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BAAN



Annual Report
2025



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Chairman's Message

The Group continues to advance its business through a balanced approach that aligns growth with sustainability, grounded in operational efficiency and disciplined resource allocation to support shareholders' long term interests.



Dear Shareholders,

It is my pleasure to present to you the Board of Directors' Annual Report of BAAN Holding Group for the 2025 financial year. This year marked an important chapter in the Group's journey, during which we continued to strengthen our institutional approach, reinforce the foundations of governance and discipline, and move forward in executing our strategic direction in a way that supports business sustainability and enhances our ability to continue growing across our core sectors.

Looking back at 2025, the Board takes pride in the resilience and adaptability demonstrated by the Group, as well as the seriousness with which its various businesses and sectors responded to change and maintained progress despite the economic and operational challenges that shaped the business environment. These included market volatility, rising efficiency expectations, and the accelerating pace of transformation across the sectors in which the Group operates. Even so, with the support of the Board and the efforts of the executive management team, the Group remained firmly on course, guided by clear priorities, disciplined execution, and prudent resource management.

Throughout the year, the Board remained focused on monitoring the execution of the Group's strategy and working closely with executive management to ensure its implementation with efficiency and effectiveness. This has strengthened the resilience of the business, reinforced the foundations required for sustainable growth, and supported the Group's ability to capture opportunities across its operating sectors. The Board views the progress achieved during the year as a continuation of a sustained institutional effort built on clarity of direction, disciplined follow through, and a commitment to delivering long term value for shareholders.

During the year, the Group's direction was shaped by three strategic priorities that guided its activities and supported its progress.

Enhancing operational efficiency and strengthening institutional readiness

The Group continued its efforts to improve operational efficiency, elevate performance quality, refine business models, and realign investment and operational priorities based on performance and return levels. This has enhanced business flexibility and strengthened readiness to sustain growth in an environment defined by rapid change and increasing demands for efficiency and discipline.

Supporting the growth and diversification of the business portfolio

The Group continued to develop its operations across its core sectors in a way that supports revenue diversification, strengthens its ability to capture promising opportunities, and reinforces its presence across the activities in which it operates. This was driven by a focus on developing existing businesses, improving their efficiency, and enhancing their adaptability, while also advancing initiatives that support sustainable growth and improve the quality of returns over the long term.

Reinforcing governance, financial discipline, and effective resource allocation

The Board placed continued emphasis on strengthening the governance framework, improving the effectiveness of oversight and control, and supporting the regulatory and organizational structures that underpin the Group's operations. This reflects a firm belief that sustainable growth is not achieved through expansion alone, but through an institution's ability to manage its resources and decisions with efficiency and balance in a way that serves the long term interests of the Group and its shareholders.

As part of the Board's oversight of the Group's strategic direction, work continued throughout 2025 to support initiatives that enhance business readiness and resilience and strengthen the Group's institutional and technical environment. This included the development of systems, the improvement of data quality, the enhancement of process efficiency,

and enabling the business to continue growing on more mature and sustainable foundations.

The Board approaches the next phase with strong confidence in the Group's ability to continue moving forward, supported by a stronger institutional and operational base and a clear vision that balances ambition with discipline, and growth with sustainability. This will enable the Group to strengthen its position, expand its impact, and generate sustainable value for its shareholders over the long term.

I would also like to extend my sincere appreciation to the executive management team and all Group employees for their dedicated efforts, which contributed to the Group's continued progress during the year. I also thank our valued shareholders, partners, and all stakeholders for their trust and continued support.

With God's guidance and success, we look forward to continuing our work in the coming phase to reinforce the foundations of sustainable growth, enhance business efficiency, expand the Group's opportunities, and build long term value for its shareholders in a way that aligns with its aspirations and serves its interests over the long term.

Sami bin Abdulmohsen Al Hokair
BAAN Holding Group, Board Chairman

Chief Executive Officer and Board Member's Message

A year in which the Group strengthened its efficiency, reinforced its readiness, and moved forward toward more sustainable growth.



Dear Shareholders,

2025 was a defining year in the journey of BAAN Holding Group, during which the Group advanced the execution of its strategic priorities, strengthened its efficiency driven and disciplined approach, and continued building a more resilient and prepared institutional and operational foundation. This supported the performance of its core sectors and paved the way for a new phase of sustainable growth. Throughout the year, the Group focused on improving operational efficiency, reprioritizing investment and operating activities based on performance and return levels, refining business models, improving resource utilization, and strengthening discipline in expense management. This was driven by a firm belief that quality of execution is the foundation for sustainability, adaptability, and the development of stronger and more balanced businesses over the long term.

2025 marked an important milestone for BAAN Holding Group, as the Group further reinforced its focus on execution quality, efficiency improvement, and institutional readiness, supporting the performance of its core sectors and strengthening the foundations required for disciplined and sustainable growth.

This progress was the result of continued efforts to improve operating efficiency across the Group's main sectors, elevate service quality, strengthen the integration of activities, and develop the Group's institutional and operating environment in line with the requirements of growth and transformation. The Group also continued to implement practical initiatives aimed at increasing operational flexibility, improving execution quality, and preparing the business for a more mature and stable stage. In the hospitality sector, the Group continued working to enhance operational efficiency, improve service quality, and strengthen the

flexibility of its business model, while also advancing services related to asset management and advisory services. This supports the sector's readiness to capture emerging opportunities and strengthens its competitiveness in the period ahead.

In the entertainment sector, the Group continued to develop its operating concepts, improve customer experience, strengthen its digital infrastructure, and enhance the commercial appeal of its locations, with a focus on more flexible and scalable models. This supports the sector's ability to keep pace with changing consumer preferences and maximize the value of its geographic reach.

In the catering sector, the Group continued to strengthen its operational readiness, expand its service scope, and improve execution quality, contributing to revenue diversification and strengthening this sector's role within the Group's business portfolio. This also supports the Group's direction toward disciplined expansion in operational services that offer both viability and sustainability.

The year also saw continued progress in strengthening the Group's institutional and technical enablers through digital transformation and operational automation programs, the development of business support systems, and improvements in data integration and reliability. This has contributed to better decision making, more efficient processes, and stronger institutional readiness for the next phase.

Alongside this, the Group continued to reinforce its governance practices and improve the efficiency of resource management, based on its belief that sustainable growth is not defined by the scale of expansion alone, but by the institution's ability to manage that

expansion with efficiency and discipline in a way that creates sustainable long term value for shareholders.

What the Group achieved through the year came by the grace of God, then through the efforts of our teams across all sectors, the support we continue to receive from the Board of Directors, the confidence of our shareholders, and the collaboration of our partners and stakeholders. On this occasion, I extend my sincere appreciation to all of them for their support and contribution, which played an important role in the Group's continued progress.

As we look ahead, we move forward with a clear vision and measured ambition, supported by stronger institutional and operational foundations and a firm commitment to further improving efficiency, strengthening governance, and developing the Group's businesses in a way that serves its interests and the interests of its shareholders over the long term.

Fahad bin Mohammed Al Obeilan

Group CEO and Board Member

Board of Directors



Sami bin Abdulmohsen Alhokair
Chairman of the Board



Faisal bin Mohammed Al Malik
Vice Chairman of the Board



Fahad bin Mohammed Al Obailan
Group CEO and Board Member



Yanal bin Muwaffaq Al Saud
Board Member



Nabil bin Dawood Al Houshan
Board Member



Mishaal bin Ibrahim Al Shunaifi
Board Member



Salem bin Ali Al Shahrani
Board Member

Executive Management



Fahad bin Mohammed Al Obailan
Group CEO and Board Member

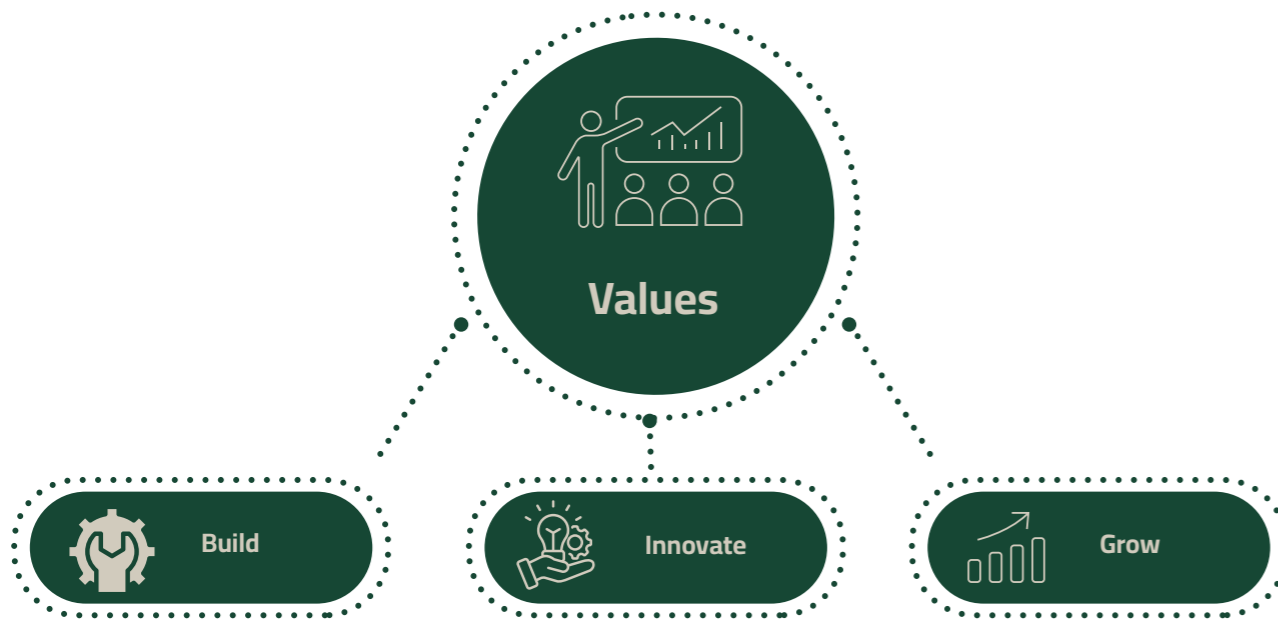


Ahmed Ali Abdelghani Ebid
Chief Financial Officer

BAAN Group Vision

BAAN Holding Group is a strategic partner that contributes to advancing the goals of Saudi Vision 2030 through the management of an integrated platform across key sectors including hospitality, entertainment, and catering. The Group delivers high quality services built on excellence, innovation, and continuous improvement, creating meaningful impact and sustainable long term value for our shareholders.

BAAN Group Values



We believe strong foundations are at the heart of our success, whether in the relationships we build or in the way we practice governance. We are committed to fostering trust and strengthening lasting relationships with our clients, employees, and partners through the highest standards of governance, transparency, and integrity in everything we do.

Innovation is the driving force behind our progress and continued relevance in the market. We promote a culture that values new ideas and encourages creativity and forward thinking across every aspect of our business. By embracing a proactive mindset, we strive to develop solutions that keep us evolving and moving ahead.

Sustained growth is an essential part of our vision. We focus on improving the quality of our business, developing our capabilities, and working with passion toward continuous progress and excellence. We also seek to expand our business reach and increase our market impact in ways that support long term, sustainable success.

BAAN Group Through History From Establishment to Listing and Strategic Transformation | 1978 to 2025

BAAN Holding Group was established in 1978 as a Saudi sole proprietorship under the name Abdulmohsen Al Hokair Group for Trading and Industry, with an initial capital of SAR 274,000. The Group began its journey with Al Rabwah Park in Riyadh. Over the course of 47 years, through 2025, the Group followed a steady growth path that transformed it from a local startup into an integrated business platform across hospitality, entertainment, and catering, both within the Kingdom and internationally. This progress was driven by accumulated experience, the continued development of its operating model, and the strengthening of its capabilities.

As the business expanded and operations grew in scale, the Group passed through a series of institutional and capital milestones, culminating in its listing on the Saudi Exchange in 2014. This marked a significant step in strengthening governance, transparency, and institutional discipline in line with the requirements of a listed public joint stock company. Since 2014, the Group has continued to deepen integration across its operating sectors. In entertainment, it expanded through the operation and management of entertainment destinations within the Kingdom and abroad, including indoor entertainment centers and outdoor parks across Saudi Arabia, the United Arab Emirates, and Egypt.

The Group also strengthened its position in hospitality through hotel operation and management and by developing its operating models, including franchise arrangements and partnerships with international operators. This has supported stronger operating efficiency and enhanced the quality of the guest experience. As part of its diversification approach, the Group expanded its presence in the catering sector by delivering high quality and efficient operational services. One of the most notable milestones in this expansion is the NEOM project, where the Group operates two residential compounds in 2025 that are among the largest in the region. This reflects its readiness to support major national projects and contribute to the goals of Saudi Vision 2030.

During 2025, the Group launched a new phase under its strategic transformation program, with a focus on improving performance efficiency, enhancing the operating environment, and elevating the quality of outputs across its sectors in ways that support business sustainability and more balanced results. This phase also included development initiatives aimed at improving operational effectiveness, increasing integration across sectors, and pursuing measured expansion in value adding activities in line with market developments.

As part of strengthening its corporate identity, the Group also introduced its new identity under the name BAAN Holding Group, reflecting its direction for the next phase and reinforcing the clarity of its institutional brand. Over the past few years, and through 2025, the Group has navigated a range of economic and operational changes while maintaining its commitments to clients and partners. Throughout this journey, from establishment through 2025, the combined efforts of the Board of Directors, executive management, and the Group's teams, by the grace of God, have played a central role in reinforcing the Group's position, strengthening its readiness for the next phase, upholding its commitments to clients and partners, and continuing to improve the operating environment and raise performance efficiency.



Capital Structure Key Milestones and Developments from Establishment to the End of 2025

As part of supporting growth and developing its capital structure, BAAN Group’s capital progressed through several phases that reflect its institutional journey. In 1991, the Group’s capital was increased from SAR 274,000 to SAR 71,674,000 through the capitalization of retained earnings. This was followed by a series of capital increases in 2005, 2006, 2009, and 2013, culminating in the listing of the Group’s shares on the Saudi Exchange in 2014 with a capital of SAR 550 million.

In the following phase, and based on the approvals of the Extraordinary General Assembly during the period from 2021 to 2023, the Group undertook a series of capital restructuring and alignment measures as follows:

On 08/07/2021, the capital was reduced from SAR 550,000,000 to SAR 343,000,000 through the cancellation of shares to offset accumulated losses amounting at that time to SAR 207,000,000. On the same date, the capital was then increased to SAR 650,000,000 through the issuance of rights shares.

On 06/10/2022, the capital was reduced from SAR 650,000,000 to SAR 315,000,000, resulting in a reduction in the number of shares from 65,000,000 shares to 31,500,000 shares through the cancellation of 33,500,000 shares, representing 51.54%.

On 21/06/2023, the shares were split, resulting in 315,000,000 shares with a nominal value of SAR 1 per share instead of 31,500,000 shares with a nominal value of SAR 10 per share, with no change in the total capital before or after the split.



Capital and Ownership Structure

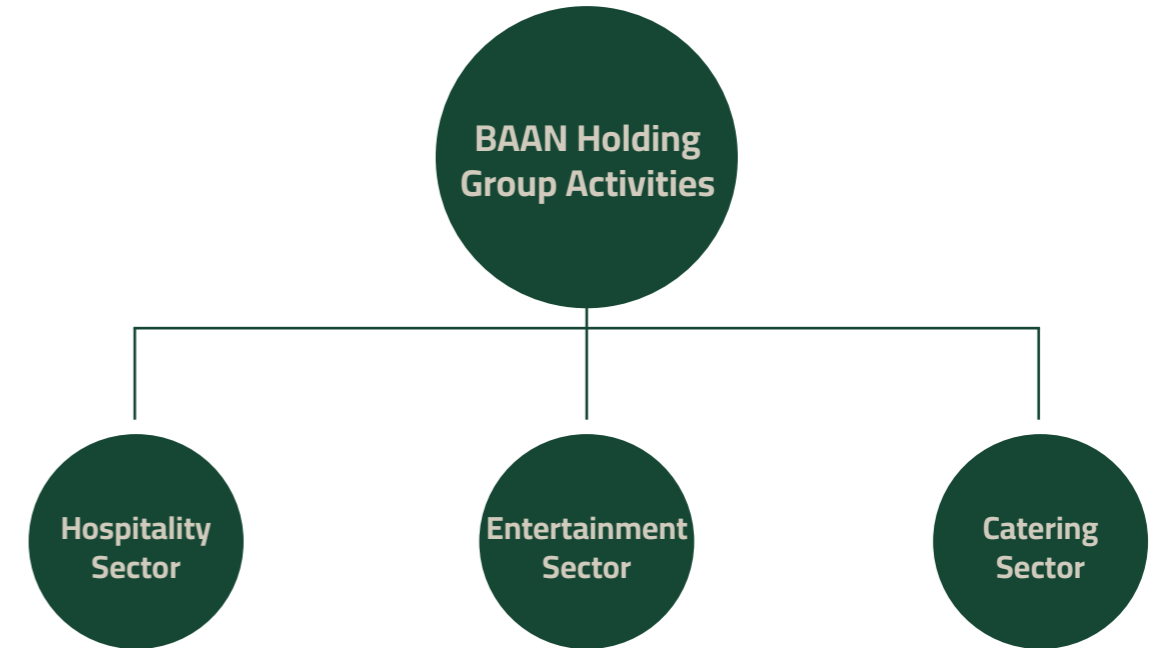
BAAN Holding Group's issued and paid up share capital amounts to SAR 315,000,000, divided into 315,000,000 ordinary shares, with a nominal value of SAR 1 per share. The table below sets out the names, number, and ownership percentages of the principal shareholders holding 5% or more, as well as any changes in their ownership during the 2025 financial year.

Shareholder	Previous Ownership %	Current Ownership %	Change %
Abdulmohsen Abdulaziz Fahad Alhokair	12.467 %	12.467%	0
Abdulmohsen Alhokair and Sons	31.50 %	26.516 %	15.83 %



Core Activities

BAAN Holding Group operates through a diversified business model built around three main sectors: hospitality, entertainment, and catering. This model is based on the management and operation of assets, sites, and services across a broad geographic footprint that includes Saudi Arabia, the United Arab Emirates, and the Arab Republic of Egypt. This has strengthened the Group's ability to deliver an integrated experience across its sectors, improve operational efficiency, and respond effectively to the needs of different markets.



Hospitality that reflects quality in every experience

BAAN Holding Group operates and manages an integrated hospitality portfolio that includes hotels and restaurants across multiple locations within and outside the Kingdom. Its operating footprint covers internationally recognized midscale hotel brands, in addition to a number of hotel apartments and resorts. The Group continues to expand its operating portfolio across hospitality and hotel services in ways that enhance guest experience and improve performance efficiency across locations.



Destinations that enrich entertainment choices

The Group manages entertainment destinations and venues distributed across locations within Saudi Arabia, the UAE, and Egypt. This sector is one of the Group's most prominent business areas and contributes meaningfully to revenues, supported by a wide geographic presence across the Kingdom. The Group also relies on expansion through strategic site leasing in leading shopping malls to launch and operate entertainment destinations close to consumer venues.



Services that meet demand with efficiency

The Group provides catering and food service solutions to multiple sectors, and this activity represents one of its areas of growth, particularly in large scale projects. NEOM stands out as a key example, where the Group is a principal partner in supporting the needs of residential compounds and related projects. The Group remains committed to applying high standards of quality, safety, and compliance to ensure service reliability and efficiency in alignment with the objectives of Saudi Vision 2030.

Our Journey

1965	<ul style="list-style-type: none"> The journey began with Abdulmohsen Al Hokair's investment in an entertainment city in Lebanon.
1978	<ul style="list-style-type: none"> The first entertainment city was launched in Riyadh, in Al Malaz district.
1978 1988	<ul style="list-style-type: none"> Expansion in the entertainment sector to cover several areas in Riyadh and beyond the capital.
1988 1996	<ul style="list-style-type: none"> The effective entry into the hospitality sector began with the launch of Andalusian hotel
1997 2001	<ul style="list-style-type: none"> The hospitality and entertainment sectors flourished, with expansion covering most regions of the Kingdom.
2002 2004	<ul style="list-style-type: none"> A stronger focus on indoor entertainment centers within shopping malls.
2005 2006	<ul style="list-style-type: none"> Launch of nine entertainment centers in Riyadh and Jeddah, and the opening of the Holiday Inn Al Qasr and Crowne Plaza Red Sea hotels.
2007 2008	<ul style="list-style-type: none"> Addition of new projects and growth, resulting in the opening of six hotels and 11 new locations.
2009 2010	<ul style="list-style-type: none"> The Group secured the rights to use new international hotel brands such as Tulip Inn and Novotel.
2011 2012	<ul style="list-style-type: none"> The Group established several new entertainment destinations under the Sparkys brand, and launched MENA Hotels in the hospitality sector.

