

BAAN HOLDING GROUP COMPANY
(A SAUDI JOINT STOCK COMPANY)

**The Condensed interim consolidated financial
statements (Unaudited)
For the three-month and nine-month periods
ended 30 September 2025
and Independent Auditor`s Review Report on
the condensed interim consolidated financial
statements**

BAAN HOLDING GROUP COMPANY
(A SAUDI JOINT STOCK COMPANY)
Index of the condensed interim consolidated financial statements
For the three and nine-month period ended 30 September 2025 (Unaudited)

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

To the shareholders of
Baan Holding Group Company
Riyadh – Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of Baan Holding Group Company ("the Company") and its subsidiaries (together "the Group") as at 30 September 2025 and the condensed interim consolidated statement of profit or loss and other comprehensive income for the three-month and nine-month periods then ended, and condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the nine-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of those condensed interim consolidated financial statements in accordance with International Accounting Standard ("IAS 34") "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" that is endorsed in the Kingdom of Saudi Arabia. A review of interim 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 condensed interim consolidated financial statements is not prepared in all material respects in accordance with IAS (34) that is endorsed in the Kingdom of Saudi Arabia.

For BDO Dr. Mohamed Al-Amri & Co



Maher Al-Khatieb
Certified Public Accountant
Registration No. 514



Riyadh on: 26/05/1447 (H)
Corresponding: 17/11/2025 (G)

BAAN HOLDING GROUP COMPANY
(A Saudi Joint Stock Company)
Condensed interim consolidated statement of financial position
(All amounts in thousands ﷲ unless otherwise stated)

		As at 30 September 2025 (Unaudited)	As at 31 December 2024 (Audited)
	Notes		
Assets			
Non-current assets			
Investments in joint ventures		99,140	91,591
Property, equipment and projects under construction	5	763,895	817,910
Intangible assets		10,884	10,064
Right of use assets		731,381	809,784
Finance lease receivables – non-current	6	49,230	-
Total non-current assets		1,654,530	1,729,349
Current assets			
Inventories		16,986	17,097
Trade receivables		83,705	71,992
Finance lease receivables – current	6	4,398	-
Prepayments and other current assets		71,885	67,068
Cash and cash equivalents		28,033	38,101
Total current assets		205,007	194,258
Total assets		1,859,537	1,923,607
EQUITY AND LIABILITIES			
Equity			
Share capital	8	315,000	315,000
Foreign currency translation reserve		(5,067)	(5,181)
Remeasurement of employees' terminal benefit liabilities		8,797	5,830
Accumulated losses		(154,043)	(109,007)
Equity attributable to the shareholders of the company		164,687	206,642
Non-controlling interest		-	(1,838)
Total equity		164,687	204,804
LIABILITIES			
Non-current liabilities			
Non-current portion of long-term loans	7	231,802	303,376
Non-current portion of lease liabilities		796,543	836,912
Employees' terminal benefits liabilities		53,412	51,068
Total non-current liabilities		1,081,757	1,191,356
Current liabilities			
Trade payables and other current liabilities		323,414	281,104
Short term loans and current portion of long-term loans	7	178,291	139,119
Current portion of lease liabilities		107,738	100,137
Provision for zakat		3,650	7,087
Total current liabilities		613,093	527,447
Total liabilities		1,694,850	1,718,803
Total equity and liabilities		1,859,537	1,923,607

The accompanying notes 1 to 18 form an integral part of these condensed interim consolidated financial statements


Chairman of the Board of Directors


Chief Executive Officer


Chief Financial Officer

BAAN HOLDING GROUP COMPANY
(A Saudi Joint Stock Company)
Condensed interim consolidated statement of profit or loss and other comprehensive income
(All amounts in thousands ٬ unless otherwise stated)

