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

(Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three-months and Six-months periods ended 30 June 2026

And Independent Auditor's Review Report

THIMAR DEVELOPMENT HOLDING COMPANY
(SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE)
(Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
And Independent Auditor's Review Report
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JOINT STOCK COMPANY
RIYADH – KINGDOM OF SAUDI ARABIA (1/2)

INTRODUCTION

We have reviewed the accompanying interim condensed consolidated financial statements of Thimar Development Holding Company (the "Company") and its subsidiaries (the "Group"), as of 30 June 2026 which comprises:

- The interim condensed consolidated statement of financial position as at 30 June 2026;
- The interim condensed consolidated statement of profit or loss and other comprehensive income for the Three-month and Six-month period ended 30 June 2026;
- The interim condensed consolidated statement of changes in equity for the Six-month period ended at 30 June 2026;
- The interim condensed consolidated statement of cash flows for the Six-month period ended at 30 June 2026;
- The notes to the interim condensed consolidated financial statements.

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagement 2410, "Review of Interim condensed consolidated Financial Information Performed by the Independent Auditor of the Entity", as endorsed in the Kingdom of Saudi Arabia. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note (4) of the accompanying the Interim condensed consolidated financial statements, which indicates that the Group incurred losses amounting to SAR (5,821,287) during the period ended 30 June 2026. In addition, the accumulated losses as of 30 June 2026 amounted to SAR (96,607,284) representing 149% of the share capital. Accordingly, pursuant to Article (132) of the Companies Law, the Extraordinary General Assembly is required to be convened within one hundred and eighty days from the date of becoming aware thereof to consider the continuation of the Group and to take any necessary measures to address such losses or dissolve the Group. However, due to the Group entering into a financial restructuring proposal and procedures as disclosed in Note (1), and pursuant to Article (45) of Chapter Four of the Bankruptcy Law and its Implementing Regulations, the Group is exempt from applying the provisions of the Companies Law relating to losses reaching the statutory threshold.

PKF Al-Bassam
Chartered Accountants

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF THIMAR DEVELOPMENT HOLDING COMPANY
JOINT STOCK COMPANY
RIYADH – KINGDOM OF SAUDI ARABIA

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN (CONTINUED)

Furthermore, the Group's ability to continue as a going concern is dependent upon the implementation of the financial restructuring proposal. As stated in Note (4), these events or conditions, together with the other matters set forth in Note (1), indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion has not been modified in respect of this matter.

EMPHASIS OF MATTER

We draw attention to Note (1) accompanying the interim condensed consolidated financial statements, which indicates that the Company is subject to financial restructuring proceedings pursuant to the judgment issued on 7 April 2021 (corresponding to 25 Shaaban 1442H) in Case No. 1970 for the year 1442H, ordering the commencement of the Company's financial restructuring procedure and the appointment of Mr. Hany bin Saleh Al-Quiali as the financial restructuring trustee. Our conclusion has not been modified in respect of this matter.

PKF Al-Bassam
Chartered Accountants

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Corresponding to: 02 August 2026

THIMAR DEVELOPMENT HOLDING COMPANY
(SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE)
(Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2026
(All amounts in SAR unless otherwise stated)

	Note	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment, net		**514,373**	36,428,701
Right of use assets		**390,117**	592,377
Total Non-Current Assets		**904,490**	37,021,078
Current Assets			
Asset held for sale	8	**35,758,808**	4,900,000
Prepayments and other receivables, net		**2,132,007**	7,064,952
Investments carried at FVTPL	7	**-**	5,742,000
Cash and cash equivalents		**6,221,427**	6,066,129
Total Current Assets		**44,112,242**	23,773,081
TOTAL ASSETS		**45,016,732**	60,794,159
EQUITY AND LIABILITIES			
EQUITY			
Share capital	9	**65,000,000**	65,000,000
Statutory reserve		**2,883,376**	2,883,376
Actuarial (losses) of end-of-service benefits		**(76,328)**	(76,328)
Revaluation Surplus		**34,019,360**	37,887,277
(Accumulated losses)		**(96,607,284)**	(94,653,914)
TOTAL EQUITY		**5,219,124**	11,040,411
LIABILITIES			
Non-Current Liabilities			
Employee benefit obligations		**513,503**	541,445
Islamic borrowings	10	**5,907,655**	8,725,873
Trade payables	11	**-**	9,876,019
Accrued expenses and other payables	12	**-**	105,138
Due to related parties	6-3	**-**	213,081
Zakat payable	13	**2,021,256**	-
Total Non-Current Liabilities		**8,442,414**	19,461,556
Current Liabilities			
Islamic borrowings	10	**5,915,888**	2,916,730
Trade payables	11	**10,481,488**	10,702,690
Accrued expenses and other payables	12	**6,864,154**	6,854,193
Due to related parties	6-3	**209,735**	213,081
Zakat payable	13	**7,673,934**	9,188,060
Lease liabilities –current portion		**209,995**	417,438
Total Current Liabilities		**31,355,194**	30,292,192
TOTAL LIABILITIES		**39,797,608**	49,753,748
TOTAL EQUITY AND LIABILITIES		**45,016,732**	60,794,159
Contingent liabilities and capital commitments	19		-

Chairman	**Chief Executive Officer**	**Chief Financial Officer**

The accompanying notes from 1 to 21 an integral part of these interim condensed consolidated financial statements.

