries, peaches, pears and plums, etc. • Growing of oleaginous fruits • Growing of beverage crops, including coffee, tea, mate and cocoa, etc. • Growing of spices, aromatic crops, medicinal plants and pharmaceutical crops • Plant propagation • Raising of cattle and buffaloes • Raising of camels and camelids • Raising of sheep and goats • Raising of poultry • Raising of other animals • Mixed farming (mixed production of crops and animals without a specialized production)	Water Supply; Sewerage, Waste Management and Remediation Activities	• Water collection, treatment and supply • Sewerage • Collection of non-hazardous waste • Treatment and disposal of non-hazardous waste • Treatment and disposal of hazardous waste • Materials recovery • Remediation activities and other waste management services
		Construction	• Construction of buildings • Demolition • Electrical installation • Building completion and finishing • Other specialized construction activities
		Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	• Wholesale on a fee or contract basis • Wholesale of agricultural raw materials and live animals • Wholesale of food, beverages and tobacco
		Transportation and Storage	• Warehousing and storage

Section	Activity
Agriculture, Forestry and Fishing	• Support activities for crop production • Support activities for animal production • Post-harvest crop activities • Seed processing for propagation • Hunting, trapping and related service activities • Logging • Gathering of non-wood forest products • Support services to forestry • Marine fishing • Freshwater fishing • Marine aquaculture • Freshwater aquaculture
Manufacturing	• Processing and preserving of meat • Processing and preserving of fish, crustaceans and molluscs • Processing and preserving of fruit and vegetables • Manufacture of vegetable and animal oils and fats • Manufacture of dairy products • Manufacture of grain mill products • Manufacture of starches and starch products • Manufacture of bakery products • Manufacture of sugar • Manufacture of cocoa, chocolate and sugar confectionery • Manufacture of prepared animal feeds • Manufacture of malt beverages, including non-alcoholic beer • Manufacture of soft drinks; production of mineral water and other bottled water • Wood sawing and grinding • Manufacture of basic chemicals • Manufacture of fertilizers and nitrogen compounds • Manufacture of agricultural and forestry machinery

Section	Activity
Accommodation and Food Service Activities	• Short-term accommodation activities • Camping grounds, recreational vehicle parks and trailer parks • Restaurants and mobile food service activities • Event catering activities • Other food service activities • Beverage serving activities
Financial and Insurance Activities	• Activities of holding companies, i.e., units holding assets in the form of controlling equity interests in subsidiaries, with their principal activity being ownership of such group • Other financial service activities, except insurance and pension funding, not elsewhere classified
Real Estate Activities	• Real estate activities with owned or leased property • Real estate activities on a fee or contract basis
Administrative and Support Service Activities	• Activities related to landscape care and maintenance
Arts, Entertainment and Recreation	• Creative, arts and entertainment activities • Botanical gardens, zoological gardens and nature reserves activities • Sports clubs activities • Other sports activities • Amusement parks and theme parks activities • Other amusement and recreation activities, not elsewhere classified • Museums activities and operation of historical sites and buildings

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

4-1 Contact information

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4-2 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:

<table>
<tr><th>Date</th><th>Event</th></tr>
<tr><td>07/06/1403H (corresponding to 22/03/1983G)</td><td>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 registration No. (7000875653) issued in the City of Tabuk.</td></tr>
<tr><td>15/03/1436H (corresponding to 06/01/2015G)</td><td>
The Extraordinary General Assembly approved the increase of the Company's capital through a rights issue. The rights issue comprised the offering of twenty-five million (25,000,000) new ordinary shares at an offer price of ten (10) Saudi Riyals per share, each with a nominal value of ten (10) Saudi Riyals. Accordingly, the Company's capital was increased from two hundred million (200,000,000) Saudi Riyals to four hundred and fifty million (450,000,000) Saudi Riyals, and the number of ordinary shares increased from twenty million (20,000,000) to forty-five million (45,000,000) ordinary shares. The company's capital increase is achieved by financing a number of projects and investments, both inside and outside the Kingdom.
The following table shows the uses of the offering proceeds and the changes that have occurred in these uses:
<table>
<tr><th></th><th>Description (Saudi Riyals)</th><th>Planned use</th><th>Actual use</th><th>The difference between actual and planned use</th><th>Percentage of actual use of the planned use</th><th>Deviation percentage</th></tr>
<tr><td>1.</td><td>Establishing a factory for the production of compound feed ***</td><td>26,689,316</td><td>15,851,305</td><td>(10,838,011)</td><td>59.4%</td><td>(40.6%)</td></tr>
<tr><td>2.</td><td>Establishing an olive oil press**</td><td>16,700,417</td><td>6,141,234</td><td>(10,559,183)</td><td>36.8%</td><td>(63.2%)</td></tr>
<tr><td>3.</td><td>Establishing a factory for the production of ready-to-eat potato fries ***</td><td>38,601,442</td><td>8,965,944</td><td>(29,635,498)</td><td>23.2%</td><td>(76.8%)</td></tr>
<tr><td>4.</td><td>Tabuk Company's Crop Production Project in the Republic of Sudan****</td><td>140,179,018</td><td>24,414,513</td><td>(115,764,505)</td><td>17.4%</td><td>(82.6%)</td></tr>
<tr><td>5.</td><td>General Purposes *</td><td>11,829,807</td><td>11,829,807</td><td>-</td><td>100%</td><td>-</td></tr>
<tr><td>6.</td><td>Horizon Food Company's project, in partnership with a 50% stake***</td><td>-</td><td>28,500,000</td><td>28,500,000</td><td>-</td><td>-</td></tr>
<tr><td>7.</td><td>Feed Sources Company Project, 60% Partnership ***</td><td>-</td><td>18,750,000</td><td>18,750,000</td><td>-</td><td>-</td></tr>
<tr><td>8.</td><td>Company Operations ****</td><td>-</td><td>119,547,197</td><td>119,547,197</td><td>-</td><td>-</td></tr>
<tr><td>9.</td><td>Resource Planning System *****</td><td>-</td><td>1,100,000</td><td>1,100,000</td><td>-</td><td>-</td></tr>
<tr><td>10.</td><td>Offering Expenses *****</td><td>16,000,000</td><td>14,900,000</td><td>(1,100,000)</td><td>93.1%</td><td>(6.9%)</td></tr>
<tr><td></td><td>Total</td><td>250,000,000</td><td>250,000,000</td><td>-</td><td>100%</td><td>-</td></tr>
</table>
Source: The Company
</td></tr>
</table>

Date	Event
(continued) 15/03/1436H (corresponding to 06/01/2015G)	In accordance with paragraph (F) of Article Fifty-Seven (57) of the Rules on the Offer of 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, as amended by the Resolution of the Board of the Capital Market Authority No. (3-6-2026) dated 30/07/1447H (corresponding to 19/01/2026G), and any amendments thereto. (An issuer must disclose to the public any variation of 5% or more between the actual use of proceeds of the Preemptive Rights Shares offering or the issuance of shares with the suspension of preemptive rights and what was disclosed in the relevant Prospectus, immediately upon becoming aware thereof). It should be noted that approval was granted to change the use of the offering proceeds from what was disclosed in the Prospectus, and the actual use mentioned in the table above was approved, by reallocating the unused amounts and variances to be as follows: * **General Purposes:** Include the general and administrative expenses and operating expenses of the company, and the item has been fully disbursed as planned. ** **On 06/05/2018G**, The General Assembly resolved to cancel the project for establishing the olive press mentioned, in view of the high cost of the project and its non-feasibility under the market and competition conditions, and to delegate the Board of Directors to distribute the amount allocated thereto to some of the projects included in the company's strategy for the years 2017G - 2021G. *** **On 20/06/2019G**, the General Assembly resolved to substitute the project for establishing a compound feed production factory with the Feed Sources Company project with a partnership percentage of 60%, and to substitute the project for establishing a ready-to-eat potato fries production factory with the Horizon Food Company project with a partnership percentage of 50%, in view of the higher profitability opportunities in these substituted projects compared to the previous projects. **** **On 18/03/2020G**, the General Assembly resolved to delegate the Board of Directors to redirect any amounts originating from the capital increase to enter into other investment projects or utilize them in the company's operational activity as the Board of Directors deems appropriate to serve the company's interest. This came as a result of a legal issue arising in relation to the Tabuk Crops Production Company project in the Republic of Sudan; accordingly, the company directed the resulting amounts to the company's operational activities with a total amount of 119,547,197 Saudi Riyals. Below is a statement of the disbursement aspects of this amount: » An amount of 9.4 million Saudi Riyals placed as a deposit with Riyad Bank (the company subsequently retrieved the deposit and used it to repay a Riyad Bank loan amounting to 6.0 million Saudi Riyals, and the remaining amount of 3.4 million Saudi Riyals was spent on the supply of petroleum materials). » An amount of 10.3 million Saudi Riyals for the payment of zakat provisions for the years 2016G and 2017G. » An amount of 2.6 million Saudi Riyals for Board and committee expenses. » An amount of 43.0 million Saudi Riyals for service expenses such as spare parts, maintenance, and medical insurance. » An amount of 40.6 million Saudi Riyals for payments to materials suppliers such as fertilizers, chemicals, and petroleum materials. » An amount of 5.6 million Saudi Riyals for government payments and fees. » An amount of 8.1 million Saudi Riyals for the payment of salaries and end-of-service benefits. ***** **With reference to the Extraordinary General Assembly's resolution dated 18/03/2020G** delegating the Board of Directors to redirect the unutilized offering proceeds, and as a result of the decrease in actual advisory fees from what was estimated in the Prospectus by an amount of 1,100,000 Saudi Riyals, this amount was directed to cover the ERP (Enterprise Resource Planning) system costs.
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 an increase in the Company's capital through a rights issue. The rights issue comprised the offering of fifteen million (15,000,000) new ordinary shares at an offer price of ten (10) Saudi riyals per share, each with a nominal value of ten (10) Saudi riyals. Accordingly, the Company's capital was increased 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 the number of ordinary shares increased 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. The capital increase was undertaken to finance the Company's operations and agricultural plan, settle its debts and loans, and acquire income-generating real estate assets.