	Notes	For the three-month period ended 30 September		For the nine-month period ended 30 September	
		2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Revenue from contracts with customers					
- Hospitality		65,529	67,939	221,271	238,458
- Entertainment		64,159	80,343	205,203	229,385
- Others		22,978	12,874	71,344	38,038
Total revenues		152,666	161,156	497,818	505,881
Direct costs					
- Hospitality		(48,942)	(48,127)	(157,554)	(166,444)
- Entertainment		(52,939)	(56,517)	(159,369)	(158,976)
- Others		(22,666)	(12,261)	(66,657)	(33,723)
Total direct costs		(124,547)	(116,905)	(383,580)	(359,143)
Gross profit		28,119	44,251	114,238	146,738
Selling and marketing expenses		(5,996)	(5,813)	(19,900)	(18,255)
General and administrative expenses		(33,641)	(25,386)	(97,376)	(87,091)
Gain from disposal of property and equipment	5	(34)	135	8,714	1,018
Other income		842	370	842	554
Reversal of impairment loss on property and equipment		-	575	-	575
Provision impairment loss on trade receivable		(799)	11,465	(3,761)	9,515
Net expenses		(39,628)	(18,654)	(111,481)	(93,684)
Operating Profit		(11,509)	25,597	2,757	53,054
Financial charges on loans	7	(8,120)	(10,387)	(24,696)	(31,719)
Financial charges on lease liabilities		(10,817)	(10,959)	(32,250)	(32,599)
Finance income on lease		1,030	-	1,691	-
Other non-operating income, Net	9	-	-	-	24,804
Share in net results of joint ventures		2,867	3,626	7,549	4,832
(Loss) / Profit before zakat and Income tax		(26,549)	7,877	(44,949)	18,372
Zakat and income tax		(2)	(639)	1,751	(850)
Net (loss) / profit for the period		(26,551)	7,238	(43,198)	17,522
Other comprehensive (loss) / income					
Items that will not be reclassified to profit or loss:					
Remeasurement of post-employment benefit obligations, net of zakat		515	(558)	2,967	1,246
Items that will be reclassified to profit or loss:					
Subsidiary's financial statements' translation differences		134	(68)	114	(932)
Other comprehensive income for the period		649	(626)	3,081	314
Total comprehensive (loss) / income for the period		(25,902)	6,612	(40,117)	17,836
Net (loss) / profit for the period attributable to:					
Equity shareholders of the Company		(26,524)	7,266	(43,125)	17,605
Non-controlling interest		(27)	(28)	(73)	(83)
		(26,551)	7,238	(43,198)	17,522
Total comprehensive (loss) / income for the period attributable to:					
Equity shareholders of the Company		(25,875)	6,640	(40,044)	17,919
Non-controlling interest		(27)	(28)	(73)	(83)
		(25,902)	6,612	(40,117)	17,836
(Loss) / earnings per share:					
Basic and diluted (loss) / profit per share (٬)	11	(0.08)	0.02	(0.14)	0.06

The accompanying notes 1 to 18 form an integral part of these condensed interim consolidated financial statements

 Chairman of the Board of Directors

 Chief Executive Officer

 Chief Financial Officer

BAAN HOLDING GROUP COMPANY
(A Saudi Joint Stock Company)

Condensed interim consolidated statement of changes in equity
(All amounts in thousands \$ unless otherwise stated)

	Share capital	Foreign currency translation reserve	Remeasurement of employees' terminal benefit liabilities	Accumulated losses	Equity attributable to the shareholders of the company	Non-controlling interest	Total equity
For the nine-month period ended 30 September 2024 (Unaudited)							
Balance as at 1 January 2024 (Audited)	315,000	(4,042)	6,792	(114,317)	203,433	(1,728)	201,705
Net profit / (loss) for the period	-	-	-	17,605	17,605	(83)	17,522
Other comprehensive (loss) / income for the period	-	(932)	1,246	-	314	-	314
Total comprehensive (loss) / income for the period	-	(932)	1,246	17,605	17,919	(83)	17,836
Balance as at 30 September 2024 (Unaudited)	315,000	(4,974)	8,038	(96,712)	221,352	(1,811)	219,541
For the nine-month period ended 30 September 2025 (Unaudited)							
Balance as at 1 January 2025 (Audited)	315,000	(5,181)	5,830	(109,007)	206,642	(1,838)	204,804
Net loss for the period	-	-	-	(43,125)	(43,125)	(73)	(43,198)
Other comprehensive income for the period	-	114	2,967	-	3,081	-	3,081
Total comprehensive income / (loss) for the period	-	114	2,967	(43,125)	(40,044)	(73)	(40,117)
Acquisition of interest in a subsidiary (Note 1)	-	-	-	(1,911)	(1,911)	1,911	-
Balance as at 30 September 2025 (Unaudited)	315,000	(5,067)	8,797	(154,043)	164,687	-	164,687


Chairman of the Board of Directors


Chief Executive Officer

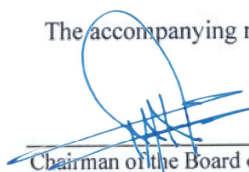

Chief Financial Officer

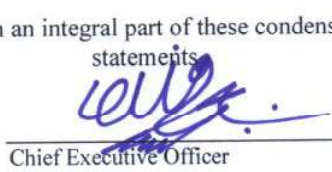
The accompanying notes 1 to 18 form an integral part of these condensed interim consolidated financial statements

BAAN HOLDING GROUP COMPANY
(A Saudi Joint Stock Company)
Condensed interim consolidated statement of cash flows
(All amounts in thousands \$ unless otherwise stated)