THIMAR DEVELOPMENT HOLDING COMPANY
SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE
(Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the three and six-month periods ended 30 June 2026
(All amounts in SAR unless otherwise stated)

	Note	For the three-month period ended		For the six-month period ended	
		30 June 2026 (Unaudited)	30 June 2025 (Unaudited)	**30 June 2026 (Unaudited)**	30 June 2025 (Unaudited)
Revenue		**-**	-	**-**	-
Net gains from fair value investments at FVTPL		**858,000**	-	**858,000**	-
Cost of revenue		**-**	-	**-**	-
Gross profit		**858,000**	-	**858,000**	-
Principal Operating expenses					
General and administrative expenses		**(2,326,087)**	(4,062,610)	**(5,342,575)**	(8,219,416)
Operating losses from operation		**(1,468,087)**	(4,062,610)	**(4,484,575)**	(8,219,416)
Finance costs		**(3,796)**	(8,736)	**(7,593)**	(17,472)
Impact of adjustment of cash flows of financial liabilities	16	**(441,172)**	(441,172)	**(882,344)**	(1,006,196)
Net loss on disposal of property, plant and equipment		**-**	-	**(7,940)**	-
Other income	14	**3,824**	44,941	**20,614**	346,489
Net loss before zakat		**(1,909,231)**	(4,467,577)	**(5,361,838)**	(8,896,595)
Zakat	13	**(459,449)**	(4,674)	**(459,449)**	(4,674)
Net loss for the period		**(2,368,680)**	(4,472,251)	**(5,821,287)**	(8,901,269)
Basic and diluted (loss) per share as per net (loss) for the period attributable to the Company's shareholders	15	**(0.36)**	(0.69)	**(0.90)**	(1.37)
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss:					
Total comprehensive income / (loss) for the period		**(2,368,680)**	(4,472,251)	**(5,821,287)**	(8,901,269)

Chairman	**Chief Executive Officer**	**Chief Financial Officer**

The accompanying notes from 1 to 21 an integral part of these interim condensed consolidated financial statements.

THIMAR DEVELOPMENT HOLDING COMPANY
SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE
(Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six-month period ended 30 June 2026
(All amounts in SAR unless otherwise stated)

	Share Capital	Statutory Reserve	Actuarial (Losses) of End-of-Service Benefits	Revaluation Surplus	Accumulated Losses	Total
For the six-month period ended 30 June 2025						
Balance as at 1 January 2025 (Audited)	65,000,000	2,883,376	(9,254)	39,862,469	(82,899,953)	24,836,638
Total comprehensive (loss) for the period	-	-	-	-	(8,901,269)	(8,901,269)
Balance as at 30 June 2025 (Unaudited)	65,000,000	2,883,376	(9,254)	39,862,469	(91,801,222)	15,935,369
For the six-month period ended 30 June 2026:						
Balance as at 1 January 2026 (Audited)	**65,000,000**	**2,883,376**	**(76,328)**	**37,887,277**	**(94,653,914)**	**11,040,411**
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**(5,821,287)**	**(5,821,287)**
Reversal of revaluation surplus	**-**	**-**	**-**	**(3,867,917)**	**3,867,917**	**-**
Balance as at 30 June 2026 (Unaudited)	**65,000,000**	**2,883,376**	**(76,328)**	**34,019,360**	**(96,607,284)**	**5,219,124**

Chairman **Chief Executive Officer** **Chief Financial Officer**

The accompanying notes from 1 to 21 an integral part of these interim condensed consolidated financial statements.

THIMAR DEVELOPMENT HOLDING COMPANY
SUBJECTED TO A FINANCIAL REORGANIZATION PROCEDURE
(Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six-month period ended 30 June 2026
(All amounts in SAR unless otherwise stated)

	Note	**30 June 2026 (Unaudited)**	30 June 2025 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the period before zakat		**(5,361,838)**	(8,896,595)
Adjustments to reconcile net income for the period before zakat to net cash flows generated from operating activities:			
Gains on disposal of investments measured at fair value through profit or loss (FVTPL)		**(858,000)**	-
Depreciation of property, plant and equipment		**147,549**	329,328
Depreciation of right of use assets		**202,260**	202,260
Finance cost on lease liabilities		**7,593**	17,472
Employee benefit obligations		**97,290**	110,434
Impact of adjustment of cash flows of financial liabilities		**882,344**	1,006,196
Losses on disposal of property, plant and equipment		**7,971**	8,085
		(4,874,831)	(7,222,820)
Changes in assets and liabilities:			
Prepayments and other receivables		**4,932,945**	(573,524)
Trade payables	11	**(10,720,459)**	(5,218,623)
Accrued expenses and other payables	12	**(112,265)**	(2,366,603)
Due to related parties		**-**	(610,994)
Cash used in operating activities		**(10,774,610)**	(15,992,564)
Provision for paid end-of-service benefits		**(125,233)**	-
Net cash used in operating activities		**(10,899,843)**	(15,992,564)
Cash flows from investing activities			
Payment for purchasing of property, plant and equipment		**-**	(12,171)
Proceeds from the sale of investments at fair value through profit or loss (FVTPL)		**4,900,000**	-
Proceeds from disposal of property, plant and equipment		**6,360,000**	2,100
Dividends received from investments measured at fair value through profit or loss (FVTPL)		**240,000**	-
Net cash generated from investing activities		**11,500,000**	(10,071)
Cash flows from financing activities			
Due to related parties	6-3	**(229,823)**	-
payment of lease liabilities		**(215,036)**	(215,037)
Net cash used in financing activities		**(444,859)**	(215,037)
Net change in cash and cash equivalents		**155,298**	(16,217,672)
Cash and cash equivalents at beginning of the period		**6,066,129**	20,895,598
Cash and cash equivalents at end of the period		**6,221,427**	4,677,926
Non-cash transactions			
Zakat liability adjustments against recoverable VAT receivable		**-**	2,896,691
Transferred to assets held for sale.		**35,758,808**	-

