



Prepared by BAAN Holding Group Co. (the **"Company"** or the **"Issuer"**) and directed to its shareholders in accordance with the requirements of Article 60 of the Rules on the Offer of Securities and Continuing Obligations in connection with the increase of the Company's share capital through the acquisition of real estate assets owned by each of Al Oula Real Estate Development Company and Abdul Mohsen Abdulaziz Al Hokair Holding Group Co. and the issuance of new shares in exchange for these assets.

This Shareholders' Circular (the **"Circular"**) has been prepared by the Company in accordance with the requirements of Article 60 of the Rules on the Offer of Securities and Continuing Obligations in connection with the increase of the Company's share capital from three hundred and fifteen million Saudi Riyals (SAR 315,000,000) to six hundred and nineteen million, nine hundred and sixty-six thousand, nine hundred and thirty-six Saudi Riyals (SAR 619,966,936) and the increase of its shares from three hundred and fifteen million (315,000,000) ordinary shares to six hundred and nineteen million, nine hundred and sixty-six thousand, nine hundred and thirty-six (619,966,936) ordinary shares with a nominal value of one Saudi Riyal (SAR 1) per share, representing an increase of 96.81% in the Company's current share capital. The purpose of the Capital Increase is to complete two separate transactions, as follows:

- 1- The Company's acquisition of real estate assets from Al Oula Real Estate Development Company, a closed joint stock company established under the laws of the Kingdom of Saudi Arabia, registered under Commercial Registration No. 2051026781, dated 23/07/1423H (corresponding to 30/9/2002G) (referred to as "Al Oula Real Estate Development Company"), namely 86 residential units representing all of the residential units located in the Mid-Rise component of the Ajdan Waterfront Project Tower in Al Khobar on Plot No. 12/2 of Plan No. 356/02, with a total area of approximately 12,000 square meters, and located on Corniche Road, Al Khobar, Kingdom of Saudi Arabia (referred to as the **"Al Oula Transaction Assets"**), in exchange for the issuance of sixty-five million, five hundred and seventy-six thousand, seven hundred and eighty-two (65,576,782) ordinary shares in the Company, equivalent to 10.58% of the Company's share capital after the Capital Increase (in the event both of the Transactions are approved) (referred to as the **"Al Oula Shares"**) in favor of Al Oula Real Estate Development Company, through their allocation to three companies designated by Al Oula Real Estate Development Company in accordance with the provisions of the Al Oula Agreement (namely Awj Al-Mada Company, Awj Al-Majal Company and Awj Al-Shati Company (collectively referred to as the **"Receiving Companies of the Al Oula Shares"**)) (referred to as the **"Al Oula Transaction"**).
- 2- The Company's acquisition of real estate assets from Abdul Mohsen Abdulaziz Al Hokair Holding Group Co., a limited liability company established under the laws of the Kingdom of Saudi Arabia, registered under Commercial Registration No. 1010051616, dated 12/01/1404H (corresponding to 19/10/1983G) (referred to as **"Al Hokair Holding Company"**), namely:
  - a- the DoubleTree by Hilton Hotel in Riyadh, Al Murooj District, along with the land and real estate assets on which it is located, namely Plot No. 2155 of Plan No. 1578/A with an area of 1,250 square meters; Plot No. 2157 of Plan No. 1578/A with an area of 1,250 square meters; Plot No. 2159 of Plan No. 1578/A with an area of 1,250 square meters; and Plot No. 2161 of Plan No. 1578/A with an area of 1,750 square meters, all of which are located on the Northern Ring Branch Road, Al Murooj District, Riyadh, Kingdom of Saudi Arabia (collectively referred to as the **"DoubleTree by Hilton Hotel"**);
  - b- the Radisson Blu Hotel, Jeddah Corniche, along with the land and real estate assets on which it is located, namely a plot (unnumbered) registered pursuant to Deed No. 320227006656, dated 02/06/1439H (corresponding to 18/02/2018G), within the South Obhur Plan, with an area of 3,610.5 square meters, located on Corniche Road, South Obhur District, Jeddah, Kingdom of Saudi Arabia (referred to as the **"Radisson Blu Hotel"**); and
  - c- the Holiday Inn Jeddah Gateway Hotel on Al Madinah Road, along with the land and real estate assets on which it is located, namely Plot No. 528/A of Plan No. 477/3/P, with an area of 1,000 square meters, and Plot No. 530/A of Plan No. 477/3/P, with an area of 1,000 square meters, both located on Al-Madinah Al-Munawwarah Road, An Nuzha District, Jeddah, Kingdom of Saudi Arabia (referred to as the **"Holiday Inn Hotel"**).the DoubleTree by Hilton Hotel, Radisson Blu Hotel and Holiday Inn Hotel are collectively referred to as the **"Al Hokair Transaction Assets"**. The Al Hokair Transaction Assets shall be acquired in exchange for the issuance of two hundred and thirty-nine million, three hundred and ninety thousand, one hundred and fifty-four (239,390,154) ordinary shares in the Company, equivalent to 38.61% of the Company's share capital after the Capital Increase (in the event both of the Transactions are approved) (referred to as the **"Al Hokair Shares"**) in favor of Al Hokair Holding Company in accordance with the provisions of the Al Hokair Agreement (as defined below) (referred to as the **"Al Hokair Transaction"**).

Al Oula Real Estate Development Company and Al Hokair Holding Company are collectively referred to as the **"Sellers"**; the Al Oula Transaction Assets and the Al Hokair Transaction Assets are collectively referred to as the **"Real Estate Assets"**; the Al Oula Transaction and the Al Hokair Transaction are collectively referred to as the **"Transactions"**; the Al Oula Shares and the Al Hokair Shares are collectively referred to as the **"Consideration Shares"**; and the Receiving Companies of the Al Oula Shares and the Al Hokair Holding Company are collectively referred to as the **"Receiving Companies of the Consideration Shares"**, as such terms are defined in the **"Definitions and Abbreviations"** section of this Circular.

It is worth noting that the Transactions are independent of each other and the effectiveness of one is not conditional on the completion of the other. However, the Company intends to complete both Transactions simultaneously by increasing the Company's share capital in order to issue the Consideration Shares, which total three hundred and four million, nine hundred and sixty-six thousand, nine hundred and thirty-six (304,966,936) new ordinary shares in the Company, with a nominal value of one Saudi Riyal (SAR 1) per share and a total nominal value of three hundred and four million, nine hundred and sixty-six thousand, nine hundred and thirty-six (304,966,936) Saudi Riyals in favor of the Receiving Companies of the Consideration Shares in exchange for their in-kind contribution of the Real Estate Assets. The Consideration Shares will have all of the rights granted to the existing shares in the Company, including voting rights and the right to receive dividends. The Consideration Shares will not have any preferential rights (for further details regarding the Real Estate Assets, please refer to Section (3.2) (**"Overview of the Real Estate Assets"**) and Section (4) (**"Financial Information"**) of this Circular).

The Receiving Companies of the Consideration Shares' combined ownership in the Company resulting from the Transactions after the completion of the acquisition process will be 49.19% of the Company's share capital following the Capital Increase (in the event both of the Transactions are approved). For further details on the ownership structure of the Company's Substantial Shareholders, the Directors, Senior Executives, the Public, and the Receiving Companies of the Consideration Shares in the Company before and after the Completion of the Transactions, or in the event that one of the Transactions is completed without the other, please refer to Section (3.5) (**"Ownership Structure Before and After the Transactions"**) of this Circular.

The Company has entered into the following agreements:

- 1- a Real Estate Sale and Purchase Agreement with Al Oula Real Estate Development Company (as seller) and Ajdan Real Estate Development Company (acting as guarantor for Al Oula Real Estate Development Company) on 28/06/1446H (corresponding to 29/12/2024G), pursuant to which the Company has agreed with Al Oula Real Estate Development Company for the Company to purchase the Al Oula Transaction Assets in exchange for the issuance of the Al Oula Shares in the Company in favor of Al Oula Real Estate Development Company or any one or more companies wholly or partially owned by Ajdan Real Estate Development Company as determined by it and in accordance with the provisions of the Al Oula Agreement (which were later agreed to be the Receiving Companies of the Al Oula Shares), in consideration of Al Oula Real Estate Development Company's in-kind contribution of such assets (referred to as the **"Al Oula Agreement"**). The value of the Al Oula Transaction Assets is estimated at one hundred and seventy-eight million, five hundred thousand Saudi Riyals (SAR 178,500,000), and in consideration thereof, sixty-five million, five hundred and seventy-six thousand, seven hundred and eighty-two (65,576,782) in-kind ordinary shares of the Company shall be issued after the completion of the Al Oula Transaction; and
- 2- a Real Estate Sale and Purchase Agreement with Al Hokair Holding Company on 28/06/1446H (corresponding

to 29/12/2024G), pursuant to which the Company has agreed with Al Hokair Holding Company for the Company to purchase the Al Hokair Transaction Assets in exchange for the issuance of the Al Hokair Shares in the Company in favor of Al Hokair Holding Company in consideration of its in-kind contribution of such assets (referred to as the **"Al Hokair Agreement"**). The value of the Al Hokair Transaction Assets is estimated at six hundred and fifty-one million, six hundred and twenty thousand Saudi Riyals (SAR 651,620,000), and in consideration thereof, two hundred and thirty-nine million, three hundred and ninety thousand, one hundred and fifty-four (239,390,154) in-kind ordinary shares of the Company shall be issued after the completion of the Al Hokair Transaction.

The total number of Consideration Shares will be three hundred and four million, nine hundred and sixty-six thousand, nine hundred and thirty-six (304,966,936) ordinary shares, representing 49.19% of the Company's share capital after the Capital Increase (in the event both of the Transactions are approved), whereby the Receiving Companies of the Al Oula Shares will own 10.58% and Al Hokair Holding Company will own 38.61% of the Company's share capital. For further details on the ownership structure of the Company before and after the Completion of the Transactions and thereafter, or in the event that one of the Transactions is completed without the other, please refer to Section (3.5) (**"Ownership Structure Before and After the Transactions"**) of this Circular.

It should be noted that the Completion of the Transactions is conditional upon obtaining the approval of the Company's Extraordinary General Assembly in respect of both of the Transactions or either of them. For further details regarding the approvals required to complete the Transactions, please refer to Section (5.2.2) (**"Approvals Required to Complete the Transactions"**) of this Circular. The Company will invite shareholders to attend an Extraordinary General Assembly meeting to vote on increasing the Company's share capital from three hundred fifteen million Saudi Riyals (SAR 315,000,000) to six hundred and nineteen million, nine hundred and sixty-six thousand, nine hundred and thirty-six Saudi Riyals (SAR 619,966,936) through the issuance of Consideration Shares, consisting of three hundred and four million, nine hundred and sixty-six thousand, nine hundred and thirty-six (304,966,936) ordinary shares with a nominal value of one Saudi Riyal (SAR 1) per share for the purpose of purchasing the Real Estate Assets, pursuant to the provisions of Article 60 of the Rules on the Offer of Securities and Continuing Obligations and in accordance with the terms and conditions of the Transaction Agreements entered into with each of the Sellers, which include fulfillment of the condition of obtaining the approval of the Company's shareholders for the Transactions. The Extraordinary General Assembly to be held will include voting on the following matters related to the Transactions:

- 1- With respect to the Al Oula Transaction (these resolutions are referred to as the **"Al Oula Transaction Resolutions"**):
  - a- approval of the Company's acquisition of the Al Oula Transaction Assets, through the Company's issuance of sixty-five million, five hundred and seventy-six thousand, seven hundred and eighty-two (65,576,782) shares, in accordance with the terms and conditions of the Al Oula Agreement;
  - b- approval of the increase of the Company's share capital by sixty-five million, five hundred and seventy-six thousand, seven hundred and eighty-two Saudi Riyals (SAR 65,576,782);
  - c- approval of the proposed amendments to the Company's Bylaws in connection with the Capital Increase; and
  - d- authorization of the Board of Directors, or any person authorized by the Board of Directors, to issue any resolution or take any action that may be necessary to implement any of the aforementioned resolutions.
- 2- With respect to the Al Hokair Transaction (these resolutions are referred to as the **"Al Hokair Transaction Resolutions"**):
  - a- approval of the Company's acquisition of the Al Hokair Transaction Assets, through the Company's issuance of two hundred and thirty-nine million, three hundred and ninety thousand, one hundred and fifty-four (239,390,154) shares, in accordance with the terms and conditions of the Al Hokair Agreement;
  - b- approval of the increase of the Company's share capital by two hundred and thirty-nine million, three hundred and ninety thousand, one hundred and fifty-four Saudi Riyals (SAR 239,390,154);
  - c- approval of the proposed amendments to the Company's Bylaws in connection with the Capital Increase;
  - d- authorization of the business and contracts between the Company's and Al Hokair Holding Company in relation to the Al Hokair Transaction, as represented in the Al Hokair Agreement, in which some of the Company's Directors have an interest, namely, the Company's Chairman, Mr. Sami Bin Abdul Mohsen Bin Abdulaziz Al Hokair, who is also a director in Al Hokair Holding Company, and the Director Mr. Faisal bin Mohammed bin Ibrahim AlMalik, who is also the chief executive officer of Al Hokair Holding Company. These transactions were conducted on an arm's length basis and without preferential terms; and
  - e- authorization of the Board of Directors, or any person authorized by the Board of Directors, to issue any resolution or take any action that may be necessary to implement any of the aforementioned resolutions.

The Al Oula Transaction Resolutions and the Al Hokair Transaction Resolutions are collectively referred to as the **"Transaction Resolutions"**. For the sake of clarification, if the required percentage – which is least three-quarters of the voting shares represented at the meeting – of the Company's shareholders does not approve the Transactions Resolutions at the Company's Extraordinary General Assembly in respect of the Transactions, the Transactions will not be completed, and the Consideration Shares will not be issued. It is worth noting that the Transactions are independent of each other and the effectiveness of one is not conditional on the completion of the other. As such, it is possible that the Extraordinary General Assembly may only approve one of the Transactions. It should also be noted that the Issuer is currently controlled by parties related to Al Hokair Holding Company, namely Abdul Mohsen Al Hokair & Sons Co. Ltd. and its owners. Specifically, the following persons have direct ownership in Abdul Mohsen Al Hokair & Sons Co. Ltd. in addition to their indirect ownership in Al Hokair Holding Company:

- 1- Abdul Mohsen Abdulaziz Fahad Al Hokair, who indirectly owns 0.43% in Al Hokair Holding Company through his direct ownership of a total of 4,167 shares in the share capital of Alam Al Tafaseel Co. Ltd. (equivalent to 16.67% of its share capital), which in turn directly owns a total of 2,158 shares in the share capital of Khalid Abdul Mohsen Al Hokair Sons Co. Ltd. (equivalent to 21.58% of its share capital), which in turn directly owns a total of 12,000 shares in the share capital of Al Hokair Holding Company (equivalent to 12.00% of its share capital). He also directly owns 58.75% in Abdul Mohsen Al Hokair & Sons Co. Ltd., and directly owns 12.47% in the Company (and thus effectively owns 28.05% of the Company's share capital before the Capital Increase);
- 2- Musaed Abdul Mohsen Al Hokair, who indirectly owns 17.87% of Al Hokair Holding Company, and also directly owns 7.50% of Abdul Mohsen Al Hokair & Sons Co. Ltd. (and thus effectively owns 1.99% of the Company's share capital before the Capital Increase);
- 3- Majed Abdul Mohsen Al Hokair, who indirectly owns 17.87% of Al Hokair Holding Company, and also directly owns 7.50% of Abdul Mohsen Al Hokair & Sons Co. Ltd. (and thus effectively owns 1.99% of the Company's share capital before the Capital Increase);
- 4- Sami Bin Abdul Mohsen Bin Abdulaziz Al Hokair, who indirectly owns 17.87% of Al Hokair Holding Company, and also directly owns 7.50% of Abdul Mohsen Al Hokair & Sons Co. Ltd. (and thus effectively owns 1.99% of the Company's share capital before the Capital Increase);
- 5- Feryal Abdul Mohsen Al Hokair, who indirectly owns 4.32% of Al Hokair Holding Company, and also directly owns 3.75% of Abdul Mohsen Al Hokair & Sons Co. Ltd. (and thus effectively owns 0.99% of the Company's share capital before the Capital Increase);
- 6- Majidah Abdul Mohsen Al Hokair, who indirectly owns 4.32% of Al Hokair Holding Company, and also directly owns 3.75% of Abdul Mohsen Al Hokair & Sons Co. Ltd. (and thus effectively owns 0.99% of the Company's share capital before the Capital Increase);

- 7- Mishal Abdul Mohsen Al Hokair, who indirectly owns 13.87% of Al Hokair Holding Company, and also directly owns 7.50% of Abdul Mohsen Al Hokair & Sons Co. Ltd. (and thus effectively owns 1.99% of the Company's share capital before the Capital Increase); and
- 8- Mashael Abdul Mohsen Al Hokair, who indirectly owns 4.32% of Al Hokair Holding Company, and also directly owns 3.75% of Abdul Mohsen Al Hokair & Sons Co. Ltd. (and thus effectively owns 0.99% of the Company's share capital before the Capital Increase).

The aforementioned parties, in addition to the parties Acting in Concert with Abdul Mohsen Abdulaziz Fahad Al Hokair in their capacity as members of his family, namely the late Bandar Khalid Bin Abdul Mohsen Al Hokair (and his heirs), Badr Khalid Bin Abdul Mohsen Al Hokair, and Ahmed Khalid Bin Abdul Mohsen Al Hokair (in the event any of them is a direct shareholder in the Company), including Abdul Mohsen Al Hokair & Sons Co. Ltd., shall refrain from voting on the Al Hokair Transaction Resolutions. Al Fozan Holding, a closed joint stock company, Abdul Qadir Al Muhaideb & Sons Co., a closed joint stock company, Sumou Global Investment, Al Oula Real Estate Development Company, Ajan Real Estate Development Company and the Receiving Companies of the Al Oula Shares (in the event any of them is a direct shareholder in the Company) shall also refrain from voting on the Transaction Resolutions. For further details regarding Related Parties, please refer to Section (3.4) ("Related Parties and Interested Directors in the Al Hokair Transaction") of this Circular.

Upon the issuance of the Consideration Shares and the Capital Increase (in the event both of the Transactions are approved), the current shareholders of the Company will own 50.81% of the Company's share capital, and the Receiving Companies of the Consideration Shares' total ownership will be 49.19% of the Company's share capital, whereby the Receiving Companies of the Al Oula Shares will own the Al Oula Shares, which represent 10.58% of the Company's share capital (after the Capital Increase), noting that the Receiving Companies of the Al Oula Shares are presumed to be parties Acting in Concert as they are considered members of the same group (considering that Ajan Real Estate Development Company directly and indirectly owns all of the Receiving Companies of the Al Oula Shares), while Al Hokair Holding Company will own the Al Hokair Shares, which represent 38.61% of the Company's share capital (after the Capital Increase). As such, Al Hokair Holding Company will be a Substantial Shareholder in the Company.

The following table details the ownership of the Company's Substantial Shareholders, the Directors, Senior Executives and the Public before and after the Completion of the Transactions, as at 16/06/1447H (corresponding to 07/12/2025G) and thereafter.

**Table (1): Details of the Ownership of the Company's Substantial Shareholders, the Directors, Senior Executives and the Public in the Company Before and After the Completion of the Transactions (in the event of Completion of the Transactions)**

Shareholder	Before Completion of the Transactions		After Completion of the Transactions	
	Number of Shares in the Company	Ownership Percentage in the Company	Number of Shares in the Company	Ownership Percentage in the Company
Abdul Mohsen Al Hokair & Sons Co. Ltd.	83,524,970	26.52%	83,524,970	13.47%
Abdul Mohsen Abdulaziz Fahad Al Hokair <sup>(1)</sup>	39,271,040	12.47%	39,271,040	6.33%
Al Hokair Holding Company	-	-	239,390,154	38.61%
Awj Al-Mada Company <sup>(2)</sup>	-	-	21,858,928	3.53%
Awj Al-Majal Company <sup>(2)</sup>	-	-	21,858,927	3.53%
Awj Al-Shati Company <sup>(2)</sup>	-	-	21,858,927	3.53%
Company Directors <sup>(3)</sup>	74,430	0.02%	74,430	0.01%
Non-Public <sup>(4)</sup>	3,401,495	1.08%	3,401,495	0.55%
Public	188,728,065	59.91%	188,728,065	30.44%
<b>Total</b>	<b>315,000,000</b>	<b>100%</b>	<b>619,966,936</b>	<b>100%</b>

Source: The Company.

(1) This includes shares directly owned by Abdul Mohsen Abdulaziz Fahad Al Hokair in the Company. It should be noted that he indirectly owns 15.58% of the Company's share capital before the Capital Increase through his direct ownership of a total of 5,875 shares in the share capital of Abdul Mohsen Al Hokair & Sons Co. Ltd. (equivalent to 58.75% of its share capital) (and thus effectively owns 28.05% of the Company's share capital before the Capital Increase).

(2) The Receiving Companies of the Al Oula Shares shall be presumed as parties Acting in Concert, collectively owning 10.58% of the Company's share capital after the Capital Increase resulting from the Completion of the Transactions, as they are considered members of the same group. It should be noted that Ajan Real Estate Development Company directly and indirectly owns all of the Receiving Companies of the Al Oula Shares.

(3) Includes shares directly owned by members of the Company's Board of Directors. For further details regarding indirect ownership, please refer to Section (3.2.3) ("Ownership of the Board of Directors").

(4) The Non-Public category comprises the following: (a) the late Mr. Bandar Khalid Bin Abdul Mohsen Al Hokair (and his heirs) (who owns 0.48% of the Company's share capital before the Capital Increase), (b) Mr. Badr Khalid Bin Abdul Mohsen Al Hokair (who owns 0.51% of the Company's share capital before the Capital Increase), and (c) Mr. Ahmed Khalid Bin Abdul Mohsen Al Hokair (who owns 0.09% of the Company's share capital before the Capital Increase), who shall be presumed to be Acting in Concert with Abdul Mohsen Abdulaziz Fahad Al Hokair in their capacity as members of his family.

In the event that the Al Oula Transaction is completed separately from the Al Hokair Transaction and the Al Oula Transaction is not completed, the details of the ownership of the Company's Substantial Shareholders, the Directors, Senior Executives and the Public before and after the completion of the Al Oula Transaction as at 16/06/1447H (corresponding to 07/12/2025G), and thereafter, will be as set out in the following table:

**Table (2): Details of the Ownership of the Company's Substantial Shareholders, the Directors, Senior Executives and the Public in the Company Before and After the Completion of the Al Oula Transaction (in the event only the Al Oula Transaction is completed)**

Shareholder	Before Completion of the Al Oula Transaction		After Completion of the Al Oula Transaction	
	Number of Shares in the Company	Ownership Percentage in the Company	Number of Shares in the Company	Ownership Percentage in the Company
Abdul Mohsen Al Hokair & Sons Co. Ltd.	83,524,970	26.52%	83,524,970	21.95%
Abdul Mohsen Abdulaziz Fahad Al Hokair <sup>(1)</sup>	39,271,040	12.47%	39,271,040	10.32%
Al Hokair Holding Company	-	-	-	-
Awj Al-Mada Company <sup>(2)</sup>	-	-	21,858,928	5.74%
Awj Al-Majal Company <sup>(2)</sup>	-	-	21,858,927	5.74%
Awj Al-Shati Company <sup>(2)</sup>	-	-	21,858,927	5.74%
Company Directors <sup>(3)</sup>	74,430	0.02%	74,430	0.02%
Non-Public <sup>(4)</sup>	3,401,495	1.08%	3,401,495	0.89%
Public	188,728,065	59.91%	188,728,065	50.41%
<b>Total</b>	<b>315,000,000</b>	<b>100%</b>	<b>380,576,782</b>	<b>100%</b>

Source: The Company.

(1) This includes shares directly owned by Abdul Mohsen Abdulaziz Fahad Al Hokair in the Company. It should be noted that he indirectly owns 15.58% of the Company's share capital before the Capital Increase through his direct ownership of a total of 5,875 shares in the share capital of Abdul Mohsen Al Hokair & Sons Co. Ltd. (equivalent to 58.75% of its share capital) (and thus effectively owns 28.05% of the Company's share capital before the Capital Increase).

(2) The Receiving Companies of the Al Oula Shares shall be presumed as parties Acting in Concert, collectively owning 17.23% of the Company's share capital after the Capital Increase resulting from the completion of the Al Oula Transaction, as they are considered members of the same group. It should be noted that Ajan Real Estate Development Company directly and indirectly owns all of the Receiving Companies of the Al Oula Shares.

(3) Based on shares directly owned by members of the Company's Board of Directors. For further details regarding indirect ownership, please refer to Section (3.2.3) ("Ownership of the Board of Directors").

(4) The Non-Public category comprises the following: (a) the late Mr. Bandar Khalid Bin Abdul Mohsen Al Hokair (and his heirs) (who owns 0.48% of the Company's share capital before the Capital Increase), (b) Mr. Badr Khalid Bin Abdul Mohsen Al Hokair (who owns 0.51% of the Company's share capital before the Capital Increase), and (c) Mr. Ahmed Khalid Bin Abdul Mohsen Al Hokair (who owns 0.09% of the Company's share capital before the Capital Increase), who shall be presumed to be Acting in Concert with Abdul Mohsen Abdulaziz Fahad Al Hokair in their capacity as members of his family.

In the event that the Al Hokair Transaction is completed separately from the Al Oula Transaction and the Al Oula Transaction is not completed, the details of the ownership of the Company's Substantial Shareholders, the Directors, Senior Executives and the Public before and after the completion of the Al Hokair Transaction as at 16/06/1447H (corresponding to 07/12/2025G), and thereafter, will be as set out in the following table:

**Table (3): Details of the Ownership of the Company's Substantial Shareholders, the Directors, Senior Executives and the Public in the Company Before and After the Completion of the Al Hokair Transaction (in the event only the Al Hokair Transaction is completed)**

Shareholder	Before Completion of the Al Hokair Transaction		After Completion of the Al Hokair Transaction	
	Number of Shares in the Company	Ownership Percentage in the Company	Number of Shares in the Company	Ownership Percentage in the Company
Abdul Mohsen Al Hokair & Sons Co. Ltd.	83,524,970	26.52%	83,524,970	15.07%
Abdul Mohsen Abdulaziz Fahad Al Hokair <sup>(1)</sup>	39,271,040	12.47%	39,271,040	7.08%
Al Hokair Holding Company	-	-	239,390,154	43.18%
Awj Al-Mada Company	-	-	-	-
Awj Al-Majal Company	-	-	-	-
Awj Al-Shati Company	-	-	-	-
Company Directors <sup>(2)</sup>	74,430	0.02%	74,430	0.01%
Non-Public <sup>(3)</sup>	3,401,495	1.08%	3,401,495	0.61%
Public	188,728,065	59.91%	188,728,065	34.04%
<b>Total</b>	<b>315,000,000</b>	<b>100%</b>	<b>554,390,154</b>	<b>100%</b>

Source: The Company.

(1) This includes shares directly owned by Abdul Mohsen Abdulaziz Fahad Al Hokair in the Company. It should be noted that he indirectly owns 15.58% of the Company's share capital before the Capital Increase through his direct ownership of a total of 5,875 shares in the share capital of Abdul Mohsen Al Hokair & Sons Co. Ltd. (equivalent to 58.75% of its share capital) (and thus effectively owns 28.05% of the Company's share capital before the Capital Increase).

(2) Based on shares directly owned by members of the Board of Directors. For further details regarding indirect ownership, please refer to Section (3.2.3) ("Ownership of the Board of Directors").

(3) The Non-Public category comprises the following: (a) the late Mr. Bandar Khalid Bin Abdul Mohsen Al Hokair (and his heirs) (who owns 0.48% of the Company's share capital before the Capital Increase), (b) Mr. Badr Khalid Bin Abdul Mohsen Al Hokair (who owns 0.51% of the Company's share capital before the Capital Increase), and (c) Mr. Ahmed Khalid Bin Abdul Mohsen Al Hokair (who owns 0.09% of the Company's share capital before the Capital Increase), who shall be presumed to be Acting in Concert with Abdul Mohsen Abdulaziz Fahad Al Hokair in their capacity as members of his family.

The Company has submitted an application to the Capital Market Authority (CMA) for the registration and offer of the Consideration Shares, and a simultaneous application to Tadawul for admission of the Consideration Shares to listing. The approval of the CMA was obtained on 04/07/1447H (corresponding to 24/12/2025G), and the approval of Tadawul was obtained on 09/06/1447H (corresponding to 30/11/2025G). All requirements of the CMA and Tadawul have been met. Other than the necessary approvals from the Company's Extraordinary General Assembly in respect of the Transactions, all regulatory approvals related to the Transactions and the increase of the Company's share capital have been obtained (for further details in this regard, please refer to Section (5.2.2) ("Approvals Necessary for Completion of the Transactions") of this Circular).

This Circular contains information provided as part of the application for the registration and offer of securities in accordance with the requirements of the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority of the Kingdom of Saudi Arabia (referred to as the "CMA") and the application for the listing of securities in accordance with the requirements of the Listing Rules of the Saudi Stock Exchange. The Directors whose names appear in this Circular jointly and severally bear full responsibility for the accuracy of the information contained herein and, having made all reasonable inquiries, confirm that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading. The CMA and the Saudi Stock Exchange do not assume any responsibility for the contents of this Circular, do not make any representation regarding its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Circular.

The Directors of the Company, having exercised the necessary due diligence, with the assistance of their advisors and after taking into account the market situation as at the date hereof, as well as the Company's future growth opportunities and the anticipated benefits of the Transactions, believe that the Transactions and the related resolutions are in the interest of the Company and the Shareholders as a whole, as they align with the Company's strategy to expand and consolidate its position in the hotel and hospitality sector, and that the Transactions are appropriate and fair as at the date of publication of this Circular, according to the factors and assumptions contained herein. Accordingly, they unanimously recommend that the Company's shareholders approve the Transactions. In making this recommendation, the Directors of the Company took into account the external advice they received on legal, financial, accounting, strategic and other matters related to the Transactions.

Shareholders must read this Circular in full and carefully review all sections hereof, particularly the "Important Notice" section and Section (1) "Risk Factors", before voting at the Company's Extraordinary General Assembly in respect of the Transactions.

The Company has appointed SNB Capital as its Financial Advisor in connection with the Transactions.

Financial Advisor



This Shareholders' Circular is dated 17/10/1447H (corresponding to 05/04/2026G) and has been prepared in both Arabic and English. The Arabic version is the only version which is approved. Therefore, in the event of any discrepancy between the Arabic and English texts, the Arabic text shall prevail.

## Important Notice

The Company has prepared this Circular to provide information to its shareholders so they can make an informed decision when voting on the Board of Directors' recommendation to increase its share capital for the purpose of purchasing the Real Estate Assets. By publishing this Circular, the Company's shareholders are deemed to be aware of the information contained herein, and their decisions and votes at the Company's Extraordinary General Assembly in respect of the Transactions will be treated accordingly. Copies of this Circular can be obtained from the Company's head office or via the websites of the Company ([www.baanholding.com](http://www.baanholding.com)), the CMA ([cma.org.sa](http://cma.org.sa)) or Tadawul ([www.saudiexchange.sa](http://www.saudiexchange.sa)).

Neither the CMA nor Tadawul assume any responsibility for the contents of this Circular or make any representations as to its accuracy or completeness, and each of the CMA and Tadawul expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, this Circular or any part thereof.

The information, data and statements contained in this Circular are provided as at the date of publication of this Circular, unless another date is specified for any of the information, data or statements contained in this Circular. Accordingly, such information is subject to change after the date of publication of this Circular. As such, the publication of this Circular does not necessarily mean that any of the facts or information relating to the Company or the Real Estate Assets will not change. Furthermore, none of the information contained in this Circular should be considered as expectations or forecasts regarding the future financial performance of the Company or any of its subsidiaries or the Real Estate Assets. Moreover, no statement in this Circular should be considered as confirmation that the profitability of the Company's shares in the future will be equal to or greater than the profitability of the Company's shares in previous financial periods. For further details regarding the risks associated with the purchase of the Real Estate Assets, please refer to Section (1) ("**Risk Factors**"). Shareholders must review such risks carefully and diligently.

The Company must prepare and publish a supplementary Shareholders' Circular following submission and approval thereof by the CMA if, at any time after this Circular has been published and before the Company's Extraordinary General Assembly in respect of the Transactions, the Company becomes aware that: (1) there has been a significant change in material matters contained in this Circular; or (2) any material issues have occurred that should have been included in this Circular.

It should also be noted that no person has been authorized to provide any information or statements on behalf of the Board of Directors except as disclosed in this Circular. Therefore, any information or statements issued by other parties should not be relied on as being issued by the Company, SNB Capital or any of the Company's advisors in connection with the Transactions.

The information contained in this Circular is of a general nature and has been prepared without taking into consideration the individual investment objectives, financial position or specific investment needs of any particular shareholder. Therefore, the Company and its Directors emphasize the necessity for the Company's shareholders to carefully read and consider all information contained in this Circular. If any shareholder has any doubts as to the decision to be taken at the Company's Extraordinary General Assembly in respect of the Transactions, they should seek independent financial advice from an independent financial advisor licensed by the CMA. Shareholders should rely on their own review of the Transactions to determine whether the Transactions and information contained in this Circular suit their personal investment objectives and financial circumstances.

This Circular is not and should not be considered as legal, financial, zakat or tax advice, and recipients of the Circular must seek professional advice from their legal, financial and tax advisors regarding such matters.

The Company has appointed SNB Capital as its financial advisor in connection with the Transactions. SNB Capital — a Capital Market Institution licensed by the CMA in the Kingdom of Saudi Arabia — is acting as the Company's exclusive financial advisor in respect of the Transactions and will not be responsible to any party other than the Company for providing advice on the Transactions or any other matter referred to in this Circular.

Neither SNB Capital nor the other advisors mentioned in the ("**Corporate Directory**") section have independently verified the accuracy and correctness of the information and data contained in this Circular, and as such, neither they nor any of their affiliates, directors or employees bear any responsibility arising from any direct or indirect loss or damages that any person may incur due to their reliance on any data or due to the incorrectness, inaccuracy or incompleteness of any of the data or information contained in this Circular.

## Forecasts and Forward-Looking Statements

This Circular includes certain forecasts and forward-looking statements. Such forecasts and forward-looking statements may be identified by their use of forward-looking terms and expressions, including, but not limited to, "expects", "aims", "estimates", "intends", "plans", "will", "believes", "seeks", "may", "would", "could", "shall" or the negative forms thereof or other variations of such terms or comparable terminology. The forward-looking statements contained in this Circular include, but are not limited to: (1) the expected benefits of the Transactions, projections of financial performance, financial circumstances and other future events; (2) business strategies, management, expansion and development of the Company's business and the Real Estate Assets after the Transactions; and (3) the Transactions and the expected dates for the occurrence of such events.

The forecasts and forward-looking statements contained in this Circular reflect the current views of the Company and its management and are based on numerous assumptions, including those relating to the current and future business strategies of BAAN Holding Group Co. and the regulatory environment in which the Company will operate in the future. These forecasts and forward-looking statements are not a promise or guarantee of future events due to the existence of many factors, both identifiable and unforeseen, which could impact future events and may cause future events to differ materially from those expressly stated or implied in this Circular. Risks related to forward-looking statements are beyond the Company's control and cannot be accurately estimated, such as future market conditions and the behavior of other market participants. Therefore, recipients of this Circular must read such forecasts and forward-looking statements in light of this notice and must not place undue reliance thereon. For further details regarding the risks related to the Transactions and the Real Estate Assets, please refer to Section (1) ("**Risk Factors**"). Shareholders must review such risks carefully and diligently.

All oral and written forecasts and forward-looking statements made by the Company or any persons acting on its behalf are expressly qualified in their entirety by the important notice contained in this section.

The Company will not amend or update any forecasts or forward-looking statements contained in this Circular, except as required by the applicable laws and regulations.

## Restrictions on Publication and Distribution

This Circular is directed to the Company's shareholders. This Circular does not constitute an offer to sell or a solicitation of an offer to purchase any securities to any person in any country.

## Financial and Other Information

The Company's financial statements for the financial years ended 31 December 2022G, 2023G and 2024G have been prepared in accordance with the International Financial Reporting Standards (IFRS) endorsed in the Kingdom of Saudi Arabia (IFRS-KSA) and other standards and pronouncements approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA). It is also worth noting that the unaudited condensed consolidated pro forma financial information contained in this Circular, in respect of which the external Auditor has issued a reasonable assurance report, is based on Management estimates. Such financial information has not been independently audited by the Auditor or by any other party except as expressly stated otherwise. In addition, all information is presented in Saudi Riyals, unless otherwise disclosed.

If the figures in the financial statements are aggregated, they may differ from those contained in this Circular due to rounding adjustments. It should be noted that this Circular contains percentages and decimals, which are approximations for presentation purposes.

In addition to the foregoing, certain figures and percentages in this Circular have been rounded to the nearest integer. Accordingly, figures presented for the same category in different tables may vary slightly, and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

In this Circular, Hijri dates are mentioned along with their corresponding Gregorian dates. The Hijri calendar is prepared based on the expected lunar cycles. However, the beginning of each month is determined through actual observation and viewing of the moon. For this reason, conversions between the Hijri and Gregorian calendars are often subject to discrepancies of one or a few days. Furthermore, any reference to "year" or "years" is a reference to Gregorian years, unless otherwise expressly specified in this Circular.

This Circular has been prepared in compliance with the laws and regulations in force in the Kingdom of Saudi Arabia. The content and format of the information contained herein may differ had this Circular been prepared in accordance with the regulations of another jurisdiction. The Company does not intend to take any action to publish or register this Circular or the Consideration Shares in any

jurisdiction other than the Kingdom of Saudi Arabia. The Transactions relate to the securities of a Saudi company listed on Tadawul. Therefore, this Circular and any other documents or announcements relating to the Transactions have been and will be prepared exclusively in accordance with the disclosure requirements applicable in the Kingdom of Saudi Arabia. Such requirements may differ from those applicable in other jurisdictions.

## Market and Industry Information

The market information and data contained in Section (2) ("**Market Information on the Real Estate Assets to be Purchased**") were obtained from Jones Lang LaSalle Saudi Arabia for Real Estate Valuations (the "**Market Consultant**" or "**JLL**").

### Market Consultant Profile

The Company appointed Jones Lang LaSalle Saudi Arabia for Real Estate Valuations to conduct a study on the hotel sector in Riyadh and Jeddah, and the residential sector in the Eastern Province within the Kingdom of Saudi Arabia, and all information was obtained from JLL.

For over 200 years, JLL (NYSE: JLL), a leading global commercial real estate and investment management company, has helped clients purchase, develop, occupy, manage and invest in a variety of commercial, industrial, hotel, residential and retail properties. A Fortune 500 company with annual revenue of USD 20.8 billion and operations in over 80 countries around the world, JLL has more than 111,000 employees, combining the power of a global platform with local expertise.

Across the Middle East and Africa, JLL is a leading player in real estate and hospitality services. JLL has operated in 35 Middle Eastern and African countries, employing over 2,000 qualified international specialists in its offices in Dubai, Abu Dhabi, Riyadh, Jeddah, Al-Khobar, Cairo, Casablanca, Johannesburg, Cape Town, and Nairobi.

JLL has given, and, as at the date of this Circular, has not withdrawn its written consent to the publication of its name, address, logo and statements in the context in which they appear in this Circular (as applicable), without any liability on its part, and JLL has not withdrawn such consent as at the date of this Circular. The Market Consultant has no shareholding or interest of any kind in BAAN Holding Group Co. or any of its subsidiaries.

The market information is of a general nature and represents the opinion of the Market Consultant. Such information is not a guarantee of the nature or future trends of the market or industry. Such information is provided as at the date thereof and is subject to change on an ongoing basis. This section will not be updated by the Market Consultant or any other party.

Neither the Company, nor the Directors, employees of the Company or its other advisors have independently verified the accuracy of such information and data. As such, no representation or warranty can be provided regarding the accuracy or completeness of this information, and the aforementioned parties do not bear any responsibility for the accuracy or completeness of any of this information.

## Corporate Directory

### The Company

#### BAAN Holding Group Co.

2757 Northern Ring Road Branch, Al Murooj District  
Unit 2, 8063  
Riyadh 12283  
Kingdom of Saudi Arabia  
Tel: +966 (11) 4134 444  
Email: gov.tr@baanholding.com  
Website: www.baanholding.com



### Company Representatives

#### Fahad bin Mohammed Al-Obailan

##### CEO

Al Murooj District, Riyadh  
Tel: 0114344272  
Email: F.alobilan@baanholding.com

#### Ahmed Ebid

##### CFO

Al Murooj District, Riyadh  
Tel: 0114344272  
Email: a.ebid@baanholding.com

### Financial Advisor to the Company

#### SNB Capital

SNB Regional Building  
King Saud Road  
P.O. Box 22216  
Riyadh 11495  
Tel: +966 (92) 0000 222  
Email: snbc.cm@alahlicapital.com  
Website: www.alahlicapital.com



### Legal Advisor to the Company

#### Fahad Abuhimed, Majid Al-Sheikh & Mansoor Alhagbani (AS&H) and Clifford Chance Law Firm

Building 15, The Business Gate  
King Khalid International Airport Road  
P.O. Box 90239  
Riyadh 11613  
Kingdom of Saudi Arabia  
Tel: +966 (11) 4819 700  
Email: info.ASH@ashcliffordchance.com  
Website: www.ashcliffordchance.com



### Company's Financial Due Diligence Advisor

#### PricewaterhouseCoopers – Public Accountants (PwC)

Kingdom Tower, 21st Floor  
P.O. Box 8282  
Riyadh 11482  
Kingdom of Saudi Arabia  
Tel: +966 (11) 2110 400  
Email: mer\_project\_tower@pwc.com  
Website: www.pwc.com.sa



#### Market Consultant

##### Jones Lang LaSalle Saudi Arabia for Real Estate Valuations

3070 Prince Muhammad Bin Abdulaziz Street, Al Olaya  
 P.O. Box 6135  
 Riyadh 12241  
 Kingdom of Saudi Arabia  
 Tel: +966 (11) 2180 303  
 Email: jll-mena@jll.com  
 Website: www.jll-mena.com

#### Real Estate Appraisers

##### Real Estate Appraisers for the Al Oula Transaction Assets

###### Al Nokhba Real Estate Valuation Co.

3554 Imam Saud Bin Abdulaziz Road, Al Masi'af District 6388,  
 P.O. Box 12465  
 Riyadh 3554  
 Kingdom of Saudi Arabia  
 Tel: +966 (11) 4719 991  
 Email: info@elite-co.net  
 Website: www.elite-co.net

###### Professional Realtors Company LLC (Colliers)

Al Faisaliah Tower, Floor 2  
 P.O. Box 5678  
 Riyadh 11432  
 Kingdom of Saudi Arabia  
 Tel: +966 (11) 2737 775  
 Email: arnob.mazumdar@colliers.com  
 Website: www.colliers.com

##### Real Estate Appraisers for the Al Hokair Transaction Assets

###### Al-Taweel Real Estate Valuation Company (Aurisage)

Al Takhassousi, Al Olaya District  
 P.O. Box 3254  
 Riyadh 12313  
 Kingdom of Saudi Arabia  
 Tel: +966 (11) 2490 010  
 Email: faisal.altaweel@aurisage.com  
 Website: www.aurisage.com

###### Valie and Partner Real Estate Valuation Company

8991 Al Olaya – Al Olaya District 2506  
 P.O. Box 12611  
 Riyadh 8991  
 Kingdom of Saudi Arabia  
 Tel: +966 (92) 0009 518  
 Email: info@valie.sa  
 Website: www.valie.sa

#### Company's Independent Auditor for the Financial Years Ended 31 December 2023G and 2024G and Chartered Accountant for the Pro Forma Financial Statements

##### Dr. Mohamed Al-Amri & Co. (BDO)

Moon Tower, 7542 King Fahad Road  
 P.O. Box 4119  
 Riyadh 12341-4119  
 Kingdom of Saudi Arabia  
 Tel: +966 (11) 2780 608  
 Email: info@bdoalamri.com  
 Website: www.bdoalamri.com



**Note:** The Advisors and Auditor listed above have given and, as at the date of this Circular, have not withdrawn their written consent to the publication of their names, addresses, logos and statements according to the context in which they appear in this Circular (as applicable).

## Summary

This section aims to provide the Company's shareholders with a brief overview of each of the Transactions. Please note that reading this section is not a substitute for reading the other sections of this Circular. Shareholders should read this section as an introduction to the information relating to the Transactions. Accordingly, this Circular and the information contained herein should be read carefully and reviewed in its entirety, not just the summary on the Capital Increase. In particular, the "Important Notice" section and Section (1) ("Risk Factors") should be carefully considered prior to making any decision with respect to voting on the Transaction Resolutions at the Company's Extraordinary General Assembly in respect of the Transactions.

The Company	
<b>Name, Description and Incorporation Information</b>	BAAN Holding Group Co., a joint-stock company established under the laws of the Kingdom of Saudi Arabia, registered under Commercial Registration No. 1010014211, dated 16/08/1398H (corresponding to 22/07/1978G), with its head office at 2757 Northern Ring Road Branch, Al Murooj District, Unit 2, 8063, Riyadh 12283, Kingdom of Saudi Arabia.
<b>Company Activities</b>	<p>According to its Bylaws, the Company's objects are as follows:</p> <ol style="list-style-type: none"> <li>1- wholesale of food, beverages and tobacco;</li> <li>2- wholesale of other machinery and equipment;</li> <li>3- non-specialized wholesale trade;</li> <li>4- retail sale in non-specialized stores predominantly selling food, beverages or tobacco;</li> <li>5- other retail sale in non-specialized stores;</li> <li>6- retail sale of food in specialized stores;</li> <li>7- retail sale of beverages in specialized stores;</li> <li>8- retail sale of tobacco products in specialized stores;</li> <li>9- retail sale of food, beverages and tobacco products in stalls and markets;</li> <li>10- other retail sale not in stores, stalls or markets;</li> <li>11- urban and suburban passenger land transport;</li> <li>12- warehousing and storage;</li> <li>13- service activities incidental to land transportation;</li> <li>14- short-term accommodation activities;</li> <li>15- camping grounds, recreational vehicle parks and trailer parks;</li> <li>16- other accommodation;</li> <li>17- restaurants and mobile food service activities;</li> <li>18- event catering;</li> <li>19- other food service activities;</li> <li>20- beverage serving activities;</li> <li>21- real estate activities with owned or leased property;</li> <li>22- real estate activities on a fee or contract basis;</li> <li>23- renting of recreational and sports goods;</li> <li>24- recruitment agency activities;</li> <li>25- other human resources provision; travel agency activities;</li> <li>26- tour operator activities;</li> <li>27- other reservation services and related activities;</li> <li>28- combined facilities support activities;</li> <li>29- general cleaning of buildings;</li> <li>30- landscape care and maintenance service activities;</li> <li>31- combined office administrative service activities;</li> <li>32- organization of conventions and trade shows;</li> <li>33- creative, arts and entertainment activities;</li> <li>34- museum activities and operation of historical sites and buildings;</li> <li>35- sports clubs activities;</li> <li>36- other sports activities;</li> </ol>

**Company Activities**

- 37- other sports activities;  
 38- amusement and theme park activities;  
 39- other amusement and recreation activities not elsewhere classified;  
 40- hairdressing and other beauty treatments; and  
 41- other personal service activities not elsewhere classified.
- According to its Commercial Register, the Company's commercial activities are:
- 1- passenger bus transport within cities;
  - 2- hotels;
  - 3- heritage hotels;
  - 4- wellness hotels;
  - 5- boutique hotels;
  - 6- hotel apartments;
  - 7- hotel villas;
  - 8- serviced apartments;
  - 9- vacation homes (chalets);
  - 10- tourist lodges;
  - 11- resorts;
  - 12- wedding and event halls and palaces with accommodation;
  - 13- timeshare units;
  - 14- management of tourist accommodation facilities;
  - 15- campsites;
  - 16- collective housing for individuals;
  - 17- restaurants with service;
  - 18- buffets (cafeterias);
  - 19- fast-food outlets (including pizza parlors);
  - 20- activities of providing meals only (consumption off-premises);
  - 21- mobile ice cream vans;
  - 22- mobile food trucks;
  - 23- operation of food catering services in sports and similar facilities on a concession basis;
  - 24- beverage shops/coffee shops;
  - 25- ice cream parlors;
  - 26- purchase and sale of land and real estate, subdivision thereof, and off-plan sale activities;
  - 27- organizing tourist trips;
  - 28- hospitality unit reservations;
  - 29- sports clubs;
  - 30- bowling alleys;
  - 31- shooting clubs;
  - 32- men's sports halls and centers;
  - 33- women's sports halls and centers;
  - 34- amusement parks;
  - 35- entertainment centers;
  - 36- organizing recreational events;
  - 37- women's salons;
  - 38- men's salons;
  - 39- children's salons; and
  - 40- relaxation and personal care centers.

**Substantial Shareholders of the Company, the Number of Their Shares and Their Ownership Percentages Before and After the Completion of the Transactions**

The following table details the ownership of the Company's Substantial Shareholders before and after the Completion of the Transactions, as at 16/06/1447H (corresponding to 07/12/2025G) and thereafter:

Shareholder	Before Completion of the Transactions		After Completion of the Transactions	
	Number of Shares in the Company	Ownership Percentage in the Company	Number of Shares in the Company	Ownership Percentage in the Company
Abdul Mohsen Al Hokair & Sons Co. Ltd.	83,524,970	26.52%	83,524,970	13.47%
Abdul Mohsen Abdulaziz Fahad Al Hokair <sup>(1)</sup>	39,271,040	12.47%	39,271,040	6.33%
Al Hokair Holding Company	-	-	239,390,154	38.61%
<b>Total</b>	<b>122,796,010</b>	<b>38.98%</b>	<b>362,186,164</b>	<b>58.42%</b>

Source: The Company.

(1) This includes shares directly owned by Abdul Mohsen Abdulaziz Fahad Al Hokair in the Company. It should be noted that he indirectly owns 15.58% of the Company's share capital before the Capital Increase through his direct ownership of a total of 5,875 shares in the share capital of Abdul Mohsen Al Hokair & Sons Co. Ltd. (equivalent to 58.75% of its share capital) (and thus effectively owns 28.05% of the Company's share capital before the Capital Increase).

In the event that the Al Oula Transaction is completed separately from the Al Hokair Transaction and the Al Hokair Transaction is not completed, the details of the ownership of the Company's Substantial Shareholders before and after the completion of the Al Oula Transaction as at 16/06/1447H (corresponding to 07/12/2025G), and thereafter, will be as set out in the following table:

Shareholder	Before Completion of the Al Oula Transaction		After Completion of the Al Oula Transaction	
	Number of Shares in the Company	Ownership Percentage in the Company	Number of Shares in the Company	Ownership Percentage in the Company
Abdul Mohsen Al Hokair & Sons Co. Ltd.	83,524,970	26.52%	83,524,970	21.95%
Abdul Mohsen Abdulaziz Fahad Al Hokair <sup>(1)</sup>	39,271,040	12.47%	39,271,040	10.32%
Awj Al-Mada Company <sup>(2)</sup>	-	-	21,858,928	5.74%
Awj Al-Majal Company <sup>(2)</sup>	-	-	21,858,927	5.74%
Awj Al-Shati Company <sup>(2)</sup>	-	-	21,858,927	5.74%
<b>Total</b>	<b>122,796,010</b>	<b>38.98%</b>	<b>188,372,792</b>	<b>49.49%</b>

Source: The Company.

(1) This includes shares directly owned by Abdul Mohsen Abdulaziz Fahad Al Hokair in the Company. It should be noted that he indirectly owns 15.58% of the Company's share capital before the Capital Increase through his direct ownership of a total of 5,875 shares in the share capital of Abdul Mohsen Al Hokair & Sons Co. Ltd. (equivalent to 58.75% of its share capital) (and thus effectively owns 28.05% of the Company's share capital before the Capital Increase).

(2) The Receiving Companies of the Al Oula Shares shall be presumed as parties Acting in Concert, collectively owning 17.23% of the Company's share capital after the Capital Increase resulting from the completion of only the Al Oula Transaction, as they are considered members of the same group. It should be noted that Ajdan Real Estate Development Company directly and indirectly owns all of the Receiving Companies of the Al Oula Shares.

Substantial Shareholders of the Company, the Number of Their Shares and Their Ownership Percentages Before and After the Completion of the Transactions	In the event that the Al Hokair Transaction is completed separately from the Al Oula Transaction and the Al Oula Transaction is not completed, the details of the ownership of the Company's Substantial Shareholders before and after the completion of the Al Hokair Transaction as at 16/06/1447H (corresponding to 07/12/2025G), and thereafter, will be as set out in the following table:				
	Shareholder	Before Completion of the Al Hokair Transaction		After Completion of the Al Hokair Transaction	
		Number of Shares in the Company	Ownership Percentage in the Company	Number of Shares in the Company	Ownership Percentage in the Company
	Abdul Mohsen Al Hokair & Sons Co. Ltd.	83,524,970	26.52%	83,524,970	15.07%
	Abdul Mohsen Abdulaziz Fahad Al Hokair <sup>(1)</sup>	39,271,040	12.47%	39,271,040	7.08%
Al Hokair Holding Company	-	-	239,390,154	43.18%	
<b>Total</b>	<b>122,796,010</b>	<b>38.98%</b>	<b>362,186,164</b>	<b>65.33%</b>	
Source: The Company.					
(1) This includes shares directly owned by Abdul Mohsen Abdulaziz Fahad Al Hokair in the Company. It should be noted that he indirectly owns 15.58% of the Company's share capital before the Capital Increase through his direct ownership of a total of 5,875 shares in the share capital of Abdul Mohsen Al Hokair & Sons Co. Ltd. (equivalent to 58.75% of its share capital) (and thus effectively owns 28.05% of the Company's share capital before the Capital Increase).					
Share Capital of the Company	Three hundred and fifteen million Saudi Riyals (SAR 315,000,000).				
Total Number of the Company's Shares	Three hundred and fifteen million (315,000,000) ordinary shares.				
Nominal Value per Share of the Company	One Saudi Riyal (SAR 1).				
Total Number of Consideration Shares	<ul style="list-style-type: none"> <li>In the event both of the Transactions are approved: Three hundred and four million, nine hundred and sixty-six thousand, nine hundred and thirty-six (304,966,936) shares.</li> <li>In the event that only the Al Oula Transaction is approved: Sixty-five million, five hundred seventy-six thousand, seven hundred and eighty-two (65,576,782) shares, which are the Al Oula Shares.</li> <li>In the event that only the Al Hokair Transaction is approved: Two hundred thirty-nine million, three hundred ninety thousand, one hundred and fifty-four (239,390,154) shares, which are the Al Hokair Shares.</li> </ul>				
Consideration Shares as a Percentage of the Company's Current Share Capital	<ul style="list-style-type: none"> <li>In the event that both of the Transactions are approved: 96.81%.</li> <li>In the event that only the Al Oula Transaction is approved: 20.82%.</li> <li>In the event that only the Al Hokair Transaction is approved: 76.00%.</li> </ul>				
Issuance Price of the Consideration Shares	The nominal value of the Consideration Shares is equivalent to one Saudi Riyal (SAR 1) per share, and the Consideration Shares will be issued fully paid. The Consideration Shares will be issued in respect of each of the Transactions at a price of SAR 2.722 per share.				