	Notes	For the Nine-month period ended 30 September	
		2025 (Unaudited)	2024 (Unaudited)
Operating activities			
(Loss) / Profit before zakat and income tax		(44,949)	18,372
Adjustments for:			
Depreciation of property and equipment		56,925	51,602
Reversal of impairment loss on property and equipment		-	(575)
Amortization of intangible assets		694	758
Depreciation of right of use assets		67,890	70,495
Rent concession		-	(1,069)
Gain from lease termination		(840)	(550)
Provision impairment loss on trade receivable		3,761	(9,515)
Provision for slow moving inventories		1,100	-
Share of net results of joint ventures		(7,549)	(4,832)
Gain on disposal of property and equipment		(8,714)	(1,018)
Financial charges on loans	7	24,696	31,719
Financial charges on lease liabilities		32,250	32,599
Finance income on lease		(1,691)	-
Provision for Employees' terminal benefits liabilities		8,473	7,479
		<u>132,046</u>	<u>195,465</u>
Changes in working capital:			
Trade receivables		(15,474)	13,051
Prepayments and other current assets		(4,817)	31,576
Inventories		(989)	1,075
Trade payables and other current liabilities		<u>42,310</u>	<u>26,038</u>
cash from operating activities		<u>153,076</u>	<u>267,205</u>
Zakat paid		(1,686)	-
Employees' terminal benefits paid		<u>(3,162)</u>	<u>(7,078)</u>
Net cash generated from operating activities		<u>148,228</u>	<u>260,127</u>
Investing activities			
Additions to property, equipment and projects under construction	5	(11,230)	(93,238)
Additions to intangible assets		(1,547)	(1,494)
Proceeds from disposal of property and equipment		659	1,278
Lease payments received	6	4,750	-
Investments in joint ventures		-	(50)
Net cash used in investing activities		<u>(7,368)</u>	<u>(93,504)</u>
Financing activities			
Proceeds from loans	7	101,956	147,462
Repayment of loans	7	(134,994)	(167,692)
Payment of lease liabilities		(93,721)	(100,947)
Payment of finance charges on loans	7	(24,060)	(33,789)
Net cash used in financing activities		<u>(150,819)</u>	<u>(154,966)</u>
Net change in cash and cash equivalents		<u>(9,959)</u>	<u>11,657</u>
Exchange differences on translation of foreign operations		(109)	(33)
Cash and cash equivalents at the beginning of the period		<u>38,101</u>	<u>37,692</u>
Cash and cash equivalents at the end of the period		<u>28,033</u>	<u>49,316</u>

The accompanying notes 1 to 18 form an integral part of these condensed interim consolidated financial statements


Chairman of the Board of Directors


Chief Executive Officer


Chief Financial Officer

BAAN HOLDING GROUP COMPANY
(A Saudi Joint Stock Company)
Notes to the condensed interim consolidated financial statements
For the Nine-month period ended 30 September 2025
(All amounts in thousands ﷲ unless otherwise stated)

1. General information

BAAN Holding Group Company (the "Company") is a Saudi Joint Stock Company that operates under commercial registration number 1010014211 dated 16 Sha'aban 1398H (corresponding to 22 July 1978) and has branches and divisions operating in Riyadh, Jeddah, Khobar and other cities within the Kingdom of Saudi Arabia ("KSA").

The registered address of the company is 2755 Northern Ring Branch Road, Al Murooj District, P.O. Box 20755, Riyadh 12283, Kingdom of Saudi Arabia.

On 5 November 2024, the Extraordinary General Assembly meeting was held and a vote was taken to change the name of the company from Abdul Mohsen Al Hokair Tourism and Development Company to BAAN Holding Group Company.

The Company and its subsidiaries listed below (the "Group") are engaged in the establishment, management and operations of the following:

- Hotels and furnished apartments.
- Entertainment centers, recreation centers and tourist resorts.
- Commercial mall.
- Restaurants, parks and similar facilities.

The Company has invested in the following subsidiaries, which are included in these condensed interim consolidated financial statements:

Subsidiary	Ownership %		Principal activity	Country of incorporation
	30 September 2025	31 December 2024		
Sparky's Land Amusement Toys Company ("Sparky's")	100%	100%	Operation and management of electrical games hall, children amusement games hall and electronic games.	United Arab Emirates
Asateer Company for Entertainment and Tourism	100%	100%	Operation and management of electrical games hall, children amusement games hall and electronic games	Arab Republic of Egypt
Osool Al Mazaya Hospitality Company*	100%	85%	Establishment and operation of sport facilities projects	Kingdom of Saudi Arabia

*During the period ended September 30, 2025, the non-controlling interests in Osool Al-Mazaya Hospitality Company waived their share to the group, resulting in an increase in the group's ownership percentage from 85% to 100%. No consideration was paid for this waiver. Since this transaction did not result in a loss of control, it was recognized as an equity transaction. The carrying amount of the acquired non-controlling interests amounted to ﷲ 1.9 million, and the difference was recognized in the retained earnings.

BAAN HOLDING GROUP COMPANY

(A Saudi Joint Stock Company)

Notes to the condensed interim consolidated financial statements (Continued)

For the Nine-month period ended 30 September 2025

(All amounts in thousands ₪ unless otherwise stated)

2. Going concern

The condensed interim consolidated financial statements as at 30 September 2025 indicate that the Group realized a net loss of ₪ 43.2 million for the nine-month period ended 30 September 2025 (net profit of ₪ 17.5 million for the nine-month period ended 30 September 2024) resulting in accumulated losses of ₪ 154 million as at 30 September 2025 (₪ 109 million as at 31 December 2024). Further, the current liabilities of the Group exceeded its current assets by ₪ 408.1 million as at 30 September 2025 (₪ 333.2 million as at 31 December 2024).