Chairman | **Chief Executive Officer** | **Chief Financial Officer**

The accompanying notes from 1 to 21 an integral part of these interim condensed consolidated financial statements.

1. LEGAL STATUS AND OPERATIONS

Thimar Development Holding Company was officially registered as a joint stock company under Commercial Register No. 1010068222 and Unified No. 7011692253, issued in Riyadh on 17 Jumada ALawaal 1408 AH, corresponding to (7 January 1988). As at 30 June 2026, the Group's capital is SAR 65,000,000, which is divided into 6,500,000 shares of SAR 10 each. (as at 31 December 2025: SAR 65,000,000 divided into 6,500,000 shares of SAR 10 each).

The group's activity is as follows:

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

The consolidated financial statements also include the accounts of Thimar Development Holding Company (the holding company) and the companies it directly owns (referred to as subsidiaries):

Subsidiary	Incorporation Country	Legal Form	Effective Ownership Percentage (Direct)
(1) wsmy wthmar Company sharikat shakhs wahid	KSA	Limited liability company	100%
(2) abraj thimar Company for Real Estate Development and Investment	KSA	Limited liability company	100%

(1) wsmy wthmar Company sharikat shakhs wahid (the company) is a one-person Limited Liability Company. It was established in the Kingdom of Saudi Arabia under Commercial Register No. 1010848794, issued in Riyadh on 27 Jumada al-Awwal 1444 AH, (corresponding to 21 December 2022).

Its authorized capital has amounted to SAR 25000 The capital has not been deposited, and the company has not commenced any activity until date.
The company's main activity is the production of fresh meat and the wholesale and retail sale of meat and meat products, and some activities require obtaining licenses from the Ministry of Industry and Mineral Resources.

(2) abraj thimar Company for Real Estate Development and Investment (the company) is a one-person Limited Liability Company. It was established in the Kingdom of Saudi Arabia under Commercial Register No. 1009002193, issued on 3 Ramadan 1445AH, corresponding to 13 March 2024. Its authorized capital has amounted to SAR 25,000. The capital has not been deposited, and the company has not commenced any activity until date. The company's main activity is real estate development.

Financial Reorganization Procedures

As per the ruling handed down on Wednesday 7 April 2021, corresponding to 25 Shaaban 1442H, in Case 1970, which mandated the financial reorganization of Thimar Development Holding Company (the "Group") and appointed Mr. Hani bin Saleh Al-Aqili as the Financial Reorganization Trustee, the restructuring proposal was accepted for filing and the voting dates for shareholders and creditors were approved. The proposal was subsequently ratified by the court on 14 August 2022 (corresponding to 16 Muharram 1444H). On 8 March 2023 (corresponding to 16 Sha'ban 1444H), the Group's management announced that the Commercial Court in Riyadh had approved the amendment to the financial restructuring proposal.

Company's Financial Reorganization Trustee Information:

Name: Hani bin Saleh bin Abdullah Al-Aqili - Riyadh City - License No. 142126

1. LEGAL STATUS AND OPERATIONS (CONTINUED)

Financial Reorganization Procedures (Continued)

Overview of the Financial Reorganization Proposal:

The Group prepared the financial reorganization proposal to the Ninth Circuit of the Commercial Court in Riyadh. The proposal included information about the Group, its activity, its financial position, economic conditions, list of debts and potential claims, the proposed approach to address them, and the Group's intended course of action during the procedure and its future strategy. The Group's plan is divided into two sections as follows:

Section One: Entering into existing companies that consistently generate sustainable returns.
Section Two: Utilizing the Group’s assets through in-kind equity participation in investments within the food sector.
The plan’s funding sources: increasing the capital in several stages, based on future opportunities for the Group's activities.

List of Debts Owed by the Group**:** claims that have been approved in the proposal, totaling SAR 117,039,035 is as follows:

Class *	**Total (SAR)**
Labor Claims	6,685,913
Suppliers	66,183,040
Financial Institutions	32,024,465
Government Entities	12,145,617
	117,039,035

* These categories have been classified in accordance with the proposed Financial Reorganization. Please refer to (Note 18) for classification of the consolidated financial statements.