Date	Event

The following table shows the uses of the offering proceeds and the changes that have occurred in these uses:

	Description (Saudi Riyals)	Planned use	Actual use	The difference between actual and planned use	Percentage of actual use of the planned use	Deviation percentage
1.	Repayment of company debts and loans*	62,000,000	64,142,500	2,142,500	103.46%	3.46%
2.	Acquisition of income-generating real estate businesses**	47,000,000	-	(47,000,000)	-	(100%)
3.	Operating and agricultural plan expenditures***	33,000,000	80,000,000	47,000,000	242.4%	142.4%
4.	Offering expenses and costs****	8,000,000	5,857,500	(2,142,500)	73.22%	(26.78%)
	Total	**150,000,000**	**150,000,000**	**-**	**100.0%**	**-**

Source: The Company

(continued)

24/08/1442H (corresponding to 06/04/2021G)

In accordance with paragraph (F) of Article Fifty-Seven (57) of the Rules on the Offer of 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, as amended by the Resolution of the Board of the Capital Market Authority No. (3-6-2026) dated 30/07/1447H (corresponding to 19/01/2026G), and any amendments thereto. (An issuer must disclose to the public any variation of 5% or more between the actual use of proceeds of the Preemptive Rights Shares offering or the issuance of shares with the suspension of preemptive rights and what was disclosed in the relevant Prospectus, immediately upon becoming aware thereof).

It should be noted that approval was granted to change the use of the offering proceeds from what was disclosed in the Prospectus, and the actual use mentioned in the table above was approved, by reallocating the unused amounts and variances to be as follows:

*** Repayment of company debts and loans:** The item has been fully disbursed, which included the payment to suppliers with an amount of 29.68 million Saudi Riyals, payment of Zakat and VAT liabilities with an amount of 15.838 million Saudi Riyals, in addition to the loan of the subsidiary (Rakhaa for Agricultural Investment and Development Company) with an amount of 3.288 million Saudi Riyals, payment to the Agricultural Development Fund with an amount of 9.836 million Saudi Riyals, and the payment of government expenses with an amount of 5.5 million Saudi Riyals.

**** On 14/02/2022G:** The Extraordinary General Assembly approved changing the use of the offering proceeds from what was disclosed in the Prospectus, by canceling the acquisition of income-generating real estate businesses as a result of the non-completion of the transaction related thereto, and directing the entire amount allocated to it, amounting to 47 million Saudi Riyals, to be spent on the company's operational and investment activity.

***** Operating and agricultural plan expenditures:** The amount of 33 million Saudi Riyals has been fully spent on managing agricultural and operational processes (including cultivating wheat crops at 16 million Saudi Riyals, fruits such as grapes at 3.5 million Saudi Riyals, apricots at 2.5 million Saudi Riyals, peaches at 2.5 million Saudi Riyals, and olive trees at 3.5 million Saudi Riyals, in addition to livestock breeding at 3 million Saudi Riyals, and orchards and nurseries at an amount of 2 million Saudi Riyals), and the allocation from the acquisition of income-generating real estate businesses amounting to 47 million Saudi Riyals was directed to the operational and investment activity of the company. Below is a statement of the disbursement aspects of this allocation:

- An amount of 11.5 million Saudi Riyals to be invested in increasing the capital of Horizon Food Company.
- An amount of 15.5 million Saudi Riyals was spent on the sheep project.
- An amount of 20 million Saudi Riyals for the company's operating expenses.

****** Expenses and costs of offering:** The surplus resulting from the decrease in actual offering costs and expenses, amounting to 2.1425 million Saudi Riyals, was directed to the item "Repayment of company debts and loans".

Date	Event
13/10/1447H (corresponding to 01/04/2026G)	The Company announced on the Saudi 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 eighty-eight million, four hundred and eighty-four thousand, four hundred and seventy (88,484,470) Saudi riyals by canceling thirty million, three hundred and twenty-eight thousand, two hundred and fifty-three (30,328,253) ordinary shares of the Company's issued shares, in order to restructure the Company's capital and extinguish accumulated losses amounting to three hundred and three million, two hundred and eighty-two thousand, five hundred and thirty (303,282,530) Saudi riyals , representing (99.99%) of the Company's accumulated losses amounting to three hundred and three million, two hundred and eighty-two thousand, five hundred and thirty-one (303,282,531) Saudi riyals, as reported in the consolidated financial statements for the fiscal year ending 31/12/2025G.
25/11/1447H (corresponding to 12/05/2026G)	The Company announced on the Saudi Exchange (Tadawul) website an amendment to its Board of Directors' recommendation, pursuant to which the Company's proposed capital reduction was revised from three hundred and ninety-one million, seven hundred and sixty-seven thousand (391,767,000) Saudi riyals to seventy-six million, five hundred and twenty-four thousand, six hundred (76,524,600) Saudi riyals by canceling thirty-one million, five hundred and twenty-four thousand, two hundred and forty (31,524,240) ordinary shares of the Company's issued shares, in order to restructure the Company's capital and extinguish accumulated losses amounting to three hundred and fifteen million, two hundred and forty-two thousand, four hundred (315,242,400) Saudi riyals, representing (99.99%) of the Company's accumulated losses amounting to three hundred and fifteen million, two hundred and forty-two thousand, four hundred and three (315,242,403) Saudi riyals, as of the date of the interim condensed consolidated financial statements (unaudited) for the three-month period ended 31/03/2026G.
09/02/1448H (corresponding to 23/07/2026G)	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 seventy-six million, five hundred and twenty-four thousand, six hundred (76,524,600) Saudi Riyals by cancelling thirty-one million, five hundred and twenty-four thousand, two hundred and forty (31,524,240) 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 Exchange (Tadawul).
****/**/1448H (corresponding to **/**/2026G)**	The Extraordinary General Assembly 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 seventy-six million, five hundred and twenty-four thousand, six hundred (76,524,600) Saudi Riyals by cancelling thirty-one million, five hundred and twenty-four thousand, two hundred and forty (31,524,240) 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 Exchange (Tadawul).

05 | Board of Directors

5. Board of Directors

The following table sets forth the members of the Company's Board of Directors and respective share ownership as of the date of this Circular.

Name	Position*	Capacity	Nationality	Age	Shares owned before capital reduction***				Membership Date
					Directly	Percentage	Indirectly	Percentage	
Nasser Daif Allah Naqa Al-Rahili**	Chairman	Independent	Saudi	51	984,836	2.5138309%	-	-	12/08/2025G
Matar Ali Ahmed AL Zahrani ****	Vice Chairman	Independent	Saudi	58	-	-	-	-	12/08/2025G
Abdullah Hamoud Al Salhi Al Harbi*****	Managing Director	Executive	Saudi	48	-	-	-	-	12/08/2025G
Badr Abdullah Saleh Alhanaki	Member	Independent	Saudi	46	10	0.0000255%	-	-	12/08/2025G
Waleed Mohammed Saleh Mohammad Qasim Ali	Member	Independent	Saudi	43	10,157	0.0259261%	-	-	12/08/2025G
Abdullah Yousef Abdullah Al Yousef******	Member	Independent	Saudi	49	2,000	0.0051051%	-	-	11/03/2026G
Vacant*******	Member	-	-	-	-	-	-	-	-

Source: The Company and Tadawul.

- On 09/10/1446H (corresponding to 07/04/2025G), the Company announced the Board of Directors' recommendation to terminate the current Board's term, which commenced on 01/07/2024G and was scheduled to end on 30/06/2027G. On 06/11/1446H (corresponding to 04/05/2025G), the Company announced the opening of the nomination period for membership on the Company's Board of Directors for the term commencing on 12/08/2025G and ending on 11/08/2028G.

* On 18/02/1447H (corresponding to 12/08/2025G), the Ordinary General Assembly approved the recommendation of the Board of Directors to terminate the current Board's term, which commenced on 01/07/2024G and was scheduled to end on 30/06/2027G, effective as of the date of the Ordinary General Assembly meeting, and to elect the members of the Board of Directors for a new term commencing on 12/08/2025G and ending on 11/08/2028G.

**On 19/02/1447H (corresponding to 13/08/2025G), the Company's Board of Directors resolved to appoint the Chairman and the Vice Chairman of the Board of Directors for a three-year term commencing on 12/08/2025G and ending on 11/08/2028G.

*** Refers to the shares owned by the members of the Board of Directors, whether directly or indirectly, through their ownership interests in companies that own shares in the Company, or the shares owned by the relatives of the members of the Board of Directors, whether directly or through their ownership interests in companies that own shares in the Company.

**** On 22/05/1447H (corresponding to 13/11/2025G), the Board of Directors approved the resignation of the Vice Chairman of the Board of Directors, Eng. Faisal Saleh Ahmed Alghamdi, and approved the appointment of Mr. Matar Ali Ahmed Al Zahrani, an Independent Board Member, as Vice Chairman of the Board of Directors, effective from 22/05/1447H (corresponding to 13/11/2025G) until the expiry of the current Board's term.

*****On 26/07/1447H (corresponding to 15/01/2026G), the Board of Directors resolved to appoint Mr. Abdullah Hamoud Falah Al Salhi Al Harbi, an Independent Board Member, as Managing Director and to reclassify his membership status from Independent Member to Executive Member, effective from the date of the Board's resolution. On 25/11/1447H (corresponding to 12/05/2026G), the Board of Directors resolved to terminate the assignment of Mr. Abdullah Hamoud Al Salhi as Chief Executive Officer, effective at the close of business on 31/05/2026G, while he continues to serve as Managing Director and (an Executive Board Member).

******On 22/09/1447H (corresponding to 11/03/2026G), the Board of Directors approved the resignation of Board Member Mr. Majid bin Ahmed Ibrahim Al-Suwaigh and the appointment of Mr. Abdullah Yousef Abdullah Al Yousef as a Board Member. The appointment was subsequently approved by the Ordinary General Assembly on 09/01/1448H (corresponding to 24/06/2026G).

*******On 22/05/1447H (corresponding to 13/11/2025G), the Board of Directors approved the resignation of Eng. Faisal Saleh Ahmed Al-Ghamdi (independent member), and this position is considered vacant.