Our Journey

2013 2014	<ul style="list-style-type: none"> Opening of Sparkys entertainment centers in Saudi Arabia and the UAE, along with the development of several hotels.
2015 2016	<ul style="list-style-type: none"> The number of Group operated hotels reached 34 properties across 12 cities, in addition to 79 entertainment centers.
2017 2018	<ul style="list-style-type: none"> Opening of the Tulip Inn hotel after a full renovation, along with expansion in the launch of entertainment centers inside and outside the Kingdom.
2020 2021	<ul style="list-style-type: none"> Development of the commercial brand MENA into a distinguished hospitality brand.
2021 2022	<ul style="list-style-type: none"> Awarded institutional Hajj contracts in partnership with Saudi Arabian Airlines.
2022 2023	<ul style="list-style-type: none"> A strategic partnership agreement was signed to implement Tamara in the Group's service and marketing portfolio. The Group opened its fifth branch in Taif, which became the 41st entertainment destination. A Monopoly center and a CoComelon center were launched in partnership with Hasbro as part of Riyadh Season activities.
2023 2024	<ul style="list-style-type: none"> Announcement of the catering and food services project in NEOM in partnership with Alfa Facilities. Opening of the Massar Logistics Center in Mall of Arabia in Jeddah. Renovation and development of a Sparkys center in Panorama Mall. Renovation of Holiday Inn Al Qasr in Riyadh. Launch of the Group's new identity under the name BAAN.
2024 2025	<ul style="list-style-type: none"> Renovation of Holiday Inn Al Qasr in Riyadh. Expansion in catering and food services in NEOM through the operation of an additional residential compound in partnership with Red Sea Raft.

Success Partners



In the Hospitality Sector



In the Entertainment Sector



In the Catering Sector



BAAN Holding Group manages a portfolio of distinguished international brands as part of its expansion and growth strategy, strengthening the value and positioning of its brand portfolio.

More recently, the Group added the Moonbug CoComelon Playdate brand, which participated in Riyadh Season at Boulevard World, with plans to expand into major cities. The Group also launched a PlayOcity branch in Jeddah at The Village Mall, as part of its efforts to strengthen its presence in the entertainment sector and offer distinctive experiences to its customers.

The following are some of the brands operated by the Group:



In the Entertainment Sector



A family entertainment center inspired by the concept of light, offering a wide range of games and tourist attractions.



A safe play area for children under eight, designed with cube-shaped sections, each featuring a digital-themed activity.



A unique entertainment space featuring bowling, video games, billiards, and live events.



A clean, safe, and eco-friendly venue designed for immersive fun for all ages, featuring the latest laser tag equipment for a globally popular group game.



Launched at Daren Mall in Dammam with an ocean-inspired design and laser lights, offering visitors an immersive underwater experience, water boat rides, and over 80 video games.



A family entertainment destination offering various physical activities, with large trampoline-covered areas, side walls, and slopes for safe family fun.



In the Hospitality Sector



MENA Hotel is one of the hotels managed by BAAN Holding Group, offering a strategic location and premium hospitality services. The hotel features modern rooms equipped with the latest amenities, alongside various facilities such as restaurants and meeting halls. It reflects the group's commitment to delivering exceptional hospitality experiences that meet the highest international standards.



In the Catering Sector



A commercial brand established to provide premium catering and food services in Riyadh, with future expansion planned across cities in the Kingdom.

The Social Responsibility

رؤية VISION 2030 المملكة العربية السعودية KINGDOM OF SAUDI ARABIA

Vision 2030

The future of development is centered on people as a source of capability, empowerment, and opportunity. At BAAN Group, we believe that investing in human capital and strengthening social impact are essential to sustaining business growth and supporting the goals of Saudi Vision 2030, particularly in the sectors in which we operate, namely hospitality, entertainment, catering, and food services. These sectors create direct impact through job creation, workforce development, and the advancement of service and operational quality.

From this standpoint, the Group has adopted its social responsibility approach around two complementary pillars. The first is empowering talent and building capabilities through structured training and development programs designed to improve service quality and operational efficiency. The second is purposeful community engagement through measurable initiatives carried out in partnership with community organizations and assessed through clear outcomes.

Youth Development and Capability Building

BAAN Group activated an internal training and development platform aimed at enhancing employee readiness and strengthening the professional skills needed to excel across the hospitality, entertainment, and catering sectors. The platform is built on a structured methodology for planning, documentation, and follow up, including a Learning Management System aligned with business needs and career pathways.

During 2025, the Group delivered 95 training programs attended by 2,110 participants, totaling 4,323 training hours. The training reached 951 employees, including 624 males and 317 females. Delivery channels included 533 in person training participants and 1,577 remote participants, enabling broader access to programs across different operating locations, reinforcing a culture of continuous learning, and contributing to stronger overall performance.

National Partnerships for Skills Development Employment Linked Training Programs

BAAN Group believes that closing the gap between skills and labor market needs requires effective partnerships and practical training models. In this context, the Group participated in national training initiatives, including the Waad program, through which six training sessions were delivered during the second half of 2025. In addition, 801 Saudi employees benefited from specialized training programs offered through licensed national platforms and internal programs, supporting the readiness of national talent and strengthening the diversity of professional capabilities.

Social Impact and Community Engagement

During 2025, the Group implemented 20 initiatives in partnership with 20 community organizations, benefiting a total of 778 individuals. These initiatives focused on hosting beneficiaries and enabling them to use the Group's entertainment venues and hotel facilities free of charge at selected Group locations.

Notable partner organizations included the Children of Enaya Association, the Orphan Care Association in Riyadh, Ekaa Orphan Care Association, Ghiras Association for Orphan Care, Sanad Association for Supporting Children with Cancer, the Saudi Autism Society, Hemam Association for Persons with Disabilities, Awael Day Care Center, Yusr Charity Association, and the Royal Commission for Jubail and Yanbu.



Section Two

Strategic Report

Growth Continues at a Steady Pace

- 2.1 Group Direction
- 2.2 Our Strategy
- 2.3 Future vision
- 2.4 Outlook for 2026

BAAN Group Strategic Direction

During the year, BAAN Holding Group continued executing its strategic program aimed at improving performance efficiency and strengthening financial sustainability through operational and financial initiatives focused on enhancing the quality of the operating base, developing the operating model across sectors, and reinforcing institutional discipline in performance measurement and decision making. These efforts contributed to more balanced and sustainable results while strengthening the Group's ability to adapt to market changes and evolving customer needs.

During the year, the Group's strategic direction was centered around three main pillars:

1. Unlocking operational value and improving portfolio quality

The Group continued reviewing its operating portfolio through an evaluation approach based on financial and operational indicators, resource efficiency, and alignment with phase priorities. Based on the outcomes of this review, the Group decided to exit ten sites with limited or negative financial and operational indicators in the entertainment sector, with the aim of improving overall portfolio quality and reallocating resources toward sites and activities with higher value potential.

2. Digital transformation and stronger performance discipline

As part of developing its institutional environment, the Group continued implementing the unified Enterprise Resource Planning system, Oracle Fusion, across Group level operations. This has supported better data integration, improved process efficiency, standardized business procedures, and stronger reporting reliability, in addition to reinforcing data governance across the Group. The Group also adopted unified performance indicators and a consistent performance evaluation methodology across departments and employees, helping strengthen accountability, improve performance tracking, and support decision making based on accurate data and clear measures.

3. Evolving the operating model and diversifying revenue streams

The Group worked on developing operating models across its sectors in ways that support sustainability and improve the structure of revenues and costs. In the hospitality sector, the Group began a gradual shift from hotel management agreements toward franchise agreements for a number of hotels, while also activating asset management activities as a path to diversify revenue streams and strengthen operating governance over assets. In the catering sector, the Group began disciplined expansion to diversify revenues and strengthen its presence in large scale projects. Across the Group, efforts also focused on unifying purchasing roles and responsibilities to improve efficiency, strengthen negotiating power, and enhance cost control through standardized policies and procedures.

BAAN Group's Approach to Strengthening Sustainability

As part of turning strategy into action, the Group focused on strengthening integration across sectors and standardizing operating practices to ensure consistency in experience, improve output quality, and deliver measurable operating impact. Initiatives were also directed toward improving operational efficiency and strengthening financial sustainability, while building a more prepared institutional foundation for the next stage.

BAAN Group is moving into the next phase by building on the improvement and development efforts already launched, while continuing to invest in its people, improve workforce capability, and develop the cross sector operating model in support of business sustainability and long term value creation.

Guided by its values and in line with its commitment to building a stronger institutional foundation for the next phase, the Group focused throughout the year on reinforcing the drivers of sustainability and readiness across the business. This included defining execution priorities more clearly, improving the discipline of performance management, developing the tools that support decision making, and improving the quality of outputs. These efforts reflect the Group's balanced direction toward strengthening operating efficiency and raising the institutional maturity of its sectors in a way that ensures a more stable and trustworthy experience and strengthens its ability to respond to market shifts and customer expectations.

In the same context, the Group worked to expand the scope of collaboration and build strategic relationships with local and international partners in support of service development and execution quality. The Group also continued adopting best practices that improve business competitiveness and support sustainable results. This approach reflects the Group's conviction that long term value is built through clarity of direction, discipline in execution, and partnerships that enhance operating efficiency and service quality.

From this perspective, the Group continues directing its efforts toward delivering sustainable added value to all stakeholders, including shareholders, clients, partners, and employees, by improving the level of operating governance, reinforcing the reliability of results, and providing a stronger foundation for balanced growth aligned with the priorities and aspirations of the next phase.

BAAN Group Strategic Pillars

1 Build:



BAAN Group believes that building strong foundations is the starting point for sustainable success. This goes beyond relationships alone to include the way business is managed and the governance framework that guides decision making and ensures consistency. From this perspective, the Group focuses on building institutional trust that is reflected in clarity of roles and responsibilities, disciplined processes, fairness in dealings, and consistency in practices across its different sectors.

The Group works to strengthen its partnerships with customers, employees, and partners on a foundation of commitment and credibility, through high standards of transparency and governance, stronger communication channels, and a decision making approach grounded in objectivity. At the same time, the principle of Build reflects the Group's focus on strengthening its internal environment by empowering capabilities, reinforcing a culture of compliance, and standardizing operating practices in ways that improve execution quality and support sustainability.

2 Innovate:



Innovation is a key driver of BAAN Group's growth and long term continuity. It is not approached as a passing trend, but as a practical way of working that supports renewal and progress. In this context, the Group seeks to foster an environment that values initiative, encourages experimentation, and promotes unconventional thinking in service development, customer experience enhancement, and operational efficiency.

Innovation is not limited to generating new ideas. It also includes adopting practical and applicable solutions that improve the way work is done and respond to evolving market needs. The Group also sees knowledge transformation as a vital enabler for continuous improvements in output quality, service development, and stronger integration across sectors. This ultimately creates tangible value for customers and strengthens the Group's competitiveness over the medium and long term.

3 Grow:



Sustainable growth is a natural extension of BAAN Group's institutional ambition and reflects its focus on the quality of growth rather than its scale alone. From this standpoint, the Group places emphasis on improving business efficiency, strengthening execution quality, and developing team capabilities while enabling initiatives that support higher levels of operational excellence.

At the same time, the Group seeks to expand its market presence through balanced growth that preserves focus on the sectors in which it operates, strengthens business resilience, and improves its ability to adapt to change. This direction is driven by a commitment to sustaining performance, improving service quality, and creating long term value for stakeholders in ways that reinforce the Group's position and support the continuity of its success.



BAAN Group's Future Vision

BAAN Holding Group continues to implement its development agenda in a gradual and well considered manner through targeted initiatives that strengthen business readiness and improve its ability to adapt to changing market conditions. In the coming phase, the Group will focus on three interconnected priorities that shape its future outlook and support the creation of sustainable impact and long term value for stakeholders.

1

Strengthening presence and maximizing the impact of partnerships

The Group is working to assess and strengthen its presence across the hospitality, entertainment, catering, and food services sectors, with a focus on activities that offer the strongest strategic value and on refining the service footprint in line with market developments and customer expectations. It is also pursuing measured expansion to meet the needs of broader customer segments across its contributing sectors. This direction supports the Group's position as an operator with the ability to deliver services at a wider scale, build more resilient operating relationships, and provide clear value reflected in service quality and business continuity.

2

Strengthening institutional readiness and maximizing the value of digital transformation

The Group is focused on making greater use of systems and data as a lever for improving efficiency, enhancing the quality of performance measurement and follow up tools, and strengthening consistency in operating practices across sectors. At the same time, it seeks to reinforce institutional governance and operating efficiency through clearer roles and responsibilities, stronger internal control, and better decision making mechanisms, all of which support stronger institutional discipline.

3

Improving operational efficiency and financial sustainability

The Group aims to improve operational and financial performance indicators by adopting more disciplined practices in cost control and hotel contract management. It is also working to establish an integrated performance monitoring framework that includes key performance indicators, dashboards, and clearly defined data management responsibilities, enabling more accurate and faster response to challenges. This direction is intended to enhance financial efficiency and profitability through decisions based on reliable data and consistent metrics, while supporting a better balance between results and long term sustainability.

BAAN's Direction and Priorities for the Next Phase

During 2025, the Group focused on strengthening financial sustainability, reassessing revenue sources, completing institutional development initiatives, and enhancing internal readiness through a set of initiatives aimed at improving alignment across sectors, diversifying profitable revenue streams, discontinuing non viable income sources, increasing the contribution of selected sectors, strengthening resource efficiency, and improving the operational and technical environment in ways that support smoother procedures, more reliable data, and more consistent ways of working.

The Group also continued reinforcing practices focused on improving service quality, strengthening governance and institutional discipline, developing internal controls, activating follow up frameworks, and improving supplier and operating partner management to enhance cost efficiency, service quality, and business continuity.

In 2026, the Group aims to build on what has already been achieved, moving toward a more mature stage that strengthens institutional readiness and

creates greater integration between the priorities of the next phase and the Group's existing direction. This will be supported by linking those priorities to clearer operational and financial goals and by improving performance levels across value chains in the different sectors.

The Group's Outlook for 2026

Pillar One: Financial Performance and Growth



Achieving new financial gains



Improving profit margins



Increasing market share

Pillar Two: Business Model and Customer Development



Developing the business model



Adapting to market changes



Attracting more customers



Investing in digital technology



Continuing field research through surveys to capture the voice of customers and the market

Pillar Three: Institutional Enablement and Sustainability



Investing in digital technology



Increasing contribution to sustainability and social responsibility initiatives

As part of completing its institutional transformation journey and strengthening business readiness, BAAN Group is moving in the next phase toward reinforcing operational discipline and deepening the impact of existing initiatives across its sectors in ways that improve output quality and support the sustainability of results. This direction focuses on improving the effectiveness of performance measurement, enhancing portfolio quality, and developing the institutional and digital environment in ways that improve operating efficiency and strengthen adaptability to market changes over the medium and long term.

Key Sector Priorities Are Focused on the Following:

1

Hospitality Sector

The sector aims to improve the performance of its hotel portfolio by enhancing operational efficiency and strengthening execution quality, while conducting portfolio reviews that help identify priority segments and refine service offerings in line with market developments. This supports stronger competitive positioning and a more consistent guest experience.

2

Entertainment Sector

The sector's focus is centered on strengthening high potential sites by increasing revenues and improving profitability, supported by a more disciplined follow up approach through performance indicators, periodic reviews of underperforming sites, clear corrective actions, and defined exit decisions for sites that do not meet the targeted performance levels.

3

Catering Sector

The sector is focused on stabilizing operations and strengthening execution reliability in line with operating requirements, while improving inventory management practices and supply chain efficiency. At the same time, the sector is moving toward measured expansion in catering operations by pursuing new project opportunities within relevant sectors in line with operational readiness requirements.

At the same time, alongside these sector priorities, BAAN Group continues strengthening its institutional environment in ways that support operational consistency and elevate internal discipline through integrated tracks aimed at reinforcing readiness and improving execution quality at Group level, including:

1

Governance of Roles and Performance Measurement

Enhancing clarity of roles, reporting lines, and reliance on performance indicators in ways that strengthen accountability and support data driven decision making, while introducing training programs and development initiatives that improve readiness and execution quality.

2

Data and Systems Integration

Standardizing and reorganizing data to improve its usability, while activating core systems such as ERP and CRM, raising the reliability of reporting, improving process integration, and supporting a more seamless customer experience, which in turn enables decision making based on more accurate data.

3

Brand Alignment and Customer Experience

Repositioning affiliated brands and unifying identity and messaging across the different sectors to strengthen consistency of experience, improve customer engagement, and enhance the clarity of the institutional identity of the relevant sectors.

4

Compliance, Control, and Financial Discipline

Developing the compliance framework, risk management, and internal control tools, and improving decision making mechanisms through more structured policies and procedures, together with improving the integration of financial reporting and applying more disciplined cost control practices.

5

Suppliers, Partnerships, and Contract Management

Improving the framework governing agreements with suppliers and partners to enhance efficiency, reduce risk, and improve service quality, while strengthening contract management and making better use of strategic alliances to support advanced offerings and services.

Section Three

BAAN Holding Group's Performance in 2025

Operational Performance and Financial Results

- 3.1 Activities and Sectors
- 3.2 Digital Transformation
- 3.3 Subsidiaries
- 3.4 Development of the Financial Statements Over Five Years
- 3.5 Key Financial Ratios
- 3.6 Annual Results Analysis at a Glance
- 3.7 Quarterly Results Overview
- 3.8 Revenue from Core Activities
- 3.9 Property and Equipment
- 3.10 Investment in Joint Ventures
- 3.11 Contribution of the Group and Its Subsidiaries to Results
- 3.12 Loan Analysis
- 3.13 Statutory Payments



Activities and Operating Sectors

BAAN Holding Group experienced mixed performance across its operating sectors during 2025, against a backdrop of continued market shifts, intensifying competition in certain activities, and the impact of a number of operational and economic variables on the pace of achieving targets during the year. Despite this, the Group continued to execute its strategic priorities focused on improving operational efficiency, optimizing costs, refining operating models, and strengthening asset governance in ways that support sustainable performance over the medium and long term.

During the year, the Group focused on enhancing operating efficiency across its core sectors, improving service quality, and reprioritizing investment and operational activities based on performance and return levels, while continuing to develop its institutional and operational capabilities in line with the requirements of growth and transformation. This was reflected in a number of executive initiatives and operating decisions aimed at increasing operational flexibility, strengthening discipline in expense management, and improving resource efficiency.

From a financial perspective, the Group generated revenues of approximately SAR 649.04 million in 2025, compared with SAR 678.70 million in 2024, representing a decline of 4.4%. The Group also recorded a net loss of SAR 202 million in 2025, compared with a net profit of SAR 5.2 million in 2024. This was mainly attributable to lower revenues in both the hospitality and entertainment sectors.



BAAN Holding Group focuses on core operating sectors and continues to develop its portfolio in ways that support revenue resilience and sustainable performance through a diversified base of assets, operating brands, and geographic presence.



Hospitality Sector

The hospitality sector is one of the Group’s core activities and a major contributor to its operating results. During 2025, the sector continued to focus on improving operational efficiency and enhancing service quality. The hospitality sector accounted for approximately 46% of the Group’s total revenue in 2025, amounting to SAR 300.13 million, compared with 48% in 2024. It also contributed around 80% of total gross profit during the year, reflecting the sector’s relative weight in the Group’s overall results.

In this context, the Group focused on operating initiatives aimed at improving efficiency, enhancing service quality, and optimizing selected cost elements, alongside the continued development of its operating model and asset management approach in ways that support sustainable performance and stronger operating indicators.

The Group maintains a diversified hotel portfolio in terms of management and operating models, including hotels, serviced apartments, and resorts. The portfolio includes a range of international brands across different categories, in addition to the Group’s owned brand, MENA Hotels & Resorts.

In 2025, the Group managed a total of 22 hotels, including 20 properties in Saudi Arabia and 2 properties in the Emirate of Dubai in the United Arab Emirates.

The year also saw progress in initiatives related to the development of the operating model, with final stage negotiations underway to convert the management of five hotels from the Radisson portfolio into franchise agreements. Based on current operating estimates, and subject to completion and fulfillment of the relevant requirements, this is expected to reduce operating costs by approximately SAR 7 million annually, while also supporting spending efficiency and improving the structure of hotel asset management.

The sector also continued strengthening its capabilities in asset management and related advisory services through a strategic partnership with Raven Real Estate to provide advisory services and support in the selection of operators and brands. These initiatives are aligned with the Group’s direction toward expanding its asset management services and enhancing the operating governance of hotel assets.

In terms of quality and sustainability, Holiday Inn Al Qasr, Novotel Dammam, and Novotel Yanbu received the Green Key certification. In addition, Holiday Inn Al Qasr achieved a score of 9 on Booking.com, reflecting continued efforts to improve guest experience and strengthen quality and sustainability standards in hotel operations.

As part of asset development and improving competitive readiness, work completed during the year included the renovation of 70 rooms in Tower A at Golden Tulip Al Khobar, excluding bathrooms, as well as the completion of the renovation of 49 rooms at Holiday Inn Al Qasr.

Geographic Distribution

22

Hotels





2

Entertainment Sector

The entertainment sector is one of BAAN Group's core operating pillars and a significant contributor to the Group's overall operating performance. During 2025, the sector continued to focus on improving operating efficiency, enhancing visitor experience, and refining its mix of products and entertainment concepts in line with the diversity of

locations and markets in which the Group operates. In 2025, the entertainment sector contributed approximately 39% of the Group's total revenue, amounting to SAR 251.29 million, compared with 44% in 2024. It also contributed around 15% of total gross profit during the year, reflecting the sector's role in the Group's business volume and overall results.