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

Schedule for the plan implementation:

The following is a statement of the plan of the current status regarding the repayment of creditors:

Payment dates	**31 October 2023**	**31 March 2025**	**31 March 2026**	**31 March 2027**	**31 March 2028**	**31 March 2029**
percentage	50%	16%	13%	13%	4%	4%
Obligations recognized under the plan	58,519,517	18,790,472	15,447,515	15,447,515	4,417,008	4,417,008
Amounts settled	58,432,325	18,690,624	12,245,069	1,067,730	176,595	176,595
Outstanding balance	**87,192**	**99,848**	**3,202,446**	**14,379,785**	**4,240,413**	**4,240,413**

During the period ended 30 June 2026, the Group settled and paid part of the outstanding obligations incurred under the financial restructuring plan related to the third installment and creditors’ claims. The total value of settlements related to the third installment amounted to SAR12,245,069. Accordingly, the total settlements made against all claims under the financial restructuring plan as of 30 June 2026 amounted to SAR 90,788,938, representing 78% of the total claims included in the financial restructuring plan and scheduled up to 31 March 2029.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (34) "Interim Financial Reporting" endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants (SOCPA), (collectively referred to as "IFRS endorsed in the Kingdom of Saudi Arabia"), which include the Financial Reporting Standard during Bankruptcy Proceedings: Preventive Settlement or Financial Reorganization endorsed in the Kingdom of Saudi Arabia. This standard requires the presentation of the impact of financial reorganization on financial statements and the disclosure of additional information due to entering the procedure.

The financial statements demonstrate the impact of transactions and events directly related to the Financial Reorganization Procedures, separate from the Company's commercial activities.
The significant accounting policies used in preparing these consolidated financial statements have been consistently applied to all periods presented, unless otherwise stated.
These interim condensed financial statements do not include all information and disclosures required in a complete set of annual financial statements and should be read in conjunction with the annual financial statements as at 31 December 2025. However, selected explanatory notes have been included to explain significant events and transactions in order to understand the changes in the statement of financial position and performance since the last annual financial statements. Furthermore, the results of operations for the period ended 30 June 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

2.2 Basis of consolidation

The interim condensed consolidated financial statements include the financial statements of the Holding Company and its subsidiaries as at 30 June 2026, as described in Note 1. Subsidiaries are entities which are controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses its control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date that the Group obtains control until the date the Group ceases to control over subsidiary.

Profit or loss and each component of consolidated comprehensive income are attributable to shareholders of the Parent Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All inter-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full upon consolidation.

2. BASIS OF PREPARATION(CONTINUED)

2.2 Basis of consolidation (Continued)

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

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary,
- Derecognizes the carrying amount of any non-controlling interests,
- Derecognizes the cumulative translation differences recorded in equity,
- Recognizes the fair value of the consideration received,
- Recognizes the fair value of any investment retained,
- Recognizes any surplus or deficit in consolidated statement of profit or loss,
- Reclassifies the Holding Company’s share of components previously recognized in the comprehensive income to consolidated statement of profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Basis of measurement

These interim condensed consolidated financial statements have been prepared under the historical cost convention except for employee end-of-service benefits obligations which are recognized at present value of defined benefit obligations, and land within plant, property, and equipment, which is measured using the revaluation model, using the accounting accrual principle, and going concern basis have also been applied.

2.4 Functional and presentation currency

These interim condensed consolidated financial statements are presented in Saudi Riyal which is the Group’s functional and presentation currency.

2.5 New and amended standards and interpretations

The accounting policies applied in the preparation of the interim condensed consolidated financial statements are in line with those applied in the preparation of the group’s financial statements for the year ended in 31 December 2025, except for the amendments that were required to be applied on 1 January 2026. The Group has not early adopted any new standards, interpretations, or amendments that have been issued but are not yet effective. Several amendments and interpretations are applied for the first time in 2025, but they do not have an impact on the interim condensed consolidated financial statements of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES INFORMATION

Estimates, judgements and Significant accounting policies

Preparing the interim condensed consolidated financial statements requires the use of judgments, estimates, and assumptions that impact the reported amounts of revenues, expenses, assets, liabilities, and the accompanying notes. Uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the carrying values of the assets and liabilities affected in future periods. The accounting policies used for these interim condensed consolidated financial statements are consistent with those applied to the Group's annual financial statements for the year ended 31 December 2025.

4. GOING CONCERN

These condensed interim consolidated financial statements have been prepared on a going concern basis, which is primarily dependent on the Group's commitment to implementing its financial restructuring plan. The Group incurred a net loss of SAR 5,821,287 during the six-month period ended 30 June 2026, and its accumulated losses as at that date amounted to SAR 96,607,284, representing 149% of the Group's share capital of SAR 65,000,000. In addition, the net cash flows used in operating activities during the period amounted to SAR 10,899,843, while the Group's current assets amounted to SAR 44,112,242 compared to current liabilities of SAR 31,355,194.
As the Group is subject to financial restructuring proceedings, and in accordance with Article (42) of the Bankruptcy Law, the Group has been exempted from applying the provisions of the Companies Law relating to the requirement applicable upon accumulated losses reaching the statutory threshold.