06 | Executive Management Members

6. Executive Management Members

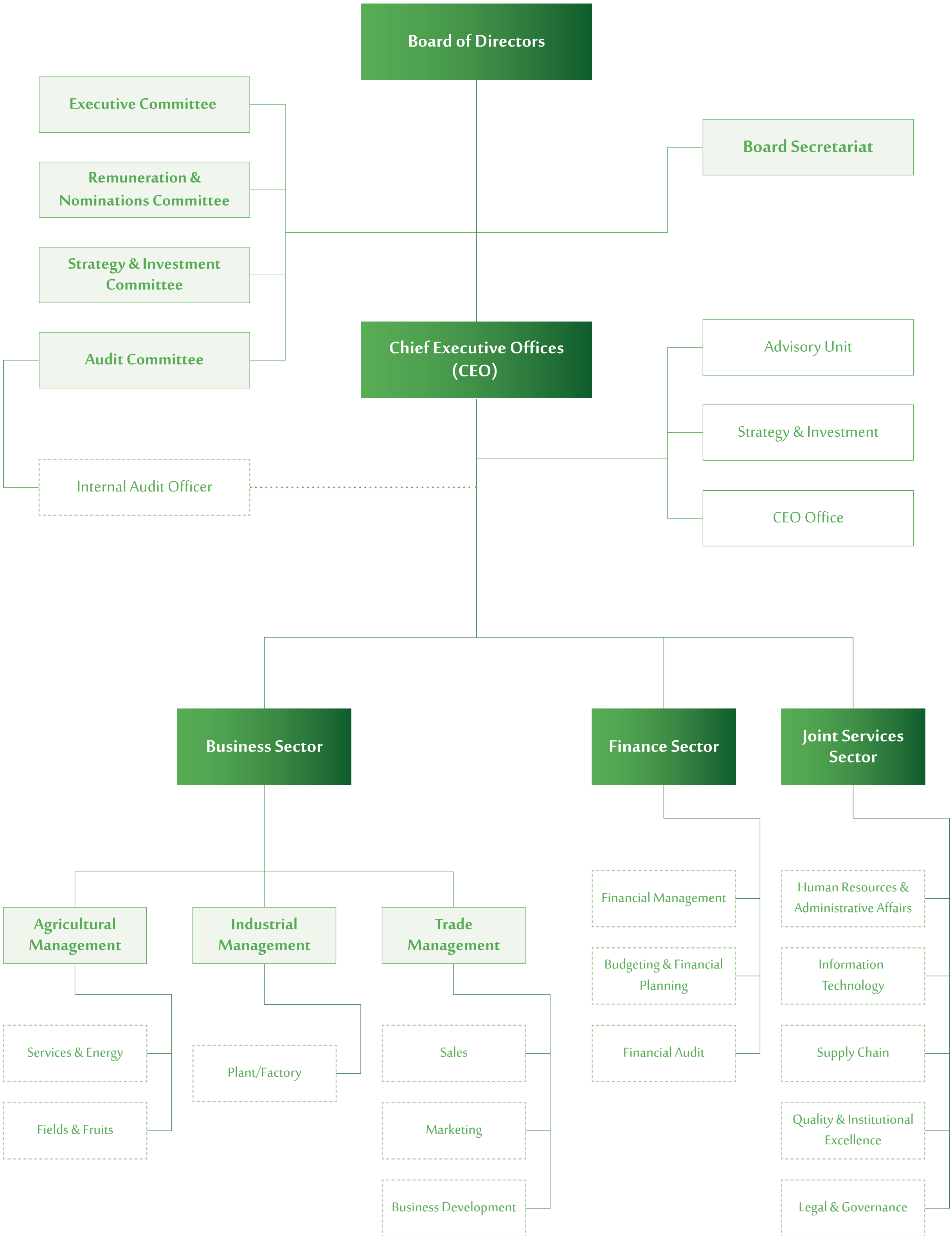
The following table sets forth the members of the Company's executive management and respective share ownership as of the date of this Circular.

Name	Position*	Nationality	Date of Appointment	Shares owned before capital reduction			
				Directly	Percentage	Indirectly	Percentage
Khalid Saleh Abu Bakr Al-Amoudi	CEO	Saudi	01/06/2026G	1	0.0000026%	-	-
Ali Abdel-Magid Mustafa Hijab	CFO	Egyptian	01/06/2026G	-	-	-	-
Jamil bin Mutaib Al-Otaibi	General Manager of Shared Services	Saudi	01/01/2026G	-	-	-	-
Abdullah Hamdan Al-Huwaiti	General Manager of Business	Saudi	26/01/2026G	-	-	-	-

Source: The Company

07 | The Company's Organizational Structure

7. The Company’s Organizational Structure



Source: The Company

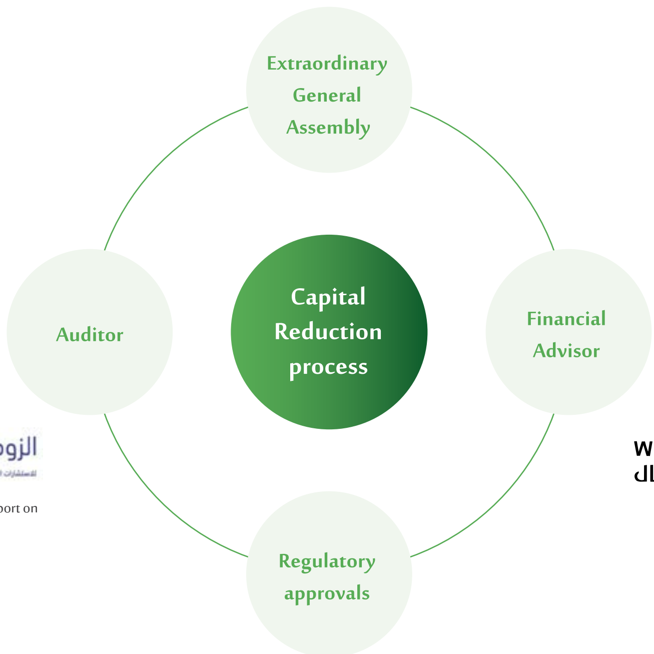
08 | Capital Reduction

8. Capital Reduction

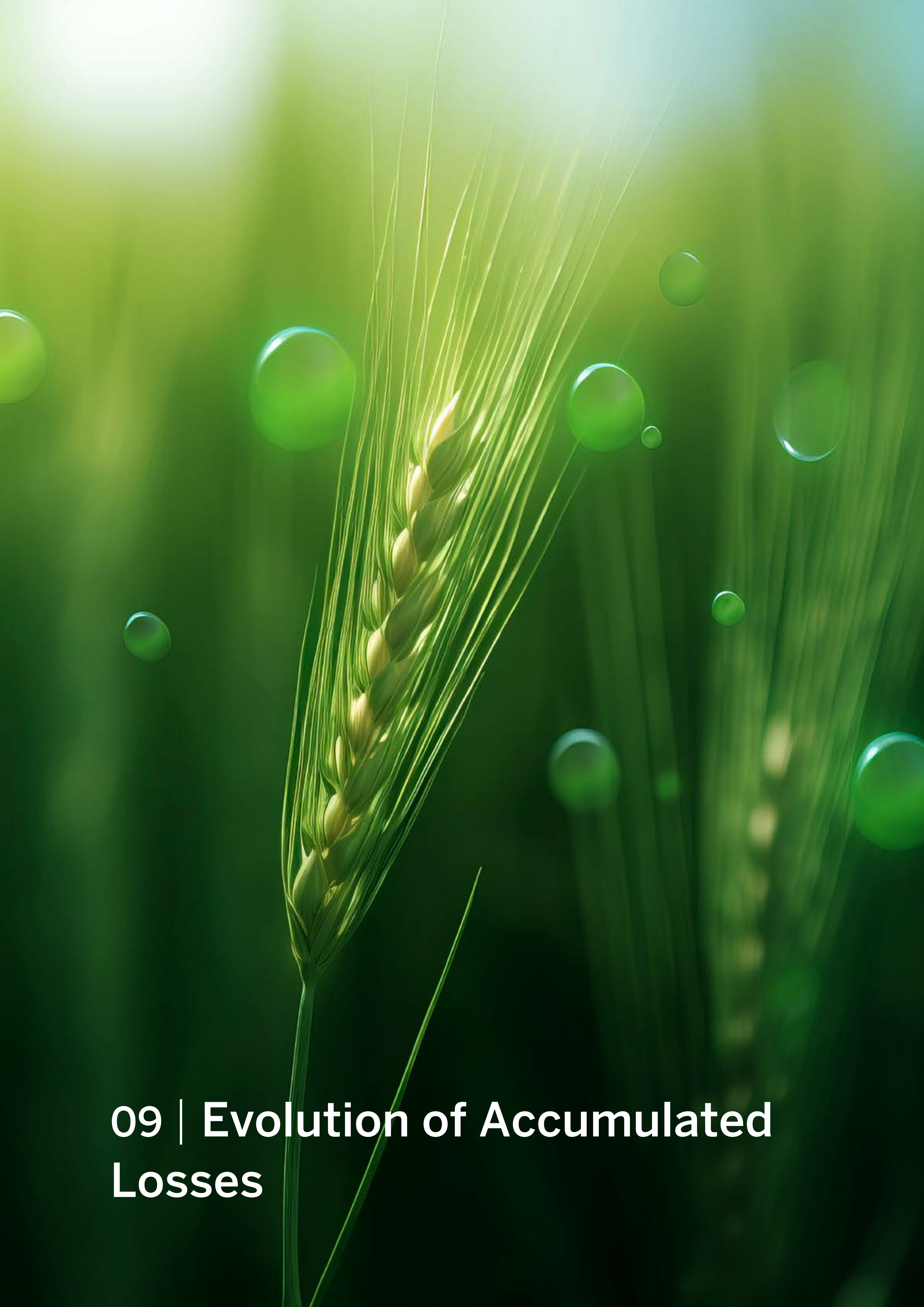
Capital Reduction Procedures:

- Board of Directors' Recommendation to reduce capital.
- Appointment of a Financial Advisor for the capital reduction process .
- Appointment of an Auditor to prepare a Limited Assurance Report regarding the proposed capital reduction.
- Preparation and Submission of the capital reduction application to the CMA in compliance with the conditions of Article 61 of the Rules on the Offer of Securities and Continuing Obligations pertaining to capital reduction conditions.
- Capital Market Authority's approval of the Company's capital reduction application.
- Submission of a notification to the Saudi Exchange (Tadawul) in the format stipulated in Annex (5) of the Listing Rules.
- The capital reduction is subject to the approval of the Extraordinary General Assembly. Shareholders should be aware that if the approval of the Extraordinary General Assembly is not obtained, the proposed capital reduction will be halted completely.
- If the Extraordinary General Assembly approves the reduction of the Company's capital, the Saudi 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. Trading will then resume at the adjusted price. The Company's capital reduction shall become effective by adjusting the number of shares held by the shareholders who own shares on the date of the Extraordinary General Assembly meeting. This adjustment shall be based on the Company's records with Tadawul at the end of the trading day following the second trading day after the date of the Extraordinary General Assembly meeting.
- If the Extraordinary General Assembly approves the capital reduction, the Company will contact the Ministry of Commerce to obtain its approval to amend the Company's commercial registration and articles of association.
- An announcement will be made regarding the deposit of the proceeds (if any) from the sale of fractional shares resulting from the Company's capital reduction into the accounts of the eligible shareholders within (30) days from the date of the shareholders' approval at the Extraordinary General Assembly to reduce the Company's capital.

The figure below sets out the parties involved in the capital reduction:



(Auditor and Preparer of Limited Assurance Report on the Proposed Capital Reduction)



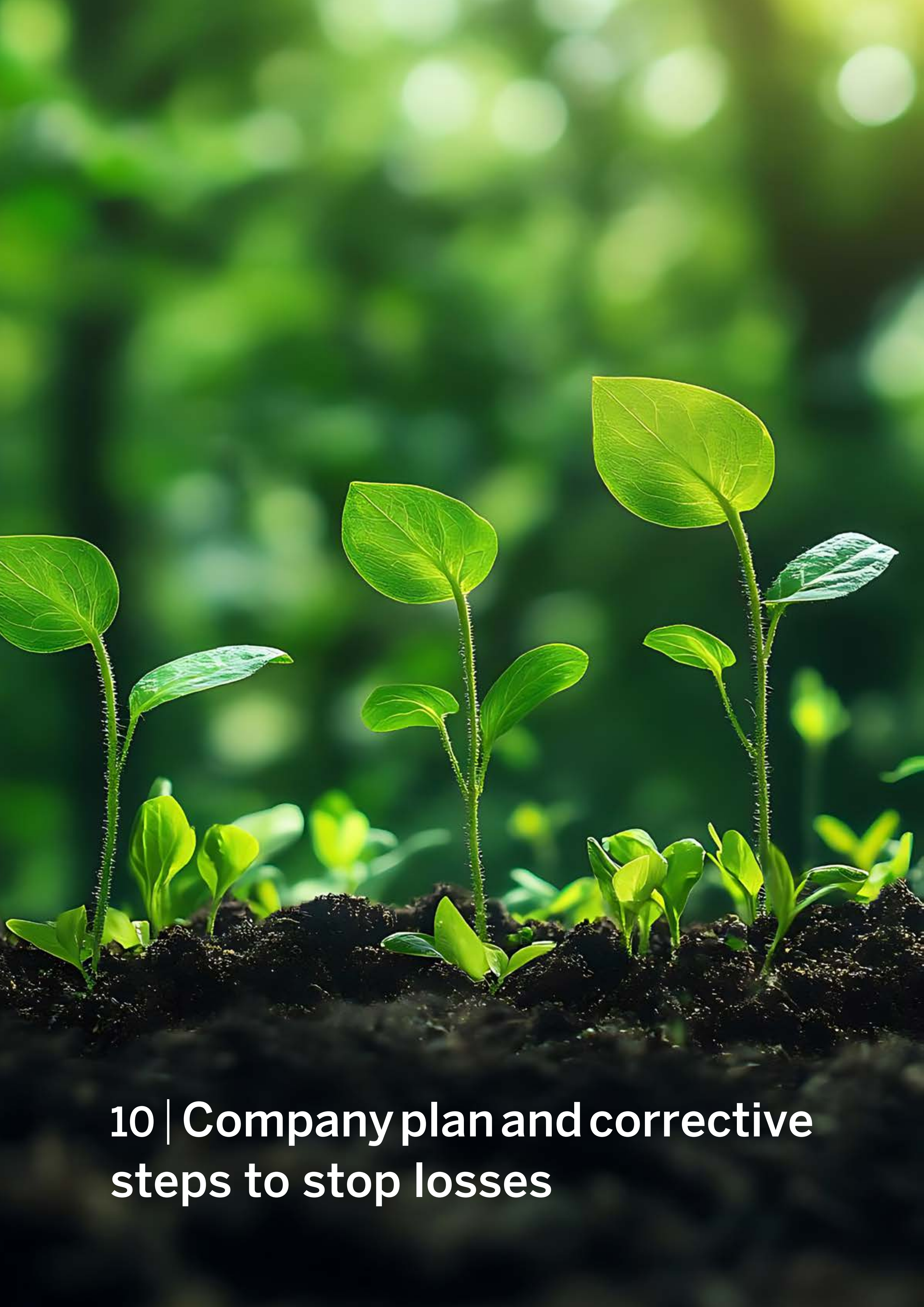
09 | Evolution of Accumulated Losses

9. 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%	The increase in marketing expenses, general and administrative expenses, recording the amortization of capital project expenses amounting to SAR 9.6 million, and recording a provision for investee companies' liabilities amounting to 13.0 million Saudi Riyals. These were driven by the decision to discontinue forage crop cultivation, which resulted in soil degradation due to the incomplete crop rotation cycle, adversely affecting agricultural production efficiency and the sustainability of operating assets.
December 31, 2019G	450	(181.3)	243.1	54.02%	The losses incurred during the period were primarily attributable to the write-down of inventory and biological assets in the sheep sector following their revaluation, the recognition of impairment provisions for capital projects, the recognition of provisions for loan guarantees and obligations relating to affiliated companies, and the recognition of impairment losses on investments in subsidiaries, affiliated companies, and equity instruments. The results were further adversely affected by higher financing costs, increased general and administrative expenses, and lower sales volumes. These factors were driven by the decision to discontinue forage crop cultivation, which resulted in soil degradation due to the incomplete crop rotation cycle, adversely affecting agricultural productivity and the sustainability of the Company's operating assets.
December 31, 2020G	241.8	(52.1)	86.5	35.80%	The primary reasons for the accumulated losses were the recognition of a net impairment loss on crop inventory at the point of harvest, together with the recognition of an impairment loss on capital projects. The Company also recognized a provision for loan guarantees and obligations relating to associate companies, in addition to losses arising from the derecognition of undeveloped land. In addition, provisions were recognized for the dismantling and relocation of assets associated with the derecognized undeveloped land. This was attributable to soil degradation and reduced productivity resulting from the incomplete crop rotation cycle, as well as the Company's limited penetration of the commercial sector, which constrained revenue diversification and exacerbated the impact of operational challenges.

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, 2021G	391.8	(70.5)	111.6	28.49%	The primary reasons for the accumulated losses included a decline in revenues, the recognition of an impairment loss on property, plant and equipment at one of the Company's subsidiaries, increased VAT claims, and higher general and administrative expenses. These factors were attributable to soil degradation and reduced productivity resulting from the incomplete crop rotation cycle, as well as the Company's limited penetration of the commercial sector, which constrained revenue diversification and exacerbated the impact of operational challenges.
December 31, 2022G	391.8	(53.7)	163.1	41.63%	The primary reasons for the accumulated losses included the recognition of an impairment loss on property, plant and equipment at one of the Company's subsidiaries, as well as the recognition of a provision in respect of government grants received by one of the Company's subsidiaries from the Ministry of Finance. Equity instrument issuance costs were also amortized, along with an increase in the cost of sales, higher general and administrative expenses, and increased selling and distribution expenses. This was attributable to soil degradation and reduced productivity resulting from the incomplete crop rotation cycle, in addition to the Company's limited penetration into the commercial sector, which constrained revenue diversification and amplified the impact of operational challenges.
December 31, 2023G	391.8	81	63.2	16.13%	The primary reasons for the accumulated losses included the recognition of an impairment loss on property, plant and equipment at one of the Company's subsidiaries, as well as the recognition of a provision for expected credit losses in respect of government grants receivable by one of the Company's subsidiaries from the Ministry of Finance. The reasons also included the amortization of equity instrument issuance costs, higher cost of sales, increased general and administrative expenses, and increased selling and distribution expenses. Nevertheless, the Company reported a net profit of SAR 81 million, compared to a net loss of SAR 53.7 million in 2022G, resulting in a reduction of accumulated losses to SAR 63.2 million, representing 16.13% of the Company's capital. However, this improvement was not primarily attributable to the Company's core operating performance. Revenue declined by 21.5% in 2023G to SAR 105 million, compared to SAR 134 million in 2022. The reported net profit was driven principally by non-operating items, most notably an increase in the Group's share of profits from equity-accounted investees and a reduction in the expected credit loss provision.