<p><b>Total Issuance Value of the Consideration Shares</b></p>	<ul style="list-style-type: none"> <li>In the event that both of the Transactions are approved: The total nominal value of the Consideration Shares is three hundred and four million, nine hundred and sixty-six thousand, nine hundred and thirty-six Saudi Riyals (SAR 304,966,936). The total market value of the Consideration Shares is eight hundred and thirty million, one hundred and twenty thousand Saudi Riyals (SAR 830,120,000).</li> <li>In the event that only the Al Oula Transaction is approved: The total nominal value of the Al Oula Shares is sixty-five million, five hundred and seventy-six thousand, seven hundred and eighty-two Saudi Riyals (SAR 65,576,782). The total market value of the Al Oula Shares is one hundred and seventy-eight million, five hundred thousand Saudi Riyals (SAR 178,500,000).</li> <li>In the event that only the Al Hokair Transaction is approved: The total nominal value of the Al Hokair Shares is two hundred and thirty-nine million, three hundred and ninety thousand, one hundred and fifty-four Saudi Riyals (SAR 239,390,154). The total market value of the Al Hokair Shares is six hundred and fifty-one million, six hundred and twenty thousand Saudi Riyals (SAR 651,620,000).</li> </ul> <p>The Consideration Shares have been priced based on the three-month volume-weighted average price of the Company's shares of SAR 2.722 as at 25/06/1446H (corresponding to 26/12/2024G) (which is the agreed-upon date for the purpose of determining the price of the Consideration Shares). Accordingly, the total value of the Consideration Shares will be included in the statement of financial position at a later date.</p>
<p><b>Description of the Transactions</b></p>	
<p><b>Description of the Al Oula Transaction</b></p>	<p>The Al Oula Transaction consists of the purchase of 86 residential units, representing all of the residential units located in the Mid-Rise component of the Ajdan Waterfront Project Tower in Al Khobar on Plot No. 12/2 of Plan No. 356/02, with an area of approximately 12,000 square meters, located on Corniche Road, Al Khobar, Kingdom of Saudi Arabia (the "<b>Al Oula Transaction Assets</b>"), in exchange for the issuance of a total of sixty-five million, five hundred and seventy-six thousand, seven hundred and eighty-two (65,576,782) new ordinary shares in the Company, with a nominal value of one Saudi Riyal (SAR 1) per ordinary share, in favor of Al Oula Real Estate Development Company, through their allocation to three companies designated by Al Oula Real Estate Development Company in accordance with the provisions of the Al Oula Agreement (namely Awj Al-Mada Company, Awj Al-Majal Company, and Awj Al-Shati Company (collectively referred to as the "<b>Receiving Companies of the Al Oula Shares</b>")), equivalent to 10.58% of the Company's share capital after the Capital Increase (in the event both of the Transactions are approved) (the "<b>Al Oula Transaction</b>"). For further details on the ownership structure of the Company before and after the Completion of the Transactions, please refer to Section (3.5) ("<b>Ownership Structure Before and After the Transactions</b>") of this Circular.</p> <p>For further details regarding the completion of the Al Oula Transaction, please refer to Section (5.2) ("<b>Legal Information on the Transactions</b>") of this Circular.</p>
<p><b>Overview of the Al Hokair Transaction</b></p>	<p>The Al Hokair Transaction consists of the purchase of:</p> <ol style="list-style-type: none"> <li>the DoubleTree by Hilton Hotel in Riyadh, Al Murooj District, along with the land and real estate assets on which it is located, namely Plot No. 2155 of Plan No. 1578/A, with an area of 1,250 square meters; Plot No. 2157 of Plan No. 1578/A, with an area of 1,250 square meters; Plot No. 2159 of Plan No. 1578/A, with an area of 1,250 square meters; and Plot No. 2161 of Plan No. 1578/A, with an area of 1,750 square meters, all of which are located on the Northern Ring Branch Road, Al Murooj District, Riyadh, Kingdom of Saudi Arabia (collectively referred to as the "<b>DoubleTree by Hilton Hotel</b>");</li> <li>the Radisson Blu Hotel, Jeddah Corniche, along with the land and real estate assets on which it is located, namely a plot (unnumbered) registered pursuant to Deed No. 320227006656, dated 02/06/1439H (corresponding to 18/02/2018G), within the South Obhur plan, with an area of 3,610.5 square meters, located Corniche Road, South Obhur District, Jeddah, Kingdom of Saudi Arabia (referred to as the "<b>Radisson Blu Hotel</b>"); and</li> <li>the Holiday Inn Jeddah Gateway Hotel on Al Madinah Road, along with the land and real estate assets on which it is located, namely Plot No. 528/A of Plan No. 477/3/P, with an area of 1,000 square meters, and Plot No. 530/A of Plan No. 477/3/P, with an area of 1,000 square meters, both located on Al-Madinah Al-Munawwarah Road, An Nuzha District, Jeddah, Kingdom of Saudi Arabia (referred to as the "<b>Holiday Inn Hotel</b>").</li> </ol> <p>The Al Hokair Transaction Assets shall be acquired in exchange for the issuance of a total of two hundred and thirty-nine million, three hundred and ninety thousand, one hundred and fifty-four (239,390,154) new ordinary shares in the Company, with a nominal value of one Saudi Riyal (SAR 1) per ordinary share, in favor of Al Hokair Holding Company, whereby its ownership in the Company shall amount to 38.61% of the Company's share capital after the Capital Increase (in the event both of the Transactions are approved) (the "<b>Al Hokair Transaction</b>"). For further details on the ownership structure of the Company before and after the Completion of the Transactions, please refer to Section (3.5) ("<b>Ownership Structure Before and After the Transactions</b>") of this Circular.</p> <p>For further details regarding the completion of the Al Hokair Transaction, please refer to Section (5.2) ("<b>Legal Information on the Transactions</b>") of this Circular.</p>

Al Oula Transaction Assets	
<b>Description</b>	The Real Estate Assets related to the Al Oula Transaction are 86 residential units, representing all of the residential units located in the Mid-Rise component of the Ajdan Waterfront Project Tower in Al Khobar on Plot No. 12/2 of Plan No. 356/2, with a total area of approximately 12,000 square meters, located on Corniche Road, Al Khobar, Kingdom of Saudi Arabia (referred to as the <b>"Al Oula Transaction Assets"</b> ).
<b>Activity/Purpose</b>	The Al Oula Transaction Assets are residential units located in the Mid-Rise component of the Ajdan Waterfront Project Tower and are wholly owned by Al Oula Real Estate Development Company. For further details regarding the Real Estate Assets, please refer to Section (3.2) ( <b>"Overview of the Real Estate Assets"</b> ) of this Circular.
<b>Ownership of the Real Estate Assets</b>	The Al Oula Transaction Assets are wholly owned by Al Oula Real Estate Development Company. Ownership of all Al Oula Transaction Assets will be transferred to the Company pursuant to the Al Oula Agreement, and the Company will retain full ownership of the Al Oula Transaction Assets upon completion of the Al Oula Transaction.
<b>Ownership of Al Oula Real Estate Development Company in the Company Before and After Completion of the Transactions</b>	Al Oula Real Estate Development Company and the Receiving Companies of the Al Oula Shares do not currently have any ownership interest in the Company. Upon the issuance of the Al Oula Shares, the Receiving Companies of the Al Oula Shares will own 10.58% of the Company's share capital after the Capital Increase (in the event that both of the Transactions are approved), or 17.23% of the Company's share capital (in the event that only the Al Oula Transaction is approved). For further details on the ownership structure of the Company before and after the Completion of the Transactions, please refer to Section (3.5) ( <b>"Ownership Structure Before and After the Transactions"</b> ) of this Circular.
<b>Value of the Real Estate Assets</b>	The agreed-upon value for the acquisition of the Al Oula Transaction Assets is one hundred and seventy-eight million, five hundred thousand Saudi Riyals (SAR 178,500,000). For further details regarding the valuation of the Real Estate Assets, please refer to Section (3.6) ( <b>"Valuation of the Real Estate Assets"</b> ).
Al Hokair Transaction Assets	
<b>Description</b>	The Al Hokair Transaction Assets are: <ol style="list-style-type: none"> <li>1- the DoubleTree by Hilton Hotel in Riyadh, Al Murooj District, along with the land and real estate assets on which it is located, namely Plot No. 2155 of Plan No. 1578/A, with an area of 1,250 square meters; Plot No. 2157 of Plan No. 1578/A, with an area of 1,250 square meters; Plot No. 2159 of Plan No. 1578/A, with an area of 1,250 square meters; and Plot No. 2161 of Plan No. 1578/A, with an area of 1,750 square meters, all of which are located on the Northern Ring Branch Road, Al Murooj District, Riyadh, Kingdom of Saudi Arabia (collectively referred to as the <b>"DoubleTree by Hilton Hotel"</b>);</li> <li>2- the Radisson Blu Hotel, Jeddah Corniche, along with the land and real estate assets on which it is located, namely a plot (unnumbered) registered pursuant to Deed No. 320227006656, dated 02/06/1439H (corresponding to 18/02/2018G), within the South Obhur Plan, with an area of 3,610.5 square meters, located on Corniche Road, South Obhur District, Jeddah, Kingdom of Saudi Arabia (referred to as the <b>"Radisson Blu Hotel"</b>); and</li> <li>3- the Holiday Inn Jeddah Gateway Hotel on Al Madinah Road, along with the land and real estate assets on which it is located, namely Plot No. 528/A of Plan No. 477/3/P, with an area of 1,000 square meters, and Plot No. 530/A of Plan No. 477/3/P, with an area of 1,000 square meters, both located on Al-Madinah Al-Munawwarah Road, An Nuzha District, Jeddah, Kingdom of Saudi Arabia (referred to as the <b>"Holiday Inn Hotel"</b>).</li> </ol>
<b>Activity/Purpose</b>	The Al Hokair Transaction Assets are the DoubleTree by Hilton Hotel, Radisson Blu Hotel and Holiday Inn Hotel, all of which are plots on which hotels are built, wholly owned by Al Hokair Holding Company. For further details regarding the Real Estate Assets, please refer to Section (3.2) ( <b>"Overview of the Real Estate Assets"</b> ) of this Circular.

<b>Ownership of the Real Estate Assets</b>	The Al Hokair Transaction Assets are wholly owned by Al Hokair Holding Company. Ownership of all Al Hokair Transaction Assets will be transferred to the Company pursuant to the Al Hokair Agreement, and the Company will retain full ownership of the Al Hokair Transaction Assets upon completion of the Al Hokair Transaction.
<b>Ownership of Al Hokair Holding Company in the Company Before and After Completion of the Transactions</b>	Al Hokair Holding Company does not currently have any ownership interest in the Company. Upon the issuance of the Al Hokair Shares, Al Hokair Holding Company will own 38.61% of the Company's share capital after the Capital Increase in the event that both of the Transactions are approved), or 43.18% of the Company's share capital (in the event that only the Al Hokair Transaction is approved). For further details on the ownership structure of the Company before and after the Completion of the Transactions, please refer to Section (3.5) (" <b>Ownership Structure Before and After the Transactions</b> ") of this Circular.
<b>Value of the Real Estate Assets</b>	The agreed-upon value for the acquisition of the Al Hokair Transaction Assets is six hundred and fifty-one million, six hundred and twenty thousand Saudi Riyals (SAR 651,620,000). For further details regarding the valuation of the Real Estate Assets, please refer to Section (3.6) (" <b>Valuation of the Real Estate Assets</b> ").
<b>Related Party</b>	<p>The Al Hokair Transaction involves Related Parties, where Al Hokair Holding Company is considered a Related Party given that it is controlled by the owners of Abdul Mohsen Al Hokair &amp; Sons Co. Ltd., a Substantial Shareholder in the Company. Specifically, the following persons have direct ownership in Abdul Mohsen Al Hokair &amp; Sons Co. Ltd. in addition to their indirect ownership in Al Hokair Holding Company:</p> <ol style="list-style-type: none"> <li>1- Abdul Mohsen Abdulaziz Fahad Al Hokair, who indirectly owns 0.43% in Al Hokair Holding Company through his direct ownership of a total of 4,167 shares in the share capital of Alam Al Tafaseel Co. Ltd. (equivalent to 16.67% of its share capital), which in turn directly owns a total of 2,158 shares in the share capital of Khalid Abdul Mohsen Al Hokair Sons Co. Ltd. (equivalent to 21.58% of its share capital), which in turn directly owns a total of 12,000 shares in the share capital of Al Hokair Holding Company (equivalent to 12.00% of its share capital). He also directly owns 58.75% in Abdul Mohsen Al Hokair &amp; Sons Co. Ltd., and directly owns 12.47% in the Company (and thus effectively owns 28.05% of the Company's share capital before the Capital Increase);</li> <li>2- Musaed Abdul Mohsen Al Hokair, who indirectly owns 17.87% of Al Hokair Holding Company, and also directly owns 7.50% of Abdul Mohsen Al Hokair &amp; Sons Co. Ltd. (and thus effectively owns 1.99% of the Company's share capital before the Capital Increase);</li> <li>3- Majed Abdul Mohsen Al Hokair, who indirectly owns 17.87% of Al Hokair Holding Company, and also directly owns 7.50% of Abdul Mohsen Al Hokair &amp; Sons Co. Ltd. (and thus effectively owns 1.99% of the Company's share capital before the Capital Increase);</li> <li>4- Sami Bin Abdul Mohsen Bin Abdulaziz Al Hokair, who indirectly owns 17.87% of Al Hokair Holding Company, and also directly owns 7.50% of Abdul Mohsen Al Hokair &amp; Sons Co. Ltd. (and thus effectively owns 1.99% of the Company's share capital before the Capital Increase);</li> <li>5- Feryal Abdul Mohsen Al Hokair, who indirectly owns 4.32% of Al Hokair Holding Company, and also directly owns 3.75% of Abdul Mohsen Al Hokair &amp; Sons Co. Ltd. (and thus effectively owns 0.99% of the Company's share capital before the Capital Increase);</li> <li>6- Majidah Abdul Mohsen Al Hokair, who indirectly owns 4.32% of Al Hokair Holding Company, and also directly owns 3.75% of Abdul Mohsen Al Hokair &amp; Sons Co. Ltd. (and thus effectively owns 0.99% of the Company's share capital before the Capital Increase);</li> <li>7- Mishal Abdul Mohsen Al Hokair, who indirectly owns 13.87% of Al Hokair Holding Company, and also directly owns 7.50% of Abdul Mohsen Al Hokair &amp; Sons Co. Ltd. (and thus effectively owns 1.99% of the Company's share capital before the Capital Increase); and</li> <li>8- Mashael Abdul Mohsen Al Hokair, who indirectly owns 4.32% of Al Hokair Holding Company, and also directly owns 3.75% of Abdul Mohsen Al Hokair &amp; Sons Co. Ltd. (and thus effectively owns 0.99% of the Company's share capital before the Capital Increase).</li> </ol> <p>The aforementioned parties, in addition to the parties Acting in Concert with Abdul Mohsen Abdulaziz Fahad Al Hokair in their capacity as members of his family, namely the late Bandar Khalid Bin Abdul Mohsen Al Hokair (and his heirs), Badr Khalid Bin Abdul Mohsen Al Hokair, and Ahmed Khalid Bin Abdul Mohsen Al Hokair (in the event any of them is a direct shareholder in the Company), including Abdul Mohsen Al Hokair &amp; Sons Co. Ltd., shall refrain from voting on the Al Hokair Transaction Resolutions. Al Fozan Holding, a closed joint stock company, Abdul Qadir Al Muhaidib &amp; Sons Co., a closed joint stock company, Sumou Global Investment, Al Oula Real Estate Development Company, Ajdan Real Estate Development Company and the Receiving Companies of the Al Oula Shares (in the event any of them is a direct shareholder in the Company) shall also refrain from voting on the Transaction Resolutions. For further details regarding Related Parties, please refer to Section (3.4) ("<b>Related Parties and Interested Directors in the Al Hokair Transaction</b>") of this Circular.</p>

**Total and Detailed Value of the Consideration Shares**

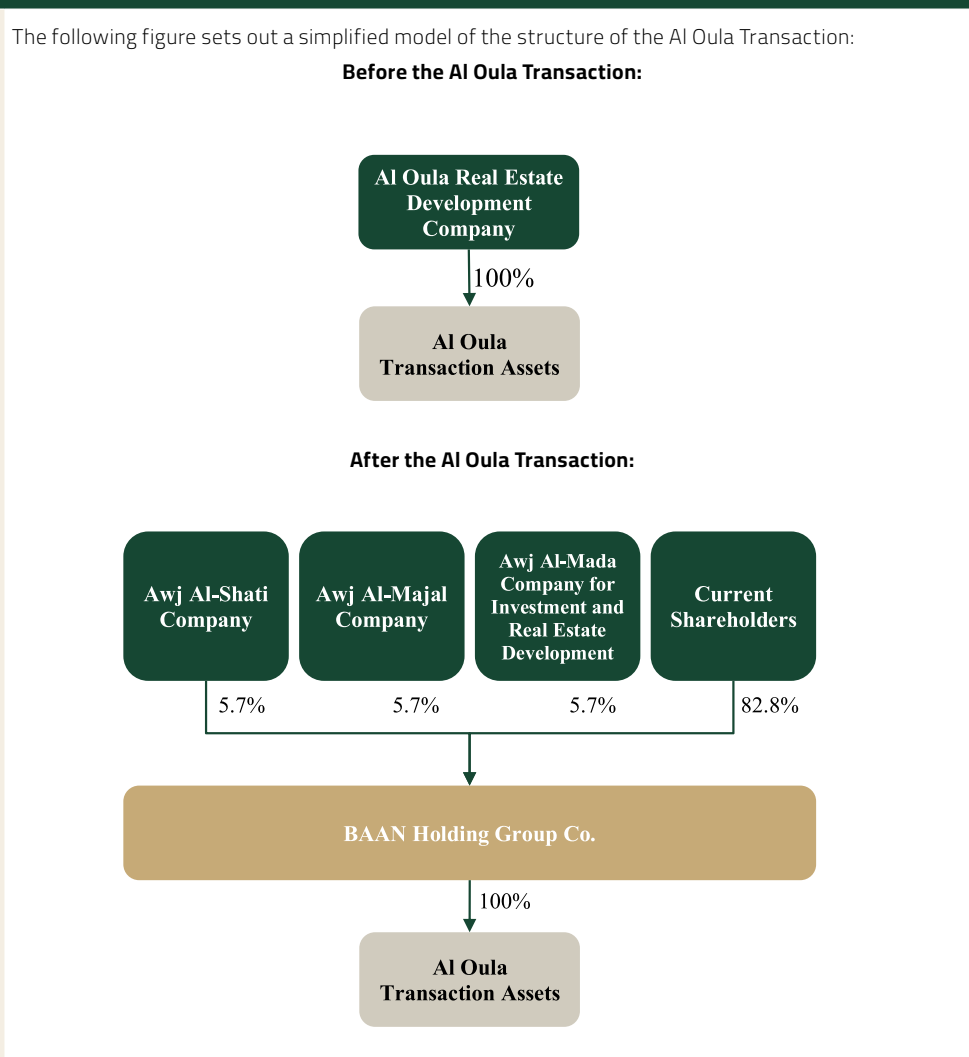
**Total and Detailed Value of the AI Oula Shares**  
 The total nominal value of the AI Oula Shares is sixty-five million, five hundred and seventy-six thousand, seven hundred and eighty-two Saudi Riyals (SAR 65,576,782), and the total market value of the AI Oula Shares is one hundred and seventy-eight million, five hundred thousand Saudi Riyals (SAR 178,500,000), based on the three-month volume-weighted average price of the Company's shares of SAR 2.722 as at 25/06/1446H (corresponding to 26/12/2024G) (which is the agreed-upon date for the purpose of determining the value and number of the Consideration Shares).

**Total and Detailed Value of the AI Hokair Shares**  
 The total nominal value of the AI Hokair Shares is two hundred and thirty-nine million, three hundred and ninety thousand, one hundred and fifty-four Saudi Riyals (SAR 239,390,154), and the total market value of the AI Hokair Shares is six hundred and fifty-one million, six hundred and twenty thousand Saudi Riyals (SAR 651,620,000), based on the three-month volume-weighted average price of the Company's shares of SAR 2.722 as at 25/06/1446H (corresponding to 26/12/2024G) (which is the agreed-upon date for the purpose of determining the value and number of the Consideration Shares).

**Total and Detailed Value of the Consideration Shares**  
 The total nominal value of the Consideration Shares is three hundred and four million, nine hundred and sixty-six thousand, nine hundred and thirty-six Saudi Riyals (SAR 304,966,936), and the total market value of the Consideration Shares is eight hundred and thirty million, one hundred and twenty thousand Saudi Riyals (SAR 830,120,000), based on the three-month volume-weighted average price of the Company's shares of SAR 2.722 as at 25/06/1446H (corresponding to 26/12/2024G) (which is the agreed-upon date for the purpose of determining the value and number of the Consideration Shares).

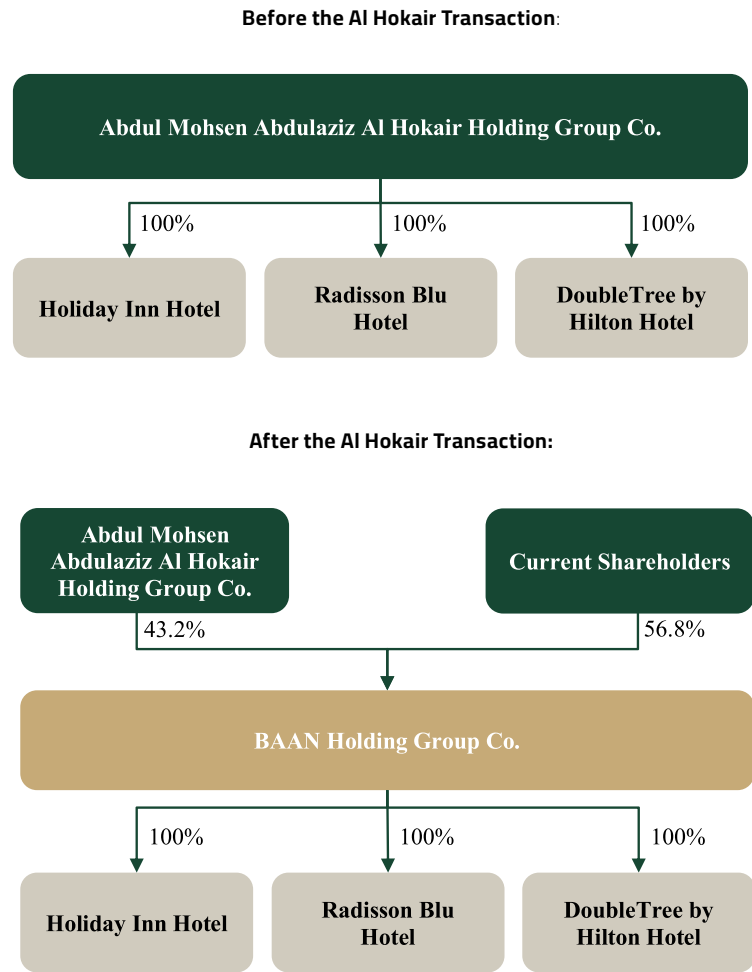
**Structure of the Transactions**

**Structure of the AI Oula Transaction**



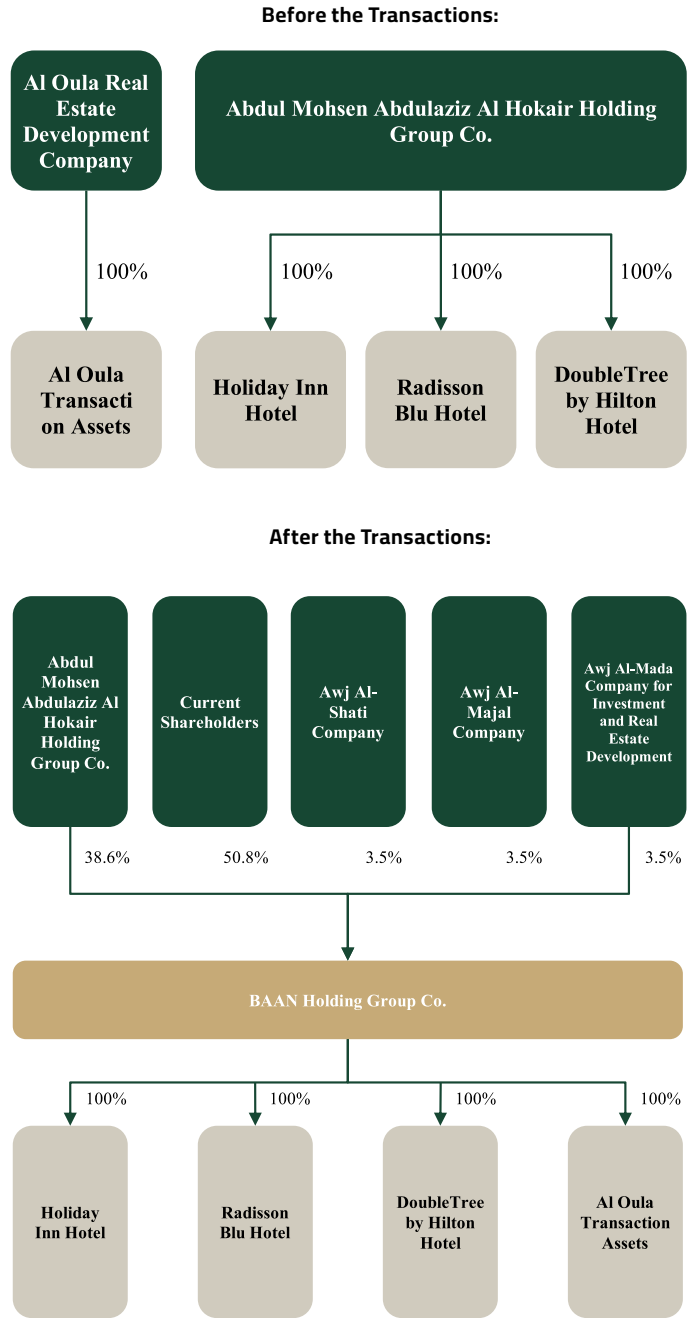
Structure of the Al Hokair Transaction

The following figure sets out a simplified model of the structure of the Al Hokair Transaction:



Structure of the Transactions

The following figure sets out a simplified model of the structure of the Transactions:



**Ownership Structure  
in the Company Before  
and After Completion  
of the Transactions**

The following table sets out the direct ownership structure in the Company before and after the Completion of the Transactions as at 16/06/1447H (corresponding to 07/12/2025G). Al Hokair Holding Company shall be a Substantial Shareholder in the Company, while the Receiving Companies of the Al Ola Shares shall be presumed as parties Acting in Concert.

Shareholder	Before Completion of the Transactions		After Completion of the Transactions	
	Number of Shares in the Company	Ownership Percentage in the Company	Number of Shares in the Company	Ownership Percentage in the Company
Abdul Mohsen Al Hokair & Sons Co. Ltd.	83,524,970	26.52%	83,524,970	13.47%
Abdul Mohsen Abdulaziz Fahad Al Hokair <sup>(1)</sup>	39,271,040	12.47%	39,271,040	6.33%
Al Hokair Holding Company	-	-	239,390,154	38.61%
Awj Al-Mada Company <sup>(2)</sup>	-	-	21,858,928	3.53%
Awj Al-Majal Company <sup>(2)</sup>	-	-	21,858,927	3.53%
Awj Al-Shati Company <sup>(2)</sup>	-	-	21,858,927	3.53%
Company Directors <sup>(3)</sup>	74,430	0.02%	74,430	0.01%
Non-Public <sup>(4)</sup>	3,401,495	1.08%	3,401,495	0.55%
Public	188,728,065	59.91%	188,728,065	30.44%
<b>Total</b>	<b>315,000,000</b>	<b>100%</b>	<b>619,966,936</b>	<b>100%</b>

Source: The Company.

(1) This includes shares directly owned by Abdul Mohsen Abdulaziz Fahad Al Hokair in the Company. It should be noted that he indirectly owns 15.58% of the Company's share capital before the Capital Increase through his direct ownership of a total of 5,875 shares in the share capital of Abdul Mohsen Al Hokair & Sons Co. Ltd. (equivalent to 58.75% of its share capital) (and thus effectively owns 28.05% of the Company's share capital before the Capital Increase).

(2) The Receiving Companies of the Al Ola Shares shall be presumed as parties Acting in Concert, collectively owning 10.58% of the Company's share capital after the Capital Increase resulting from the Completion of the Transactions, as they are considered members of the same group. It should be noted that Ajdan Real Estate Development Company directly and indirectly owns all of the Receiving Companies of the Al Ola Shares.

(3) Based on shares directly owned by members of the Company's Board of Directors. For further details regarding indirect ownership, please refer to Section (3.2.3) ("**Ownership of the Board of Directors**").

(4) The non-Public category comprises the following: (a) the late Mr. Bandar Khalid Bin Abdul Mohsen Al Hokair (and his heirs) (who owns 0.48% of the Company's share capital before the Capital Increase), (b) Mr. Badr Khalid Bin Abdul Mohsen Al Hokair (who owns 0.51% of the Company's share capital before the Capital Increase), and (c) Mr. Ahmed Khalid Bin Abdul Mohsen Al Hokair (who owns 0.09% of the Company's share capital before the Capital Increase), who shall be presumed to be Acting in Concert with Abdul Mohsen Abdulaziz Fahad Al Hokair in their capacity as members of his family.

In the event that the Al Oula Transaction is completed separately from the Al Hokair Transaction and the Al Hokair Transaction is not completed, the details of the ownership of the Company's Substantial Shareholders, the Directors, Senior Executives and the Public before and after the completion of the Al Oula Transaction as at 16/06/1447H (corresponding to 07/12/2025G), and thereafter, will be as set out in the following table:

Shareholder	Before Completion of the Al Oula Transaction		After Completion of the Al Oula Transaction	
	Number of Shares in the Company	Ownership Percentage in the Company	Number of Shares in the Company	Ownership Percentage in the Company
Abdul Mohsen Al Hokair & Sons Co. Ltd.	83,524,970	26.52%	83,524,970	21.95%
Abdul Mohsen Abdulaziz Fahad Al Hokair <sup>(1)</sup>	39,271,040	12.47%	39,271,040	10.32%
Al Hokair Holding Company	-	-	-	-
Awj Al-Mada Company <sup>(2)</sup>	-	-	21,858,928	5.74%
Awj Al-Majal Company <sup>(2)</sup>	-	-	21,858,927	5.74%
Awj Al-Shati Company <sup>(2)</sup>	-	-	21,858,927	5.74%
Company Directors <sup>(3)</sup>	74,430	0.02%	74,430	0.02%
Non-Public <sup>(4)</sup>	3,401,495	1.08%	3,401,495	0.89%
Public	188,728,065	59.91%	188,728,065	50.41%
<b>Total</b>	<b>315,000,000</b>	<b>100%</b>	<b>380,576,782</b>	<b>100%</b>

Source: The Company.

(1) This includes shares directly owned by Abdul Mohsen Abdulaziz Fahad Al Hokair in the Company. It should be noted that he indirectly owns 15.58% of the Company's share capital before the Capital Increase through his direct ownership of a total of 5,875 shares in the share capital of Abdul Mohsen Al Hokair & Sons Co. Ltd. (equivalent to 58.75% of its share capital) (and thus effectively owns 28.05% of the Company's share capital before the Capital Increase).

(2) The Receiving Companies of the Al Oula Shares shall be presumed as parties Acting in Concert, collectively owning 17.23% of the Company's share capital after the Capital Increase resulting from the completion of only the Al Oula Transaction, as they are considered members of the same group. It should be noted that Ajdan Real Estate Development Company directly and indirectly owns all of the Receiving Companies of the Al Oula Shares.

(3) Based on shares directly owned by members of the Company's Board of Directors. For further details regarding indirect ownership, please refer to Section (3.2.3) ("**Ownership of the Board of Directors**").

(4) The non-Public category comprises the following: (a) the late Mr. Bandar Khalid Bin Abdul Mohsen Al Hokair (and his heirs) (who owns 0.48% of the Company's share capital before the Capital Increase), (b) Mr. Badr Khalid Bin Abdul Mohsen Al Hokair (who owns 0.51% of the Company's share capital before the Capital Increase), and (c) Mr. Ahmed Khalid Bin Abdul Mohsen Al Hokair (who owns 0.09% of the Company's share capital before the Capital Increase), who shall be presumed to be Acting in Concert with Abdul Mohsen Abdulaziz Fahad Al Hokair in their capacity as members of his family.

**Ownership Structure in the Company Before and After Completion of the Transactions**

In the event that the Al Hokair Transaction is completed separately from the Al Oula Transaction and the Al Oula Transaction is not completed, the details of the ownership of the Company's Substantial Shareholders, the Directors, Senior Executives and the Public before and after the completion of the Al Hokair Transaction as at 16/06/1447H (corresponding to 07/12/2025G), and thereafter, will be as set out in the following table:

Shareholder	Before Completion of the Al Hokair Transaction		After Completion of the Al Hokair Transaction	
	Number of Shares in the Company	Ownership Percentage in the Company	Number of Shares in the Company	Ownership Percentage in the Company
Abdul Mohsen Al Hokair & Sons Co. Ltd.	83,524,970	26.52%	83,524,970	15.07%
Abdul Mohsen Abdulaziz Fahad Al Hokair <sup>(1)</sup>	39,271,040	12.47%	39,271,040	7.08%
Al Hokair Holding Company	-	-	239,390,154	43.18%
Awj Al-Mada Company	-	-	-	-
Awj Al-Majal Company	-	-	-	-
Awj Al-Shati Company	-	-	-	-
Company Directors <sup>(2)</sup>	74,430	0.02%	74,430	0.01%
Non-Public <sup>(3)</sup>	3,401,495	1.08%	3,401,495	0.61%
Public	188,728,065	59.91%	188,728,065	34.04%
<b>Total</b>	<b>315,000,000</b>	<b>100%</b>	<b>554,390,154</b>	<b>100%</b>

Source: The Company.

(1) This includes shares directly owned by Abdul Mohsen Abdulaziz Fahad Al Hokair in the Company. It should be noted that he indirectly owns 15.58% of the Company's share capital before the Capital Increase through his direct ownership of a total of 5,875 shares in the share capital of Abdul Mohsen Al Hokair & Sons Co. Ltd. (equivalent to 58.75% of its share capital) (and thus effectively owns 28.05% of the Company's share capital before the Capital Increase).

(2) Based on shares directly owned by members of the Company's Board of Directors, both directly and indirectly. For further details regarding indirect ownership, please refer to Section (3.2.3) ("**Ownership of the Board of Directors**").

(3) The non-Public category comprises the following: (a) the late Mr. Bandar Khalid Bin Abdul Mohsen Al Hokair (and his heirs) (who owns 0.48% of the Company's share capital before the Capital Increase), (b) Mr. Badr Khalid Bin Abdul Mohsen Al Hokair (who owns 0.51% of the Company's share capital before the Capital Increase), and (c) Mr. Ahmed Khalid Bin Abdul Mohsen Al Hokair (who owns 0.09% of the Company's share capital before the Capital Increase), who shall be presumed to be Acting in Concert with Abdul Mohsen Abdulaziz Fahad Al Hokair in their capacity as members of his family.

#### Ownership Structure in the Company Before and After Completion of the Transactions

#### Dilution of Ownership

The Transactions will result in a dilution of the ownership of the Current Shareholders in the Company from 100% to 50.81% of the Company's share capital after the Completion of the Transactions. In the event that only the Al Oula Transaction is approved, the ownership percentage of the current shareholders in the Company will decrease to 82.77% of the share capital, whereas in the event that only the Al Hokair Transaction is approved, the ownership percentage of the current shareholders in the Company will decrease to 56.82% of the share capital. In all cases, the Transactions will not result in a change in the number of shares owned by the current shareholders in the Company. For further details regarding the risks related to the dilution of ownership and the accompanying dilution in voting power and other related matters, please refer to Section (1.2.1) ("**Risks Related to Changes in the Ownership Percentages of the Current Shareholders, the Associated Dilution of Voting Rights and the Ability of the Receiving Companies of the Consideration Shares to Influence the Company's Decisions**") of this Circular.

<p><b>Increase or Decrease in Earnings Per Share</b></p>	<p>The table below shows the Company's earnings per share based on its financial statements for the financial year ended 31 December 2024G and its unaudited condensed consolidated pro forma financial information for the financial year ended 31 December 2024G (which do not take into account the benefits of the Transactions):</p>			
	<table border="1"> <tr> <td data-bbox="432 394 1233 465"> <p><b>Profitability per share (based on the audited financial statements for the financial year ended 31 December 2024G)</b></p> </td> <td data-bbox="1233 394 1366 465"> <p><b>0.0165</b></p> </td> </tr> <tr> <td data-bbox="432 465 1233 566"> <p><b>Profitability per share after the Capital Increase in the event both of the Transactions are approved (based on the unaudited condensed consolidated pro forma financial information for the financial year ended 31 December 2024G)</b></p> </td> <td data-bbox="1233 465 1366 566"> <p><b>0.0160</b></p> </td> </tr> </table>	<p><b>Profitability per share (based on the audited financial statements for the financial year ended 31 December 2024G)</b></p>	<p><b>0.0165</b></p>	<p><b>Profitability per share after the Capital Increase in the event both of the Transactions are approved (based on the unaudited condensed consolidated pro forma financial information for the financial year ended 31 December 2024G)</b></p>
<p><b>Profitability per share (based on the audited financial statements for the financial year ended 31 December 2024G)</b></p>	<p><b>0.0165</b></p>			
<p><b>Profitability per share after the Capital Increase in the event both of the Transactions are approved (based on the unaudited condensed consolidated pro forma financial information for the financial year ended 31 December 2024G)</b></p>	<p><b>0.0160</b></p>			
<p><b>Rationale and Reasons for the Purchase</b></p>	<p>The Transactions are in alignment with the Company's strategy and are expected to contribute to enhancing sustainable shareholder value in the long term, based on the following reasons:</p>			
	<p><b>1- Increase in Shareholders' Equity:</b></p> <p>The Transactions are expected to contribute substantially to the Issuer's growth by increasing revenue and profitability, which will reflect positively on shareholders' equity. Furthermore, the acquisition of high-value real estate assets will contribute to raising the material value of the Company's shares and support sustainable profit growth. Such an impact is anticipated to be seen in the short term through an improvement in earnings per share, which will increase investor confidence and consolidate the Company's market position.</p> <p><b>2- Improvement in Earnings Per Share:</b></p> <p>The Transactions will lead to an improvement in the Issuer's earnings per share in the short term through two key mechanisms: (a) the acquisition of the Al Oula Transaction Assets which are expected to generate revenue in future, and (b) the elimination of lease obligations related to the Al Hokair Transaction Assets. Upon the Completion of the Transactions, the Issuer will fully own the Real Estate Assets, leading to the cancellation of periodic lease payments and a reduction in operating expenses. This structural shift will contribute to bolstering profit margin efficiency and strengthening the Company's financial performance.</p> <p><b>3- Expansion of the Asset Base and Strengthened Financial Position:</b></p> <p>The Transactions will lead to an increase in the Issuer's assets by approximately eight hundred and thirty million, one hundred and twenty thousand Saudi Riyals (SAR 830,120,000), which will reflect positively on the strength of the Company's financial position. Such expansion will contribute to enhancing the Issuer's credit profile and increasing its financial flexibility, enabling it to obtain improved financing terms and capitalize on future growth opportunities with greater flexibility and efficiency.</p> <p><b>4- Improvement in Liquidity:</b></p> <p>The acquisition of the revenue-generating Al Hokair Transaction Assets and the Al Oula Transaction Assets which are expected to generate revenue in future, along with the termination of existing lease agreements, will contribute to improved liquidity, as the cancellation of lease payments will lead to a substantial reduction in fixed costs, which will reflect positively on improving the Issuer's cash flows. This improvement in liquidity will also enable the Issuer to enhance its capacity to reinvest in core operational activities, strengthen its ability to distribute dividends, and finance future strategic initiatives.</p> <p>For further details regarding the rationale and motives for the purchase, please refer to Section (3.1) ("<b>Rationale and Motives for the Purchase</b>") of this Circular.</p>			

<p><b>Summary of Key Procedures Required for the Capital Increase and Listing of the Consideration Shares</b></p>	<p>The key procedures for Completion of the Transactions and finalization of all of the related procedures are as follows:</p> <ul style="list-style-type: none"> <li>• obtaining a No Notification Required Certificate from the General Authority for Competition, or obtaining the necessary approvals therefrom in order to complete the Transactions (if required). It should be noted that the Company has submitted the necessary applications to the General Authority for Competition and has obtained a No Notification Required Certificate in this regard from the General Authority for Competition in respect of the Transactions on 27/11/1446H (corresponding to 25/05/2025G), which states that the Company and the Sellers may proceed with the Transactions without the need to submit an official notification to the General Authority for Competition;</li> <li>• obtaining the CMA's approval of the Company's application with respect to its Capital Increase for the purpose of acquiring the Real Estate Assets. In this regard, the CMA's approval for the Transactions was obtained on 04/07/1447H (corresponding to 24/12/2025G);</li> <li>• obtaining the approval of Tadawul to list the Consideration Shares. In this regard, Tadawul's approval for the Transactions was obtained on 09/06/1447H (corresponding to 30/11/2025G);</li> <li>• obtaining the approval of the Ministry of Commerce for the proposed amendments to the Company's Bylaws with respect to the Capital Increase;</li> <li>• the approval of the Board of Directors for the issuance of Consideration Shares for the Transactions, and calling the Extraordinary General Assembly, through the Board of Directors, to convene to vote on the Transaction Resolutions;</li> <li>• obtaining the CMA's approval of the invitation to convene the Extraordinary General Assembly in respect of the Transactions, in accordance with the relevant regulations and the Company's Bylaws;</li> <li>• obtaining the approval of the Company's shareholders for the Transaction Resolutions at the Company's Extraordinary General Assembly in respect of the Transactions;</li> <li>• publication of the results of the Company's Extraordinary General Assembly in respect of the Transactions;</li> <li>• conveyancing of the Real Estate Assets to the Company;</li> <li>• listing of the Consideration Shares and the deposit thereof into the portfolios of the Receiving Companies of the Consideration Shares for such purpose, in accordance with the terms of the Transaction Agreements;</li> <li>• fulfillment of all terms and conditions stipulated in the Transaction Agreements. For further details regarding the terms and conditions of each of the Transaction Agreements, please refer to Section (5.2.4.1) ("<b>Terms of the Al Oula Agreement</b>"); and</li> <li>• updating the Company's Commercial Register to reflect the outcome of the Transactions.</li> </ul> <p>For further details, please refer to Section (3) ("<b>Purchase of the Real Estate Assets</b>") and the "<b>Key Dates and Milestones</b>" section of this Circular.</p>
<p><b>Entitlement to Dividends for the Consideration Shares</b></p>	<p>The Receiving Companies of the Consideration Shares, as owners of the Consideration Shares after the Capital Increase, will have the right to receive dividends announced by the Company for which the entitlement date is after the completion date of the Transactions, in accordance with the entitlement date for each declared dividend.</p>

<b>Approvals Required for the Capital Increase</b>	<p>The proposed increase in the Company's share capital and Completion of the Transactions are subject to the approval of the Company's Extraordinary General Assembly, in addition to the following approvals:</p> <ol style="list-style-type: none"> <li>1- the approval of the General Authority for Competition for the completion of both or either of the Transactions (if required). It should be noted that the Company has submitted the necessary applications to the General Authority for Competition and has obtained a No Notification Required Certificate in this regard from the General Authority for Competition in respect of the Transactions on 27/11/1446H (corresponding to 25/05/2025G), which states that the Company and the Sellers may proceed with the Transactions without the need to submit a notification to the General Authority for Competition;</li> <li>2- the CMA's approval of the Company's application with respect to its Capital Increase for the purpose of acquiring the Real Estate Assets. In this regard, the CMA's approval for the Transactions was obtained on 04/07/1447H (corresponding to 24/12/2025G);</li> <li>3- the approval of Tadawul to list the Consideration Shares. In this regard, Tadawul's approval for the Transactions was obtained on 09/06/1447H (corresponding to 30/11/2025G);</li> <li>4- the CMA's approval of the invitation to convene the Extraordinary General Assembly in respect of the Transactions, in accordance with the relevant regulations and the Company's Bylaws;</li> <li>5- the approval of the Company's Board of Directors and the Extraordinary General Assembly for the issuance of the Consideration Shares for the relevant Transaction; and</li> <li>6- the Ministry of Commerce's approval with respect to the proposed amendments to be made to the Company's Bylaws and commercial register to reflect the issuance of the Consideration Shares resulting from the Completion of both or either of the Transactions.</li> </ol> <p>For further details regarding the terms and procedures of the Transaction, please refer to Section (5) ("<b>Legal Information</b>") of this Circular.</p>
<b>Voting Rights for the Consideration Shares</b>	<p>All of the Company's shares are of one class and no share grants its holder any preferential rights. The Consideration Shares will be issued from the same class as the existing shares of the Company and with the same rights, including voting rights and the right to receive dividends, in accordance with the Companies Law and the Company's Bylaws.</p>
<b>Restrictions on the Consideration Shares</b>	
<b>Restrictions on the AI Oula Shares</b>	N/A.
<b>Restrictions on the AI Hokair Shares</b>	<p>The AI Hokair Shares will be subject to a lock-up period of six months starting from the date of their issuance and allocation in favor of AI Hokair Holding Company, during which AI Hokair Holding Company may not dispose of the AI Hokair Shares without the prior approval of the CMA and in accordance with the conditions it specifies, pursuant to Article 24(a) of the Merger and Acquisition Regulations issued by the CMA Board pursuant to Resolution No. 1-50-2007, dated 21/09/1428H (corresponding to 03/10/2007G), as amended by CMA Board Resolution No. 8-5-2023, dated 25/06/1444H (corresponding to 18/01/2023G) (the "<b>Merger and Acquisition Regulations</b>").</p>

The Capital Increase is conditional upon the Extraordinary General Assembly in respect of the Transactions.

## Key Dates and Milestones of the Transaction

The table below sets out the expected timeline for the key events related to the Transactions. The dates below are indicative, and the Company will announce the actual events that require announcement on the website of the Saudi Stock Exchange (Tadawul) in accordance with the relevant laws and regulations, including any changes that may occur to the timeline.

**Table (4): Expected Timeline for the Key Events Related to the Transactions**

Event	Expected Timeline/Date
<b>1- Necessary Procedures for the Extraordinary General Assembly</b>	
The CMA's approval of the application for the Capital Increase and the publication of this Circular	04/07/1447H (corresponding to 24/12/2025G)
The CMA's approval of the Company's Extraordinary General Assembly in respect of the Transactions	14/10/1447H (corresponding to 02/04/2026G)
Announcement of the invitation to the Company's Extraordinary General Assembly in respect of the Transactions on the website of Tadawul (noting that a second meeting may be held one hour after the lapse of the time specified for the first meeting if the required quorum is not met)	14/10/1447H (corresponding to 02/04/2026G)
Publication of this Circular	17/10/1447H (corresponding to 05/04/2026G)
Documents available for inspection	17/10/1447H (corresponding to 05/04/2026G)
Commencement of the electronic voting period for shareholders in the Company's Extraordinary General Assembly	01/11/1447H (corresponding to 18/04/2026G)
Convening of the Company's Extraordinary General Assembly in respect of the Transactions (First Meeting) - the required quorum shall be met with the attendance of a number of shareholders representing at least half of the Company's share capital	06/11/1447H (corresponding to 23/04/2026G)
Convening of the Company's Extraordinary General Assembly in respect of the Transactions (Second Meeting) if the required quorum is not met at the First Meeting - the required quorum shall be met with the attendance of a number of shareholders representing at least a quarter of the Company's share capital	One hour after the lapse of the time specified for the first Extraordinary General Assembly meeting for which the required quorum was not met.
Announcement of the Transaction Resolutions approved by the Company's Extraordinary General Assembly in respect of the Transactions at the First or Second Meeting on the website of Tadawul (or announcement of the failure to convene the Extraordinary General Assembly if the quorum is not met)	09/11/1447H (corresponding to 26/04/2026G)
<b>2- Procedures to be Followed if the Quorum is not met for the First and Second Extraordinary General Assembly Meetings</b>	
Approval of the CMA to convene the Company's Extraordinary General Assembly in respect of the Transactions (Third Meeting)	10/11/1447H (corresponding to 27/04/2026G)
Announcement of the invitation for the Company's Extraordinary General Assembly in respect of the Transactions (Third Meeting) on the website of Tadawul	11/11/1447H (corresponding to 28/04/2026G)
Commencement of the electronic voting period for shareholders at the Company's Extraordinary General Assembly in respect of the Transactions (Third Meeting)	29/11/1447H (corresponding to 16/05/2026G)
Convening of the Company's Extraordinary General Assembly in respect of the Transactions (Third Meeting) – the required quorum shall be met regardless of the number of shares represented at the meeting	02/12/1447H (corresponding to 19/05/2026G)
Publication of the Transaction Resolutions approved by the Company's Extraordinary General Assembly in respect of the Transactions at its Third Meeting and announcement thereof on the website of Tadawul	03/12/1447H (corresponding to 20/05/2026G)

Event	Expected Timeline/Date
<b>3- Completion of the Transactions or Either of Them</b>	
Approval of the Extraordinary General Assembly on the Completion of the Transactions or either of them	06/11/1447H (corresponding to 23/04/2026G) (in the event that the approval of the Company's Extraordinary General Assembly in respect of the Transactions is issued at the First or Second Meeting). 02/12/1447H (corresponding to 19/05/2026G) (in the event that the approval of the Company's Extraordinary General Assembly in respect of the Transactions is issued at its third meeting, as applicable).
Conveyancing of the Real Estate Assets upon Completion of the Transactions, the Al Oula Transaction Assets upon completion of only the Al Oula Transaction, or the Al Hokair Transaction Assets upon completion of only the Al Hokair Transaction, to the Company and the issuance of new deeds indicating the Company's ownership of the Real Estate Assets	As soon as possible after the date of approval by the Extraordinary General Assembly in respect of the Transactions.
Listing of the Consideration Shares on Tadawul and allocation thereof to the Receiving Companies of the Consideration Shares upon Completion of the Transactions, listing of the Al Oula Shares on Tadawul and allocation thereof to the Receiving Companies of the Al Oula Shares upon completion of only the Al Oula Transaction, or listing of the Al Hokair Shares and allocation thereof to the Al Hokair Holding Company upon completion of only the Al Hokair Transaction	As soon as possible after the conveyancing of the Real Estate Assets. This is expected to occur within two trading days after the conveyancing of the Real Estate Assets.
Amendment of the Company's Commercial Register and filing of the amended Bylaws with the Ministry of Commerce	Within thirty (30) days from the date of Completion of the Transactions or either of them, which is expected to occur on: 06/12/1447H (corresponding to 23/05/2026G) (in the event that the approval of the Company's Extraordinary General Assembly in respect of the Transactions is issued at the First or Second Meeting). 03/01/1448H (corresponding to 18/06/2026G) (in the event that the approval of the Company's Extraordinary General Assembly in respect of the Transactions is issued at its Third Meeting, as applicable).

## Definitions and Abbreviations

Unless the context requires otherwise, the following terms and abbreviations, wherever used in this Circular, shall have the meanings ascribed to them as set forth below:

<b>Abdul Mohsen Al Hokair &amp; Sons Co. Ltd.</b>	A limited liability company established under the laws of the Kingdom of Saudi Arabia, registered under Commercial Registration No. 1010168806, dated 10/06/1422H (corresponding to 29/08/2001G).
<b>Acting in Concert</b>	<p>Means, at the sole discretion of the CMA, actively cooperating, pursuant to an agreement (whether binding or non-binding) or an understanding (whether formal or informal) between persons, to be Controllers (whether directly or indirectly, excluding indirect ownership of shares through swap agreements or through an investment fund whose unit owner have no discretion in its investment decisions) of a company, through the acquisition by any of them (through direct or indirect ownership) of voting shares in that company. Moreover, "concert parties" shall be construed accordingly.</p> <p>Without prejudice to the general application of this definition, the following persons, shall be presumed to be acting in concert with other persons of the same class unless the contrary is established, including, but not limited to:</p> <ul style="list-style-type: none"> <li>a- members of the same group;</li> <li>b- a person's Relatives; and</li> <li>c- person(s) who provided financial assistance to the offeror or offeree or members of the group with such person (other than a bank in the ordinary course of business) in order to purchase shares that carry voting rights or convertible debt instruments.</li> </ul>
<b>Affiliate</b>	A person who controls another person, or is controlled by that other person, or who is under common control with that person by a third person. In any of the preceding, control could be direct or indirect.
<b>Ajdan Real Estate Development Company</b>	A closed joint-stock company established under the laws of the Kingdom of Saudi Arabia, registered under Commercial Registration No. 2051033642, dated 16/12/1427H (corresponding to 06/01/2007G), with its registered address in Dammam, Al Khalidiyah Al Janoubiyah District, Salman Al Farisi Street. It is a company owned by Al Fozan Holding, a closed joint stock company, (which owns 47.50% of its share capital), Abdul Qadir Al Muhaidib & Sons Co., a closed joint stock company, (which owns 47.50% of its share capital), and Sumou Global Investment (which owns 5.00% of its share capital), where the ownership structure of Ajdan Real Estate Development Company is identical to that of Al Oula Real Estate Development Company.
<b>Al Hokair Agreement</b>	The real estate sale and purchase agreement concluded with Al Hokair Holding Company on 28/06/1446H (corresponding to 29/12/2024G), pursuant to which the Company has agreed with Al Hokair Holding Company to purchase the Al Hokair Transaction Assets in exchange for the issuance of the Al Hokair Shares in the Company in favor of Al Hokair Holding Company in consideration of its in-kind contribution of the Al Hokair Transaction Assets.
<b>Al Hokair Holding Company</b>	Abdul Mohsen Abdulaziz Al Hokair Holding Group Co., a limited liability company established under the laws of the Kingdom of Saudi Arabia, registered under Commercial Registration No. 1010051616, dated 12/01/1404H (corresponding to 19/10/1983G). It is a company wholly owned by Musaed Abdul Mohsen Al Hokair Co. Ltd. (which owns 17.84% of its share capital), Majed Bin Abdul Mohsen Al Hokair Co. Ltd. (which owns 17.84% of its share capital), Sami Abdul Mohsen Al Hokair Co. Ltd. (which owns 17.84% of its share capital), Feryal Abdul Mohsen Al Hokair Co. Ltd. (which owns 4.32% of its share capital), Majidah Abdul Mohsen Al Hokair Co. Ltd. (which owns 4.32% of its share capital), Mishal Abdul Mohsen Al Hokair Holding Company (which owns 13.84% of its share capital), Mashael Abdul Mohsen Al Hokair Co. Ltd. (which owns 4.32% of its share capital), Abdullah Abdul Mohsen Al Hokair Co. Ltd. (which owns 7.70% of its share capital), and Khalid Abdul Mohsen Al Hokair Sons Co. Ltd. (which owns 12.00% of its share capital).