The accumulated losses exceeding the Group's share capital, the negative net operating cash flows, and the continued existence of obligations under the financial restructuring plan indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

In response to these circumstances, management continued during the six-month period ended 30 June 2026 to monitor the implementation of the financial restructuring plan and the approved alternative plans aimed at improving liquidity and supporting the continuity of the Group's operations. The key developments related to the implementation of these plans are as follows:

1. Financial restructuring plan: The Group continued to fulfil its obligations included in the financial restructuring plan. The total amounts paid up to 30 June 2026 amounted to approximately SAR 90.7 million, representing approximately 78% of the total plan obligations amounting to approximately SAR 117 million. The total amounts paid include advance payments of SAR 1.4 million relating to future instalments under the plan. The material unpaid amount of the third instalment, amounting to SAR 3.2 million, is payable to a commercial bank in respect of loans included in the financial restructuring plan.

2. The Group continued implementing its plan to improve the efficiency of managing non-utilized assets. Based on the approval of the General Assembly, the agricultural land located in Riyadh City (Al-Kharj Road) was classified as "assets held for sale" during the first quarter of 2026.

3. Management and its legal adviser continue to monitor the implementation of the judgment issued by the Execution Court on 17 September 2025, which ordered the sale of properties and vehicles belonging to a related party through a public auction in order to collect the amounts due to the Group**.**

4. The Group also implemented several measures aimed at improving the efficiency of administrative costs, including reducing the number of Board of Directors members from seven to five members and suspending the remuneration of the Board of Directors and its committees based on a Board resolution. These measures contributed to a reduction in expenses during the period compared to the corresponding period of the previous year.

5. On 7 July 2026, the Board of Directors approved submitting a recommendation to the Extraordinary General Assembly to increase the Company's share capital from SAR 65,000,000 to SAR 130,000,000 through a rights issue. The proposed capital increase is subject to completing the required regulatory procedures and obtaining the necessary approvals.

Accordingly, management believes, based on the level of implementation of the financial restructuring plan, the measures taken to improve liquidity and reduce costs, the plans to sell non-utilized assets and collect outstanding amounts due, and the actions taken in relation to the capital increase, that these plans and measures will enable the Group to fulfil its obligations and continue its operations. Accordingly, these condensed interim consolidated financial statements have been prepared on a going concern basis.

5. NEW AMENDED STANDARDS AND INTERPRETATIONS:

5.1 New and amended standards effective as of 2026

The following amendments to standards relevant to the Group are effective for annual periods beginning on or after January 1, 2026 (unless otherwise stated). The Group has adopted these standards and/or amendments; however, they did not have a material impact on the financial statements:

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of the amendments	Management assessment
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026	The amendments clarify the recognition and derecognition of financial assets and financial liabilities, including settlement date accounting for certain electronic payment systems. They also provide additional guidance on assessing contractual cash flow characteristics of financial assets, including contingent cash flows arising from environmental, social and governance (ESG)-linked features. The amendments also introduce new and updated disclosure requirements in IFRS 7	The amendments have been adopted during the current period. The adoption did not have a material impact on the Company’s financial statements,
IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026	These amendments modify the ‘own use’ requirements and hedge accounting provisions in IFRS 9 for contracts that expose entities to variability in electricity prices due to uncontrollable natural conditions such as weather. Targeted disclosure requirements are introduced in IFRS 7.	The amendments have been adopted during the current period. The adoption did not have a material impact on the Company’s financial statements,

5. NEW AMENDED STANDARDS AND INTERPRETATIONS: (CONTINUED)

5.2 Standards and amendments issued but not yet effective

The following standards and amendments have been issued but are not yet effective and have not been early adopted by the Company:

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of the amendment	Management assessment
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027	IFRS 18 replaces IAS 1 and establishes a new framework for the presentation and disclosure of financial statements. The standard introduces new categories for income and expenses (operating, investing and financing) and requires presentation of new subtotals, including operating profit or loss and profit or loss before financing and income taxes. It also enhances guidance on aggregation and disaggregation, introduces disclosure requirements for management-defined performance measures, and removes classification options for interest and dividends in the statement of cash flows.	Management is currently assessing the impact of IFRS 18. While the standard is expected to result in changes to presentation and disclosures, it is not expected to have a material impact on the recognition or measurement of the Company's assets, liabilities, income or expenses.
IFRS 19	Subsidiaries without Public Accountability	1 January 2027	IFRS 19 permits eligible subsidiaries without public accountability to apply reduced disclosure requirements while continuing to apply full IFRS recognition and measurement principles. A subsidiary is eligible when its ultimate parent prepares consolidated financial statements intended for general-purpose use in accordance with IFRS Accounting Standards.	Management will assess the applicability of IFRS 19 at the date of adoption. The standard is expected to affect disclosure requirements only and is not expected to have a material impact on the Company's financial position, financial performance or cash flows.

