

MAYADEEN PARK

Al-Madinah Al-Munawwarah · King Fahd Park

Business case and financing proposal for a SAR 550 million Seerah-themed destination:
Experience Centre, F&B boulevard and, as Phase 2, a 600-key hotel

Prepared by **Koushan Real Estate Development** for **Watanco Contracting Co.** and its financing banks · October 2026



64% · Funding partner & EPCF contractor

36% · Developer & asset manager

Transaction summary

The ask. Watanco Contracting Co. funds the Mayadeen Park SPV through an interest-free shareholder loan covering 100% of the SAR 550 million development cost, pre-opening included, and seeks a term facility of up to SAR 568 million from its financing banks against the project's cash flows and assets.

- Fixed-price delivery: SAR 550M guaranteed maximum price under the Master EPCF Agreement (13 Jul 2026), now absorbing all pre-opening; Watanco is both funder and contractor, so overruns stay with the same party
- Land secured: 245,337 sqm Al-Maqr leasehold to 2074 at SAR 2.39M fixed rent + 2% of revenue — under 3% of revenue
- 100% of SPV cash repays the shareholder loan before any dividend; Watanco receives SAR 102–110M a year in 2031–34
- Phase 1 (retail + Experience Centre) opens Q4 2028; the 600-key hotel follows as Phase 2 from 2027 once the construction permit and Al-Maqr approval are in hand, opening mid-2029
- Whole project available as collateral to Watanco's financing banks; security package to be settled in the term sheet

SAR 550M

Total investment cap, incl. SAR 53M pre-opening

SAR 499M

Peak funding need (2028)

19.7%

Yield on cost, 2032 stabilised NOI

19.3%

Project IRR, unlevered, hold to 2074

2034

Shareholder loan fully repaid from cash flow

2.1x

Completion value ÷ cost at a 10% cap

All figures from the accompanying financing model (v1.0, 21 Oct 2026). Facility amount includes profit capitalised during a 4-year grace period at illustrative terms.

Where the Seerah comes to life — three engines, one destination



Experience Centre

18,050 sqm of VR, 5D and immersive theatres retelling the Hijra and the great events of early Islam — the anchor that ends the water axis

1.20M visitors / year by 2031



F&B & Retail Boulevard

38,597 sqm GLA (Phase 1) of open-air dining, cafés and specialty retail along a ceremonial water axis; expandable to Savills' 48,467 sqm as demand grows

92% occupancy at stabilisation



600-key Hotel

300 hotel keys and 300 serviced apartments with separate entrances, capturing the multi-night religious stay 15 minutes from the Haram

ADR SAR 850 peak / 450 off-peak

Renders by Zuhair Fayez Partnership (masterplan) and Watanco & ZFP (hotel concept); detailed design in progress.

Madinah: a deep, growing and under-served visitor market

75%

Madinah hotel occupancy in 2025 — a three-year high

6.45M

Religious visitors in Q1 2025, up 10.7% year on year

13 → 25M

Annual visitors in 2023 and the 2030 target

SAR 17K

Average spend per pilgrim

The gap

- Visitors stay several nights in Madinah, yet modern cultural and family experiences are scarce; the Prophet's Mosque remains the only large-scale draw
- The Guests of Allah programme is building structured itineraries — Mayadeen is designed as a stop on them, with shuttle links to the Prophet's Mosque
- LDP benchmarks the Centre against 1,186,000 visitors in 2031 on a conservative capture of religious tourists; ProFun (operator) independently reached the same number
- Hotel underwritten on IHG's own Staybridge projections per key (57–63% occupancy, ADR SAR 590–660), below the 75% city average; the 300-key case is stress-tested



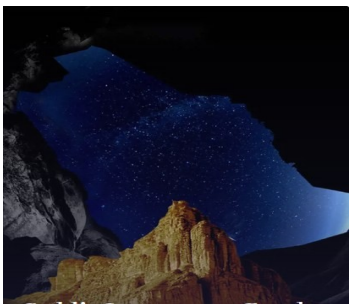
Sources: Al-Maqar hospitality report via TradeArabia (2025); Ministry of Tourism; GASTAT; Global Muslim Travel Index; LDP Report 6.0; ProFun business plan (Jan 2025).