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# Definitions and Abbreviations



<b>AI Hokair Shares</b>	Two hundred and thirty-nine million, three hundred and ninety thousand, one hundred and fifty-four (239,390,154) ordinary shares in the Company, which will be allocated to AI Hokair Holding Company as set out in this Circular.
<b>AI Hokair Transaction</b>	The Company's acquisition of the AI Hokair Transaction Assets from AI Hokair Holding Company in exchange for the issuance of the AI Hokair Shares to AI Hokair Holding Company, in accordance with the terms of the AI Hokair Agreement.
<b>AI Hokair Transaction Assets</b>	The DoubleTree by Hilton Hotel, Radisson Blu Hotel and Holiday Inn Hotel.
<b>AI Hokair Transaction Resolutions</b>	<p>The resolutions that will be presented to the Company's Shareholders in connection with the AI Hokair Transaction, which are as follows:</p> <ul style="list-style-type: none"> <li>a- approval of the Company's acquisition of the AI Hokair Transaction Assets, through the Company's issuance of two hundred and thirty-nine million, three hundred and ninety thousand, one hundred and fifty-four (239,390,154) shares, in accordance with the terms and conditions of the AI Hokair Agreement;</li> <li>b- approval of the increase of the Company's share capital by two hundred and thirty-nine million, three hundred and ninety thousand, one hundred and fifty-four Saudi Riyals (SAR 239,390,154);</li> <li>c- approval of the proposed amendments to the Company's Bylaws in connection with the Capital Increase;</li> <li>d- authorization of the business and contracts between the Company and AI Hokair Holding Company in relation to the AI Hokair Transaction, as represented in the AI Hokair Agreement, in which some of the Company's Directors have an interest, namely, the Company's Chairman, Mr. Sami Bin Abdul Mohsen Bin Abdulaziz Al Hokair, who is also a director in AI Hokair Holding Company, and the Director Mr. Faisal bin Mohammed bin Ibrahim AlMalik, who is also the chief executive officer of AI Hokair Holding Company. These transactions were conducted on an arm's length basis and without preferential terms; and</li> <li>e- authorization of the Board of Directors, or any person authorized by the Board of Directors, to issue any resolution or take any action that may be necessary to implement any of the aforementioned resolutions.</li> </ul>
<b>AI Oula Agreement</b>	The real estate sale and purchase agreement concluded with AI Oula Real Estate Development Company and Ajdan Real Estate Development Company (acting as guarantor for AI Oula Real Estate Development Company) on 28/06/1446H (corresponding to 29/12/2024G), pursuant to which the Company has agreed with AI Oula Real Estate Development Company to purchase the AI Oula Transaction Assets in exchange for the issuance of the AI Oula Shares in the Company in favor of AI Oula Real Estate Development Company or any one or more companies wholly or partially owned by Ajdan Real Estate Development Company as determined by it and in accordance with the provisions of the AI Oula Agreement (which were later agreed to be the Receiving Companies of the AI Oula Shares), in consideration of AI Oula Real Estate Development Company's in-kind contribution of the AI Oula Transaction Assets.
<b>AI Oula Real Estate Development Company</b>	A closed joint-stock company established under the laws of the Kingdom of Saudi Arabia, registered under Commercial Registration No. 2051026781, dated 23/07/1423H (corresponding to 30/09/2002G), with its registered address at 8217, Salman Al Farisi, Al Khalidiyah Al Janoubiyah, 3677, and its headquarters located on Prince Turki Road – Corniche, Al Khobar, Kingdom of Saudi Arabia. It is a company owned by Al Fozan Holding, a closed joint stock company, (which owns 47.50% of its share capital), Abdul Qadir Al Muhaidib & Sons Co., a closed joint stock company, (which owns 47.50% of its share capital), and Sumou Global Investment (which owns 5.00% of its share capital), where the ownership structure of the AI Oula Real Estate Development Company is identical to that of Ajdan Real Estate Development Company.
<b>AI Oula Shares</b>	Sixty-five million, five hundred and seventy-six thousand, seven hundred and eighty-two (65,576,782) ordinary shares in the Company, which will be allocated to the Receiving Companies of the AI Oula Shares as set out in this Circular.

<b>AI Oula Transaction</b>	The Company's acquisition of the AI Oula Transaction Assets from AI Oula Real Estate Development Company in exchange for the issuance of the AI Oula Shares in favor of AI Oula Real Estate Development Company, through their allocation to the Receiving Companies of the AI Oula Shares, which have been determined by AI Oula Company to own the AI Oula Shares pursuant to the terms of the AI Oula Agreement.
<b>AI Oula Transaction Assets</b>	86 residential units, representing all of the residential units located in the Mid-Rise component of the Ajdan Waterfront Project Tower in Al Khobar on Plot No. 12/2 of Plan No. 356/2, with a total area of approximately 12,000 square meters, located on Corniche Road, Al Khobar, Kingdom of Saudi Arabia.
<b>AI Oula Transaction Resolutions</b>	The resolutions that will be presented to the Company's Shareholders in connection with the AI Oula Transaction, which are as follows: <ul style="list-style-type: none"> <li>a- approval of the Company's acquisition of the AI Oula Transaction Assets, through the Company's issuance of sixty-five million, five hundred and seventy-six thousand, seven hundred and eighty-two (65,576,782) shares, in accordance with the terms and conditions of the AI Oula Agreement;</li> <li>b- approval of the increase of the Company's share capital by sixty-five million, five hundred and seventy-six thousand, seven hundred and eighty-two Saudi Riyals (SAR 65,576,782);</li> <li>c- approval of the proposed amendments to the Company's Bylaws in connection with the Capital Increase; and</li> <li>d- authorization of the Board of Directors, or any person authorized by the Board of Directors, to issue any resolution or take any action that may be necessary to implement any of the aforementioned resolutions.</li> </ul>
<b>Announcement of the Transactions</b>	The Company's announcement of the conclusion of the Transaction Agreements on the website of Tadawul, dated 28/06/1446H (corresponding to 29/12/2024G).
<b>Auditor</b>	Dr. Mohamed Al-Amri & Co. (BDO).
<b>Awj Al-Mada Company</b>	Awj Al-Mada Company for Investment and Real Estate Development, a single person limited liability company wholly owned by Ajdan Real Estate Development Company, established under the laws of the Kingdom of Saudi Arabia, and registered under Commercial Registration No. 7041474136, dated 22/02/1446H (corresponding to 26/08/2024G). It should be noted that Awj Al-Mada Company for Investment and Real Estate Development is one of the Receiving Companies of the AI Oula Shares, whereby 21,858,928 of the AI Oula Shares will be issued thereto in its capacity as a company wholly owned by Ajdan Real Estate Development Company and in accordance with the provisions of the AI Oula Agreement.
<b>Awj Al-Majal Company</b>	A single person limited liability company wholly owned by Awj Al-Mada Company, established under the laws of the Kingdom of Saudi Arabia, and registered under Commercial Registration No. 7050657704, dated 15/01/1447H (corresponding to 10/07/2025G). It should be noted that Awj Al-Majal Company is one of the Receiving Companies of the AI Oula Shares, whereby 21,858,927 of the AI Oula Shares will be issued thereto in its capacity as a company wholly owned by Awj Al-Mada Company and thus will be a company wholly owned indirectly by Ajdan Real Estate Development Company, and in accordance with the provisions of the AI Oula Agreement.
<b>Awj Al-Shati Company</b>	A single person limited liability company wholly owned by Awj Al-Mada Company, established under the laws of the Kingdom of Saudi Arabia, and registered under Commercial Registration No. 7050657514, dated 15/01/1447H (corresponding to 10/07/2025G). It should be noted that Awj Al-Shati Company is one of the Receiving Companies of the AI Oula Shares, whereby 21,858,927 of the AI Oula Shares will be issued thereto in its capacity as a company wholly owned by Awj Al-Mada Company and thus will be a company wholly owned indirectly by Ajdan Real Estate Development Company, and in accordance with the provisions of the AI Oula Agreement.
<b>Board of Directors</b>	The Company's board of directors.

<b>Business Day</b>	Any day except Fridays, Saturdays and official holidays in the Kingdom of Saudi Arabia.
<b>Capital Increase</b>	<p>The proposed increase in the Company's share capital in accordance with the following circumstances:</p> <ul style="list-style-type: none"> <li>In the event that both of the Transactions are approved: The Company's share capital will be increased from three hundred and fifteen million Saudi Riyals (SAR 315,000,000) to six hundred and nineteen million, nine hundred and sixty-six thousand, nine hundred and thirty-six Saudi Riyals (SAR 619,966,936) and the number of its shares will be increased from three hundred and fifteen million (315,000,000) ordinary shares to six hundred and nineteen million, nine hundred and sixty-six thousand, nine hundred and thirty-six (619,966,936) ordinary shares with a nominal value of one Saudi Riyal (SAR 1) per share, representing an increase of 96.81% in the Company's current share capital.</li> <li>In the event that only the Al Oula Transaction is approved: The Company's share capital will be increased from three hundred and fifteen million Saudi Riyals (SAR 315,000,000) to three hundred and eighty million, five hundred and seventy-six thousand, seven hundred and eighty-two Saudi Riyals (SAR 380,576,782) and the number of its shares will be increased from three hundred and fifteen million (315,000,000) ordinary shares to three hundred and eighty million, five hundred and seventy-six thousand, seven hundred and eighty-two (380,576,782) ordinary shares with a nominal value of one Saudi Riyal (SAR 1) per share, representing an increase of 20.82% in the Company's current share capital.</li> <li>In the event that only the Al Hokair Transaction is approved: The Company's share capital will be increased from three hundred and fifteen million Saudi Riyals (SAR 315,000,000) to five hundred and fifty-four million, three hundred and ninety thousand, one hundred and fifty-four Saudi Riyals (SAR 554,390,154) and the number of its shares will be increased from three hundred and fifteen million (315,000,000) ordinary shares to five hundred and fifty-four million, three hundred and ninety thousand, one hundred and fifty-four (554,390,154) ordinary shares with a nominal value of one Saudi Riyal (SAR 1) per share, representing an increase of 76.00% in the Company's current share capital.</li> </ul>
<b>Capital Market Authority or CMA</b>	The Capital Market Authority of the Kingdom of Saudi Arabia.
<b>Circular</b>	This Shareholders' Circular, issued by the Company pursuant to the provisions of Article 60 and Annex 20 of the Rules on the Offer of Securities and Continuing Obligations.
<b>Companies Law</b>	The Companies Law issued by Royal Decree No. M/132, dated 01/12/1443H (corresponding to 30/06/2022G).
<b>Company</b>	BAAN Holding Group Co., a joint-stock company established under the laws of the Kingdom of Saudi Arabia, registered under Commercial Registration No. 1010014211, dated 16/08/1398H (corresponding to 21/06/1978G), with its registered address located at 2757 Northern Ring Road Branch, Al Murooj District, Unit 2, 8063, Riyadh 12283, Kingdom of Saudi Arabia.
<b>Completion of the Transactions</b>	Completion of the procedures for conveyancing of the Real Estate Assets to the Company, as well as the listing and deposit of the Consideration Shares in the portfolios of the Receiving Companies of the Consideration Shares, in accordance with the terms of the Transaction Agreements.
<b>Consideration Shares</b>	The Al Oula Shares and the Al Hokair Shares that will be issued to the Sellers as a result of the Transactions, amounting to three hundred and four million, nine hundred and sixty-six thousand, nine hundred and thirty-six (304,966,936) new ordinary shares in the Company with a nominal value of one Saudi Riyal (SAR 1) per share and having a total nominal value of three hundred and four million, nine hundred and sixty-six thousand, nine hundred and thirty-six Saudi Riyals (SAR 304,966,936).

<b>Control</b>	Control means the ability to, directly or indirectly, influence the acts or decisions of another person, individually or collectively with a Relative or Affiliate, through any of the following: (a) holding 30% or more of the voting rights in a company; or (b) having the right to appoint 30% or more of the members of the administrative body. The term "controller" shall be interpreted accordingly.
<b>Director</b>	A member of the Company's Board of Directors.
<b>DoubleTree by Hilton Hotel</b>	The DoubleTree by Hilton Hotel in Riyadh, Al Murooj District, along with the land and real estate assets on which it is located, namely Plot No. 2155 of Plan No. 1578/A, with an area of 1,250 square meters; Plot No. 2157 of Plan No. 1578/A, with an area of 1,250 square meters; Plot No. 2159 of Plan No. 1578/A, with an area of 1,250 square meters; and Plot No. 2161 of Plan No. 1578/A, with an area of 1,750 square meters, all of which are located on the Northern Ring Branch Road, Al Murooj District, Riyadh, Kingdom of Saudi Arabia.
<b>DoubleTree by Hilton Hotel Lease Agreement</b>	The lease agreement concluded on 12/10/1430H (corresponding to 01/10/2009G) between the Company as the lessee of the DoubleTree by Hilton Hotel, and Mr. Abdul Mohsen Abdulaziz Fahad Al Hokair as the owner and lessor of the DoubleTree by Hilton Hotel, as amended, pursuant to which the DoubleTree by Hilton Hotel is leased to the Company for a period of 20 calendar years commencing from the date of site handover to the Company. On 07/04/1439H (corresponding to 25/12/2017G), an amendment addendum to the lease agreement was concluded, whereby Al Hokair Holding Company replaced Mr. Abdul Mohsen Abdulaziz Fahad Al Hokair as the lessor.
<b>DoubleTree by Hilton Hotel Management Agreement</b>	The management agreement concluded on 02/04/1430H (corresponding to 29/03/2009G) between Abdul Mohsen Al Hokair & Sons Co. Ltd. as the owner party responsible for the facilities of the DoubleTree by Hilton Hotel, Hilton as the party responsible for managing the DoubleTree by Hilton Hotel, and Mr. Abdul Mohsen Abdulaziz Fahad Al Hokair as the owner of the DoubleTree by Hilton Hotel, as amended pursuant to the amendment letter dated 13/08/1433H (corresponding to 03/07/2012G), which governs the management framework for the DoubleTree by Hilton Hotel, including operational control, brand standards and financial responsibilities. As at the date of this Circular, the Company has replaced Abdul Mohsen Al Hokair & Sons Co. Ltd. for the purposes of the Agreement, as the Company has become the party responsible for the facilities of the DoubleTree by Hilton Hotel (pursuant to the DoubleTree by Hilton Hotel Lease Agreement), while Al Hokair Holding Company has replaced Mr. Abdul Mohsen Abdulaziz Fahad Al Hokair to become the owner of the DoubleTree by Hilton Hotel.
<b>Extraordinary General Assembly in respect of the Transactions</b>	The Extraordinary General Assembly meeting of the Company to be held for the purpose of voting on the Transaction Resolutions.
<b>Extraordinary General Assembly Meeting</b>	An Extraordinary General Assembly meeting of the Company's Shareholders held in accordance with the Company's Bylaws.
<b>Financial Advisor</b>	SNB Capital.
<b>Financial Statements</b>	The Company's financial statements for the financial years ended 31 December 2022G, 2023G and 2024G.
<b>General Authority for Competition (GAC)</b>	The General Authority for Competition in the Kingdom of Saudi Arabia.
<b>Hilton</b>	Hilton International Manage LLC.
<b>Holiday Inn Hotel</b>	The Holiday Inn Jeddah Gateway Hotel on Al Madinah Road, along with the land and real estate assets on which it is located, namely Plot No. 528/A of Plan No. 477/3/P, with an area of 1,000 square meters, and Plot No. 530/A of Plan No. 477/3/P, with an area of 1,000 square meters, both located on Al-Madinah Al-Munawwarah Road, An Nuzha District, Jeddah, Kingdom of Saudi Arabia.

<b>Holiday Inn Hotel Lease Agreement</b>	The lease agreement concluded on 16/11/1430H (corresponding to 15/06/2022G) between the Company as the lessee of the Holiday Inn Hotel and Al Hokair Holding Company as the owner and lessor of the Holiday Inn Hotel, pursuant to which the Holiday Inn Hotel is leased to the Company for a period commencing on 28/05/1443H (corresponding to 01/01/2022G) and ending on 28/09/1454H (corresponding to 31/12/2032G).
<b>Holiday Inn Hotel Franchise Agreement</b>	The franchise agreement concluded on 11/10/1430H (corresponding to 30/09/2009G) between the Company as the party responsible for the Holiday Inn Hotel (pursuant to the Holiday Inn Hotel Lease Agreement) and Six Continents as the licensor of the trademark for the Holiday Inn Hotel which governs the Company's operation of the Holiday Inn Hotel using the international trademark licensed by Six Continents, including trademark requirements, operational guidelines and other requirements, for a period of 20 calendar years from the date of Holiday Inn Hotel's opening. As of the date of this Circular, IHG has replaced Six Continents as the licensor of the trademark for the Holiday Inn Hotel.
<b>IHG</b>	IHG Middle East Management Consultancies L.L.C.
<b>International Financial Reporting Standards Endorsed in the Kingdom of Saudi Arabia (IFRS-KSA)</b>	The International Financial Reporting Standards endorsed in the Kingdom of Saudi Arabia and other standards and issuances approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA).
<b>"Kingdom" or "KSA"</b>	The Kingdom of Saudi Arabia.
<b>Law of Real Estate Registration</b>	The Law of Real Estate Registration promulgated by Royal Decree No. M/91, dated 19/09/1443H (corresponding to 20/04/2022G).
<b>Legal Advisor</b>	Fahad Abuhimed, Majid AlSheikh, Mansoor Alhagbani and Clifford Chance Law Firm.
<b>Listing Rules</b>	The Listing Rules approved by CMA Board Resolution No. 3-123-2017, dated 09/04/1439H (corresponding to 27/12/2017G), as amended on 03/06/1447H (corresponding to 24/11/2025G) pursuant to CMA Board Resolution No. 2-135-2025.
<b>Market Consultant</b>	Jones Lang LaSalle (JLL) Saudi Arabia for Real Estate Valuations.
<b>Merger and Acquisition Regulations</b>	The Merger and Acquisition Regulations issued by the CMA Board pursuant to Resolution No. 1-50-2007, dated 21/09/1428H (corresponding to 03/10/2007G), as amended by CMA Board Resolution No. 8-5-2023, dated 25/06/1444H (corresponding to 18/01/2023G).
<b>Ministry of Commerce (MoC)</b>	The Ministry of Commerce of the Kingdom of Saudi Arabia.
<b>Public</b>	Persons other than the following: <ol style="list-style-type: none"> <li>1- Affiliates of the Issuer;</li> <li>2- Substantial Shareholders of the Issuer;</li> <li>3- Directors and Senior Executives of the Issuer;</li> <li>4- directors and senior executives of the Affiliates of the Issuer;</li> <li>5- directors and senior executives of the Substantial Shareholders of the Issuer;</li> <li>6- any Relatives of the persons referred to in 1, 2, 3, 4 or 5 above;</li> <li>7- any company controlled by any person referred to in 1, 2, 3, 4, 5 or 6 above; and</li> <li>8- persons Acting in Concert with a collective shareholding of 5% or more of the class of shares to be listed.</li> </ol>
<b>Radisson</b>	Radisson Hospitality Belgium SRL/BV.

<b>Radisson Blu Hotel</b>	The Radisson Blu Hotel, Jeddah Corniche, along with the land and real estate assets on which it is located, namely a plot (unnumbered) registered pursuant to Deed No. 320227006656, dated 02/06/1439H (corresponding to 18/02/2018G), A Plot (unnumbered) within the South Obhur Plan, with an area of 3,610.5 square meters, located on Corniche Road, South Obhur District, Jeddah, Kingdom of Saudi Arabia.
<b>Radisson Blu Hotel Lease Agreement</b>	The lease agreement concluded on 22/12/1443H (corresponding to 21/07/2022G) between the Company as the lessee of the Radisson Blu Hotel and Al Hokair Holding Company as the owner and lessor of the Radisson Blu Hotel, pursuant to which the Radisson Blu Hotel is leased to the Company for a period commencing on 02/12/1443H (corresponding to 01/07/2022G) and ending on 22/03/1454H (corresponding to 30/06/2032G).
<b>Radisson Blu Hotel Management Agreement</b>	The international management agreement concluded on 18/08/1435H (corresponding to 16/06/2014G) between the Company as the party responsible for the Radisson Blu Hotel (pursuant to the Radisson Blu Hotel Lease Agreement), Abdul Mohsen Al Hokair & Sons Co. Ltd. as the guarantor of the Company's obligations, and Rezidor as the operator of the Radisson Blu Hotel, which governs Rezidor's operation of the Radisson Blu Hotel, including rights related to the trademark, operational responsibilities and other requirements, for a period of 15 calendar years from the date of signature thereof. As at the date of this Circular, Al Hokair Holding Company has replaced Abdul Mohsen Al Hokair & Sons Co. Ltd. for the purposes of the agreement, whereby Al Hokair Holding Company has become the owner of the Radisson Blu Hotel and the guarantor for the Company's obligations. Radisson has also replaced Rezidor, as Radisson has become the operator of the Radisson Blu Hotel.
<b>Real Estate Assets</b>	The Al Oula Transaction Assets and the Al Hokair Transaction Assets collectively.
<b>Real Estate Registration Law</b>	The Law of Real Estate Registration issued by Royal Decree No. M/91, dated 19/09/1443H (corresponding to 20/04/2022G).
<b>Real Estate Transaction Tax (RETT)</b>	A tax imposed on real estate transactions that are carried out through sales and the like thereof, with certain exceptions and provisions. Real Estate Transaction Tax is currently applicable at a rate of 5%.
<b>Real Estate Transaction Tax (RETT) Implementing Regulations</b>	The Real Estate Transaction Tax (RETT) Implementing Regulations issued by the Resolution of the Board of Directors of ZATCA No. 01-03-25, dated 24/09/1446H (corresponding to 24/03/2025G), as may be amended from time to time.
<b>Receiving Companies of the Al Oula Shares</b>	Awj Al-Mada Company, Awj Al-Majal Company and Awj Al-Shati Company.
<b>Receiving Companies of the Consideration Shares</b>	The Receiving Companies of the Al Oula Shares and Al Hokair Shares.
<b>Related Party</b>	<p>The term "<b>Related Party</b>" refers to the following:</p> <ol style="list-style-type: none"> <li>1- Affiliates of the Issuer, except for companies wholly owned by the Issuer;</li> <li>2- Substantial Shareholders of the Issuer;</li> <li>3- Directors and Senior Executives of the Issuer;</li> <li>4- directors of the Affiliates of the Issuer;</li> <li>5- directors and senior executives of the Substantial Shareholders of the Issuer;</li> <li>6- any Relatives of the persons referred to in 1, 2, 3, or 5 above. For the purposes of this paragraph, the term "Relatives" shall mean fathers, mothers, husbands, wives and children; and</li> <li>7- any other company or establishment controlled by any person referred to in 1, 2, 3, 5 or 6 above.</li> </ol>

<b>Relatives</b>	<p>Husbands, wives and minor children.</p> <p>a- For the purposes of the Corporate Governance Regulations, such term includes the following:</p> <p>b- fathers, mothers, grandfathers, grandmothers and ascendants thereof;</p> <p>c- children, grandchildren and descendants thereof;</p> <p>d- half-siblings and maternal and paternal siblings; and</p> <p>e- husbands and wives.</p> <p>For the purpose of the Merger and Acquisition Regulations, such term includes the husband, wife, children and parents.</p>
<b>Rezidor</b>	Rezidor Hotels ApS Danmark.
<b>Rules on the Offer of Securities and Continuing Obligations (OSCOs)</b>	The Rules on the Offer of Securities and Continuing Obligations issued by CMA Board Resolution No. 3-123-2017, dated 09/04/1439H (corresponding to 27/12/2017G), as recently amended pursuant to CMA Board Resolution No. 1-135-2025, dated 03/06/1447H (corresponding to 24/11/2025G).
<b>Saudi Organization for Chartered and Professional Accountants (SOCPA)</b>	The Saudi Organization for Chartered and Professional Accountants (SOCPA) in the Kingdom of Saudi Arabia (formerly known as the Saudi Organization for Certified Public Accountants).
<b>Saudi Riyal or SAR</b>	The Saudi Riyal is the official currency of the Kingdom of Saudi Arabia.
<b>Sellers</b>	Al Oula Real Estate Development Company and Al Hokair Holding Company.
<b>Senior Executives</b>	<p>Any natural person who, alone or with others, is entrusted by the administrative body of an establishment or by a member of the administrative body of an establishment with supervisory and management duties and reports to any of the following:</p> <p>1- directly to the administrative body;</p> <p>2- a member of the administrative body; or</p> <p>3- the CEO.</p>
<b>Six Continents</b>	Six Continents Hotels, Inc.
<b>Subsidiary</b>	Any company controlled by the Company.
<b>Substantial Shareholder</b>	Any person who owns 5% or more of the Company's share capital.
<b>Tadawul or Exchange</b>	The Saudi Stock Exchange (Tadawul) is the market where securities are traded in the Kingdom, which is managed and operated by the Saudi Exchange Company and regulated by the CMA. It also refers to, depending on the context, the Saudi Exchange Company, a wholly owned subsidiary of Saudi Tadawul Group, which is responsible for operating the Exchange.
<b>Transaction Agreements</b>	The Al Oula Agreement and Al Hokair Agreement collectively.
<b>Transaction Resolutions</b>	The Al Oula Transaction Resolutions and the Al Hokair Transaction Resolutions.
<b>Transactions</b>	The Al Oula Transaction and the Al Hokair Transaction collectively.

# 01

## Risk Factors



# 1. Risk Factors

Prior to making a decision at the Company's Extraordinary General Assembly with respect to voting on the Transactions, the Company's shareholders must carefully read and consider the risks contained in this section in relation to the Company's Capital Increase for the purpose of the Transactions, in addition to all other sections and information contained in this Circular.

The risk factors listed below focus solely on the risk factors related to the Transactions, the issuance of the Consideration Shares, and the Real Estate Assets. The Board of Directors currently believes that the risks and uncertainties outlined below represent all of the risks known to them which relate to the Transactions, the issuance of the Consideration Shares, and the Real Estate Assets. However, the risks and uncertainties outlined in this Circular may not include all of the risks related to the Transactions. There may be additional factors other than the risks contained in this section that adversely affect the Company but are not currently known to the Board of Directors, or that the Board of Directors does not currently consider to be significant risk factors.

The Directors further declare that, to the best of their knowledge and belief, there are no material risks besides those mentioned in this section, the non-disclosure of which could affect shareholders' decisions to vote on the Transaction Resolutions.

The occurrence of the risks contained in this section may adversely affect the Company's activities, financial position, results of operations, cash flows, prospects and the profitability of its share. Moreover, the occurrence of any additional risks other than those listed below (either due to the Board of Directors being unaware of such risks or the Board of Directors classifying such risks as immaterial, but which prove to be material upon occurrence) may also adversely affect the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share.

Shareholders who have any doubts regarding the contents of this Circular or regarding the appropriate action to be taken or how to vote on the Transaction Resolutions should consult an independent financial advisor licensed by the CMA for advice.

The risks outlined below are not presented in an order that reflects their importance, the likelihood of their occurrence, or their anticipated impact on the Company or the price of the shares.

## 1.1 Commercial and Legal Risks and Risks Related to the Transactions and the Issuance of the Consideration Shares

### 1.1.1 Risks Related to Fulfillment of the Terms for the Completion of the Transactions

The Completion of the Transactions is contingent upon compliance with a number of terms stipulated in the Transaction Agreements. Failure to fulfill these terms or delay in the fulfillment thereof would lead to a delay in their completion. For further details regarding the terms for the Completion of the Transactions, please refer to Section (5.2.4) ("**Summary of the Al Oula Agreement**") and Section (5.2.5) ("**Summary of the Al Hokair Agreement**") of this Circular. The key terms that have not been met as at the date of this Circular include, for example, the approval of the Company's Extraordinary General Assembly in respect of the Transactions and Capital Increase, as well as other terms such as the absence of breaches of the warranties provided, among other conditions stipulated in each of the Transaction Agreements.

It should be noted that a delay in the Completion of the Transactions may result in the desired benefits of the Transactions not being realized as expected, or a delay in the realization thereof, or it may lead to an increase in the costs associated with the Transactions, which may have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share.

### 1.1.2 Risks Related to Failure to Achieve Strategic Growth Objectives and the Anticipated Benefits of the Acquisition of the Real Estate Assets

The key objectives of the Transactions are to increase the Company's shareholders' equity rights, improve its earnings per share, strengthen its financial position, and improve its liquidity. For further details regarding the motives behind the Transactions, please refer to Section (3.1) ("**Rationale and Motives for the Purchase**") of this Circular. The Company's ability to realize these benefits upon the Completion of the Transactions is dependent on several factors, including, but not limited to, obtaining the necessary approvals and permits necessary to carry out the development of the Real Estate Assets in order to achieve the benefits of the Transactions and avoid any delays or difficulties related to the achievement thereof (for further details, please refer to Section (1.1.6) ("**Risks Related to Obtaining and Renewing Licenses and Permits**") of this Circular). In addition to the foregoing, the realization of these

benefits is dependent on other factors beyond the Company's control, including unforeseen events such as significant changes in the regulatory and operating environment in which the Company operates, as well as changes in the market, the real estate sector and the general commercial, political and economic situation within the Kingdom (for further details, please refer to Sections (1.1.12) ("**Risks Related to Fluctuations in the Value of the Real Estate Assets**"), (1.1.16) ("**Risks Related to Expropriation**"), (1.1.17) ("**Risks Related to the Stoppage of Work on the Real Estate Assets under the Direction of the Regulatory Authorities**"), (1.1.19) ("**Risks Related to the Occurrence of Natural Disasters and the Dissemination of Infectious Diseases**"), (1.1.20) ("**Risks Related to Economic, Political and Security Situations**"), and (1.1.21) ("**Risks Related to Tax and Zakat Dues Arising from the Transactions**") of this Circular). Therefore, after Completion of the Transactions, the Company may not be able to achieve the expected financial benefits and growth opportunities, or it may not be able to achieve such benefits within the required time frame.

If the anticipated benefits of the Transactions are not realized within the period, to the value, or in the manner expected, or if such benefits are not realized at all, this may have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share.

### 1.1.3 Risks Related to the Costs of the Transactions

The Company will incur fixed and non-refundable costs in connection with the Transactions. The costs of the Transactions are estimated at approximately thirteen million Saudi Riyals (SAR 13,000,000), including the fees of the Financial Advisor, Legal Advisor, Financial Due Diligence Advisor, Market Consultant, Real Estate Appraisers, Auditor and other advisors, in addition to government fees, marketing and distribution expenses and other costs (for further information regarding the costs associated with the Transactions, please refer to Section (7) ("**Expenses**") of this Circular). These costs do not include internal costs related to additional work or internal administrative expenses. Accordingly, if the Transactions are not completed, the Company will incur all of these costs without any return, which may affect the Company's financial results.

With respect to the Al Hokair Transaction and the financial information related to the Al Hokair Transaction Assets, the Agreed-Upon Procedures (AUP) report for the financial years ended 31 December 2022G, 2023G and 2024G has been prepared in accordance with the International Standard on Related Services (ISRS) 4400 (Revised) as endorsed in the KSA. These reports include specific standards and calculations upon which the financial information is based (as shown in Table 4.6 ("**Details of Procedures Performed**")); however, there may be additional costs associated with the Al Hokair Transaction Assets that are not included in the AUP reports, such as the costs of employees responsible for accounts follow-up and collections, general service expenses, and other costs. This is due to the fact that these employees support all of the Real Estate Assets owned by Al Hokair Holding Company, and it is not possible to estimate or isolate the indirect costs associated with the Al Hokair Transaction Assets.

It is also worth noting that the Company has entered, as lessee, into the DoubleTree by Hilton Lease Agreement with Abdul Mohsen Abdulaziz Fahad Alhokair as the owner and lessor of the DoubleTree by Hilton Hotel (with respect to which an amendment addendum has been signed whereby Al Hokair Holding Company replaced Mr. Abdul Mohsen Abdulaziz Fahad Al Hokair as the lessor. The Company has also entered, as lessee, into the Radisson Blu Hotel Lease Agreement and the Holiday Inn Hotel Lease Agreement with Al Hokair Holding Company, as the owner and lessor of each of those Hotels. Each of the aforementioned Agreements entails a revenue sharing structure pursuant to which Al Hokair Holding Company is entitled to 20% of hospitality revenues for each Hotel, up to a maximum amount of SAR 8,000,0000 per annum (with respect to the DoubleTree by Hilton Hotel and the Radisson Blu Hotel) and SAR 7,500,000 per annum (with respect to the Holiday Inn Hotel). After the completion of the Al Hokair Transaction, none of the leases relating to the Al Hokair Transaction Assets will be applicable considering that the Company will own the Al Hokair Transaction Assets, leading to a reduction in lease expenditures amounting to SAR 19,798,172 for the year ending 31 December 2024G. Notwithstanding the aforementioned, the Company's ownership of the Al Hokair Transaction Assets might entail risks relating to an increase in capital expenditures and difficulty in realizing projected revenues or occupancy rates, which may have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share.

In addition, the Company may incur costs in connection with the development of the Real Estate Assets. Such costs may be high, which could potentially reduce the value of the anticipated benefits of the Transactions. Any of the aforementioned could have an adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share.

### 1.1.4 Risks Related to the Valuation of Real Estate Assets

The Company has appointed four real estate appraisers licensed by the Saudi Authority for Accredited Valuers (TAQEEM) to conduct appraisals of the Real Estate Assets, namely Al Nokhba Real Estate Valuation Co. ("**Al Nokhba**") and Professional Realtors Company LLC ("**Colliers**") with respect to the appraisal of the Al Oula Transaction Assets, and Al-Taweel Real Estate Valuation Company (Aurisage) ("**Aurisage**") and Valie and Partner Real Estate Valuation Company ("**Valie Company**") with respect to the appraisal of the Al Hokair Transaction Assets. Despite the knowledge and experience of these companies in real estate appraisal and the factors affecting the same, it is not possible to guarantee or confirm that the information derived from the real estate appraisers and the opinions issued by them are entirely correct or that they do not lack material information regarding the value of Real Estate Assets, or that the value of the Real Estate Assets will not be adversely affected by various real estate market factors.

Furthermore, appraisal reports were prepared for the Real Estate Assets by Al Nokhba on 31/01/2026G, Colliers on 01/04/2026G, Aurisage on 31/12/2025G, and Valie Company on 01/03/2026G. Consequently, it is possible that the fair value of the appraised Real Estate Assets may have been subject to changes at the time such assets are transferred to the Company. If the value of the Real Estate Assets decreases before or after the Completion of the Transactions, this will have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share.

### 1.1.5 Risks Related to the Valuation of the Consideration Shares

Upon Completion of the Transactions, the Company shall issue the Consideration Shares in favor of the Companies Receiving the Consideration Shares. Such Consideration Shares shall be issued based on the agreed-upon Volume-Weighted Average Price (VWAP) of the Company's share over a 3-month period, amounting to SAR 2.722 as at 25/06/1446H (corresponding to 26/12/2024G) (the date agreed for the determination of the Consideration Shares' value and number). The agreed price for the Consideration Shares was determined based on a set of principles, forecasts and assumptions for a period prior to the issuance of this Circular, including, but not limited to, the Company's share price, financial information about the Real Estate Assets and their valuation, financial expectations and assumptions about the performance of the Real Estate Assets after the completion of the Transactions, the benefits expected to be achieved from the Transactions, and other factors and assumptions, as deemed appropriate by the Company's and Sellers' managements and after consultation with their financial advisors.

The fair value of the Consideration Shares depends on numerous factors and assumptions, some of which cannot be predicted with accuracy or certainty, and some of which may be beyond the Company's control, whether now or in the future. If any information, assumptions, or forecasts relied upon to determine the value of the Consideration Shares prove to be inaccurate or incomplete, or if other unforeseen factors materialize, including changes in the financial position of either the Company or the Sellers, or the existence of material information about the Real Estate Assets that was not known to the Company, or if a material change occurs in the Company's share price during the period from determining the value of the Consideration Shares until the Completion of the Transactions (due to fluctuations in market prices), or if any changes occur related to the economy and political, and security situations (for further details, please refer to Section (1.1.20) ("**Risks Related to the Economic, Political and Security Situations**") of this Circular), or for any other reasons that may affect the Real Estate Assets and the Company's share price, this could have a material impact on the relative valuation of both the Company and the Real Estate Assets. This may mean that the agreed value of the Consideration Shares may not reflect the fair value of the Real Estate Assets at the time of the Extraordinary General Assembly in respect of the Transactions or at the time of Completion of the Transactions, which in turn would have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share.

### 1.1.6 Risks Related to Obtaining and Renewing Licenses and Permits

The Company must obtain and maintain licenses, permits and regulatory approvals with respect to activities intended to be carried out on the Real Estate Assets, including, but not limited to, licenses from the Ministry of Tourism, the General Directorate of Civil Defense, commercial activity licenses and commercial registration certificates. As at the date of this Circular, there are a total of 3 expired licenses among the licenses and certificates associated with the Real Estate Assets and the operation thereof. Of these, there is one expired license related to the Al Hokair Transaction Assets, namely the tourism accommodation facility classification license of the DoubleTree by Hilton Hotel. The Company is currently in the process of renewing this license, noting that the Ministry of Tourism has conducted the required inspection in connection with the renewal of the license and has notified Hilton of certain requirements that must be met to complete the renewal process Hilton is currently working to satisfy these requirements in order to complete the license renewal process and obtain the license as soon as possible. Moreover, there are two expired construction licenses related to the Al Oula Transaction Assets. In addition to the foregoing, civil defense licenses have not been issued for the Al Oula Transaction Assets. If the Company is unable to obtain all of the necessary licenses and permits, or if it is unable to maintain, renew and comply with the laws, regulations and conditions governing such licenses and permits, this may affect its ability to benefit from the Real Estate Assets and use them for the purposes of its future projects. This in turn would have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share.

### 1.1.7 Risks Related to the Service Agreements for the Al Oula Transaction Assets

Three (3) material service agreements related to the Al Oula Transaction Assets have been concluded, namely (i) a maintenance agreement concluded between Ajdan Real Estate Development Company and Unigaz Arabia LLC on 12/11/1444H (corresponding to 01/06/2023G) for the operation, maintenance and management of the liquefied petroleum gas (LPG) system in the Ajdan Waterfront Project Tower which contains the Al Oula Transaction Assets; (ii) a security services agreement concluded between Ajdan Real Estate Development Company and AlMaydan Security Co. on 26/08/1443H (corresponding to 29/03/2022G) for the provision of security guard services in the Ajdan Waterfront Project Tower which contains the Al Oula Transaction Assets; and (iii) a service agreement concluded between Ajdan Real Estate Development Company and EFSIM Facilities Management Company on 26/03/1443H (corresponding to 01/11/2021G) for the provision of facility management services in the Ajdan Waterfront Project Tower which contains the Al Oula Transaction Assets.

Since the ownership of the Al Oula Transaction Assets will be transferred to the Company after the completion of the Al Oula Transaction, and the aforementioned contracts were entered into with Ajdan Real Estate Development Company and include the Al Oula Transaction Assets as part of the units located in the Ajdan Waterfront Project Tower, the nature and/or level of services provided under those contracts in the Ajdan Waterfront Project Tower in general, and for the Al Oula Transaction Assets in particular, may not align with the level of services the Company intends to provide and maintain. This could affect the Company's ability to manage and utilize the Al Oula Transaction Assets. Furthermore, the Company may not be able to conclude separate service contracts for the provision maintenance, security and other services currently provided under the contracts referenced above in a way that would exclusively cover the Al Oula Transaction Assets without the inclusion of other units located in the Ajdan Waterfront Project Tower, or it may not be able to do so at reasonable costs within the context of its business and the services to be provided for the Al Oula Transaction Assets.

It should also be noted that, as at the date of this Circular, there is no agreement governing the future operating costs of the Al Oula Transaction Assets between the Company, in its capacity as the future owner of the Al Oula Transaction Assets in the event the Al Oula Transaction is completed, and either Ajdan Real Estate Development Company or Al Oula Real Estate Development Company. Furthermore, the costs associated with the Al Oula Transaction Assets, which constitute all of the residential units located in the Mid-Rise component of the Ajdan Waterfront Project Tower, have not been assessed separately from the other facilities located in the tower. The foregoing may prevent the Company from being able to estimate the costs associated with the management and operation of the Al Oula Transaction Assets in general after their acquisition, or from being able to evaluate their financial performance independently from the other facilities in the Ajdan Waterfront Project Tower, set their allocated budget precisely, control their costs, and assess their operational efficiency. This may also lead to the possibility of disagreements, disputes, or lawsuits arising in relation to the administrative and operational costs associated with the Al Oula Transaction Assets (for further information, please refer to Section (1.1.22) ("**Risks Related to Litigation**") of this Circular).

Any of the foregoing may lead to the Company's inability to provide appropriate services for the Al Oula Transaction Assets, which in turn would have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share.

### 1.1.8 Risks Related to the DoubleTree by Hilton Hotel Agreements

The Company has entered into the DoubleTree by Hilton Hotel Management Agreement on 02/04/1430H (corresponding to 29/03/2009G), which expires on 31 December of the 20th year following the opening of the DoubleTree by Hilton Hotel (i.e., 31/12/2029G), and the DoubleTree by Hilton Hotel Lease Agreement (as lessee) for the purposes of utilizing the DoubleTree by Hilton Hotel. The DoubleTree by Hilton Hotel Management Agreement was concluded pursuant to a strategic development agreement entered into between the Company, Mr. Abdul Mohsen Abdulaziz Fahad Al Hokair, and Abdul Mohsen Al Hokair & Sons Co. Ltd. prior to the date of signing the DoubleTree by Hilton Hotel Management Agreement. The Company does not have a copy of the Strategic Development Agreement in its records, which may lead to a breach by the Company of the terms and conditions applicable to it and give rise to termination rights, compensation, or otherwise in favor of the contracting parties. The DoubleTree by Hilton Hotel Management Agreement contains provisions prohibiting the transfer of ownership of the DoubleTree by Hilton Hotel during the term of the Agreement without Hilton's prior consent, which may limit the Company's ability to transfer the hotel in the future if Hilton does not agree.

In addition to the foregoing, the DoubleTree by Hilton Hotel Management Agreement contains several provisions that are not compatible with the current ownership and management structure of the DoubleTree by Hilton Hotel. For example, the DoubleTree by Hilton Hotel Management Agreement stipulates the obligation of Mr. Abdul Mohsen Abdulaziz Fahad Al Hokair, in his capacity as the owner of the DoubleTree by Hilton Hotel, to allow Abdul Mohsen Al Hokair & Sons Co. Ltd. (whose role in the agreement has been assigned to the Company as at the date of this Circular) to occupy and utilize the plot and the real estate thereon as necessary to enable Abdul Mohsen Al Hokair & Sons Co. Ltd. (or the Company, as at the date of this Circular) and Hilton to fulfill their obligations and benefit from their rights stipulated in the DoubleTree by Hilton Hotel Management Agreement. As at the date of this Circular, these provisions cannot be applied in their original form, given that Al Hokair Holding Company is now the owner of the DoubleTree by Hilton Hotel and Abdul Mohsen Abdulaziz Fahad Al Hokair is no longer the owner. Furthermore, such provisions will not apply in their current form after the completion of the Al Hokair Transaction, as the Company will be the owner of the DoubleTree by Hilton Hotel. This means that the Company's rights and obligations under the provisions of the DoubleTree by Hilton Hotel Management Agreement will include the rights and obligations of both the party responsible for the facilities of the DoubleTree by Hilton Hotel (currently the Company) and the owner of the DoubleTree by Hilton Hotel (currently Al Hokair Holding Company, although the DoubleTree by Hilton Hotel Management Agreement has not been amended to reflect the transfer of the ownership of the DoubleTree by Hilton Hotel to Al Hokair Holding Company, and it still states that it is owned by Mr. Abdul Mohsen Abdulaziz Fahad Al Hokair). In the event that the DoubleTree by Hilton Hotel Management Agreement is not amended immediately upon the completion of the Al Hokair Transaction, the Agreement will not reflect the ownership and operational structure associated with the DoubleTree by Hilton Hotel and its facilities. Consequently, disputes may arise between the parties regarding their rights and obligations, which in turn may lead to disagreements, conflicts or lawsuits (for further information, please refer to Section (1.1.22) ("**Risks Related to Litigation**") of this Circular). In the event of a delay in amending or renewing the DoubleTree by Hilton Hotel Management Agreement to align it with the ownership and operational structure associated with the DoubleTree by Hilton Hotel upon the completion of the Al Hokair Transaction, the parties may engage in lengthy deliberations that could affect the operations of the DoubleTree by Hilton Hotel and compliance with the provisions of the DoubleTree by Hilton Hotel Management Agreement until the amendment or renewal of the Agreement is completed. Furthermore, such amendment or renewal may in any case involve the introduction of terms and conditions that are unfavorable to the Company or are inconsistent with its forecasts and future plans. In this respect, it is worth noting that the Company is currently engaged in discussions with Hilton, and it is possible that the DoubleTree by Hilton Hotel Management Agreement may be replaced with a franchise agreement which differs in nature from the current management agreement. The provisions of the franchise agreement, if concluded, are planned to enter into effect after the completion date of the Al Hokair Transaction, as the amended agreement will reflect the ownership and management structure of the DoubleTree by Hilton Hotel upon the completion of the Al Hokair Transaction. As of the date of the Circular, there are insufficient disclosable details regarding the franchise agreement and the likelihood of it being concluded.

Abdul Mohsen Al Hokair & Sons Co. Ltd. has also granted Hilton several authorizations under the DoubleTree by Hilton Hotel Management Agreement, including the issuance of powers of attorney by Abdul Mohsen Al Hokair & Sons Co. Ltd. in favor of Hilton to enable the latter to fulfill its obligations and exercise its rights under the Agreement. Immediately upon the completion of the Al Hokair Transaction, any powers of attorney granted in this regard must be rescinded, as Abdul Mohsen Al Hokair & Sons Co. Ltd. will no longer have the authority to grant the rights set forth in such powers of attorney, and they must be renewed such that the Company grants the relevant powers to Hilton as may be agreed upon in the context of the renewed or amended DoubleTree by Hilton Hotel Management Agreement. Failure to do so may affect the ability of the parties to comply with the provisions of the DoubleTree by Hilton Hotel Management Agreement.

An amendment letter to the DoubleTree by Hilton Hotel Management Agreement was signed on 13/08/1433H (corresponding to 03/07/2012G), pursuant to which the name of the hotel was changed from Hilton Garden Inn to DoubleTree by Hilton Hotel, among other amendments. Mr. Sami Bin Abdul Mohsen Bin Abdulaziz Al Hokair signed the amendment letter on behalf of Mr. Abdul Mohsen Abdulaziz Fahad Al Hokair without a power of attorney or authorization granting him such authority.

Pursuant to the DoubleTree by Hilton Hotel Management Agreement, the Company shall maintain all of the documents and insurance coverages necessary to provide adequate protection for the construction and operation of the DoubleTree by Hilton Hotel. This includes its commitment to maintaining comprehensive property insurance (including operating supplies) throughout the operating term, covering standard risks such as fires, floods, terrorism and boiler breakdowns, in addition to property owner's liability insurance. In the event of contracting with contractors, the Company is also obligated to ensure the existence of adequate third-party and property insurance. The Company must also include Hilton and its affiliates as additional beneficiaries within the necessary insurance coverages under the provisions of the DoubleTree by Hilton Hotel Management Agreement and other terms and obligations that apply to the Company in its capacity as the party responsible for the facilities of the DoubleTree by Hilton Hotel (for further information regarding the risks associated with insurance coverage, please refer to Section (1.1.11) ("**Risks Related to the Availability of Adequate Insurance Coverage**") of this Circular). As at the date of this Circular, the Company has satisfied all

of the insurance-related terms included in the DoubleTree by Hilton Hotel Management Agreement. It should be noted that the Company's failure to comply with the insurance requirements applicable thereto under the Agreement will have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share.

In the event any of the aforementioned factors were to occur, this could have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share.

### 1.1.9 Risks Related to the Radisson Blu Hotel Agreements

The Company has entered into the Radisson Blu Hotel Management Agreement (as the party responsible for the Radisson Blu Hotel (pursuant to the Radisson Blu Hotel Lease Agreement)) on 18/08/1435H (corresponding to 16/06/2014G) for a period of 15 calendar years, and the Radisson Blu Hotel Lease Agreement (as lessee) for the purposes of utilizing the Radisson Blu Hotel. The Radisson Blu Hotel Management Agreement contains provisions prohibiting the transfer of ownership of the Radisson Blu Hotel during the term of the Agreement without Radisson's prior consent, which may limit the Company's ability to transfer the hotel in the future if Radisson does not agree.

In addition to the foregoing, the Radisson Blu Hotel Management Agreement requires obtaining prior approval from Radisson in the event the owner of the Radisson Blu Hotel, which will be the Company upon the completion of the Al Hokair Transaction, wishes to undertake any construction work with estimated costs exceeding SAR 1,000,000, as at the date of signing the Agreement and subject to annual review of such amount. This includes the Company submitting the drawings and specifications for planned works to Radisson, which will have thirty (30) days from the date of receipt to issue its decision of approval or rejection. Radisson's failure to issue a decision within such period shall be deemed as approval. If, after the completion of the Al Hokair Transaction or in the future, the Company submits a request of this nature and such request is rejected by Radisson, this will have a material adverse effect on the Company's ability to implement its strategy and growth plans for the Radisson Blu Hotel, which in turn may have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share.

The Radisson Blu Hotel Management Agreement requires the Company to maintain all of the documents and insurance coverages necessary to provide adequate protection for the operation and management of the Radisson Blu Hotel. This includes maintaining business interruption insurance, property insurance, general liability insurance, workers' compensation insurance, crime insurance and commercial auto liability insurance from a licensed insurance provider within the Kingdom throughout the term of the Agreement. The Company must also include Radisson and its affiliates as additional beneficiaries within the necessary insurance coverages under the provisions of the Radisson Blu Hotel Management Agreement and other terms and obligations that apply to the Company in its capacity as the party responsible for the Radisson Blu Hotel (for further information regarding the risks associated with insurance coverage, please refer to Section (1.1.11) ("**Risks Related to the Availability of Adequate Insurance Coverage**") of this Circular). As at the date of this Circular, the Company has satisfied all of the insurance-related terms included in the Radisson Blu Hotel Management Agreement. It should be noted that the Company's failure to comply with the insurance requirements applicable thereto under the Radisson Blu Hotel Management Agreement will have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share.

In the event any of the aforementioned factors were to occur, this could have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share.

### 1.1.10 Risks Related to the Holiday Inn Hotel Agreements

The Holiday Inn Hotel Franchise Agreement was entered into on 11/10/1430H (corresponding to 30/09/2009G) for a period of 20 calendar years, and the Holiday Inn Hotel Lease Agreement was entered into with respect to the utilization of the Holiday Inn Hotel. The Holiday Inn Hotel Franchise Agreement contains provisions obligating the Company to manage the Holiday Inn Hotel directly throughout the term of the Agreement, which prevents the Company from delegating or subcontracting the management work to any third party without IHG's consent.

In addition to the foregoing, the Holiday Inn Hotel Franchise Agreement requires obtaining prior approval from IHG in the event the owner of the Holiday Inn Hotel, which will be the Company upon the completion of the Al Hokair Transaction, wishes to undertake any construction work. This requirement is renewed if, after obtaining prior approval, the Company makes any material changes to the previously approved plans. IHG has the right to terminate the Agreement in the event of a breach of this requirement. If, after the completion of the Al Hokair Transaction or in the future, the Company submits a request of this nature and such request is rejected by IHG, or if IHG terminates the Holiday Inn Hotel Franchise Agreement due to the Company's breach of this requirement, this will have a material adverse effect on the Company's ability to implement its strategy and growth plans for the Holiday Inn Hotel, which in turn may have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share.

The Holiday Inn Hotel Franchise Agreement requires the Company to maintain all of the documents and insurance coverages required thereof under the terms and conditions of any mortgages or lease agreements related to the Holiday Inn Hotel or the plot on which it is located, in line with the insurance requirements of IHG. This includes maintaining employees' liability insurance and/or employees' compensation insurance, as well as general liability insurance, product/service liability insurance and auto liability insurance from a well-known insurance provider in the market throughout the term of the Agreement. In the event the Company is unable to secure sufficient insurance coverage under the requirements of the Holiday Inn Hotel Franchise Agreement, IHG has the right to do so on behalf of the Company and recover the costs incurred for such purpose (for further information regarding the risks related to insurance coverage, please refer to Section (1.1.11) ("**Risks Related to the Availability of Adequate Insurance Coverage**") of this Circular). As at the date of this Circular, the Company has satisfied all of the insurance-related terms included in the Holiday Inn Hotel Franchise Agreement. It should be noted that the Company's failure to comply with the insurance requirements applicable thereto under the Agreement will have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share.

In the event any of the aforementioned factors were to occur, this could have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share.

### 1.1.11 Risks Related to the Availability of Adequate Insurance Coverage

The Company's operations with respect to the Real Estate Assets may be affected by several risks and events, including errors and latent defects, work accidents, natural disasters, other accidents, acts of terrorism, sabotage and war-related events, for which sufficient insurance coverage may not be available on commercially reasonable terms. In addition, the seriousness and frequency of various events such as unforeseen accidents and other incidents, business interruptions or potential damage to the facilities of the Real Estate Assets resulting from severe weather conditions, human error, pollution, wars and natural disasters would all lead to the Company incurring significant losses and it being exposed to numerous liabilities.

The Company maintains several insurance policies to cover such events, however, there can be no guarantee that the insurance coverage will be sufficient to cover the losses resulting from all or any of these events, nor can there be any assurance that the Company will be able to renew its insurance coverage on commercially reasonable terms. Furthermore, each of the DoubleTree by Hilton Hotel Management Agreement, the Radisson Blu Hotel Management Agreement and the Holiday Inn Hotel Franchise Agreement includes requirements related to insurance coverage. Upon the completion of the Al Hokair Transaction, such requirements will apply to the Company, and failure to meet them will be considered a breach of the relevant agreement. As at the date of this Circular, the Company has satisfied all of the insurance-related terms included in each of the DoubleTree by Hilton Hotel Management Agreement, the Radisson Blu Hotel Management Agreement, and the Holiday Inn Hotel Franchise Agreement (for further information, please refer to Section (1.1.8) ("**Risks Related to the DoubleTree by Hilton Hotel Agreements**"), Section (1.1.9) ("**Risks Related to the Radisson Blu Hotel Agreements**") and Section (1.1.10) ("**Risks Related to the Holiday Inn Hotel Agreements**") of this Circular).