6. RELATED-PARTIES TRANSACTIONS

Related parties consist of the principal shareholders and key management personnel of the Group, along with the entities they own or manage. This also encompasses entities that have joint control or significant influence over these parties.
Related-parties Transactions are regularly conducted in the course of normal business under terms similar to those terms between other parties through contracts approved by the management.
The following is a statement of the most significant transactions that completed during the period and a statement of the balances of related parties at the end of the financial period:

6-1 Significant related parties transactions

Related parties	**Nature of Transaction**	**For the period ended in 30 June 2026 (Unaudited)**	For the period ended in 30 June 2025 (Unaudited)
Former board member	Receivables	**(137,851)**	(2,303,994)
*Senior executives	withdrawals	**-**	385,600

*Transactions include key executive management amounts classified within prepayments and other receivables.

6-2 Due from related parties:

Related parties	**Nature of Relationship**	**Nature of Transaction**	**30 June 2026 (unaudited)**	31 December 2025 (audited)
Prince Faisal bin Turki Al Saud	Partner in an associate company	Receivables	**20,427,307**	20,427,307
Less: related parties ECL provision			**(20,427,307)**	(20,427,307)
Due from related parties, net			**-**	-

During 2021, the Group's management decided to strengthen related-party ECL provision by SAR 22,184,085. This decision was made by the Board of Directors because the receivables were deemed uncollectible. and during the year ended in 31 December 2024, an amount of 1,756,778 Saudi riyals was collected of those amounts due.
On 25 Rabia Al-Awwal 1447H (corresponding to 17 September 2025), the Enforcement Court in Riyadh issued a decision ordering the sale of real estate properties and vehicles owned by a related party through a public auction, with a suspension of the sale of the remaining assets of the debtor if the proceeds from the sale of certain properties are sufficient to settle the debt for which the attachment was imposed. The execution and liquidation procedures were assigned to the Execution and Liquidation Center.

6-3 Due to related parties:

Related parties	**Nature of Relationship**	**30 June 2026 (Unaudited)**	31 December 2025 (audited)
Mr. Sari Al-Mayouf	Board member (Former)	**137,851**	275,703
Mr. Ibrahim Al-Mayouf	Chairman (former)	**91,972**	183,943
Impact of adjustment of cash flows of financial liabilities (Note 16)		**(20,088)**	(33,484)
		209,735	426,162
Classified into:			
Current		**209,735**	213,081
Non-Current		**-**	213,081

During the period, the Group made a payment of SAR 229,823 to a two former Board member, representing outstanding amounts payable in accordance with the financial restructuring plan.

6. RELATED-PARTIES TRANSACTIONS (CONTINUED)

6-4 Compensation to key management personnel

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Committee Fees and Meeting-related Expenses	**1,112,772**	2,747,834
Salaries and benefits of key management personnel	**1,587,405**	1,965,693
	2,700,177	4,713,527

On 20 May 2026, the Group announced the discontinuation of the accrual of remuneration and attendance allowances for members of the Board of Directors and its committees, effective from 14 May 2026. Accordingly, the committee members' fees and meeting expenses recognized during the period ended 30 June 2026 relate to the former Board of Directors and its committees.

7. INVESTMENTS CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Business Square Development Fund*	**-**	5,742,000
	-	5,742,000

As at 30 June 2026, the Group disposed of its investment in Murabba Al Aamal Fund for a consideration of SAR 6,600,000, recognizing a gain on disposal of SAR 858,000. (The carrying amount of the investment as at 2025 was SAR 5,742,000) and The Fund is a closed-ended real estate development investment fund established in accordance with the Investment Funds Regulations issued by the Capital Market Authority (CMA) for the purpose of developing a parcel of land located in the Al Nakheel district of Riyadh.

8. ASSETS HELD FOR SALE

On 26 February 2026 (corresponding to 9 Ramadan 1447 AH), the Group transferred property, plant and equipment, comprising land and building, with a net carrying amount of SAR 35,758,808 as at 31 December 2025, to assets held for sale. This transfer was made in accordance with the resolution of the Ordinary General Assembly. This classification was undertaken to enable the Group to settle its obligations, implement the financial restructuring plan, and strengthen its financial position, thereby supporting the continuity and growth of the Company.

9. SHARE CAPITAL

The group's authorized and paid-up capital was set at 65,000,000 Saudi riyals as of 30 June 2026 (31 December 2025: 65,000,000 Saudi riyals), divided into 6,500,000 shares (31 December 2025: 6,500,000 shares), the value of each share being 10 Saudi riyals.