Site: 245,337 sqm at King Fahd Park, 15 minutes from the Haram



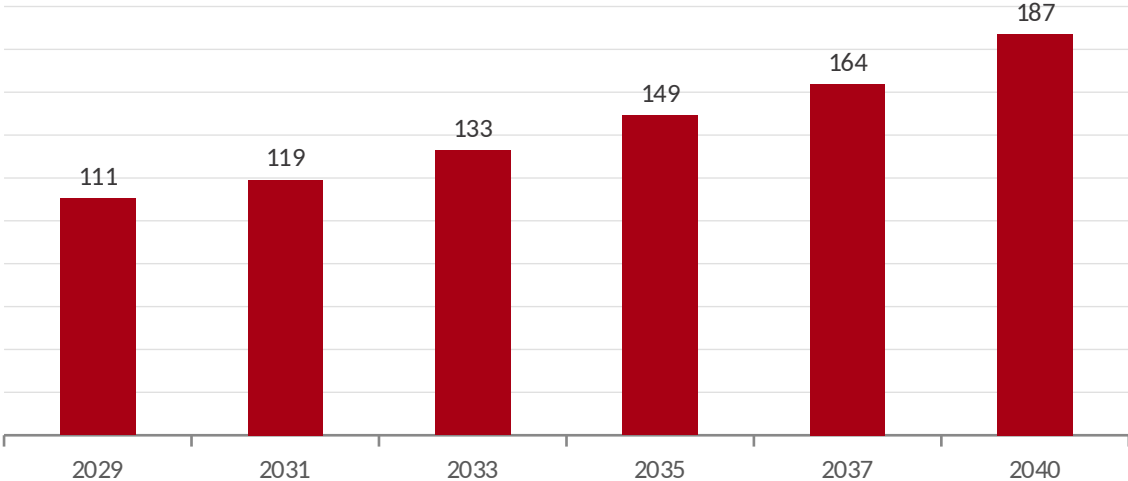
Tenure	Al-Maqr (investment arm of Madinah Amanah) contract 23/007, Aug 2023; 50-year usufruct to April 2074
Rent	SAR 2.39M fixed per year + 2% of SPV revenue; rent-free to 15 April 2028
Handover	Site handed over April 2024; earthworks and mobilisation contract awarded to Watanco (Aug 2025)
Valuation	Dar Al Qias (Mar 2024): market rent SAR 16.5M/yr on 205,365 sqm — the contract rent is ~85% below market; pro-rated to 245,337 sqm the saving is worth ≈ SAR 85M (NPV)
Permits	Development permits in place; the hotel permit is issued with site-wide commencement under the Al-Maqr lease

Experience Centre: the anchor, underwritten by LDP and ProFun



- Al-Hijra journey
- The 27 Ghazawat
- Badr • Uhud • Al-Khandaq theatres
- Dining, retail, kids' zone

Experience Centre revenue, SAR M (ProFun consolidated pro-forma)



18,050

sqm GLA

1.20M

visitors in 2031 (ProFun;
LDP 1.19M)

35%

EBITDA margin after
management fees (ProFun)

Base case: ProFun consolidated pro-forma (Jan 2025, p.59) — revenue per visitor SAR 92→121, EBITDA after management fees 35.5%→43.2% by 2040. LDP Report 6.0 (31% EBITDA before fees, SAR 78 per visit) is retained as the downside case.

Experience Centre: financials on a timeline



1,205K

Visitors 2031 (ProFun)

SAR 99

Revenue per visitor, 2031 (ProFun)

35%

EBITDA margin after mgmt fees, 2031

35 → 43%

EBITDA margin 2028 → 2040 (ProFun)

SAR 119M

Revenue 2031 → SAR 187M by 2040

24%

FCF margin at stabilisation (2032)

SAR 18.2M

Pre-opening funded (50% of ProFun 36.4)

SAR 60M

Content & AV within GMP

SAR M	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2026-36
Capex & pre-opening	(7)	(57)	(71)	—	—	—	—	—	—	—	—	(135)
Revenue	—	—	26	111	115	119	126	133	141	149	157	1,076
EBITDA (after operator fees)	—	—	7	35	37	39	43	47	52	57	61	378
Koushan AM fee (none — within SPV overhead)	—	—	—	—	—	—	—	—	—	—	—	—
Al-Maqr revenue share (2%)	—	—	(1)	(2)	(2)	(2)	(3)	(3)	(3)	(3)	(3)	(22)
Land rent & SPV overheads (allocated)	—	—	(5)	(10)	(10)	(10)	(10)	(11)	(11)	(11)	(11)	(88)
Free cash flow	(7)	(57)	(69)	23	25	27	30	34	38	43	46	133

23.7% Component IRR, hold to 2074

26.2% Component IRR, exit 2040 at 10%

22.4% Yield on allocated capex, 2032

SAR 135M Allocated capex

2033 Payback year

ProFun consolidated pro-forma (p.59) as base case. Capex = Centre content & AV + shared items by built-up area (18,050 of 106,517 sqm); pre-opening offset pro-rata against structural works and finishes within the cap. Fixed land rent and SPV overheads shared with retail in proportion to stabilised revenue (Centre ≈ 68%). Component IRR before zakat.