The Group maintains a broad geographic presence in the entertainment sector. In 2025, it operated 65 family entertainment locations across Saudi Arabia, distributed across several cities. Most of the Group's family entertainment sites are located within shopping malls in major cities including Riyadh, Jeddah, Makkah, Madinah, Taif, and Jazan, which enhances accessibility to diverse visitor segments and supports a broader customer base. The sector's presence also extends beyond the Kingdom through centers operated by the Group and its subsidiaries in four major cities

across the United Arab Emirates and the Arab Republic of Egypt. The Group operated 8 centers in the UAE and 3 centers in Egypt. Across its locations, the sector offers a diverse mix of games and entertainment activities designed for children and youth, alongside options that also appeal to older age groups. This contributes to a broader visitor base and strengthens the operating appeal of its sites. The Group also continues to refresh its offerings and operating concepts across selected locations in line with the nature and operating dynamics of each market.

As part of developing scalable operating concepts, the Group worked on introducing a new concept for inflatable children's play attractions, designed to be deployed across multiple locations without affecting existing sites. This model also offers relatively lower operating costs compared with some traditional formats, supporting greater flexibility in expansion and more efficient use of operating space.

Geographic Distribution



Sparkys in Saudi Arabia

31

Entertainment Centers

Central Region

9 locations

- Sparkys Al Salam Mall
- Sparkys Panorama Mall
- Sparkys LuLu Riyadh
- Sparkys Nakheel Mall
- Sparkys Al Rabwah
- Sparkys Al Hamra Mall
- Sparkys Al Quwaiiyah
- Sparkys Al Nakheel Plaza, Buraidah
- Sparkys Bowling, Panorama Mall,



Northern Region

Western Region

Central Region

Southern Region

Eastern Region

Western Region

13 locations

- Sparkys Red Sea Mall, Jeddah
- Sparkys Mall of Arabia, Jeddah
- Sparkys Al Andalus Mall, Jeddah
- Sparkys Aziz Mall, Jeddah
- Sparkys, Madinah
- Sparkys Al Rashid Mall, Madinah
- Sparkys Al Manar Mall, Madinah
- Sparkys, Makkah
- Sparkys Jouri Mall, Makkah
- Sparkys, Taif
- Sparkys The Park, Taif
- Sparkys Bowling Red Sea, Jeddah
- Sparkys Bowling The Park, Jeddah

Southern Region

3 locations

- Sparkys, Jazan
- Sparkys Al Rashid Mall, Jazan
- Sparkys Bowling, Rashid Mall, Jazan

Eastern Region

6 locations

- Sparkys Dhahran Mall, Al Khobar
- Sparkys Qurtoba, Al Khobar
- Sparkys Al Binaa, Jubail
- Sparkys LuLu, Jubail
- Sparkys City Mall, Al Qatif
- Splash, Dareen Mall



Geographic Distribution



Sparkys in the UAE and Egypt

13

Entertainment Centers



Egypt

3 locations

- Sparkys Mall of Arabia
- Sparkys Tanta Mall
- Sparkys, Spinneys Plaza

United Arab Emirates

10 مراكز

- Sparkys Al Khalidiyah Mall
- Sparkys Mushrif Mall
- Sparkys Makani Mall
- Sparkys Bawabat Al Sharq Mall
- Sparkys Dalma Mall
- Sparkys LuLu Mall Fujairah
- Sparkys Al Khalidiyah Bowling
- Sparkys Bawabat Al Sharq Bowling
- Sparkys Galleria Mall, Al Ain
- Sparkys, Dubai

Snowy Forest in Saudi Arabia



11

Entertainment Centers

Geographic Distribution



PlayOcity and Extreme Trampoline in Saudi Arabia



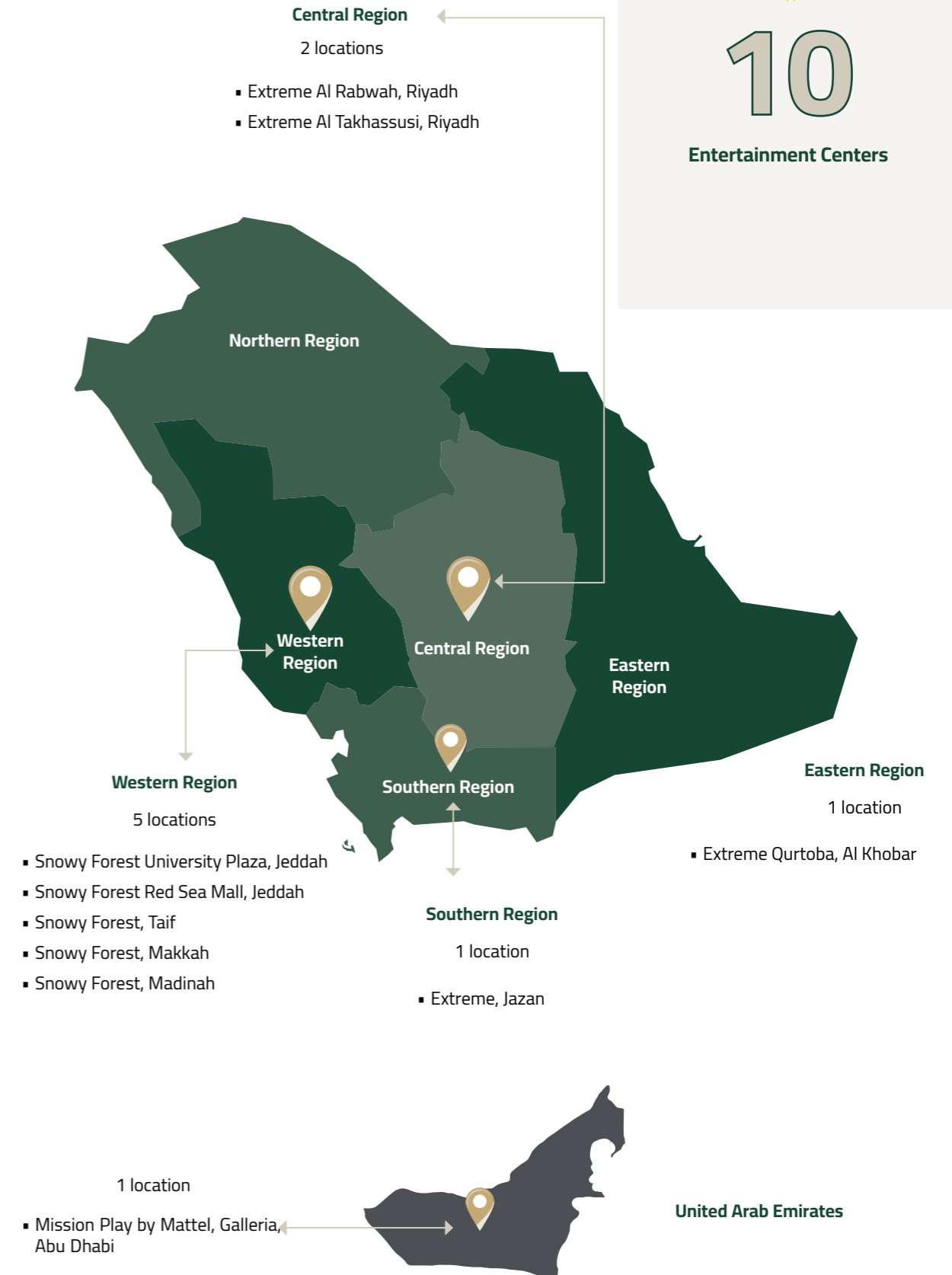
Mission Play outside Saudi Arabia



10

Entertainment Centers

Geographic Distribution





3

Catering and Food Services Sector

The catering sector represents one of the operating areas that BAAN Group is relying on to support income diversification and strengthen revenue sustainability. It is also closely linked to the Group's operating capabilities in service management and execution efficiency. During 2025, the sector continued to focus on expanding the scope of its business, strengthening operational readiness, and enhancing service quality and food safety standards.

The catering and food services sector contributed approximately SAR 65.38 million to the Group's business volume during 2025, representing around 10% of total revenue, compared with 4% in 2024. This reflects the sector's growing contribution within the Group's overall portfolio.

The sector also continued to focus on building a scalable operating model by leveraging the Group's operating expertise in service management and by developing planning, supply, and operating mechanisms that improve execution efficiency and raise the level of operational reliability.

These efforts are aligned with the Group's direction toward delivering integrated catering solutions that serve industrial and commercial sectors as well as residential communities, with a strong focus on quality, efficiency, and sustainability, thereby supporting development objectives and the goals of Saudi Vision 2030.

During the year, the sector made progress in executing and expanding catering operations within major projects, most notably the catering services provided to residential communities in NEOM. The Group is currently managing these catering services under two contracts, the first with Alfanar and the second with AREIC, each with a term of seven years and a combined estimated value exceeding SAR 1.1 billion over the total contract period, subject to occupancy levels. These operations include the provision of three meals per day for more than 20,000 people at full project capacity, equivalent to more than 60,000 meals daily, in line with defined operating requirements and with full adherence to the highest standards of food quality, food safety, and agreed service requirements.

One of these agreements represents a strategic contract valued at more than SAR 750 million over seven years, covering the provision of three meals per day for more than 10,000 people within the operating scope of the catering sector in NEOM.

These initiatives and operating contracts are expected to support the growth of the catering sector over the medium term and strengthen its contribution within the Group's portfolio, in line with the Group's strategy for operating expansion and business diversification.



Digital Transformation and Operational Automation

BAAN Holding Group continued to strengthen its capabilities in information technology and digital transformation by expanding the use of cloud solutions and automating a number of systems and operational and administrative processes. This has supported greater operating efficiency, improved data integration, enhanced flexibility of access and management, and raised levels of technical readiness and cybersecurity across the Group's sectors.

During 2025, the Group continued implementing its digital transformation and operational automation program as one of the key enablers for improving operational performance and customer experience across the hospitality, entertainment, and catering sectors. The focus was directed toward developing the systems that support the business, expanding process automation, and improving digital service and customer interaction channels.

Priorities under this program also included the development of an integrated digital booking platform, further improving operational efficiency through systems automation and process management, and enhancing customer experience through more integrated digital services that make better use of data and improve communication channels.

The project to automate administrative workflows was completed through the use of the Oracle system and a number of other supporting and complementary systems for digital transformation and workflow organization. This formed part of a phased implementation plan aimed at improving process efficiency, strengthening data reliability, and enhancing operational and administrative reporting in line with the Group's growth and institutional development requirements.



Subsidiaries

No.	Subsidiary Name	Capital	Ownership Stake	Principal Activity	Country of Operations	Country of Incorporation	Shares Issued by the Company	Debt Instruments Issued by the Company
1	Sparkys Land for Amusement Games	150,000 AED	100 %	Games and entertainment	UAE	UAE	None	None
2	Asateer for Entertainment and Tourism	100,000 EGP	100 %	Tourism and entertainment	Egypt	Egypt	None	None
3	Osool Al Mazaya Hotel Apartments	ﷵ100,000	100 %	Tourism and entertainment	Saudi Arabia	Saudi Arabia	None	None

Financial Results

The Group's financial performance over the five year period from 2021 to 2025 reflects the impact of operational transformation, changes in revenue mix, and the ongoing expansion of its business portfolio. Despite a decline in revenues in both 2024 and 2025, driven in part by lower visitor numbers at certain entertainment centers and other factors that affected profitability levels and revenue trends in some comparable years, there remained a clear link between revenue quality, improved funding structure, operating efficiency, and the Group's results at each stage.

As part of its efforts to strengthen profitability and improve resource efficiency, the Group continued implementing its strategic transformation plan, which included rebalancing the portfolio and exiting certain low yield activities and revenue streams. These initiatives, together with improvements in operating efficiency and the gradual strengthening of income quality between 2021 and 2024, supported a better operating path and enabled the Group to move from an operating profit and positive net result in 2024. However, 2025 results were affected by a number of operating and financial factors, and with declining revenues and continued pressure on performance, the Group recorded an operating loss and a net loss during the year.

Summary of the Company's Financial Statements Over the Past Five Years

(All amounts in SAR million)

Item / Financial Year	2021	2022	2023	2024	2025
Results of Operations					
Revenues	708.42	720.89	742.14	678.70	649.04
Cost of Revenues	-604.65	-584.87	-554.58	-493.62	-536.85
Gross Profit	103.77	136.02	187.56	185.08	112.19
Operating Profit/Loss	-101.04	-23.09	-1.90	61.99	-129.05
Net Profit/Loss	-172.52	-81.49	-89.82	5.20	-201.89
Earnings/Loss per Share (SAR)	-2.97	-2.59	-0.29	0.02	-0.64
Balance Sheet					
Current Assets	325.06	304.27	257.74	194.26	215.79
Current Liabilities	535.03	533.44	569.00	527.45	620.58
Non-current Assets	1,833.09	1,762.66	1,787.62	1,729.35	1,405.75
Non-current Liabilities	1,251.08	1,243.33	1,274.66	1,191.36	998.17
Total Assets	2,158.15	2,066.94	2,045.36	1,923.61	1,621.54
Total Liabilities	1,786.11	1,776.77	1,843.66	1,718.81	1,618.75
Shareholders' Equity	372.04	290.17	201.70	204.80	2.79
Total Liabilities & Shareholders' Equity	2,158.15	2,066.94	2,045.36	1,923.61	1,621.54
Cash and Cash Equivalents	171.46	45.21	37.69	38.10	21
Total Loans	554.25	508.97	483.35	442.50	377.20
Cash Flow Statement					
Operating Activities	149.28	109.22	262.24	319.45	212.06
Investing Activities	-28.29	-58.03	-92.42	-106.39	-9.13
Financing Activities	-17.30	-183.99	-177.54	-212.64	-220.09
Cash at the beginning of the year	67.77	171.46	45.21	37.69	38.10
Cash at the end of the year	171.46	45.21	37.69	38.10	21

The table below illustrates the development of the key financial ratios associated with BAAN Holding Group's business performance and financial position over the past five years.

Key Financial Ratios Over the Past Five Years

Item / Financial Year	2021	2022	2023	2024	2025
Liquidity Ratios					
Working Capital (SAR million)	-210	-229.2	311.3-	333.2-	-404.8
Current Ratio (%)	60.8	57	45.3	36.8	34.8
Cash Ratio (%)	32	8.5	6.6	7.2	3.4
Equity Ratio (%)	17.2	14	9.9	10.6	0.2
Debt Ratios					
Debt-to-Assets Ratio (%)	82.8	86	90.1	89.4	99.8
Assets-to-Equity Ratio (Times)	5.8	7.1	10.1	9.4	581
Liabilities-to-Equity Ratio (%)	480.1	612.3	914	839.2	57,998.90
Loans-to-Total Assets Ratio (%)	25.7	24.6	23.6	23	23.3
Profitability Ratios					
Gross Profit Margin (%)	14.6	18.9	25.3	27.3	17.3
Net Profit Margin (%)	-24.4	-11.3	12.1-	0.8	-31.1
Return on Assets (ROA %)	-8	-3.9	4.4-	0.3	-12.5
Return on Equity (ROE %)	-46.4	-28.1	44.5-	2.5	-7,233.50

Analysis of Selected Financial Ratios

- Current Ratio** The current ratio reflects the Company's ability to meet its short term obligations through its current assets. The ratio showed varying movement over the past five years, recording a slight improvement in 2022 to exceed 57.0%, before declining in subsequent years to 45.3% in 2023, 36.8% in 2024, and 34.8% in 2025.
- Total Debt Ratio** The total debt ratio reflects the extent to which the Company relies on liabilities, in all their forms, to finance its assets. The ratio increased notably in 2021, then declined in 2022 to 86.0%, before rising again to 90.1% in 2023. It reached 89.4% in 2024 and then increased further to 99.8% in 2025. The Group is working to reduce this ratio to below 50% as business activity expands, projects are successfully completed, and outstanding liabilities are settled.
- Gross Profit Margin** Since 2021, the Company's gross profit margin has improved significantly. It increased to 18.9% in 2022, then continued to improve to 25.3% in 2023, before reaching 27.3% in 2024, reflecting the Company's stronger ability to generate profit from its core activities. This was accompanied by an improvement in the net profit or loss margin, as the Company reduced its loss margin over previous years. With the net profit recorded in 2024, the Company achieved a net profit margin of 0.8%, indicating stronger operating efficiency and improved revenue generation. However, these indicators were affected in 2025, as the gross profit margin declined to 17.3%, while the net profit margin shifted back to a net loss margin due to the impact of several operating and financial factors on the year's results.
- Return on Assets and Return on Equity** Return on assets and return on equity improved in 2024, reaching 0.3% and 2.5% respectively, turning positive compared with the previous four years. This reflected an improvement in the Group's efficiency in utilizing its assets and shareholders' equity during that year. However, both indicators were affected in 2025 as a result of the net loss recorded during the year. Return on assets moved back into negative territory, while return on equity no longer provided a meaningful reflection of performance due to the decline in equity to a very low level by year end.

Statement of Income

BAAN Holding Group's financial results in 2025 declined compared with 2024, as the Group moved from recording a net profit of SAR 5.2 million in 2024 to a net loss of SAR 201.89 million by the end of 2025.

The Group's revenues for 2025 amounted to SAR 649.04 million, compared with SAR 678.70 million in the previous year, representing a decrease of SAR 29.66 million, or 4.4% year on year. This was mainly driven by the following:

- Hospitality sector revenues declined by SAR 25.26 million in 2025. This was mainly due to the exit from a number of hotels that had been generating recurring losses, as part of the Group's strategy to rebalance the portfolio and exit non viable income sources, which is expected to support improved earnings quality over the medium and long term.
- Entertainment sector revenues declined by SAR 45.68 million in 2025, with sector revenues reaching SAR 251.27 million, compared with SAR 296.95 million in 2024. This was mainly due to the exit from certain underperforming entertainment locations, in addition to intensifying competition within the entertainment sector.
- On the other hand, other revenues increased by SAR 41.29 million in 2025, reaching SAR 97.65 million, compared with SAR 56.36 million in the previous year. This was mainly attributable to the Group's entry into the catering and food services sector, as well as its participation in a number of tenders and its operational activities in the NEOM project, reflecting the Group's direction toward diversifying revenue sources and expanding into sectors with promising opportunities.
- Cost of revenue increased during 2025 by SAR 43.23 million, equivalent to 8.8% compared with the previous year, which had a negative impact on profitability levels during the year.
- Gross profit declined by 39.4% in 2025 compared with 2024, reaching SAR 112.19 million versus SAR 185.08 million in the previous year.
- This was mainly due to lower revenues and higher cost of revenue during the year. The Group also moved from achieving an operating profit in 2024 to recording an operating loss in 2025, with the operating loss reaching SAR 129.05 million, compared with an operating profit of SAR 61.99 million in the previous year, representing a decline of SAR 191.04 million as a result of the pressures that affected the Group's operating performance during the year.

(All amounts in SAR million)

Key Statement of Financial Position Items	2024	2025	Change	Change %
Revenue	678.70	649.04	-29.66	-0.044
Cost of Revenue	-493.62	-536.85	-43.23	0.088
Gross Profit	185.08	112.19	-72.89	-0.394
Operating Profit / Loss	61.99	-129.05	-191.04	NA
Net Profit / Loss	5.20	-201.89	-207.09	NA
Earnings / Loss per Share (SAR)	0.02	-0.64	-0.66	NA

Statement of Financial Position

BAAN Holding Group's statement of financial position showed a year on year decline in total assets by the end of 2025, reaching SAR 1,621.54 million compared with SAR 1,923.61 million in 2024, representing a decrease of 15.7%. This decline was mainly driven by the reduction in non current assets by 18.71%.

On the liabilities side, total liabilities declined by 5.8% year on year to SAR 1,618.75 million, compared with SAR 1,718.81 million in 2024. This was mainly due to the decline in non current liabilities by 16.22%, which fell to SAR 998.17 million compared with SAR 1,191.36 million in 2024.

As for total equity attributable to the Group's shareholders, it declined by 98.15% on an annual basis, reaching SAR 3.79 million at year end, compared with SAR 204.80 million at the end of 2024.

(All amounts in SAR million)

Statement	2024	2025	Change	Change %
Current Assets	194.26	215.78	21.52	11.08
Non-Current Assets	1,729.35	1,405.75	-323.60	-18.71
Total Assets	1,923.61	1,621.54	-302.07	-15.7
Current Liabilities	527.45	620.58	93.13	17.66
Non-Current Liabilities	1,191.36	998.17	-193.19	-16.22
Total Liabilities	1,718.81	1,618.75	-100.06	-5.821
Total Equity	204.80	3.79	-201.01	-98.15
Total Liabilities and Equity	1,923.61	1,621.54	-302.07	-15.7

3.7 Quarterly Results Overview

BAAN Holding Group recorded a decline in its quarterly financial results during 2025, as net results for the first, second, third, and fourth quarters collectively resulted in a total net loss of SAR 201.89 million, compared with a total net profit of SAR 5.2 million during the corresponding periods of 2024. This decline is mainly attributable to the Company's strategy of exiting non viable projects and assets.