10. ISLAMIC BORROWINGS

As of 30 June 2026, the Islamic loans represent financing obtained from a local bank, which was included claims filed under the Company's financial restructuring proceedings. As part of these proceedings, the bank submitted its claims to the Financial Restructuring Trustee amounting to SAR 37,071,930, of which SAR 32,024,465 was accepted and SAR 5,047,465 was rejected. The schedule of claims was approved by the Ninth Commercial Circuit of the Commercial Court in Riyadh on 23 February 2022 corresponding to 22 Rajab 1443H The Group committed to settling the Bank's outstanding amounts in accordance with the approved Financial Reorganization Plan, except for the third instalment of SAR 3.2 million, which was due on 31 March 2026. Pursuant to the Bank's conditional written approval, settlement of this instalment has been deferred until the fourth instalment, which is due on 31 March 2027. the following table presents the balance of the Islamic loans as at the reporting date:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Islamic borrowings	**12,818,711**	12,818,711
Impact of adjustment of cash flows of financial liabilities (Note 16)	**(995,168)**	(1,176,108)
Islamic borrowings, net	**11,823,543**	11,642,603
Classified into:		
Current	**5,915,888**	2,916,730
Non-current	**5,907,655**	8,725,873

11. TRADE PAYABLES

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Trade payables	**11,416,346**	22,136,805
Impact of adjustment of cash flows of financial liabilities (Note 16)	**(934,858)**	(1,558,096)
Trade payables, net	**10,481,488**	20,578,709
Classified into:		
Current	**10,481,488**	10,702,690
Non-current	**-**	9,876,019

The historical details of the outstanding trade payables are as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Trade payables to creditors that have filed their claims with the financial reorganization trustee	**10,623,724**	21,238,896
Trade payables to creditors that haven't filed their claims with the financial reorganization trustee	**792,622**	897,909
Impact of adjustment of cash flows of financial liabilities (Note 16)	**(934,858)**	(1,558,096)
	10,481,488	20,578,709

12. ACCRUED EXPENSES AND OTHER PAYABLES

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Other accrued expenses	**3,183,342**	3,496,376
Accrued remuneration – Board of Directors and Committees	**2,167,647**	2,514,874
End-of-service benefits for terminated employee	**1,508,250**	1,508,250
*Accrued salaries and benefits payable to former employees	**1,279,192**	950,394
Credit balance related to excess proceeds from share offering	**164,524**	164,524
**Amounts withdrawn – Enforcement Court	**(1,369,631)**	(1,588,829)
Impact of adjustment of cash flows of financial liabilities (Note 16)	**(69,170)**	(86,258)
Net accrued expenses and other payable balances	**6,864,154**	6,959,331
Classified into:		
Current	**6,864,154**	6,854,193
Non-current	**-**	105,138

12. ACCRUED EXPENSES AND OTHER PAYABLES (CONTINUED)

The historical details of the outstanding accrued expenses and other payables are as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Accrued expenses and other payables to creditors that have filed their claims with the Financial Reorganization Trustee	**293,526**	399,969
Accrued expenses and other payables to creditors that haven't filed their claims with the Financial Reorganization Trustee	**6,639,798**	6,645,620
Impact of financial liabilities modification and its cash flow (Note 16)	**(69,170)**	(86,258)
	6,864,154	6,959,331

12. ACCRUED EXPENSES AND OTHER PAYABLES (CONTINUED)

The historical details of the outstanding accrued expenses and other payables are as follows: (continued)

-As part of the Financial Reorganization Procedure, the Group's Financial Reorganization Trustee received claims from various creditors, including (labor and employees, other creditors, and government entities), totaling SAR 16,583,646. Some of the claims were approved, totaling SAR 11,019,550, while the remaining, SAR 5,564,096 was denied. The claims list was officially approved during the Financial Reorganization Procedures for the Group by the 9th Circuit of the Commercial Court in Riyadh on 23 February 2022, corresponding to 22 Rajab 1443 H.

*The balance of accrued salaries and benefits payable to former employees as of 30 June, 2026 includes an amount of SAR 927,200 (30 June, 2025: SAR 2,082,060) , representing accrued salaries and benefits payable to the former and current Chief Executive Officer.

**As of 31 December, 2024, the total amounts withdrawn by the Enforcement Court amounted to SAR 5,026,025 against enforcement claims issued against the Group. During the six-month period ended 30 June 2026, the Group succeeded in obtaining final judgments from the Enforcement Court confirming that the Group had settled those claims previously recorded against it. Accordingly, the Group derecognized the related liability amounting to SAR 3,656,394, with the settlement items comprising the following: (accounts payable amounting to SAR 2,468,732, other accrued expenses amounting to SAR 912,662, and legal claims provision amounting to SAR 275,000). The remaining balance, for which the Group still does not have sufficient supporting information, amounted to SAR 1,369,631 as of 30 June, 2026, and is currently under follow-up with the relevant authorities.

13. ZAKAT PAYABLE

Zakat position

- During the financial restructuring proceedings, the Authority submitted its claims to the Company's Financial Restructuring Trustee totaling SAR 17,199,377. A portion of these claims amounting to SAR 8,450,692 was accepted, while the remaining amount of SAR 8,748,685 was rejected. The list of claims under the Company's financial restructuring proceedings was approved by the Ninth Commercial Circuit of the Commercial Court in Riyadh on 22 Rajab 1443H, corresponding to 23 February, 2022, and was included within the outstanding balance.

- During the financial period ended 31 March, 2025, the Group entered into a financial settlement with the Zakat, Tax and Customs Authority, which included offsetting the claims payable by the Group to the Authority against the claim's receivable by the Group from the Authority. The total value of this settlement amounted to SAR 2,896,692.