With respect to the Al Oula Transaction, the insurance policies covering the Ajdan Waterfront Project Tower, which contains the Al Oula Transaction Assets, were obtained by Ajdan Real Estate Development Company and do not include the Company as an insured party. Given that the ownership of the Al Oula Transaction Assets will be transferred to the Company after the completion of the Al Oula Transaction and that the aforementioned insurance policies were concluded with Ajdan Real Estate Development Company, these policies must be assigned or renewed with the Company specified as the insured party instead of Ajdan Real Estate Development Company, new similar agreements must be concluded between the Company and the relevant insurance providers, or the Company must be added to the current policies as an additional beneficiary. If one of these options is not exercised immediately upon the completion of the Al Oula Transaction, this may result in the Company lacking adequate insurance protection with respect to the Al Oula Transaction Assets, which in turn could have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share. Furthermore, there is no insurance coverage against latent or hidden defects in the Al Oula Transaction Assets. However, under the provisions of the Al Oula Agreement, Al Oula Real Estate Development Company has undertaken to guarantee the structural integrity and the stability of the cement concrete of the Al Oula Transaction Assets (including hidden defects) for a period of no less than ten (10) years from the date of completion of the development of the Al Oula Transaction Assets on 16/03/1444H (corresponding to 12/10/2022G). Al Oula Real Estate Development Company has also confirmed the absence of any defects that could affect building safety, which would in turn affect the value of the Al Oula Transaction Assets. Furthermore, Al Oula Real Estate Development Company confirms that it has performed the necessary maintenance for the Al Oula Transaction Assets in full during the period prior to the date of completion of the Al Oula Transaction and that the Al Oula Transaction Assets are covered under ongoing maintenance contracts for a period of no less than one (1) year following the date of completion of the Al Oula Transaction. In the event any defects become apparent in the Al Oula Transaction Assets, including latent defects, which could affect the structural integrity and the cement concrete stability of such assets or their value, and Al Oula Real Estate Development Company breaches its undertaking to guarantee the safety of the Al Oula Transaction

Assets in those respects, or in the event of the discontinuation or inadequacy of the maintenance contracts for the Al Oula Transaction Assets, the Company may face difficulties or be unable to claim adequate compensation or the appropriate amounts to remedy the resulting damages or compensate for them. This would have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share (for further details regarding risks related to litigation, please refer to Section (1.1.22) ("**Risks Related to Litigation**") of this Circular).

In addition, the insurance policies related to the Real Estate Assets include several events excluded from coverage, in addition to other restrictions related to insurance coverage that are negotiated with insurance companies. The Company's ability to obtain the compensation due to it by the relevant insurance company depends on the insurer's financial solvency and its ability to meet the value of this compensation. Accordingly, insurance may not cover all of the losses incurred by the Company with respect to the Real Estate Assets, as these losses may exceed the limits of the insurance policies or fall outside the scope of the insurance coverage included in such policies. In the event the Company does not have sufficient insurance coverage for any future risks or incidents that may arise in respect of the Real Estate Assets, this could lead to it losing the Real Estate Assets and the projects and future revenues associated therewith, and, in certain cases, the Company may be exposed to financial liabilities related to any damaged Real Estate Assets. If any of these risks were to occur, this would have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share.

### **1.1.12 Risks Related to Fluctuations in the Value of the Real Estate Assets**

The value of real estate in general undergoes fluctuations and changes due to a range of factors, including changes in economic, geopolitical and demographic conditions, as well as supply and demand factors, among other factors. Therefore, if the value of the Real Estate Assets decreases after the Completion of the Transactions, this will have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share.

### **1.1.13 Risks Related to Fluctuations in the Company's Share Price**

The Announcement of the Transactions and investors becoming aware of them, the method of managing the Company and its business, a delay in the Completion of the Transactions, or either of them, for any reason, or a change in share trading patterns by investors due to the Transactions or other reasons which affect the share price, may lead to increased volatility or fluctuations in the Company's share price until the Completion of the Transactions. The Company's share price at the time when the Transactions are completed may differ significantly from the share price at the publication date of this Circular. This could affect the market value of the Company and the shareholders' investments in its shares, which could in turn have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share.

### **1.1.14 Risks Related to Mortgages and Encumbrances on the Real Estate Assets**

As at the date of this Circular, all of the Al Hokair Transaction Assets are mortgaged, as the plot on which the DoubleTree by Hilton Hotel is located and the plot on which the Radisson Blu Hotel is located are each mortgaged in favor of Bank AlJazira, while the plot on which the Holiday Inn Hotel is located is mortgaged in favor of Saudi National Bank (SNB). As per one of its terms, the Al Hokair Agreement requires Al Hokair Holding Company to release the mortgage on all real estate of the Al Hokair Transaction Assets and lift any related encumbrances or restrictions before the date of completion of the Al Hokair Transaction, which Al Hokair Holding Company will complete after the approval of the Company's Extraordinary General Assembly of the Al Hokair Transaction Resolutions and before the date of completion of the Al Hokair Transaction. Despite the existence of a similar condition obligating Al Oula Real Estate Development Company to release the mortgage on all partition deeds of the Al Oula Transaction Assets and lift any related encumbrances or restrictions, the Al Oula Transaction Assets are free from mortgages and encumbrances as at the date of this Circular.

In the event that Al Hokair Holding Company is unable to fulfill the requirement to release the mortgage on all real estate of the Al Hokair Transaction Assets and lift any related encumbrances or restrictions pursuant to the provisions of the Al Hokair Agreement, or in the event any encumbrances or mortgages are placed on any of the Al Hokair Transaction Assets by Al Hokair Holding Company or are placed on the Al Oula Transaction Assets by Al Oula Real Estate Development Company and are not released prior to the date of Completion of the Transactions, this may lead to a delay in the completion of either or both of the Transactions (as applicable), and shall constitute a breach of the provisions of the relevant Transaction Agreement, which would enable the Company to terminate such agreement and not complete the relevant Transaction. This may lead to the non-completion of one or both of the Transactions, which in turn would have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share.

### **1.1.15 Risks Related to the Company's Reliance on the Proper Maintenance of the Real Estate Assets, Their Systems and Infrastructure**

The success of the Company in respect of the ownership and management of the Real Estate Assets upon the Completion of the Transactions will depend on its ability to maintain the safety and maintenance of the Real Estate Assets, including the hotel locations and residential sites. Any failure or interruption in the Company's systems, infrastructure or business with respect to the Real Estate Assets, or any deterioration in the performance of these systems and infrastructure, could lead to the Company's inability to provide services or conduct its operations. This in turn would have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share.

### **1.1.16 Risks Related to Expropriation**

The government of the Kingdom and certain government entities within the Kingdom have the right to expropriate real estate for public benefit (including, but not limited to, building roads and public facilities). Although compensation is likely to be paid for real estate expropriated for public benefit, there is a risk that the value of the compensation may be insufficient in comparison to the size of the investment, lost profit, or increase in the value of the investment, as the value of the compensation may be less than the market value of the Real Estate Assets at the time of acquisition or the value paid upon purchase. If any of the Real Estate Assets subject to the Transactions are expropriated, this will have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share, and will consequently have a negative impact on the Company after the Completion of the Transactions.

### **1.1.17 Risks Related to the Stoppage of Work on the Real Estate Assets under the Direction of the Regulatory Authorities**

The Real Estate Assets are affected by city planning and urban planning by regulatory authorities, disputes over deeds and other issues that may require the stoppage of development and work on a particular plot until the dispute is resolved or an agreement is reached with the regulatory authority on how to benefit from the plot on which the Real Estate Assets are located. This may cause development to be halted in connection with some of these plots or limit any future development operations. These issues are beyond the control of the Company and the Company cannot anticipate or guarantee that such issues will not occur. If this were to occur, it would have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share.

### **1.1.18 Risks Related to the Reclassification of Hotels Managed and Operated by the Company**

The Company operates three (3) hotels that are established on the Al Hokair Transaction Assets, namely the DoubleTree by Hilton Hotel, the Radisson Blu Hotel and the Holiday Inn Hotel, which are three-, four- and five-star hotels, respectively. The management and operation of hotels are subject to periodic supervision by the Ministry of Tourism, which classifies hotels and issues them classification certificates based on several factors, including the level of service and facilities available therein. There is no guarantee that the classification of hotels managed and operated by the Company will not be lowered by the Ministry of Tourism. This would affect the hotel and hotel room rates as well as licensing and management agreements for certain hotels with operators or trademark licensors. The occurrence of the foregoing would have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share.

### **1.1.19 Risks Related to the Occurrence of Natural Disasters and the Dissemination of Infectious Diseases**

The Real Estate Assets subject to the Transactions may be adversely affected by any natural disasters that affect the geographical areas in which they are located, including earthquakes, floods, fires, torrential rains and other natural disasters that cannot be predicted or that it cannot be guaranteed will not occur. The occurrence of these disasters would have several negative and unforeseen effects, the most significant of which are the interruption of business and the incurrence of high costs for the repair and rehabilitation of the Real Estate Assets, which in turn would reduce revenue and increase the costs of such Real Estate Assets. Accordingly, the occurrence of any natural disasters in the areas in which the Real Estate Assets are located will have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share.

Further, the dissemination of any plagues or pandemics, including any developments relating to the Coronavirus or any other infectious diseases which may spread in the future, or the materialization of any novel health hazards which threaten public safety in the Kingdom, may have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share.

### **1.1.20 Risks Related to Economic, Political and Security Situations**

The Company's future performance depends on a number of factors related to the economic conditions in the Kingdom in general, including – but not limited to – inflation, GDP growth, average per capita income, interest rates and other economic factors. Although the Kingdom continues to implement diversification policies, it still relies on its income from the oil sector to implement its economic plans.

Any decline in oil prices may lead to an economic slowdown in the Kingdom or limit government spending, which will have an effect on the overall economic situation in the Kingdom. The continued economic growth in the Kingdom also depends on several other factors, such as continued population growth and government and private sector investments in infrastructure. Accordingly, any negative change or deterioration in the overall financial and economic conditions in the Kingdom will have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share.

In addition, the Company is affected by the political and security situation prevailing from time to time in the Kingdom and the region in general, including any sabotage or terrorist or other operations. Moreover, the wider Middle East region is subject to several geopolitical and security risks that may impact the geographies in which the Company operates. In addition, investments in the Middle East region, which remains subject to ongoing political, economic and social changes, are characterized by a level of instability. There can be no assurance that such adverse economic and political conditions in those countries or in any other countries will not negatively affect the economy or the capital markets in the Kingdom in general and the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share.

Disruptive regulatory or geopolitical events, including the ongoing armed conflicts in Ukraine, Gaza and the Lebanese Republic, as well as other disturbances, tensions and conflicts in the Middle East as at the date of this Circular or in the future, could contribute to increased volatility and a decrease in revenues associated with the Real Estate Assets and the Company's related business and may lead to negative performance in the Company's business and its inability to benefit from the Real Estate Assets as planned. The Saudi economy may be adversely affected as a result of difficult global economic conditions and external shocks, which in turn could have an adverse impact on customer demand due to conditions in the capital markets resulting from the general commercial activity and economic conditions. This may result in reduced customer interest in the Company's business related to the Real Estate Assets, namely the operation and management of hotels and the ownership and leasing of residential units.

Global or regional changes in economic and political conditions could adversely affect the Company's business with respect to the Real Estate Assets in several ways. For example, a market downturn, the possibility of a recession and rising inflation, in addition to a decline in consumer and customer confidence and an increase in unemployment rates, may lead to a decrease in the volume of demand and consumption related to the Company's business with respect to the Real Estate Assets and, consequently, a decrease in the revenues received by the Company upon the Completion of the Transactions. In addition, any economic downturn, the instability of the business environment or the occurrence of unforeseen changes in market conditions could adversely affect the Company's general business strategies.

Moreover, any unexpected changes in the political, social, economic or other conditions in the Middle East, or changes in the general global economic conditions, or the occurrence of any of the previously mentioned risks, could have a material adverse effect on the Company's business with respect to the Real Estate Assets and the revenues generated therefrom. Accordingly, any deterioration or change in the political and security situation would have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share.

In addition, the Company's assets and businesses are exposed to sabotage or terrorist attacks that cannot be predicted or anticipated. This, if it materializes, will have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share.

### **1.1.21 Risks Related to Tax and Zakat Dues Arising from the Transactions**

Tax or zakat obligations might be incurred by the Company's shareholders as a result of the Transactions, taking into account any tax or zakat exceptions or exemptions. The obligations to which the Company or its shareholders may be subject to might include disclosing the Transactions to the relevant tax and zakat authorities, or the payment of any tax or zakat obligations which may

arise as a result of the Transactions. Due to the change of zakat and tax laws from time to time, the Company's shareholders may, after the Completion of the Transactions, be exposed to an increase in zakat and taxes imposed on them due to the promulgation of new zakat or tax laws, the amendment of existing laws and regulations or zakat and tax practices or interpretations announced or unannounced by ZATCA, which in turn would have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share.

Pursuant to the provisions of the Al Hokair Transaction, the Company has committed to pay RETT resulting from the transfer of the Al Hokair Transaction Assets to the Company under the Al Hokair Transaction in the event that Al Hokair Holding Company sells the Al Hokair Shares during the five-year period following the date of completion of the Al Hokair Transaction. It should also be noted that the expected amounts of RETT in relation to the Al Hokair Transaction Assets shall not, in any event, exceed SAR 32,581,000 (for further details on the applicability of RETT to the Al Hokair Transaction Assets, please refer to Section (5.2.5.5) ("**Procedures for Completion of the Al Hokair Transaction**") of this Circular). With respect to the Al Oula Transaction, Al Oula Real Estate Development Company, under the Al Oula Agreement, has committed to pay the RETT resulting from the transfer of the Al Oula Transaction Assets to the Company in the event that the Receiving Companies of the Al Oula Shares sell the Al Oula Shares during the five-year period following the date of completion of the Al Oula Transaction, or if RETT is imposed on the Al Oula Transaction for any other reason. This is based on the understanding that the agreed-upon value of the Al Oula Transaction Assets, pursuant to the provisions of the Al Oula Agreement, includes the RETT. It should also be noted that the expected amounts of RETT in relation to the Al Oula Transaction Assets shall not, in any event, exceed SAR 8,500,000 (for further details on the applicability of RETT to the Al Oula Transaction Assets, please refer to Section (5.2.4.5) ("**Procedures for Completion of the Al Oula Transaction**") of this Circular). Furthermore, in the event the Company decides in the future to dispose of any of the Real Estate Assets or part thereof, the Company may be liable to pay tax amounts in accordance with the relevant laws and regulations applicable at the time according to the details of the future transaction pursuant to which any of the Real Estate Assets or part thereof is sold. In the event any of the aforementioned events were to occur, resulting in tax amounts payable by the Company, this could have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share. Shareholders who have any doubts regarding tax and zakat risks must consult a tax advisor licensed by the relevant authorities. Shareholders who have any doubts regarding tax and zakat risks must consult a tax advisor licensed by the relevant authorities.

### 1.1.22 Risks Related to Litigation

The Company is exposed, whether as a claimant or as a defendant, to the risks of litigation and legal proceedings with respect to the Real Estate Assets. The Company cannot determine the final results of such lawsuits or the volume of the associated damages. Any outcome that is not in the Company's favor from these lawsuits could have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share. In addition, regardless of the results of these lawsuits or procedures, such lawsuits or procedures may result in the Company incurring high costs to provide the necessary resources in order to defend against them, which may have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share. It is worth noting that, as per the confirmation of the Sellers, there are no lawsuits pending against the Real Estate Assets.

### 1.1.23 Risks Related to the Guarantees and Indemnities provided by Al Oula Real Estate Development Company and Al Hokair Holding Company under the Transaction Agreements

Each of the Transaction Agreements includes specific guarantees provided by their contracting parties (Al Oula Real Estate Development Company, jointly with Ajdan Real Estate Development Company under the Al Oula Agreement, and Al Hokair Holding Company under the Al Hokair Agreement (each referred to in the context of the respective agreement as the "**Guarantor**", and collectively as the "**Guarantors**"). Each of the Transaction Agreements also includes an obligation on its Guarantors in the event of their breach of their obligations, representations, undertakings or warranties provided in the relevant agreement. This includes obligations to indemnify the Company for any breach of the provisions of the relevant agreement or any lawsuits, claims, damages, costs and fines (for further details regarding the indemnity provisions, please refer to Section (5.2.4) ("**Summary of the Al Oula Agreement**") and Section (5.2.5) ("**Summary of the Al Hokair Agreement**") of this Circular).

Notwithstanding the above, there is no guarantee that the value of the indemnity will be sufficient to remedy the defect resulting from the breach of these warranties or that the Company will have the right to claim indemnity under the exceptions and limitations stipulated in the Transaction Agreements. Moreover, the Company cannot guarantee its ability to collect any due indemnities in full, at all or in a timely manner. This may be due to several reasons, including the inability of the Guarantors to pay such indemnities due to financial distress, insolvency, bankruptcy proceedings or any other financial circumstances affecting their financial solvency.

and ability to pay. In addition, even if the Company is able to obtain the indemnities, it is possible that such amounts may not be sufficient or proportionate to the extent of the actual damages incurred by the Company or the losses resulting from the breach of these obligations, or such indemnities may be determined by the competent entities in amounts less than what the Company expects.

Accordingly, in the event the Company suffers harm as a result of any material default, gross negligence or breach related to the non-compliance of the Guarantors with the provisions of the Transaction Agreements or their violation of the applicable regulations in the Kingdom with respect to the relevant Real Estate Assets, and if any of the exceptions stipulated in the Transaction Agreements in favor of the Guarantors apply, this may have a material adverse effect on the actual value of the Real Estate Assets and on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share.

### **1.1.24 Risks Related to the Disclosure of all Material Information by Al Oula Real Estate Development Company and Al Hokair Holding Company during the Due Diligence Studies**

In the context of the negotiations on the Transactions and in order to evaluate the legal, financial and commercial aspects of the Transaction, the Company and its advisors conducted professional legal, financial and tax studies on the Real Estate Assets, and the Company conducted negotiations based on the results of these studies and based on the anticipated benefits. There may be legal or financial risks related to the Real Estate Assets or to their contractual, operational and regulatory obligations that were not disclosed by Al Oula Real Estate Development Company or Al Hokair Holding Company, or the disclosed information may be inaccurate or outdated, or there may be risks that the Company or its advisors did not discover during the due diligence studies, or that were not anticipated or accounted for, which the Company cannot foresee or assess the importance or consequences of as at the date of this Circular. Therefore, in the event any such risks or information which may not have been disclosed or investigated by the Company were to occur, this could have a material adverse effect on the actual value of the Real Estate Assets and on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share. Accordingly, shareholders must take this into consideration when evaluating and voting on the Transactions.

### **1.1.25 Risks Related to Reliance on Information Not Contained in this Circular**

Certain media sources may include financial and economic information and analyses regarding the Company and the Transactions which may not include much of the relevant information and risks contained in this Circular. Shareholders are advised not to rely on such sources. These sources or others may also provide statements that are not directly attributed or may be incorrectly attributed to the Company's Directors, officers or employees. Moreover, such sources may include incorrect reports regarding statements that are made or may be made by the Company's Directors, officers or employees, or these sources may include misleading statements due to the omission of information provided by the Company or its Directors, officers or employees. The Board of Directors has not authorized any person to provide information or statements on behalf of the Company except as disclosed in this Circular. Neither the Directors of the Company, nor its officers, employees or advisors bear any responsibility for the accuracy or completeness of any information or statements issued by other parties.

Therefore, shareholders should rely solely on the information contained in this Circular when making any decision regarding voting on the Transaction Resolutions. Shareholders who have any doubts regarding the Transactions should obtain professional advice from an independent financial advisor licensed by the CMA.

### **1.1.26 Risks Related to Future Prospects**

This Circular includes certain forecasts and forward-looking statements. Such forecasts and forward-looking statements may be identified by their use of forward-looking terms and expressions, including, but not limited to, "expects", "aims", "estimates", "intends", "plans", "will", "believes", "seeks", "may", "would", "could", "shall" or the negative forms thereof or other variations of such terms or comparable terminology. These forward-looking statements and data include, but are not limited to, known and unknown risks and certain uncertainties that may affect the results of the Company or the Transactions, data related to the Company's financial position, business strategy, future plans and goals with respect to the Transactions, other future events, and other information and statements.

Future events cannot be actually predicted and may differ from what is contained in this Circular. The Company's performance (including after the Completion of the Transactions) and its ability to develop, work and achieve its objectives and strategies are what determine its actual results, which the Company cannot know and may relate to matters beyond the Company's control. The inaccuracy of these future predictions represents one of the risks that Shareholders must take into account. Shareholders must read these forecasts and forward-looking statements accordingly and must not place undue reliance thereon. If the Company's

actual results and future events differ from these predictions and statements, this may have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share after the Completion of the Transactions.

### **1.1.27 Risks Related to the Company's Ability to Distribute Dividends**

The amount of profits to be realized or distributed (if any) by the Company after the Completion of the Transactions cannot be determined. The Company may not be able to distribute dividends, and the Board may not recommend or the shareholders may not agree on the payment of dividends for any reason. In addition, there is no guarantee that the Company's shareholders, after the Completion of the Transactions, will be able to receive or will be entitled to dividends equal to the dividends previously distributed by the Company.

The business and revenues of the Company, its financial position, and its debt ratio after the Completion of the Transactions may be affected by a number of factors which are beyond the control of the Company, including, but not limited to, operational, financial and economic factors and market conditions. These greatly affect the Company's profits, revenues, and distributable reserves, which in turn will affect the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share.

Future distributions of dividends will depend on several factors, including, but not limited to, the Company's future profits, financial position, cash flows, working capital requirements, capital expenditures, distributable reserves, any restrictions imposed by lending institutions and other factors. The Company may incur expenses or liabilities that consume some or all of the cash available for dividend distribution. If the Company fails to pay dividends on its shares, shareholders will receive no return on investment with respect to their shares unless they sell such shares at a price higher than the price at which they purchased them.

### **1.1.28 Risks Related to the White Land and Vacant Property Fees Law**

The White Land and Vacant Property Fees Law was issued pursuant to Royal Decree No. M/4, dated 12/02/1437H (corresponding to 24/11/2015G), and amended by Royal Decree No. M/244, dated 07/11/1446H (corresponding to 05/05/2025G). The amendments included the imposition of an annual fee on vacant property, calculated as a percentage of the fair rental value and not exceeding 5% of the property's value, in accordance with the provisions of the White Land Fees Law and its regulations. It should be noted that the provisions related to vacant property fees shall be implemented from the effective date of their respective regulations, and these regulations have not yet been issued. Vacant property, according to the White Land and Vacant Property Fees Law, means buildings located within the urban boundary that have been unused for a long period without an acceptable justification, and whose non-use or lack of utilization affects the provision of sufficient supply in the real estate market, in accordance with the provisions of the Law and its regulations. If the definition of vacant property and the provisions of the related vacant property fees regulation apply to the Al Oula Transaction Assets, this would have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share.

## **1.2 Risks Related to Changes in the Ownership of the Current Shareholders and the Associated Dilution of Voting Power**

### **1.2.1 Risks Related to Changes in the Ownership Percentages of the Current Shareholders, the Associated Dilution of Voting Rights and the Ability of the Receiving Companies of the Consideration Shares to Influence the Company's Decisions**

In case of the Completion of the Transactions, the ownership percentage of the current shareholders will decrease from 100% to 50.81%, with the Receiving Companies of the Al Oula Shares owning 10.58% and Al Hokair Holding Company owning 38.61%, resulting in their joint ownership of a total of 49.19% of the Company's share capital after the Capital Increase, making Al Hokair Holding Company a Substantial Shareholder in the Company (noting that it is presumed to be Acting in Concert with a number of the Company's current shareholders, including Mr. Abdul Mohsen Abdulaziz Fahad Al Hokair and Abdul Mohsen Al Hokair & Sons Co. Ltd., bringing their total Acting in Concert percentage to 58.97% after the Capital Increase (upon Completion of the Transactions)), while the Receiving Companies of the Al Oula Shares shall be presumed as parties Acting in Concert with a 10.58% shareholding after the Capital Increase (upon Completion of the Transactions), as they are considered members of the same group. It should be noted that Ajdan Real Estate Development Company directly and indirectly owns all of the Receiving Companies of the Al Oula Shares.

Accordingly, the voting power of the current shareholders (excluding the shareholders acting in concert with Al Hokair Holding Company) in the Company's General Assemblies will be diluted, as their total ownership percentage in the Company will be approximately 30.45% of the Company's share capital after the Capital Increase (upon Completion of the Transactions), which may enable the Receiving Companies of the Consideration Shares to influence resolutions issued at the Company's General Assemblies that require the approval of the Company's shareholders in the General Assemblies, such as the appointment of Directors, amendments to the Company's share capital, mergers and other important decisions for the Company. Consequently, the current shareholders will have less influence over such resolutions.

The Transactions will affect the level of control of the Substantial Shareholders in the Company. For further details on the ownership of the Company before and after the Completion of the Transactions, please refer to Section (3.5) ("**Ownership Structure Before and After the Transactions**") of this Circular.

The interests of the Sellers may differ from the interests of the other shareholders and they may direct the Company's strategy in a way that differs from what the Company's current shareholders' desires. These strategic directions may have a material adverse effect on the Company's business, financial position, results of operations, cash flows, prospects and the profitability of its share after the Completion of the Transactions.

### 1.2.2 Risks Related to a Decrease in the Profitability of the Shares As a Result of the Transactions

The Transactions require the issuance of three hundred and four million, nine hundred and sixty-six thousand, nine hundred and thirty-six (304,966,936) new ordinary shares, resulting in an increase in the total number of the Company's shares from three hundred and fifteen million (315,000,000) shares to six hundred and nineteen million, nine hundred and sixty-six thousand, nine hundred and thirty-six (619,966,936) ordinary shares with a nominal value of one (1) Saudi Riyal per share. Since the Transactions will be completed through the issuance of these shares, thus increasing the number of the Company's shares, this may result in a decrease in the profitability of the shares in the future due to the distribution of dividends among a larger number of shareholders.

The table below shows the Company's earnings per share based on its financial statements for the financial year ended 31 December 2024G and its unaudited condensed consolidated pro forma financial information for the financial year ended 31 December 2024G (which do not take into account the benefits of the Transactions):

<b>Profitability per share (based on the audited financial statements for the financial year ended 31 December 2024G)</b>	<b>0.0165</b>
<b>Profitability per share after the Capital Increase in the event both of the Transactions are approved (based on the unaudited condensed consolidated pro forma financial information for the financial year ended 31 December 2024G)</b>	<b>0.0160</b>

In addition, earnings per share may be negatively or positively affected after the Completion of the Transactions, depending on the extent to which the financial assumptions expected from the Transactions are achieved. For further details, please refer to Section (3.10) ("**Accretion or Dilution of Share Earnings as a Result of the Transactions**") of this Circular.

### 1.2.3 Risks Related to the Sale of a Large Number of Shares

The sale of a large number of the Company's shares following the Completion of the Transactions will negatively affect the trading price of the shares. There is no guarantee that the Receiving Companies of the Al Oula Shares or Al Hokair Holding Company will not sell part or all of their shares on Tadawul (with the exception of the restriction that Al Hokair Holding Company is subject to a lock-up period of six months, during which Al Hokair Holding Company may not dispose of the Al Hokair Shares without the prior approval of the CMA and in accordance with the conditions it specifies). In the event that a large number of the Company's shares are sold or if the market anticipates the possibility of such a sale, this would create a high supply that may not be matched by a similar demand in terms of quantity, which could result in a decrease in the market value of the Company's shares.

# 02

## Market Information on the Real Estate Assets to be Purchased

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## 2. Market Information on the Real Estate Assets to be Purchased

### 2.1 KSA Macroeconomic Overview

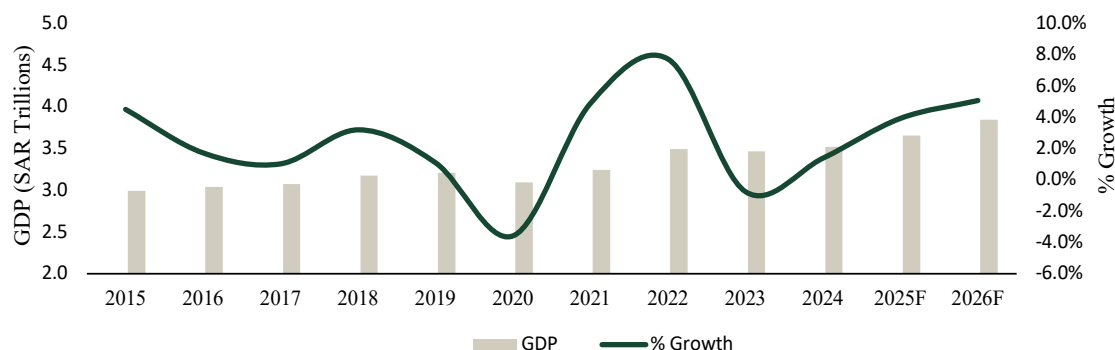
The Kingdom of Saudi Arabia has seen sustained levels of economic growth which is expected to continue as the economy diversifies from a singular oil-driven powerhouse to a new multi-faceted dynamic economy. This changing dynamic is underwritten by the Saudi Vision 2030 that will help to enable this structural economic shift. According to GATSTAT Q4 2024, the top 3 economic activities contributing to GDP, excluding oil and government activities are: 1. Wholesale and Retail trade, Restaurants and Hotel activities, 2. Manufacturing and 3. Real Estate activities.

KSA's real GDP expanded by an estimated 1.39% in 2024, reaching a total of SAR 3.52 trillion. Oxford Economics projects a 3.94% growth in 2025, primarily driven by the expansion of the non-oil sector. Compared to the same quarter last year, real GDP increased by 4.4% in Q4, driven by strong non-oil activities that recorded a rise of 4.6%, while oil activities grew by 3.4%. Additionally, government activities increased by 2.2% compared to the same period of the previous year.

According to data from the General Authority of Statistics (GASTAT), non-oil and government activities have been the key drivers of economic growth in 2024. GDP from oil activities initially declined by -11.2% in Q1 2024 but showed signs of recovery, improving to 3.4% in Q4.

#### 2.1.1 Gross Domestic Product

##### GDP, Real (KSA)



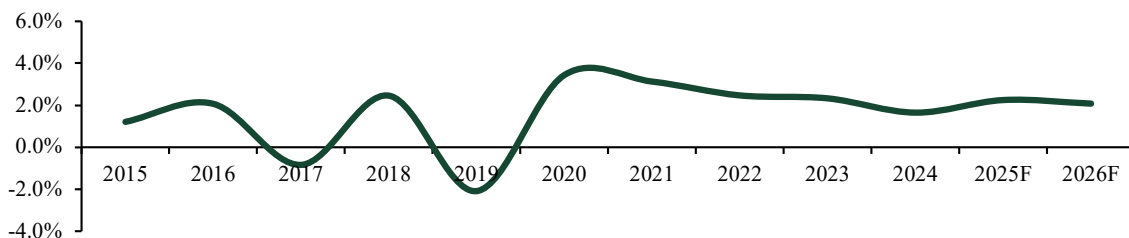
Source: Oxford Economics.

Saudi Arabia's inflation increased to 1.9% in December 2024, compared to 1.5% in December 2023, according to GASTAT. The rise was mainly driven by the Housing, Water, Electricity, Gas, and Other Fuels category, which saw an 8.9% year-on-year increase.

In December 2024, Saudi Arabia's Central Bank cut its main interest rate to 5%, matching the US Federal Reserve's 0.25% reduction. This marked the third cut in 2024. The decision is anticipated to reduce borrowing costs, offering relief to consumers and businesses after a period of elevated interest rates implemented to mitigate inflationary pressure. This move reflects the central bank's ongoing efforts to balance economic growth with price stability in response to evolving market conditions.

### 2.1.2 Inflation

#### Inflation (KSA)

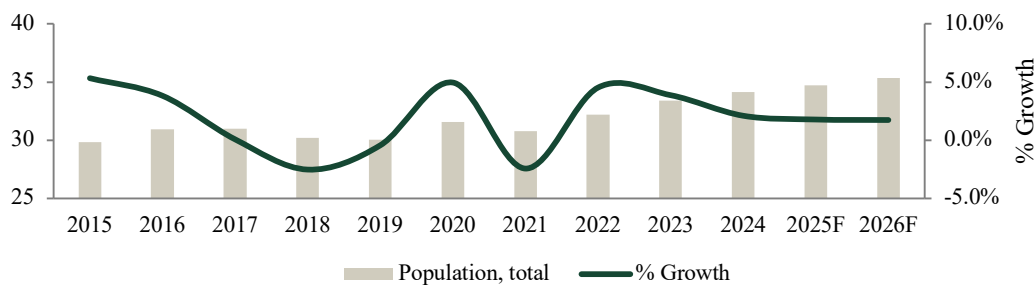


Source: Oxford Economics.

Total population is expected to grow by around 1.8% in 2025 to 34.7 million and maintain an annual average growth rate of 1.6% to 1.7% over the next two years, reaching 35.9 million by 2027. By 2030, the population is forecasted to reach 37.6 million.

### 2.1.3 Population

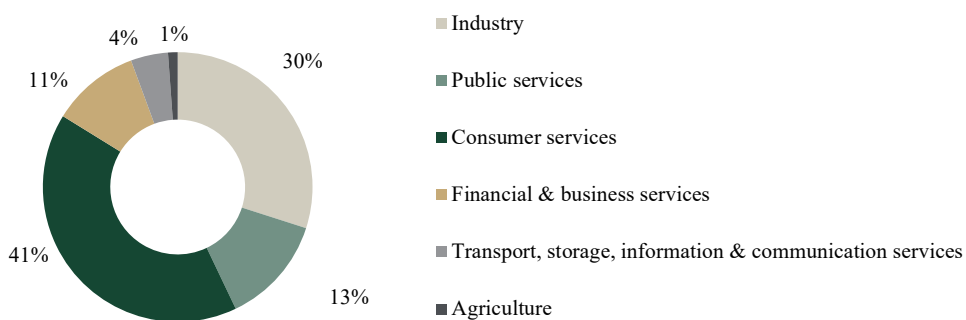
#### Population, Millions (KSA)



Source: Oxford Economics.

### 2.1.4 Employment

#### Employment by Sector (KSA)



Source: Oxford Economics.

For 2025, employment growth is expected to reach 5.3%, supported by a growing non-oil economy. Looking ahead, employment growth is projected to continue in 2026 at 4.0%, reaching 18.4 million jobs.

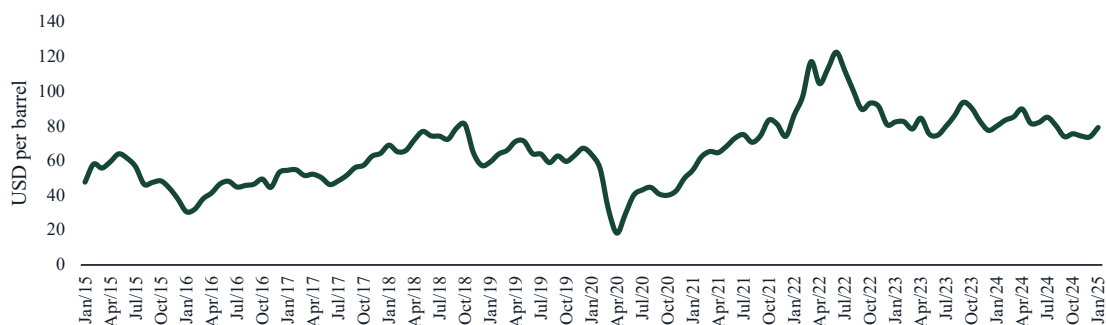
Saudi Arabia has set a new target for unemployment among Saudis at 5% by 2030, according to Minister of Human Resources and Social Development. Additionally, women's economic participation is planned to reach 35%, crossing the initial target of 30% by 2030.

For 2024, the Consumer Services sector is expected to maintain its position as the largest employer, with 41% of total employment, according to Oxford Economics. This is followed by Industry at 30% and Public Services at 19%.

Saudi Arabia has made significant strides in boosting the participation of Saudi nationals in the workforce, leading to a revised unemployment target of 5% by 2030, down from the previous target of 7%. Programs such as Nitaqat, National Labor Gateway Program and SME support (Monsha'at) have benefited nationals in securing employment. The establishment of the Human Resources Development Fund (HADAF) with its programs and initiatives such as 'employment support' where a percentage of the wages' of nationals in the private sector are supported, which further incentivizes companies to employ nationals. Recent figures show the number of Saudis employed in the private sector has increased from 1.7 million in 2018 to 2.4 million in 2024.

### 2.1.5 Oil Prices

#### Europe Brent (Spot Prices)



Source: US EIA.

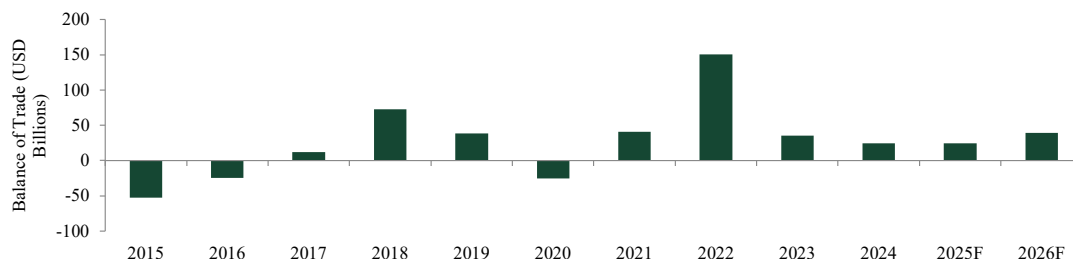
In its recent meeting on February 3, 2025, the Joint Ministerial Monitoring Committee (JMMC) of OPEC+ decided to uphold current oil production levels. This decision reflects the group's commitment to a long-term strategy aimed at providing price stability in the global oil markets. OPEC Secretary General Haitham Al-Ghais emphasized this approach during the India Energy Week conference, highlighting the organization's focus on long-term market stability.

Recent data indicates that OPEC oil output fell in January 2025 for the second consecutive month. This decline was primarily due to reduced exports from Nigeria and Iran, which partially offset increased production from the United Arab Emirates following maintenance activities in December.

The International Energy Agency (IEA) has projected that global oil markets will face a surplus of more than one million barrels per day in 2025, attributing this to faltering demand, particularly from China. In response, OPEC has adjusted its forecasts, cutting oil demand growth projections for 2025.

## 2.1.6 Trade

### Current Account Balance of Payments (KSA)



Source: Oxford Economics.

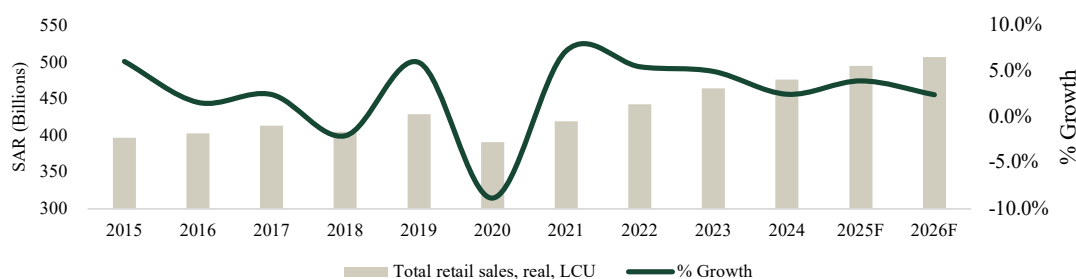
According to Oxford Economics, the balance of payments in the Kingdom of Saudi Arabia was estimated at USD 24.4 billion for 2024 and is forecasted at USD 24.1 billion for 2025, with a significant recovery expected in 2026 at USD 39 billion.

According to GASTAT the trade balance amounted to approximately SAR 263.2 billion in November 2024, reflecting a decline compared to the same period last year by -32%. This decline was primarily due to reduced oil production and increased merchandise imports.

In November, exports of mineral products accounted for the largest share at SAR 64 billion, nearly 71% of the monthly exports. Other contributors included products of chemical industries at SAR 6.46 billion, Plastics and Rubber products at SAR 5.84 billion and Base Metals amounting to SAR 1.84 billion.

## 2.1.7 Retail Spending

### Retail Sales (KSA)



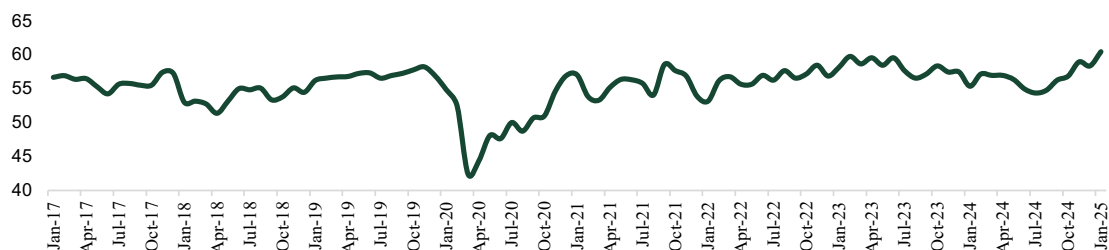
Source: Oxford Economics.

Despite the rise in living costs following the VAT increase from 5% to 15% in July 2020, retail spending rebounded swiftly, driven by the recovery in oil prices during 2021. According to Oxford Economics, following a 7.2% year-on-year increase in 2021, retail spending continued its upward trend, growing by 5.0% in 2023 and 2.5% in 2024.

In 2025, retail spending is forecasted to grow by 4.0%, reflecting the impact of higher inflation and moderated economic activity. Looking ahead, retail spending is expected to recover with a 2.4% growth in 2026.

## 2.1.8 Purchasing Managers' Index

### Purchasing Managers' Index (PMI)



Source: Riyadh Bank, S&P Global PMI.

The Riyadh Bank Saudi Arabia Purchasing Managers' Index™ (PMI®) is a composite indicator designed to give a snapshot of operating conditions in the Kingdom's non-oil private sector. The index is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline PMI rose to 60.5 in January 2025, from 58.4 in December 2024. Not only did the index signal a considerable expansion in operating conditions at the start of 2025, but it was also at its highest level since September 2014.

Four of the five sub-components of the PMI positively influenced the headline figure in January 2025, particularly the New Orders Index, which rose over five points during the month. Notably, the index pointed to the sharpest rise in New Work Intakes in just over 13.5 years. According to the PMI survey, accommodative economic conditions supported a strong boost to customer orders, whilst some firms benefitted from new infrastructure projects.

## 2.2 Hospitality Market Overview

### 2.2.1 Riyadh Hospitality Market

Riyadh is the capital city of the Kingdom of Saudi Arabia and is at the heart of the long-term government initiative to reshape the economy of the country and reduce its reliance on the oil-related sector through Vision 2030. Riyadh is primarily focused on the corporate and government sectors resulting in the highest concentration of hotels being located in the city's Central Business District (CBD). In line with Vision 2030, private and public entities have been working towards diversifying away from the corporate sector as the city's primary demand source.

This evolution is gradually being achieved by improving the city's lifestyle through cultural activities, entertainment projects and wider infrastructure initiatives. Entertainment events and exhibitions such as the Riyadh Trade Fairs, Riyadh Season and Diriyah Season have attracted millions of people helping to underwrite the development of the tourism industry.

Other initiatives include the Ministry of Tourism (MOT) promoting the city's historical and cultural activities. This includes the National Museum, the Imam Turki Ibn Abdullah Grand Mosque, the Al Diriyah World Heritage site, King Saud's Red Palace, and the Janadriyah Festival.

### 2.2.1.1 Factors Influencing the Riyadh Hospitality Market

<b>Tourism and Government Initiatives</b>	<ul style="list-style-type: none"> <li>In line with the Kingdom’s 2030 Vision, the Ministry of Tourism aims to achieve 150 million annual visitors with tourism to contribute 10% of Saudi Arabia’s GDP.</li> <li>The Ministry of Tourism has increased the number of eligible countries applying for a visitor e-visa to 66.</li> <li>The Government has adopted several initiatives to diversify the country’s economy such as their Hospitality Investment Enablers Program that started in 2024. This program expects to stimulate private investment in key tourism sites by up to SAR 42bln and develop up to 42,000 new hotel rooms.</li> <li>With the Government, hosting various international events and winning bids such as the World Expo in 2030 and the FIFA World Cup in 2034.</li> </ul>
<b>Cultural &amp; Entertainment Offering</b>	<ul style="list-style-type: none"> <li>With the announcement of large-scale structured tourism offerings in leisure-oriented projects such as Diriyah Gate, Qiddiya, and others, Riyadh is expected to diversify further to attract a wider demand base and attract a larger share of domestic and inbound leisure travel segments.</li> </ul>
<b>Public Transportation</b>	<ul style="list-style-type: none"> <li>As part of the King Abulaziz Project for Riyadh Public Transport, Riyadh Bus completed its last phase in December 2023, that included 54 routes with 2,145 stations and stops.</li> <li>The Riyadh Metro, also part of this project, opened to the public in December 2024. With 85 metro stations with 6 lines and a daily capacity of 3.6 million passengers that will facilitate movement within the city, enhancing overall mobility for both residents and visitors.</li> </ul>

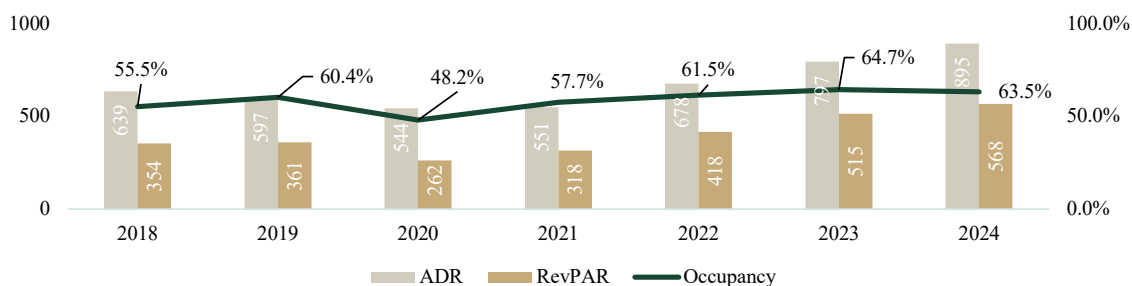
### 2.2.1.2 Market Performance

Based on Smith Travel Research (hereinafter referred to as “STR”) data, Riyadh’s market performance in 2020 was heavily impacted by the COVID-19 pandemic with a significant decline across all performance indicators. Leading to an overall RevPAR decrease of 27.4% compared to 2019. The recovery post-COVID has been positive, observed in 2021 and 2022.

In 2022, Occupancy and ADR levels surpassed pre-pandemic 2019 figures at 61.5% and SAR 678 respectively. In 2023, the market’s performance continued to exceed historical performance with the overall RevPAR at SAR 515, representing a 23.2% RevPAR year-on-year increase compared to 2022. 2024 recorded a slight drop in Occupancy at 63.5% compared to the previous year, however, ADR increased to SAR 895 and led to an overall RevPAR increase of 10.3% in comparison to 2023.

This growth is attributed to efforts applied by the government to boost both leisure tourism, corporate events and overall macroeconomic growth. Through large-scale development projects, funds and initiatives like the Tourism Development Fund and the newly launched Hospitality Enablers Program mentioned previously, the government has been actively supporting the hospitality sector’s growth and development.

#### Riyadh Market Performance

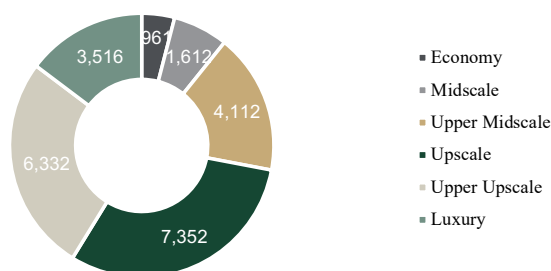


Source: STR.

### 2.2.1.3 Market Current and Future Supply

The market evolution of hotel supply in Riyadh has been significant over the years, with a CAGR of 5.65% from 2018-2024. Currently, Riyadh’s hotel supply is recorded at approximately 23,885 hotel rooms with the majority belonging to the Upscale and Upper-Upscale segments, representing 57.3% of the total supply. Midscale and Upper-Midscale hotels only represent approximately 24.0% of total supply. In terms of quality keys, which are defined as hotels belonging to the Luxury, Upper Upscale and Upscale categories, there are approximately 17,200 keys, representing 72.0% of total keys. This is further reduced to approximately 7,022 keys, if we exclude independent/local hotel brands. It is worth noting that some of the current supply is aging and is often not aligned with current international standards. As such, a potential market gap exists for any new quality hotel developments as the older hotels are likely to be phased out, refurbished and rebranded.

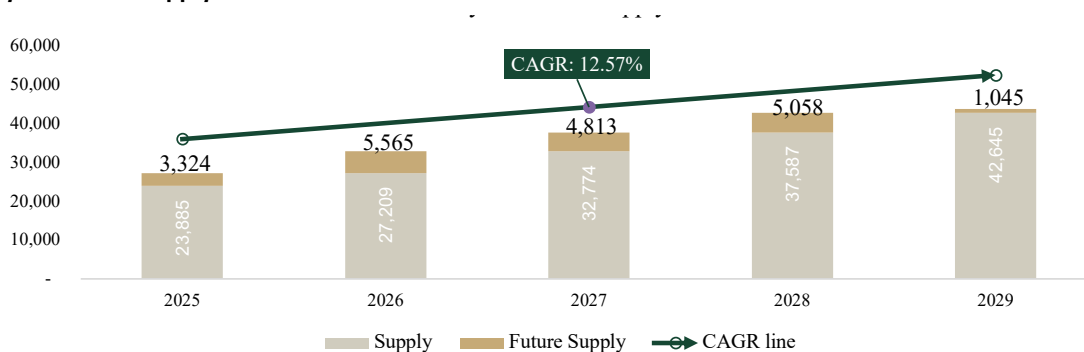
#### Riyadh Current Supply per Segment



Source: STR, JLL.

Future supply is expected to expand the established city center towards the North, West, East, and in the more traditional CBD areas. Although imminent future supply is concentrated towards Riyadh’s central and northern parts. We highlight that we have only considered those projects that are Under Construction as well as those in Planning and Final Planning stages. We estimate that around 19,805 further rooms could be added to current Riyadh supply by 2029, bringing the overall total supply to around 43,690 rooms, a CAGR of 12.57%. In the last few years, there have been delays in completing the construction of new projects in the city within the announced timeline, which was primarily due to the pandemic. However, we expect this to improve with overall government initiatives focused on the Saudi 2030 Vision. A large share of future supply is expected to cater to the upcoming leisure demand in line with the Riyadh Vision 2030 objectives, driven by projects such as Diriyah Gate or King Salman Park, which are expected to include several ultra-luxury hotels and resorts.

#### Riyadh Future Supply



Source: STR, JLL.

## 2.2.2 Jeddah Hospitality Market

Jeddah is the Kingdom’s largest city on the Western Province and is the main entry point for those making the Hajj pilgrimage to Makkah and Madinah, two of the most sacred cities in Islam.

Jeddah is also a key city in Saudi’s Vision 2030 plan that aims to reshape the country’s economy and reduce its reliance on oil-related sectors by prioritizing tourism to help diversify income sources and boost job creation. In Jeddah, private and public entities are working closely to improve the lifestyle of the city through cultural activities, entertainment projects and infrastructure works.

The primary objective of the Kingdom's Vision 2030 is to diversify tourism demand, which today comes primarily from the corporate segment as well as pilgrimage and national leisure. This diversification is gradually being accomplished through projects such as Jeddah Central, a masterplan that will contribute to developing a new district where recreation, entertainment, and shopping will help transform the city into a world class destination for both residents and visitors. Other touristic developments include Jeddah Tower, Jeddah Albalad, Al Shallal Park, King Fahd's Fountain, The Tayebat Museum and Al Shafi'i Mosque.

Jeddah is home to numerous hotels ranging from luxurious to more affordable options. As the more traditional areas such as Hamra and Ash Shati are becoming congested, Jeddah's growth is mainly targeted towards the north. This was further expedited by the expropriation activity initiated by the government. Large developments such as the Kingdom Tower in Jeddah Economic City in North Jeddah will continue to act as a major catalyst for future development.

Implications of the northward movement and expansion have begun to materialize. Property values have shifted considerably upwards due to increased demand, which in turn has attracted investors and developers. With the increased investor interest, new masterplans and communities are being built. With the incoming developments, the city is expected to decentralize away from its traditional downtown area. More notably, as the government improves infrastructure and road network to ease congestion and facilitate movement in the North through plans such as the bridge connecting the North and South Obhur.

### 2.2.2.1 Factors Influencing the Jeddah Hospitality Market

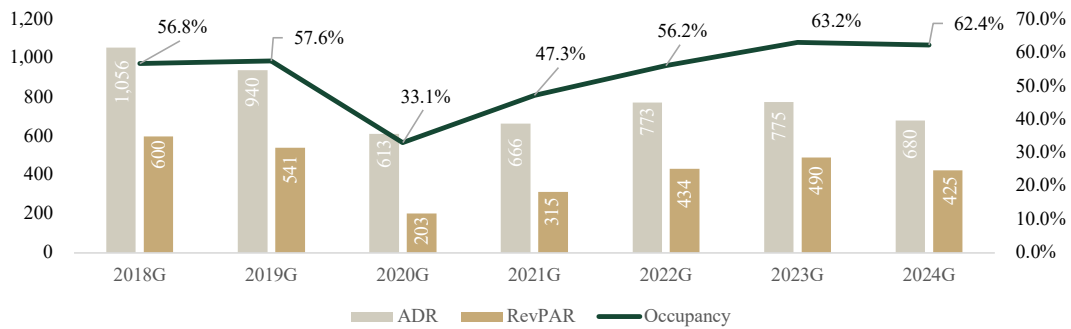
<b>Tourism and Government Initiatives</b>	<ul style="list-style-type: none"> <li>• In line with the Kingdom's 2030 Vision, the Ministry of Tourism aims to achieve 150 million annual visitors with tourism to contribute 10% of Saudi Arabia's GDP.</li> <li>• The Ministry of Tourism has increased the number of eligible countries applying for a visitor e-visa to 66. New visa restrictions were also announced for specific countries applying for multiple entry visas as the Hajj season approaches, particularly relevant to Jeddah.</li> <li>• The Government has adopted several initiatives to diversify the country's economy such as their Hospitality Investment Enablers Program that started in 2024. This program expects to stimulate private investment in key tourism sites by up to SAR 42bn and develop up to 42,000 new hotel rooms.</li> <li>• With the Government, hosting various international events and winning bids such as the World Expo in 2030 and the FIFA World Cup in 2034.</li> </ul>
<b>Cultural &amp; Entertainment Offering</b>	<ul style="list-style-type: none"> <li>• Jeddah has been hosting several events such as the Red Sea International Film Festival held annually in December which acted as a cultural gathering for artists and filmmakers from all over the world. Other events include Jeddah Season, Saudi Arabian Grand Prix and the Jeddah Economic Forum</li> </ul>
<b>Public Transportation</b>	<ul style="list-style-type: none"> <li>• Jeddah Transport Company announced the launch of 91 new buses with three new electric vehicles - increasing the number of routes from six to 14 and the number of bus stops from 46 to 383 by April 2025.</li> <li>• Jeddah Metro which is also part of the Jeddah Public Transport Program (JPTP) Masterplan is an ongoing major transformational development that is expected to open later this year.</li> </ul>

### 2.2.2.2 Market Performance

Based on STR data, the city experienced a downturn in 2018-2019 across the key performance indicators. This was primarily driven by changes in government driven demand as well as the adoption of per diem rates and competitive pricing strategies by the government to optimize cost-effectiveness. However, it is worth mentioning that the discussions regarding the government policy of per diem rates are currently being reconsidered which may mean increased direct bookings in the future. This downturn was further exacerbated by the pandemic with overall RevPAR decreasing by 62.5% in 2020 compared to 2019 levels.