(All amounts in SAR million)

Item / Period	Q1		Q2		Q3		Q4		Total	
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
Total Revenue	158.11	166.54	186.49	178.61	161.10	152.67	172.99	151.22	678.70	649.04
Gross Profit	44.59	38.79	57.95	47.33	44.28	28.12	38.27	-2.05	185.08	112.19
Operating Profit / Loss	5.90	0.43	21.62	13.84	25.63	-11.51	8.85	-131.81	61.99	-129.05
Net Profit / Loss	4.22	-16.78	6.12	0.13	7.27	-26.55	-12.41	-158.69	5.20	-201.89

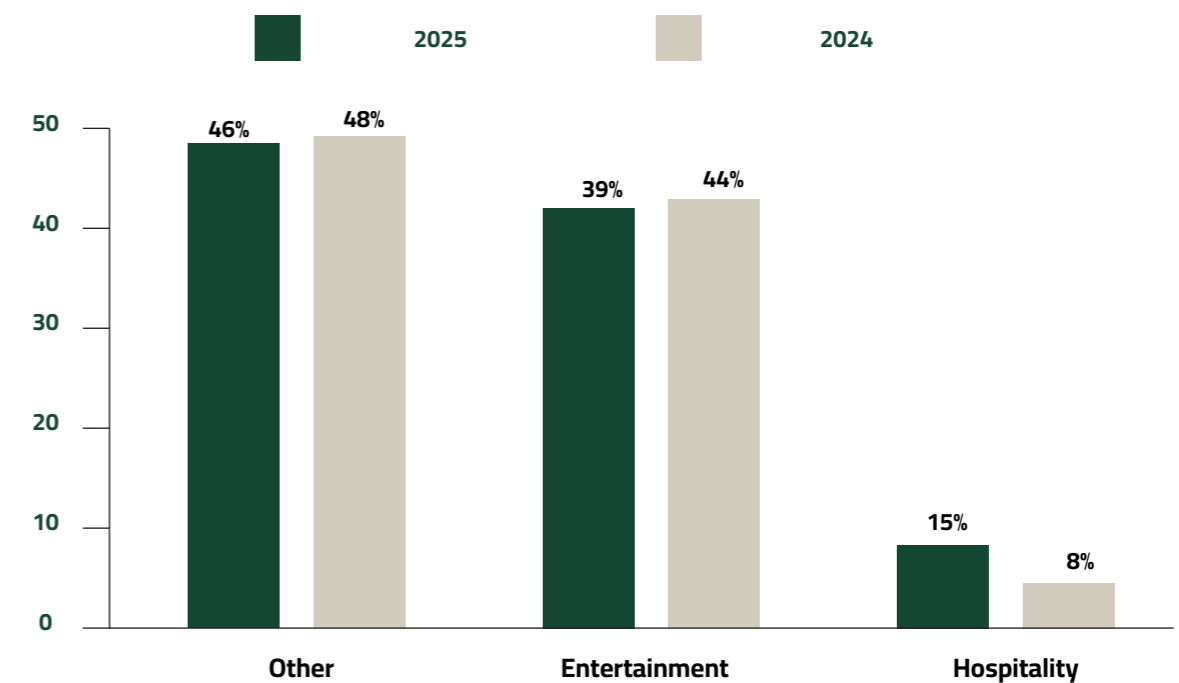
BAAN Holding Group's core activities are concentrated in the hospitality and entertainment sectors, in addition to certain other activities. The contribution of these activities to the Group's revenues varies, and the level of contribution

differs from one activity to another. This is also reflected in the gross profit generated by each activity, as shown in the table below:

(All amounts in SAR million)

Activity / Year	Revenue		Direct Costs		Gross Profit	
	2024	2025	2024	2025	2024	2025
Hospitality	325.39	300.13	-217.18	-210.20	108.21	89.93
Entertainment	296.95	251.27	-222.71	-234.68	74.24	16.59
Other	56.36	97.64	-53.73	-91.97	2.63	5.68
Total	678.70	649.04	-493.62	-536.85	185.08	112.20

Development in the Contribution of Core Activities to Group Revenues Between 2024 and 2025



The table below presents the Company's property and equipment, including assets situated on owned land and leased buildings, and their carrying value over the last five years, after taking depreciation into account.

It also reflects the annual depreciation of assets, which varies depending on the type of asset, its useful life, and the applicable depreciation rate.

(All amounts in SAR million)

Item / Year	2021	2022	2023	2024	2025
Buildings and Improvements	615.43	553.9	538.14	586.41	493.87
Entertainment Equipment	141.6	111.85	123.05	116.72	79.48
Furniture and Fixtures	49.32	33.3	26.66	28.3	26.83
Vehicles	0.26	0.48	0.62	0.4	0.14
Air Conditioning Equipment	26.78	19.86	19.52	23.64	21.46
Computer Equipment	5.86	3.18	3.53	5.09	5.02
Tools	40.67	30.05	26.99	33.99	31.54
Construction in Progress Projects	7.69	27.19	56.38	4.6	1.92
Land	-	-	-	18.76	21.54
Net Book Value at Year End	887.61	779.81	794.89	817.91	681.80

3.10 Investment in Joint Ventures

The Company invests in joint ventures, which are entities in which BAAN Holding Group holds varying ownership stakes that have experienced certain changes over the past five years, as shown in the following table:

Joint Venture	Ownership Percentage Over Five Years (%)				
	2021	2022	2023	2024	2025
Tourism Development and Real Estate Company (Tourismco)	48.5	48.5	48.5	48.5	48.5
Entertainment Malahi Company	50	50	50	41.15	41.15
Tourism Entertainment and Projects Company Limited	50	50	50	50	50
Al-Qassim Trading Co. Ltd	50	50	50	50	50
Astateer Gulf Sports Company Limited	-	33.33	33.33	33.33	33.33

BAAN Holding Group exited Tourist Catering Company Limited during the first quarter of 2025, as the Company will manage catering and food services activities directly rather than through a joint venture. In addition, Luxury Entertainment Company had been specialized in the management and operation of cinema halls and is currently under liquidation by the partners.

Geographical Analysis of Total Group Revenue

(All amounts in SAR million)

Year	Saudi Arabia	United Arab Emirates	Arab Republic of Egypt	Total Revenue
2024	637.25	40.43	1.02	678.70
2025	608.42	39.25	1.37	649.04

Geographical Analysis of Total Revenue of Subsidiaries

(All amounts in SAR million)

Subsidiaries	Saudi Arabia		United Arab Emirates		Arab Republic of Egypt		Total Revenue	
	2024	2025	2024	2025	2024	2025	2024	2025
Sparkys Land for Amusement Games	-	-	40.43	39.25	-	-	40.43	39.25
Asateer for Entertainment and Tourism	-	-	-	-	1.02	1.37	1.02	1.37
Osool Al Mazaya Hotel Apartments	1.58	1.57	-	-	-	-	1.58	1.57

3.12 Loan Analysis

Loan Analysis The following sets out the information relating to the loans of BAAN Holding Group as of the end of 2025:

(All amounts in SAR)

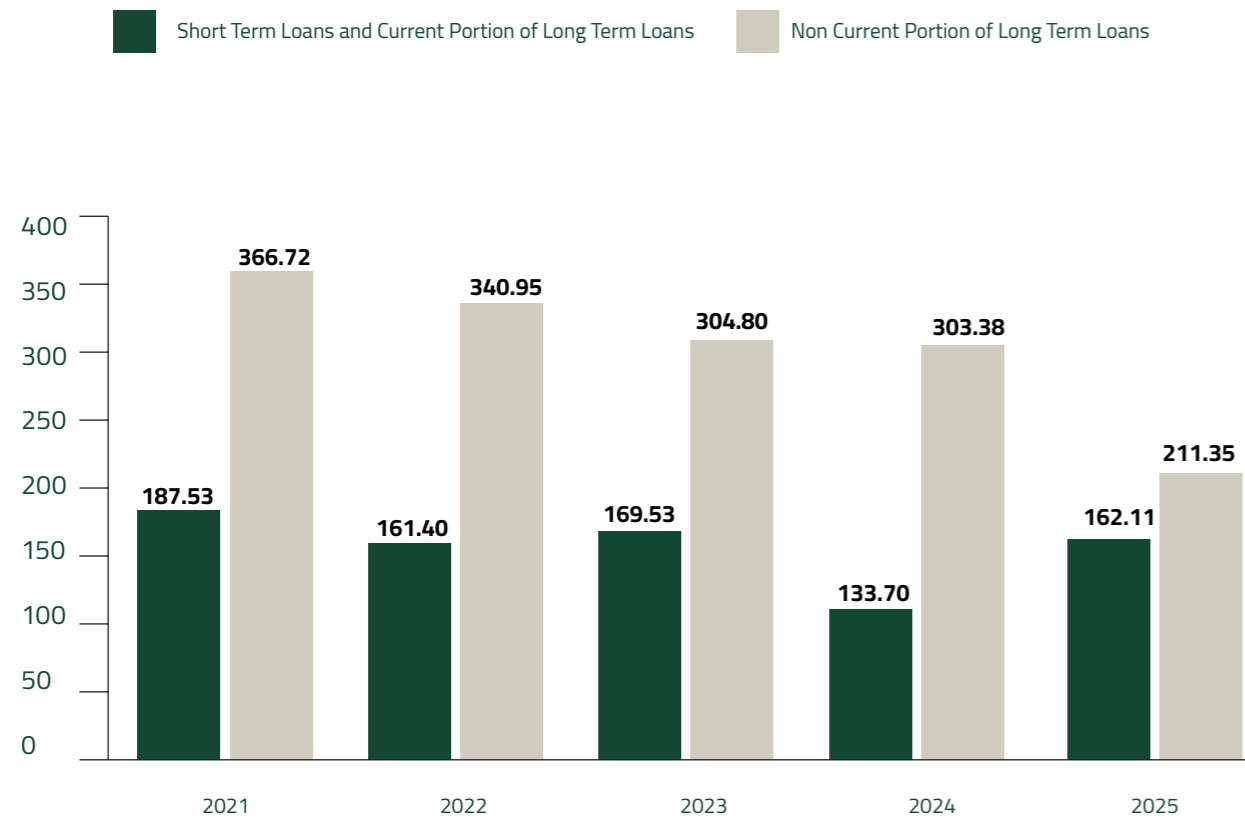
No.	Lender	Principal Loan Amount	Loan Term	Amount Repaid During the Year	Amount Withdrawn During the Year	Outstanding Loan Balance at Year End
1	Bank 1	155,221,706	5	68,853,174	63,181,024	149,549,556
2	Bank 2	51,588,181	4	23,953,706	25,428,257	53,062,732
3	Bank 3	132,901,835	5,10	47,023,507	33,394,072	119,272,400
4	Bank 4	77,363,636	7	25,787,879	0	51,575,758
5	Bank 5	20,000,000	1	40,000,000	20,000,000	0

Overall, BAAN Holding Group has worked over recent years to reduce its reliance on loans, particularly since the end of the COVID 19 period in 2020, which marked the peak level of borrowing over the past five years. Since the end of 2021 and through the end of 2025, the value of loans has gradually and noticeably declined.

The Group follows an approach that relies on its own resources and operating activities to generate the funding needed to develop its business and support expansion, while keeping the use of external borrowing within the narrowest possible limits.

Development of Group Loans Over Five Years

(All amounts in SAR million)



The following sets out the statutory payments made and payable by the Company, including any zakat, taxes, fees, or any other amounts due by the Company that remained unpaid as of the end of 2025.

(All amounts in SAR million)

Description	2025		Description and Reasons
	Paid	Due and Unpaid as of the End of the Financial Period	
Zakat, Tax and Customs Authority	45,807,492.72	7,687,339.44	Value Added Tax
Zakat, Tax and Customs Authority	1,378,416.00	1,652,310.36	Withholding tax on payments to foreign entities
General Organization for Social Insurance	9,374,204.30	4,462,997.44	Monthly employee subscription
Visa and Passport Costs	517,196.00	-	Annual fees paid to Jawazat
Labor Office Fees	6,738,975.00	-	Annual fees paid to the Labor Office

Section Four

Board of Directors and Executive Management

- 4.1 Names of the Board Members, Board Committees, and Classification of Membership
- 4.2 Board Membership in Other Companies
- 4.3 Meetings of the Board of Directors and Its Committees
- 4.4 Executive Committee and Its Duties and Meetings
- 4.5 Audit Committee
- 4.6 Nomination and Remuneration Committee
- 4.7 Remuneration of the Board of Directors, Board Committees, and Executive Management
- 4.8 Executive Management
- 4.9 Compensation of Senior Executives
- 4.10 Evaluation of the Performance of the Board of Directors, Its Committees, and Executive Management

Board of Directors and Its Committees

1. Composition of the Board of Directors and Its Committees

The Group's Articles of Association stipulate that the Board of Directors shall consist of seven members, in line with the Corporate Governance Regulations issued by the Capital Market Authority. The current Board was elected by the Ordinary General Assembly on 19/04/2024 for a four year term beginning on 18/04/2024 and ending on 18/04/2028. The Board undertakes its duties and responsibilities in managing the Company's affairs in accordance with the provisions of the Articles of Association, and also carries out its responsibilities through its periodic meetings and the committees formed under the approved governance framework.

Membership of the Board of Directors in Board Committees

.No	Name	Board of Directors	Executive Committee	Audit Committee	Nomination and Remuneration Committee
1	Mr. Sami bin Abdulmohsen Alhokair	C	C	-	-
2	Mr. Faisal bin Mohammed Al Malik	VC	√	-	-
3	Mr. Fahad bin Mohammed Al Obailan	√	√	-	-
4	Mr. Mishaal bin Ibrahim Al Shunaifi	√	√	-	-
5	Mr. Nabil bin Dawood Al Houshan	√	-	√	C
6	Mr. Salem bin Ali Al Shahrani	√	√	-	√
7	Mr. Yanal bin Muwaffaq Al Saudi	√	-	C	-

C	Chairman of the Board / Committee	VC	Vice Chairman of the Board	√	Member of the Board / Committee
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Names of the Board Members, Their Positions, Qualifications, Experience, and Classification of Membership

No.	Name	Current Positions	Previous Positions	Qualifications	Experience	Membership Classification
1	Mr. Sami bin Abdulmohsen Alhokair	Chairman of the Board and Chairman of the Executive Committee of BAAN Holding Group, in addition to holding board memberships and executive positions in a number of companies inside and outside the Kingdom	Held several leadership roles within Abdulmohsen Alhokair Group for Tourism and Development, including Chief Executive Officer, Managing Director, and Deputy Chief Executive Officer, in addition to board and board committee memberships in a number of related entities	Bachelor's degree in Business Administration, King Saud University, 1990	Extensive experience across the tourism and entertainment sectors through his leadership of BAAN Holding Group. He also oversees entertainment businesses in Saudi Arabia, Türkiye, and Egypt, and has previously held prominent leadership roles and participated in international organizations, contributing to the development of tourism and entertainment regionally and internationally	Non Executive
2	Mr. Faisal bin Mohammed Al Malik	Vice Chairman of the Board and member of the Executive Committee of BAAN Holding Group. He also currently serves as Chief Executive Officer of Abdulmohsen Alhokair Holding Group since 2018, in addition to holding memberships in a number of companies and funds within the Kingdom	Held several leadership roles within Abdulmohsen Alhokair Group for Tourism and Development, including Chief Executive Officer, Managing Director, and Deputy Chief Executive Officer, in addition to board and board committee memberships in a number of related entities	Bachelor's degree in Industrial Engineering, King Saud University, 1998. Financial Analyst certification from Chase Manhattan, New York, United States	Extensive professional experience across multiple sectors. He began his career at the Saudi Industrial Development Fund from 1998 to 2003, then worked in the banking sector at the National Commercial Bank, and later provided leadership and advisory services in corporate finance, banking, investment, and financial development, alongside board memberships in a number of companies and funds	Non Executive
3	Mr. Fahad bin Mohammed Al Obailan	Chief Executive Officer, Board Member, and member of the Executive Committee of BAAN Holding Group since April 2024, in addition to holding memberships and positions in a number of companies and related entities	Held leadership positions in the travel, tourism, and retail sectors, including senior roles at Seera Group, as well as management positions in the automotive sector at Abdul Latif Jameel, in addition to previous memberships on boards and committees	Bachelor's degree in Business Administration, Marketing, King Saud University, 2003. Master of Business Administration, Purdue University, United States, 2012	Broad leadership experience in travel, tourism, and retail. He held senior leadership positions at Seera Group and also led Lexus operations and the Lexus Center in Riyadh within Abdul Latif Jameel Group. He currently serves as Chief Executive Officer of BAAN Holding Group since April 2024 and participates in board and executive committee work across a number of companies in investment, entertainment, and services	Executive
4	Mr. Mishaal bin Ibrahim Al Shunaifi	Board Member and member of the Executive Committee of BAAN Holding Group. He also serves as Vice Chairman of Raven Real Estate since 2018, in addition to holding memberships and positions in a number of companies	Served as General Manager of Dar Al Tanmiyat Company from December 2012 until March 2024, in addition to previous experience in establishing and managing businesses and companies	Master's degree in Finance and Applied Economics, King Abdulaziz University, 2009. Bachelor's degree in Business Administration, King Saud University, 2003	Extensive experience in investment, management, and real estate development through his chairmanship and membership on boards of companies such as Raven Real Estate, as well as his membership in BAAN's Nomination and Remuneration Committee and Audit Committee since 2018. He has also participated in development, contracting, real estate, hospitality, and investment projects, reflecting a strong institutional background	Independent
5	Mr. Nabil bin Dawood Al Houshan	Board Member and Chairman of the Nomination and Remuneration Committee, and member of the Audit Committee of BAAN Holding Group since April 2024. He also serves as Chairman of the Executive Committee at Alinma Bank, in addition to holding memberships in other entities	Served as Managing Director and Chief Executive Officer of Bank AlJazira during the period 2010 to 2020, and held leadership positions in retail banking at a number of local banks	Bachelor's degree in Accounting, King Saud University, 1984	Extensive experience in the banking sector. He held a series of prominent leadership positions, most notably as Managing Director and Chief Executive Officer of Bank AlJazira from 2010 to 2020, in addition to leadership roles in the Saudi and national banking sectors and memberships on boards and related entities. He currently serves on BAAN's Board and chairs the Nomination and Remuneration Committee while serving on the Audit Committee since April 2024	Independent
6	Mr. Salem bin Ali Al Shahrani	Board Member and member of the Nomination and Remuneration Committee and the Executive Committee of BAAN Holding Group. He currently holds an executive role in the hospitality and tourism sector, in addition to other memberships in Makkah	Held leadership positions in the hospitality sector, including roles associated with hotels serving the affairs of the Two Holy Mosques, as well as executive and advisory positions in tourism and training, in addition to experience in hotel management and operations	Master's degree in International Hospitality Management, Ecole Hoteliere de Lausanne, 2022. Executive MBA, King Abdulaziz University, 2014. Bachelor's degree in Engineering, King Abdulaziz University, 1999	Extensive experience in hospitality. He held notable positions in palace and hospitality management, executive and advisory work in tourism and training, and led major hotel properties within InterContinental Hotels Group. He also serves on BAAN's Nomination and Remuneration Committee and is a member of the Shura Council in its ninth term	Non Executive
7	Mr. Yanal bin Muwaffaq Al Saudi	Board Member and Chairman of the Audit Committee of BAAN Holding Group since April 2024, in addition to holding memberships on boards and governance committees in a number of companies inside and outside the Kingdom	Held leadership positions in audit and risk management at Arthur Andersen and beyond, including the leadership of audit functions, advisory work, and governance responsibilities related to independence and risk management at regional level, in addition to participating in board committees and councils	Bachelor's degree in Business Administration, Valparaiso University, United States, 1985. Certified Public Accountant, CPA, United States, 1992	Began his professional career in audit and review at Arthur Andersen, then moved into leadership roles in audit, governance, and risk management. He held responsibilities related to independence and risk management across the Middle East and North Africa, in addition to serving on boards and committees of a number of companies. He currently serves as a Board Member and Chairman of BAAN's Audit Committee since April 2024	Independent

* For details of the Board members' memberships in other companies, please refer to Section 4.2 of this report.