Retail boulevard: a proven income engine on a Savills tenant mix



38,597

sqm gross leasable area

92%

occupancy at stabilisation (50%
→ 70% → 92%)

SAR 59M

revenue in year 3 (2031): rents,
service charge, specialty,
sponsorship, media

Tenant mix (Savills, Jul 2024) scaled to the Phase 1 GLA

Function group	Savills GLA, sqm	Phase 1 GLA, sqm	Avg indoor rent /sqm/yr
All-day dining & food hall	18,356	13,124	SAR 1,380
Specialty food, coffee & pastry	9,591	6,857	SAR 1,364
Fine dining	3,950	2,824	SAR 1,100
Fashion, accessories & specialty retail	8,812	6,300	SAR 970
Gifts, books, convenience & market	3,992	2,854	SAR 1,008
Arts & culture, kids entertainment & children retail	5,197	3,716	SAR 564
Storage	4,087	2,922	SAR 300
Total	53,985	38,597	SAR 1,102

Phase 1 opens 38,597 sqm in Savills' proportions; expansion to Savills' recommended 48,467 sqm (53,987 sqm with mezzanine) is a later retail phase taken as demand grows — not in the base case. Revenue 2031: units 35M, specialty 4.3M, service charge 5.2M, marketing 1.7M, sponsorship 6.4M, media 6.2M. Rents +10% every three years.

Retail boulevard: financials on a timeline



38,597
sqm net GLA

SAR 1,652
Revenue per occupied sqm, 2031
(SAR 1,520 per sqm of total GLA)

50 → 70 → 92%
Leasing occupancy ramp (Savills)

+10% / 3 yrs
Rent step-ups from 2031

SAR 59M
Revenue 2031 (Savills lines ×
Phase 1 scale)

79%
EBITDA margin after CAM and
marketing

SAR 19.8M
Fit-out contributions (50% of
Savills)

SAR 9.7M
CAM costs 2029, +2.5% a year

SAR M	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2026–36
Capex & pre-opening	(22)	(106)	(62)	(10)	—	—	—	—	—	—	—	(200)
Revenue	—	—	9	37	48	59	59	59	65	65	65	464
EBITDA (after operator fees)	—	—	4	26	37	47	46	46	52	51	51	360
Koushan AM fee (none — within SPV overhead)	—	—	—	—	—	—	—	—	—	—	—	—
Al-Maqr revenue share (2%)	—	—	(0)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(9)
Land rent & SPV overheads (allocated)	—	—	(2)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(41)
Free cash flow	(22)	(106)	(61)	11	31	41	40	40	45	45	44	109

18.5% Component IRR, hold to 2074

19.9% Component IRR, exit 2040 at 10%

20.2% Yield on allocated capex, 2032

SAR 200M Allocated capex

2034 Payback year

Savills pro-forma lines scaled 38,597 ÷ 53,987 sqm. Capex = shared items by built-up area (48,467 of 106,517 sqm); landlord fit-out contributions offset pro-rata against structural works and finishes within the cap. Fixed land rent and SPV overheads (which cover the asset-management role — no separate Koushan fee) shared with the Centre in proportion to stabilised revenue (retail ≈ 32%); revenue rate shown per occupied sqm. Component IRR before zakat.

Phase 2 — a 600-key hotel for the religious stay



Phase 2 of the programme: construction starts in 2027 once the construction permit and Al-Maqr's approval to include the hotel are obtained (6–8 months), on the same 24-month build, opening mid-2029 within the SAR 550M cap. Concept design by Watanco & ZFP — 300 hotel keys and 300 serviced apartments. Underwriting: IHG Staybridge projections per key (RevPAR SAR 336→398, GOP 44→47%); operator fees 3% + 8%, FF&E reserve 4%. Operator selection in progress; 300-key and Phase-1-only cases on the sensitivity slide.