Overall, the market recovery in Jeddah has been slow. Despite its upward trend, RevPAR is still performing below 2019 levels. In 2024, Occupancy was recorded slightly below 2023 at 62.4%. ADR experienced a bigger decrease of 12.3% which could suggest that hotels have strategically adjusted their rate to maintain a healthier and more stagnant occupancy levels in response to reduced demand. The Jeddah market is still expected to grow as the city continues to develop and mature through the hosting of international events, the increased and ease of visa issuances as well as mega projects such as Qiddiya Coast, that is under development and Obhur projects currently being in the design and planning stage. All of which are intended to boost tourism and improve the hospitality market.

**Jeddah Market Performance**

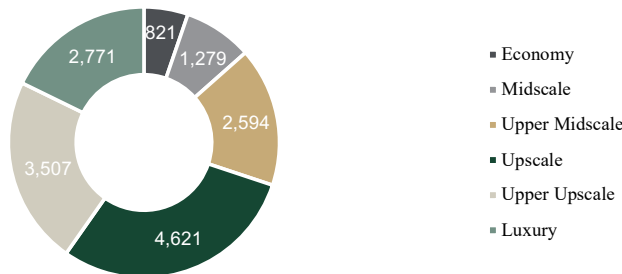


Source: STR.

**2.2.2.3 Market Current and Future Supply**

The market evolution of hotels supply in Jeddah has been significant over the years, with a CAGR of 8.01% from 2018-2024. Currently, Jeddah’s hotel supply is recorded at approximately 15,593 hotel rooms with the majority belonging to the Upscale and Upper-Upscale segments, representing 52.1% of the total supply. Midscale and Upper Midscale hotels represent approximately 24.8% of total supply. In terms of quality keys, which are defined as hotels belonging to the Luxury, Upper Upscale and Upscale categories, there are approximately 10,899 keys, representing 69.9% of total keys. This is further reduced to approximately 13,539 keys, if we exclude independent/local hotel brands. It is worth noting that some of the current supply is aging and is often not aligned with current international standards. As such, a potential market gap exists for any new quality hotel developments as the older hotels are likely to be phased out, refurbished and rebranded.

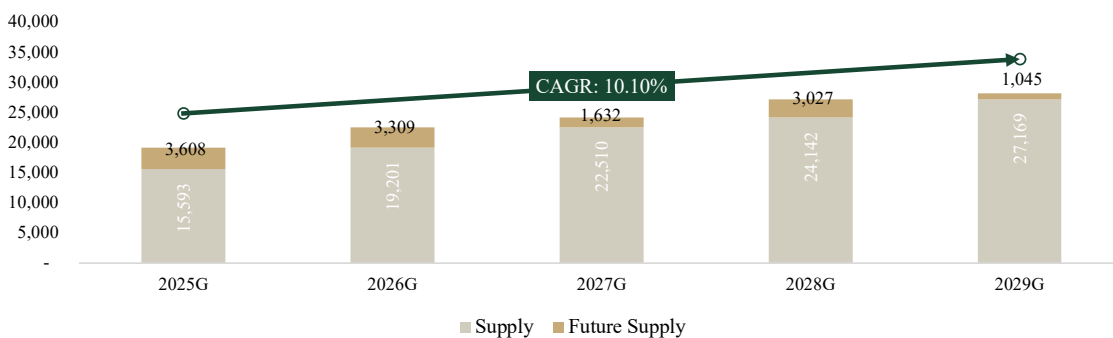
**Jeddah Current Supply per Segment**



Source: STR, JLL.

Future supply is expected to expand to the north of the city. We highlight that we have only considered those projects that are Under Construction as well as those in Planning and Final Planning stages. It is estimated that around 12,621 further rooms could be added to the current supply by 2029, bringing the overall total supply to around 28,214 rooms, a CAGR of 10.10%. In the last few years, there have been delays in completing the construction of the projects in the city within the announced timeline, which was primarily due to the pandemic. However, we expect this to improve with overall government initiatives focused on the Saudi 2030 Vision. A significant portion of this new supply will be positioned in the upscale to luxury segments. One of those projects is Jeddah Central with its major landmarks and 6 sub-districts and will become a major destination in Jeddah, expected to bring 2,700 rooms into the supply from different segments. Given the overall scale of large city masterplans like Jeddah Central, they tend to self-generate significant rooms demand, with guests attracted to the overall project, new districts and landmark leisure, retail and entertainment attractions.

**Jeddah Future Supply**



Source: STR, JLL.

**2.3 Residential Market Overview**

**2.3.1 Dammam Metropolitan Area (DMA) – Al Khobar Residential Market**

Al Khobar is situated along the Persian Gulf coast in Saudi Arabia’s Eastern Province. It is part of Dammam Metropolitan Area (DMA) which comprises of three cities – Al Khobar, Dammam and Dhahran. Al Khobar has historically been a major city for the country’s oil industry. The city’s development has intrinsically been linked to the growth of the oil sector, serving as a residential and commercial hub for those working in the industry.

Now, with Vision 2030 focused on reducing the country’s dependence on oil, Al Khobar is one of those cities poised to play a role in the Kingdom’s future diversification. One of the key themes under the Vision 2030 is creating a vibrant society. This theme recognises that establishing a thriving economy requires a strong foundation of a happy and fulfilled society. This begins by enhancing the quality of life of Saudi nationals and residents.

As part of Vision 2030, the Saudi government has set an ambitious target to increase the rate of home-ownership among its citizens by 70% by 2030. This goal is progressively being achieved through a combination of policies, programs, urban development initiatives and strategic investments. By placing a focus on home ownership, the Kingdom aims to foster a stable community with a sense of belongingness and security while giving its citizens the opportunity to build wealth, all the while contributing to the broader economic goals of the Kingdom.

### 2.3.2 Factors Influencing the Residential Market

<b>Housing</b>	<ul style="list-style-type: none"> <li>• 36.91% of the heads of households own their residential units without a mortgage or loan. When broken down into nationality, Saudis make up the highest percentage of home-owners at 56.0%.</li> <li>• The majority of households in Al Khobar (64.6%) live in rented accommodation with 68.4% of these renters being Non-Saudi residents.</li> </ul>
<b>Income &amp; Expenditures</b>	<ul style="list-style-type: none"> <li>• In 2023, the average per capita monthly disposable income in the Eastern Province is SAR 3,319 while the average per household is equivalent to SAR 11,775. As point of reference, the Riyadh region is recorded at SAR 4,339 and SAR 14,990, respectively.</li> <li>• The split of Household Monthly Consumption Expenditure in Eastern Province is as follows – Food &amp; Beverage (23.3%), Housing &amp; Bills (13.4%) and Restaurant &amp; Accommodation Services (12.4%) based on GASTAT 2024.</li> </ul>
<b>Government Initiatives</b>	<ul style="list-style-type: none"> <li>• In line with the Kingdom’s Vision 2030, the Government has established The Housing Program which is an eco-system of regulatory and supporting entities and initiatives each with their own purpose (i.e, licensing, supply and demand enablers). These initiatives are designed to help target 70% Saudi home-ownership by 2030.</li> <li>• In 2023, home-ownership rate reached 63.7%, from 16.7% in 2016. The target is 65% in 2025.</li> <li>• Sakani, which is the online ‘one stop shop’ for Saudi households to help facilitate the purchase of affordable housing with financing solutions. A reported 55,000 Saudi families benefitted from this program in H1 2024.</li> <li>• Saudi Central Bank (SAMA) reported SAR 91.1b of new residential mortgages for individuals provided by banks in 2024. This is a 17% increase from 2023.</li> </ul>

### 2.3.3 KSA Residential Market Performance

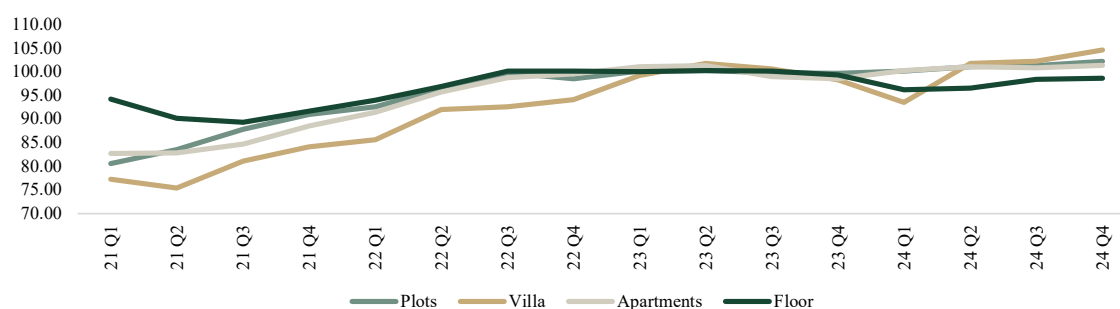
The KSA Real Estate Price Index, compiled by GASTAT is composed of 3 sectors - Residential, Commercial and Agricultural. GASTAT reported a 3.6% increase in the KSA Real Estate Price Index in comparison to Q4 2023.

In Q4 2024, the Residential sector which has the largest weighting of 72.7% of the index was observed to have the biggest overall increase of 3.1% compared to Q4 2023. The increase was largely attributed to residential plots which increased by 2.5% in comparison to Q4 2023. The land plot residential subsector makes up 45.8% of the Residential Sector. Apartments increased by 2.9% while Villas rose by 6.5% in 2024.

For other GCC countries, JLL tracks the residential sales price movement in Dubai using data from REIDIN, which recorded an 18.1% increase in Q4 2024 compared to Q4 2023. While in Abu Dhabi sales transactions data from Quanta were used. We note that the transactions recorded in Quata are limited only to Al Jubail, Al Reem Island, Al Saadiyat Island and Yas Island. The apartments, townhouses and villas all recorded an increase of 1.4%, 10.4% and 3.8% respectively in AED/sqm in Q4 2024 compared to Q4 2023.

In relation to more mature markets’ indices, the US Housing Finance Agency reported a House Price Index increase of 4.5% while the United Kingdom’s Land Registry reported a 3.8% increase in Q4 2024 compared to Q4 2023.

#### KSA Real Estate Price Index - Residential

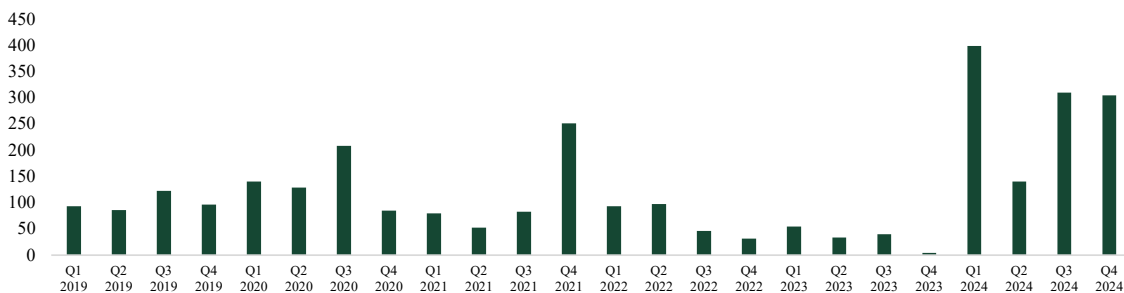


Source: GASTAT.

### 2.3.4 Al Khobar Market Transactions

In 2024, MOJ reported the city of Al Khobar to have significant growth in both transaction volume and the average sale price per sq m of apartments. This was a significant increase in comparison to 2023, which can largely be attributed to an improving mortgage lending environment. The total value of the 1,155 apartment transactions in Al Khobar equated to SAR 749.2m in 2024, with the greatest number of transactions recorded in Q1. This represents a 768% increase from the 133 transactions recorded in 2023. The 2024 average sale price per sqm in Al Khobar was SAR 3,966 per sqm that represents 27% growth in comparison to 2023.

#### Al Khobar Apartment Transaction Volume (2019-2024)

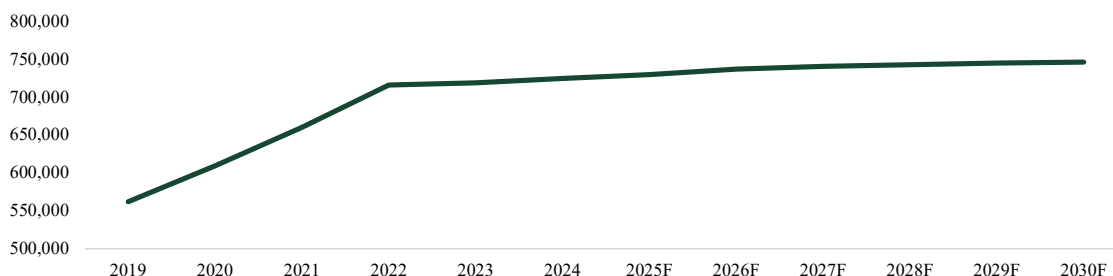


Source: Ministry of Justice.

### 2.3.5 DMA – Al Khobar Market Current and Future Supply

In 2024, a total of 724,970 units were recorded in the Dammam Metropolitan Area with 5,491 new units completed that year. We expect this growth in supply to continue in the coming years. Based on our market intelligence, it is estimated that around 2,212 further apartment units could be added to Al Khobar in the next few years of which are either Under Construction or have been Announced.

#### DMA Residential Existing and Projected Supply



Source: JLL Research.

# 03

## Purchase of the Real Estate Assets



### 3. Purchase of the Real Estate Assets

On 28/06/1446H (corresponding to 29/12/2024G), the Company announced the conclusion of the following purchase and in-kind shareholding agreements:

- 1- The Al Oula Agreement concluded with Al Oula Real Estate Development Company and Ajdan Real Estate Development Company (acting as guarantor for Al Oula Real Estate Development Company), pursuant to which the Company has agreed with Al Oula Real Estate Development Company for the Company to purchase the Al Oula Transaction Assets in exchange for the issuance of the Al Oula Shares in the Company in favor of Al Oula Real Estate Development Company or any one or more companies wholly or partially owned by Ajdan Real Estate Development Company as determined by it and in accordance with the provisions of the Agreement (which were later agreed to be the Receiving Companies of the Al Oula Shares) in consideration of the in-kind contribution of Al Oula Real Estate Development Company of such Assets. The Al Oula Agreement stipulates all of the provisions and steps necessary for the implementation and completion of the Al Oula Transaction. For further details regarding the provisions of the Al Oula Agreement, please refer to Section (5.2.4) ("**Summary of the Al Oula Agreement**").

The Al Oula Transaction involves the purchase of Real Estate Assets, namely 86 residential units representing all of the residential units located in the Mid-Rise component of the Ajdan Waterfront Project Tower in Al Khobar on Plot No. 12/2 of Plan No. 356/2, with a total area of approximately 12,000 square meters, and located on Corniche Road, Al Khobar, Kingdom of Saudi Arabia (referred to as the "**Al Oula Transaction Assets**"). The value of the Al Oula Transaction Assets is estimated at one hundred and seventy-eight million, five hundred thousand Saudi Riyals (SAR 178,500,000), and in consideration thereof, sixty-five million, five hundred and seventy-six thousand, seven hundred and eighty-two (65,576,782) ordinary shares in the Company, equivalent to 10.58% of the Company's share capital after the Capital Increase (in the event both of the Transactions are approved) (referred to as the "**Al Oula Shares**") shall be issued in favor of Al Oula Real Estate Development Company, through their allocation to three companies designated by Al Oula Real Estate Development Company in accordance with the provisions of the Al Oula Agreement (namely Awj Al-Mada Company, Awj Al-Majal Company, and Awj Al-Shati Company (collectively referred to as the "**Receiving Companies of the Al Oula Shares**") (referred to as the "**Al Oula Transaction**").

- 2- The Al Hokair Agreement concluded with Al Hokair Holding Company, pursuant to which the Company has agreed with Al Hokair Holding Company for the Company to purchase the Al Hokair Transaction Assets in exchange for the issuance of the Al Hokair Shares in the Company in favor of Al Hokair Holding Company in consideration of its in-kind contribution of such assets (referred to as the "**Al Hokair Agreement**"). The value of the Al Hokair Transaction Assets is estimated at six hundred and fifty-one million, six hundred and twenty thousand Saudi Riyals (SAR 651,620,000), and in consideration thereof, two hundred and thirty-nine million, three hundred and ninety thousand, one hundred and fifty-four (239,390,154) in-kind ordinary shares of the Company shall be issued after the completion of the Al Hokair Transaction.

The Al Hokair Transaction involves the purchase of:

- a- the DoubleTree by Hilton Hotel in Riyadh, Al Murooj District, along with the land and real estate assets on which it is located, namely Plot No. 2155 of Plan No. 1578/A with an area of 1,250 square meters; Plot No. 2157 of Plan No. 1578/A with an area of 1,250 square meters; Plot No. 2159 of Plan No. 1578/A with an area of 1,250 square meters; and Plot No. 2161 of Plan No. 1578/A with an area of 1,750 square meters, all of which are located at Northern Ring Branch Road, Al Murooj District, Riyadh, Kingdom of Saudi Arabia (collectively referred to as the "**DoubleTree by Hilton Hotel**");
- b- the Radisson Blu Hotel, Jeddah Corniche, along with the land and real estate assets on which it is located, namely a plot (unnumbered) registered pursuant to Deed No. 320227006656, dated 02/06/1439H (corresponding to 18/02/2018G), within the South Obhur Plan, with an area of 3,610.5 square meters, located on Corniche Road, South Obhur District, Jeddah Kingdom of Saudi Arabia (referred to as the "**Radisson Blu Hotel**"); and
- c- the Holiday Inn Jeddah Gateway Hotel on Al Madinah Road, along with the land and real estate assets on which it is located, namely Plot No. 528/A of Plan No. 477/3/P, with an area of 1,000 square meters, and Plot No. 530/A of Plan No. 477/3/P, with an area of 1,000 square meters, both located Al-Madinah Al-Munawwarah Road, An Nuzha District, Jeddah, Kingdom of Saudi Arabia (referred to as the "**Holiday Inn Hotel**"),

(referred to as the "**Al Hokair Transaction Assets**"). The Al Hokair Transaction Assets shall be acquired in exchange for the issuance of two hundred and thirty-nine million, three hundred and ninety thousand, one hundred and fifty-four (239,390,154) ordinary shares in the Company, equivalent to 38.61% of the Company's share capital after the Capital Increase (in the event both of the Transactions are approved) (referred to as the "**Al Hokair Shares**") in favor of Al Hokair Holding Company in accordance with the provisions of the Al Hokair Agreement (referred to as the "**Al Hokair Transaction**").

The following tables show the statement of profit or loss for each of the AI Hokair Transaction Assets:

**Table (3.1): Statement of Profit or Loss for DoubleTree by Hilton Hotel**

SAR	Financial Year Ended 31 December 2022G	Financial Year Ended 31 December 2023G	Financial Year Ended 31 December 2024G	Nine-Month Period Ended 30 September 2024G	Nine-Month Period Ended 30 September 2025G
Revenue	42,597,543	48,617,647	52,739,894	37,754,502	32,697,777
Direct costs	(30,433,078)	(32,273,211)	(30,089,045)	(23,973,423)	(22,135,286)
<b>Gross profit</b>	<b>12,164,466</b>	<b>16,344,436</b>	<b>22,650,849</b>	<b>13,781,079</b>	<b>10,562,491</b>
Sales and marketing expenses	(3,088,901)	(3,018,098)	(4,018,257)	(2,557,764)	(2,341,942)
General and administrative expenses	(7,421,698)	(8,209,551)	(7,812,498)	(6,706,749)	(6,755,520)
Other income	-	-	-	-	-
Provision/ (reversal) of impairment loss on accounts receivable	64,374	(19,458)	(17,641)	(556,102)	(42,843)
<b>Net profit for the period</b>	<b>1,718,240</b>	<b>5,097,329</b>	<b>10,802,452</b>	<b>3,960,464</b>	<b>1,422,186</b>

**Note (1):** Direct costs include lease expenses incurred by the Company under a revenue-sharing agreement, whereby AI Hokair Holding Company is entitled to 20% of the hospitality revenue of the DoubleTree by Hilton Hotel, up to a maximum value of SAR 8,000,000 per year.

**Note (2):** DoubleTree by Hilton Hotel revenue declined during the nine-month period ended September 2025G, falling from SAR 37,754,502 during the nine-month period ended 30 September 2024, to SAR 32,699,777 during the nine-month period ended 30 September 2025G. This decline is mainly attributable to lower demand from corporate customers.

Source: The Company.

**Table (3.2): Statement of Profit or Loss for Radisson Blu Hotel**

SAR	Financial Year Ended 31 December 2022G	Financial Year Ended 31 December 2023G	Financial Year Ended 31 December 2024G	Nine-Month Period Ended 30 September 2024G	Nine-Month Period Ended 30 September 2025G
Revenue	32,439,984	37,554,539	31,945,962	24,741,725	27,031,663
Direct costs	(20,345,269)	(22,669,189)	(21,270,278)	(16,497,034)	(17,510,370)
<b>Gross profit</b>	<b>12,094,715</b>	<b>14,885,350</b>	<b>10,675,685</b>	<b>8,244,691</b>	<b>9,521,293</b>
Sales and marketing expenses	(1,436,905)	(1,766,182)	(1,609,795)	(1,211,276)	(1,390,288)
General and administrative expenses	(3,852,867)	(4,384,485)	(4,108,341)	(3,143,742)	(3,001,828)
Other income	-	-	1,036	1,024	311

SAR	Financial Year Ended 31 December 2022G	Financial Year Ended 31 December 2023G	Financial Year Ended 31 December 2024G	Nine-Month Period Ended 30 September 2024G	Nine-Month Period Ended 30 September 2025G
Provision/ (reversal) of impairment loss on accounts receivable	(139,000)	(762,810)	259,858	(7,196)	(22,780)
<b>Net profit for the period</b>	<b>6,665,943</b>	<b>7,971,873</b>	<b>5,218,444</b>	<b>3,883,502</b>	<b>5,106,708</b>

**Note:** Direct costs include lease expenses incurred by the Company under a revenue-sharing agreement, whereby Al Hokair Holding Company is entitled to 20% of the hospitality revenue of the Radisson Blu Hotel, up to a maximum value of SAR 8,000,000 per year.

Source: The Company.

**Table (3.3): Statement of Profit or Loss for Holiday Inn Hotel**

SAR	Financial Year Ended 31 December 2022G	Financial Year Ended 31 December 2023G	Financial Year Ended 31 December 2024G	Nine-Month Period Ended 30 September 2024G	Nine-Month Period Ended 30 September 2025G
Revenue	19,307,063	27,129,961	27,043,862	20,845,744	18,711,820
Direct costs	(16,277,864)	(19,686,321)	(17,329,590)	(12,924,037)	(11,983,464)
<b>Gross profit</b>	<b>3,029,198</b>	<b>7,443,639</b>	<b>9,714,272</b>	<b>7,921,708</b>	<b>6,728,355</b>
Sales and marketing expenses	(959,857)	(1,141,949)	(854,521)	(726,053)	(578,448)
General and administrative expenses	(3,005,344)	(3,871,677)	(3,674,707)	(2,507,791)	(2,485,033)
Other income	138	-	-	-	1,512
Provision/ (reversal) of impairment loss on accounts receivable	(178,957)	(34,440)	(153,803)	34,440	-
<b>Net profit for the period</b>	<b>(1,114,822)</b>	<b>2,395,573</b>	<b>5,031,241</b>	<b>4,722,304</b>	<b>3,666,387</b>

**Note:** Direct costs include lease expenses incurred by the Company under a revenue-sharing agreement, whereby Al Hokair Holding Company is entitled to 20% of the hospitality revenue of the Holiday Inn Hotel, up to a maximum value of SAR 7,500,000 per year.

Source: The Company.

The Transactions will be completed in exchange for the issuance and allocation of the Consideration Shares in favor of the Receiving Companies of the Al Oula Shares, in consideration of the Sellers' in-kind contribution of the Real Estate Assets. The total number of issued Consideration Shares is three hundred and four million, nine hundred and sixty-six thousand, nine hundred and thirty-six (304,966,936) shares, with a total nominal value of three hundred and four million, nine hundred and sixty-six thousand, nine hundred and thirty-six Saudi Riyals (SAR 304,966,936). These shares will be issued through an increase of 96.81% in the Company's current share capital, from three hundred and fifteen million Saudi Riyals (SAR 315,000,000) to six hundred and nineteen million, nine hundred and sixty-six thousand, nine hundred and thirty-six Saudi Riyals (SAR 619,966,936), and an increase in the number of its shares from three hundred and fifteen million (315,000,000) ordinary shares to six hundred and nineteen million, nine hundred and sixty-six thousand, nine hundred and thirty-six (619,966,936) ordinary shares with a nominal value of one Saudi Riyal (SAR 1) per share.

The following table details the consideration for each of the Transactions:

**Table (3.4): Details of the Consideration for the Transactions**

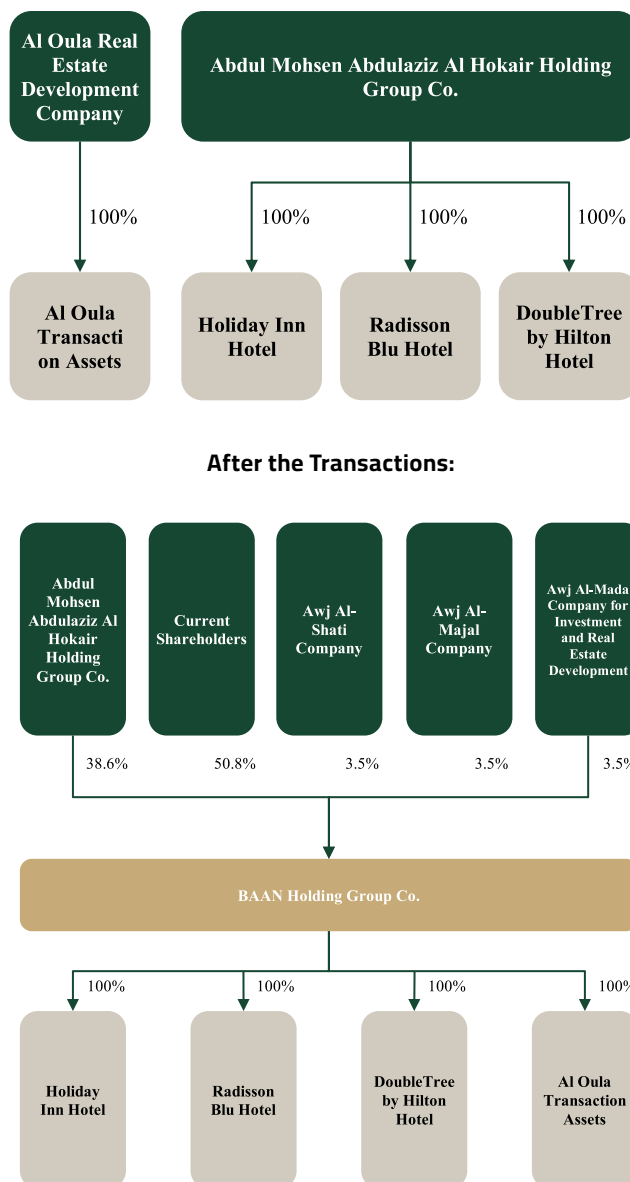
	AI Oula Transaction Assets	AI Hokair Transaction Assets	Real Estate Assets (Total Assets of the AI Oula Transaction and AI Hokair Transaction)
<b>Valuation of the Real Estate Assets</b>	<p>The average value of the AI Oula Transaction Assets, between AI Nokhba Real Estate Valuation Co. ("AI Nokhba") and Professional Realtors Company LLC ("Colliers"), amounts to SAR 174,871,502.</p> <p>The Company has agreed, with AI Oula Real Estate Development Company and Ajdan Real Estate Development Company, to value the AI Oula Transaction Assets at an amount of SAR 178,500,000.</p>	<p>The average value of the AI Hokair Transaction Assets, between AI-Taweel Real Estate Valuation Company ("Aurisage") and Valie and Partner Real Estate Valuation Company ("Valie Company"), amounts to SAR 726,173,500.</p> <p>The Company has agreed with AI Hokair Holding Company to value the AI Hokair Transaction Assets at an amount of SAR 651,620,000.</p>	<p>The total average value of both the AI Oula Transaction Assets and the AI Hokair Transaction Assets, between the Real Estate Valuers, amounts to SAR 901,045,002.</p> <p>The Company has agreed, with AI Oula Real Estate Development Company and Ajdan Real Estate Development Company in respect of the AI Oula Transaction, and with AI Hokair Holding Company in respect of the AI Hokair Transaction, to value the Real Estate Assets at a total amount of SAR 830,120,000.</p>
<b>Valuation of the Company's Shares (for the purpose of the Transactions)</b>	The Consideration Shares have been valued based on the three-month volume-weighted average price (VWAP) of the Company's share of SAR 2.722 as at 25/06/1446H (corresponding to 26/12/2024G) (which is the date agreed upon for the purpose of determining the price of the Consideration Shares).		
<b>Total Market Value of the Issued Shares (based on the three-month volume-weighted average price of the Company's share of SAR 2.722 as at 25/06/1446H (corresponding to 26/12/2024G) (which is the date agreed upon for the purpose of determining the price of the Consideration Shares))</b>	SAR 178,500,000.	SAR 651,620,000.	SAR 830,120,000.
<b>Total Number of Issued Shares</b>	65,576,782 shares.	239,390,154 shares.	304,966,936 shares.
<b>Total Nominal Value of the Issued Shares</b>	SAR 65,576,782.	SAR 239,390,154.	SAR 304,966,936.
<b>Company Valuation</b>	The market value of the Company is SAR 774,900,000 based on the Company's share closing price of SAR 2.46 as at 25/06/1446H (corresponding to 26/12/2024G) (which is the agreed-upon date for the purpose of determining the price of the Consideration Shares).		

Source: The Company.

Upon Completion of the Transactions and the Capital Increase, the current shareholders of the Company will own 50.81% of the Company's share capital, while the Receiving Companies of the Consideration Shares will own 49.19% of the Company's share capital in aggregate. The Receiving Companies of the AI Oula Shares will own 10.58% of the Company's share capital, while AI Hokair Holding Company will own 38.61% of the Company's share capital. For further details on the ownership structure of the Company before and after the Completion of the Transactions, please refer to Section (3.5) ("Ownership Structure Before and After the Transactions") of this Circular

The following is a simplified model of the structure of the Transactions:

**Figure (3.1): Structure of the Transactions**



### 3.1 Rationale and Motives for the Purchase

On 28/06/1446H (corresponding to 29/12/2024G), the Company announced the conclusion of the Transaction Agreements with Al Oula Real Estate Development Company and Al Hokair Holding Company. The Completion of the Transactions will take place in consideration of the issuance and allocation of the Consideration Shares in favor of the Receiving Companies of the Consideration Shares in exchange for the Sellers' in-kind contribution of the Real Estate Assets.

The Transactions are consistent with the Company's strategy and are expected to contribute to enhancing sustainable shareholder value in the long term, based on the following reasons:

### 1- Increase in Shareholders' Equity:

The Transactions are expected to contribute substantially to the Issuer's growth by increasing revenue and profitability, which will reflect positively on shareholders' equity. Furthermore, the acquisition of high-value real estate assets will contribute to raising the material value of the Company's shares and support sustainable profit growth. Such an impact is anticipated to be seen in the short term through an improvement in earnings per share, which will increase investor confidence and consolidate the Company's market position.

### 2- Improvement in Earnings Per Share:

The Transactions will lead to an improvement in the Issuer's earnings per share in the short term through two key mechanisms: (a) the acquisition of the Al Oula Transaction Assets which are expected to generate revenue in future, and (b) the elimination of lease obligations related to the Al Hokair Transaction Assets. Upon the Completion of the Transactions, the Issuer will fully own the Real Estate Assets, leading to the cancellation of periodic lease payments and a reduction in operating expenses. This structural shift will contribute to bolstering profit margin efficiency and strengthening the Company's financial performance.

### 3- Expansion of the Asset Base and Strengthened Financial Position:

The Transactions will lead to an increase in the Issuer's assets by approximately eight hundred and thirty million, one hundred and twenty thousand Saudi Riyals (SAR 830,120,000), which will reflect positively on the strength of the Company's financial position. Such expansion will contribute to enhancing the Issuer's credit profile and increasing its financial flexibility, enabling it to obtain improved financing terms and capitalize on future growth opportunities with greater flexibility and efficiency.

### 4- Improvement in Liquidity:

The acquisition of the revenue-generating Al Hokair Transaction Assets and the Al Oula Transaction Assets which are expected to generate revenue in future, along with the termination of existing lease agreements, will contribute to improved liquidity, as the cancellation of lease payments will lead to a substantial reduction in fixed costs, which will reflect positively on improving the Issuer's cash flows. This improvement in liquidity will also enable the Issuer to enhance its capacity to reinvest in core operational activities, strengthen its ability to distribute dividends, and finance future strategic initiatives'.

## 3.2 Overview of the Real Estate Assets

### 3.2.1 Al Oula Transaction Assets:

Real estate assets consisting of 86 residential units, representing all of the residential units located in the Mid-Rise component of the Ajdan Waterfront Project Tower in Al Khobar on Plot No. 12/2 of Plan No. 356/2, with a total area of approximately 12,000 square meters, and located on Corniche Road, Al Khobar, Kingdom of Saudi Arabia.

### 3.2.2 Al Hokair Transaction Assets:

- 1- DoubleTree by Hilton Hotel in Riyadh, Al Murooj District, along with the land and real estate assets on which it is located, namely Plot No. 2155 of Plan No. 1578/A with an area of 1,250 square meters; Plot No. 2157 of Plan No. 1578/A with an area of 1,250 square meters; Plot No. 2159 of Plan No. 1578/A with an area of 1,250 square meters; and Plot No. 2161 of Plan No. 1578/A with an area of 1,750 square meters, all of which are located on the Northern Ring Branch Road, Al Murooj District, Riyadh, Kingdom of Saudi Arabia (collectively referred to as the "**DoubleTree by Hilton Hotel**"). Since the Company is currently the owner of the DoubleTree by Hilton Hotel, which is operated under the provisions of the DoubleTree by Hilton Hotel Management Agreement (for further information regarding the DoubleTree by Hilton Hotel Management Agreement, please refer to Section (1.1.8) ("**Risks Related to the DoubleTree by Hilton Hotel Agreements**") of this Circular), it will, upon the completion of the Al Hokair Transaction, become the owner of both the DoubleTree by Hilton Hotel and the land and real estate assets on which it is located;

- 2- Radisson Blu Hotel, Jeddah Corniche, along with the land and real estate assets on which it is located, namely a plot (unnumbered) registered pursuant to Deed No. 320227006656, dated 02/06/1439H (corresponding to 18/02/2018G), within the South Obhur Plan, with an area of 3,610.5 square meters, located on Corniche Road, South Obhur District, Jeddah, Kingdom of Saudi Arabia (referred to as the "**Radisson Blu Hotel**"). Since the Company is currently the owner of the Radisson Blu Hotel, which is operated under the provisions of the Radisson Blu Hotel Management Agreement (for further information regarding the Radisson Blu Hotel Management Agreement, please refer to Section (1.1.9) ("**Risks Related to the Radisson Blu Hotel Agreements**") of this Circular), it will, upon the completion of the Al Hokair Transaction, become the owner of both the Radisson Blu Hotel and the land and real estate assets on which it is located; and
- 3- Holiday Inn Jeddah Gateway Hotel on Al Madinah Road, along with the land and real estate assets on which it is located, namely Plot No. 528/A of Plan No. 3/477/P, with an area of 1,000 square meters, and Plot No. 530/A of Plan No. 3/477/P, with an area of 1,000 square meters, both located on Al-Madinah Al-Munawwarah Road, An Nuzha District, Jeddah, Kingdom of Saudi Arabia (referred to as the "**Holiday Inn Hotel**"). Since the Company is currently the owner of the Holiday Inn Hotel, which is operated under the provisions of the Holiday Inn Hotel Franchise Agreement (for further information regarding the Holiday Inn Hotel Franchise Agreement, please refer to Section (1.1.10) ("**Risks Related to the Holiday Inn Hotel Agreements**") of this Circular), it will, upon the completion of the Al Hokair Transaction, become the owner of both the Holiday Inn Hotel and the land and real estate assets on which it is located.

It should be noted that as at the date of this Circular and in addition to the Al Hokair Transaction Assets, the Company leases from Al Hokair Holding Company the real estate assets in which the following hotels are located, which are owned by Al Hokair Holding Company:

#### Central Province – Riyadh

- Andalusia Hotel Riyadh

#### Eastern Province – Khobar and Dammam

- Golden Tulip Hotel Khobar
- Holiday Inn Hotel Khobar
- Holiday Inn Hotel Corniche Khobar
- Park Inn Hotel Dammam

#### Western Province – Yanbu and Jeddah

- Novotel Hotel Yanbu
- Radisson Blu Plaza Hotel Jeddah
- Al Hamra Hotel Jeddah

In this respect, the Al Hokair Transaction Assets have been selected, amongst the remaining hotels leased by the Company and owned by Al Hokair Holding Company, for the following reasons:

- 1- **Financial performance:** the Al Hokair Transaction Assets have the best financial performance amongst the hotels leased from Al Hokair Holding Company in terms of revenues and profit margin, whereby the Al Hokair Transaction Assets' revenues comprise an aggregate of approximately 33% of revenues within the hospitality sector, and 16% of the Company's revenues.
- 2- **Geographical location:** the Al Hokair Transaction Assets are located in prime and desirable geographical locations in each of Riyadh and Jeddah, and their real estate appeal is expected to increase in the future.
- 3- **Lease impact:** lease expenses for the Al Hokair Transaction Assets are the highest amongst the hotels leased from Al Hokair Holding Company. Owning the Al Hokair Transaction Assets will contribute to achieving a greater positive impact on the Company's profit margin, cash flows, and profit before depreciation and interest

### 3.2.3 Ownership of the Board of Directors

The following table details the ownership of the Company's Directors as at 16/06/1447H (corresponding to 07/12/2025G):

**Table (3.5): Ownership of the Company's Directors**

Name	Position	Capacity	Representation	Ownership in the Company			
				Direct Ownership	Indirect Ownership <sup>(1)</sup>	Total	Percentage
Sami Bin Abdul Mohsen Bin Abdulaziz Al Hokair	Chairman	Non-Executive	-	N/A	6,264,373	N/A	1.99%
Faisal bin Mohammed bin Ibrahim AlMalik	Vice Chairman	Non-Executive	-	N/A	N/A	N/A	-
Fahad bin Mohammed bin Saleh Al-Obailan	Director	Executive (CEO)	-	74,430	N/A	74,430	0.02%
Yanal Mowaffaq Sadiq Al-Saudi	Director	Independent	-	N/A	N/A	N/A	-
Salem bin Ali bin Mohammed Al-Shahrani	Director	Independent	-	N/A	N/A	N/A	-
Meshal bin Ibrahim Suleiman Al-Shenaifi	Director	Independent	-	N/A	N/A	N/A	-
Nabil bin Dawud bin Suleiman Al-Hoshan	Director	Independent	-	N/A	N/A	N/A	-

Source: The Company.

### 3.3 Governance of the Board of Directors After the Completion of the Transactions

The Company does not seek to make any changes to its current Board of Directors or Executive Management as a result of the Transaction.

### 3.4 Related Parties and Interested Directors in the Al Hokair Transaction

#### 3.4.1 Related Parties in the Al Hokair Transaction

The Al Hokair Transaction involves Related Parties, where Al Hokair Holding Company is considered a Related Party given that it is controlled by the owners of Abdul Mohsen Al Hokair & Sons Co. Ltd., which is a Substantial Shareholder in the Company. Namely, the persons whose names are listed below directly own Abdul Mohsen Al Hokair & Sons Co. Ltd. in addition to their indirect ownership in Al Hokair Holding Company:

- 1- Abdul Mohsen Abdulaziz Fahad Al Hokair, who indirectly owns 0.43% in Al Hokair Holding Company through his direct ownership of a total of 4,167 shares in the share capital of Alam Al Tafaseel Co. Ltd. (equivalent to 16.67% of its share capital), which in turn directly owns a total of 2,158 shares in the share capital of Khalid Abdul Mohsen Al Hokair Sons Co. Ltd. (equivalent to 21.58% of its share capital), which in turn directly owns a total of 12,000 shares in the share capital of Al Hokair Holding Company (equivalent to 12.00% of its share capital). He also directly owns 58.75% in Abdul Mohsen Al Hokair & Sons Co. Ltd., and directly owns 12.47% in the Company (and thus effectively owns 28.05% of the Company's share capital before the Capital Increase);
- 2- Msaed Abdul Mohsen Al Hokair, who indirectly owns 17.87% of Al Hokair Holding Company, and also directly owns 7.50% of Abdul Mohsen Al Hokair & Sons Co. Ltd. (and thus effectively owns 1.99% of the Company's share capital before the Capital Increase);

- 3- Majed Abdul Mohsen Al Hokair, who indirectly owns 17.87% of Al Hokair Holding Company, and also directly owns 7.50% of Abdul Mohsen Al Hokair & Sons Co. Ltd. (and thus effectively owns 1.99% of the Company's share capital before the Capital Increase);
- 4- Sami Bin Abdul Mohsen Bin Abdulaziz Al Hokair, who indirectly owns 17.87% of Al Hokair Holding Company, and also directly owns 7.50% of Abdul Mohsen Al Hokair & Sons Co. Ltd. (and thus effectively owns 1.99% of the Company's share capital before the Capital Increase);
- 5- Feryal Abdul Mohsen Al Hokair, who indirectly owns 4.32% of Al Hokair Holding Company, and also directly owns 3.75% of Abdul Mohsen Al Hokair & Sons Co. Ltd. (and thus effectively owns 0.99% of the Company's share capital before the Capital Increase);
- 6- Majidah Abdul Mohsen Al Hokair, who indirectly owns 4.32% of Al Hokair Holding Company, and also directly owns 3.75% of Abdul Mohsen Al Hokair & Sons Co. Ltd. (and thus effectively owns 0.99% of the Company's share capital before the Capital Increase);
- 7- Mishal Abdul Mohsen Al Hokair, who indirectly owns 13.87% of Al Hokair Holding Company, and also directly owns 7.50% of Abdul Mohsen Al Hokair & Sons Co. Ltd. (and thus effectively owns 1.99% of the Company's share capital before the Capital Increase); and
- 8- Mashael Abdul Mohsen Al Hokair, who indirectly owns 4.32% of Al Hokair Holding Company, and also directly owns 3.75% of Abdul Mohsen Al Hokair & Sons Co. Ltd. (and thus effectively owns 0.99% of the Company's share capital before the Capital Increase).

The aforementioned parties, in addition to the parties Acting in Concert with Abdul Mohsen Abdulaziz Fahad Al Hokair in their capacity as members of his family, namely the late Bandar Khalid Bin Abdul Mohsen Al Hokair (and his heirs), Badr Khalid Bin Abdul Mohsen Al Hokair, and Ahmed Khalid Bin Abdul Mohsen Al Hokair (in the event any of them is a direct shareholder in the Company), including Abdul Mohsen Al Hokair & Sons Co. Ltd., shall refrain from voting on the Al Hokair Transaction Resolutions. Al Fozan Holding, a closed joint stock company, Abdul Qadir Al Muhaidib & Sons Co., a closed joint stock company, Sumou Global Investment, Al Oula Real Estate Development Company, Ajdan Real Estate Development Company and the Receiving Companies of the Al Oula Shares (in the event any of them is a direct shareholder in the Company) shall also refrain from voting on the Transaction Resolutions.

### 3.4.2 Interests of the Directors in the Al Hokair Transaction

Each of the Chairman Mr. Sami Bin Abdul Mohsen Bin Abdulaziz Al Hokair and the Director Mr. Faisal bin Mohammed bin Ibrahim AlMalik have an interest in the Al Hokair Transaction (referred to as the "**Interested Directors in the Al Hokair Transaction**"), which they disclosed to the Board of Directors, considering that Mr. Sami Bin Abdul Mohsen Bin Abdulaziz Al Hokair is also a director in Al Hokair Holding Company and Mr. Faisal bin Mohammed bin Ibrahim AlMalik also holds the position of chief executive officer at Al Hokair Holding Company. As such, each of the Interested Directors in the Al Hokair Transaction has refrained from participating in voting on the Al Hokair Transaction Resolutions.

The table below details the indirect ownership of the Interested Directors in the Al Hokair Transaction in the Company and in Al Hokair Holding Company as at 16/06/1447H (corresponding to 07/12/2025G):

**Table (3.6): Details of the Indirect Ownership of the Interested Directors in the Al Hokair Transaction in the Company and in Al Hokair Holding Company as at 16/06/1447H (corresponding to 07/12/2025G):**

Name	Nature of Interest	Direct Ownership	Indirect Ownership <sup>(1)</sup>	Total	Percentage
<b>Ownership in the Company</b>					
Sami Bin Abdul Mohsen Bin Abdulaziz Al Hokair	Chairman of the Company's Board of Directors and a director of Al Hokair Holding Company	N/A	6,264,373	N/A	1.99%
		<b>Ownership in Al Hokair Holding Company</b>			
		N/A	17,866	17,866	17.87%

Name	Nature of Interest	Direct Ownership	Indirect Ownership <sup>(1)</sup>	Total	Percentage
<b>Ownership in the Company</b>					
Faisal bin Mohammed bin Ibrahim AlMalik	Director of the Company and CEO of Al Hokair Holding Company	N/A	N/A	N/A	-
<b>Ownership in Al Hokair Holding Company</b>					
		N/A	N/A	N/A	-

Source: The Company.

(1) Includes shares in which they have an indirect interest, namely shares owned directly by: (i) companies controlled by the Director; (ii) relatives of the Director, i.e., his wife and minor children; or (iii) the entity represented by the Director.

### 3.5 Ownership Structure Before and After the Transactions

Upon Completion of the Transactions, Al Hokair Holding Company will be a Substantial Shareholder in the Company, while the Receiving Companies of the Al Oula Shares shall be presumed as parties Acting in Concert, as they are considered members of the same group. It should be noted that Ajdan Real Estate Development Company directly and indirectly owns all of the Receiving Companies of the Al Oula Shares. The following table details the ownership of the Company's Substantial Shareholders, the Directors, Senior Executives and the Public before the Completion of the Transactions, as at 16/06/1447H (corresponding to 07/12/2025G), and thereafter:

**Table (3.7): Details of the Ownership in the Company Before and After the Completion of the Transactions (in the event of Completion of the Transactions)**

Shareholder	Before Completion of the Transactions		After Completion of the Transactions	
	Number of Shares in the Company	Ownership Percentage in the Company	Number of Shares in the Company	Ownership Percentage in the Company
Abdul Mohsen Al Hokair & Sons Co. Ltd.	83,524,970	26.52%	83,524,970	13.47%
Abdul Mohsen Abdulaziz Fahad Al Hokair <sup>(1)</sup>	39,271,040	12.47%	39,271,040	6.33%
Al Hokair Holding Company	-	-	239,390,154	38.61%
Awj Al-Mada Company <sup>(2)</sup>	-	-	21,858,928	3.53%
Awj Al-Majal Company <sup>(2)</sup>	-	-	21,858,927	3.53%
Awj Al-Shati Company <sup>(2)</sup>	-	-	21,858,927	3.53%
Company Directors <sup>(3)</sup>	74,430	0.02%	74,430	0.01%
Non-Public <sup>(4)</sup>	3,401,495	1.08%	3,401,495	0.55%
Public	188,728,065	59.91%	188,728,065	30.44%
<b>Total</b>	<b>315,000,000</b>	<b>100%</b>	<b>619,966,936</b>	<b>100%</b>

Source: The Company.

(1) This includes shares directly owned by Abdul Mohsen Abdulaziz Fahad Al Hokair in the Company. It should be noted that he indirectly owns 15.58% of the Company's share capital before the Capital Increase through his direct ownership of a total of 5,875 shares in the share capital of Abdul Mohsen Al Hokair & Sons Co. Ltd. (equivalent to 58.75% of its share capital) (and thus effectively owns 28.05% of the Company's share capital before the Capital Increase).

(2) The Receiving Companies of the Al Oula Shares shall be presumed as parties Acting in Concert, collectively owning 10.58% of the Company's share capital after the Capital Increase resulting from the Completion of the Transactions, as they are considered members of the same group. It should be noted that Ajdan Real Estate Development Company directly and indirectly owns all of the Receiving Companies of the Al Oula Shares.

(3) Based on shares directly owned by members of the Company's Board of Directors. For further details regarding indirect ownership, please refer to Section (3.2.3) ("Ownership of the Board of Directors").

(4) The non-Public category comprises the following: (a) the late Mr. Bandar Khalid Bin Abdul Mohsen Al Hokair (and his heirs) (who owns 0.48% of the Company's share capital before the Capital Increase), (b) Mr. Badr Khalid Bin Abdul Mohsen Al Hokair (who owns 0.51% of the Company's share capital before the Capital Increase), and (c) Mr. Ahmed Khalid Bin Abdul Mohsen Al Hokair (who owns 0.09% of the Company's share capital before the Capital Increase), who shall be presumed to be Acting in Concert with Abdul Mohsen Abdulaziz Fahad Al Hokair in their capacity as members of his family.

In the event that the Al Oula Transaction is completed separately from the Al Hokair Transaction and the Al Hokair Transaction is not completed, the details of the ownership of the Company's Substantial Shareholders, the Directors, Senior Executives and the Public before the completion of the Al Oula Transaction, as at 16/06/1447H (corresponding to 07/12/2025G) and thereafter, will be as set out in the following table:

**Table (3.8): Details of the Ownership in the Company Before and After the Completion of the Al Oula Transaction (in the event only the Al Oula Transaction is completed)**

Shareholder	Before Completion of the Al Oula Transaction		After Completion of the Al Oula Transaction	
	Number of Shares in the Company	Ownership Percentage in the Company	Number of Shares in the Company	Ownership Percentage in the Company
Abdul Mohsen Al Hokair & Sons Co. Ltd.	83,524,970	26.52%	83,524,970	21.95%
Abdul Mohsen Abdulaziz Fahad Al Hokair <sup>(1)</sup>	39,271,040	12.47%	39,271,040	10.32%
Al Hokair Holding Company	-	-	-	-
Awj Al-Mada Company <sup>(2)</sup>	-	-	21,858,928	5.74%
Awj Al-Majal Company <sup>(2)</sup>	-	-	21,858,927	5.74%
Awj Al-Shati Company <sup>(2)</sup>	-	-	21,858,927	5.74%
Company Directors <sup>(3)</sup>	74,430	0.02%	74,430	0.02%
Non-Public <sup>(4)</sup>	3,401,495	1.08%	3,401,495	0.89%
Public	188,728,065	59.91%	188,728,065	50.41%
<b>Total</b>	<b>315,000,000</b>	<b>100%</b>	<b>380,576,782</b>	<b>100%</b>

Source: The Company.

(1) This includes shares directly owned by Abdul Mohsen Abdulaziz Fahad Al Hokair in the Company. It should be noted that he indirectly owns 15.58% of the Company's share capital before the Capital Increase through his direct ownership of a total of 5,875 shares in the share capital of Abdul Mohsen Al Hokair & Sons Co. Ltd. (equivalent to 58.75% of its share capital) (and thus effectively owns 28.05% of the Company's share capital before the Capital Increase).

(2) The Receiving Companies of the Al Oula Shares shall be presumed as parties Acting in Concert, collectively owning 10.58% of the Company's share capital after the Capital Increase resulting from the Completion of the Transactions, as they are considered members of the same group. It should be noted that Ajdan Real Estate Development Company directly and indirectly owns all of the Receiving Companies of the Al Oula Shares.

(3) Based on shares directly owned by members of the Company's Board of Directors. For further details regarding indirect ownership, please refer to Section (3.2.3) ("**Ownership of the Board of Directors**").

(4) The non-Public category comprises the following: (a) the late Mr. Bandar Khalid Bin Abdul Mohsen Al Hokair (and his heirs) (who owns 0.48% of the Company's share capital before the Capital Increase), (b) Mr. Badr Khalid Bin Abdul Mohsen Al Hokair (who owns 0.51% of the Company's share capital before the Capital Increase), and (c) Mr. Ahmed Khalid Bin Abdul Mohsen Al Hokair (who owns 0.09% of the Company's share capital before the Capital Increase), who shall be presumed to be Acting in Concert with Abdul Mohsen Abdulaziz Fahad Al Hokair in their capacity as members of his family.

In the event that the Al Hokair Transaction is completed separately from the Al Oula Transaction and the Al Oula Transaction is not completed, the details of the ownership of the Company's Substantial Shareholders, the Directors, Senior Executives and the Public before the completion of the Al Hokair Transaction, as at 16/06/1447H (corresponding to 07/12/2025G) and thereafter, will be as set out in the following table:

**Table (3.9): Details of the Ownership in the Company Before and After the Completion of the Al Hokair Transaction (in the event only the Al Hokair Transaction is completed)**

Shareholder	Before Completion of the Al Hokair Transaction		After Completion of the Al Hokair Transaction	
	Number of Shares in the Company	Ownership Percentage in the Company	Number of Shares in the Company	Ownership Percentage in the Company
Abdul Mohsen Al Hokair & Sons Co. Ltd.	83,524,970	26.52%	83,524,970	15.07%
Abdul Mohsen Abdulaziz Fahad Al Hokair <sup>(1)</sup>	39,271,040	12.47%	39,271,040	7.08%
Al Hokair Holding Company	-	-	239,390,154	43.18%
Awj Al-Mada Company	-	-	-	-
Awj Al-Majal Company	-	-	-	-
Awj Al-Shati Company	-	-	-	-
Company Directors <sup>(2)</sup>	74,430	0.02%	74,430	0.01%
Non-Public <sup>(3)</sup>	3,401,495	1.08%	3,401,495	0.61%
Public	188,728,065	59.91%	188,728,065	34.04%
<b>Total</b>	<b>315,000,000</b>	<b>100%</b>	<b>554,390,154</b>	<b>100%</b>

Source: The Company.