Members of Board Committees Formed Outside the Board of Directors, Including Their Names, Positions, Qualifications, Experience, and Classification of Membership

No.	Name	Committee Membership	Current Positions	Previous Positions	Qualifications	Experience	Membership Classification
1	Mr. Adel Ahmed Al Ghamdi	Member of the Audit Committee	Chief Financial Officer, Arasco from 2022 to 2025. Member of the Audit Committee, BAAN Holding Group until 19/04/2024, in addition to board and committee memberships in a number of entities including Al Oula Food Solutions Company, Wadi Al Thurayan Holding Company, and Al Faisaliah Residential Real Estate Company	Held several positions in financial management, including at Saudi Public Transport Company from 2003 to 2013, Group Finance Director at Arasco from 2013 to 2016, Finance Director at BAE Systems Saudi Development and Training Company from 2016 to 2019, Group Finance Director at Alhokair Group from 2019 to 2021, and Finance Director at Almarai Company from 2021 to 2022	Master's degree in Business Administration, Thunderbird School of Global Management, United States	A financial executive, board member, and committee member with extensive experience in governance, financial leadership, and strategic planning spanning more than twenty years. He has held senior executive positions across leading companies and focuses on strategic business, governance, and supporting corporate growth	External Member
2	Mr. Sakher bin Dhiab Al Rubaiaan	Member of the Nomination and Remuneration Committee	Chairman of Human Capital Management, Public Investment Fund. Member of the Nomination and Remuneration Committee at Diyar Company. Member of the Nomination and Remuneration Committee at Saudi Fisheries Company. Member of the Nomination and Remuneration Committee at Gulf Medical Company for Drugs, Equipment, and Projects. Member of the Nomination and Remuneration Committee at Tanmiah Food Company. Member of the Nomination and Remuneration Committee at The Saudi Investment Bank. Member of the Nomination and Remuneration Committee at Saudi Ground Services Company. Member of the Nomination and Remuneration Committee at Budget Saudi. Member of the Nomination and Remuneration Committee at Aircraft Leasing Company	Head of Human Resources Sector at Al Ahli Bank. Senior Human Resources Group Leader at Samba. Head of Recruitment and Employee Development at Samba	Bachelor's degree in Business Administration, The Open Arab University	Extensive leadership experience in human resources and human capital across financial and investment sectors. He also held executive positions in strong institutional environments and has contributed to a number of nomination and remuneration committees across various entities	External Member

Name	Names of companies in which the Board member currently serves as a board member or manager	Inside / Outside the Kingdom	Legal Form	Names of companies in which the Board member previously served as a board member or manager	Inside / Outside the Kingdom	Legal Form
Mr. Sami bin Abdulmohsen Alhokair	Abdulmohsen Abdulaziz Alhokair Holding Group Company Abdulmohsen Alhokair and Sons Company Limited Aser Arabia Company Medad Office Solutions Company Fuadah Al Madinah Hotel Company Alhokair Premium Foodstuff Company European Tourism and Hotel Investment Company Sami Abdulmohsen Alhokair Company Limited Osool Al Mazaya Hotel Apartments Company Limited Astar Entertainment and Tourism Company Ayan Real Estate Development Company Limited Half Moon Beach Resort Company Mama Noura Meals Company Ar Al Tawasul Meals Company Sparkys Land for Amusement Games Company Sparkys Oceania for Amusement Games Company Digital Land Company	Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Outside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Outside the Kingdom Inside the Kingdom Outside the Kingdom	Limited Liability Company Limited Liability Company Closed Joint Stock Company Private Joint Stock Company Limited Liability Company Limited Liability Company Private Joint Stock Company Limited Liability Company Limited Liability Company Limited Liability Company Limited Liability Company Limited Liability Company Limited Liability Company Limited Liability Company Limited Liability Company Limited Liability Company	Saudi Airlines Catering Company Strategic Catering Company Marine Tourism Company Al Batinah Company Tourismco Company Tourist Catering Services Company Ayam Al Sharqia Association (Makan) Tourism Committee at the Chamber of Commerce and Industry in the Eastern Region IAAPA International Association Arab Hotel and Motel Association (AHMA) TEA Association International Association of Miniature Gardens	Inside the Kingdom Inside the Kingdom Outside the Kingdom Outside the Kingdom Inside the Kingdom Inside the Kingdom Outside the Kingdom Inside the Kingdom Outside the Kingdom Outside the Kingdom	Public Joint Stock Company Limited Liability Company Limited Liability Company Limited Liability Company Limited Liability Company Limited Liability Company Association Government Entity Organization Association Association League
Mr. Faisal bin Mohammed Al Malik	Abdulmohsen Abdulaziz Alhokair Holding Group Abdulmohsen Alhokair and Sons Company Limited Asateer Arabia Company Tourism Development and Real Estate Company (Tourismco) Al Ma'koolat Al Fakhira Foodstuff Company Mama Noura Meals Company Abral Tawasul Meals Company Saudi Catering and Technical Services Company Jadwa Real Estate Investment Fund	Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom	Limited Liability Company Limited Liability Company Limited Liability Company Closed Joint Stock Company Limited Liability Company Limited Liability Company Limited Liability Company Limited Liability Company	REIT Fund - ANB ABI Economic Gateway - Arab Investment Fund	Inside the Kingdom	Public Joint Stock Company
Mr. Fahad bin Mohammed Al Obailan	Altanfithi Company Middle East and North Africa Leisure and Attraction Council (MENALAC) Entertainment Playgrounds Company Tourism Development and Real Estate Company (Tourismco) Premium Design Projects Company Limited Osool Al Mazaya Hotel Apartments Company Saudi Industrial Development Company Mansat Al Musafir for Travel and Tourism Company Lumi Leasing Company, member of the Executive Committee Princess Nourah bint Abdulrahman University Tourism and Entertainment Committee at Riyadh Chamber, member Naseej Al Ataa Association, Board Member	Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom	Limited Liability Company Non Profit Organization Limited Liability Company Closed Joint Stock Company Limited Liability Company Limited Liability Company Limited Liability Company Limited Liability Company Closed Joint Stock Company Public Joint Stock Company University Association Non Profit Association	Almosafer for Travel and Tourism Company Seera Holding Group Abdul Latif Jameel Company Toys "R" Us Company, Board Member Bank for Investment and Logistics Business Company Najm Services Company	Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom	Closed Joint Stock Company Public Joint Stock Company Limited Liability Company Public Joint Stock Company Public Joint Stock Company Closed Joint Stock Company
Mr. Mishaal bin Ibrahim Al Shunaifi	Executive Council at Princess Nourah University, Applied College Wahj Al Emarah for Care and Advertising Company Mudun Al Zoud for Transport and Storage Company Tatweer Wa Tanmiah Company Al Rajhi REIT Fund Jabiloon Company Umm Al Mowahadah Contracting Company	Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom	Government University Closed Joint Stock Company Single Person Company Closed Joint Stock Company Traded Real Estate Fund Limited Liability Company Limited Liability Company	Dar Al Tanmiyat Company Osool Al Tarfeeh Company	Inside the Kingdom Inside the Kingdom	Limited Liability Company Limited Liability Company
Mr. Nabil bin Dawood Al Houshan	Social Development Bank	Inside the Kingdom	Government Development Bank	Bank Aljazira Baik Capital The Saudi British Bank (SABB) Arab National Bank	Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom	Public Joint Stock Company Public Joint Stock Company Public Joint Stock Company Public Joint Stock Company
Mr. Salem bin Ali Al Shahrani	Abraj Al Sa'a Hotels Group	Inside the Kingdom	Limited Liability Company	Royal Palaces / Royal Court King Abdulaziz University InterContinental Hotel	Inside the Kingdom Inside the Kingdom Inside the Kingdom	Government Entity Government University Limited Liability Company
Mr. Yanal bin Muwaffaq Al Saudi	Arabian Centres Company (Cenomi Centers) Magrabi Hospitals and Centers Company Middle East Pharmaceutical Industries Company Saudi Reinsurance Company National Finance Company RAFAL Real Estate Development Company	Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom Inside the Kingdom	Listed Joint Stock Company Closed Joint Stock Company Listed Joint Stock Company Listed Joint Stock Company Closed Joint Stock Company Limited Liability Company	Ernst & Young Professional Services Company Arthur Andersen & Co. Jordan Government Investments Company Tarfa Al Ibdaa for Events and Exhibition Organization Huna Food Industries Company	Inside the Kingdom Inside the Kingdom Outside the Kingdom Inside the Kingdom Inside the Kingdom	Limited Liability Company Limited Liability Company Government Company Limited Liability Company Limited Liability Company

Shares owned by Board members and their relatives at the beginning and end of the remaining financial year ending 31 December 2025, and their percentage of the total number of the Company's shares, including shares held by Board members

No.	Member	Number of Shares				Net Change
		At the Beginning of 2025	Ownership Percentage	Number of Shares at the End of 2025	Ownership Percentage	
1	Mr. Fahad bin Mohammed Al Obailan	74,430	0.0236286%	74,430	0.0236286%	0%

Board of Directors Meetings

Board members ensured that sufficient time was allocated for them to review their responsibilities and prepare for Board and committee meetings, and to attend them. The Board also maintained a defined meeting schedule and ensured that members received agendas and supporting materials well in advance of each meeting, so that all members could attend and discuss all agenda items thoroughly.

The outcomes of the meetings were documented in minutes signed by the Board Secretary and the person responsible for recording them. These minutes included what was discussed with the Group's executive management. The Board also ensured that decisions taken by the Board were followed up with each member, that implementation took place in accordance with the Board's resolutions, and that the Board committees and their periodic meetings were monitored to confirm that members carried out their duties and responsibilities and implemented the matters reflected in the meeting minutes.

To facilitate the conduct of business, the Company's Articles of Association authorize the Board to pass resolutions by circulation, provided that such resolutions are presented at the first subsequent Board meeting for formal approval in accordance with the Company's Articles of Association and Companies Law, and are then recorded in the minutes of the following Board meeting.

Attendance record of Board of Directors meetings for 2025, totaling 5 meetings, as follows:

No.	Name	Position	Number of Meetings (5)					Total	Attendance Rate
			First 23 March	Second 14 May	Third 03 Sep	Fourth 09 Nov	Fifth 11 Dec		
1	Mr. Sami bin Abdulmohsen Alhokair	Chairman of the Board	√	√	√	√	√	5/5	100%
2	Mr. Faisal bin Mohammed Al Malik	Vice Chairman of the Board	√	√	√	√	√	5/5	100%
3	Mr. Fahad bin Mohammed Al Obailan	Board Member	√	√	√	√	√	5/5	100%
4	Mr. Mishaal bin Ibrahim Al Shunaifi	Board Member	√	√	√	√	√	5/5	100%
5	Mr. Nabil bin Dawood Al Houshan	Board Member	√	√	√	√	√	5/5	100%
6	Mr. Salem bin Ali Al Shahrani	Board Member	√	√	√	√	√	5/5	100%
7	Mr. Yanal bin Muwaffaq Al Saudi	Board Member	√	√	√	√	√	5/5	100%

√	Attended	x	Not Attend
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The Executive Committee consists of five members. During 2025, the Committee held four meetings and exercised its role and responsibilities in accordance with the approved Executive Committee Charter and the schedule of delegated administrative and financial authorities.

The Committee's key responsibilities include the following:

1. Approving the Group's strategy for submission to the relevant governing bodies for final approval.
2. Reviewing the policies and governance procedures adopted by the Group and its core governance documents, such as the Group's internal regulations, and submitting recommendations to the Board in this regard.
3. Approving related party transactions and providing recommendations to the Board on transactions that exceed its delegated authority.
4. Reviewing periodic management reports, assessing performance, reviewing new investments, and approving them within delegated authority before submitting them to the Board for final approval.
5. Reviewing budgets and annual plans and examining material variances against the budget, if any, before they are submitted to the Board.
6. Monitoring and receiving reports on the execution and completion of the Group's key projects and major expansion initiatives.
7. Assisting Board members in carrying out their responsibilities, particularly with respect to matters delegated to the Committee when time does not allow the matter to be presented to the Board, as set out in the Board Charter.
8. Approving or recommending transactions or other matters in accordance with the authorities specified in the delegation framework, and recommending amendments to the Group's Articles of Association.
9. Reviewing investment plans for the Group's excess liquidity.
10. Receiving periodic reports from management on the Company's operations and on the Group's risk management processes, including risk management activities.

Executive Committee meetings and attendance rate

No.	Name	Position	Number of Meetings (4)				Total	Attendance Rate
			First 17 March	Second 07 May	Third 27 August	Fourth 27 Oct		
1	Mr. Sami bin Abdulmohsen Alhokair	Chairman of the Committee	√	√	√	√	4/4	100%
2	Mr. Faisal bin Mohammed Al Malik	Committee Member	√	√	√	√	4/4	100%
3	Mr. Fahad bin Mohammed Al Obailan	Committee Member	√	√	√	√	4/4	100%
4	Mr. Mishaal bin Ibrahim Al Shunaifi	Committee Member	√	√	√	√	4/4	100%
5	Mr. Salem bin Ali Al Shahrani (*)	Committee Member	-	-	-	√	1/4	25%

√	Attended	x	Not Attend
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(*) Mr. Salem bin Ali Al Shahrani was appointed to the Executive Committee on 03/09/2025 pursuant to Board Resolution No. 25 for 2025, dated 03/09/2025.

The Audit Committee consists of three members, including two members of the Board of Directors and one external member, namely Mr. Adel Ahmed Al Ghamdi, who specializes in financial and accounting matters. During 2025, the Committee held seven meetings and exercised its responsibilities in accordance with the powers set out in the approved Audit Committee Charter.

The Committee's key responsibilities include the following:

Financial Reporting

1. Reviewing the Company's interim and annual financial statements before they are presented to the Board and providing its opinion and recommendations to ensure their integrity, fairness, and transparency.
2. Providing a technical opinion, at the request of the Board, on whether the Board's report and the Company's financial statements are fair, balanced, understandable, and contain information that enables shareholders and investors to assess the Company's financial position, performance, business model, and strategy.
3. Reviewing any significant or unusual matters included in the financial reports.
4. Examining any issues raised by the Company's Chief Financial Officer, any person responsible for financial compliance within the Company, or the external auditor.
5. Verifying the accounting estimates relating to material matters included in the financial reports.
6. Reviewing the accounting policies adopted by the Company and providing its opinion and recommendations to the Board in respect thereof.

External Auditor:

1. Recommending to the Board the nomination, dismissal, determination of fees, and performance evaluation of the external auditor, after verifying the auditor's independence and reviewing the scope of work and contract terms.
2. Verifying the external auditor's independence, objectivity, fairness, and the effectiveness of the audit work, taking into consideration the applicable rules and standards.
3. Reviewing the external auditor's plans and activities, including coordination with internal audit activities, and ensuring that the auditor does not provide technical or administrative work outside the scope of the audit engagement, while giving its views to the Board in this regard.
4. Responding to inquiries raised by the Company's external auditor.
5. Reviewing the external auditor's observations on the financial statements and following up on the actions taken in relation to them.

Internal Audit:

1. Reviewing and assessing the Company's internal control, financial control, and risk management systems.
2. Reviewing internal audit reports and following up on the implementation of corrective actions relating to the observations contained in those reports.
3. Monitoring and overseeing the performance and activities of the internal auditor and the internal audit department in the Company to verify the availability of the resources required for them to perform their work and responsibilities, in accordance with the relevant professional standards.
4. Recommending to the Board the appointment of the head of internal audit or the head of the internal audit unit or department, and proposing his remuneration.

Ensuring Compliance:

1. Reviewing the findings of reports issued by regulatory authorities and verifying that the Company has taken the necessary actions in respect thereof.
2. Verifying the Company's compliance with relevant laws, regulations, policies, and instructions.
3. Reviewing contracts and proposed related party transactions to be entered into by the Company and submitting its recommendations to the Board in this regard.
4. Reporting to the Board any matters it believes require action and providing recommendations on the steps to be taken.

Audit Committee Meetings and Attendance Rate

No.	Name	Position	Number of Meetings (7)							Total	Attendance Rate
			First 23 March	Second 13 April	Third 13 May	Fourth 06 Aug	Fifth 18 Aug	Sixth 06 Nov	Seventh 07 Dec		
1	Mr. Yanal bin Muwaffaq Al Saudi	Chairman of the Committee	√	√	√	√	√	√	√	7/7	100 %
2	Mr. Nabil bin Dawood Al Houshan	Committee Member	√	√	√	√	√	√	√	7/7	100 %
3	Mr. Adel Ahmed Al Ghamdi	Committee Member	√	√	√	√	√	√	√	7/7	100 %

√	Attended	x	Not Attend
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Internal Audit Findings and Assessment of Internal Control Effectiveness:

Internal audit activity forms part of the Group's governance framework and is intended to provide assurance and independent, objective advice that contributes to evaluating the internal control environment, managing risks, and improving operations. This is based on a framework in which responsibility for control, risk management, and compliance rests primarily with the executive management of the business units within their respective areas of responsibility, while internal audit performs its role as an independent function that provides objective assessment, observations, and supporting recommendations.

Functionally, the Internal Audit Department reports to the Audit Committee formed by the Board of Directors, while administratively it reports to the Chief Executive Officer. The Internal Audit Department adopts a risk based approach, allowing it to direct its work toward areas and activities with higher priority according to approved risk assessments. Accordingly, its role includes providing independent and objective assurance and consulting services based on risks, in a manner that serves stakeholders' needs and supports decision making.

Based on the results of the Internal Audit Department's work during 2025, which were presented to the Audit Committee through periodic reports, in addition to the Committee's discussions with the external auditor, the Audit Committee believes that the Company's internal control system provides a reasonable level of assurance regarding the integrity and reliability of financial reporting, compliance with relevant regulations and bylaws, and the existence of areas that require further improvement to strengthen the design efficiency of controls related to operating activities. The Committee has approved the necessary remediation plans and is following up on their implementation with executive management, in a way that supports the continued development of the Company's internal control framework.

The most prominent areas requiring further strengthening include, for example:

1. Updating certain policies and procedures.
2. Updating controls relating to authorities and approvals.
3. Strengthening follow up controls to ensure observations are closed within specified timeframes, The Committee has approved remediation plans and follows up on implementation progress on a regular basis.

The Committee has approved the relevant remediation plans and monitors implementation progress regularly. It has also confirmed that the operational audit plan for 2025 was fully executed with a completion rate of 100%. This work included reviewing operations and activities classified under the Group's risk assessment framework, with the aim of evaluating the design of internal controls and their operational effectiveness within those processes, identifying opportunities for improvement, and following up on the related corrective actions.

Audit Committee Opinion:

The Audit Committee reviewed, during its meetings, the periodic reports submitted by the Internal Audit Department, as well as its meetings with the external auditor and its review of the reports issued on the scope of work. The Committee also followed up periodically on executive management's actions in addressing the observations and implementing the corrective measures, in a manner that supports the efficiency and effectiveness of the internal control framework and contributes to the integrity of financial reporting.

The Committee confirms that the internal control systems, by their nature, provide a reasonable level of assurance and not absolute certainty. The Committee also noted no conflict between its recommendations and resolutions of the Board of Directors. No external party was engaged during the 2025 financial year to assess internal control.

Audit Committee Recommendation Regarding the Need to Appoint an Internal Auditor in the Company if None Exists:

The Company currently has an Internal Audit Department. The Committee oversees the Group's internal audit function, approves the annual risk based audit plan, reviews periodic internal audit reports including the key observations, and follows up on corrective actions. This is intended to strengthen the internal control environment across the Group, noting that management is responsible for designing and implementing internal controls and the internal control system across the Group, and for making continuous improvements to enhance the efficiency and effectiveness of internal control.

The Nomination and Remuneration Committee consists of three members, drawn from both within and outside the Board of Directors. During 2025, the Committee held two meetings and carried out its role and responsibilities in accordance with the approved Nomination and Remuneration Committee Charter and the Corporate Governance Regulations issued by the Capital Market Authority.

The Committee's key responsibilities include the following:

1. Proposing clear policies and standards for membership of the Board of Directors and executive management.
2. Recommending to the Board the nomination and re nomination of Board members in accordance with the approved policies and standards, while ensuring that no individual is nominated if they have previously been convicted of a crime involving dishonesty or breach of trust.
3. Preparing a description of the capabilities and qualifications required for Board membership and for executive management positions.
4. Determining the time that a Board member should dedicate to Board activities.
5. Submitting recommendations to the Board on the activation of the functions of senior executives, such as the Chief Executive Officer, whose qualifications and experience should be aligned with the needs of the Group's operating activities.
6. Reviewing the structure of the Board and executive management and submitting recommendations on any changes that can be made.
7. Verifying annually the independence of independent members and confirming that no conflict of interest exists if the member also holds Board membership in another company.
8. Conducting the annual review of the skills or expertise required for Board membership and executive management functions, including determining the time a member is required to dedicate to Board activities.
9. Developing role descriptions for executive directors, non executive directors, independent members, and senior executives.
10. Establishing the procedures to be followed in the event that a Board seat becomes vacant or one of the senior executive positions becomes vacant.
11. Identifying areas of weakness and strength within the Board and proposing solutions to address them in a manner consistent with the Group's best interests.
12. Ensuring the independence of the Board and preparing a clear written report on the remuneration of Board members, committee members, and executive management, and submitting it to the Board for consideration in preparation for approval by the General Assembly.
13. Recommending to the Board the remuneration of Board members, committee members, and senior executives of the Group in accordance with the approved policy.

Nomination and Remuneration Committee Meetings and Attendance Rate

No.	Name	Position	Number of meetings (2)		Total	Attendance Rate
			First 18 March	Second 2 September		
1	Mr. Nabil bin Dawood Al Houshan	Chairman of the Committee	√	√	2/2	100 %
2	Mr. Salem bin Ali Al Shahrani	Committee Member	√	x	1/2	50 %
3	Mr. Sakhr bin Dhiab Al Rubiaan	Committee Member	√	√	2/2	100 %

√	Attended	x	Not Attend
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4.7 Remuneration of the Board of Directors, Board Committees, and Executive Management

The General Assembly approved the policy governing the remuneration of the Board of Directors, its committees, and executive management at its meeting held on 01/06/2025. The policy is reviewed periodically in accordance with the approved procedures and in line with the relevant regulations and bylaws.

The policy aims to align remuneration with the Company's strategy and objectives, ensure that it is fair and proportionate to the nature of the Company's activities, the size of its business, the responsibilities of members and their duties, and, where applicable, link the variable component to performance indicators. It also takes into account prevailing market practices, the sector in which the Company operates, and the experience of Board members and committee members, all within the framework of the applicable regulations and bylaws.

The remuneration policy for members of the Board of Directors and its committees is divided into two sections, as follows:

1. Remuneration of Board Members

The remuneration of Board members, in accordance with the policy and approved resolutions, consists of financial elements that include remuneration, meeting attendance allowances, transportation allowances, and any other benefits approved by the Board within the applicable regulatory limits and in accordance with any controls or instructions issued by the relevant authorities.