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, 2024G	391.8	(145.9)	207.4	52.94%	The primary reasons for the accumulated losses included lower revenues, higher cost of revenues, increased general and administrative expenses, and higher selling and distribution expenses. In addition, the Company recognized an impairment loss on its investment in one of its subsidiaries, (Horizon Food Company), amounting to SAR 71.49 million as of the end of 2024G, representing 18.2% of the Company's share capital. The Company also recognized losses from discontinued operations amounting to SAR 21.7 million, equivalent to 5.5% of the Company's share capital. These losses were primarily attributable to exceptional impairment losses, reflecting the accounting recognition that the related productive assets, (including machinery and biological assets), were no longer expected to generate returns sufficient to support their carrying amounts. This was the result of the cumulative operational impact of prolonged inadequate irrigation and fertilization, together with declining tree productivity, as well as the loss of control over one of the Company's subsidiaries.
December 31, 2025G	391.8	(95.9)	303.3	77.41%	The primary reasons for the accumulated losses included a decline in revenues, higher cost of revenues, the recognition of an impairment loss on property, plant and equipment, an increase in the expected credit loss provision, higher finance costs, and the recognition of provisions for trade receivables. The accumulated losses were also attributable to the recognition of a decline in the value of biological assets, together with higher production and logistics costs. These factors were driven by lower sales and a 24.84% decline in revenue to SAR 35.59 million as a result of reduced production and operational restructuring. They were further exacerbated by a decline in the value of biological assets, (including trees and crops), reflecting the cumulative impact of operational challenges, particularly water scarcity and inadequate fertilization, which resulted in a gradual decline in tree productivity and a corresponding reduction in the carrying value of those assets. The sharp contraction in revenue also reflects the significant decline in production capacity.
March 31, 2026G	391.8	(12.1)	315.2	80.47%	The primary reasons for the accumulated losses included declines in revenues and production volumes, as well as the recognition of losses on the disposal of equity-accounted investments in associate companies. These factors were partially offset by lower cost of revenues, reductions in selling and distribution expenses and general and administrative expenses resulting from the restructuring of the Company's operations and lower inventory levels, the absence of impairment losses on assets, and a reduction in the expected credit loss provision.



10 | Company plan and corrective steps to stop losses

10. Company plan and corrective steps to stop losses

The Company incurred losses throughout the period from 2018G to 2025G, as its operations were adversely affected by a series of operational challenges that commenced during the COVID-19 pandemic. These challenges resulted in liquidity constraints and reduced operating cash flows, adversely affecting the Company's financial and operating performance. Among the principal impacts was the (discontinuation of forage crop cultivation (alfalfa, barley, and corn), which had formed an integral part of the crop rotation cycle. This led to declining soil fertility and increased fertilizer costs. The Company also experienced shortages of essential operating resources, including water, diesel fuel, and fertilizers, as a consequence of constrained cash flows. These factors, together with declining tree productivity, resulted in lower production levels and the recognition of impairment losses on biological assets and property, plant and equipment).

The Company is actively addressing these challenges through the implementation of a range of operational and agricultural initiatives designed to improve soil quality and enhance productivity. These initiatives include strengthening soil nutrition and fertilization programs, increasing productivity per hectare, expanding cultivated areas, and adopting more efficient agricultural practices. Such practices include optimizing irrigation schedules, particularly for crops requiring intensive care, such as fruit trees, removing weeds, implementing scientifically based fertilization programs, and adopting consistent and sustainable irrigation systems.

In response to these operational challenges, the Company has developed a strategic business plan extending through 2030G, supported by an agricultural plan for 2026G. The strategy is focused on implementing a comprehensive operational recovery program, including the rehabilitation of agricultural assets during 2026G, while temporarily relying on commercial activities to strengthen revenue generation and improve asset utilization. This approach is intended to facilitate the gradual resumption of agricultural operations at full capacity beginning in 2027G, enabling the Company to achieve economies of scale, increase production levels, and improve its long-term operational and financial performance.

The agricultural plan targets the cultivation of the following crops:

1. Onions: 210 hectares.
2. Wheat: 750 hectares.
3. Fodder corn: 560 hectares.
4. Potatoes: 350 hectares.
5. Winter forage crops: 175 hectares.

At the same time, the Company intends to diversify its sources of income through the expansion of its commercial activities and olive oil production, with the objective of gradually restoring operating profitability and generating positive operating cash flows through the restructuring of certain investments.

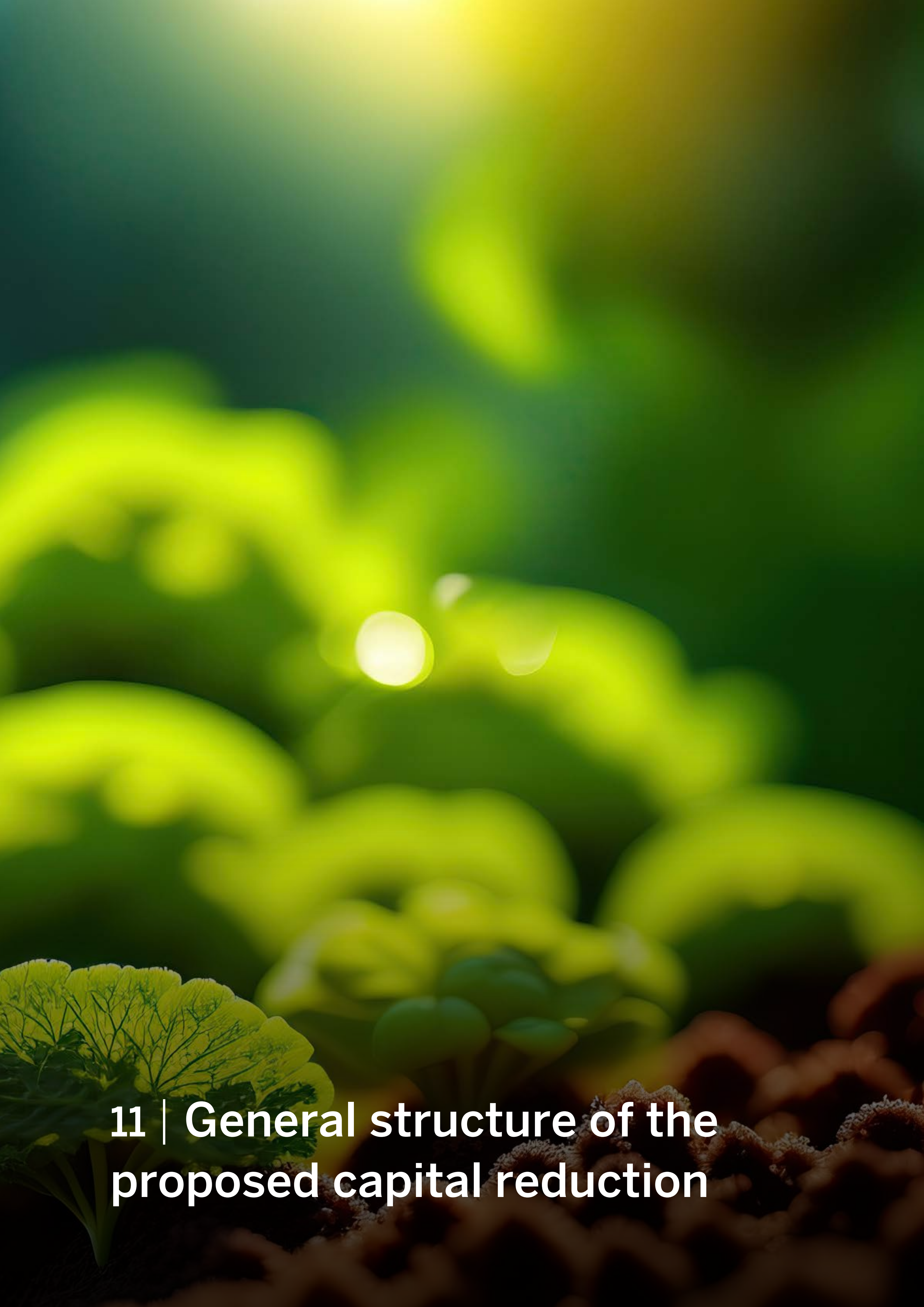
With reference to the cultivated areas of perennial fruit-bearing trees, the distribution is as follows:

1. Olive trees: 185 hectares.
2. Fruit trees: 376 hectares.
3. Date palms: 42 hectares.

The Company intends to lease the areas planted with fruit trees, date palms, and olive trees in order to eliminate the costs associated with their maintenance and care, maximize the returns generated from these assets, and stop the ongoing losses associated with these perennial orchards.

In this regard, on 1 January 2026G, the Company entered into an investment agreement for grape orchards covering 196 hectares for a period of 10 years, renewable by mutual agreement of the parties, with a total lease value of SAR 23.35 million. The agreement provides for the investment to be implemented in two phases, beginning with 123 hectares through 2029G, and expanding to 196 hectares for the remainder of the contract term.

Furthermore, the plan targets improving operational efficiency and reducing fixed costs through the rationalization of general and administrative expenses and selling and distribution expenses, with the objective of achieving an overall cost reduction of approximately 45% by the end of 2026G (including reductions in annual salaries and wages). The plan also includes transitioning to lower-cost energy sources while continuing to explore partnership and collaboration opportunities with specialized investment and operating entities to maximize the Company's capabilities.



11 | General structure of the proposed capital reduction

11. 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 25/11/1447H (corresponding to 12/05/2026G) 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 seventy-six million, five hundred twenty-four thousand, six hundred (76,524,600) Saudi Riyals by canceling thirty-one million, five hundred twenty-four thousand, two hundred forty (31,524,240) ordinary shares, in order to restructure the Company's capital to extinguish accumulated losses.

The percentage of capital reduction is (80.47%), and the reduction process will be carried out by canceling thirty-one million, five hundred twenty-four thousand, two hundred forty (31,524,240) ordinary shares, meaning that the number of (1) share will be reduced for every (1.24) shares. To extinguish an amount of three hundred fifteen million, two hundred forty-two thousand, four hundred (315,242,400) Saudi riyals from the Company's accumulated losses, representing (99.99%) of the Company's accumulated losses amounting to three hundred fifteen million, two hundred forty-two thousand, four hundred three (315,242,403) Saudi riyals, as reported in the Company's interim condensed consolidated financial statements (unaudited) for the three-month period ended 31 March 2026G. So that the Company's accumulated losses after capital reduction become an amount of three (3) Saudi riyals, at a rate of (0.0000039203%) of the Company's new capital amounting to seventy-six million, five hundred twenty-four thousand, six hundred (76,524,600) Saudi riyals.

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 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: interim condensed consolidated financial statements (unaudited) for the three-month period ended 31 March 2026G.