(1) This includes shares directly owned by Abdul Mohsen Abdulaziz Fahad Al Hokair in the Company. It should be noted that he indirectly owns 15.58% of the Company's share capital before the Capital Increase through his direct ownership of a total of 5,875 shares in the share capital of Abdul Mohsen Al Hokair & Sons Co. Ltd. (equivalent to 58.75% of its share capital) (and thus effectively owns 28.05% of the Company's share capital before the Capital Increase).

(2) Based on shares directly owned by members of the Company's Board of Directors. For further details regarding indirect ownership, please refer to Section (3.2.3) ("Ownership of the Board of Directors").

(3) The non-Public category comprises the following: (a) the late Mr. Bandar Khalid Bin Abdul Mohsen Al Hokair (and his heirs) (who owns 0.48% of the Company's share capital before the Capital Increase), (b) Mr. Badr Khalid Bin Abdul Mohsen Al Hokair (who owns 0.51% of the Company's share capital before the Capital Increase), and (c) Mr. Ahmed Khalid Bin Abdul Mohsen Al Hokair (who owns 0.09% of the Company's share capital before the Capital Increase), who shall be presumed to be Acting in Concert with Abdul Mohsen Abdulaziz Fahad Al Hokair in their capacity as members of his family.

### 3.6 Valuation of the Real Estate Assets

The Company has appointed four real estate appraisers licensed by the Saudi Authority for Accredited Valuers (TAQEEM) to conduct appraisals of the Real Estate Assets, namely Al Nokhba Real Estate Valuation Co. ("Al Nokhba") and Professional Realtors Company LLC ("Colliers") with respect to the appraisal of the Al Oula Transaction Assets, and Al-Taweel Real Estate Valuation Company (Aurisage) ("Aurisage") and Valie and Partner Real Estate Valuation Company ("Valie Company") with respect to the appraisal of the Al Hokair Transaction Assets. These valuations are essential in order to accurately estimate the market value of the Real Estate Assets. The Financial Advisor (SNB Capital) relied on the average of the valuations of the real estate appraisers for the valuation of the Real Estate Assets, given their experience in this field.

The real estate appraisers followed two methods in valuing the Real Estate Assets, namely:

- **Market Method, which was used to value the Al Oula Transaction Assets:**

This method provides indications of value by comparing the subject asset with identical or comparable assets for which price information is available. The first step in this approach is to examine the transaction prices of identical or comparable assets that have recently been transacted in the market, even if the number of transactions is few. It is also preferable to examine the prices of identical or comparable assets listed or offered for sale, provided that this information is clear and has been objectively analyzed. The information related to the prices of those transactions must be adjusted to reflect the variations in the terms and conditions of the actual transaction, the basis of value and the assumptions adopted in the implemented valuation process. There may also be differences in the legal, economic and physical characteristics of the other transacted assets compared to the subject asset.

- **Income Method—Discounted Cash Flow Analysis, which was used to value the Al Hokair Transaction Assets:**

Discounted cash flow analysis is a financial modeling technique based on explicit assumptions regarding the expected future cash flows from a specific asset, such as a property. This analysis involves forecasting a series of periodic cash flows that the property is expected to generate in the future. These expected cash flows are discounted using an appropriate discount rate to reflect the present value of the financial flow associated with the property. This approach is considered one of the established methods for valuing assets, as it provides an accurate estimate based on potential future returns.

Accordingly, the valuation of the Al Hokair Transaction Assets is based on the discounted cash flow methodology, an established and appropriate approach given the income-generating nature of the Al Hokair Transaction Assets. This methodology reflects the time value of money by discounting the expected cash flows for each hotel, including room revenue, food and beverage revenue, operating expenses, property expenses, maintenance costs, utility and service costs, and other related cash flow items.

The discounted cash flow methodology is a best practice methodology for determining the fair value of assets in transactions between a buyer and seller on an independent basis. To clarify, the valuation of the Al Hokair Transaction Assets is not based on lease payments between the Company and Al Hokair Holding Company, as the Al Hokair Transaction Assets are managed and generate operating income outside the parameter of the lease agreements between the Company and Al Hokair Holding Company. For further details on the five-year assumed average net operating income for the Al Hokair Transaction Assets, please refer to Section (3.6.3) ("**Al Hokair Transaction Assets**").

It should be noted that one of the primary express assumptions is that the revenues and occupancy rates for the property have been calculated on an estimation basis using historical data for the property's income and occupancy rates for the hotels located within the property's area. The valuation of the Al Hokair Transaction Assets reflects the market value of the DoubleTree by Hilton Hotel, the Radisson Blu Hotel, and the Holiday Inn Hotel as if they had not been subject to their respective existing lease agreements. Accordingly, the appraisers excluded lease expenses between the Company and Al Hokair Holding Company when calculating cash flows, focusing the valuation on the cash-generating capacity of the Al Hokair Transaction Assets. This approach aligns with established valuation standards, ensuring consistency between hotel valuations, whether the hotels are leased or owned, and providing a clearer view of the assets' cash-generating potential independent of their respective lease agreements.

As of the date of this Circular, the Company leases each of the Al Hokair Transaction Assets from Al Hokair Holding Company pursuant to a revenue-sharing agreement. Pursuant to the revenue-sharing agreement, Al Hokair Holding Company is entitled to 20% of the hospitality revenues from the DoubleTree by Hilton Hotel, the Radisson Blu Hotel, and the Holiday Inn Hotel, up to a maximum of SAR 8,000,000 per annum (for the DoubleTree by Hilton Hotel and the Radisson Blu Hotel) and SAR 7,500,000 per annum (for the Holiday Inn Hotel). Upon completion of the Al Hokair Transaction, none of the lease agreements pertaining to the Al Hokair Transaction Assets will apply, as the Company will become the owner thereof. Consequently, the Company will not incur any lease expenses related to the Al Hokair Transaction Assets.

### **3.6.1 Impact of Issued Real Estate Regulations on the Real Estate Assets' Valuation**

It should be noted that the most recent real estate regulations as at the date of this Circular, including regulations relating to white land fees, vacant land fees, and regulating the relationship between lessors and lessees, do not impact the Real Estate Assets' valuations for the following reasons:

### 1- White land fees and vacant land fees

**In respect of the Al Hokair Transaction Assets:** all of the Al Hokair Transaction Assets (i.e., the DoubleTree by Hilton Hotel, the Radisson Blu Hotel, and the Holiday Inn Hotel) are fully constructed and operational and are not vacant lands. Therefore, the provisions related to vacant land fees do not apply to them.

**In respect of the Al Oula Transaction Assets:** the Al Oula Transaction Assets, consisting of the 86 residential units being acquired as part of the Al Oula Transaction, are part of a newly constructed real estate property, and the Company plans to lease them after the completion of the Al Oula Transaction. Accordingly, the Al Oula Transaction Assets are not expected to meet the definition of vacant land, nor are they expected to be subject to the provisions of white land and vacant land fees.

### 2- Regulating the relationship between lessors and lessees / rent freeze

**In respect of the Al Hokair Transaction Assets:** both the Radisson Blu Hotel and Holiday Inn Hotel are located in Jeddah, where the rent freeze does not apply. The DoubleTree by Hilton Hotel, located in Riyadh, has a revenue-sharing lease agreement pursuant to which Al Hokair Holding Company is entitled to 20% of the DoubleTree by Hilton Hotel's hospitality revenue, up to a maximum of SAR 8,000,000 per annum. The lease does not include any provisions on rent increases. Furthermore, following the completion of the Al Hokair Transaction, there will be no lease payments made by the Company to Al Hokair Holding Company, as the Company will become the owner of the DoubleTree by Hilton Hotel. The Company does not intend to lease the DoubleTree by Hilton Hotel to any third party. It should be noted that if the Al Hokair Transaction is not completed, Al Hokair Holding Company will be bound by the rent freeze until 03/04/1452H (corresponding to 03/08/2030G), unless said period is extended pursuant to a subsequent decision. It is also worth noting that the DoubleTree by Hilton Hotel Lease Agreement is valid until 21/05/1451H (corresponding to 30/09/2029G) and does not contain any provisions stipulating a rent increase during its term.

**In respect of the Al Oula Transaction Assets:** the Al Oula Transaction Assets are located in Khobar, and considering that rent freeze provisions apply exclusively in Riyadh, such provisions do not apply to the Al Oula Transaction Assets.

### 3.6.2 Al Oula Transaction Assets

The following table sets out the real estate appraisers' valuation of the Al Oula Transaction Assets based on the market method:

**Table (3.10): Al Nokhba's Valuation of the Al Oula Transaction Assets Based on the Market Method**

	Valuation by Al Nokhba (Market Method)
Sale Price After Adjustments - Comparable 1 (SAR/m <sup>2</sup> )	13,650
Relative Weight (%)	30%
Sale Price After Adjustments - Comparable 2 (SAR/m <sup>2</sup> )	13,766
Relative Weight (%)	30%
Sale Price After Adjustments - Comparable 3 (SAR/m <sup>2</sup> )	14,067
Relative Weight (%)	40%
Value per Square Meter (Approx.)	13,850
Escalation Rate per Two Floors (above the 4th floor)	3.5%
Average Price per Square Meter (Post-Proportional Escalation Rate)	14,572.77
Property Area (m <sup>2</sup> )	12,007.88
<b>Property Valuation (SAR)</b>	<b>174,988,048</b>

**Table (3.11): Colliers' Valuation of the Al Oula Transaction Assets Based on the Market Method**

	Valuation by Colliers (Market Method)		
	Apartment – One Bedroom and Studio	Apartment – Two Bedrooms	Apartment – Three Bedrooms
Sale Price After Adjustments - Comparable 1 (SAR/m <sup>2</sup> )	16,200	-	-
Relative Weight (%)	60%	-	-
Sale Price After Adjustments - Comparable 2 (SAR/m <sup>2</sup> )	12,000	13,125	12,705
Relative Weight (%)	40%	70%	70%
Sale Price After Adjustments - Comparable 3 (SAR/m <sup>2</sup> )	-	15,340	15,600
Relative Weight (%)	-	30%	30%
Value per Square Meter	14,520	13,790	13,574
Escalation Rate per Floor (above the 7 <sup>th</sup> floor)		5%	
Escalation Rate per Floor (above the 9 <sup>th</sup> floor)		10%	
Total Saleable Area (m <sup>2</sup> )	5,409	6,277	275
Property Valuation (SAR)	81,808,972	89,219,380	3,726,603
<b>Property Valuation (SAR)</b>		<b>174,754,955</b>	

The difference in the total area across the two reports is largely due to different measurement methodologies applied to the total area (e.g., including outdoor areas such as balconies, etc.).

**Table (3.12): Summary of Al Nokhba's and Colliers' Valuation of the Al Oula Transaction Assets Based on the Market Method and the Valuation Agreed Upon Between the Parties**

	Valuation by Al Nokhba	Valuation by Colliers
Property Type		Residential Building
Building Name		Ajdan Residence
Number of Residential Floors		8
Number of Residential Apartments		86
Total Property Value (SAR)	174,988,048	174,754,955
Average Real Estate Valuation (SAR)		174,871,502
<b>Property Value Agreed Upon between the Parties (SAR)</b>		<b>170,000,000</b>
<b>Real Estate Transaction Tax (RETT)</b>		<b>8,500,000</b>
<b>Total Property Value Agreed Upon between the Parties (SAR)</b>		<b>178,500,000</b>

### 3.6.3 AI Hokair Transaction Assets

#### 3.6.3.1 DoubleTree by Hilton Hotel

**Table (3.13): Real Estate Appraisers' Valuation of the DoubleTree by Hilton Hotel Based on the Income Method**

	Valuation by Aurisage (Income Method)	Valuation by Valie (Income Method)
Property Type		Hotel
Plot Area (sqm)		5,500
Capitalization Rate	7.4%	8.0%
Discount Rate	9.9%	10.0%
Growth Rate	2.5%	2.5%
Assumed Average Annual Net Operating Income Over Five Years (Before Accounting for the Time Value of Money Discount)	24,328,441	27,998,949
<b>Net Present Value (SAR) (Approx.)</b>	<b>318,530,000</b>	<b>341,362,000</b>
<b>Average Hotel Valuation (SAR)</b>	<b>329,946,000</b>	
<b>Total Hotel Value Agreed Upon between the Parties (SAR)</b>	<b>281,384,000</b>	

**Table (3.14): Average Valuation Multiple on Adjusted Net Profit for DoubleTree by Hilton Hotel**

(SAR)	Financial Year Ended 31 December 2024G	Nine-Month Period Ended 30 September 2025G
Hotel net profit before depreciation	10,802,452	8,264,174
Lease expenses	8,000,000	8,926,059
Adjusted net profit before depreciation – excluding lease expenses	18,802,452	17,190,233
Average hotel valuation	329,946,000	329,946,000
<b>Average hotel valuation on adjusted net profit before depreciation</b>	<b>17.5x</b>	<b>19.2x</b>
Total hotel value agreed upon between the parties	281,384,000	281,384,000
<b>Multiple of the agreed hotel valuation on adjusted net profit before depreciation</b>	<b>15.0x</b>	<b>16.4x</b>

**Note:** The adjusted net profit before depreciation for the financial year ended 31 December 2024G and the nine-month period ended 30 September 2025G was calculated based on: (1) hotel net profit, which does not include depreciation of the building, as the Company does not own the building as of the date of this Circular, and (2) exclusion of lease expenses from net profit., as the AI Hokair Transaction Assets were valued by Real Estate Appraisers as if they were not subject to existing lease agreements.

### 3.6.3.2 Radisson Blu Hotel

**Table (3.15): Real Estate Appraisers' Valuation of the Radisson Blu Hotel Based on the Income Method**

	Valuation by Aurisage (Income Method)	Valuation by Valie (Income Method)
Property Type	Hotel	
Plot Area (sqm)	3,610.5	
Capitalization Rate	7.3%	8.0%
Discount Rate	9.8%	10.0%
Growth Rate	2.5%	2.5%
Assumed Average Annual Net Operating Income Over Five Years (Before Accounting for the Time Value of Money Discount)	15,647,450	19,450,689
<b>Net Present Value (SAR) (Approx.)</b>	<b>218,188,000</b>	<b>237,538,000</b>
<b>Average Hotel Valuation (SAR)</b>	<b>227,863,000</b>	
<b>Total Hotel Value Agreed Upon between the Parties (SAR)</b>	<b>215,994,000</b>	

**Table (3.16): Average Valuation Multiple on Adjusted Net Profit for Radisson Blu Hotel**

(SAR)	Financial Year Ended 31 December 2024G	Nine-Month Period Ended 30 September 2025G
Hotel net profit before depreciation	5,218,444	6,441,649
Lease expenses	6,389,400	7,148,484
Adjusted net profit before depreciation – excluding lease expenses	11,607,844	13,590,134
Average hotel valuation	227,863,000	227,863,000
<b>Average hotel valuation on adjusted net profit before depreciation</b>	<b>19.6x</b>	<b>16.8x</b>
Total hotel value agreed upon between the parties	215,994,000	215,994,000
<b>Multiple of the agreed hotel valuation on adjusted net profit before depreciation</b>	<b>18.6x</b>	<b>15.9x</b>

**Note:** The adjusted net profit before depreciation for the financial year ended 31 December 2024G and the nine-month period ended 30 September 2025G was calculated based on: (1) hotel net profit, which does not include depreciation of the building, as the Company does not own the building as of the date of this Circular, and (2) exclusion of lease expenses from net profit., as the Al Hokair Transaction Assets were valued by Real Estate Appraisers as if they were not subject to existing lease agreements.

### 3.6.3.3 Holiday Inn Hotel

**Table (3.17): Real Estate Appraisers' Valuation of the Holiday Inn Hotel**

	Valuation by Aurisage (Income Method)	Valuation by Valie (Income Method)
Property Type		Hotel
Plot Area (sqm)		2,000
Capitalization Rate	7.8%	8.0%
Discount Rate	10.3%	10.0%
Growth Rate	2.5%	2.5%
Assumed Average Annual Net Operating Income Over Five Years (Before Accounting for the Time Value of Money Discount)	12,244,342	15,253,435
<b>Net Present Value (SAR) (Approx.)</b>	<b>148,764,000</b>	<b>187,965,000</b>
<b>Average Hotel Valuation (SAR)</b>	<b>168,364,500</b>	
<b>Total Hotel Value Agreed Upon between the Parties (SAR)</b>	<b>154,242,000</b>	

**Table (3.18): Average Valuation Multiple on Adjusted Net Profit for Holiday Inn Hotel**

(SAR)	Financial Year Ended 31 December 2024G	Nine-Month Period Ended 30 September 2025G
Hotel net profit before depreciation	5,031,241	3,975,324
Lease expenses	5,408,629	5,127,459
Adjusted net profit before depreciation – excluding lease expenses	10,439,870	9,102,783
Average hotel valuation	168,364,500	168,364,500
<b>Average hotel valuation on adjusted net profit before depreciation</b>	<b>16.1x</b>	<b>18.5x</b>
Total hotel value agreed upon between the parties	154,242,000	154,242,000
<b>Multiple of the agreed hotel valuation on adjusted net profit before depreciation</b>	<b>14.8x</b>	<b>16.9x</b>

**Note:** The adjusted net profit before depreciation for the financial year ended 31 December 2024G and the nine-month period ended 30 September 2025G was calculated based on: (1) hotel net profit, which does not include depreciation of the building, as the Company does not own the building as of the date of this Circular, and (2) exclusion of lease expenses from net profit., as the AI Hokair Transaction Assets were valued by Real Estate Appraisers as if they were not subject to existing lease agreements.

### 3.6.3.4 Total Agreed-upon Valuation of the AI Hokair Transaction Assets

**Table (3.19): Real Estate Appraisers' Total Valuation of the AI Hokair Transaction Assets and the Value Agreed Upon Between the Parties**

DoubleTree by Hilton Hotel – Average Hotel Valuation	329,946,000
Radisson Blu Hotel – Average Hotel Valuation	227,863,000
Holiday Inn Hotel – Average Hotel Valuation	168,364,500
<b>Total Average Valuation of the AI Hokair Transaction Assets</b>	<b>726,173,500</b>
<b>Total Value of the Assets Agreed Upon between the Parties (SAR)</b>	<b>651,620,000</b>

### 3.6.3.5 Valuation of the Al Oula Transaction Assets and the Value Agreed Upon Between the Parties

The Al Oula Transaction Assets were valued by Al Nokhba at one hundred and seventy-four million, nine hundred and eighty-eight thousand and forty-eight Saudi Riyals (SAR 174,988,048), and by Colliers at one hundred and seventy-four million, seven hundred and fifty-four thousand, nine hundred and fifty-five Saudi Riyals (SAR 174,754,955). The average of the valuations of the Al Oula Transaction Assets prepared by Al Nokhba and Colliers amounted to one hundred and seventy-four million, eight hundred and seventy-one thousand, five hundred and two Saudi Riyals (SAR 174,871,502). Accordingly, the Financial Advisor (SNB Capital) has relied on the average of the valuations prepared by Al Nokhba and Colliers for the appraisal of the Al Oula Transaction Assets, in view of their expertise in this field.

Al Oula Company has agreed with BAAN Holding Group Co. to value the Al Oula Transaction Assets at one hundred and seventy-eight million, five hundred thousand Saudi Riyals (SAR 178,500,000).

### 3.6.3.6 Valuation of the Al Hokair Transaction Assets and the Value Agreed Upon Between the Parties

The total valuation of the Al Hokair Transaction Assets by Aurisage amounted to six hundred and eighty-five million, four hundred and eighty-two thousand Saudi Riyals (SAR 685,482,000), while the total valuation thereof by Valie Company amounted to seven hundred and sixty-six million, eight hundred and sixty-five thousand Saudi Riyals (SAR 766,865,000). The average of the valuations of the Al Hokair Transaction Assets prepared by Aurisage and Valie Company amounted to seven hundred and twenty-six million, one hundred and seventy-three thousand, five hundred Saudi Riyals (SAR 726,173,500). Accordingly, the Financial Advisor (SNB Capital) has relied on the average of the valuations prepared by Aurisage and Valie Company for the appraisal of the Al Hokair Transaction Assets, in view of their expertise in this field.

Al Hokair Holding Company has agreed with BAAN Holding Group Co. to value the Al Hokair Transaction Assets at six hundred and fifty-one million, six hundred and twenty thousand Saudi Riyals (SAR 651,620,000).

## 3.7 Financial Valuation of the Company and the Value Agreed Upon with the Sellers

The Volume-Weighted Average Price (VWAP) is the main measure for evaluating acquisitions in listed companies to increase their share capital in exchange for assets.

To evaluate the share price of BAAN Holding Group Co. for the purpose of determining the number of the Company's shares to be issued to the Sellers, the Company, in collaboration with SNB Capital, reviewed and studied the price movements of BAAN Holding Group Co.'s share and its development over the two years prior to the date of signing the Al Oula Agreement and the Al Hokair Agreement, including the analysis of volumes and prices. The Company's share price was evaluated for the purpose of the Transactions by the Company's Financial Advisor (SNB Capital) at SAR 2.722 per share, using the Volume-Weighted Average Price for ninety (90) days of BAAN Holding Group Co. for the period from 26/03/1446H (corresponding to 29/09/2024G) to 25/06/1446H (corresponding to 26/12/2024G).

Accordingly, the Company and the Sellers agreed to value the Company's share price using the Volume-Weighted Average Price for ninety (90) calendar days of BAAN Holding Group Co.'s shares for the period from 26/03/1446H (corresponding to 29/09/2024G) to 25/06/1446H (corresponding to 26/12/2024G) at two Saudi Riyals and seven hundred and twenty-two Halalas (SAR 2.722) per share, whereby the total market value of the Consideration Shares amounts to eight hundred and thirty million, one hundred and twenty thousand Saudi Riyals (SAR 830,120,000). The total market value of the Consideration Shares is seven hundred and fifty million, two hundred and eighteen thousand, six hundred and sixty-three Saudi Riyals (SAR 750,218,663) based on the Company's share closing price as at 25/06/1446H (corresponding to 26/12/2024G)—the last trading day prior to signature of the Transaction Agreements—of SAR 2.46 per share.

The following is a summary of the consideration agreed upon between the Company, Al Oula Real Estate Development Company and Al Hokair Holding Company:

**Table (3.20): Summary of the Consideration Agreed Upon between the Company, Al Oula Real Estate Development Company and Al Hokair Holding Company**

<b>Final Value of the Real Estate Assets Agreed Upon between the Company and Each of the Sellers:</b>	With respect to the Al Oula Transaction, one hundred and seventy-eight million, five hundred thousand Saudi Riyals (SAR 178,500,000). With respect to the Al Hokair Transaction, six hundred and fifty-one million, six hundred and twenty thousand Saudi Riyals (SAR 651,620,000).
<b>Valuation of BAAN Holding Group Co.</b>	Valuation of the Company's shares using the Volume-Weighted Average Price for ninety (90) calendar days of BAAN Holding Group Co.'s shares for the period from 26/03/1446H (corresponding to 29/09/2024G) to 25/06/1446H (corresponding to 26/12/2024G) at two Saudi Riyals and seven hundred and twenty-two Halalas (SAR 2.722) per share.
<b>Number of Consideration Shares for the Receiving Companies of the Al Oula Shares</b>	Sixty-five million, five hundred and seventy-six thousand, seven hundred and eighty-two (65,576,782) ordinary shares.
<b>Number of Consideration Shares for Al Hokair Holding Company</b>	Two hundred and thirty-nine million, three hundred and ninety thousand, one hundred and fifty-four (239,390,154) ordinary shares.
<b>Total Agreed-Upon Consideration, in the Event Both of the Transactions are Approved</b>	Issuance of three hundred and four million, nine hundred and sixty-six thousand, nine hundred and thirty-six (304,966,936) new ordinary shares in the Company, with a nominal value of one Saudi Riyal (SAR 1) per ordinary share in favor of the Receiving Companies of the Consideration Shares, provided that the consideration shall be: 1- With respect to the Receiving Companies of the Al Oula Shares: a number of sixty-five million, five hundred and seventy-six thousand, seven hundred and eighty-two (65,576,782) ordinary shares; and 2- With respect to Al Hokair Holding Company, a number of two hundred and thirty-nine million, three hundred and ninety thousand, one hundred and fifty-four (239,390,154) ordinary shares.
<b>Portion of the Consideration to be Paid in Cash, in the Event Both of the Transactions are Approved</b>	No cash amount will be used to pay the consideration.
<b>Portion of the Consideration to be Paid through the Proposed Shares to be Issued, in the Event Both of the Transactions are Approved</b>	Three hundred and four million, nine hundred and sixty-six thousand, nine hundred and thirty-six (304,966,936) new ordinary shares.

### 3.8 Unaudited Condensed Consolidated Pro Forma Financial Statements of the Company Upon Completion of the Transactions

#### Basis of Preparation and Assumptions Used

The Company has prepared the unaudited pro forma financial information for inclusion in the Shareholders' Circular in order to obtain the shareholders' approval of the arrangements relating to the Transactions announced by the Company on 28/06/1446H (corresponding to 29/12/2024G), concerning its intention to acquire:

- the ownership of three hotel properties (DoubleTree by Hilton Hotel, Radisson Blu Hotel, and Holiday Inn Hotel) located in Riyadh and Jeddah across seven plots, from Al Hokair Holding Company, for a consideration of SAR 651,620,000; and
- 86 residential units located within the mid-rise component of the Ajdan Waterfront Project Tower in Al Khobar, from Al Oula Real Estate Development Company, for a consideration of SAR 178,500,000,

through the issuance of 304,966,936 new ordinary shares, representing an increase of 96.81% in the Company's current share capital.

- Upon the Completion of the Transactions, the following will be effected:
- Al Hokair Holding Company will receive 38.61% of the ordinary shares of BAAN Holding Group Co.
- Awj Al-Mada Company will receive 3.53% of the ordinary shares of BAAN Holding Group Co.
- Awj Al-Majal Company will receive 3.53% of the ordinary shares of BAAN Holding Group Co.
- Awj Al-Shati Company will receive 3.53% of the ordinary shares of BAAN Holding Group Co.

The Transactions will be executed through the issuance of new ordinary shares by BAAN Holding Group Co. at a price of SAR 2.722 per share, based on the volume-weighted average price (VWAP) of BAAN Holding Group Co.'s shares over a period of 90 calendar days from 26/03/1446H (corresponding to 29/09/2024G) to 25/06/1446H (corresponding to 26/12/2024G). This price has been mutually agreed upon by the parties under the agreements governing these Transactions. The price comprises a nominal value of SAR 1.00 per share, with the remaining SAR 1.722 representing the share premium.

Upon the Completion of the Transactions, the Company's share capital will increase by SAR 304,966,936, bringing the Company's total share capital to SAR 619,966,936. Furthermore, the Company's additional paid-up capital will increase by SAR 525,153,064, representing the issue premium.

The following are the details of the investment real estate that the Company intends to purchase:

**Table (3.21): Details of the Investment Real Estate that the Company Intends to Purchase**

Real Estate Name	Plot Area (sqm)	Property Specifications	Agreed Purchase Value (SAR '000)	Real Estate Location
Al Oula Transaction Assets	6,827	86 apartments	178,500	Ajdan Waterfront Project Tower, Corniche Road, Al-Khobar, Kingdom of Saudi Arabia
DoubleTree by Hilton Hotel	5,500	223 rooms	281,384	Northern Ring Branch Road, Al Murooj District, Riyadh, Kingdom of Saudi Arabia
Radisson Blu Hotel	3,611	150 rooms	215,994	Corniche Road, South Obhur District, Jeddah, Kingdom of Saudi Arabia
Holiday Inn Hotel	2,000	180 rooms	154,242	Al-Madinah Al-Munawwarah Road, An Nuzha District, Jeddah, Kingdom of Saudi Arabia

Source: The Company.

The Company has prepared the unaudited pro forma financial information Shareholders' Circular to illustrate the effect of the potential acquisitions of the Real Estate Assets on the Company's financial position as at 31 December 2024G, as if the Transactions had occurred on that date, and on the Company's financial performance for the year ended 31 December 2024G, as if the Transactions had occurred on 1 January 2024G.

The Company has assessed the Transactions and concluded that they do not meet the definition for a "business combination" in accordance with IFRS 3 Business Combinations. Instead, the Transactions meet the criteria of an "asset acquisition," whereby the identifiable assets acquired are recognized and measured at fair value as at the acquisition date in accordance with IAS 16 Property, Plant, and Equipment.

The pro forma adjustments have been included in the unaudited pro forma financial information based on available information and certain estimated assumptions. The estimated adjustments reflect events that are directly attributable to the Transactions, are factually supported, and are expected to have a continuing impact on the Company's statement of financial position and statement of income.

Accordingly, the impact of the Transactions is as follows:

- An increase in the nominal value of the Company's share capital amounting to SAR 304,966,936.
- An increase in the Company's additional paid-up share capital amounting to SAR 512,153,064, representing the issue premium.
- An increase in property, equipment and projects under construction amounting to SAR 830,120,000.
- A net decrease in the Company's direct hospitality costs amounting to SAR 4,743,309.

The unaudited pro forma financial information has been prepared based on Annex 20 of the OSCOs issued by the CMA Board in the KSA to satisfy the specific requirements of the CMA Board in the KSA.

The historical financial information of the Company as at and for the financial year ended 31 December 2024G has been derived without any material amendments from the Company's audited consolidated financial statements as at and for the financial year ended 31 December 2024G.

The unaudited pro forma financial information has been prepared for illustrative purposes only and, by its nature, represents a hypothetical scenario. Accordingly, it does not reflect the actual financial position or performance of the Company had the Transactions been completed on the specified date or any other date. Consequently, this information may not accurately reflect the Company's future operating results and is not indicative of the results that may be achieved in the future, as it is contingent upon the completion of all regulatory procedures and approvals relating to the planned Transactions at a future date.

The acquisition of the Real Estate Assets is subject to the satisfaction of several conditions, including (but not limited to) obtaining the requisite regulatory approvals and the approval of the Company's Extraordinary General Assembly for the Transactions, in addition to other conditions stipulated in the Transaction Agreements.

All pro forma adjustments carried out in the preparation of the unaudited pro forma financial information have been made in accordance with the basis of preparation. The Company's future operating results following the actual Completion of the Transactions, after incorporating all of the necessary adjustments in accordance with IFRS-KSA, may differ materially from the Company's unaudited pro forma financial information.

Furthermore, the unaudited pro forma financial information does not contain any potential or future effects arising from any regulatory requirements or measures that may be imposed on the Company by regulatory bodies upon the Completion of the Transactions. In addition, the unaudited pro forma financial information has not been adjusted for the costs related to the conclusion of these Transactions.

The unaudited pro forma financial information does not reflect any planned future revenue enhancements, cost synergies or other initiatives related to the Transactions.

The unaudited pro forma financial information does not take into account any potential Zakat or tax implications that may arise upon the Completion of the Transactions. The unaudited pro forma financial information is presented in Saudi Riyals (SAR), which is the functional currency of the Company. All amounts are rounded to the nearest thousand Saudi Riyals, unless otherwise indicated.

### 3.8.1 Notes to the Pro Forma Financial Information

**Table (3.22): (Unaudited) Condensed Consolidated Pro Forma Statement of Financial Position as at 31 December 2024G**

SAR '000	Historical Information	Pro Forma Adjustments	Pro Forma Consolidated Information
<b>Assets</b>			
<b>Non-Current Assets</b>			
Investments in joint ventures	91,591	-	91,591
Property, equipment and projects under construction	817,910	830,120	1,648,030
Intangible assets	10,064	-	10,064

SAR '000	Historical Information	Pro Forma Adjustments	Pro Forma Consolidated Information
Right-of-use assets	809,784	-	809,784
<b>Total non-current assets</b>	<b>1,729,349</b>	<b>830,120</b>	<b>2,559,469</b>
<b>Current Assets</b>			
Inventory	17,097	-	17,097
Trade receivables	71,992	-	71,992
Prepayments and other current assets	67,068	(1,250)	65,818
Cash and cash equivalents	38,101	-	38,101
<b>Total current assets</b>	<b>194,258</b>	<b>(1,250)</b>	<b>193,008</b>
<b>Total assets</b>	<b>1,923,607</b>	<b>828,870</b>	<b>2,752,477</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	315,000	304,967	619,967
Additional paid-up capital (issue premium)	-	512,153	512,153
Foreign currency translation reserve	(5,181)	-	(5,181)
Remeasurement of end-of-service benefit liabilities	5,830	-	5,830
Accumulated losses	(109,007)	-	(109,007)
<b>Total equity attributable to the Company's shareholders</b>	<b>206,642</b>	<b>817,120</b>	<b>1,023,762</b>
Non-controlling interests	(1,838)	-	(1,838)
<b>Total equity</b>	<b>204,804</b>	<b>817,120</b>	<b>1,021,924</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Non-current portion of long-term debt	303,376	-	303,376
Non-current portion of lease liabilities	836,912	-	836,912
Employee end-of-service benefit liabilities	51,068	-	51,068
<b>Total non-current liabilities</b>	<b>1,191,356</b>	<b>-</b>	<b>1,191,356</b>
<b>Current Liabilities</b>			
Trade payables and other current liabilities	281,104	11,750	292,854
Short-term debt and current portion of long-term debt	139,119	-	139,119
Current portion of lease liabilities	100,137	-	100,137
Zakat provision	7,087	-	7,087
<b>Total current liabilities</b>	<b>527,447</b>	<b>11,750</b>	<b>539,197</b>
<b>Total liabilities</b>	<b>1,718,803</b>	<b>11,750</b>	<b>1,730,553</b>
<b>Total equity and liabilities</b>	<b>1,923,607</b>	<b>828,870</b>	<b>2,752,477</b>

### Property, Equipment and Projects under Construction

Based on the real estate appraisers' valuations of the Real Estate Assets and for the purposes of this unaudited pro forma financial information, it is assumed that the values set out below were applicable as at 31 December 2024G.

Real Estate Name	%	Plot Value SAR '000	%	Building Value SAR '000	%	Total SAR '000
Radisson Blu Hotel	31%	65,989	69%	150,005	100%	215,994
Holiday Inn Hotel	16%	24,579	84%	129,663	100%	154,242
DoubleTree by Hilton Hotel	40%	112,393	60%	168,991	100%	281,384
Al Oula Transaction Assets	14%	24,990	86%	153,510	100%	178,500
<b>Total</b>		<b>227,950</b>		<b>602,170</b>		<b>830,120</b>

The estimated useful life of the acquired buildings is 40 years.

In accordance with the Company's accounting policies, the acquired Real Estate Assets will be depreciated at a rate of 2.5% commencing from the acquisition date. Accordingly, for the purpose of estimating the impact of additional depreciation on the unaudited condensed consolidated pro forma statement of income, Management has calculated the depreciation for the year ended 31 December 2024G based on the assumption that the acquired buildings were depreciated from 1 January 2024G at a rate of 2.5%.

**Table (3.23): Unaudited Condensed Consolidated Pro Forma Statement of Income for the Year Ended 31 December 2024G**

SAR '000	Historical Information	Pro Forma Adjustments	Pro Forma Consolidated Information
<b>Revenue</b>			
Hotels	325,389	-	325,389
Entertainment	296,945	-	296,945
Other	56,362	-	56,362
<b>Total revenue</b>	<b>678,696</b>	<b>-</b>	<b>678,696</b>
<b>Direct Costs</b>			
Hotels	(217,180)	4,743	(212,437)
Entertainment	(222,708)	-	(222,708)
Other	(53,729)	-	(53,729)
<b>Total direct costs</b>	<b>(493,617)</b>	<b>4,743</b>	<b>(488,874)</b>
<b>Gross profit</b>	<b>185,079</b>	<b>4,743</b>	<b>189,822</b>
Sales and marketing expenses	(25,211)	-	(25,211)
General and administrative expenses	(113,213)	-	(113,213)
Gain from disposal of property and equipment	1,397	-	1,397
Gain from termination of lease contracts	1,550	-	1,550
Other income	4	-	4

SAR '000	Historical Information	Pro Forma Adjustments	Pro Forma Consolidated Information
Reversal of impairment loss on property and equipment	5,441	-	5,441
Reversal of impairment loss on Related Party and other receivables	6,943	-	6,943
<b>Net expenses</b>	<b>(123,089)</b>	<b>-</b>	<b>(123,089)</b>
<b>Operating profit</b>	<b>61,990</b>	<b>4,743</b>	<b>66,733</b>
Finance costs on debt	(41,044)	-	(41,044)
Finance costs on lease liabilities	(43,588)	-	(43,588)
Other non-operating income	24,804	-	24,804
Share in net results of joint ventures	4,714	-	4,714
<b>Net profit before Zakat and income tax</b>	<b>6,876</b>	<b>4,743</b>	<b>11,619</b>
Zakat expense	(1,938)	-	(1,938)
Income tax	262	-	262
<b>Net profit for the year</b>	<b>5,200</b>	<b>4,743</b>	<b>9,943</b>
<b>Earnings per Share:</b>			
<b>Basic and diluted earnings per share (SAR)</b>	<b>0.0165</b>		<b>0.0160</b>

### Revenue

The hotel revenues recognized by the Company with respect to the Al Hokair Transaction Assets for the financial year ended 31 December 2024G amounted to SAR 111,730,755 (distributed as follows: Radisson Blu Hotel: SAR 31,946,999; Holiday Inn Hotel: SAR 27,043,862; and DoubleTree by Hilton Hotel: SAR 52,739,894). The amount of these revenues will remain unchanged as a result of the Al Hokair Transaction, since the hotels were already operated by the Company prior to the completion of the Al Hokair Transaction.

### Direct Costs

Prior to the potential acquisition of the Al Hokair Transaction Assets, the Company had leased the Radisson Blu, Holiday Inn and DoubleTree by Hilton hotels from Al Hokair Holding Company under a revenue sharing agreement, which granted Al Hokair Holding Company 20% of the hospitality revenues for each hotel, subject to maximum limits of SAR 8 million for the Radisson Blu and DoubleTree by Hilton hotels, and SAR 7.5 million for the Holiday Inn Hotel. Upon completion of the Al Hokair Transaction, this agreement will be assigned, resulting in a reduction of lease expenses amounting to SAR 19,798,172 for the year ended 31 December 2024G. The Transactions also resulted in an increase in depreciation expenses on buildings by SAR 15,054,863 for the year, relating to the acquired hotels and residential real estate.

The net effect of these two Transactions is a reduction in adjusted direct costs, as reflected in the unaudited pro forma financial information, amounting to SAR 4,743,309.

## 3.9 Comparison Between the Company's Performance Indicators in the Pro Forma Financial Statements and the Audited Financial Statements

Indicator	31 December 2024G, Before the Acquisition of the Real Estate Assets	31 December 2024G, After the Acquisition of the Real Estate Assets
Gross profit margin <sup>(1)</sup>	27.3%	28.0%
Net profit margin <sup>(2)</sup>	0.8%	1.5%

Indicator	31 December 2024G, Before the Acquisition of the Real Estate Assets	31 December 2024G, After the Acquisition of the Real Estate Assets
Return on assets <sup>(3)</sup>	0.3%	0.4%
Return on equity <sup>(4)</sup>	2.5%	1.0%
Liabilities to equity <sup>(5)</sup>	839.2%	169.3%
Debt to equity <sup>(6)</sup>	216.1%	43.3%

(1) Gross profit margin is calculated as follows: Gross profit (for the year) / total revenue (for the year), expressed as a percentage.

(2) Net profit margin is calculated as follows: Net profit (for the year) / total revenue (for the year), expressed as a percentage.

(3) Return on assets is calculated as follows: Net profit (for the year) / total assets (as at the end of the year), expressed as a percentage.

(4) Return on equity is calculated as follows: Net profit (for the year) / total equity (as at the end of the year), expressed as a percentage.

(5) Liabilities to equity is calculated as follows: Total liabilities (as at the end of the year) / total equity (as at the end of the year), expressed as a percentage.

(6) Debt to total equity is calculated as follows: Long-term debt and short-term debt (as at the end of the year) / total equity (as at the end of the year), expressed as a percentage.

### 3.10 Accretion or Dilution of Share Earnings as a Result of the Transactions

The impact of the Transactions on the earnings per share for the year ended 31 December 2024G is as follows:

SAR	31 December 2024G	
	Historical Earnings Per Share	Adjusted Earnings Per Share
Basic and diluted earnings per share from key operations (SAR)	0.0165	0.0160
Basic and diluted earnings per share from net profit for the year (SAR)	0.0165	0.0160

The Transactions are expected to result in a temporary decrease in the Company's earnings per share, based on the audited financial statements for the year ended 31 December 2024G and the unaudited condensed consolidated pro forma financial information as at 31 December 2024G. However, the Transactions are strategically justified, given the anticipated significant growth in tourism rates and continuous population growth. These economic factors are expected to contribute to enhancing sustainable shareholder value in the long term and improving the Company's operational efficiency. It is worth noting that the pro forma adjustments related to the Transactions primarily reflect direct costs, such as depreciation expense of buildings, without accounting for any potential future revenue resulting from the acquisition of the Al Oula Transaction Assets. Therefore, the current financial impact, as per the pro forma financial information, does not fully reflect the long-term positive potential of the Transactions.

### 3.11 Performance of the Company's Share Price

The following table and figure set out the performance of the Company's share closing price at the beginning of each calendar month during the 12-month period prior to signing the Transaction Agreements in connection with its application to increase the Company's share capital for the purpose of purchasing the Real Estate Assets:

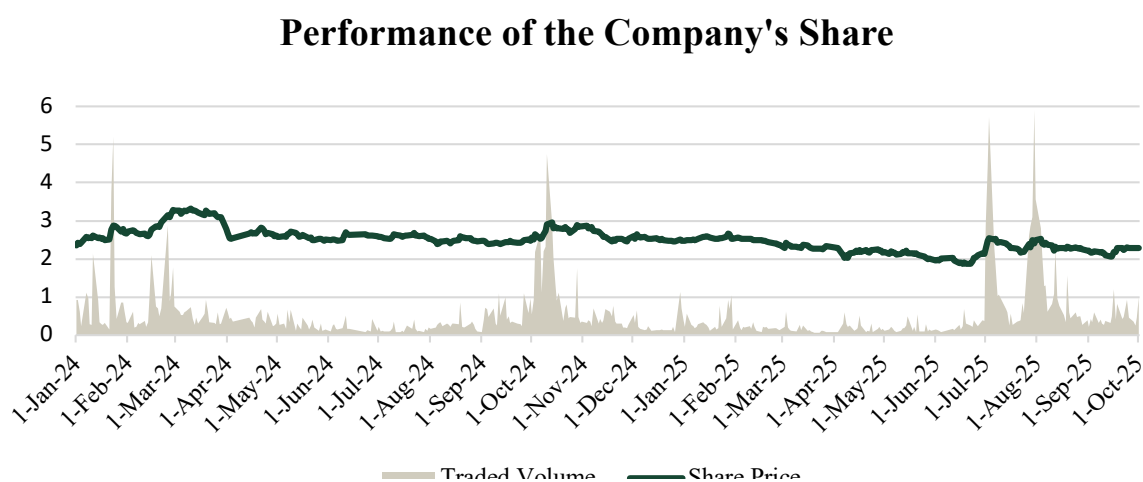
**Table (3.24): Performance of the Company's Share Closing Price at the Beginning of Each Calendar Month During the 12-Month Period Preceding the Signature of the Transaction Agreements:**

Date (G)	Price of the Company's Share at the Close of Trading (SAR)
01/01/2024	2.36
01/02/2024	2.72
03/03/2024	3.26
10/04/2024	2.68
01/05/2024	2.58

Date (G)	Price of the Company's Share at the Close of Trading (SAR)
02/06/2024	2.49
01/07/2024	2.58
01/08/2024	2.52
01/09/2024	2.47
01/10/2024	2.56
03/11/2024	2.87
01/12/2024	2.59
<b>Last Trading Day Prior to Signature of the Transaction Agreements</b>	
26/12/2024	2.46

Source: Tadawul.

**Figure (3.2): Performance of the Company's Share**



Source: Tadawul as at 16/06/1447H (corresponding to 07/12/2025G).

# 04

## Financial Information



## 4. Financial Information

### 4.1 Financial Information of the Al Oula Transaction Assets:

Management's discussion and analysis of the following financial information provides an analytical and descriptive review of the residential units located in the Ajdan Mid-Rise Tower (86 residential units – the **"Al Oula Transaction Assets"**), which form part of a premium residential development known as the Ajdan Rise Project, owned by Al Oula Real Estate Development Company. This section and the accompanying notes thereto have been prepared based on the Company's reports prepared in-house by the management of Ajdan Real Estate Development Company, which detail the project costs since the commencement of construction of the Ajdan Rise Project, as well as two independent valuation reports pertaining to Ajdan Mid-Rise.

All of the financial information in this section has been rounded to the nearest thousand Saudi Riyals, unless otherwise stated. Amounts and percentages have also been rounded to the nearest decimal place or Saudi Riyal, as applicable.

#### 4.1.1 Overview of the Companies Related to the Al Oula Transaction

The Al Oula Transaction consists of the Company's purchase of the Al Oula Transaction Assets, which, as of the date of this Circular, are wholly owned by Al Oula Real Estate Development Company. The purchase of the Al Oula Transaction Assets shall be in exchange for the issuance of sixty-five million, five hundred and seventy-six thousand, seven hundred and eighty-two (65,576,782) ordinary shares in the Company (referred to as the **"Al Oula Shares"**) in favor of Al Oula Real Estate Development Company. This shall be executed by allocating the shares to three companies that are wholly or partially owned by Ajdan Real Estate Development Company, which were designated by Al Oula Real Estate Development Company in accordance with the provisions of the Al Oula Agreement (namely Awj Al-Mada Company, Awj Al-Majal Company, and Awj Al-Shati Company (collectively referred to as the **"Receiving Companies of the Al Oula Shares"**)). The following sets out the key details related to each of the companies related to the Al Oula Transaction:

##### 4.1.1.1 Al Oula Real Estate Development Company

Al Oula Real Estate Development Company is a closed joint-stock company established under the laws of the Kingdom of Saudi Arabia, registered under Commercial Registration No. 2051026781, dated 23/07/1423H (corresponding to 30/09/2002G), with its registered address at 8217, Salman Al Farisi, Al Khalidiyah Al Janoubiyah, 3677, and its headquarters located on Prince Turki Road – Corniche, Al Khobar, Kingdom of Saudi Arabia. It is a company wholly owned by Al Fozan Holding, a closed joint stock company, (which owns 47.50% of its share capital), Abdul Qadir Al Muhaidib & Sons Co., a closed joint stock company, (which owns 47.50% of its share capital), and Sumou Global Investment (which owns 5.00% of its share capital).

##### 4.1.1.2 Ajdan Real Estate Development Company

Ajdan Real Estate Development Company is a closed joint-stock company established under the laws of the Kingdom of Saudi Arabia, registered under Commercial Registration No. 2051033642, dated 16/12/1427H (corresponding to 06/01/2007G), with its registered address in Dammam, Al Khalidiyah Al Janoubiyah District, Salman Al Farisi Street. It is a company wholly owned by Al Fozan Holding, a closed joint stock company, (which owns 47.50% of its share capital), Abdul Qadir Al Muhaidib & Sons Co., a closed joint stock company, (which owns 47.50% of its share capital), and Sumou Global Investment (which owns 5.00% of its share capital).

##### 4.1.1.3 Awj Al-Mada Company

Awj Al-Mada Company for Investment and Real Estate Development, a single person limited liability company wholly owned by Ajdan Real Estate Development Company, established under the laws of the Kingdom of Saudi Arabia, and registered under Commercial Registration No. 7041474136, dated 22/02/1446H (corresponding to 26/08/2024G, with its registered address in Dammam, Al Khalidiyah Al Janoubiyah District, Salman Al Farisi Street. It should be noted that Awj Al-Mada Company for Investment and Real Estate Development is wholly owned by Ajdan Real Estate Development Company.

#### 4.1.1.4 Awj Al-Majal Company

Awj Al-Majal Company is a single person limited liability company wholly owned by Awj Al-Mada Company, established under the laws of the Kingdom of Saudi Arabia, and registered under Commercial Registration No. 7050657704, dated 15/01/1447H (corresponding to 10/07/2025G), with its registered address in Dammam, Al Khalidiyah Al Janoubiyah District, Salman Al Farisi Street. It should be noted that Awj Al-Majal Company is wholly owned by Awj Al-Mada Company, and is therefore wholly owned indirectly by Ajdan Real Estate Development Company.

#### 4.1.1.5 Awj Al-Shati Company

Awj Al-Shati Company is a single person limited liability company wholly owned by Awj Al-Mada Company, established under the laws of the Kingdom of Saudi Arabia, and registered under Commercial Registration No. 7050657514, dated 15/01/1447H (corresponding to 10/07/2025G), with its registered address in Dammam, Al Khalidiyah Al Janoubiyah District, Salman Al Farisi Street. It should be noted that Awj Al-Shati Company is wholly owned by Awj Al-Mada Company, and is therefore wholly owned indirectly by Ajdan Real Estate Development Company.

### 4.1.2 Description of the Ajdan Rise Project

The Ajdan Rise Project in Al-Khobar commenced in January 2018G under the Ajdan Rise Fund, which was established specifically for this project and financed by Alistithmar Capital. Ajdan Real Estate Development Company undertook the project development and served as the substantial investor in the fund, holding an ownership interest of 62.7%.

The project benefits from a strategic waterfront location and offers a site with excellent connectivity: it is situated approximately 45 km from King Fahd International Airport, 20 km from downtown Dammam, 18 km from King Abdulaziz Port, and 7 km from the King Fahd Causeway, which connects the Kingdom of Saudi Arabia and Bahrain.

The Ajdan Rise Project consists of:

- Ajdan High-Rise (outside the scope of the Al Oula Transaction): 101 residential units.
- Ajdan Mid-Rise (Al Oula Transaction Assets): 86 residential units.
- Retail spaces (outside the scope of the Al Oula Transaction): 12 retail units.

Ajdan Mid-Rise is a mixed-use, mid-rise development comprising 86 luxury residential units, with a total built-up area of 23,759 square meters. It is internally connected to the High-Rise Tower through internal corridors that allow residents to access shared facilities. Construction works were completed in April 2022G, and all units of the High-Rise Tower were sold off-plan during the construction phase as part of the first phase. The sale of the residential units related to Ajdan Mid-Rise is currently underway as part of the project's second phase. As at March 2023G, three out of twelve retail units were leased, with negotiations ongoing for the remaining retail units.

The total cost of the Ajdan Rise Project amounted to SAR 551.3 million, funded through a financing structure with Alistithmar Capital, comprising debt financing of SAR 325.0 million, with equity financing covering the remaining amount. However, only SAR 200.0 million of the debt financing was utilized, with the remaining portion funded through off-plan sales of the High-Rise Tower residential units during the construction phase. The final repayment of the indebtedness to Alistithmar Capital was made in February 2025G, leaving no outstanding financial obligations or liabilities. All of the Mid-Rise deeds are free from liens or encumbrances.

During 2024G, Ajdan Real Estate Development Company acquired the remaining 37.3% of the Ajdan Rise Fund, thereby obtaining full ownership of the project, by purchasing the stakes of other investors through its sister company, Al Oula Real Estate Development Company. During the year 2025G, all of the deeds for the 86 Mid-Rise residential units were transferred from Ajdan Rise Fund to Al Oula Real Estate Development Company.

### 4.1.3 Summary of Key Findings of the Valuation Reports

**Table (4.1): Summary of the Key Findings of the Valuation Reports by Colliers and Al Nokhba**

Aspect	Colliers Valuation Report	Al Nokhba Valuation Report
Valuation Method	Market Method	Market Method
Basis of Valuation	Average SAR price per square meter by unit type, with adjustments for view and floor level	Pricing per residential unit based on actual area and price differentials based on floor level
Total Valuation of Ajdan Mid-Rise (comprising 86 residential units)	SAR 174,754,955	SAR 174,988,048
Average SAR per Square Meter	Ranges from SAR 13,574 to SAR 15,972 per square meter depending on the unit type	Ranges from SAR 13,850 to SAR 15,356 per square meter depending on the unit type
Valuation Date	28 August 2025G	23 August 2025G

Source: Third-party valuation reports.

#### 4.1.3.1 Key Differences Across the Valuation Reports

- Both reports utilize the Market Method, with the Al Nokhba report applying detailed pricing for each unit, incorporating price differentials based on floor level, while the Colliers report applies an average SAR price per square meter by unit type, with adjustments for view and floor level.
- Al Nokhba's report estimates the total value at SAR 174,988,048, which is approximately SAR 230,000 higher than Colliers' valuation of SAR 174,754,955.
- The Al Nokhba report is based on adjusting the price per square meter in accordance with the floor level (e.g., a 3.5% increase every two floors), resulting in a price per square meter ranging between SAR 13,850 and SAR 15,356. In contrast, the Colliers report uses a fixed average price per square meter based on unit type, with adjustments for view, floor level, and market comparables, resulting in a price per square meter ranging between SAR 13,574 and SAR 15,972.

**Table (4.2): Summary of Colliers Valuation Report**

Apartment Type	Number of Units	Total Area (sqm)	Average Total Area (sqm)	Average SAR/ sqm	Total Estimated Value (SAR million)
1-Bedroom	48	5,317	111	15,136	80.5
2-Bedroom	36	6,277	174	14,214	89.2
3-Bedroom	1	275	275	13,551	3.7
Studio	1	92	92	14,468	1.3
<b>Total</b>	<b>86</b>	<b>11,961</b>	<b>139</b>	<b>14,610</b>	<b>174.8</b>

Source: Colliers Valuation Report.

**Table (4.3): Summary of Al Nokhba Valuation Report**

Apartment Type	Number of Units	Total Area (sqm)	Average Total Area (sqm)	Average SAR/ sqm	Total Estimated Value (SAR million)
1. Bedroom	48	5,380	112	14,673	78.9
2. Bedroom	36	6,308	175	14,524	91.6
3. Bedroom	1	245	245	13,850	3.4
Studio	1	75	75	13,850	1.0
<b>Total</b>	<b>86</b>	<b>12,008</b>	<b>140</b>	<b>14,573</b>	<b>175.0</b>

Source: Al Nokhba Valuation Report.