Management assessed the Group's ability to successfully meet its business plan and to generate sufficient cash flows to meet its obligations for the next 12 months. In preparing the forecast, management has considered all reasonably probable cash flows with such timing and amount as supported by the circumstances and facts available as of the date of the approval of these condensed interim consolidated financial statements. In preparing the business plan the management considered the following factors:

- 1- The Group was able to settle all its maturing loans with original due dates as of the third quarter of 2025 which amounted to ₪ 135 million and the same level of commitment is included in the plans for the next 12 months for loans amounting to ₪ 178.3 million.
- 2- The Group was able to renew all bank facilities historically and it believes they have the ability to utilize the available facilities and its revolving credit lines during the next 12 months.
- 3- The Group continued to generate positive cash flows from its operating activities and generated ₪ 148.2 million as of the third quarter of 2025 and management believes that the Group will be able to generate positive cash flows in its plan for the next 12 months.

Based on the above plan, the Group's cash flow forecast for the 12-month period from the reporting date shows a net positive cash flow position and the Group's management believe that it would be able to generate sufficient cash flows to enable it to meet its obligations as they fall due for the next 12 months from the date of these condensed interim consolidated financial statements considering the above-mentioned factors. However, there is a continued dependence on the successful outcome of the following:

- The Group's ability to successfully meet its business plan and to generate sufficient cash flows to meet its obligations for the next 12 months from the date of approval of these condensed interim consolidated financial statements.
- Ability to continue renewing the existing bank facility arrangements once they expire or if there is a debt covenant breach.
- Ability to continue to use the unutilized facilities as of 30 September 2025, which the Group has eligibility to withdraw.
- Ability to roll-over the revolving facilities as they mature.

Accordingly, management continues to believe that it remains appropriate to prepare the condensed interim consolidated financial statements on a going concern basis. Therefore, the condensed interim consolidated financial statements have been prepared on a going concern basis.

The measures the Group will take to reduce the accumulated losses are as follows:

- Implementing a strategic transformation program.
- Ongoing evaluation of the Group's projects, with a focus on exiting underperforming projects that result in operational losses.
- Identifying and pursuing promising opportunities to improve the Group's financial performance, particularly in light of positive indicators in the regional tourism and entertainment sectors.
- Diversified the revenue resources and expanding the new business lines such as restaurant services.
- On 29 December 2024, the Group announced the execution of two binding agreements to acquire real estate assets by increasing the Company's capital and issuing new shares as consideration to the sellers. Completion of these transactions is subject to approval from relevant regulatory bodies, authorities, and the General Assembly (Note 16)

BAAN HOLDING GROUP COMPANY

(A Saudi Joint Stock Company)

Notes to the condensed interim consolidated financial statements (Continued)

For the Nine-month period ended 30 September 2025

(All amounts in thousands ﷲ unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard, “Interim Financial Reporting” (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

These condensed interim consolidated financial statements should be read in conjunction with the Group’s annual audited consolidated financial statements as at and for the year ended 31 December 2024 and do not include all of the information required for a complete set of financial statements under International Financial Reporting Standards “IFRS” as endorsed by SOCPA. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s condensed interim consolidated financial position and performance since the last annual audited consolidated financial statements.

The results for the Nine-month period ending on 30 September 2025, may not necessarily be indicative of the results that can be expected for the year ending on 31 December 2025.

3.2 Historical cost convention

These condensed interim consolidated financial statements have been prepared under the historical cost convention. Except for employees’ terminal benefits liabilities are recognized at the present value of future obligations using the Projected Credit Unit Method.

3.3 Functional and presentation currency

These condensed interim consolidated financial statements are presented in Saudi Riyal (ﷲ) which is also the group functional currency and all values are rounded to the nearest thousands (ﷲ), except when otherwise indicated.

3.4 Consistent application of accounting policies

These accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2024.

New standards, amendment to standards and interpretations adopted by the group:

There are no new standards issued, however, there are a number of amendments to standards which are effective from 1 January 2025 and have been explained in the Group's annual Consolidated Financial Statements, but they do not have a material effect on the Group’s Condensed Interim Consolidated Financial Statements as at 30 September 2025.

The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

3.5 Basis of consolidation

These condensed interim consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 September 2025. The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies.

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 the following:

- 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
- The ability to use its power over the investee to affect its returns

BAAN HOLDING GROUP COMPANY

(A Saudi Joint Stock Company)

Notes to the condensed interim consolidated financial statements (Continued)

For the Nine-month period ended 30 September 2025

(All amounts in thousands ﷲ unless otherwise stated)

3. Material accounting policies (Continued)

3.5 Basis of consolidation (Continued)

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the 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(s) with the other vote 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 control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent 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 intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. When a Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognized in the consolidated statement of profit or loss and other comprehensive income. Any interest retained in the former subsidiary is measured at fair value when control is lost.