- During the period ended 30 June 2026, the Zakat, Tax and Customs Authority (ZATCA) completed its examination of the Company's Zakat returns for the fiscal years 2023 and 2024. As a result of the examination, an additional Zakat assessment amounting to SAR 459,449 was issued to the Company in respect of the 2024 fiscal year.

- The liability due to the Zakat, Tax and Customs Authority (ZATCA), including the liabilities included in and outside the financial restructuring framework, amounted to SAR 9,957,449 as at 30 June 2026.

14. OTHER INCOME

	For the six-month period ended 30 June 2026	
	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Bank returns *	**20,614**	150,489
Gains from negotiated receivables	**-**	196,000
	20,614	346,489

*The Group received an amount of SAR 20,614, representing bank returns from one of the local Islamic banks (Albalad Bank).

15. BASIC AND DILUTED (LOSS) PER SHARE

	For the six-month period ended 30 June 2026	
	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Net (loss) for the period	**(5,821,287)**	(8,901,269)
Number of shares	**6,500,000**	6,500,000
Basic loss per share	**(0.90)**	(1.37)

Basic and diluted loss per share were calculated based on the number of shares outstanding at the end of the period.

16. IMPACT OF FINANCIAL LIABILITIES MODIFICATION AND ITS CASH FLOW

During 2023, the Group's management remeasured its financial liabilities due to the rescheduling of settlement of these obligations in accordance with the financial restructuring plan. Accordingly, the present value of such obligations was remeasured in accordance with the financial instruments standard, resulting in an adjustment to cash flows amounting to SAR 7,312,523, which was recognized in the statement of profit or loss for the year 2023. During the period ended 30 June 2026, the Company recognized an expense of SAR 882,344 arising from the impact of the modification of cash flows of financial liabilities in the statement of profit or loss in accordance with the financial instruments standard (30 June 2025: SAR 1,006,196).

	30 June 2026 (Unaudited)	**Expense charged for the period ended 30 June 2026**	31 December 2025 (Audited)
Due to related parties (Note 6-3)	**20,088**	**(13,396)**	33,484
Islamic borrowings (Note 10)	**995,168**	**(180,940)**	1,176,108
Trade payables (Note 11)	**934,858**	**(623,238)**	1,558,096
Accrued expenses and other payables (Note 12)	**69,170**	**(17,088)**	86,258
Zakat payable (Note 13)	**262,259**	**(47,682)**	309,941
Total	**2,281,543**	**(882,344)**	3,163,887

17. FAIR VALUE

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

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

The principal or most advantageous market must be accessible by the Group, the fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement is based on the presumption that the Group continues as going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry Group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

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

Based on the Financial Reorganization Proposal (Note 1) and pursuant to the approval of the Commercial Court in Riyadh on the amendment of the Financial Reorganization Proposal for Thimar Development Holding Company, the proposal includes a timeline for implementing the plan, which is primarily based on the Group obtaining an increase in capital. Subsequently, the implementation of the plan and repayment of creditors will commence from November 2023 until the end of March 2029, for the total accepted claims in the proposal amounting to SAR 117,039,035. Considering that the proposal is based on forecasts, a plan, and expected cash flows during the creditor repayment period, and for the purpose of disclosing the amounts of liabilities expected to be settled after more than 12 months for the liability items within the statement of financial position as at 31 December 2022, related to the accepted claims, they are as follows:

Settlement scheduling for financial claims accepted according to the Financial Reorganization Proposal plan only.	Outstanding claims According to the Financial Reorganization	Settlement of claims up to the period ended in 30 June 2026	Expected to be settled within 1 year	Expected to be settled within more than 1 year
Claims for the statement of financial position items:				
Islamic borrowings	32,024,465	19,214,679	6,404,893	6,404,893
Accrued expenses and other payables	11,019,550	10,726,024	293,526	-
Trade payables	64,165,250	53,541,526	10,623,724	-
Due to related parties	1,379,078	1,149,255	229,823	-
Zakat provision	8,450,692	6,157,454	217,306	2,075,932
Total	117,039,035	90,788,938	17,769,272	8,480,825

As of 30 June, 2026, the management of the group has divided the outstanding claims as follows:

Claims for the statement of financial position items:	**Outstanding claims**	**Current**	**Non - Current**
Claims	26,250,097	17,769,272	8,480,825
Total	26,250,097	17,769,272	8,480,825

19. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The group has legal claims related to balances that were rejected by the financial Reorganization Trustee under the Financial Reorganization Proposal. The group's management considers that these claims are unlikely to require an outflow of economic resources, and the group's management will continue to update them.

The Group is facing legal proceedings, litigation and other claims that are not expected to have a material impact on the Group's financial position or results of operations, as shown in these interim condensed consolidated financial statements.

20. SUBSEQUENT EVENTS

On 7 July 2026 (corresponding to 22 Muharram 1448H), the Group announced that the Board of Directors had approved submitting a recommendation to the Extraordinary General Assembly to increase the Company's share capital to 130,000,000 through a rights issue offering.

21. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANICAL STATEMENTS

These condensed interim consolidated financial statements for the period ended 30 June 2026 were approved on 15 Safar 1448H, corresponding to 29 July 2026.