12 | Reasons For Capital Reduction and Management Analysis Discussion

12. 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 three hundred and fifteen million, two hundred and forty-two thousand, four hundred and three (315,242,403) Saudi riyals as in the interim condensed consolidated financial statements (unaudited) for the three-month period ended 31 March 2026G. The reduction of accumulated losses represented a key step in strengthening the Company's financial position under the prevailing circumstances. The capital restructuring is intended to support the Company's efforts to halt recurring losses, restore profitability, and enhance its financial stability.

On 13/10/1447H (corresponding to 01/04/2026G), the Company announced through the Saudi 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 eighty-eight million, four hundred and eighty-four thousand, four hundred and seventy (88,484,470) Saudi Riyals by canceling thirty million, three hundred and twenty-eight thousand, two hundred and fifty-three (30,328,253) shares of the Company's issued shares, in order to restructure the Company's capital to extinguish accumulated losses.

The Company also announced, on 25/11/1447H (corresponding to 12/05/2026G), an amendment to this recommendation to reduce the Company's share capital from 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, to seventy-six million, five hundred and twenty-four thousand, six hundred (76,524,600) Saudi Riyals, divided into seven million, six hundred and fifty-two thousand, four hundred and sixty (7,652,460) ordinary shares with a nominal value of ten (10) Saudi Riyals per share, by cancelling thirty-one million, five hundred and twenty-four thousand, two hundred and forty (31,524,240) of the Company's issued shares, in order to restructure the Company's capital to extinguish the accumulated losses.

The accumulated losses of the Company amounted to three hundred fifteen million, two hundred forty-two thousand, four hundred three (315,242,403) Saudi Riyals, as reflected in the interim condensed consolidated financial statements (unaudited) for the three-month period ended 31/03/2026G. These accumulated losses will be extinguished through a capital reduction of three hundred fifteen million, two hundred forty-two thousand, four hundred (315,242,400) Saudi Riyals. As a result, the accumulated losses will be reduced to three (3) Saudi Riyals, representing (0.0000039203%) of the Company's share capital after the capital reduction, as reflected in the interim condensed consolidated financial statements (unaudited) for the three-month period ended 31/03/2026G.

13 | Impact of the Reduction of the Company's Share Capital on the Company's Liabilities

13. Impact of the Reduction of the Company's Share Capital on the Company's Liabilities

The Company has appointed Alzoman, Alfahad & Alhajjaj Professional Services Company to prepare a limited assurance report on the proposed reduction of the Company's share capital. The report sets out the reasons for the proposed capital reduction and its impact on the Company's liabilities and shareholders' equity.

The proposed capital reduction will have no impact on the Company's liabilities, as stated in the auditor's report set out in Appendix (1) to the attached report.

14 | Impact of the Reduction of the Company's Share Capital on the Company's Shareholders Equity

14. Impact of the Reduction of the Company's Share Capital on the Company's Shareholders Equity

The Company's accumulated losses amounted to three hundred fifteen million, two hundred forty-two thousand, four hundred three (315,242,403) Saudi riyals as per the interim condensed consolidated financial statements (unaudited) for the three-month period ending 31/03/2026G. Reducing the capital by three hundred fifteen million, two hundred forty-two thousand, four hundred (315,242,400) Saudi riyals will result in the extinguishment of (99.99%) of the total accumulated losses. Subsequent to the capital reduction, the accumulated losses will stand at (3) Saudi Riyals, representing (0.0000039203%) of the Company's post-reduction capital, as per the interim condensed consolidated interim financial statements (unaudited) for the three-month period ending 31/03/2026G.

There will be no adverse impact on the Company's liabilities and shareholders' equity. The following table illustrates the impact on shareholders' equity based on the interim condensed consolidated financial statements (unaudited) for the three-month period ending 31/03/2026G.

Shareholders' equity	Before capital reduction Saudi Riyals	After capital reduction Saudi Riyals	Impact Saudi Riyals
Capital	391,767,000	76,524,600	(315,242,400)
Other reserves	1,858,734	1,858,734	
Employee defined benefit obligation remeasurement reserve	4,617,055	4,617,055	
Foreign currency translation reserve	(7,841,993)	(7,841,993)	
Fair value reserve	(190,400)	(190,400)	
Accumulated losses	(315,242,403)	(3)	315,242,400
Non-controlling Interests	375,705	375,705	
Total shareholders' equity	**75,343,698**	**75,343,698**	-

Source: The attached auditor's report, the interim condensed consolidated financial statements (unaudited) for the three-month period ending 31/03/2026G.

The Company intends to reduce its capital by three hundred fifteen million, two hundred forty-two thousand, four hundred (315,242,400) Saudi Riyals from three hundred and ninety-one million, seven hundred and sixty-seven thousand (391,767,000) Saudi Riyals to seventy-six million, five hundred twenty-four thousand, six hundred (76,524,600) Saudi Riyals by canceling thirty-one million, five hundred twenty-four thousand, two hundred forty (31,524,240) ordinary shares of the Company's issued shares at a cancellation rate of (0.8047) 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 capital reduction	Without capital reduction
Shares owned before capital reduction	1,000	1,000
Share price before the reduction (closing date 15/07/2026G).**	SAR 7.26	SAR 7.26
Cancelled shares	805	N/A
Shares owned after capital reduction	195	N/A
Share price after capital reduction (estimated)	SAR 37.17	N/A
Market value of shares before capital reduction (estimated)	SAR 7,260	SAR 7,260
Market value of shares after capital reduction (estimated)	SAR 7,248	N/A
Compensation value resulting from the capital reduction process (estimated)	SAR 12.34	N/A

*The example set out in the table above contains estimated values and is provided for illustrative 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 the prevailing market conditions at the relevant time.

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

It should be noted that a shareholder who owns five 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)*										
Shares owned before capital reduction	1	2	3	4	5	6	7	8	9	10
Share price before reduction (closing date 15/07/2026G) **	7.26	7.26	7.26	7.26	7.26	7.26	7.26	7.26	7.26	7.26
Cancelled shares	1	2	3	4	5	5	6	7	8	9
Shares owned after capital reduction	0	0	0	0	0	1	1	1	1	1
Number of fractional shares outstanding (estimated)	0.20	0.39	0.59	0.78	0.98	0.17	0.37	0.56	0.76	0.95
Share price after capital reduction (estimated)	37.17	37.17	37.17	37.17	37.17	37.17	37.17	37.17	37.17	37.17
Market value of shares before the reduction	7.26	14.52	21.78	29.04	36.30	43.56	50.82	58.08	65.34	72.60
Market value of shares after capital reduction (estimated)	0.00	0.00	0.00	0.00	0.00	37.17	37.17	37.17	37.17	37.17
Compensation value resulting from the capital reduction process (estimated)	7.26	14.52	21.78	29.04	36.30	6.39	13.65	20.91	28.17	35.43

*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.

15 | How to calculate the share price after capital reduction

15. 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 15/07/2026G, which amounted to (7.26) 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 15/07/2026G)** (Saudi Riyals)	7.26
(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)	284,422,842
(D) Number of shares after capital reduction	7,652,460
The market value of the Company's share after capital reduction = (C) ÷ (D) (Saudi Riyals)	**37.17**

*The example set out in the table above contains estimated values and is provided for illustrative 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 the prevailing market conditions at the relevant time.

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

16 | Potential risks resulting from reducing the Company's capital

16. 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 three hundred fifteen million, two hundred forty-two thousand, four hundred three (315,242,403) Saudi riyals, as in the interim condensed consolidated financial statements (unaudited) for the three-month period ending 31/03/2026G, which constitutes (80.47%) of the Company's capital. It will also decrease after reducing the capital by an amount of three hundred fifteen million, two hundred forty-two thousand, four hundred (315,242,400) Saudi riyals to three (3) Saudi riyals, i.e. (0.0000039203%) of the Company's capital after capital reduction **(for more information, please see page No. (35), paragraph (12) "Reasons for capital reduction and management analysis discussion" of this Circular).**

1. **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 experience a decline in 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.

2. **Risks related to Owning Five Shares or less**

   In the event that a shareholder owns five 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. (39), paragraph (14) "Impact of the Reduction of the Company's Share Capital on the Company's Shareholders Equity" of this Circular).**

3. **Risks related to future expectations and unknown future events**

   Some statements included 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.

4. 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.

5. 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 payables, and the current portion of long-term loans.

The Company's liquidity ratio amounted to approximately (0.46) times, (0.32) times, (0.10) times, and (0.16) times as of December 31, 2023G, 2024G, and 2025G, and the three-month period ending March 31, 2026G, 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 (-78,353,305) Saudi Riyals, (-114,353,445) Saudi Riyals, (-173,372,655) Saudi Riyals, and (-161,306,650) Saudi Riyals as of December 31, 2023G, 2024G, and 2025G, and the three-month period ending March 31, 2026G, 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.

6. Risks related to accumulated losses

The Company's accumulated losses amounted to (16.1%), (52.9%), (77.41%), and (80.47%) of the capital as of the fiscal years ending December 31, 2023G, 2024G and 2025G, and the three-month period ending March 31, 2026G, 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 18/11/2013G), 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) from Article Five: If the Company's accumulated losses amounted to 50% or more of its capital, 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.

7. **Risks related to the Company's continuity**

The Company's continuity, as it strives to achieve sustainable growth and strengthen its competitive position, depends on its ability to efficiently implement its strategy. This strategy includes, but is not limited to, the rehabilitation of agricultural assets, the development of commercial activities and olive oil operations, in addition to the reduction of fixed costs and general and administrative expenses. 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.

8. **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.

9. **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.