This annual report submitted to the General Assembly includes a comprehensive disclosure of the remuneration, allowances, expense reimbursements, and other benefits received by each member during the financial year. It also includes, in cases where external committee meetings were held but no remuneration was received, disclosure of any amounts paid to the member in the capacity of an employee, administrator, or in consideration of technical, administrative, or advisory work, if any, in addition to a statement of the number of Board meetings and the number of meetings attended by each member during the financial year.

2. Remuneration of Members of Committees Formed by the Board

The remuneration of members of committees formed by the Board consists of an annual remuneration and meeting attendance allowances. The Board approves committee remuneration and attendance allowances based on the recommendation of the Nomination and Remuneration Committee, in accordance with the approved policy and the relevant regulatory controls.

Based on the recommendation of the Nomination and Remuneration Committee, the Board approved the remuneration of Board members and members of its committees for the financial year 2025.

Remuneration and Allowances of Board Members During 2025

		Fixed Remunerations						Variable Remunerations									
		Fixed Amount	Board Meeting Attendance Allowance	Committee Attendance Allowances	In-kind Benefits	Amounts received by board members for technical, administrative, or consultancy services	Remuneration of Chairman / Managing Director / Secretary (if a board member)	Total	Attendance Rate	Periodic Bonuses	Short-Term Incentive Plans	Long-Term Incentive Plans	Shares Granted (value to be entered)	Total	End-of-Service Benefits	Long-Term Incentive Plans	Expense Allowance
First: Independent Members																	
1	Nabil bin Dawood Al Houshan	200,000	15,000	27,000	-	-	-	242,000	-	-	-	-	-	242,000	-	-	-
2	Yanal bin Muwaffaq Al Saudi	200,000	15,000	21,000	-	-	-	236,000	-	-	-	-	-	236,000	-	-	-
3	Mishaal bin Ibrahim Al Shunaifi	200,000	15,000	12,000	-	-	-	227,000	-	-	-	-	-	227,000	-	-	-
	Total	600,000	45,000	60,000				705,000						705,000			
Second: Non Executive Members																	
1	Sami bin Abdulmohsen Alhokair	200,000	15,000	12,000	-	-	-	227,000	-	-	-	-	-	227,000	-	-	-
2	Faisal bin Mohammed Al Malik	200,000	15,000	12,000	-	-	-	227,000	-	-	-	-	-	227,000	-	-	-
3	Salem bin Ali Al Shahrani	200,000	15,000	6,000	-	-	-	221,000	-	-	-	-	-	221,000	-	-	-
	Total	600,000	45,000	30,000				675,000						675,000	-	-	-
Third: Executive Members																	
1	Fahad bin Mohammed Al Obailan	200,000	15,000	12,000	-	-	-	227,000	-	-	-	-	-	227,000	-	-	-
	Total	200,000	15,000	12,000	-	-	-	227,000	-	-	-	-	-	227,000	-	-	-
	Grand Total	1,400,000	105,000	102,000	-	-	-	1,607,000	-	-	-	-	-	1,607,000	-	-	-

Remuneration and Allowances of Members of Board Committees During 2025

		Fixed Remuneration (excluding meeting attendance allowances)	Meeting Attendance Allowance	Total
Members of the Audit Committee				
1	Yanal bin Muwaffaq Al Saudi	50,000	21,000	71,000
2	Nabil bin Dawood Al Houshan	50,000	21,000	71,000
3	Adel Ahmed Al Ghamdi	100,000	21,000	121,000
	Total	200,000	63,000	263,000
Members of the Nomination and Remuneration Committee				
1	Nabil bin Dawood Al Houshan	50,000	6,000	56,000
2	Salem bin Ali Al Shahrani	50,000	3,000	53,000
3	Sakhr bin Dhiab Al Rubiaan	50,000	6,000	56,000
	Total	150,000	15,000	165,000
Members of the Executive Committee				
1	Sami bin Abdulmohsen Alhokair	50,000	12,000	62,000
2	Faisal bin Mohammed Al Malik	50,000	12,000	62,000
3	Mishaal bin Ibrahim Al Shunaifi	50,000	12,000	62,000
3	Fahad bin Mohammed Al Obailan	50,000	12,000	62,000
5	Salem bin Ali Al Shahrani	16,303	3,000	19,303
	Total	216,303	51,000	267,303
	Grand Total	566,303	129,000	695,303

4.8 Executive Management

Shareholding of senior executives, as a percentage of the total shares in the Group, at the end of 2025 compared with their ownership at the beginning of 2025:

No.	Name	Position	Number of Shares				Net Change
			At the Beginning of 2025	Ownership Percentage	Number of Shares at the End of 2025	Ownership Percentage	
1	Fahad bin Mohammed Al Obailan	CEO	74,430	0.0236286%	74,430	0.0236286%	0%

Positions, Qualifications, and Experience of Senior Executives

No.	Name	Current Positions	Previous Positions	Qualifications	Experience
1	Mr. Fahad bin Mohammed Al Obailan	Chief Executive Officer, Board Member, and member of the Executive Committee of BAAN Holding Group since April 2024, in addition to holding memberships in a number of companies and related entities	Held leadership positions in the travel, tourism, and retail sectors, including senior roles at Seera Group and leadership positions in the automotive sector at Abdul Latif Jameel Group, in addition to previous board and committee memberships	Bachelor's degree in Business Administration, King Saud University, 2003. Executive Master's in Business Administration from Purdue University, United States, 2012	He has leadership experience in the travel, tourism, and retail sectors. He held senior roles at Seera Group, including Vice President of Retail, and also built experience in the automotive sector through his leadership of the Lexus agency and the Lexus Center in Riyadh within Abdul Latif Jameel Group. He currently serves as Chief Executive Officer of BAAN Holding Group since April 2024 and is a member of the Board and executive committees, in addition to participating in board work and executive roles across several companies operating in investment, entertainment, and services.
2	Mr. Ahmed Abdulghani Ebid	Chief Financial Officer of BAAN Holding Group and member of the Executive Committee, as well as a member of the Executive Committee of Entertainment Playgrounds Company, one of BAAN Group's joint ventures	Held finance and executive roles in the entertainment sector at Abdulmohsen Alhokair Group, where he led the sector and managed finance functions at the level of the parent company and the entertainment sector. His previous roles included General Manager of the Entertainment Sector, Chief Financial Officer, Deputy General Manager, Finance Director, and Corporate Controller at the head office. He also previously served as Chief Accountant and Financial Analyst at Egypt Services for Engineering Aircraft	Bachelor's degree in Accounting, Tanta University, 1999	He has more than 18 years of experience in the financial and executive fields, combining financial and operational expertise, with a strong focus on the entertainment and hospitality sectors, including indoor entertainment centers and related activities.

BAAN Holding Group adopts the remuneration policy approved by the General Assembly in a manner that aligns with the Group’s strategy and objectives. At the beginning of each financial year, the Board of Directors, in coordination with the Nomination and Remuneration Committee, determines the remuneration entitlements of executive management based on the nature of each position, its responsibilities, and the relevant performance indicators, taking into account the role holder’s qualifications and experience.

At the end of the financial year, the Committee evaluates performance, determines entitlements, and submits its recommendations on remuneration to the Board of Directors for approval. The policy is implemented by the Chief Executive Officer within the approved authorities and procedures. The table below presents the details of the remuneration of the five highest paid senior executives, including the Chief Executive Officer and the Chief Financial Officer, during the 2025 financial year.

Remuneration of Senior Executives

Senior Executives	Fixed Remuneration				Variable Remuneration						End-of-Service Benefit	Total Executive Remuneration for the Board	Grand Total	
	Salaries	Allowances	In Kind Benefits	Total Fixed Compensation	Periodic Bonuses	Profit	Short Term Incentive Plans	Long Term Incentive Plans	Periodic Bonuses	Shares Granted (value to be entered)				Total
Grand Total	4,663,848	1,979,376	0	6,643,224	2,050,000	0	0	0	0	0	2,050,000	331,851	277,000	9,302,075

* The Company has complied with the requirement to disclose the total remuneration of senior executives, in line with the requirements of Article 93(4)(b) of the Corporate Governance Regulations. In order to safeguard the interests of the Company, its shareholders, and its employees, and to avoid any potential harm arising from detailed disclosure based on individual job titles, no further breakdown has been provided beyond what is stated in Appendix (1) relating to senior executives in the Governance Committee section.

4.10 Evaluation of the Performance of the Board of Directors, Its Committees, and Executive Management

The Board of Directors adopts periodic evaluation mechanisms that contribute to enhancing governance effectiveness and improving performance, and applies them through approved methodologies and models that take into account the nature and responsibilities of each category, as follows:

Evaluation of the Board of Directors and Its Committees

The Board of Directors conducted the self assessment of Board members and its committees for 2025 using an approved evaluation model, which is completed independently by each member on an annual basis. This is intended to verify the continued fulfillment of membership criteria and conditions and the extent of compliance with the relevant regulations, bylaws, and instructions issued by the competent authorities. The evaluation covered the Board of Directors and its committees according to the approved evaluation forms. No external party was engaged during the financial year to carry out the evaluation. The results were also discussed at the level of the Chairman of the Board and the chairmen of the relevant committees.

**Evaluation of Executive Management
Job Performance Evaluation and Performance Indicators**

The performance of executive management within the Group is assessed according to an approved methodology and standards linked to key performance indicators and the strategic and operational objectives established for each function, in a way that supports greater efficiency, improved results, and stronger compliance and governance. The results of the evaluation are reviewed within the approved governance framework and are linked, where applicable, to variable compensation elements under the approved remuneration policy, in a manner consistent with the relevant regulations and bylaws.

Section Five

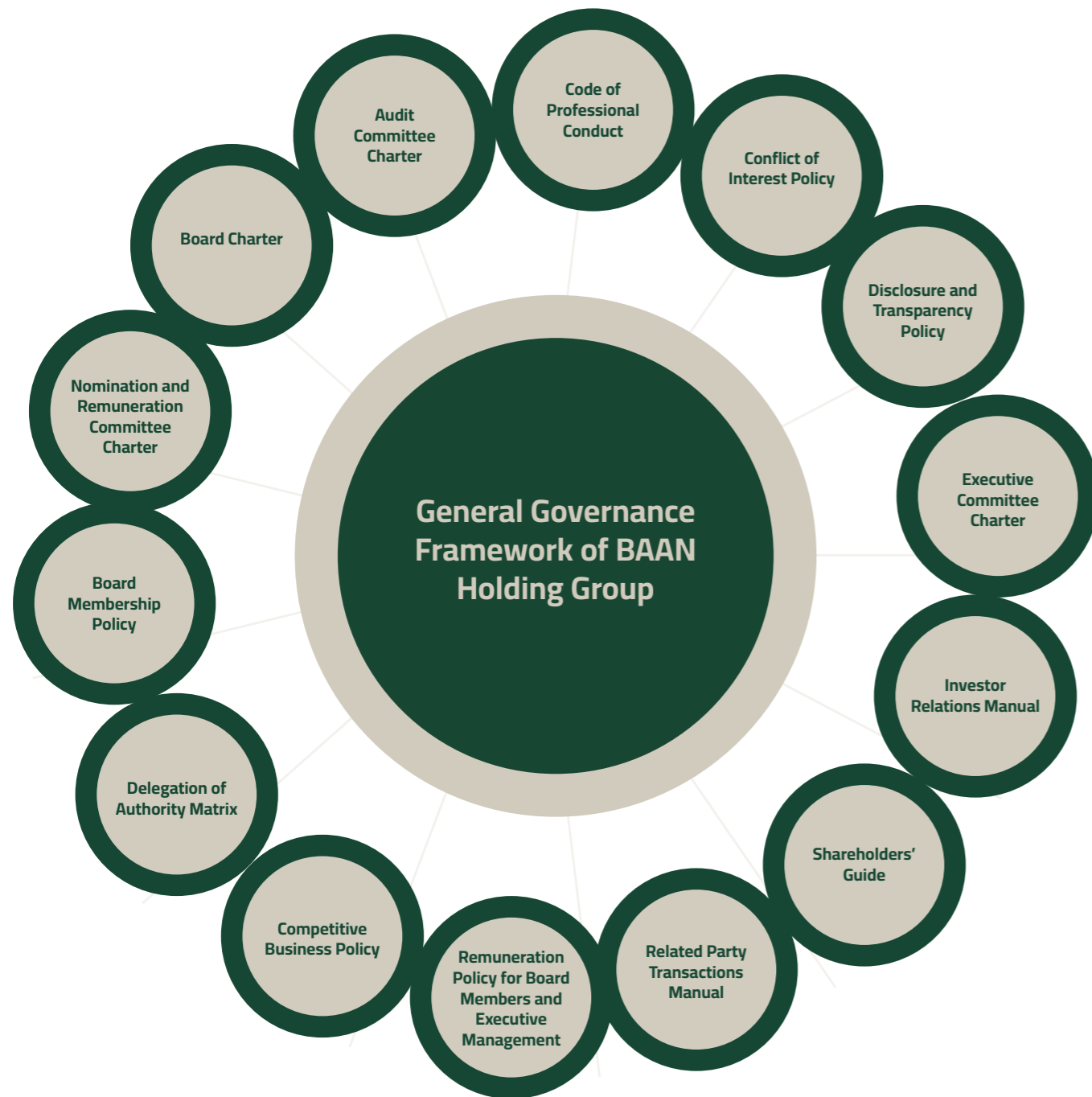
Governance and Risk Management

Governance that builds trust and risk management that preserves sustainability

- 5.1 General Governance Framework
- 5.2 Core Governance Principles and Pillars
- 5.3 BAAN Holding Group’s Compliance with Governance Regulations
- 5.4 Shareholders’ Rights and the General Assembly
- 5.5 Ordinary General Assembly Meetings Held During 2025
- 5.6 Policies and Procedures Related to Disclosure
- 5.7 Stakeholders and Related Parties
- 5.8 Dealings with Stakeholders and Related Parties
- 5.9 Competitive Business of Certain Board Members
- 5.10 Internal Control System
- 5.11 Violations, Penalties, and Fines
- 5.12 Risk Management

BAAN Holding Group has established a comprehensive governance framework aimed at embedding principles and practices that enhance the quality, fairness, and effectiveness of governance and support the rights of shareholders and the confidence of its stakeholders. This approach contributes to building long term value for the Group by strengthening transparency and institutional discipline, consistent with the requirements applicable to companies listed on the financial market. The Group has also adopted a set of core principles and pillars that form its legal and governance framework, in compliance with the relevant regulations and bylaws.

The governance framework is supported by an approved set of written governance documents and procedures, as follows:



BAAN Holding Group’s governance is based on a set of principles and pillars that guide the work of the Board of Directors and executive management, and support compliance with the relevant regulations and bylaws. This contributes to improving decision quality, disclosure transparency, and the effectiveness of control and risk management, while protecting the interests of shareholders and stakeholders.

The most prominent of these principles and pillars are as follows:

1. Accountability and Clear Responsibilities:

Through the clear definition of authorities and responsibilities under the Articles of Association and the charters of the Board and its committees, together with the documentation of decisions and follow up on their implementation.

2. Transparency and Disclosure:

Through the application of disclosure and transparency policies and procedures, and the fair and timely disclosure of material information to shareholders in accordance with regulatory requirements.

3. Fairness and Protection of Shareholders’ Rights:

By enabling shareholders to exercise their statutory rights and facilitating their participation in general assemblies, voting, and inquiries through the approved channels.

4. Integrity and Management of Conflicts of Interest:

Through policies and procedures for managing conflicts of interest and related party transactions, disclosure thereof, and obtaining the required approvals in accordance with the approved rules and policies.

5. Risk Management and Internal Control:

Through the identification of material risks and their periodic review, activation of internal control measures, and the Audit Committee’s follow up on the adequacy and effectiveness of controls and the issuance of the necessary recommendations.

6. Compliance and Adherence:

Through compliance with relevant laws, regulations, and instructions, activation of internal frameworks and policies, and the issuance of periodic reports through the approved channels, with follow up on corrective actions when needed.

7. Effectiveness of the Board of Directors and Its Committees:

Through meetings held according to an approved schedule, evaluation of the performance of the Board, committees, and executive management in line with approved methodologies, and review of improvement opportunities linked to business plans.

8. Protection of Stakeholders:

Through policies and procedures governing the relationship with stakeholders, ensuring clarity of rights and obligations, and establishing mechanisms for handling complaints and resolving disputes within the regulatory framework.

The Company complies with the mandatory provisions set out in the Corporate Governance Regulations issued by the Capital Market Authority. This section also sets out the advisory provisions that the Company did not apply during the 2025 financial year and the reasons for non application.

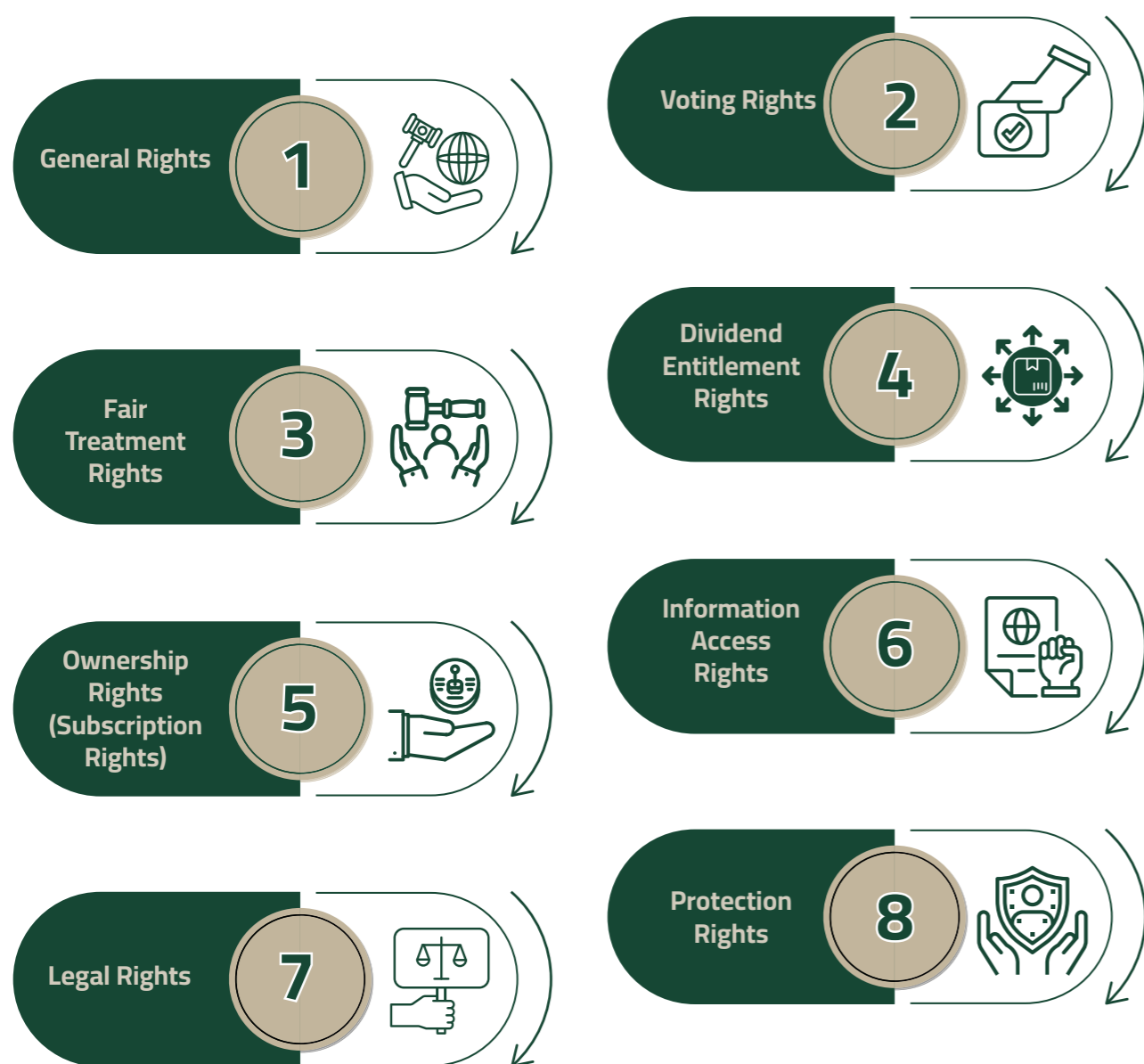
Article/ Clause Number	Title	Text of the Article / Paragraph	Extent of Application	Reasons for Non Application
372 /	Training	Putting in place the arrangements necessary to enable each of the members of the Board of Directors and executive management to participate in training courses on an ongoing basis, with the aim of developing their skills and knowledge in areas related to the Group's activities.	Not applied	Advisory provision
67	Formation of the Risk Management Committee	Forming a committee by resolution of the Board of Directors called the Risk Management Committee, chaired by a majority of non executive Board members, provided that at least one of its members has knowledge of risk management and financial affairs.	Not applied	Advisory provision
68	Responsibilities of the Risk Management Committee	<p>Developing a strategy and comprehensive policies for risk management that are commensurate with the nature and scale of the Company's activities, verifying their implementation, and reviewing and updating them based on internal and external developments affecting the Group.</p> <p>Determining an acceptable level of risk that may be faced by the Group and ensuring that the Group does not exceed that level.</p> <p>Verifying the feasibility of the Group's continued operations and ongoing activity successfully, while identifying the risks that threaten its continuity over the coming twelve months.</p> <p>Supervising the Group's risk management system and assessing the effectiveness of the systems and mechanisms used to identify, assess, and monitor risks that the Group may face, in order to identify areas of deficiency.</p> <p>Reassessing the Group's ability to bear risks and its exposure to them on a regular basis through stress tests.</p> <p>Preparing detailed reports on the Group's exposure to risks and the proposed measures to manage those risks, and submitting them to the Board of Directors.</p> <p>Providing recommendations to the Board on matters related to risk management.</p> <p>Ensuring the availability of sufficient resources and systems for risk management.</p> <p>Reviewing the organizational structure for risk management and providing recommendations in this regard before its approval by the Board.</p> <p>Verifying the independence of the employee responsible for risk management from activities that may expose the Group to risk.</p> <p>Verifying that employees responsible for risk management understand the risks surrounding the Group and raising awareness of risk culture.</p> <p>Reviewing matters that may affect the Group's risk management, as referred to it by the Board.</p>	Not applied	Advisory provision

Article/ Clause Number	Title	Text of the Article / Paragraph	Extent of Application	Reasons for Non Application
69	Meetings of the Risk Management Committee	The Risk Management Committee shall meet periodically no less than every six months, and whenever the need arises.	Not applied	Advisory provision
82 / 2	Employee Incentives	The Group shall establish programs to develop and incentivize employee participation and performance, provided that such programs specifically include granting employees shares in the Group or a share of the profits it generates, and establishing retirement programs and an independent fund to finance such programs.	Not applied	Advisory provision
82 / 3	Employee Incentives	The Group shall establish programs to develop and incentivize employee participation and performance in the Group, provided that a separate legal entity is established for employee share ownership schemes.	Not applied	Advisory provision
84	Social Responsibility	The Ordinary General Assembly shall, based on a proposal from the Board of Directors, establish a policy that ensures a balance between the Group's objectives and the objectives pursued by society, with a view to developing the social and economic conditions of the community.	Not applied	Advisory provision

Shareholders' Rights:

BAAN Holding Group is committed to enabling all shareholders to exercise and protect their statutory rights, while ensuring fairness, equal treatment, and non discrimination among shareholders on any grounds. This includes, for example and without limitation, the shareholder's right to receive a share of the dividends approved for distribution, a share of the Company's assets upon liquidation, attendance and participation in General Assembly meetings, voting on their resolutions, and the right to dispose of their shares. It also includes the right to inquire and request information, in a manner that does not conflict with the regulations and executive rules of the Capital Market Authority and is consistent with the provisions of the internal governance regulations approved by the Board of Directors.