4. Significant judgments, assumptions and estimates

The preparation of the Group's condensed interim consolidated financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised or in the revision period and future periods if the changed estimates affect both current and future periods. However, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the Group's last annual audited consolidated financial statements as at and for the year ended 31 December 2024.

Going concern

The condensed interim consolidated financial statements have been prepared on a going concern basis. The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Please refer to note 2 for further details.

BAAN HOLDING GROUP COMPANY**(A Saudi Joint Stock Company)****Notes to the condensed interim consolidated financial statements (Continued)****For the Nine-month period ended 30 September 2025****(All amounts in thousands ₪ unless otherwise stated)**

4. Significant judgments, assumptions and estimates (Continued)**Impairment of non-financial assets**

An impairment exists when the carrying value of an asset or cash generating units (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

Property and equipment useful life and residual value

Management estimated and assessed that useful life and residual value of property and equipment have not changed significantly. Any change in the estimated useful life or depreciation pattern will be accounted for prospectively.

BAAN HOLDING GROUP COMPANY**(A Saudi Joint Stock Company)****Notes to the condensed interim consolidated financial statements (Continued)****For the Nine-month period ended 30 September 2025****(All amounts in thousands ₪ unless otherwise stated)****5. Property, equipment, and projects under construction**

- During the Nine-month period ended 30 September 2025, the Group added property and equipment and project under construction with a total cost of ₪ 11.23 million (30 September 2024: ₪ 93.328 million).
- During the Nine-month period ended 30 September 2025, the Group disposed of property and equipment with a total cost of ₪ 74.519 million (30 September 2024: ₪ 104.136 million).
- During the Nine-month period ended 30 September 2025, depreciation expense amounted to ₪ 56.925 million (30 September 2024: ₪ 51.602 million).
- Projects under construction represent the costs of one entertainment center (31 December 2024: one entertainment center) in the Kingdom of Saudi Arabia in addition to renovation costs of one existing hotel.
- During the Nine-month period ended 30 September 2025, the Group derecognized property and equipment with a net carrying amount of ₪ 8.2 million, located in a leased property and classified as right-of-use assets. The Group subsequently re-leased these assets to a third party under a finance lease agreement (Note 6).

6. Finance lease receivables

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Net carrying amount at the beginning of the period/year	-	-
Additions during the period/year	56,687	-
Lease payments received	(4,750)	-
Interest income	1,691	-
	53,628	-
Finance lease receivables- non-current portion	49,230	-
Finance lease receivables- -current portion	4,398	-
	53,628	-

6.1 Main Contract:

The Group (lessee) leased a property from the owner (lessor) for a term starting on 1 April 2007 and ending on 31 March 2028. On 1 April 2025, the Group extended the lease for an additional 10 years, ending on 31 March 2035, with total lease payments amounting to ₪ 59.1 million and a fair value of ₪ 40.1 million, And the lessee (the Group) has the right to sublease the property to third parties.

6.2 Sublease Contract:

On 1 May 2025, the Group (as lessor) subleased the property to the company (the lessee) for an amount of ₪ 83.1 million, with a fair value of (₪ 56.687 million), for a period of 10 years, ending on 31 March 2035, with a condition that the property be returned to the lessor (the Group) at the end of the lease term.

Accordingly, the Group derecognized the balances of right-of-use assets and property and equipment related to the property, with net carrying amounts of ₪ 40.1 million and ₪ 8.2 million, respectively (Note 5). A finance lease receivable was recognized at the present value of future cash flows amounting to ₪ 56.69 million. As a result, a capital gain of ₪ 8.4 million was recorded and recognized under "Gain on disposal of property and equipment" in the condensed interim consolidated statement of profit or loss and other comprehensive income (Note 5)

The Group's finance lease agreements do not contain any variable lease payment

BAAN HOLDING GROUP COMPANY**(A Saudi Joint Stock Company)****Notes to the condensed interim consolidated financial statements (Continued)****For the Nine-month period ended 30 September 2025****(All amounts in thousands ₪ unless otherwise stated)****7. Loans**

The following is a summary of the loans:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Current portion of long-term loans	121,389	117,907
Short term loans	56,902	21,212
	178,291	139,119
Non-current portion of long-term loans	231,802	303,376
	410,093	442,495

The movement in the loans is as follows:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
At the beginning of the period / year	442,495	483,345
Proceeds during the period / year	101,956	176,629
Financial charges for the period / year	24,696	41,044
Repayments during the period / year	(134,994)	(213,883)
Finance cost paid during the period / year	(24,060)	(44,640)
At the ending of the period / year	410,093	442,495

8. Share capital

The authorized, issued and fully paid share capital of the Company consists of 315 million shares of ₪ 1 each (31 December 2024: 315 million shares of ₪ 1 each).

9. Other non-operating income, Net

During the year 2023, some of the Group's property and equipment were damaged as a result of fire in one of the Group's hotels. During the second quarter of the period ended on 30 June 2024, the Group agreed with the insurance company that the company would be compensated with an amount of ₪ 22 million as a final settlement regarding this fire, which was recognised as other non-operating income in the condensed interim consolidated statement of profit or loss and other comprehensive income.