17 | Timeline for capital reduction process

17. Timeline for capital reduction process

Date	Event
	1- Procedures related to obtaining the approval of the Capital Market Authority to reduce capital
13/10/1447H (corresponding to 01/04/2026G)	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 eighty-eight million, four hundred and eighty-four thousand, four hundred and seventy (88,484,470) Saudi Riyals.
10/11/1447H (corresponding to 27/04/2026G)	Announcement of the appointment of the financial advisor for the company's capital reduction process.
25/11/1447H (corresponding to 12/05/2026G)	Tabuk Agricultural Development Company announces the latest material developments regarding the Board of Directors' recommendation to reduce the Company's capital from three hundred ninety-one million, seven hundred sixty-seven thousand (391,767,000) Saudi Riyals to seventy-six million, five hundred twenty-four thousand, six hundred (76,524,600) Saudi Riyals.
02/01/1448H (corresponding to 17/06/2026G)	Submitting an application to reduce the Company's capital to the Capital Market Authority.
09/02/1448H (corresponding to 23/07/2026G)	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 Exchange (Tadawul).
	2- Procedures related to the Extraordinary General Assembly
****/**/1448H (corresponding to **/**/2026G)**	Calling for Extraordinary General Assembly and announcing it on the Saudi Exchange (Tadawul) website, with a copy of this Circular included in the announcement.
****/**/1448H (corresponding to **/**/2026G)**	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.).
****/**/1448H (corresponding to **/**/2026G)**	Beginning of electronic voting on the items of the Extraordinary General Assembly meeting, including the reduction of capital (first meeting).
****/**/1448H (corresponding to **/**/2026G)**	Convening the Extraordinary General Assembly meeting, which includes a capital reduction (first meeting). 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.
****/**/1448H (corresponding to **/**/2026G)**	Convening the Extraordinary General Assembly, which includes a capital reduction (the second meeting), 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.
****/**/1448H (corresponding to **/**/2026G)**	Publishing the capital reduction decision and other decisions taken at the first or second Extraordinary General Assembly meeting of the Company on the website of the Saudi Exchange (Tadawul) (or announcing the non-convening of the Extraordinary General Assembly if the legal quorum is not met).

Date	Event
3- Procedures related to the failure to achieve a quorum for the first and second meetings of the Extraordinary General Assembly	
****/**/1448H (corresponding to **/**/2026G)**	Announcement on the Saudi Exchange (Tadawul) website of the call for the third meeting of the Extraordinary General Assembly at least twenty-one (21) days prior to the scheduled meeting date.
****/**/1448H (corresponding to **/**/2026G)**	The commencement of the electronic voting period for shareholders for the third meeting of the Extraordinary General Assembly.
****/**/1448H (corresponding to **/**/2026G)**	Convening the third meeting of the Extraordinary General Assembly. The legal quorum for the third meeting of the Extraordinary General Assembly shall be met regardless of the number of shares represented therein.
****/**/1448H (corresponding to **/**/2026G)**	Publishing the capital reduction decision and other decisions taken at the third Extraordinary General Assembly meeting on the Saudi Exchange (Tadawul) websites.
4- Procedures related to completing the capital reduction process	
****/**/1448H (corresponding to **/**/2026G)**	Implementing and announcing the decision to reduce capital in the resolutions of the Extraordinary General Assembly.
****/**/1448H (corresponding to **/**/2026G)**	Suspension of trading of shares on the Saudi Exchange (Tadawul) website for two trading days, starting from the day following the approval of the Extraordinary General Assembly to reduce capital.
****/**/1448H (corresponding to **/**/2026G)**	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 shareholder's 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.

18 | Board of Directors' Declaration

18. 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.

19 | Regulatory approvals required to complete the Company's capital reduction process

19. Regulatory approvals required to complete the Company's capital reduction process

The Company obtained the approval of the Capital Market Authority on 09/02/1448H (corresponding to 23/07/2026G) 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 seventy-six million, five hundred and twenty-four thousand, six hundred (76,524,600) Saudi Riyals by canceling thirty-one million, five hundred and twenty-four thousand, and two hundred and forty (31,524,240) ordinary shares of the Company's issued shares, which represent (80.47%) of the capital. This approval was announced on the website of the Capital Market Authority and the website of the Saudi Exchange (Tadawul) on 09/02/1448H (corresponding to 23/07/2026G).

The capital reduction process is subject to the 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 Exchange's website on **/**/1448H (corresponding to **/**/2026G), 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 registration.

Other than the above, there are no other regulatory approvals that the Company is required to obtain to complete the capital reduction process.

20 | Relevant rules, regulations and instructions

20. 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. (3-6-2026) of the Board of the Capital Market Authority dated 30/07/1447H (corresponding to 19/01/2026G), 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 (corresponding to 10/11/2015G), 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 (corresponding to 30/06/2022G) 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 (3-44-2026) of the Capital Market Authority Board dated 11/10/1447H (corresponding to 30/03/2026G) based on the Companies Law issued by Royal Decree No. M/132 dated 01/12/1443H and any amendments thereto.

- Listing Rules issued by the Saudi Exchange (Tadawul) and approved by the Capital Market Authority Board Resolution No. (3-123-2017) dated 09/04/1439H (corresponding to 27/12/2017G), as amended by its Resolution No. (1-46-2026) dated 13/10/1447H (corresponding to 01/04/2026G), 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.

21 | Important information

21. 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 decreased by any of the following methods:

- Cancellation of a number of shares equal to the amount to be decreased.
- Reduction of the nominal value of a share by canceling a part thereof equal to the amount of losses incurred by the Company.
- 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.
- The Company's purchase of a number of its shares equal to the amount to be decreased, and the cancellation of such shares thereafter

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 shall immediately disclose to the public, without delay, in a separate announcement when its accumulated losses reach (20%) or more, but 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 such losses, with an indication in the announcement that these procedures and instructions will be applied to it. If the disclosure required under this paragraph coincides with the announcement of the preliminary or annual financial results, the Company shall be exempt from making a separate announcement, provided that such disclosure is included in the announcement of the preliminary or annual financial results.

The Company shall immediately disclose to the public, without delay, in a separate announcement when its accumulated losses reach (35%) or more, but 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 such losses, with an indication in the announcement that these procedures and instructions will be applied to it. If the disclosure required under this paragraph coincides with the announcement of the preliminary or annual financial results, the Company shall be exempt from making a separate announcement, provided that such disclosure is included in the announcement of the preliminary or annual financial results.

The Company shall immediately disclose to the public, 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 such losses, with an indication in the announcement that the procedures and instructions for companies whose shares are listed on the Saudi Exchange, whose accumulated losses reach (50%) or more of their capital, will be applied. If the disclosure required under this paragraph coincides with the announcement of the preliminary or annual financial results, the Company shall be exempt from making a separate announcement, provided that such disclosure is included 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 resolution of the Extraordinary General Assembly if it incurs losses. In that case only, the capital may be reduced below the limit stipulated in Article (59) of the Companies Law, i.e., (500,000) Saudi Riyals. The resolution shall not be issued except after the Board of Directors presents a statement at the General Assembly explaining the reasons for the reduction, the company's obligations, and the impact of the reduction on fulfilling those obligations. This statement shall be accompanied by a report from the company's auditor.

According to Article (93) of the Companies Law, an extraordinary general assembly meeting shall be deemed valid only if attended by shareholders who represent at least (half) of the Company's voting shares, unless the Company's articles of association stipulate a higher percentage, provided that such percentage does not exceed (two thirds) of the voting shares. If the quorum required for an extraordinary general assembly meeting is not available, a call shall be made for 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 set for holding the first meeting provided that the invitation to the first meeting must refer to the possibility of holding such meeting. In all cases, the second meeting shall be deemed valid if attended by shareholders who represent at least a (quarter) of the Company's voting shares If the quorum required for the second meeting is not satisfied, a call shall be made for a third meeting to be held under the same conditions stipulated in Article (91) of this Law. The third meeting shall be deemed 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 passed by the vote of (three-quarters) of the voting shares represented therein.

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.

22 | Auditor's Report

22. Auditor's Report

The Company has appointed Alzoman, Alfahad & Alhajjaj professional services Company 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 came 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, on the obligations of the company, and on the effect of the reduction on these obligations.

A copy of the limited assurance report on the proposed capital reduction, prepared by the auditor, was included in the announcement of the call for this Extraordinary General Assembly published on the website of the Saudi Exchange (Tadawul) dated **/**/1448H (corresponding to **/**/2026G).

23 | Documents available for viewing

23. Documents available for viewing

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 make the following documents available for review at its head office located in Tabuk - 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 09/02/1448H (corresponding to 23/07/2026G), until the date of the Extraordinary General Assembly meeting on **/**/1448H (corresponding to **/**/2026G) 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 Capital Market Authority's announcement of its approval of the Company's request to reduce its capital, as published on the CMA's website and the website of the Saudi Exchange (Tadawul).
- A copy of this Circular to shareholders (the Circular made to the Company's shareholders at the Extraordinary General Assembly meeting).

24 | Attachments

24. Attachments

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

تبوك الزراعية

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Limited Assurance Report on Share Capital Reduction

To the Shareholders of Tabuk Agricultural Development Company
a Saudi Joint Stock Company

We have performed a limited assurance engagement to report whether anything has come to our attention that causes us to believe that the matter described in the "Subject Matter" section below has not been fairly presented, in all material respects, in accordance with the applicable criteria referred to below.

Subject Matter
The subject of this limited assurance engagement is the accompanying report of the Company's management regarding the reasons for the proposed reduction of the share capital of Tabuk Agricultural Development Company ("the Company"), as recommended by the Board of Directors to the Extraordinary General Assembly, and the effect of this reduction on the Company's net assets.
The Board of Directors, at its meeting held on 25 Dhu Al Qaeda 1447 (Corresponding to:12 May 2026) recommended reducing the Company's share capital from ⃁ 391,767,000 to ⃁ 76,524,600, representing a reduction of 80.47% of the share capital, through the cancellation of 31,524,240 ordinary shares with a nominal value of ⃁ 10 per share. The purpose of the reduction is to eliminate accumulated losses amounting to ⃁ 315,242,400, resulting in accumulated losses after the reduction of approximately ⃁ 3, based on the interim condensed consolidated financial statements (Unaudited) as of 31 March 2026 and for the three-month period then ended.

Applicable Criteria
The engagement was performed in accordance with:
- Articles 132 (Company Losses), 133 (Methods of Capital Reduction), and 134 (Issuance of Capital Reduction Resolution) of the Saudi Companies Law.
- Article 61 of the Capital Market Authority's Rules on the Offering of Securities and Continuing Obligations.
- Article 16 of the Company's By-laws.