In BAAN Holding Group, shareholders' rights fall under the following:



Shareholders' Access to Information:

BAAN Holding Group provides information to all shareholders in a fair and transparent manner in accordance with the approved disclosure policies and in compliance with the applicable regulatory requirements, rules, and instructions issued by the relevant authorities, without discrimination among shareholders, thereby enabling them to exercise their rights fully. The Company is committed to ensuring that disclosed information is sufficient, accurate, up to date, and released regularly within the prescribed timeframes. This is done through the Saudi Exchange website Tadawul, the Company's website, and other relevant electronic platforms. The Company also provides channels for shareholders to communicate through Investor Relations, receive inquiries and suggestions, and discuss the Company's performance during General Assembly meetings, in addition to the Company's approved communication channels.

Dividend Distribution Policy:

The Company adopts a dividend distribution policy based on balancing value maximization for shareholders, supporting growth plans, and preserving financial strength and solvency. The Company seeks to distribute a future percentage of profits, subject to the Board of Directors' annual assessment of the possibility of recommending dividend distribution in light of business results, available and projected cash flows, investment requirements, financing obligations, and the relevant regulatory requirements. The Board of Directors did not recommend a dividend distribution for the 2025 financial year, based on its assessment of the Company's financial position, liquidity considerations, growth plans, and existing obligations.

Dividends, when declared, are distributed in accordance with the Company's Articles of Association after deducting all general expenses and other costs, as follows:

- 10% of net profit shall be set aside to form the Company's statutory reserve. The Ordinary General Assembly may discontinue this allocation when the reserve reaches 30% of the paid up capital.
- The Ordinary General Assembly, based on a proposal from the Board of Directors, may set aside 10% of net profit to form a general reserve.
- The Ordinary General Assembly may also decide to create other reserves to the extent that serves the Company's interest or ensures the distribution of stable dividends to shareholders. The General Assembly may also deduct from net profit amounts for the establishment of social institutions for the Company's employees or to support existing institutions of that nature.
- The remainder shall be distributed to shareholders in a percentage representing at least 1% of the Company's paid up capital.
- The Company may distribute interim dividends to shareholders on a semi annual or quarterly basis, in accordance with the rules issued by the Capital Market Authority, pursuant to an authorization granted annually by the Ordinary General Assembly to the Board of Directors for interim dividend distribution.
- The Ordinary General Assembly determines the dividends proposed by the Board and the method of distribution.
- The approved cash dividends are paid to shareholders through their accounts linked to their investment portfolios, and bonus shares are deposited in shareholders' investment portfolios after the announcement is published on the market website and the Company's website.

Shares Carrying Voting Rights, Subscription Rights, Conversion Rights, and Debt Instruments:

1. Any interests in the class of shares carrying voting rights held by persons other than Board members, senior executives, and their relatives, of which the Company has been notified, and any changes in those rights during the last financial year.

No.	Name of Person / Reporting Entity	Class of Shares Subject to the Right	Number of Shares at the Beginning of the Year	Number of Shares at the End of the Year	Net Change	Change %
1	Abdulmohsen Alhokair and Sons Company Limited	Ordinary Shares	99,225,000	83,524,970	15,700,030	4.984%

2. A description of any interest in convertible debt instruments, subscription rights, held by Board members, senior executives, and their relatives in shares or debt instruments of the Company or any of its subsidiaries, and any change in that interest or those rights during the 2025 financial year.

No.	Name of the person to whom the interest in convertible debt instruments or subscription rights belongs	Position in the Company	Type of Ownership	Number of Shares at the Beginning of 2025	Number of Shares at the End of 2025	Net Change	Change % in Number of Shares
1	Sami bin Abdulmohsen Alhokair	Chairman of the Board	Indirect interest through Abdulmohsen Alhokair and Sons Company Limited	7,441,875	6,264,372.75	1,177,502.25	%15.82
2	Fahad bin Mohammed Saleh Al Obailan	Board Member and Chief Executive Officer	Direct ownership	74,430	74,430	0	0%

BAAN requests to the shareholders' register

No.	Request Date	Reason for Request
1	30/11/2025	Company procedures
2	16/10/2025	Company procedures
3	09/10/2025	Company procedures
4	09/10/2025	Company procedures
5	07/09/2025	Company procedures
6	27/08/2025	Company procedures
7	01/06/2025	Company procedures
8	29/05/2025	Company procedures

Actions taken by the Board of Directors to inform its members of shareholders' proposals and observations regarding the Group's performance:

- The Company has designated an official channel to receive shareholders' inquiries and proposals through Investor Relations via email: ir@baanholding.com
- Shareholders are given the opportunity to raise inquiries, submit observations, and discuss BAAN Holding Group's performance during General Assembly meetings. The Company also provides shareholders with the approved communication channels as part of the General Assembly materials and available means of communication.

BAAN Holding Group shareholders were invited to attend the General Assembly meeting, and the attendance of the Board members was as shown below:

No.	Name of Board Member	Position	Attendance Record of the First Ordinary General Assembly Meeting held on 01/06/2025
1	Mr. Sami bin Abdulmohsen Alhokair	Chairman of the Board	√
2	Mr. Faisal bin Mohammed Al Malik	Vice Chairman of the Board	√
3	Mr. Fahad bin Mohammed Al Obailan	Board Member and Chief Executive Officer	√
4	Mr. Yanal bin Muwaffaq Al Saudi	Board Member	√
5	Mr. Salem bin Ali Al Shahrani	Board Member	√
6	Mr. Mishaal bin Ibrahim Al Shunaifi	Board Member	√
7	Mr. Nabil bin Dawood Al Houshan	Board Member	√

√	Attended	x	Not Attended
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The Board of Directors has approved written policies and procedures for disclosure and transparency to ensure fairness in the dissemination of material information to investors in a timely manner and to enable them to make their investment decisions based on accurate and sufficient information. The Group also applies these policies and procedures in accordance with the relevant laws, regulations, and instructions issued by the Capital Market Authority and other competent authorities, in a way that supports a high standard of transparency and quality of disclosure.

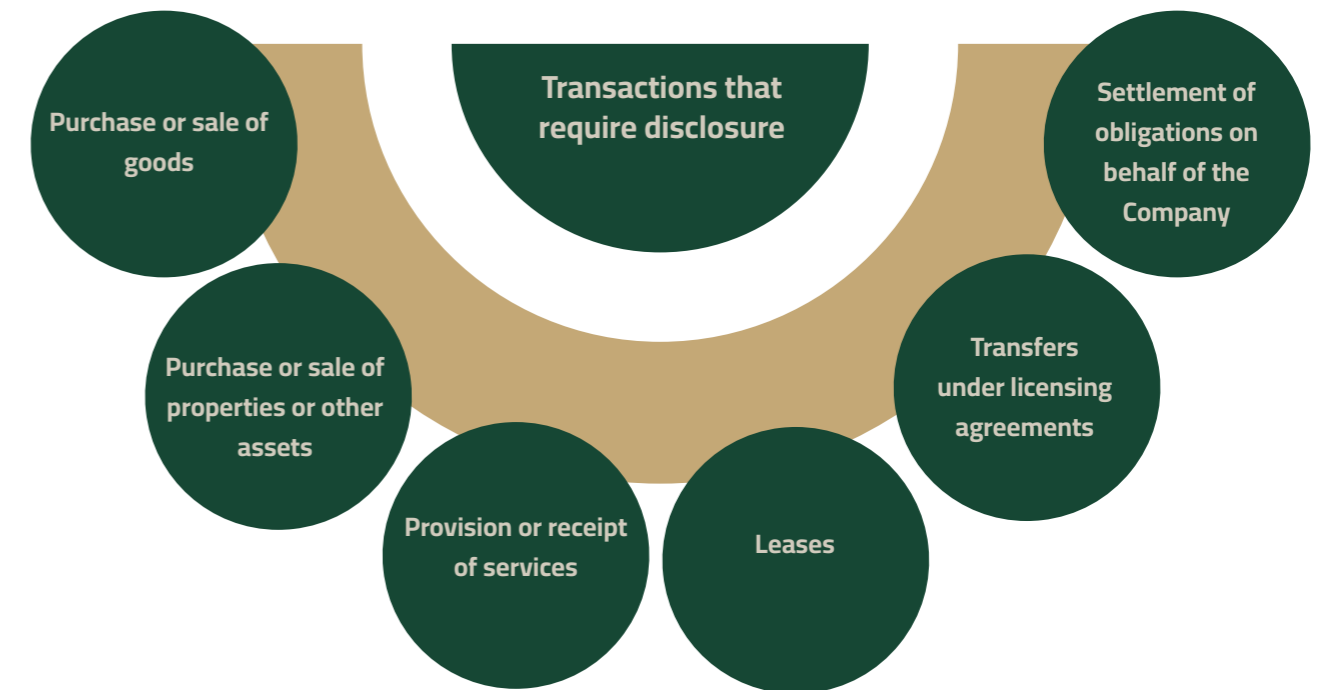
Board Resolutions

The Board of Directors of BAAN Holding Group confirms and resolves as follows:

1. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards issued by the Saudi Organization for Chartered and Professional Accountants.
2. The accounting records have been properly maintained.
3. The internal control system has been established on a sound basis and has been implemented effectively, and there is no doubt that would affect the Company's ability to continue its operations.
4. The Company continuously works to comply with the requirements of the Corporate Governance Regulations and to implement them, including the relevant policies and procedures on disclosure and transparency, while disclosing any advisory provisions that were not applied and the reasons for non application.
5. During the 2025 financial year, the Company did not receive any request from the external auditor to convene a General Assembly.
6. During the 2025 financial year, the Company did not receive any request from shareholders holding 10% or more of the share capital to convene a General Assembly, nor was any item added to the agenda of the General Assembly when it was prepared.
7. No procedures were taken that would hinder shareholders' exercise of their voting rights.
8. There are no arrangements or waivers under which any of the Company's shareholders have relinquished any rights to dividends during the 2025 financial year.
9. The external auditor's report on the annual financial statements for the 2025 financial year did not include any reservations or material observations.
10. There is no recommendation from the Board of Directors to replace the external auditor before the end of three consecutive financial years.
11. During the 2025 financial year, the Company had no convertible debt instruments, no contractual securities, no warrants, and no rights issue or similar rights issued or granted by the Company. The Company also had no conversion rights or subscription rights under any debt instruments.
12. During the 2025 financial year, the Company did not purchase, redeem, or cancel any redeemable debt instruments.
13. There were no shares or debt instruments issued by the Company's subsidiaries during the 2025 financial year.
14. There are no arrangements or waivers under which any Board member or senior executive has relinquished any remuneration during the 2025 financial year.
15. The Group did not grant any cash loans to any category of its Board members, nor did it guarantee any loan for any of them with third parties.
16. The Company does not have any treasury shares or shares carrying voting privileges, whether for shareholders, Board members, or officers. All of the Company's shares are ordinary shares of equal nominal value and equal rights in voting and other related rights under the applicable regulations.
17. The Company is subject to the regulations of the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia and records the annual zakat expense and charges it to the statement of profit or loss. Any adjustments arising upon the final zakat assessment, if any, are recorded in the period in which the assessment is issued.

The Group is committed to putting in place clear policies and procedures governing its relationships with all stakeholders and related parties, including employees, shareholders, suppliers, customers, tenants, and others, in a manner that promotes fairness, transparency, and the protection of the rights of the Group and all parties. Regulations, bylaws, and contracts serve as the primary reference for defining the relevant rights and obligations.

The Group also seeks to document these relationships through clear contracts that define the rights and obligations of the contracting parties and the mechanism for fulfilling those obligations and dealing with any breaches, in addition to mechanisms for resolving disputes that may arise during implementation, in a way that protects the rights of all stakeholders.



No.	Related Party	Type of Contract	Subject Matter of Contract	Nature of Relationship with the Company	Key Contract Terms	Duration	Value (SAR)	Remarks
1	Abdulmohsen Alhokair Holding Group	Hotel lease agreement	Park Inn Hotel, Dammam	Indirect interest held by the Chairman of the Board, Mr. Sami Alhokair, and the Vice Chairman, Mr. Faisal Al Malik	Rent equals 20% of revenues, capped at SAR 750,000 annual rent	20 years	750,000	
2	Abdulmohsen Alhokair Holding Group	Residential lease agreement	Employee housing in Al Khobar	Indirect interest held by the Chairman of the Board, Mr. Sami Alhokair, and the Vice Chairman, Mr. Faisal Al Malik	Fixed annual rent of SAR 100,000	10 years	100,000	
3	Abdulmohsen Alhokair Holding Group	Residential lease agreement	Marhaba Building, employee housing	Indirect interest held by the Chairman of the Board, Mr. Sami Alhokair, and the Vice Chairman, Mr. Faisal Al Malik	Fixed annual rent of SAR 800,000	5 years	800,000	
4	Abdulmohsen Alhokair Holding Group	Residential lease agreement	Al Olaya staff housing, Riyadh	Indirect interest held by the Chairman of the Board, Mr. Sami Alhokair, and the Vice Chairman, Mr. Faisal Al Malik	Fixed annual rent of SAR 200,000	5 years	200,000	
5	Abdulmohsen Alhokair Holding Group	Hotel lease agreement	MENA Andalusia Hotel, Riyadh	Indirect interest held by the Chairman of the Board, Mr. Sami Alhokair, and the Vice Chairman, Mr. Faisal Al Malik	Rent equals 20% of revenues, capped at SAR 1 million annual rent	26 years	534,491	
6	Abdulmohsen Alhokair Holding Group	Hotel lease agreement	Holiday Inn Al Khobar	Indirect interest held by the Chairman of the Board, Mr. Sami Alhokair, and the Vice Chairman, Mr. Faisal Al Malik	Rent equals 20% of revenues, capped at SAR 3 million annual rent	26 years	2,294,954	
7	Abdulmohsen Alhokair Holding Group	Hotel lease agreement	DoubleTree by Hilton Al Muroj, Riyadh	Indirect interest held by the Chairman of the Board, Mr. Sami Alhokair, and the Vice Chairman, Mr. Faisal Al Malik	Rent equals 20% of revenues, capped at SAR 8 million annual rent	20 years	8,000,000	
8	Abdulmohsen Alhokair Holding Group	Hotel lease agreement	Holiday Inn Jeddah Gateway, Jeddah	Indirect interest held by the Chairman of the Board, Mr. Sami Alhokair, and the Vice Chairman, Mr. Faisal Al Malik	Rent equals 20% of revenues, capped at SAR 7.5 million annual rent	20 years	4,933,023	
9	Abdulmohsen Alhokair Holding Group	Hotel lease agreement	Holiday Inn Suite, Jeddah	Indirect interest held by the Chairman of the Board, Mr. Sami Alhokair, and the Vice Chairman, Mr. Faisal Al Malik	Rent equals 15% of revenues	20 years	194,436	
10	Abdulmohsen Alhokair Holding Group	Hotel lease agreement	Radisson Blu Plaza Jeddah	Indirect interest held by the Chairman of the Board, Mr. Sami Alhokair, and the Vice Chairman, Mr. Faisal Al Malik	Rent equals 20% of revenues, capped at SAR 5 million annual rent	20 years	3,238,835	
11	Abdulmohsen Alhokair Holding Group	Hotel lease agreement	Radisson Blu Corniche, Jeddah	Indirect interest held by the Chairman of the Board, Mr. Sami Alhokair, and the Vice Chairman, Mr. Faisal Al Malik	Rent equals 20% of revenues, capped at SAR 8 million annual rent	20 years	6,990,005	
12	Abdulmohsen Alhokair Holding Group	Hotel lease agreement	Novotel, Yanbu	Indirect interest held by the Chairman of the Board, Mr. Sami Alhokair, and the Vice Chairman, Mr. Faisal Al Malik	Rent equals 20% of revenues, capped at SAR 700,000 annual rent	21 years	700,000	
13	Abdulmohsen Alhokair and Sons Company Limited	Hotel lease agreement	Tulip Inn Al Naseem Hotel, Riyadh	Indirect interest held by the Chairman of the Board, Mr. Sami Alhokair, and the Vice Chairman, Mr. Faisal Al Malik	Fixed annual rent of SAR 2,165,000	20 years	2,165,000	

No.	Related Party	Type of Contract	Subject Matter of Contract	Nature of Relationship with the Company	Key Contract Terms	Duration	Value (SAR)	Remarks
14	Abdulmohsen Alhokair Holding Group	Hotel lease agreement	MENA Hotel, Taif	Indirect interest held by the Chairman of the Board, Mr. Sami Alhokair, and the Vice Chairman, Mr. Faisal Al Malik	Fixed annual rent of SAR 400,000	20 years	400,000	
15	Abdulmohsen Alhokair Holding Group	Hotel lease agreement	Golden Tulip Hotel, Al Khobar	Direct interest held by the Chairman of the Board, Mr. Sami Alhokair	Rent equals 20% of revenues, capped at SAR 2 million annual rent	25 years	1,500,110	
16	Abdulmohsen Alhokair Holding Group	Building lease agreement	Mini exhibition at Al Jamiah, Riyadh	Indirect interest held by the Chairman of the Board, Mr. Sami Alhokair, and the Vice Chairman, Mr. Faisal Al Malik	Fixed annual rent of SAR 50,000	26 years	25,000	The property was handed over to the Holding Company
17	Abdulmohsen Alhokair Holding Group	Building lease agreement	Development project, Jazan	Indirect interest held by the Chairman of the Board, Mr. Sami Alhokair, and the Vice Chairman, Mr. Faisal Al Malik	Fixed annual rent of SAR 1,200,000	13 years	1,200,000	
18	Abdulmohsen Alhokair Holding Group	Hotel lease agreement	Sahara Complex, Al Khobar	Indirect interest held by the Chairman of the Board, Mr. Sami Alhokair, and the Vice Chairman, Mr. Faisal Al Malik	Rent equals 20% of revenues, capped at SAR 1 million annual rent	20 years	534,447	
19	Abdulmohsen Alhokair Holding Group	Entertainment center lease agreement	Al Khobar Entertainment Center, Al Rabwa, Riyadh	Indirect interest held by the Chairman of the Board, Mr. Sami Alhokair, and the Vice Chairman, Mr. Faisal Al Malik	The Company operates and manages the site in return for a fixed annual rent of SAR 4,602,735	5 years	4,602,735	
20	Abdulmohsen Alhokair Holding Group	Office lease agreement	Head Office premises, Riyadh	Indirect interest held by the Chairman of the Board, Mr. Sami Alhokair, and the Vice Chairman, Mr. Faisal Al Malik	Fixed annual rent of SAR 1,500,000	10 years	1,500,000	
21	Abdulmohsen Alhokair Holding Group	Supply agreement	Maintenance, operation, and cleaning services agreement	Indirect interest held by the Chairman of the Board, Mr. Sami Alhokair, and the Vice Chairman, Mr. Faisal Al Malik	Monthly invoices are settled based on prevailing market prices	Annual	1,898,358	
22	Abdulmohsen Alhokair Holding Group	Lease agreement	Holiday Inn Corniche Al Khobar	Indirect interest held by the Chairman of the Board, Mr. Sami Alhokair, and the Vice Chairman, Mr. Faisal Al Malik	Rent equals 20% of revenues, capped at SAR 3 million annual rent	8 years	3,000,000	
23	Abdulmohsen Alhokair Holding Group	Management agreement	MENA Ty Hotel, Dhahran	Indirect interest held by the Chairman of the Board, Mr. Sami Alhokair, and the Vice Chairman, Mr. Faisal Al Malik	Monthly fees of SAR 92,000	98 months	1,104,000	
24	Abdulmohsen Alhokair Holding Group	Management agreement	Radisson Blu Hotel, Jizan	Indirect interest held by the Chairman of the Board, Mr. Sami Alhokair, and the Vice Chairman, Mr. Faisal Al Malik	Monthly fees of SAR 55,826	125 months	669,912	
25	Abdulmohsen Abdulaziz Alhokair	Management agreement	MENA Hotel Apartments, Dubai	Indirect interest held by the Chairman of the Board, Mr. Sami Alhokair	Management fee of 2% of total sales and incentives, 6% of operating gross profit, 2% marketing, and 2% room revenue	10 years	527,408	
26	Abdulmohsen Abdulaziz Alhokair	Management agreement	MENA Plaza Hotel, Dubai	Indirect interest held by the Chairman of the Board, Mr. Sami Alhokair	Management fee of 2% of total sales and incentives, 6% of operating gross profit, 2% marketing, and 2% room revenue	10 years	457,699	