#### 4.1.3.2 The Colliers Report Provides a Valuation as Follows:

- 48 one-bedroom apartments with an average total area of 111 square meters at an average of SAR 15,136 per square meter;
- 36 two-bedroom apartments with an average total area of 174 square meters at an average of SAR 14,214 per square meter;
- 1 three-bedroom apartment with a total area of 275 square meters at a value of SAR 13,551 per square meter; and
- 1 studio apartment with a total area of 92 square meters at a value of SAR 14,468 per square meter.

The total estimated value of Ajdan Mid-Rise, after applying adjustments for floor level, view, and market comparables, amounts to SAR 174,754,955.

#### 4.1.3.3 The Al Nokhba Report Provides a Valuation as Follows:

- 48 one-bedroom apartments with an average total area of 112 square meters at an average of SAR 14,673 per square meter;
- 36 two-bedroom apartments with an average total area of 175 square meters at a value of SAR 14,524 per square meter;
- 1 three-bedroom apartment with a total area of 245 square meters at a value of SAR 13,850 per square meter; and
- 1 studio apartment with a total area of 75 square meters at a value of SAR 13,850 per square meter.

The total estimated value of Ajdan Mid-Rise, after applying adjustments for floor level, is SAR 174,998,048.

The difference in the total area across the two reports is largely due to different measurement methodologies applied to the total area (e.g., including outdoor areas such as balconies, etc.). However, the area provided in the official deeds is the final reference for the area of each unit.

#### 4.1.4 Ajdan Rise Project Costs and Operational Overview

**Table (4.4): Total Project Costs**

	SAR '000
Project development costs	504,197
Total administrative and professional expenses	28,684
Additional capital expenditures and renovations	10,196
Premium paid to buy out other investors	8,251
<b>Total</b>	<b>551,328</b>

Source: Management information.

The total cost of the Ajdan Rise Project since its inception amounted to SAR 551.3 million, including:

- SAR 504.2 million in development and finishing costs related to the High-Rise Tower, Ajdan Mid-Rise, and the retail area.
- SAR 28.7 million in administrative, professional, audit and interest expenses, etc.
- SAR 10.2 million in capital expenditures and additional renovation expenses for the tower and retail area.
- SAR 8.3 million representing the premium paid to acquire the remaining 37.3% stake in the Ajdan Rise Fund, with the aim of full ownership of the project.

**Table (4.5): Annual Cost of the Integrated Facility Management Contract**

SAR	
Staffing and overheads	2,413,271
Contracted services	1,121,736
Other services and materials	11,399
Security	636,000
<b>Total contract value</b>	<b>4,182,406</b>
<b>10% allocation to reserve fund</b>	<b>418,241</b>
<b>Total annual operating expenses</b>	<b>4,600,647</b>

Source: Management information.

The total annual operating costs for the High-Rise and Ajdan Mid-Rise towers are subject to two service agreements, one for integrated facility management and the other for security services. The total annual operating cost of the tower is estimated at approximately SAR 4.6 million. BAAN Holding Group Co. and Ajdan Real Estate Development Company will establish a mechanism for cost allocation and fair distribution of joint service expenses between the components of the project, whereby BAAN Holding Group Co. will bear the annual operating costs related to the Ajdan Mid-Rise portion.

- The first agreement is between Ajdan Real Estate Development Company and EFSIM Facilities Management Company for the provision of integrated facility management services. As of January 2025G, the contract term is one year, automatically renewable, with Ajdan Real Estate Development Company retaining termination rights.
- The second agreement is between Ajdan Real Estate Development Company and United Integrated Services Holding Company for the provision of security services. The contract is effective as of June 2025G, with a term of one year, automatically renewable unless terminated with a 60-day notice.

## 4.2 Financial Information of the Al Hokair Transaction Assets:

The "Management's Discussion and Analysis of Financial Condition and Results of Operations" section provides an analytical review of the financial position of the three hotels: the DoubleTree by Hilton Hotel, the Holiday Inn Hotel, and the Radisson Blu Hotel (collectively, the "Al Hokair Transaction Assets"), owned by Abdul Mohsen Abdulaziz Al Hokair Holding Group Co. ("Al Hokair Holding Company") during the financial years ended 31 December 2022G, 2023G, and 2024G. This section and the accompanying notes thereto have been prepared based on the Agreed-Upon Procedures (AUP) report, which includes financial information derived from the non-consolidated special-purpose audited financial statements of Al Hokair Holding Company for the financial years ended 31 December 2022G, 2023G, and 2024G, along with relevant data provided by Al Hokair Holding Company.

The AUP report for the financial years ended 31 December 2022G, 2023G, and 2024G, along with the accompanying notes thereto, was prepared in accordance with the International Standard on Related Services (ISRS) 4400 (Revised) and the AUP as endorsed in the KSA by Alluhaid & Alyahya Chartered Accountants.

All of the financial information in this section has been rounded to the nearest thousand Saudi Riyals unless otherwise stated. Figures and percentages have been rounded to the nearest decimal place. Consequently, the sum of individual figures may not match the totals presented in the tables or in the AUP report exactly.

### 4.2.1 Overview of Al Hokair Holding Company

Abdul Mohsen Abdulaziz Al Hokair Holding Group Co. is a limited liability company established under the laws of the Kingdom of Saudi Arabia, registered under Commercial Registration No. 1010051616, dated 12/01/1404H (corresponding to 19/10/1983G), with its registered address in Al Muruj District, Northern Ring Branch Road, Riyadh, Kingdom of Saudi Arabia. It is a company wholly owned by MUSAED ABDUL MOHSEN AL HOKAIR CO. LTD. (which owns 17.84% of its share capital), MAJED BIN ABDUL MOHSEN AL HOKAIR CO. LTD. (which owns 17.84% of its share capital), SAMI ABDUL MOHSEN AL HOKAIR CO. LTD. (which owns 17.84% of its share capital), FERYAL ABDUL MOHSEN AL HOKAIR CO. LTD. (which owns 4.32% of its share capital), MAJIDAH ABDUL MOHSEN AL HOKAIR CO. LTD. (which owns 4.32% of its share capital), MISHAL ABDUL MOHSEN AL HOKAIR HOLDING COMPANY (which owns 13.84% of its share capital), MASHAEL ABDUL MOHSEN AL HOKAIR CO. LTD. (which owns 4.32% of its share capital), ABDULLAH ABDUL MOHSEN AL HOKAIR CO. LTD. (which owns 7.70% of its share capital), and KHALID ABDUL MOHSEN AL HOKAIR SONS CO. LTD. (which owns 12.00% of its share capital).

## Details of Procedures Performed

**Table (4.6): Details of Procedures Performed**

Procedure No.	Procedures Performed
1-	Obtaining the non-consolidated financial statements of the Company prepared by Abdul Mohsen Abdulaziz Al Hokair Holding Group Co., consisting of the statements of financial position, profit or loss and other comprehensive income, and cash flows for the three hotels, namely: the DoubleTree by Hilton Hotel, the Holiday Inn Hotel, and the Radisson Blu Hotel (the " <b>Al Hokair Transaction Assets</b> "), for the years ended 31 December 2022G, 2023G and 2024G.
2-	Obtaining detailed statements of financial position related to trade receivables and property and equipment for the years ended 31 December 2022G, 2023G and 2024G.
3-	Obtaining a detailed statement of profit or loss and other comprehensive income, which includes revenue, depreciation expense and revaluation surplus on property and equipment for the years ended 31 December 2022G, 2023G and 2024G.
4-	Comparing the financial information derived from the non-consolidated financial statements for the years ended 31 December 2022G, 2023G and 2024G with the detailed statements for trade receivables, property and equipment, revenue, depreciation expense and revaluation surplus on property and equipment for the same years.
5-	Verifying the mathematical accuracy of cash flows for the years ended 31 December 2022G, 2023G and 2024G.

Source: AUP Report.

## 4.2.2 Description of the Al Hokair Transaction Assets:

### 4.2.2.1 DoubleTree by Hilton Hotel

The DoubleTree by Hilton Hotel is a modern 4-star hotel situated on the Northern Ring Road, offering convenient access to Riyadh's main business districts, including the King Abdullah Financial District and the Diplomatic Quarter.

The DoubleTree by Hilton Hotel comprises 223 dedicated guest rooms, with an occupancy rate of approximately 70% and an average daily rate of around SAR 703 as at 31 December 2024G.

### 4.2.2.2 Holiday Inn Hotel

The Holiday Inn Hotel is a contemporary 13-story hotel located on Al-Madinah Al-Munawwarah Road in Jeddah, Kingdom of Saudi Arabia. The hotel is conveniently located near King Abdulaziz International Airport and Heraa Mall, and offers convenient access to major attractions such as the Jeddah Exhibition Center and Mall of Arabia.

The Holiday Inn Hotel has 180 dedicated guest rooms, recording an occupancy rate of approximately 77% and maintaining an average daily rate of approximately SAR 420 as at 31 December 2024G.

### 4.2.2.3 Radisson Blu Hotel

The Radisson Blu Hotel is a modern 5-star hotel located on Corniche Road in Jeddah, South Obhur District. The hotel is located near King Abdulaziz International Airport and Red Sea Mall and provides convenient access to the city's tourist attractions.

The Radisson Blu Hotel has 150 dedicated guest rooms, recording an occupancy rate of nearly 65% and maintaining an average daily rate of approximately SAR 779 as at 31 December 2024G.

### 4.2.3 AUP Report Data

**Table (4.7): Statement of Profit or Loss and Other Comprehensive Income for the Financial Year Ended 31 December 2024G**

SAR '000	DoubleTree by Hilton Hotel	Holiday Inn Hotel	Radisson Blu Hotel
Revenue	8,000	5,409	6,389
Depreciation expense	(5,768)	(3,343)	(4,244)
<b>Net income for the year</b>	<b>2,232</b>	<b>2,066</b>	<b>2,145</b>
<b>Other comprehensive income for the year</b>			
<b>Items that will not be subsequently reclassified to profit or loss:</b>			
Revaluation surplus on property and equipment	32,357	31,278	29,408
<b>Other comprehensive income for the year</b>	<b>32,357</b>	<b>31,278</b>	<b>29,408</b>
<b>Total comprehensive income for the year</b>	<b>34,589</b>	<b>33,344</b>	<b>31,553</b>

Source: AUP Report.

**Table (4.8): Statement of Financial Position as at 31 December 2024G**

SAR '000	DoubleTree by Hilton Hotel	Holiday Inn Hotel	Radisson Blu Hotel
Accounts receivable	8,455	8,961	8,552
Property and equipment	282,904	156,052	219,850

Source: AUP Report.

**Table (4.9): Statement of Profit or Loss and Other Comprehensive Income for the Financial Year Ended 31 December 2023G**

SAR '000	DoubleTree by Hilton Hotel	Holiday Inn Hotel	Radisson Blu Hotel
Revenue	8,000	5,426	7,513
Depreciation expense	(6,795)	(3,038)	(3,347)
<b>Net income for the year</b>	<b>1,205</b>	<b>2,388</b>	<b>4,166</b>
<b>Other comprehensive income for the year</b>			
<b>Items that will not be subsequently reclassified to profit or loss:</b>			
Revaluation surplus on property and equipment	(4,372)	16,552	20,046
<b>Other comprehensive income for the year</b>	<b>(4,372)</b>	<b>16,552</b>	<b>20,046</b>
<b>Total comprehensive income for the year</b>	<b>(3,167)</b>	<b>18,940</b>	<b>24,213</b>

Source: AUP Report.

**Table (4.10): Statement of Financial Position as at 31 December 2023G**

SAR '000	DoubleTree by Hilton Hotel	Holiday Inn Hotel	Radisson Blu Hotel
Accounts receivable	377	2,351	4,093
Property and equipment	256,315	128,117	194,686

Source: AUP Report.

**Table (4.11): Statement of Profit or Loss and Other Comprehensive Income for the Financial Year Ended 31 December 2022G**

SAR '000	DoubleTree by Hilton Hotel	Holiday Inn Hotel	Radisson Blu Hotel
Revenue	8,520	3,861	6,488
Depreciation expense	(2,681)	(2,294)	(5,899)
<b>Net income for the year</b>	<b>5,838</b>	<b>1,567</b>	<b>589</b>
<b>Other comprehensive income for the year</b>			
<b>Items that will not be subsequently reclassified to profit or loss:</b>			
Revaluation surplus on property and equipment	211,744	49,617	(935)
<b>Other comprehensive income for the year</b>	<b>211,744</b>	<b>49,617</b>	<b>(935)</b>
<b>Total comprehensive income for the year</b>	<b>217,583</b>	<b>51,184</b>	<b>(346)</b>

Source: AUP Report.

**Table (4.12): Statement of Financial Position as at 31 December 2022G**

SAR '000	DoubleTree by Hilton Hotel	Holiday Inn Hotel	Radisson Blu Hotel
<b>Accounts receivable</b>	-	-	-
Property and equipment	267,482	114,603	177,987

Source: AUP Report.

#### 4.2.4 Revenue

**Table (4.13): Revenue for the Financial Years Ended 31 December 2022G, 2023G and 2024G**

SAR '000	Financial Year 2022G	Financial Year 2023G	Financial Year 2024G	Annual Change 2022G-2023G	Annual Change 2023G-2024G	CAGR 2022G-2024G
<b>Hotel Revenue</b>						
DoubleTree by Hilton Hotel	42,598	48,618	52,740	14.1%	8.5%	11.3%
Radisson Blu Hotel	32,440	37,555	31,946	15.8%	(14.9%)	(0.8%)
Holiday Inn Hotel	19,307	27,130	27,044	40.5%	(0.3%)	18.4%
<b>Total</b>	<b>94,345</b>	<b>113,302</b>	<b>111,731</b>	<b>20.1%</b>	<b>(1.4%)</b>	<b>8.8%</b>
<b>Lease Revenue</b>						
DoubleTree by Hilton Hotel	8,520	8,000	8,000	(6.1%)	0.0%	(3.1%)
Radisson Blu Hotel	6,488	7,513	6,389	15.8%	(15.0%)	(0.8%)
Holiday Inn Hotel	3,861	5,426	5,409	40.5%	(0.3%)	18.4%
<b>Total</b>	<b>18,869</b>	<b>20,939</b>	<b>19,798</b>	<b>11.0%</b>	<b>(5.4%)</b>	<b>2.4%</b>

SAR '000	Financial Year 2022G	Financial Year 2023G	Financial Year 2024G	Annual Change 2022G-2023G	Annual Change 2023G-2024G	CAGR 2022G-2024G
<b>As a Percentage of Total Lease Revenue</b>						
DoubleTree by Hilton Hotel	45.2%	38.2%	40.4%	(6.9)	2.2	(4.7)
Radisson Blu Hotel	34.4%	35.9%	32.3%	1.5	(3.6)	(2.1)
Holiday Inn Hotel	20.5%	25.9%	27.3%	5.4	1.4	6.9

Source: AUP Report, Management information.

**Table (4.14): Lease Terms by Property for the Financial Year Ended 31 December 2024G**

Property	Lease Revenue (2024G) SAR '000	Maximum Lease Revenue SAR '000	Lease Start Date	Lease Description
DoubleTree by Hilton Hotel	8,000	8,000 per annum	January 2020G	Lease adjusted at 20% of total revenue, capped at a maximum of SAR 8.0 million per annum
Radisson Blu Hotel	6,389	8,000 per annum	January 2020G	Lease adjusted at 20% of total revenue, capped at a maximum of SAR 8.0 million per annum
Holiday Inn Hotel	5,409	7,500 per annum	January 2020G	Lease adjusted at 20% of total revenue, capped at a maximum of SAR 7.5 million per annum

Source: Lease agreement, Management information.

Lease revenue is recognized by Al Hokair Holding Company under a lease agreement with BAAN Holding Group Co., the manager of the Al Hokair Transaction Assets. The agreement, effective April 2020G, is open-ended with no specified termination date. Under this agreement, lease revenue is calculated as the lesser of 20% of hotel revenues or a fixed cap of SAR 8.0 million for the DoubleTree by Hilton Hotel and the Radisson Blu Hotel, and SAR 7.5 million for the Holiday Inn Hotel. This effectively caps the lessor's income from the lease, irrespective of hotel performance. This structure provides maximum predictable revenue while linking the lease to operational performance, thereby aligning the interests of the lessor and the hotel operator.

Lease revenue increased from SAR 18.9 million for the financial year ended 2022G to approximately SAR 20.4 million for the financial years ended 31 December 2023G and 2024G, driven by an increase in hotel revenues recognized by BAAN Holding Group Co. from SAR 94.3 million in the financial year ended 2022G to approximately SAR 112.5 million in the financial years ended 2023G and 2024G. This increase was slightly offset by a decrease in lease revenue from the Radisson Blu Hotel of SAR 1.1 million during the financial years ended 2023G and 2024G, in line with a SAR 5.6 million decline in recorded hotel revenues over the same period.

## 4.2.5 Accounts Receivable

**Table (4.15): Accounts Receivable as at 31 December 2022G, 2023G and 2024G**

SAR '000	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G
DoubleTree by Hilton Hotel	-	377	8,455
Radisson Blu Hotel	-	4,093	8,552
Holiday Inn Hotel	-	2,351	8,961
<b>Total</b>	<b>-</b>	<b>6,820</b>	<b>25,968</b>
<b>As a percentage of total accounts receivable</b>			
<b>DoubleTree by Hilton Hotel</b>	<b>N/A</b>	<b>5.5%</b>	<b>32.6%</b>
<b>Radisson Blu Hotel</b>	<b>N/A</b>	<b>60.0%</b>	<b>32.9%</b>
<b>Holiday Inn Hotel</b>	<b>N/A</b>	<b>34.5%</b>	<b>34.5%</b>

Source: AUP Report, Management information.

## 4.2.6 Accounts Receivable Aging by Property

**Table (4.16): Accounts Receivable Aging by Property as at 31 December 2024G**

SAR '000	30-60 days	61-90 days	91-120 days	121-180 days	181-360 days	Total
DoubleTree by Hilton Hotel	-	515	1,702	5,930	308	8,455
Radisson Blu Hotel	1,215	442	893	4,286	1,717	8,552
Holiday Inn Hotel	1,019	406	2,555	3,416	1,565	8,961
<b>Total</b>	<b>2,234</b>	<b>1,364</b>	<b>5,150</b>	<b>13,631</b>	<b>3,589</b>	<b>25,968</b>
<b>As a percentage of the total</b>						
<b>DoubleTree by Hilton Hotel</b>	<b>0.0%</b>	<b>37.8%</b>	<b>33.0%</b>	<b>43.5%</b>	<b>8.6%</b>	<b>32.6%</b>
<b>Radisson Blu Hotel</b>	<b>54.4%</b>	<b>32.4%</b>	<b>17.3%</b>	<b>31.4%</b>	<b>47.8%</b>	<b>32.9%</b>
<b>Holiday Inn Hotel</b>	<b>45.6%</b>	<b>29.8%</b>	<b>49.6%</b>	<b>25.1%</b>	<b>43.6%</b>	<b>34.5%</b>

Source: Management information.

Receivables consist of amounts due from a single client, namely BAAN Holding Group Co. Receivables relate to lease revenue, with no specific/formal payment terms established with AI Hokair Holding Company.

Receivables increased from nil as at 31 December 2022G to SAR 26.0 million as at 31 December 2024G, driven by an increase in hotel revenues recorded during the historical period and the corresponding increase in lease revenue, along with invoicing delays by AI Hokair Holding Company.

Approximately 34% of the total receivables of SAR 26.0 million as at 31 December 2024G were within the aging category of 120 days or less, while approximately 66% of receivables were in the aging category of over 121 days, which was explained by Management as a result of the billing structure rather than delinquency.

## 4.2.7 Property and Equipment

**Table (4.17): Movement in Property and Equipment as at 31 December 2022G, 2023G and 2024G**

SAR '000	Holiday Inn Hotel	DoubleTree by Hilton Hotel	Radisson Blu Hotel
<b>1 January 2022G</b>	<b>67,280</b>	<b>58,419</b>	<b>184,821</b>
Depreciation	(2,294)	(2,681)	(5,899)
Net book value for 2022G (excluding revaluation)	64,986	55,738	178,921
Revaluation in 2022G	49,617	211,744	(935)
<b>31 December 2022G</b>	<b>114,603</b>	<b>267,482</b>	<b>177,987</b>
Depreciation	(3,038)	(6,795)	(3,347)
Net book value for 2023G (excluding revaluation)	111,565	260,687	174,640
Revaluation in 2023G	16,552	(4,372)	20,046
<b>31 December 2023G</b>	<b>128,117</b>	<b>256,315</b>	<b>194,686</b>
Depreciation	(3,343)	(5,768)	(4,244)
Net book value for 2024G (excluding revaluation)	124,774	250,547	190,442
Revaluation in 2024G	31,278	32,357	29,408
<b>31 December 2024G</b>	<b>156,052</b>	<b>282,904</b>	<b>219,850</b>

Source: AUP Report.

The net book value of property and equipment comprises buildings, land, equipment, and furniture included in the AI Hokair Transaction Assets. Any additions and maintenance of property and equipment are reflected in the books of BAAN Holding Group Co. as it is responsible for operating the AI Hokair Transaction Assets. AI Hokair Holding Company engages Aurisage to perform an annual independent valuation of its property and equipment in accordance with the revaluation model set out in IAS 16. Revaluation increases are recognized under other comprehensive income, except to the extent that they reverse a previously recognized decrease in profit or loss, in which case they are recorded under profit or loss. Decreases, on the other hand, are first charged against the revaluation reserve, before any additional loss is recognized. The adjusted fair values are reflected in the net book value.

The net book value of property and equipment for the DoubleTree by Hilton Hotel amounted to SAR 267.5 million as at 31 December 2022G, driven by an opening balance of SAR 58.4 million, depreciation of SAR 2.7 million and a revaluation of SAR 211.7 million. The book value decreased to SAR 256.3 million as at 31 December 2023G, driven by depreciation of SAR 6.8 million and a revaluation of SAR -4.4 million. The book value increased to SAR 282.9 million as at 31 December 2024G, driven by depreciation of SAR 5.8 million and a revaluation of SAR 32.4 million.

The net book value of property and equipment for the Radisson Blu Hotel amounted to SAR 178.0 million as at 31 December 2022G, driven by an opening balance of SAR 184.8 million, depreciation of SAR 5.9 million and a revaluation of SAR -935 thousand. The net book value increased to SAR 194.7 million as at 31 December 2023G, driven by depreciation of SAR 3.3 million and a revaluation of SAR 20.0 million. The net book value increased to SAR 219.9 million as at 31 December 2024G, driven by depreciation of SAR 4.2 million and a revaluation of SAR 29.4 million.

The net book value of property and equipment for the Holiday Inn Hotel amounted to SAR 114.6 million as at 31 December 2022G, driven by an opening balance of SAR 67.3 million, depreciation of SAR 2.3 million and a revaluation of SAR 49.6 million. The net book value increased to SAR 128.1 million as at 31 December 2023G, driven by depreciation of SAR 3.0 million and a revaluation of SAR 16.6 million. The net book value increased to SAR 156.1 million as at 31 December 2024G, driven by depreciation of SAR 3.3 million and a revaluation of SAR 31.3 million.

#### 4.2.8 Statement of Cash Flows

**Table (4.18): Statement of Cash Flows by Property for the Financial Year Ended 31 December 2024G**

Financial Year 2024G			
SAR '000	DoubleTree by Hilton Hotel	Holiday Inn Hotel	Radisson Blu Hotel
Net income	2,232	2,066	2,145
Depreciation expense	5,768	3,343	4,244
Accounts receivable	(8,078)	(6,610)	(4,460)
Net cash flows from operating activities	(78)	(1,202)	1,930

Source: AUP Report.

The DoubleTree by Hilton Hotel generated net cash flows from operating activities of SAR -78 thousand for the financial year ended 2024G, driven by a net income of SAR 2.2 million and depreciation of SAR 5.8 million during the period, which was offset by an increase in receivables of SAR 8.1 million.

The Holiday Inn Hotel generated net cash flows from operating activities of SAR -1.2 million for the financial year ended 2024G, driven by a net income of SAR 2.1 million and depreciation of SAR 3.3 million during the period, which was offset by an increase in receivables of SAR 6.6 million.

The Radisson Blu Hotel generated net cash flows from operating activities of SAR 1.9 million for the financial year ended 2024G, driven by a net income of SAR 2.1 million and depreciation of SAR 4.2 million during the period, which was offset by an increase in receivables of SAR 4.5 million.

**Table (4.19): Cash Flows by Property for the Financial Year Ended 31 December 2023G**

Financial Year 2023G			
SAR '000	DoubleTree by Hilton Hotel	Holiday Inn Hotel	Radisson Blu Hotel
Net income	1,205	2,388	4,166
Depreciation expense	6,795	3,038	3,347
Accounts receivable	(377)	(2,351)	(4,093)
Net cash flows from operating activities	7,623	3,075	3,420

Source: AUP Report.

The DoubleTree by Hilton Hotel generated net cash flows from operating activities of SAR 7.6 million for the financial year ended 2023G, driven by a net income of SAR 1.2 million and depreciation of SAR 6.8 million during the period, which was offset by an increase in receivables of SAR 377 thousand.

The Holiday Inn Hotel generated net cash flows from operating activities of SAR 3.1 million for the financial year ended 2023G, driven by a net income of SAR 2.4 million and depreciation of SAR 3.0 million during the period, which was offset by an increase in receivables of SAR 2.4 million.

The Radisson Blu Hotel generated net cash flows from operating activities of SAR 3.4 million for the financial year ended 2023G, driven by a net income of SAR 4.2 million and depreciation of SAR 3.3 million during the period, which was offset by an increase in receivables of SAR 4.1 million.

**Table (4.20): Cash Flows by Property for the Financial Year Ended 31 December 2022G**

Financial Year 2022G			
SAR '000	DoubleTree by Hilton Hotel	Holiday Inn Hotel	Radisson Blu Hotel
Net income	5,838	1,567	589
Depreciation expense	2,681	2,294	5,899
<b>Accounts receivable</b>	-	-	-
Net cash flows from operating activities	8,520	3,861	6,488

Source: AUP Report.

The DoubleTree by Hilton Hotel generated net cash flows from operating activities of SAR 8.5 million for the financial year ended 2022G, driven by a net income of SAR 5.8 million and depreciation of SAR 2.7 million during the period.

The Holiday Inn Hotel generated net cash flows from operating activities of SAR 3.9 million for the financial year ended 2022G, driven by a net income of SAR 1.6 million and depreciation of SAR 2.3 million during the period.

The Radisson Blu Hotel generated net cash flows from operating activities of SAR 6.5 million for the financial year ended 2022G, driven by a net income of SAR 589 thousand and depreciation of SAR 5.9 million during the period.

# 05

## Legal Information



## 5. Legal Information

### 5.1 Declarations of the Company's Directors

The Directors of the Company declare the following:

- 1- the Transactions do not constitute a breach of the relevant laws and regulations of the Kingdom of Saudi Arabia;
- 2- the issuance of the Consideration Shares does not violate any of the contracts or agreements to which the Company is a party;
- 3- this section contains all material legal information related to the Transaction documents that the Company's Shareholders must take into consideration when voting in order to make a well informed decision;
- 4- there is no other material legal information in this section the omission of which would render any other statement herein misleading; and
- 5- the independent members of the Board of Directors of the Company declare that they do not have any direct or indirect interest in any of the Company's shares or the Real Estate Assets, the business of the Company, or any contract signed or to be signed between the Company, Al Oula Real Estate Development Company and Al Hokair Holding Company in connection with the Transactions and they declare their complete independence with respect to the Transactions subject to this Circular.

### 5.2 Legal Information on the Transactions

#### 5.2.1 Summary of the Legal Structure of the Transactions

The Al Oula Transaction involves the purchase of real estate assets, namely 86 residential units representing all of the residential units located in the Mid-Rise component of the Ajdan Waterfront Project Tower in Al Khobar on Plot No. 12/2 of Plan No. 356/2, with a total area of approximately 12,000 square meters, and located on Corniche Road, Al Khobar, Kingdom of Saudi Arabia (referred to as the "**Al Oula Transaction Assets**"), in exchange for the issuance of sixty-five million, five hundred and seventy-six thousand, seven hundred and eighty-two (65,576,782) ordinary shares in the Company, equivalent to 10.58% of the Company's share capital after the Capital Increase (in the event both of the Transactions are approved) (referred to as the "**Al Oula Shares**") in favor of Al Oula Real Estate Development Company, through their allocation to three companies designated by Al Oula Real Estate Development Company in accordance with the provisions of the Al Oula Agreement (namely Awj Al-Mada Company, Awj Al-Majal Company, and Awj Al-Shati Company (collectively referred to as the "**Receiving Companies of the Al Oula Shares**") (referred to as the "**Al Oula Transaction**").

The Al Hokair Transaction involves the purchase of:

- a- the DoubleTree by Hilton Hotel in Riyadh, Al Murooj District, along with the land and real estate assets on which it is located, namely Plot No. 2155 of Plan No. 1578/A with an area of 1,250 square meters; Plot No. 2157 of Plan No. 1578/A with an area of 1,250 square meters; Plot No. 2159 of Plan No. 1578/A with an area of 1,250 square meters; and Plot No. 2161 of Plan No. 1578/A with an area of 1,750 square meters, all of which are located at Northern Ring Branch Road, Al Murooj District, Riyadh, Kingdom of Saudi Arabia (collectively referred to as the "**DoubleTree by Hilton Hotel**");
- b- the Radisson Blu Hotel, Jeddah Corniche, along with the land and real estate assets on which it is located, namely a plot (unnumbered) registered pursuant to Deed No. 320227006656, dated 02/06/1439H (corresponding to 18/02/2018G), within the South Obhur Plan, with an area of 3,610.5 square meters, located on Corniche Road, South Obhur District, Jeddah, Kingdom of Saudi Arabia (referred to as the "**Radisson Blu Hotel**"); and
- c- the Holiday Inn Jeddah Gateway Hotel on Al Madinah Road, along with the land and real estate assets on which it is located, namely Plot No. 528/A of Plan No. 477/3/P, with an area of 1,000 square meters, and Plot No. 530/A of Plan No. 477/3/P, with an area of 1,000 square meters, both located on Al-Madinah Al-Munawwarah Road, An Nuzha District, Jeddah, Kingdom of Saudi Arabia (referred to as the "**Holiday Inn Hotel**"),

(referred to as the "**Al Hokair Transaction Assets**"). The Al Hokair Transaction Assets shall be acquired in exchange for the issuance of two hundred and thirty-nine million, three hundred and ninety thousand, one hundred and fifty-four (239,390,154) ordinary shares in the Company, equivalent to 38.61% of the Company's share capital after the Capital Increase (in the event both of the Transactions are approved) (referred to as the "**Al Hokair Shares**") in favor of Al Hokair Holding Company in accordance with the provisions of the Al Hokair Agreement (referred to as the "**Al Hokair Transaction**").

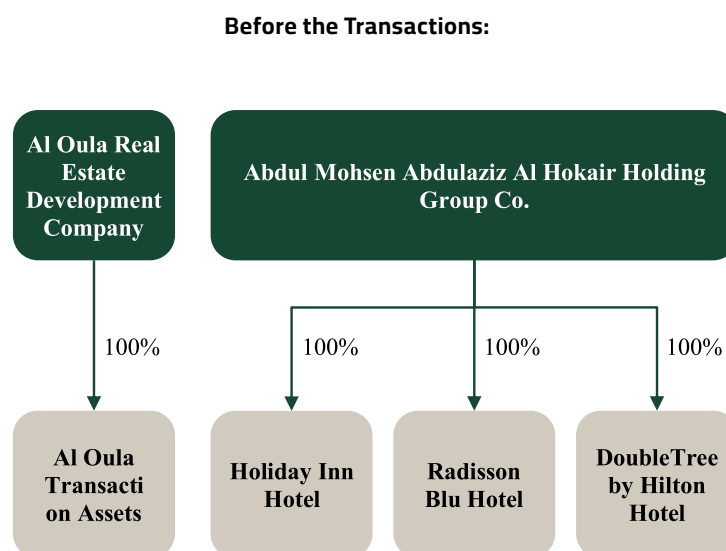
The Transactions will be completed in exchange for the issuance and allocation of the Consideration Shares in favor of the Receiving Companies of the Consideration Shares, in consideration of the Sellers' in-kind contribution of the Real Estate Assets. The total number of issued Consideration Shares is three hundred and four million, nine hundred and sixty-six thousand, nine hundred and thirty-six (304,966,936) shares, with a total nominal value of three hundred and four million, nine hundred and sixty-six thousand, nine hundred and thirty-six Saudi Riyals (SAR 304,966,936). These shares will be issued through an increase of 96.81% in the Company's current share capital, from three hundred and fifteen million Saudi Riyals (SAR 315,000,000) to six hundred and nineteen million, nine hundred and sixty-six thousand, nine hundred and thirty-six Saudi Riyals (SAR 619,966,936), and an increase in the number of its shares from three hundred and fifteen million (315,000,000) ordinary shares to six hundred and nineteen million, nine hundred and sixty-six thousand, nine hundred and thirty-six (619,966,936) ordinary shares with a nominal value of one Saudi Riyal (SAR 1) per share.

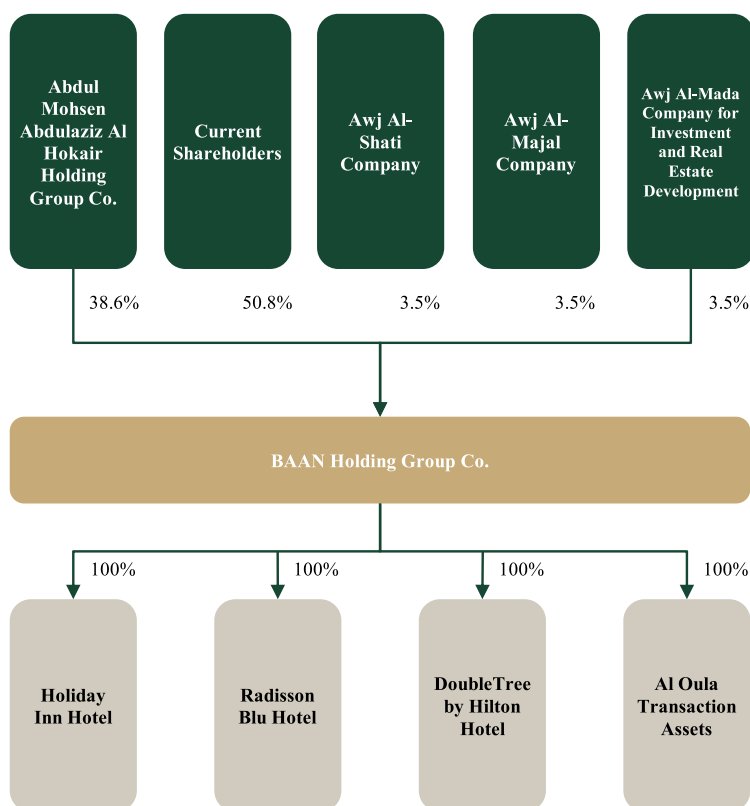
Upon Completion of the Transactions and the Capital Increase (in the event both of the Transactions are approved), the current shareholders of the Company will own 50.81% of the Company's share capital, while the Receiving Companies of the Consideration Shares will jointly own 49.19% of the Company's share capital. The Receiving Companies of the Al Oula Shares will own 10.58% of the Company's share capital, while Al Hokair Holding Company will own 38.61% of the Company's share capital. For further details on the ownership structure of the Company before and after the Completion of the Transactions, please refer to Section (3.5) ("**Ownership Structure Before and After the Transactions**") of this Circular.

Based on the final valuation and the number of Consideration Shares to be issued, the Sellers will not have any fractional shares.

The following is a simplified model of the structure of the Transactions:

**Figure (5.1): Structure of the Transactions**



**After the Transactions:****5.2.2 Approvals Necessary for Completion of the Transactions****5.2.2.1 Government Approvals**

Completion of the Transactions requires obtaining several government approvals, as follows:

- 1- the approval of the General Authority for Competition for the completion of both or either of the Transactions (if required). It should be noted that the Company has submitted the necessary applications to the General Authority for Competition and has obtained a No Notification Required Certificate in this regard from the General Authority for Competition in respect of the Transactions on 27/11/1446H (corresponding to 25/05/2025G), which states that the Company and the Sellers may proceed with the Transactions without the need to submit a notification to the General Authority for Competition;
- 2- the CMA's approval of the Company's application with respect to its Capital Increase for the purpose of acquiring the Real Estate Assets. In this regard, the CMA's approval for the Transactions was obtained on 04/07/1447H (corresponding to 24/12/2025G);
- 3- the approval of Tadawul to list the Consideration Shares. In this regard, Tadawul's approval for the Transactions was obtained on 09/06/1447H (corresponding to 30/11/2025G);
- 4- the necessary approvals related to the Capital Increase required for the completion of both or either of the Transactions from the Ministry of Commerce; and
- 5- the CMA's approval of the invitation to convene the Extraordinary General Assembly in respect of the Transactions, in accordance with the relevant regulations and the Company's Bylaws.

### 5.2.2.2 Approval of the Extraordinary General Assembly

The Transactions are subject to the approval of the Company's Extraordinary General Assembly, requiring a majority of three-quarters of the voting shares represented at the meeting. The Company will submit a request to the CMA to invite the Company's Extraordinary General Assembly in respect of the Transactions to convene. After obtaining the CMA's approval, the Company will publish the invitation to the Company's Extraordinary General Assembly in respect of the Transactions.

The Company's Extraordinary General Assembly meeting shall be valid if attended by shareholders representing at least half of the Company's share capital. If this quorum is not met at the first meeting, an invitation shall be sent for a second meeting to be held one hour after the lapse of the time specified for the first meeting (provided that the invitation to the first meeting indicates the possibility of a second meeting being held). The second meeting shall be valid if attended by shareholders representing at least a quarter of the share capital. If the necessary quorum is not present in the second meeting, the Company will apply to the CMA for its approval to hold a third Extraordinary General Assembly meeting. Upon obtaining its approval, the Company will publish the invitation to the Extraordinary General Assembly meeting, which will be held not less than twenty-one (21) days after the date of publication of the invitation. The third meeting shall be valid regardless of the number of shares represented therein.

All shareholders registered in the Company's Shareholder Register at the end of trading on the day of the Company's Extraordinary General Assembly in respect of the Transactions shall have the right to attend the Extraordinary General Assembly. Shareholders will be able to attend and vote on the agenda (either in person, by proxy, or through electronic voting) in accordance with the applicable procedures.

Votes at Extraordinary General Assembly meetings are calculated on the basis of one vote per share. Shareholders who are unable to attend the Extraordinary General Assembly (whether in person, by proxy or through electronic voting) will lose their right to vote at the Extraordinary General Assembly and the votes associated with their shares will not be taken into account.

It should be noted that Abdul Mohsen Al Hokair Sons Co. Ltd. and its owners, in addition to the parties Acting in Concert with Abdul Mohsen Abdulaziz Fahad Al Hokair in their capacity as members of his family, namely the late Bandar Khalid Bin Abdul Mohsen Al Hokair (and his heirs), Badr Khalid Bin Abdul Mohsen Al Hokair, and Ahmed Khalid Bin Abdul Mohsen Al Hokair (in the event any of them is a direct shareholder in the Company), including Abdul Mohsen Al Hokair & Sons Co. Ltd., shall refrain from voting on the Al Hokair Transaction Resolutions. Al Fozan Holding, a closed joint stock company, Abdul Qadir Al Muhaidib & Sons Co., a closed joint stock company, Sumou Global Investment, Al Oula Real Estate Development Company, Ajdan Real Estate Development Company and the Receiving Companies of the Al Oula Shares (in the event any of them is a direct shareholder in the Company) shall also refrain from voting on the Transaction Resolutions.

### 5.2.3 Completion of the Transactions

The Transaction Resolutions will enter into effect upon approval by the Company's shareholders. As a result, the Real Estate Assets will be conveyed to the Company, new deeds will be issued indicating the Company's ownership of the Real Estate Assets, and the Consideration Shares will be listed on Tadawul and allocated in favor of the Receiving Companies of the Consideration Shares.

### 5.2.4 Summary of the Al Oula Agreement

The Company, Al Oula Real Estate Development Company and Ajdan Real Estate Development Company (acting as guarantor for Al Oula Real Estate Development Company) entered into a real estate sale and purchase agreement on 28/06/1446H (corresponding to 29/12/2024G), pursuant to which the Company and Al Oula Real Estate Development Company agreed on the terms and conditions of the Al Oula Transaction and the obligations of the two companies with respect to the implementation of the Al Oula Transaction. The Al Oula Agreement includes undertakings and warranties provided by each party to the other.

The Al Oula Transaction is subject to the approval of the Company's shareholders. For further details regarding shareholder voting at the Extraordinary General Assembly, please refer to Section (5.2.2.2) ("**Approval of the Extraordinary General Assembly**") of this Circular.

#### 5.2.4.1 Terms of the AI Oula Agreement

The AI Oula Agreement includes a number of terms and conditions that must be fulfilled for the completion of the AI Oula Transaction. Both the Company and AI Oula Real Estate Development Company have committed to fulfill the terms and conditions as soon as possible, and in any case, within one year from the date of signing the AI Oula Agreement (or any later date agreed upon in writing between the parties), and to coordinate with each other in this regard. The two companies also agreed that none of the terms may be amended except with the written consent of all parties. The following is a summary of the key terms and conditions:

- 1- The parties shall obtain the required non-objection letter for the completion of the AI Oula Transaction from the General Authority for Competition (if required), provided that the Company shall bear the costs related to submitting the request for approval to the General Authority for Competition. It should be noted that the Company has submitted the necessary applications to the General Authority for Competition and has obtained a No Notification Required Certificate in this regard from the General Authority for Competition in respect of the Transactions on 27/11/1446H (corresponding to 25/05/2025G), which states that the Company and the Sellers may proceed with the Transactions without the need to submit a notification to the General Authority for Competition.
- 2- The Company shall obtain the necessary approvals from both the CMA and Tadawul for the completion of the AI Oula Transaction, including the CMA's approval for the Capital Increase and any required waivers in this regard, and Tadawul's approval for the listing of the AI Oula Shares.
- 3- The approval of the Board of Directors and the Extraordinary General Assembly shall be obtained for the issuance the AI Oula Shares.
- 4- AI Oula Real Estate Development Company shall have the right to designate one or more companies wholly or partially owned by Ajdan Real Estate Development Company for allocation of the AI Oula Shares thereto, provided that the Company is notified thereof with all relevant details at least ten (10) days prior to the completion of the AI Oula Transaction.
- 5- The Company shall complete the legal, technical and financial due diligence, and there shall be no material remarks, at the Company's absolute discretion, with respect to the AI Oula Transaction. The Company has fulfilled this condition as at the date of this Circular.
- 6- AI Oula Real Estate Development Company shall provide proof of obtaining all necessary approvals, licenses and certificates from the competent authorities in respect of the AI Oula Transaction Assets, including the completion certificate issued by the municipality and the security and safety certificates issued by the General Directorate of Civil Defense, as well as proof of delivery of key utilities, which include, but are not limited to, water, electricity and sewage services, among others.
- 7- Release of the mortgage on all partition deeds of the AI Oula Transaction Assets and the lifting of any related encumbrances or restrictions.
- 8- Transfer of the ownership of all partition deeds of the AI Oula Transaction Assets to AI Oula Real Estate Development Company, free from any mortgages, encumbrances or restrictions, before AI Oula Real Estate Development Company and the Company or their representatives appear before the competent notary public or attestor, as well as signature of the necessary documents to convey the AI Oula Transaction Assets to the Company and register them in its name (or in the name of its designee).

The AI Oula Agreement also stipulates further conditions as follows:

- 1- AI Oula Real Estate Development Company shall undertake the in-kind registration of the AI Oula Transaction Assets in the Real Estate Registry pursuant to the Law of Real Estate Registration before the date of completion of the AI Oula Transaction, in the event that in-kind registration of the AI Oula Transaction Assets in the Real Estate Registry is required.
- 2- All parties shall exert all of the necessary efforts to fulfill the terms, including providing information, carrying out all actions and completing the statutory procedures.

#### 5.2.4.2 Warranties, Representations and Obligations

The Company and AI Oula Real Estate Development Company have each provided several warranties. The Company's warranties are as follows:

- 1- it has the necessary authority to conclude the AI Oula Agreement and complete the statutory procedures for the completion of the AI Oula Transaction; and
- 2- it will not split its shares or reduce the nominal value thereof from the date of concluding the AI Oula Agreement until the date of completion of the AI Oula Transaction.

Al Oula Real Estate Development Company has provided the following warranties:

- 1- it has not and will not enter into any agreement that conflicts with the provisions of the Al Oula Agreement, and the signing of the Al Oula Agreement does not conflict with any undertakings or agreements it has concluded or been a party to;
- 2- it has the necessary authority to conclude the Al Oula Agreement and complete the procedures for the completion of the Al Oula Transaction;
- 3- although it was not the legally registered owner of the Al Oula Transaction Assets (before or after their partitioning into independent real estate units) on the date of signing the Al Oula Agreement (28/06/1446H (corresponding to 29/12/2024G), it has the right and authority to sell and dispose of the Al Oula Transaction Assets, and it will obtain any required or necessary approval, whether statutory, contractual or pursuant to any of its constitutional documents, with respect to the sale of the Al Oula Transaction Assets to the Company;
- 4- Al Oula Real Estate Development Company warrants its ability to sell the Al Oula Transaction Assets and convey them to the Company (or its designee) on the date of completion of the Al Oula Transaction;
- 5- the primary deed prior to the partitioning of the Al Oula Transaction Assets is free from encroachments on neighboring borders, and its dimensions conform to the survey reports approved by the competent municipality and relevant regulatory bodies;
- 6- the Al Oula Transaction Assets (after their partitioning into independent real estate units) have been conveyed pursuant to an electronic deed, are free from encroachments on neighboring borders, and their dimensions conform to the survey reports approved by the competent municipality and the relevant regulatory bodies;
- 7- all deeds of the partitioned units within the Al Oula Transaction Assets are valid, effective and free from any impediments or encumbrances;
- 8- it is not insolvent or bankrupt and is capable of paying its debts as they fall due; it has not taken any actions or measures leading to the application of the provisions of the Bankruptcy Law or the provisions of compulsory or voluntary liquidation or any actions leading to dissolution; it is capable of managing its affairs, business and assets under the provisions of the relevant laws; and it has not submitted any documents to any court for the appointment of any receiver or liquidator, nor has it received any notice of intent to appoint a receiver or liquidator thereto under any judicial ruling;
- 9- the Al Oula Transaction Assets are not subject to any fees, Al Oula Real Estate Development Company has previously paid all invoices and government and public service fees for the Al Oula Transaction Assets, along with any amounts related to their maintenance and settlement, and there are no amounts due for any lease, fees or taxes related to the Al Oula Transaction Assets up to the date of completion of the Al Oula Transaction;
- 10- there are no lawsuits related to the ownership of the Al Oula Transaction Assets (before or after their partitioning into independent real estate units) or any encroachments on neighboring borders or otherwise, nor is there any indication of the likelihood of a lawsuit in this regard; there are no notices, proceedings, disputes, complaints, obligations, claims or demands, whether ongoing, contingent or expected, related to the Al Oula Transaction Assets or their use, and there are no circumstances that would render any of the foregoing likely to occur. Al Oula Real Estate Development Company and Ajdan Real Estate Development Company shall jointly bear any legal costs incurred by the Company in the event any lawsuit is filed with respect to the Al Oula Transaction Assets, even if the Company prevails in all or any such lawsuits;
- 11- the conclusion of the Al Oula Agreement does not result in a breach of any obligations towards any third party, and there are no disputes between Al Oula Real Estate Development Company and any third party over the ownership of the Al Oula Transaction Assets or any part thereof;
- 12- no liabilities, rights or restrictions arise from the Al Oula Transaction Assets, and in the event a third party submits judicial, administrative or other claims regarding the ownership of the Al Oula Transaction Assets or any in-kind or personal right relating to the Al Oula Transaction Assets, Al Oula Real Estate Development Company and Ajdan Real Estate Development Company jointly undertake to protect and indemnify the Company against any damage arising therefrom, as well as for any expenses incurred in this regard, and they shall bear full responsibility and all of the encumbrances, including any legal costs incurred by the Company, if any lawsuit is filed in this regard, even if the Company prevails in such a lawsuit;
- 13- it has obtained all of the necessary governmental and private licenses and approvals for the Al Oula Transaction Assets and the construction of the building containing them, and the Al Oula Transaction Assets, in accordance with their current uses, are not in violation of any relevant law, regulation or legislation aimed at monitoring or regulating the construction or use of the Al Oula Transaction Assets (or the plot on which such assets are located) or related to the preservation or safeguarding of the national heritage, or any decrees, regulations, approvals or permits issued or granted thereunder;
- 14- Al Oula Real Estate Development Company declares that there are no legal or contractual impediments, nor any judicial ruling or decision issued by any government entity, that prevents it from entering into the Al Oula Agreement and adhering to the provisions thereof;

- 15- the AI Oula Transaction Assets are free from any usufruct rights (whether by lease or sublease), easements, franchises, covenants, restrictions, encumbrances or any exceptions of any kind (including any restrictions imposed by law or by any competent authority), and they are also free from any right of occupancy by any third party;
- 16- it guarantees the structural integrity and cement concrete stability of the AI Oula Transaction Assets (including latent defects) for a period of no less than ten (10) years from the date of completion of the development of the AI Oula Transaction Assets on 16/03/1444H (corresponding to 12/10/2022G). AI Oula Real Estate Development Company also confirms the absence of any defects that could affect building safety, which would in turn affect the value of the AI Oula Transaction Assets. Furthermore, AI Oula Real Estate Company confirms that it has performed the necessary maintenance for the AI Oula Transaction Assets in full during the period prior to the date of completion of the AI Oula Transaction and that the AI Oula Transaction Assets are covered under ongoing maintenance contracts for a period of no less than one (1) year following the date of completion of the AI Oula Transaction;
- 17- the materials, devices and equipment attached to the AI Oula Transaction Assets are fit for use and guaranteed by their respective suppliers;
- 18- it guarantees the validity of any warranty provided by contractors or suppliers for the AI Oula Transaction Assets or the materials, devices or equipment attached thereto for the benefit of the Company or any subsequent owner of the AI Oula Transaction Assets. Furthermore, AI Oula Real Estate Development Company undertakes to provide support and cooperation to the Company in the event any warrantor refrains from cooperating therewith;
- 19- neither it nor the current owner of the AI Oula Transaction Assets has received any notification regarding the expropriation of the AI Oula Transaction Assets by any competent authority, nor is it aware of any intention to expropriate the AI Oula Transaction Assets by any competent authority;
- 20- all of the information that AI Oula Real Estate Development Company has provided and will provide to the Company is true, accurate and not misleading and no information related to the AI Oula Transaction Assets has been concealed. Furthermore, all such information will remain true, accurate and not misleading until the date of completion of the AI Oula Transaction; and
- 21- AI Oula Real Estate Development Company acknowledges and agrees that in the event the Company concludes any other agreement to purchase assets in exchange for shares therein prior to the completion date of the AI Oula Transaction, the Company shall have the right to complete the procedures for issuing the Consideration Shares for the AI Oula Transaction and the other transaction as a single process. This includes applying for the necessary approvals, whether from regulatory authorities or the Company's General Assembly, for a single capital increase to encompass the AI Oula Shares and any other consideration shares issued by the Company in exchange for the acquisition of assets from any other party. This approach applies to the structure of each of the Transactions.

#### 5.2.4.3 Restrictions on Business

The AI Oula Agreement includes an undertaking by the Company that it may not split its shares or reduce the nominal value thereof from the date of concluding the AI Oula Agreement until the date of completion of the AI Oula Transaction.

#### 5.2.4.4 Indemnities

AI Oula Real Estate Development Company and Ajdan Real Estate Development Company shall jointly indemnify the Company in the cases specified in the AI Oula Agreement, which include, but are not limited to, the following:

- 1- A breach by AI Oula Real Estate Development Company of any of its obligations, representations, undertakings or warranties provided thereby under the provisions of the AI Oula Agreement, whereby AI Oula Real Estate Development Company and Ajdan Real Estate Development Company are jointly obligated to indemnify the Company and its representatives against any lawsuits, claims, damages, costs and fines that may directly or indirectly arise from any default, negligence or breach, whether established or alleged, related to AI Oula Real Estate Development Company's compliance with the provisions of the AI Oula Agreement. This includes the failure of AI Oula Real Estate Development Company to obtain any necessary permits, licenses or approvals for the construction or utilization of the AI Oula Transaction Assets, or the violation by AI Oula Real Estate Development Company or the current owner of the AI Oula Transaction Assets of any applicable regulations in the Kingdom in respect of the AI Oula Transaction Assets.
- 2- In the event that the AI Oula Transaction Assets are not capable of being registered in-kind in the Real Estate Registry for any reason attributable to AI Oula Real Estate Development Company or the owner of the AI Oula Transaction Assets at the time of executing the AI Oula Agreement, or in the event that they are registered with a discrepancy exceeding 10% in comparison to the area specified in the deed of the AI Oula Transaction Assets (or in the event a dispute arises regarding the initial registration), until the registration acquires absolute legality.

- 3- In the event the in-kind registration of the AI Oula Transaction Assets in the Real Estate Registry is completed and a minor discrepancy appears in the area of the AI Oula Transaction Assets after registration on the Real Estate Registry platform, AI Oula Real Estate Development Company and Ajdan Real Estate Development Company shall be obligated to compensate the Company in cash based on the agreed-upon price for the purchase of the AI Oula Transaction Assets in full. For the purposes of calculating the cash compensation, the difference between the area specified in the Real Estate Registry and the area in the deed shall be considered.

The Company shall have the right to claim compensation from AI Oula Real Estate Development Company and Ajdan Real Estate Development Company jointly for the value of any damage or defect resulting from the inaccuracy of any of the representations and warranties contained in the AI Oula Agreement in the event such damage or defect becomes apparent or is discovered after the completion of the AI Oula Transaction.

Ajdan Real Estate Development Company also guarantees all obligations, representations, undertakings and warranties of AI Oula Real Estate Development Company as stated in the AI Oula Agreement. Ajdan Real Estate Development Company shall be jointly and severally responsible with AI Oula Real Estate Development Company for indemnifying the Company against any breach or failure by AI Oula Real Estate Development Company with respect to any of its obligations, representations, undertakings and warranties contained in the AI Oula Agreement. Furthermore, Ajdan Real Estate Development Company shall solely replace AI Oula Real Estate Development Company in the event of the liquidation, dissolution or expiration of AI Oula Real Estate Development Company for any reason.

#### **5.2.4.5 Procedures for Completion of the AI Oula Transaction**

Both the Company and AI Oula Real Estate Development Company shall complete the necessary procedures for the completion of the AI Oula Transaction as follows:

- 1- the Company and AI Oula Real Estate Development Company or their representatives shall attend before the competent notary public or attestor and sign the necessary documents to convey the AI Oula Transaction Assets to the Company and register them in its name (or in the name of its designee); and
- 2- they shall take the necessary measures to complete the issuance of the new AI Oula Shares and deposit them into the portfolios of the Receiving Companies of the AI Oula Shares.