Management's Responsibility
Management is responsible for the preparation and fair presentation of the information described in the Subject Matter section in accordance with the applicable criteria. Management is also responsible for:
- Selecting the methods for applying those criteria.
- Designing and maintaining internal controls necessary to ensure that the information is free from material misstatement, whether due to fraud or error.
- Maintaining adequate records and making reasonable estimates based on relevant circumstances and events.

Our Responsibility
Our responsibility is to express a limited assurance conclusion on the subject matter based on the work performed in accordance with International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information," as endorsed in Saudi Arabia.

Our procedures were designed to obtain a limited level of assurance sufficient to provide a basis for our conclusion. A limited assurance engagement provides significantly less assurance than a reasonable assurance engagement.

Independence and Quality Management
We complied with the independence and ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) as adopted in Saudi Arabia.

LIMITED ASSURANCE REPORT ON SHARE CAPITAL REDUCTION (CONTINUED)

To the Shareholders of Tabuk Agricultural Development Company
a Saudi Joint Stock Company

Independence and Quality Management (Continued)
Our firm applies to the International Standard on Quality Management (ISQM 1) and maintains a comprehensive quality management system, including documented policies and procedures to ensure compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Summary of Procedures Performed
Our procedures included, but were not limited to:

- Reviewing the Board resolution dated 25 Dhu Al Qaeda 1447 (Corresponding to:12 May 2026) recommending the reduction of share capital from ⃁ 391,767,000 to ⃁ 76,524,600, a reduction of 80.47%.
- Examining the management report on the proposed share capital reduction, including the reasons for the reduction and its impact on the Company's obligations.
- Reviewing Articles 132,133, and 134 of Companies Law, Article 61 of Capital Market Authority rules, and Article 16 of Company's Articles of Association.

Limited Assurance Conclusion
Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the information disclosed in the Subject Matter section and presented in the accompanying report has not been fairly presented, in all material respects, in accordance with the applicable criteria.

Restriction on Use
This report has been prepared solely at the request of the Company's management to assist the Company in meeting its reporting obligations to the Extraordinary General Assembly under the applicable regulations.
It may not be used for any other purpose or distributed to any other parties except the Ministry of Commerce and the Capital Market Authority, nor may it be quoted from or referred to without our prior written consent.

For Alzoman, Alfahad and Alhajjaj Professional Services

شركة الزومان والفهد والحجاج للاستشارات المهنية
Alzoman, Alfahad & Alhajjaj Professional Services
CR 1010461402

Zaher Abdullah Alhajjaj
Certified Public Accountant
License No. 562

Riyadh, Kingdom of Saudi Arabia

Date: 6 Safar 1448H
Corresponding to: 20 July 2026

Tabuk Agricultural Development Company

Saudi Joint Stock Company

Management Report on the Proposed Share Capital Reduction

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1. Reasons for the Share Capital Reduction and Its Impact on the Company's Obligations

1.1 Reasons that make the Reduction necessary

The Company proposes restructuring its capital by reducing it by ⃁ 315,242,400 through the cancellation of 31,524,240 shares, due to accumulated losses reaching approximately 80.47% of capital. The reduction aims to eliminate accumulated losses, leaving a residual balance of approximately ⃁ 3 based on the interim condensed consolidated financial statements (Unaudited) as of 31 March 2026 and for the three-month period then ended.

The Company states that the reduction will have no material impact on its liabilities, Business operations, financial performance, operating performance, regulatory position. The reduction will also not affect the market value of shareholders' portfolios. Shareholders owning five shares or fewer will have their shares cancelled and will receive compensation for resulting fractional shares. Any fractional shares resulting from the reduction will be aggregated into one portfolio and sold in the market at the prevailing price. The proceeds will be distributed proportionately to eligible shareholders within 30 days of approval by the Extraordinary General Assembly.

1.2 Relevant Criteria

1.2.1 Company's By-laws

Article 16: Capital Reduction

The Extraordinary General Assembly may reduce the Company's capital if it exceeds the Company's needs or if the Company has incurred losses. In the latter case, capital may be reduced below the statutory minimum. The resolution may only be issued after reading a statement prepared by the Board explaining reasons for the reduction, company obligations and effect of the reduction on fulfilling those obligations. The statement must be accompanied by the auditor's report.

1.2.2 Saudi Companies Law Issued by the Ministry of Commerce

Article 132: Company Losses

If losses of a joint stock company reach 50% of issued capital, the Board must disclose this fact and its recommendations within 60 days of becoming aware of it and must call an Extraordinary General Assembly within 180 days to consider continuing the Company and taking corrective measures or dissolving the Company.

Article 133: Methods of Capital Reduction

Capital may be reduced through:

a. Cancelling shares equal to the amount of the reduction.

b. Reducing the nominal value of shares by an amount equal to the losses incurred.

c. Reducing nominal value and returning part thereof to shareholders or releasing them from unpaid share capital.

d. Repurchasing and cancelling shares equal to the required reduction.

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.

1. Reasons for the Capital Reduction and Its Impact on the Company's Obligations (continued)

1.2 Applicable Criteria (Continued)

1.2.3 Chapter Two (Part Six) of the Rules on the Offering of Securities and Continuing Obligations Issued by the Capital Market Authority

Article 61: Conditions and Requirements Relating to the Reduction of an Issuer's Capital

(a) An issuer wishing to reduce its capital must submit an application to the Capital Market Authority (CMA) containing, at a minimum, the information specified in Annex 25 of these Rules in order to obtain the CMA's approval prior to obtaining the approval of the Extraordinary General Assembly for the capital reduction. The application must be accompanied by the following:

1. A letter appointing the financial adviser.
2. A letter appointing the legal adviser (if any).
3. A report from an independent external certified public accountant on the reasons for the capital reduction and the impact of such reduction on the issuer's obligations.
4. The proposed method of capital reduction and the expected effects of the reduction.
5. A copy of the shareholder circular referred to in paragraph (b) of this Article.
6. Any other documents required by the Authority.

(b) The issuer must issue a circular to its shareholders containing the information necessary to enable shareholders to vote at the Extraordinary General Assembly meeting on an informed basis. The circular must include, at a minimum, the following information:

1. The general structure of the proposed capital reduction.
2. The reasons for the capital reduction, including management's discussion and analysis in this regard.
3. The risk factors associated with the capital reduction.
4. The timetable for the transaction.
5. A statement by the members of the issuer's Board of Directors confirming their belief that the capital reduction is in the best interests of the issuer and its shareholders.

(c) The shareholder circular submitted to the Authority in connection with an application to reduce the issuer's capital must be prepared in the Arabic language. The margins of the circular must reference the relevant provisions of these Rules, identify any changes from previous drafts, and each draft circular must include on its first page the draft number and the date of submission.

1. Reasons for the Capital Reduction and Its Impact on the Company's Obligations (Continued)

1.3 Impact of the Capital Reduction

(a) The impact on the Company's share capital and accumulated losses as per Interim condensed consolidated statement of financial position (Unaudited) as of 31 March 2026 will be as follows:

Description	Before reduction ⃁	After reduction ⃁	Impact ⃁
Assets			
Non-Current Assets			
Property, plant and equipment, net	149,064,924	149,064,924	-
Investments in companies through equity method	116,664,958	116,664,958	-
Investments at fair value through OCI	222,400	222,400	-
Total Non-Current Assets from Continued Operations	**265,952,282**	**265,952,282**	-
Current Assets			
Inventory, net	7,651,018	7,651,018	-
Trade Receivable, net	306,266	306,266	-
Biological assets - Current portion, net	533,427	533,427	-
Due from related party	5,060,000	5,060,000	-
Prepayments and other receivables, net	2,428,249	2,428,249	-
Cash and cash equivalents	13,869,151	13,869,151	-
Total Current Assets from Continued Operations	**29,848,111**	**29,848,111**	-
Total Assets from discontinued Operations	**18,020,308**	**18,020,308**	-
Total Assets	**313,820,701**	**313,820,701**	-
Equity and Liabilities			
Equity			
Share capital	391,767,000	76,524,600	(315,242,400)
Other reserves	1,858,734	1,858,734	-
Re-measurement reserve of employee defined benefit obligations	4,617,055	4,617,055	-
Foreign currency translation reserve	(7,841,993)	(7,841,993)	-
Fair value reserve	(190,400)	(190,400)	-
Accumulated losses	(315,242,403)	(3)	315,242,400
Equity attributable to equity holders of the Parent	**74,967,993**	**74,967,993**	-
Non-controlling interest	375,705	375,705	-
Total Equity	**75,343,698**	**75,343,698**	-
Liabilities			
Non-Current Liabilities			
Long term loan- non-current portion	14,733,909	14,733,909	-
Employee defined benefit obligations	10,988,917	10,988,917	-
Total Non-Current Liabilities from Continued Operations	**25,722,826**	**25,722,826**	-
Current Liabilities			
Long-term loans - current portion	68,692,420	68,692,420	-
Trade payables	39,304,836	39,304,836	-
Due to related party	5,060,000	5,060,000	-
Dismantling provision	1,364,756	1,364,756	-
Deferred government grants	433,147	433,147	-
Accrued expenses and other payables	53,368,554	53,368,554	-
Dividends payable to shareholders	22,865,673	22,865,673	-
Provision for Zakat	65,375	65,375	-
Total Current Liabilities from Continued Operations	**191,154,761**	**191,154,761**	-
Total liabilities from discontinued operations	**21,599,416**	**21,599,416**	-
Total Liabilities	**238,477,003**	**238,477,003**	-
Total Shareholders' Equity and Liabilities	**313,820,701**	**313,820,701**	-

شركة الزومان والفهد والحجاج
للاستشارات المهنية
Alzoman, Alfahad & Alhajjaj
Professional Services
CR 1010461402
لأغراض التعريف

Date:

Corresponding to:

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. (7000875653), and based on the text of Article No. 34 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 ** ** on **, ** **, 2026 AD, corresponding to ** **, 1448 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://urli.info/1pl5G