No.	Related Party	Type of Contract	Subject Matter of Contract	Nature of Relationship with the Company	Key Contract Terms	Duration	Value (SAR)	Remarks
27	Majed Abdulmohsen Alhokair	Supply contract	Alhokair Printing Press	Indirect interest held by the Chairman of the Board, Mr. Sami Alhokair	According to the competitive prices offered by the printer and the Company's contracting with any other supplier	3 years	0	
28	Musaed bin Abdulmohsen Alhokair	Lease contract	Employee housing at DoubleTree by Hilton Al Muroj, Riyadh	Indirect interest held by the Chairman of the Board, Mr. Sami Alhokair	Fixed annual rent of SAR 900,000	5 years	900,000	
29	Alhokair Company for Manufacturing Amusement Games, owned by Majed Abdulmohsen Alhokair and Sami Majed Alhokair	Supply contract		Direct interest held by the Chairman of the Board, Mr. Sami Alhokair	Maintenance contract for games, without preferential terms, based on competitively offered prices		Without value	
30	Tanami Arabia Company Limited	Lease contract	Novotel Business Park, Dammam	Indirect interest held by the Chairman of the Board, Mr. Sami Alhokair, and the Vice Chairman, Mr. Faisal Al Malik	Rent equals 20% of revenues	20 years	3,245,909	
31	Lumi Leasing Company	Vehicle lease contract	Vehicle leasing agreement	Interest held by Board Member Mr. Fahad Al Obailan		4 years	849,715	
32	Half Moon Beach Resort Company	Management agreement	Half Moon Beach Hotel operating agreement	Direct interest held by the Chairman of the Board, Mr. Sami Alhokair	Monthly rent of SAR 50,000		600,000	
33	Half Moon Beach Resort Company	Management agreement	Half Moon Beach Hotel operating investment agreement	Direct interest held by the Chairman of the Board, Mr. Sami Alhokair	3% of total revenues and 7% of total profit		165,198	
34	Riyadh Plastics Factory Company	Supply contract	Plastic materials supply	Indirect interest held by the Chairman of the Board, Mr. Sami Alhokair, and the Vice Chairman, Mr. Faisal Al Malik	According to prices offered competitively, in line with the Company's contracting with any other supplier	5 years	259,728	
35	Riyadh Plastics Factory Company	Lease contract	Lease of 15 stores in Al Barakah Market, Riyadh	Indirect interest held by the Chairman of the Board, Mr. Sami Alhokair, and the Vice Chairman, Mr. Faisal Al Malik	Fixed annual rent of SAR 200,000	10 years	200,000	
36	MENA Education and Human Resources	Development Company, owner of Abdulmohsen Alhokair Institute for Hotel Training	Training services contract Staff training and use of hotel rooms and towers	Indirect interest held by the Chairman of the Board, Mr. Sami Alhokair, and the Vice Chairman, Mr. Faisal Al Malik	SAR 2,000 per month for each trainee enrolled in the main program, in addition to the Group's use of hotel rooms and towers at prevailing hotel and tower rates	Annual	244,250	
37	Majed Abdulmohsen Alhokair, Wurood Khaled Abdulmohsen Alhokair, Nouf bint Khaled Abdulmohsen Alhokair, Waad Majed bin Abdulmohsen Alhokair, and Waad Majed bin Abdulmohsen Alhokair	Lease Contract	Lease contract for land for workers' accommodation on Al Kharj Road, Riyadh	There is an indirect interest for the Chairman of the Board, Mr. Sami Alhokair	The value represents the commitment during the lease term for the development of prefabricated warehouses for commercial use	10 years	Without value	

No.	Related Party	Type of Contract	Subject Matter of Contract	Nature of Relationship with the Company	Key Contract Terms	Duration	Value (SAR)	Remarks
38	Abdulmohsen Alhokair Establishment	Lease Contract	Building lease contract for employee accommodation in Al Murjan, Al Khobar	There is a direct interest for the Chairman of the Board, Mr. Sami Alhokair	Fixed annual rent of SAR 65,790	5 years	16,407	
39	Mr. Faisal Al Malik	Residential Lease Contract	Residential lease contract for employee accommodation in Al Malqa	There is an interest for Board Member Mr. Faisal Al Malik	Annual rent of SAR 200,000	5 years	200,000.00	
40	Osool Al Bayan Company Limited	Asset Sale Contract	Sale agreement for Osool Mall, Shaqra Branch, Riyadh	There is an indirect interest for the Chairman of the Board, Mr. Sami Alhokair	Asset sale contract without preferential terms, based on prices offered on a competitive basis		2,394,351.00	

5.9 Competitive Business of Certain Board Members

Chairman / Board Member	Position in the Competing Entity	Name of the Competing Legal Entity	Type of Legal Entity	Competing Businesses and Activities
Chairman of the Board Mr. Sami bin Abdulaziz Alhokair	Partner and Manager	Abdulmohsen Alhokair Holding Group	Company	Hospitality, hotel operation
	Manager	Tanami Arabia Company Ltd	Company	Hospitality, hotel operation
	Manager	Half Moon Beach Resort Company	Company	Hospitality
	Manager	Asoul Hospitality Initiative Company	Company	Hospitality, hotel operation
	Partner	Real Estate & Tourism Development Company	Company	Hospitality, hotel operation
	Manager	Lulut Al Madinah Hospitality Company	Company	Hospitality, hotel operation
Vice Chairman of the Board Mr. Faisal bin Mohammed Al Malik	Chief Executive Officer	Abdulmohsen Alhokair Holding Group	Company	Hospitality, hotel operation
Board Member Mr. Salem bin Ali Al Shahrani	Chief Executive Officer	Accor Hotels, including Fairmont Riyadh Hotel, Abraj Al Sa'a Hotel, Movenpick Hotel, Swissotel Makkah, Swissotel Al Maqam	Company	Hospitality, hotel operation

5.10 Internal Control System

- The Board of Directors confirms that there were no cases, claims, or arbitration proceedings, or similar matters, initiated during the 2025 financial year by or against the Company, with a value exceeding 5% of the Company's net assets.
- The Board of Directors also confirms that there were no cases or claims initiated during the 2025 financial year against any of the Board members, partners in subsidiaries, or any of the Company's senior executives.

No.	Penalty	Reason for the Violation	Authority Imposing the Penalty	Measures Taken to Address the Violation and Prevent Recurrence	Financial Impact
1	Financial	Non compliance with certain disclosure and transparency requirements, including incomplete disclosure of contracts and projects, delayed disclosure of a financing loan agreement, and failure to disclose accumulated losses of 20% or more as of 22/08/2024 on the Tadawul website, due to incomplete required disclosures at that time.	Capital Market Authority	The necessary corrective actions have been taken, internal controls have been strengthened, and compliance with the relevant regulatory requirements has been reinforced to prevent the violation from recurring in the future.	Low
2	Financial	Failure to fully record the attendance of a number of committee members as part of the disclosure process, in addition to observations related to the regulations of the General Organization for Social Insurance and the implementing regulations.	General Organization for Social Insurance	The necessary corrective actions have been taken, internal controls have been strengthened, and compliance with the relevant regulatory requirements has been reinforced to prevent the violation from recurring in the future.	Low
3	Financial	Failure to meet health and occupational safety requirements at one of the Group's sites, resulting in inadequate training, absence of fire alarm systems, and insufficient fire extinguishers.	Civil Defense	The necessary corrective actions have been taken, internal controls have been strengthened, and compliance with the relevant regulatory requirements has been reinforced to prevent the violation from recurring in the future.	Low
4	Financial	Non compliant additions to the core infrastructure of the gaming sector, or misuse and unauthorized use of equipment and devices.	Saudi Water Authority	The necessary corrective actions have been taken, internal controls have been strengthened, and compliance with the relevant regulatory requirements has been reinforced to prevent the violation from recurring in the future.	Low
5	Financial	Non compliance with transport regulatory requirements, including failure to issue transport documents, failure to issue cargo manifests, permitting entry of trucks that do not meet required conditions and specifications, or allowing drivers to work without a valid professional license.	Public Transport Authority	Corrective actions were taken, internal controls were strengthened, and compliance with the relevant regulatory requirements was reinforced to prevent recurrence.	Low

No.	Penalty	Reason for the Violation	Authority Imposing the Penalty	Measures Taken to Address the Violation and Prevent Recurrence	Financial Impact
6	Financial	Non compliance with municipal and licensing requirements, including failure to pay fees and failure to renew licenses within the required period.	Riyadh Municipality	Corrective actions were taken, internal controls were strengthened, and compliance with the relevant regulatory requirements was reinforced to prevent recurrence.	Low
7	Financial	Failure to renew business licenses for activities related to employee accommodation at locations where such renewal is required by the nature of the activity, and operating without prior municipal approval, including employee accommodation, in addition to failure to renew workers' licenses and health certificates.	Ministry of Municipalities and Housing	Corrective actions were taken, internal controls were strengthened, and compliance with the relevant regulatory requirements was reinforced to prevent recurrence.	Low
8	Financial	Non compliance with tourism regulatory requirements, including failure to notify and register with the Ministry within the prescribed period, failure to submit appropriate notice of cancellation or reissuance of licenses related to hospitality activities, failure to record sales and tourism activity data in approved systems, and resuming operations without renewing an expired tourism classification certificate.	Ministry of Tourism	Corrective actions were taken, internal controls were strengthened, and compliance with the relevant regulatory requirements was reinforced to prevent recurrence.	Low
9	Financial	Non compliance with the prescribed Saudization ratios under the regulations, due to a shortfall in the required localization rate and the employment of workers in professions not approved under the applicable rules.	Ministry of Human Resources and Social Development	Corrective actions were taken, internal controls were strengthened, and compliance with the relevant regulatory requirements was reinforced to prevent recurrence.	Low

BAAN Holding Group places strong emphasis on managing the risks that may affect its business, whether operational, strategic, financing, or market related. This includes expected competitive pressures arising from the entry of new operators into the Kingdom and from the expansion activities undertaken by other companies.

The Company's risk management policy includes identifying risks, assessing them on a regular basis, putting in place appropriate measures to mitigate their impact, monitoring implementation, and updating them in line with internal and external developments.

With respect to risk oversight, no separate independent risk management committee was formed during the reporting period. The Executive Committee undertakes certain risk management responsibilities, while the Audit Committee evaluates the effectiveness of risk management performance and issues the necessary observations and recommendations in accordance with the approved governance mechanisms.

The risks set out below represent the principal risks currently faced by the Company and do not necessarily cover all risks it may encounter, as there may be additional risks that are currently unknown or not considered material by the Company.

Strategic Risks and Market Risks and Their Management Framework

Risk	Risk Description	Impact Level	Risk Management and Monitoring Mechanism
Success of projects or new sites launched by the Company	BAAN Holding Group's strategy is based on continuing to expand its business across various hospitality, entertainment, and catering activities over the coming years. This includes opening new hotels and entertainment sites in a number of locations and countries and entering into new catering projects. At the same time, establishing such projects or sites may face several challenges and obstacles, including the inability to reach acceptable contractual terms, or the Company's inability to equip the site to the minimum required standard for the project or site. Accordingly, there can be no assurance that the Company will achieve success in new projects or sites based solely on the success of previous projects or sites.	High	The Company addresses this risk by assessing sites and projects, studying financial and technical feasibility, monitoring implementation schedules and costs during implementation, and taking corrective action where needed. This risk is also monitored through the approved governance mechanisms within executive management, with the Executive Committee overseeing certain related risk management responsibilities, and the Audit Committee assessing risk management performance and issuing observations and recommendations.
Competition risk	BAAN Holding Group faces competition from providers of hospitality, entertainment, and catering services at the local and regional levels. Some competitors may have substantial financial resources and operational scale that allow them to offer lower prices and compress profit margins, which may adversely affect the Company's business, forecasts, financial position, and results of operations.	Medium to High	The Company works to mitigate this risk by continuously developing and improving services and guest experiences, enhancing operating efficiency, maintaining a balanced mix of quality and pricing, and periodically evaluating the impact on performance and forecasts in order to take the necessary actions.
Changes in consumer behavior	Changes in customer preferences and expectations represent a risk that may affect companies' ability to keep pace with evolving market conditions. One of the main aspects of this risk is the growing customer preference for distinctive and specialized experiences over traditional options, which may affect acceptance levels and spending patterns. The Company therefore seeks to adapt to these changes.	Medium	This risk is managed through monitoring customer feedback, changing preferences, improving and developing services and products in a way that supports evolving expectations, and conducting the necessary reviews to ensure the suitability of the services offered.
Risks related to the economic performance of the Kingdom	Volatility in oil prices directly affects the Saudi economy and, consequently, the value of the sectors in which the Company operates, including hospitality and entertainment. A large portion of the Kingdom's performance is linked to oil sector results. A sharp decline in oil prices may therefore have a negative impact on the Company's forecasts and operating results.	Medium to High	This risk is managed by monitoring economic indicators and assessing their impact on related sectors, adopting flexible planning approaches aligned with changing conditions, and regularly tracking the effect on business results in order to take the appropriate actions.

Operational Risks and Their Management Framework

Risk	Risk Description	Impact Level	Risk Management and Monitoring Mechanism
Termination or non renewal of leases entered into by the Company	BAAN Holding Group has entered into lease agreements with other parties, under which those parties lease properties used as hotels, entertainment venues, or catering sites for the Company's business. Consequently, the Company may not be able to continue operating its hospitality or entertainment activities if such leases are terminated or not renewed.	Medium to High	This risk is managed by monitoring contractual obligations and renewal terms in a timely manner, assessing sites before renewal when needed, analyzing contractual terms and considering available alternatives, and reducing any operating disruption that may arise from non renewal or termination.
Dependence on suitable maintenance of its assets and infrastructure	The Company's success depends on its ability to maintain the safety and upkeep of all of its assets, including hospitality, entertainment, and catering sites. The Company also relies on information systems, digital services, and communication services. Any interruption in internet services, communication services, the Company's core systems, or its infrastructure, or any deterioration affecting its operations or partners, may impair the Company's performance and lead to its inability to provide services or continue operations in the normal course, which would adversely affect its business, forecasts, financial position, and operating results.	High	This risk is managed through periodic maintenance plans, continuous monitoring and assessment, ensuring system and infrastructure readiness, adopting business continuity and disaster recovery plans, monitoring service performance, and addressing any deficiencies that may affect business continuity.
Ability to lease and develop relevant sites	BAAN Holding Group's success in hospitality and entertainment depends on the availability of suitable sites and the Company's ability to lease those sites on appropriate commercial terms. Given that these sites are often subject to strong competition from third parties, the Company may face difficulty entering into new agreements on satisfactory terms, or may be unable to enter into such agreements at all.	Medium	This risk is managed through advance planning of site requirements, feasibility assessment, identifying suitable alternatives, analyzing related contractual terms, and monitoring relevant regulatory and commercial developments before making financial commitments.
Health and safety risks	There are health and safety related risks across the Company's sectors that may negatively affect business continuity. In the entertainment sector in particular, most of the Company's entertainment sites offer multiple games, and some are linked to connected electrical games or other related equipment. This may result in accidents or injuries at any of the Company's entertainment sites.	High	This risk is managed through the implementation of health and safety requirements, periodic inspections, routine maintenance of games and facilities, training employees on safety procedures and emergency response, and continuously updating procedures in line with applicable regulatory requirements.
Cybersecurity	BAAN Holding Group may be exposed to cyberattacks. These attacks may range from simple intrusions to more complex forms. If such attacks affect the data and information of its customers and business partners, some of which may be confidential and sensitive, they may compromise the Company's reputation, operations, and other critical areas and have an adverse effect on the Company's financial position and operating results.	Medium to High	This risk is managed through the implementation of appropriate information security controls, strengthening cybersecurity capabilities, updating backup systems and cyber protection measures, managing access rights, and applying incident monitoring and response procedures in accordance with approved protocols.

Financial Risks

Risk	Risk Description	Impact Level	Risk Management and Monitoring Mechanism
Credit Risk	Credit risk arises from the inability of a counterparty to meet its obligations, which may result in the other party incurring losses. The Group is exposed to credit risks associated with customers and receivables due from hospitality sector operations.	Medium	The Group mitigates credit risk by setting credit limits for each customer according to the nature and size of its activity, regularly monitoring collection and receivable balances, and taking the necessary corrective actions where needed, in accordance with approved policies and procedures.
Liquidity Risk	Liquidity risk refers to difficulties the Group may face in securing the funds needed to meet obligations relating to its financial instruments and contractual commitments as they fall due. Liquidity risk may also arise from the inability to dispose of an asset quickly and at an amount close to its fair value when needed.	Medium to High	The Group mitigates liquidity risk by monitoring cash flows, financing requirements, ensuring the availability of the necessary credit facilities, and managing maturities of obligations and contractual commitments in a manner that ensures the ability to meet them on time and in accordance with approved procedures.
Banking Commission Rate Risk	Banking commission rate risk arises from fluctuations in the value of a financial instrument as a result of changes in prevailing market commission rates. This may affect the cost of financing and the related obligations. The Group is exposed to fluctuations in commission rates to the extent that it has obligations linked to bank commissions.	Medium	The Company manages exposure to commission rate risk by maintaining appropriate levels of related financing and borrowings within approved limits, monitoring commission rate movements regularly, assessing the impact of any changes on financing tools, and taking the required action in accordance with approved policies and procedures.
Currency Risk (Foreign Exchange Risk)	Currency risk arises from fluctuations in the value of financial instruments as a result of changes in foreign exchange rates. The Group may be exposed to exchange rate fluctuations through operations carried out in foreign currencies, including the UAE dirham, the US dollar, the euro, and others. Although the Saudi riyal is pegged to the US dollar, exposure to other currencies may still represent a material currency risk.	Low	Currency exposure is monitored through regular tracking of foreign currency balances and transactions. Because the Company has no direct operations outside the Kingdom, no significant direct foreign exchange exposures currently arise. Any changes that may affect financial performance are monitored, and the necessary actions are taken in accordance with approved policies and procedures.

Compliance with Regulations and Government Bylaws Risks

Risk	Risk Description	Impact Level	Risk Management and Monitoring Mechanism
Risk of Failure to Renew the Company's Licenses and Permits	BAAN Holding Group is required to obtain, renew, and comply with the licenses and permits needed to carry out its activities in the hospitality, entertainment, and catering sectors. Failure to renew such licenses, or failure to obtain any required license, may expose the Company to business disruption or delay, additional costs, and may adversely affect its operations, financial position, and results of operations.	High	This risk is managed by tracking the requirements of the relevant regulatory authorities, establishing procedures for renewal and submission within approved timeframes, monitoring license and permit status regularly, and taking corrective action when needed to ensure uninterrupted operations and compliance with statutory requirements.
Dependence on Transactions with Related Parties	BAAN Holding Group has entered into a number of transactions with related parties. These transactions include lease contracts for hotels and sites leased by the Company, in addition to administrative offices, employee housing, and a range of services and supplies provided by related parties. Such transactions may give rise to governance and compliance risks in relation to conflicts of interest, disclosure requirements, or statutory approvals.	Medium	This risk is managed through the application of related party transaction controls, including disclosure procedures, conflict of interest management, and obtaining the required approvals in accordance with the approved regulations, bylaws, and policies. These transactions are also reviewed via governance mechanisms related to related party transactions, and implementation is monitored in line with the applicable conditions.
Litigation and Claims	BAAN Holding Group may be exposed to the risk of legal proceedings being brought by several parties, including tenants, customers, strategic partners, suppliers, employees, or regulatory authorities. Legal actions may also arise from the use or operation of the properties leased by the Company and its subsidiaries, including hotel and entertainment site properties occupied by the Company. Such litigation or claims may expose the Company to costs, operational disruptions, or settlement obligations, depending on the nature of the dispute or claim.	Medium to High	This risk is managed through compliance with the relevant statutory requirements and conditions, monitoring related cases and claims, taking the necessary legal action in a timely and organized manner, monitoring their impact on operations and financial results, and taking corrective measures when necessary.



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