With respect to taxes, AI Oula Real Estate Development Company shall pay RETT resulting from the transfer of the AI Oula Transaction Assets to the Company under the AI Oula Transaction in the event the Receiving Companies of the AI Oula Shares sell the AI Oula Shares during the five-year period following the date of completion of the AI Oula Transaction, or if RETT is imposed on the AI Oula Transaction for any other reason. This is based on the understanding that the agreed-upon value of the AI Oula Transaction Assets, pursuant to the provisions of the AI Oula Agreement, includes RETT. The AI Oula Transaction is exempt from RETT based on Article 3(a)(11) of the Real Estate Transaction Tax (RETT) Implementing Regulations, provided that the Receiving Companies of the AI Oula Shares do not dispose of the AI Oula Shares during the five-year period following the date of completion of the AI Oula Transaction. Accordingly, it was agreed in the AI Oula Agreement that in the event the Receiving Companies of the AI Oula Shares dispose of the AI Oula Shares during the five-year period following the date of completion of the AI Oula Transaction, AI Oula Real Estate Development Company shall pay the RETT.

#### **5.2.4.6 Restrictions on the AI Oula Shares**

N/A.

#### **5.2.4.7 Termination Provisions of the AI Oula Agreement**

The AI Oula Agreement may be terminated pursuant to a written agreement between the parties thereto. The Company also has the right to terminate the AI Oula Agreement by providing written notice to AI Oula Real Estate Development Company in the event that any of the conditions precedent - other than those requiring regulatory approval - are not met to the Company's satisfaction and are not waived by the Company, or if any such condition precedent remains unfulfilled after the passage of one year from the date of signing the AI Oula Agreement (28/06/1446H (corresponding to 29/12/2024G)) or any later date as may be mutually agreed upon in writing by the parties to the AI Oula Agreement.

The Company may also terminate the AI Oula Agreement in the following circumstances:

- 1- if any representations or warranties made by AI Oula Real Estate Development Company in the AI Oula Agreement are found to be inaccurate or untrue prior to the completion of the AI Oula Transaction;
- 2- if AI Oula Real Estate Development Company breaches any of its obligations contained in the AI Oula Agreement;
- 3- if the General Authority for Competition does not approve the completion of the AI Oula Transaction (in the event that such approval is required for the completion of the AI Oula Transaction). It should be noted that the Company has submitted the necessary applications to the General Authority for Competition and has obtained a No Notification Required Certificate in this regard from the General Authority for Competition in respect of the Transactions on 27/11/1446H (corresponding to 25/05/2025G), which states that the Company and the Sellers may proceed with the Transactions without the need to submit a notification to the General Authority for Competition;
- 4- if the CMA does not approve the completion of the AI Oula Transaction;
- 5- if the Company's Extraordinary General Assembly does not approve the issuance of the AI Oula Shares to the Receiving Companies of the AI Oula Shares;
- 6- if any issues or observations arise after the completion of the due diligence process for the AI Oula Transaction that the Company deems, at its sole discretion, to affect the AI Oula Transaction Assets, their condition or their valuation; and/or
- 7- if, prior to the date of completion of the AI Oula Transaction, any governmental or competent authority issues an order or decision for the expropriation of the AI Oula Transaction Assets or any part thereof, or imposes restrictions or suspensions on their disposal or use, in whole or in part.

## 5.2.5 Summary of the AI Hokair Agreement

The Company and AI Hokair Holding Company entered into a real estate sale and purchase agreement on 28/06/1446H (corresponding to 29/12/2024G), pursuant to which the Company and AI Hokair Holding Company agreed on the terms and conditions of the AI Hokair Transaction and the obligations of the two companies with respect to the implementation of the AI Hokair Transaction. The AI Hokair Agreement includes undertakings and warranties provided by each party to the other.

The AI Hokair Transaction is subject to the approval of the Company's shareholders. For further details regarding shareholder voting at the Extraordinary General Assembly, please refer to Section (5.2.2.2) ("**Approval of the Extraordinary General Assembly**") of this Circular.

### 5.2.5.1 Terms of the AI Hokair Agreement

The AI Hokair Agreement includes a number of terms and conditions that must be fulfilled for the completion of the AI Hokair Transaction. Both the Company and AI Hokair Holding Company have committed to fulfill the terms and conditions as soon as possible, and in any case, within one year from the date of signing the AI Oula Agreement (or any later date agreed upon in writing between the parties), and to coordinate with each other in this regard. The two companies also agreed that none of the terms may be amended except with the written consent of all parties. The following is a summary of the key terms and conditions:

- 1- The parties shall obtain the required non-objection letter for the completion of the AI Hokair Transaction from the General Authority for Competition (if required), provided that the Company shall bear the costs related to submitting the request for approval to the General Authority for Competition. It should be noted that the Company has submitted the necessary applications to the General Authority for Competition and has obtained a No Notification Required Certificate in this regard from the General Authority for Competition in respect of the Transactions on 27/11/1446H (corresponding to 25/05/2025G), which states that the Company and the Sellers may proceed with the Transactions without the need to submit a notification to the General Authority for Competition.
- 2- The Company shall obtain the necessary approvals from both the CMA and Tadawul for the completion of the AI Hokair Transaction, including the CMA's approval for the Capital Increase and any required waivers in this regard, and Tadawul's approval for the listing of the AI Hokair Shares.
- 3- The approval of the Board of Directors and the Extraordinary General Assembly for the issuance of the AI Hokair Shares.
- 4- The Company shall complete the legal, technical and financial due diligence, and there shall be no material remarks, at the Company's absolute discretion, with respect to the AI Hokair Transaction. The Company has fulfilled this condition as at the date of this Circular.
- 5- AI Hokair Holding Company shall provide proof of obtaining all necessary approvals, licenses and certificates from the competent authorities for the AI Hokair Transaction Assets, including the completion certificate issued by the municipality, security and safety certificates issued by the General Directorate of Civil Defense, and tourism and hotel licenses.
- 6- Release of the mortgage on all real estate deeds of the AI Hokair Transaction Assets and the lifting of any related encumbrances or restrictions.

- 7- Proof of the restoration of ownership of the Holiday Inn Hotel deed in favor of AI Hokair Holding Company shall be provided within thirty (30) days from the date of the AI Hokair Agreement (28/06/1446H (corresponding to 29/12/2024G)).

The AI Hokair Agreement also stipulates further conditions as follows:

- 1- AI Hokair Holding Company shall undertake the in-kind registration of the AI Hokair Transaction Assets in the Real Estate Registry pursuant to the Law of Real Estate Registration before the date of completion of the AI Hokair Transaction, in the event that in-kind registration of the AI Hokair Transaction Assets in the Real Estate Registry is required.
- 2- All parties shall exert all of the necessary efforts to fulfill the terms, including providing information, carrying out all actions and completing the statutory procedures.

### 5.2.5.2 Warranties, Representations and Obligations

The Company and AI Hokair Holding Company have each provided several warranties. The Company's warranties are as follows:

- 1- it has the necessary authority to conclude the AI Hokair Agreement and complete the statutory procedures for the completion of the AI Hokair Transaction;
- 2- it will not split its shares or reduce the nominal value thereof from the date of concluding the AI Hokair Agreement until the date of completion of the AI Hokair Transaction; and
- 3- the Company shall pay RETT resulting from the transfer of the AI Hokair Transaction Assets thereto under the AI Hokair Transaction in the event that AI Hokair Holding Company sells the AI Hokair Shares during the five-year period following the date of completion of the AI Hokair Transaction.

AI Hokair Holding Company has provided the following warranties:

- 1- it has not and will not enter into any agreement that conflicts with the provisions of the AI Hokair Agreement, and the signing of the AI Hokair Agreement does not conflict with any undertakings or agreements it has concluded or been a party to;
- 2- it has the necessary authority to conclude the AI Hokair Agreement and complete the procedures for the completion of the AI Hokair Transaction;
- 3- it is the sole and legal owner of the AI Hokair Transaction Assets and has the right and authority to sell such assets, and it will obtain any required or necessary approval, whether statutory, contractual or pursuant to any of its constitutional documents, with respect to the sale of the AI Hokair Transaction Assets to the Company;
- 4- the AI Hokair Transaction Assets have been conveyed pursuant to an electronic deed, are free from encroachments on neighboring borders, and their dimensions conform to the survey reports approved by the competent municipality and the relevant regulatory bodies;
- 5- all deeds of the AI Hokair Transaction Assets are valid, effective and free from any impediments or encumbrances;
- 6- it is not insolvent or bankrupt and is capable of paying its debts as they fall due; it has not taken any actions or measures leading to the application of the provisions of the Bankruptcy Law or the provisions of compulsory or voluntary liquidation or any actions leading to dissolution; it is capable of managing its affairs, business and assets under the provisions of the relevant laws; and it has not submitted any documents to any court for the appointment of any receiver or liquidator, nor has it received any notice of intent to appoint a receiver or liquidator thereto under any judicial ruling;
- 7- the AI Hokair Transaction Assets are not subject to any fees, AI Hokair Holding Company has previously paid all invoices and government and public service fees for the AI Hokair Transaction Assets, along with any amounts related to their maintenance and settlement, and there are no amounts due for any lease, fees or taxes related to the AI Hokair Transaction Assets up to the date of completion of the AI Hokair Transaction;
- 8- there are no lawsuits related to the ownership of the AI Hokair Transaction Assets or any encroachments on neighboring borders or otherwise, nor is there any indication of the likelihood of a lawsuit in this regard; there are no notices, proceedings, disputes, complaints, obligations, claims or demands, whether ongoing, contingent or expected, related to the AI Hokair Transaction Assets or their use, and there are no circumstances that would render any of the foregoing likely to occur. AI Hokair Holding Company shall bear any legal costs incurred by the Company in the event any lawsuit is filed related to the AI Hokair Transaction Assets, even if the Company prevails in all or any such lawsuits;
- 9- the conclusion of the AI Hokair Agreement does not result in a breach of any obligations towards any third party, and there are no disputes between AI Hokair Holding Company and any third party over the ownership of the AI Hokair Transaction Assets or any part thereof;

- 10- except for the contracts concluded in relation thereto, no obligations, rights or any restrictions arise from the AI Hokair Transaction Assets, and in the event a third party submits judicial, administrative or other claims regarding the ownership of the AI Hokair Transaction Assets or any in-kind or personal right relating to the AI Hokair Transaction Assets, AI Hokair Holding Company undertakes to protect and indemnify the Company against any damage arising therefrom, as well as for any expenses incurred in this regard, and it shall bear full responsibility and all of the encumbrances, including any legal costs incurred by the Company, if any lawsuit is filed in this regard, even if the Company prevails in such a lawsuit;
- 11- it has obtained all of the necessary governmental and private licenses and approvals for the AI Hokair Transaction Assets and the construction of the building containing them, and the AI Hokair Transaction Assets, in accordance with their current uses, are not in violation of any relevant law, regulation or legislation aimed at monitoring or regulating the construction or use of the AI Hokair Transaction Assets or related to the preservation or safeguarding of the national heritage, or any decrees, regulations, approvals or permissions issued or granted thereunder;
- 12- AI Hokair Holding Company declares that there are no legal or contractual impediments, nor any judicial ruling or decision issued by any government entity, that prevents it from entering into the AI Hokair Agreement and adhering to the provisions thereof;
- 13- except for the contracts concluded in relation thereto, the AI Hokair Transaction Assets are free from any usufruct rights (whether by lease or sublease), easements, franchises, covenants, restrictions, encumbrances or any exceptions of any kind (including any restrictions imposed by law or by any competent authority), and they are also free from any right of occupancy by any third party;
- 14- the materials, devices and equipment attached to the AI Hokair Transaction Assets are fit for use and guaranteed by their respective suppliers;
- 15- it guarantees the validity of any warranty provided by contractors or suppliers for the AI Hokair Transaction Assets or the materials, devices or equipment attached thereto for the benefit of the Company or any subsequent owner of the AI Hokair Transaction Assets. Furthermore, AI Hokair Holding Company undertakes to provide support and cooperation to the Company in the event any warrantor refrains from cooperating therewith;
- 16- it has not received any notification regarding the expropriation of the AI Hokair Transaction Assets by any competent authority, nor is it aware of any intention to expropriate the AI Hokair Transaction Assets by any competent authority;
- 17- all of the information that AI Hokair Holding Company has provided and will provide to the Company is true, accurate and not misleading, and no information related to the AI Hokair Transaction Assets has been concealed. Furthermore, all such information will remain true, accurate and not misleading until the date of completion of the AI Hokair Transaction; and
- 18- AI Hokair Holding Company acknowledges and agrees that in the event the Company concludes any other agreement to purchase assets in exchange for shares therein prior to the completion date of the AI Hokair Transaction, the Company shall have the right to complete the procedures for issuing the Consideration Shares for the AI Hokair Transaction and the other transaction as a single process. This includes applying for the necessary approvals, whether from regulatory authorities or from the Company's General Assembly, for a single capital increase to encompass the AI Hokair Shares and any other consideration shares issued by the Company in exchange for the acquisition of assets from any other party. This approach applies to the structure of each of the Transactions.

### 5.2.5.3 Restrictions on Business

The AI Hokair Agreement includes an undertaking by the Company that it may not split its shares or reduce the nominal value thereof from the date of concluding the AI Hokair Agreement until the date of completion of the AI Hokair Transaction.

### 5.2.5.4 Indemnities

AI Hokair Holding Company shall indemnify the Company in the cases specified in the AI Hokair Agreement, which include, but are not limited to, the following:

- 1- A breach by AI Hokair Holding Company of any of its obligations, representations, undertakings or warranties provided thereby under the provisions of the AI Hokair Agreement, whereby AI Hokair Holding Company is obligated to indemnify the Company and its representatives against any lawsuits, claims, damages, costs and fines that may directly or indirectly arise from any default, negligence or breach, whether established or alleged, related to AI Hokair Holding Company's compliance with the provisions of the AI Hokair Agreement. This includes the failure of AI Hokair Holding Company to obtain any necessary permits, licenses or approvals for the construction or utilization of the AI Hokair Transaction Assets, or the violation by AI Hokair Holding Company of any applicable regulations in the Kingdom with respect to the AI Hokair Transaction Assets.

- 2- In the event that the AI Hokair Transaction Assets are not capable of being registered in-kind in the Real Estate Registry for any reason, or in the event that they are registered with a discrepancy exceeding 10% in comparison to the area specified in the deed of the relevant real estate assets (or in the event a dispute arises regarding the initial registration), until the registration acquires absolute legality.
- 3- In the event the in-kind registration of the AI Hokair Transaction Assets in the Real Estate Registry is completed and a minor discrepancy appears in the area of the AI Hokair Transaction Assets after registration on the Real Estate Registry platform, AI Hokair Holding Company shall be obligated to compensate the Company in cash based on the agreed-upon price for the purchase of the AI Hokair Transaction Assets in full. For the purposes of calculating the cash compensation, the difference between the area specified in the Real Estate Registry and the area in the deed shall be considered.

The Company shall have the right to claim compensation from AI Hokair Holding Company for the value of any damage or defect resulting from the inaccuracy of any of the representations and warranties contained in the AI Hokair Agreement in the event such damage or defect becomes apparent or is discovered after the completion of the AI Hokair Transaction.

#### 5.2.5.5 Procedures for Completion of the AI Hokair Transaction

each of the Company and AI Hokair Holding Company shall complete the necessary procedures for the completion of the AI Hokair Transaction as follows:

- 1- the Company and AI Hokair Holding Company or their representatives shall attend before the competent notary public or attestor and sign the necessary documents to convey the AI Hokair Transaction Assets to the Company and register them in its name (or in the name of its designee); and
- 2- take the necessary measures to complete the issuance of the new AI Hokair Shares and deposit them into the portfolio of AI Hokair Holding Company.

With respect to taxes, the Company shall pay RETT resulting from the transfer of the AI Hokair Transaction Assets to the Company under the AI Hokair Transaction in the event that AI Hokair Holding Company sells the AI Hokair Shares during the five-year period following the date of completion of the AI Hokair Transaction. The AI Hokair Transaction is exempt from RETT based on Article 3(a) (11) of the Real Estate Transaction Tax Law, provided that AI Hokair Holding Company does not dispose of the AI Hokair Shares during the five-year period following the date of completion of the AI Hokair Transaction. Accordingly, it was agreed in the AI Hokair Agreement that in the event AI Hokair Holding Company disposes of the AI Hokair Shares during the five-year period following the date of completion of the AI Hokair Transaction, or if RETT is imposed for any other reason, the Company shall pay the RETT.

#### 5.2.5.6 Restrictions on the AI Hokair Shares

There are no restrictions stipulated in the AI Hokair Agreement. However, AI Hokair Holding Company will not be able to dispose of the AI Hokair Shares for a period of six months starting from the date of issuance and allocation of the AI Hokair Shares to it pursuant to Article 24(a) of the Merger and Acquisition Regulations (for further details on the restrictions imposed on the AI Hokair Shares pursuant to Article 24(a) of the Merger and Acquisition Regulations, please refer to the "**Restrictions on the AI Hokair Shares**" clause in the "**Summary**" section of this Circular).

#### 5.2.5.7 Termination Provisions of the AI Hokair Agreement

The AI Hokair Agreement may be terminated pursuant to a written agreement between the parties thereto. The Company also has the right to terminate the AI Hokair Agreement by providing written notice to AI Hokair Holding Company in the event that any of the conditions precedent - other than those requiring regulatory approvals - are not met to the Company's satisfaction and are not waived by the Company, or if any such condition precedent remains unfulfilled after the passage of one year from the date of signing the AI Hokair Agreement (28/06/1446H (corresponding to 29/12/2024G)) or any later date as may be mutually agreed upon in writing by the parties to the AI Hokair Agreement.

The Company may also terminate the AI Hokair Agreement in the following circumstances:

- 1- if any representations or warranties made by AI Hokair Holding Company in the AI Hokair Agreement are found to be inaccurate or untrue prior to the completion of the AI Hokair Transaction;
- 2- if AI Hokair Holding Company breaches any of its obligations contained in the AI Hokair Agreement;

- 3- if the General Authority for Competition does not approve the completion of the AI Hokair Transaction (in the event that such approval is required for the completion of the AI Hokair Transaction). It should be noted that the Company has submitted the necessary applications to the General Authority for Competition and has obtained a No Notification Required Certificate in this regard from the General Authority for Competition in respect of the Transactions on 27/11/1446H (corresponding to 25/05/2025G), which states that the Company and the Sellers may proceed with the Transactions without the need to submit a notification to the General Authority for Competition;
- 4- if the CMA does not approve the completion of the AI Hokair Transaction;
- 5- if the Extraordinary General Assembly does not approve the issuance of the AI Hokair Shares to AI Hokair Holding Company;
- 6- if any issues or observations arise after the completion of the due diligence process for the AI Hokair Transaction that the Company deems, at its sole discretion, to affect the AI Hokair Transaction Assets, their condition or their valuation; and/or
- 7- if, prior to the date of completion of the AI Hokair Transaction, any governmental or competent authority issues an order or decision for the expropriation of the AI Hokair Transaction Assets or any part thereof, or imposes restrictions or suspensions on their disposal or use, in whole or in part.

### 5.3 Lawsuits and Claims Against the Company

There are no lawsuits or claims (including any pending or threatened lawsuits) that could materially affect the business of the Company and its subsidiaries or their financial position. For further details regarding risks related to lawsuits, please refer to Section (1.1.22) ("**Risks Related to Litigation**") of this Circular.

### 5.4 Lawsuits and Claims Related to the Real Estate Assets

Both Sellers have confirmed, in accordance with the provisions of the Transaction Agreements, that there are no lawsuits or claims (including any pending or threatened lawsuits) that could materially affect the Real Estate Assets.

### 5.5 Bankruptcy

None of the members of the Company's Board of Directors, Senior Executives or Board Secretary have been subject to bankruptcy.

### 5.6 Insolvency

None of the members of the Company's Board of Directors, Senior Executives or Board Secretary have been appointed by any insolvent company in an administrative or supervisory position within the previous five years.

# 06

## Expert Statements



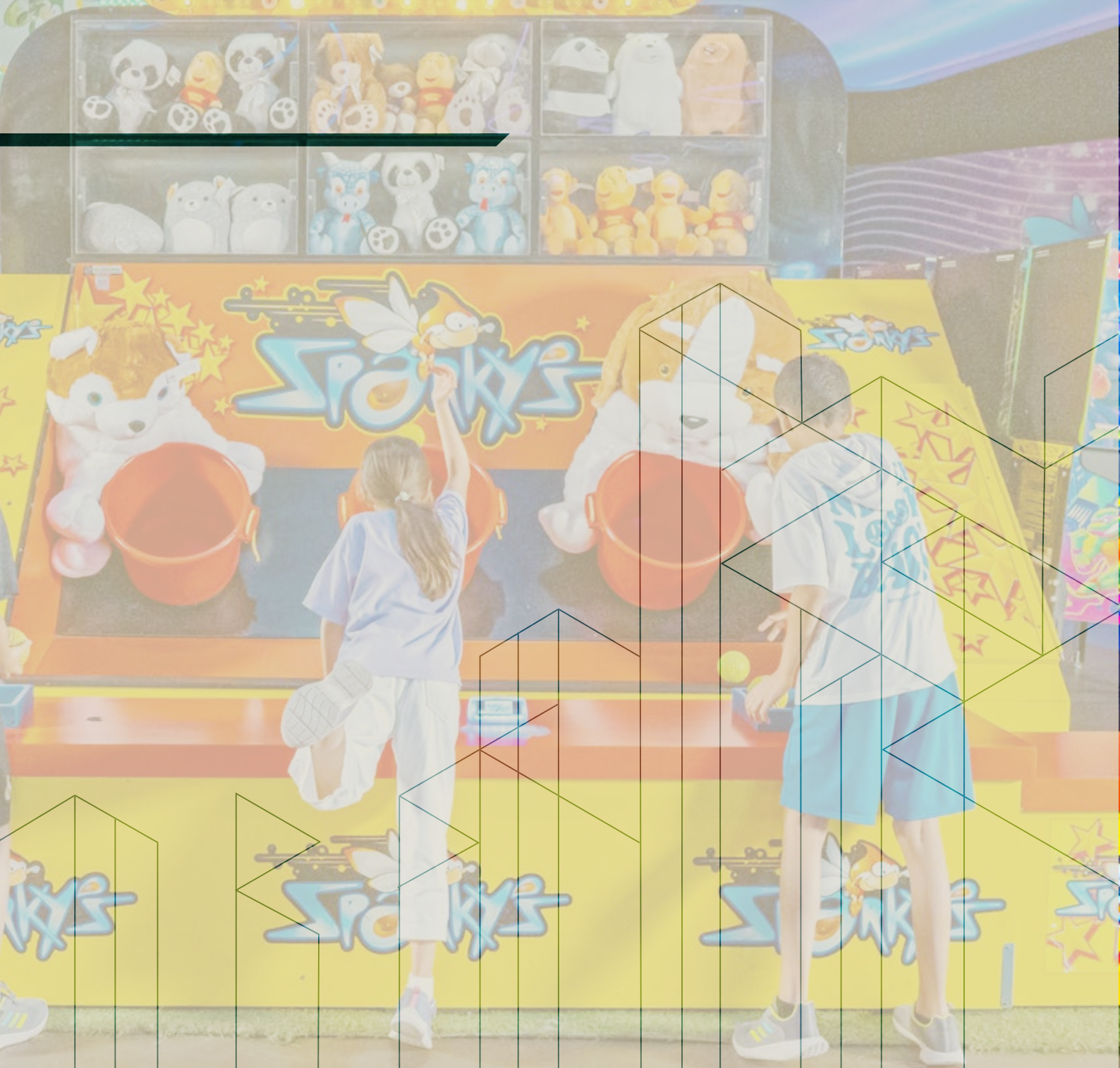
## 6. Expert Statements

The Advisors and the Auditor whose names are listed in the ("**Corporate Directory**") section have given and, as at the date of this Circular, have not withdrawn their written consent to the publication of their names, addresses, logos and statements within this Circular (as applicable). This Circular does not include any statements prepared by experts in relation to the Transactions.

07

Expenses

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## 7. Expenses

The Company's costs related to the Completion of the Transactions are estimated at approximately thirteen million Saudi Riyals (SAR 13,000,000). These expenses include the fees of the Financial Advisor, Legal Advisor, Financial Due Diligence Advisor, Market Consultant, Real Estate Appraisers and other advisors, as well as fees due to government entities, marketing, printing and distribution expenses and other costs related to the Transactions. It should be noted that the above costs and expenses do not include any other business-related costs after the Completion of the Transactions.

# 08

## Waivers

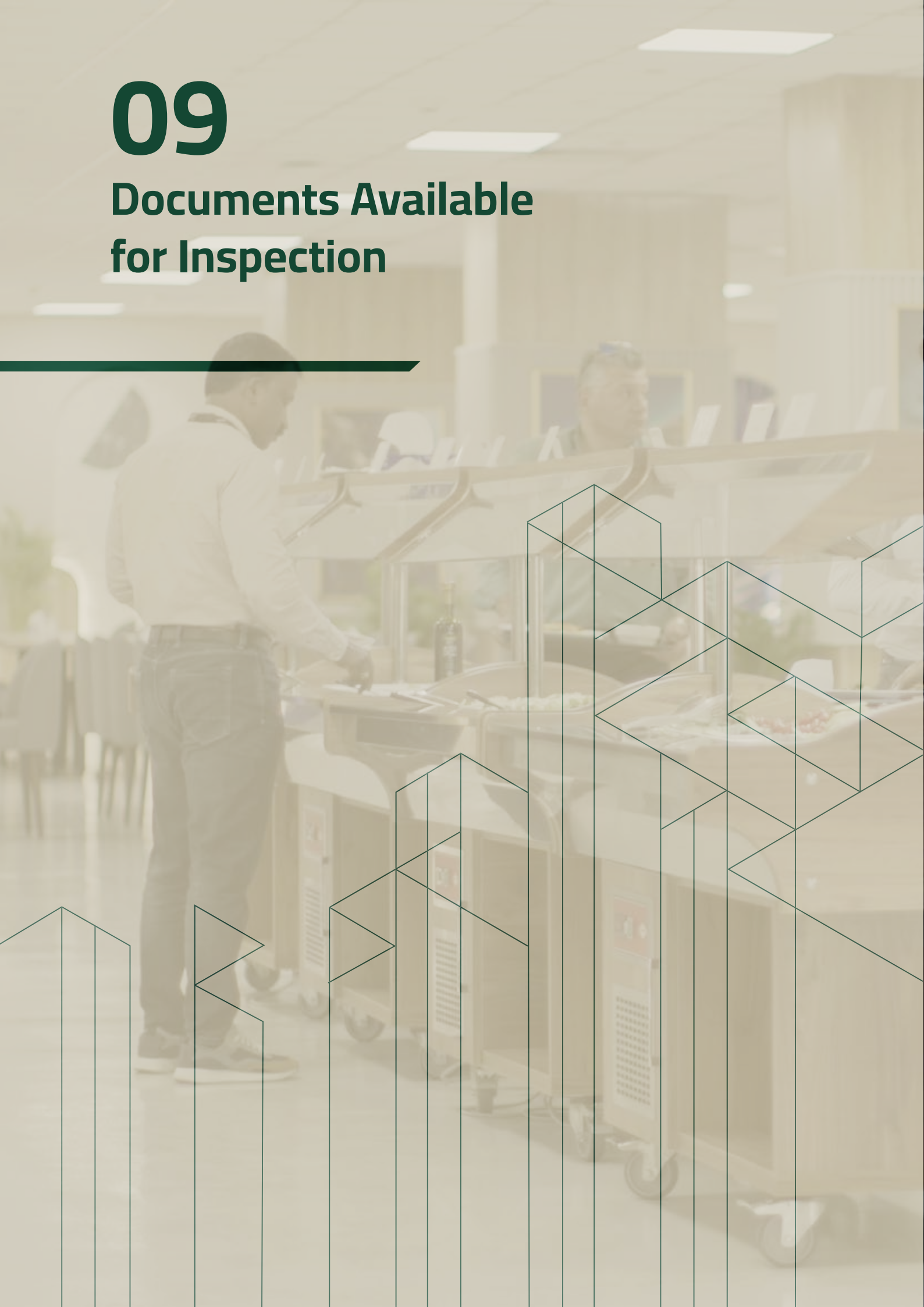


## 8. Waivers

The Company has not applied for any waivers from the CMA or Tadawul.

# 09

## Documents Available for Inspection



## 9. Documents Available for Inspection

The Company will make copies of the following documents available for inspection at its head office each business day from 9:00 a.m. to 4:00 p.m., as of the date of publication of this Circular and until the date of the Extraordinary General Assembly meeting (for a period of no less than fourteen (14) days):

- 1- the Transaction Agreements;
- 2- the Company's unaudited condensed consolidated pro forma financial statements, in respect of which the external Auditor has issued a reasonable assurance report, for the financial year ended 31 December 2024G for the purpose of the Transactions;
- 3- the evaluation report issued by the Financial Advisor;
- 4- the real estate valuation reports; and
- 5- letters of consent from the Advisors for the use of their names, logos and statements (as applicable) in this Circular.

# Annex (1)



## **Annex 1**

# **Unaudited Condensed Consolidated Pro Forma Financial Statements Reflecting the Company's Financial Position Upon Completion of the Transactions**

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BAAN



**BAAN Holding Group Company**  
(A Saudi Joint Stock Company)

**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED  
FINANCIAL INFORMATION**



## Independent Auditor's Assurance Report on the Compilation of Unaudited Condensed Consolidated Pro Forma Financial Information included in the shareholder's circular

To the Shareholders  
Baan Holding Group Company  
(A Saudi Joint Stock Company)  
Riyadh, Kingdom of Saudi Arabia

### Introduction

We have completed our assurance engagement to report on the compilation of unaudited condensed consolidated pro forma financial information of Baan Holding Group Company (the "Group") as prepared by the Group's Management. The unaudited condensed consolidated pro forma financial information consists of unaudited pro forma condensed consolidated statement of financial position as at 31 December 2024, the unaudited pro forma condensed consolidated statement of profit or loss for the year ended 31 December 2024, and related notes. The applicable criteria on the basis of which the Group's Management has compiled the unaudited condensed consolidated pro forma financial information are Annex 20 of the Rules on the Offer of Securities and Continuing Obligations issued by the Board of the Capital Market Authority of the Kingdom of Saudi Arabia and described in Note 1 "Basis of preparation and assumptions used".

The unaudited condensed consolidated pro forma financial information has been compiled by the Group's Management to illustrate the impact of the proposed acquisition of certain real estate assets operating in the hospitality and residential sectors as set out in Note 1 "Basis of preparation and assumption used", with respect of Group's consolidated financial position as of 31 December 2024 as if the transaction had taken place on 31 December 2024, and its consolidated financial performance for the year ended 31 December 2024 as if the transaction had taken place on 1 January 2024. As part of this process, information about the Group's consolidated financial position and consolidated financial performance has been extracted from the Group's consolidated financial statements for the year ended 31 December 2024, on which an audit report has been published.

### The Group's Management Responsibility for the Compilation of Unaudited Condensed Consolidated Pro Forma Financial Information

The Group's Management is responsible for compiling the unaudited condensed consolidated pro forma financial information on the basis of the Annex 20 of the Rules on the Offer of Securities and Continuing Obligations issued by the Board of the Capital Market Authority of the Kingdom of Saudi Arabia and described in Note 1 "Basis of preparation and assumptions used"

### Our Independence and Quality Management

We have complied with the independence and other ethical requirement of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) as endorsed in the Kingdom of Saudi Arabia, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management as endorsed in the Kingdom of Saudi Arabia, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



## Independent Auditor's Assurance Report on the Compilation of Unaudited Condensed Consolidated Pro Forma Financial Information included in the shareholder's circular (Continued)

### Auditor's Responsibility

Our responsibility is to express an opinion about whether the unaudited condensed consolidated pro forma financial information has been compiled, in all material respects, by the Group's Management on the basis of the Annex 20 of the Rules on the Offer of Securities and Continuing Obligations issued by the Board of the Capital Market Authority of the Kingdom of Saudi Arabia and as described in Note 1 "Basis of preparation and assumptions used".

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, as endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") in the Kingdom of Saudi Arabia. This standard requires us to plan and perform procedures to obtain reasonable assurance about whether the Group's Management has compiled, in all material respects, the unaudited condensed consolidated pro forma financial information on the basis of the Annex 20 of the Rules on the Offer of Securities and Continuing Obligations issued by the Board of the Capital Market Authority of the Kingdom of Saudi Arabia and as described in Note 1 "Basis of preparation and assumptions used".

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited condensed consolidated pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited condensed consolidated pro forma financial information.

The purpose of unaudited condensed consolidated pro forma financial information included in the shareholder's circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2024 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited condensed consolidated pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Group's Management in the compilation of the unaudited condensed consolidated pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited condensed consolidated pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgment, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the unaudited condensed consolidated pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited condensed consolidated pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



الدكتور محمد العمري وشركاه  
Dr. Mohamed Al-Amri & Co.

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## Independent Auditor's Assurance Report on the Compilation of Unaudited Condensed Consolidated Pro Forma Financial Information included in the shareholder's circular (Continued)

### Opinion

In our opinion, the unaudited condensed consolidated pro forma financial information has been compiled, in all material respects, on the basis of the Annex 20 of the Rules on the Offer of Securities and Continuing Obligations issued by the Board of the Capital Market Authority of the Kingdom of Saudi Arabia and as described in Note 1 "Basis of preparation and assumptions used".

### Restriction on Use

Our report is presented to the shareholders of the Group for inclusion in the Shareholders' Circular. Therefore, our report should not be used or relied upon by others without our prior written consent.

For BDO Dr. Mohamed Al-Amri & Co.

Maher Al-Khatieb  
Certified Public Accountant  
Registration No. 514



Riyadh, on: 21 October, 2025 (G)  
Corresponding to: 29 Rabi Al Thani, 1447 (H)

# BAAN Holding Group Company

## (A Saudi Joint Stock Company)

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### Introduction

The accompanying Unaudited Pro Forma Condensed Consolidated Financial Information and related notes (the “Unaudited Pro Forma Financial Information”) for BAAN Holding Group Company (the “Group”, or “BAAN”) have been prepared pursuant to, and for the purpose of illustrating the anticipated effects of the properties acquisition agreements (the “Transactions”) conducted by the Group on its Consolidated Financial Position and Consolidated Financial Performance. These Transactions comprise the following agreements:

- i. an agreement executed between BAAN Holding Group Company (“BAAN”) and Abdul Mohsen Abdul Aziz AlHokair Holding Group Company (“AlHokair Holding Company”), for the acquisition of three hospitality properties in Riyadh and Jeddah located on 7 plots of land (the “Hotels”); and
- ii. an agreement executed between BAAN and AlOula for Real Estate Development Company (“AlOula REDCo”) for the acquisition of 86 residential units within the MidRise component of the Ajdan Project Tower in Al-Khobar (the “Residential Property”).

In connection with the Residential Property acquisition, AlOula REDCo has designated three affiliated entities—AWAJ Development and Real Estate Investments, AWAJ Al Majal, and AWAJ Al Shatea—to receive the BAAN shares issued as consideration. These entities are hereinafter referred to as the “AlOula Designated Entities”.

Pursuant to the aforementioned Transactions, **BAAN** will acquire 100% ownership of the Hotels and the Residential Property, with the consideration for such acquisitions consisting of newly issued shares in **BAAN**. These shares will be issued through an increase in **BAAN**’s share capital in favor of **AlHokair Holding Company** and the **AlOula Designated Entities** (Note 1). Upon completion of these Transactions, the ownership stake of existing shareholders of **BAAN** will decrease by 49.19% where the Group will issue 304,966,936 new ordinary shares, which represents an increase of 96.81% of the current (pre-acquisition) capital. AlHokair Holding Company and the AlOula Designated Entities will acquire 38.61% and 10.58%, respectively, of the ordinary shares of BAAN after increasing the Group’s share capital (post-acquisition). The completion of the Transactions is subject to the occurrence or waiving of certain conditions precedent.

The Unaudited Pro Forma Financial Information consists of the unaudited pro forma condensed consolidated statement of financial position as at 31 December 2024 as if the Transactions had taken place on that date and the unaudited pro forma condensed consolidated statement of profit or loss for the year ended 31 December 2024 giving effect to the Transactions, as if the Transactions had taken place on 1 January 2024 and the notes to the Unaudited Pro Forma Financial Information.

The Unaudited Pro Forma Financial Information has been prepared in accordance with the applicable requirements of Annex 20 of the Rules on the Offer and Securities and Continuing Obligations issued by the Board of Capital Market Authority of the Kingdom of Saudi Arabia. The Unaudited Pro Forma Financial Information has been prepared for inclusion in the shareholders’ circular in order to obtain shareholders’ approval in relation to the arrangements involving the Transactions which were announced by the Group on 29 December 2024. The preparation and presentation of the Unaudited Pro Forma Financial Information is based on certain pro forma assumptions (detailed in the Basis of preparation note below) and has been prepared for illustrative purposes only. Moreover, because of its nature, the Unaudited Pro Forma Financial Information addresses a hypothetical situation and therefore, does not represent BAAN’s actual financial position and financial performance, and may not give a true picture of the consolidated financial position and consolidated financial performance of BAAN upon completion of the Transactions. In addition, the Unaudited Pro Forma Financial Information is neither representative of the financial situation and performance that could have been observed if the indicated Transactions had been undertaken at an earlier date nor is the Unaudited Pro Forma Financial Information indicative of the future operating results or financial position of BAAN upon completion of the above-mentioned Transactions.

BAAN Holding Group Company  
(A Saudi Joint Stock Company)

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

Saudi Riyal '000

	<u>Notes</u>	<u>Historical</u>	<u>Pro forma adjustments</u>	<u>Pro forma- adjusted</u>
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Investments in joint ventures		91,591	-	91,591
Property, equipment and projects under construction	(2-1)	817,910	830,120	1,648,030
Intangible assets		10,064	-	10,064
Right of use assets		809,784	-	809,784
<b>Total Non-Current Assets</b>		<b>1,729,349</b>	<b>830,120</b>	<b>2,559,469</b>
<b>Current Assets</b>				
Inventories		17,097	-	17,097
Trade receivables		71,992	-	71,992
Prepayments and other current assets	(2-2)	67,068	(1,250)	65,818
Cash and cash equivalents		38,101	-	38,101
<b>Total Current Assets</b>		<b>194,258</b>	<b>(1,250)</b>	<b>193,008</b>
<b>TOTAL ASSETS</b>		<b>1,923,607</b>	<b>828,870</b>	<b>2,752,477</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
<b>Shareholders' Equity</b>				
Share capital	(2-3)	315,000	304,967	619,967
Additional paid-in capital	(2-4)	-	512,153	512,153
Foreign currency translation reserve		(5,181)	-	(5,181)
Remeasurement of employees' terminal benefit liabilities		5,830	-	5,830
Accumulated losses		(109,007)	-	(109,007)
<b>Equity Attributable to the Equity Holders of the Parent</b>		<b>206,642</b>	<b>817,120</b>	<b>1,023,762</b>
Non-controlling interest		(1,838)	-	(1,838)
<b>Total Equity</b>		<b>204,804</b>	<b>817,120</b>	<b>1,021,924</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
Non-current portion of long-term loans		303,376	-	303,376
Non-current portion of lease liabilities		836,912	-	836,912
Employees' terminal benefits liabilities		51,068	-	51,068
<b>Total Non-Current Liabilities</b>		<b>1,191,356</b>	<b>-</b>	<b>1,191,356</b>
<b>Current Liabilities</b>				
Trade payables and other current liabilities	(2-5)	281,104	11,750	292,854
Short-term loans and current portion of long-term loans		139,119	-	139,119
Current portion of lease liabilities		100,137	-	100,137
Provision for zakat		7,087	-	7,087
<b>Total Current Liabilities</b>		<b>527,447</b>	<b>11,750</b>	<b>539,197</b>
<b>TOTAL LIABILITIES</b>		<b>1,718,803</b>	<b>11,750</b>	<b>1,730,553</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,923,607</b>	<b>828,870</b>	<b>2,752,477</b>

BAAN Holding Group Company  
(A Saudi Joint Stock Company)

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

Saudi Riyal '000

	<u>Notes</u>	<u>Historical</u>	<u>Pro forma adjustments</u>	<u>Pro forma- adjusted</u>
<b>Revenues</b>				
- Hospitality		325,389	-	325,389
- Entertainment		296,945	-	296,945
- Others		56,362	-	56,362
<b>Total Revenues</b>		<b>678,696</b>	<b>-</b>	<b>678,696</b>
<b>Direct Costs</b>				
- Hospitality		(217,180)	4,743	(212,437)
- Entertainment		(222,708)	-	(222,708)
- Others		(53,729)	-	(53,729)
<b>Total Direct Costs</b>	(2-6)	<b>(493,617)</b>	<b>4,743</b>	<b>(488,874)</b>
<b>GROSS PROFIT</b>		<b>185,079</b>	<b>4,743</b>	<b>189,822</b>
Selling and marketing expenses		(25,211)	-	(25,211)
General and administrative expenses		(113,213)	-	(113,213)
Gain on disposal of property and equipment		1,397	-	1,397
Gain from lease termination		1,550	-	1,550
Other income		4	-	4
Reversal of impairment loss on property and equipment		5,441	-	5,441
Reversal of impairment loss on trade receivables and related parties receivables		6,943	-	6,943
<b>Net Expenses</b>		<b>(123,089)</b>	<b>-</b>	<b>(123,089)</b>
<b>OPERATING PROFIT</b>		<b>61,990</b>	<b>4,743</b>	<b>66,733</b>
Financial charges on loans		(41,044)	-	(41,044)
Financial charges on lease liabilities		(43,588)	-	(43,588)
Other non-operating income		24,804	-	24,804
Share in net results of joint ventures		4,714	-	4,714
<b>Net Income Before Zakat and income tax</b>		<b>6,876</b>	<b>4,743</b>	<b>11,619</b>
Zakat expense		(1,938)	-	(1,938)
Income tax		262	-	262
<b>Net Income for the Year</b>		<b>5,200</b>	<b>4,743</b>	<b>9,943</b>
<b>EARNINGS PER SHARE:</b>				
Basic and diluted earnings per share (SR)	(2-7)	0.0165		0.0160

# BAAN Holding Group Company (A Saudi Joint Stock Company)

## NOTES TO THE UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION Saudi Riyal '000

### 1- Basis of preparation and assumptions used

The Unaudited Pro Forma Financial Information has been prepared for inclusion in the shareholders' circular to obtain shareholder approval in relation to the arrangements involving the Transactions announced by the Group on 29 December 2024, regarding its intention to acquire four real estate assets operating in the hospitality and residential sectors, comprising three hospitality properties in Riyadh and Jeddah located on 7 plots of land (the "Hotels") from AlHokair Holding Company and 86 residential units within the MidRise component of Ajdan Waterfront Project Tower in Al-Khobar (the "Residential Property") from AlOula REDCo, for a value of SR 651,620,000 and SR 178,500,000, respectively, through the issuance of 304,966,936 new ordinary shares (the "Transactions"), which represents an increase of 96.81% of the current (pre-acquisition) capital.

AlHokair Holding Company and the AlOula Designated Entities will acquire 38.61% and 10.58%, respectively, of BAAN's ordinary shares. This acquisition will be made through the issuance of new ordinary shares by BAAN, priced at SR 2.722 per share (representing the volume weighted average share price on Tadawul over the past three months, before Group's announcement in the Tadawul). This price has been mutually agreed upon in the respective Transactions agreements. The SR 2.722 per share consists of a nominal value of SR 1.00, with the remaining SR 1.722 serving as a premium above the nominal value.

As a result of these Transactions, BAAN has incurred cost of raising capital amounting to SR 13,000,000, these costs are deducted from the proceeds of the issuance. As a result, BAAN's share capital will increase by SR 304,966,936, bringing the total share capital to SR 619,966,936 (post-acquisition). In addition, the Group will have a net additional paid-in capital of SR 512,153,064.

Below are details of the properties that the Group intends to acquire:

Property Name	Land area (SQM)	Building Spec.	Agreed Purchase Value (SR '000)	Property Location
Radisson Blu Corniche	3,611	150 rooms	215,994	Corniche Road, South Obhur, Jeddah 21452, Saudi Arabia
Holiday Inn Gateway	2,000	180 rooms	154,242	Al-Madinah Al-Munawarah Rd, An Nuzha District, Jeddah 21462, Saudi Arabia
Hilton Doubletree Al Muroj	5,500	223 rooms	281,384	2653 Northern Ring Rd, Al Muruj, Riyadh 12283, Saudi Arabia
Ajdan MidRise	6,827	86 Apartments	178,500	Alkurnaish, Al-Khobar 34414, Saudi Arabia
		<b>Total</b>	<b>830,120</b>	

The Group's management has compiled the Unaudited Pro Forma Financial Information to illustrate the impact of the potential acquisitions of the properties mentioned above (the "Transactions") on the Group's consolidated financial position as at 31 December 2024 as if the Transactions had occurred on 31 December 2024, and its consolidated financial performance for the year ended 31 December 2024 as if the Transactions had occurred on 1 January 2024.

The Group's management has assessed and concluded that the Transactions do not meet the definition of business acquisition defined under IFRS 3 "Business Combinations". Instead, the Transactions meet the criteria of assets acquisition, whereby the identifiable assets acquired are recognized and measured at their fair values on the acquisition date under IAS 16 "Property, Plant and Equipment".

The pro forma adjustments incorporated in the Unaudited Pro Forma Financial Information are based on information available as well as certain pro forma assumptions as described in these notes to the Unaudited Pro Forma Financial Information. The pro forma adjustments give effect to events that are directly attributable to the Transactions, are factually supportable and are expected to have a continuing impact on the statement of financial position and statement of profit or loss of BAAN.

Accordingly, the impact of the Transactions is as follows:

- An increase in the Group's share capital by SR 304,966,936 at nominal value;
- A net increase in the Group's additional paid-in capital by SR 512,153,064 representing the share premium less Transactions' costs;

**BAAN Holding Group Company**  
**(A Saudi Joint Stock Company)**

**NOTES TO THE UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION**  
Saudi Riyal '000

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**1- Basis of preparation and assumptions used (cont'd)**

- An increase in the Group's property, equipment and projects under construction by SR 830,120,000;
- A decrease in the Group's prepayments and other current assets by SR 1,250,000;
- An increase in the Group's trade payables and other current liabilities by SR 11,750,000; &
- A net decrease in the Group's hospitality direct costs by SR 4,743,309.

The hospitality revenues recognized by the Group in relation to the Hotels for the year ended December 31, 2024, amounts to SR 111,730,755 (distributed as follows: Radisson Blu Corniche with SR 31,946,999, Holiday Inn Gateway with SR 27,043,862, and Hilton Doubletree Al Muroj with SR 52,739,894.). This hospitality revenues will remain unchanged as a result of the transaction, as the Hotels have already been operated by the Group.

The Unaudited Pro Forma Financial Information includes the Consolidated Pro Forma Statement of Financial Position as at 31 December 2024 and the Consolidated Pro Forma Statement of Profit or Loss for the year ended 31 December 2024 and the related notes to the Unaudited Consolidated Pro Forma Financial Information. The Unaudited Pro Forma Financial Information has been compiled based on Annex (20) of the "Rules for the Offering of Securities and Continuing Obligations" issued by the Board of Directors of the Capital Market Authority in the Kingdom of Saudi Arabia and to meet the specific requirements of the Capital Market Authority Board in the Kingdom of Saudi Arabia.

The historical financial information of the Group as of and for the year ended 31 December 2024 has been extracted without any material adjustments from the Group's audited Consolidated Financial Statements as of and for the year ended 31 December 2024.

The Unaudited Pro Forma Financial Information should be read in conjunction with the audited Consolidated Financial Statements of the Group for the year ended 31 December 2024.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, and due to its nature, it addresses a hypothetical scenario. Therefore, it does not reflect the actual financial position or performance of the Group in the event that the Transactions are completed on the specified date or any other date. As a result, this information may not provide a true picture of the Group's future operating results and does not indicate the results we may or may not expect to achieve in the future, as it relies on the completion of all regulatory procedures and approvals related to the planned Transactions on a future date. The Unaudited Pro Forma Financial Information is provided for informational purposes only and should not be considered an indication of the actual results that could have been achieved if the Transactions had taken place on the specified date, nor is it intended to indicate the Group's future operating results or financial position.

The acquisition process is subject to the fulfillment of a number of conditions, including (but not limited to) obtaining the required regulatory approvals and the approval of the Group's Extraordinary General Assembly for the acquisitions and other conditions stipulated in the acquisition agreements.

All pro forma adjustments made in the preparation of the Unaudited Pro Forma Financial Information are in accordance with the basis of preparation described here. The future operational results of the Group after the actual completion of the Transactions and considering all the necessary adjustments in accordance with International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia may significantly differ from the Unaudited Pro Forma Financial Information of the Group.

Furthermore, the Unaudited Pro Forma Financial Information does not contain any potential or future effects resulting from any possible remedies/regulatory requirements imposed on BAAN upon completion of the Transactions by regulatory authorities.

**BAAN Holding Group Company**  
**(A Saudi Joint Stock Company)**

**NOTES TO THE UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION**  
Saudi Riyal '000

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**1- Basis of preparation and assumptions used (cont'd)**

The Unaudited Pro Forma Financial Information does not reflect the impact of any future or planned revenue optimisation, cost synergies or other initiatives respect of the Transactions.

The Unaudited Pro Forma Financial Information does not incorporate any potential zakat or tax implications that may arise as a result of the Transactions. This Unaudited Pro Forma Financial Information are presented in Saudi Riyals, which is the Group's functional currency. All amounts have been rounded to the nearest thousand Saudi Riyal, unless otherwise indicated.

**2- Impact on individual items of historical financial information related to the Transactions:**

In preparing this Unaudited Pro Forma Financial Information, the Group's management applied the considerations and assumptions referred to above. The following are details of the impact on individual items of historical financial information related to the Transactions:

**2-1- Property, equipment and projects under construction**

For the purpose of recording the acquired properties on the day of closing, management has allocated the transaction value to the acquired Hotels based on the valuation undertaken by Aurisage (for the Hotels) as at 26 May 2024, additionally, the transaction value for the Residential Property has been determined according to the Group's announcement made on December 29, 2024. Accordingly, for the purpose of the Unaudited Pro forma Financial Information, the below values have been assumed to have existed as at 31 December 2024 for the Hotels and the Residential properties which are matching with the values presented in the Group's announcement dated December 29, 2024.

Property Name	Land		Buildings		Total	
	%	Value SR '000	%	Value SR '000	%	Value SR '000
Radisson Blu Corniche	31%	65,989	69%	150,005	100%	215,994
Holiday Inn Gateway	16%	24,579	84%	129,663	100%	154,242
Hilton Doubletree Al Muroj	40%	112,393	60%	168,991	100%	281,384
Ajdan MidRise	14%	24,990	86%	153,510	100%	178,500
<b>Total</b>		<b>227,950</b>		<b>602,170</b>		<b>830,120</b>

The estimated useful life of the acquired buildings is 40 years.

In accordance with the Group's accounting policies, the acquired properties will be subject to depreciation at the rate of 2.5% from the acquisition date. Accordingly, for the purpose of estimating the impact of the additional depreciation on the Unaudited Pro forma Statement of Income, management has estimated the depreciation for the year ended 31 December 2024 on the assumption that the value of the acquired properties was depreciated from 1 January 2024 at the rate of 2.5%.

**2-2- Prepayments and other current assets**

The Transactions have resulted in a decrease in the Group's prepayments and other current assets amounting SR 1,250,000, representing prepaid professional and consulting fees related to the cost of issuance.

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NOTES TO THE UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
 Saudi Riyal '000

**2-3- Share capital**

The impact of the Transactions on share capital as at 31 December 2024 is as follows:

Shareholders	31 December 2024								
	Historical			Pro forma adjustments		Pro forma-adjusted			Percentage of shares
	Number of shares	SR '000	Percentage of shares	Number of shares	SR '000	Number of shares	SR '000		
New shareholders of the Group	-	-	-	304,966,936	304,967	304,966,936	304,967	49.2%	
Existing shareholders of the Group	315,000,000	315,000	100%	-	-	315,000,000	315,000	50.8%	
<b>Total share capital</b>	<b>315,000,000</b>	<b>315,000</b>	<b>100%</b>	<b>304,966,936</b>	<b>304,967</b>	<b>619,966,936</b>	<b>619,967</b>	<b>100%</b>	

**2-4- Additional paid-in capital**

The Transactions have resulted in an increase in additional paid-in capital, representing the share premium above the nominal value amounting to SR 525,153,064, less cost of issuance by SR 13,000,000. The net impact on the pro forma-adjusted additional paid-in capital as at 31 December 2024 is as follows:

	31 December 2024		
	Historical	Pro forma adjustments	Pro forma-adjusted
Additional paid-in capital	-	512,153	512,153

**2-5- Trade payables and other current liabilities**

The Transactions have resulted in an increase in the Group's trade payables and other current liabilities amounting SR 11,750,000, representing accrued professional and consulting fees related to the cost of issuance.

**2-6- Direct costs**

Prior to the Hotels potential acquisition, BAAN had leased the Radisson Blu Corniche hotel, Holiday Inn Gateway hotel, and Hilton Doubletree Al Muroj hotel from AlHokair Holding Company, with a revenue-sharing agreement entitling AlHokair Holding Company to 20% of the Hotels' respective hospitality revenues, subject to caps of SR 8 million, SR 7.5 million, and SR 8 million, respectively. Following the completion of the transaction, this revenue share agreement will be waived, resulting in a reduction of rent expense by SR 19,798,172 for the year ended 31 December 2024 with corresponding increase in the depreciation expenses related to the Hotels' buildings amounting to SR 11,217,113.

The Transactions will also result in an increase in depreciation expense related to the Residential Property's building, amounting to SAR 3,837,750, while no corresponding revenue adjustment has been recognized as part of the pro forma financial information, as the Residential Property had not yet commenced commercial operations as of 31 December 2024.

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NOTES TO THE UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
Saudi Riyal '000

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**2-6-Direct costs (cont'd)**

The net impact of the Transactions results in a decrease in the pro forma-adjusted direct costs by SAR 4,743,309, primarily driven by a reduction in Hotels rent expenses of SAR 19,798,172, which is partially offset by an increase in the annual buildings depreciation charge for both the Hotels and the Residential Building amounting to SAR 15,054,863.

**2-7- Earnings per share**

The impact of the Transactions on earnings per share for the year ended 31 December 2024 is as follows:

	<b>31 December 2024</b>	
	<b>Historical</b>	<b>Pro forma-adjusted</b>
Basic and diluted earnings per share in profit for the year from the main operations (SR)	0.0165	0.0160
Basic and diluted earnings per share from net profit for the year (SR)	0.0165	0.0160

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