BAAN HOLDING GROUP COMPANY**(A Saudi Joint Stock Company)****Notes to the condensed interim consolidated financial statements (Continued)****For the Nine-month period ended 30 September 2025****(All amounts in thousands ₪ unless otherwise stated)****10. Related party transactions and balances****10.1 Related party transactions**

The following are the details of significant related party transactions:

Related Party	Nature of transaction	Transactions for the Nine-month period ended 30 September	
		2025 (Unaudited)	2024 (Unaudited)
Abdul Mohsen Al Hokair Holding Group Company (Ultimate parent)	Rent expense/ Lease payments (a)	34,321	37,881
	Revenue	1,371	1,650
	Management fees income (c)	1,965	2,443
	Transfer of property and equipment	-	2,259
Key management executives	Salaries and related benefits (b)	4,642	4,297
	Post-employment benefits	989	500
Key management compensation- Non executive	Remuneration for meetings	1,600	1,630

(a) This amount represents lease/rent payments for 23 properties (30 September 2024: 22 properties) that are leased by the Group from the principal shareholder (Abdul Mohsen Abdul Aziz Al Hokair Holding Group Company).

(b) Key management executives are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) and the board of members of the company. Salaries and related benefits of ₪ 4.7 million (30 September 2024: ₪ 4.3 million) were paid to five key management executives of the Group.

(c) This amount represents management fees for hotels owned by the ultimate parent.

During 2023, the Group agreed with its Ultimate parent company to terminate long-term lease contacts of two hotels amounted to approximately ₪ 6 million per annum. Simultaneously, the Group entered into two agreements with its ultimate parent company for a period of 8-10 years to operate such two hotels against fixed and variable monthly management fees. The term of the agreements includes rights of using the Group's privileges exist at the hotel's locations including the property and equipment. During the nine-month period ended 30 September 2025, the Group waived the two hotels' revenue and expenses to the ultimate parent company (Revenue of: ₪ 19.31 million (30 September 2024: ₪ 15.26 million), and expenses of ₪ 18.09 million (30 September 2024: ₪ 14.95 million)).

The Group's management fees from these two hotels amounted to ₪ 1.33 million during the nine-month period ended 30 September 2025 (30 September 2024: ₪ 1.33 million).

10.2 Terms and conditions relating to related party balances

Outstanding balances with related parties at the period-end are unsecured, interest free, settled in cash and due within 12 months of statement of condensed interim consolidated financial position date. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken at each reporting period end by examining the financial position of the related party and the market in which the related party operates.

BAAN HOLDING GROUP COMPANY**(A Saudi Joint Stock Company)****Notes to the condensed interim consolidated financial statements (Continued)****For the Nine-month period ended 30 September 2025****(All amounts in thousands ﷲ unless otherwise stated)****10. Related party transactions and balances (Continued)****10.3 Related party balances**

The following are the details of major related party balances recorded under trade receivables and trade payables as at 30 September 2025, and 31 December 2024:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
i) Amounts due from related parties		
Abdul Mohsen Al Hokair Holding Group Company (Ultimate parent)	-	13,871
Asateer Gulf Sports Company Limited (a joint venture)	8,150	7,456
Tarfeeh Company for Tourism Projects Limited (a joint venture)	1,748	1,722
Halfmoon Resort Company (Under common control)	3,036	340
Mena Company for Education and Development (Under common control)	789	739
Malahi Leisure Company (a joint venture)	34	393
	13,757	24,521
Less; provision for impairment of related party receivables	(2,813)	(2,813)
	10,944	21,708
	30 September 2025 (Unaudited)	31 December 2024 (Audited)
ii) Amounts due to related parties		
Abdul Mohsen Al Hokair Holding Group Company (Ultimate parent)	17,549	-
Tourism and Real Estate Development Company (a joint venture)	9,700	-
Tanami Arabia Co. Ltd. (Under common control)	5,494	4,892
Riyadh Plastic Factory (Under common control)	276	392
	33,019	5,284
	30 September 2025 (Unaudited)	31 December 2024 (Audited)
iii) Movement in provision for impairment of related party receivables:		
At the beginning of the period / year	2,813	-
Charge for the period / year	-	2,813
At the end of the period / year	2,813	2,813

BAAN HOLDING GROUP COMPANY**(A Saudi Joint Stock Company)****Notes to the condensed interim consolidated financial statements (Continued)****For the Nine-month period ended 30 September 2025****(All amounts in thousands ﷲ unless otherwise stated)****11. Basic and diluted (loss) / profit per share**

The following table reflects the (loss) / profit per share calculations:

	For the three-month ended		For the nine-month ended	
	30 September		30 September	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net (loss) / profit for the period attributable to equity shareholders of the company	(26,524)	7,266	(43,125)	17,605
	Thousands	Thousands	Thousands	Thousands
Weighted average number of ordinary shares outstanding during the period	315,000	315,000	315,000	315,000
	ﷲ	ﷲ	ﷲ	ﷲ
Basic and diluted (loss) / profit per share	(0.08)	0.02	(0.14)	0.06

12. Commitments and contingencies.**12.1 Legal contingencies**

The Group has legal claims in the normal course of business that are being defended. While the final outcome of these matters cannot be determined with certainty, upon the recommendation of the Group's legal counsel, management does not expect them to have a material adverse effect on the Group's condensed interim consolidated financial position or condensed interim consolidated results of operations.

12.2 Letters of credit and guarantee

As at 30 September 2025, the Group had outstanding letters of credit and guarantee amounting to ﷲ 29.5 million (31 December 2024: ﷲ 24.5 million).

BAAN HOLDING GROUP COMPANY**(A Saudi Joint Stock Company)****Notes to the condensed interim consolidated financial statements (Continued)****For the Nine-month period ended 30 September 2025****(All amounts in thousands ₪ unless otherwise stated)****13. Segmental information**

The Executive Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the condensed interim consolidated financial statements.

13.1 The Group's reportable segments under IFRS 8:

Hospitality: engaged in hotel, tourism, health resorts, furnished apartments, restaurants and cafes.

Entertainment: engaged in establishment, management, operation and maintenance of fun cities, entertainment centers, parks and gardens.

Others: includes the operations of head office, commercial center and other segments.

The Group's primary business is conducted in Saudi Arabia with three subsidiaries, Sparky's UAE, Asateer Company for Entertainment and Tourism – Egypt and Osool Al Mazaya Hospitality Company. However, the total assets, liabilities, commitments and results of operations of those subsidiaries are not material to the Group's overall condensed interim consolidated financial statements. Transactions between the operating segments are on terms as approved by the management. There are no material items of income or expense between the operating segments. Majority of the segment assets and liabilities comprise operating assets and liabilities.

Following is a summary of key financial information for the Nine-month period ended 30 September 2025, 30 September 2024 and year ended 31 December 2024:

For the period ended as at 30 September 2025 (Unaudited)

	<u>Hospitality</u>	<u>Entertainment</u>	<u>Others</u>	<u>Total</u>
Revenue	221,271	205,203	71,344	497,818
Depreciation of property and equipment - direct costs	(15,967)	(31,865)	(7,025)	(54,857)
Depreciation of right of use assets	(9,243)	(50,233)	(7,516)	(66,992)
Other direct costs	(132,344)	(77,271)	(52,116)	(261,731)
Gross profit	63,717	45,834	4,687	114,238
Expenses	(52,435)	(37,360)	(27,481)	(117,276)
(Loss) / gain on disposal of property and equipment	(3)	288	8,429	8,714
Other income	2	840	-	842
Reversal of / (provision for) expected credit losses	1,241	(1,013)	(3,989)	(3,761)
Finance cost charges	(8,827)	(31,790)	(16,329)	(56,946)
Finance income on lease	-	-	1,691	1,691
Share in net results of joint ventures	-	-	7,549	7,549
Zakat and income tax	-	-	1,751	1,751
Net profit / (loss)	3,695	(23,201)	(23,692)	(43,198)
Investments in joint ventures	-	-	99,140	99,140
Property, equipment and projects under construction	330,700	324,907	108,288	763,895
Right of use assets	109,304	444,775	177,302	731,381
Total assets	523,151	824,070	512,316	1,859,537
Total liabilities	374,441	928,492	391,917	1,694,850

BAAN HOLDING GROUP COMPANY**(A Saudi Joint Stock Company)****Notes to the condensed interim consolidated financial statements (Continued)****For the Nine-month period ended 30 September 2025****(All amounts in thousands ₪ unless otherwise stated)****13.Segmental information (continued)****13.1 The Group's reportable segments under IFRS 8 (continued):**

For the period ended as at 30 September

<u>2024 (Unaudited)</u>	<u>Hospitality</u>	<u>Entertainment</u>	<u>Others</u>	<u>Total</u>
Revenue	238,458	229,385	38,038	505,881
Depreciation of property and equipment	(16,247)	(28,576)	(4,726)	(49,549)
- direct costs				
Depreciation of right of use assets	(10,492)	(52,407)	(6,694)	(69,593)
Other direct costs	(139,705)	(77,993)	(22,303)	(240,001)
Gross profit	72,014	70,409	4,315	146,738
Expenses	(51,956)	(31,113)	(22,277)	(105,346)
Gain on disposal of property and equipment	-	1,018	-	1,018
Other income	2	372	180	554
Reversal of / (provision for) expected credit losses	11,986	(697)	(1,774)	9,515
Finance cost charges	(14,247)	(36,182)	(13,889)	(64,318)
Other non-operating income	22,000	2,804	-	24,804
Share in net results of joint ventures	-	-	4,832	4,832
Zakat and income tax	-	-	(850)	(850)
Net profit / (loss)	39,799	7,186	(29,463)	17,522

For the year ended 31 December 2024

(Audited)

Investments in joint ventures	-	-	91,591	91,591
Property, equipment and projects under construction	348,728	356,317	112,865	817,910
Right of use assets	124,554	497,066	188,164	809,784
Total assets	571,218	901,704	450,685	1,923,607
Total liabilities	367,390	989,536	361,877	1,718,803

In addition to the above segment reporting, the Company's revenue is generated and non-current assets from the following subsidiaries and countries:

<u>For the period ended as at 30 September 2025 (Unaudited)</u>	<u>Kingdom of Saudi Arabia</u>	<u>United Arab Emirates</u>	<u>Arab Republic of Egypt</u>	<u>Total</u>
The Company	464,766	-	-	464,766
Osool Al Mazaya Hospitality Company	1,175	-	-	1,175
Sparky's Land Amusement Toys Company	-	30,722	-	30,722
Asateer Company for Entertainment and Tourism	-	-	1,155	1,155
Total revenue	465,941	30,722	1,155	497,818
Investments in joint ventures	99,140	-	-	99,140
Property, equipment and projects under construction	732,474	29,831	1,590	763,895
Right of use assets	638,530	92,851	-	731,381

BAAN HOLDING GROUP COMPANY**(A Saudi Joint Stock Company)****Notes to the condensed interim consolidated financial statements (Continued)****For the Nine-month period ended 30 September 2025****(All amounts in thousands ₪ unless otherwise stated)****13. Segmental information (continued)****13.1 The Group's reportable segments under IFRS 8 a (continued):**

<u>For the period ended as at 30 September 2024 (Unaudited)</u>	<u>Kingdom of Saudi Arabia</u>	<u>United Arab Emirates</u>	<u>Arab Republic of Egypt</u>	<u>Total</u>
The Company	472,159	-	-	472,159
Osool Al Mazaya Hospitality Company	1,180	-	-	1,180
Sparky's Land Amusement Toys Company	-	31,643	-	31,643
Asateer Company for Entertainment and Tourism	-	-	899	899
Total revenue	473,339	31,643	899	505,881

For the year ended 31 December
2024 (Audited)

Investments in joint ventures	91,591	-	-	91,591
Property, equipment and projects under construction	785,220	31,134	1,556	817,910
Right of use assets	707,010	102,774	-	809,784

13.2 Credit exposure by operating segments is as follows:

For the period ended as at 30
September 2025 (Unaudited)

	<u>Hospitality</u>	<u>Entertainment</u>	<u>Others</u>	<u>Total</u>
Assets	58,474	12,533	55,865	126,872
Commitments and contingencies	-	-	29,476	29,476

For the year ended 31 December
2024 (Audited)

	<u>Hospitality</u>	<u>Entertainment</u>	<u>Others</u>	<u>Total</u>
Assets	79,866	9,450	46,679	135,995
Commitments and contingencies	-	1,052	23,426	24,478

The credit risks which the Group is exposed arise from bank balances, trade receivables and amounts due from related parties.

14. Fair values of financial instruments

The fair value of financial instruments is not significantly different from their carrying value at the date of preparing the financial statements due to the short-term maturities of these instruments.

15. Comparative Figures

Certain comparative figures for the prior-period have been reclassified to conform to the presentation of the current period and to enhance comparability and to be more relevant to users of the condensed interim consolidated financial statements.

BAAN HOLDING GROUP COMPANY**(A Saudi Joint Stock Company)****Notes to the condensed interim consolidated financial statements (Continued)****For the Nine-month period ended 30 September 2025****(All amounts in thousands ﷲ unless otherwise stated)**

16. Significant Events

On 28 Jumada Al-Thani 1446H (corresponding to 29 December 2024), the Group signed two agreements as follows:

A. An agreement has been signed with AlOula for Real Estate Development Company (“AlOula REDCo”) as seller, and Ajdan Real Estate Development Company as seller’s guarantor. Pursuant to this agreement, the Company will acquire all of the 86 residential units in Adjan Waterfront Project Tower in Al Khobar city, with a consideration for such purchase comprising of new shares to be issued by the Company, via increasing its share capital, in favor of AlOula for Real Estate Development Company. Value of the asset to be acquired is ﷲ 178,500,000.

B. An agreement has been signed with Abdul Mohsen Al Hokair Holding Group Company (“Al Hokair Holding Company”) as seller, pursuant to which it was agreed for the Group to acquire ownership of six properties on which three hotels are constructed in the cities of Riyadh and Jeddah, with consideration for such purchase comprising new shares to be issued by the Company, via increasing its share capital, in favor of Al Hokair Holding Company. Value of the asset to be acquired is ﷲ 651,620,000.

17. Subsequent Events

The Management believes that there are no subsequent significant events since the period ending 30 September 2025 that could have a material impact on the financial position of the Group as shown in these condensed interim consolidated financial statements.

18. Approval of the Condensed Interim Consolidated Financial Statements

These condensed interim consolidated financial statements were approved by the Board of Directors on 16 Jumada al-Awwal 1447 AH (corresponding to 09 November 2025 AD).