SAR 850

ADR in the 4 peak months at 85% occupancy

SAR 450

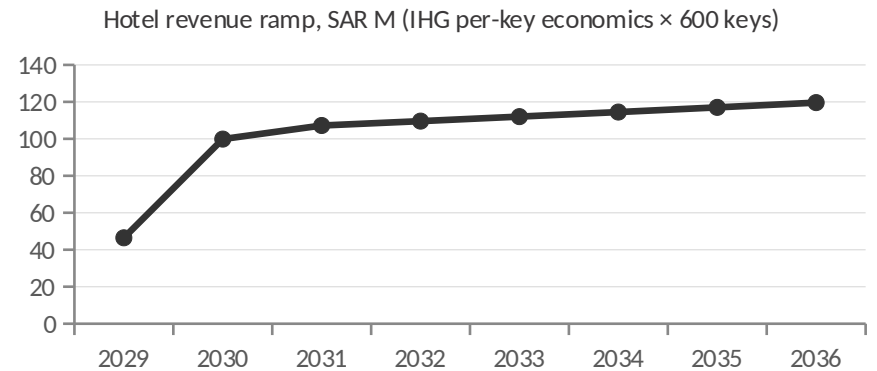
ADR off-peak at 50% occupancy

SAR 107M

Hotel revenue 2031 (ramp 90% / 95% / 100%)

37%

NOI margin after fees and FF&E reserve



Hotel: financials on a timeline



600

Keys: 300 hotel + 300 serviced
apts

SAR 662

Blended ADR 2031 (850 peak /
450 off)

62%

Blended occupancy (85% peak /
50% off)

SAR 408

RevPAR 2031 (IHG: SAR 398)

SAR 107M

Revenue 2031; rooms 83% of total

47.4%

Stabilised GOP margin (IHG)

3% + 8% + 4%

Operator base, incentive, FF&E
reserve

SAR 35M + 15M

FF&E + pre-opening (from the 50
line)

SAR M	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2026-36
Capex & pre-opening	—	(40)	(115)	(60)	—	—	—	—	—	—	—	(215)
Revenue	—	—	—	46	100	107	110	112	114	117	120	826
EBITDA (after operator fees)	—	—	—	16	35	39	40	41	42	43	44	300
Koushan AM fee (none — within SPV overhead)	—	—	—	—	—	—	—	—	—	—	—	—
Al-Maqr revenue share (2%)	—	—	—	(1)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(17)
Land rent & SPV overheads (allocated)	—	—	—	—	—	—	—	—	—	—	—	—
Free cash flow	—	(40)	(115)	(45)	33	37	38	39	40	40	41	68

17.4% Component IRR, hold to 2074

19.0% Component IRR, exit 2040 at 10%

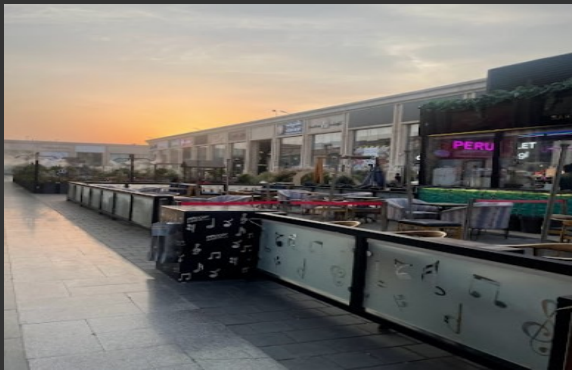
17.6% Yield on allocated capex, 2032

SAR 215M Allocated capex

2035 Payback year

Phase 2: construction from 2027 after the construction permit and Al-Maqr approval (6-8 months), opening mid-2029. Capex = hotel FF&E net of pre-opening + shared items by built-up area (40,000 of 106,517 sqm); pre-opening from the FF&E & preparation line. No fixed land rent or SPV overheads charged to the hotel. Component IRR before zakat.

Mayadeen in pictures



Masterplan and boulevard renders: Zuhair Fayeze Partnership · Hotel: Watanco & ZFP · Madinah: Koushan information memorandum

De-risked: the groundwork is done

Investment agreement

Contract 23/007 with Al-Maqr, the investment arm of Madinah Amanah (Aug 2023); 50-year usufruct

Site & rent secured

245,337 sqm handed over April 2024; fixed rent SAR 2.39M a year plus 2% of revenue

Masterplan & design

Concept and detailed design by Zuhair Fayez Partnership; hotel concept by Watanco & ZFP

Feasibility & leasing

Studies by KPMG, LDP and Savills; ProFun operator plan; IHG financial projections as hotel benchmark

Enabling works

Earthworks and mobilisation contract with Watanco (Aug 2025); phase-one award letter (Sep 2025)

Partnership & GMP

Master EPCF Agreement signed 13 July 2026: SAR 550M guaranteed maximum price, 24-month programme

Two aligned partners, each paid from the project's success



Watanco Contracting Co.

64% • Funding partner, EPCF contractor & construction manager

Provides an interest-free shareholder loan for the full funding need, repaid from 100% of SPV cash before any dividend, and raises its financing with the project as collateral. Madinah-based general contractor (est. 1435H) delivering design completion, procurement and construction under a SAR 550M guaranteed maximum price; funds any overrun. Track record includes Al Seeh Plaza Hotel and municipal works in Madinah.

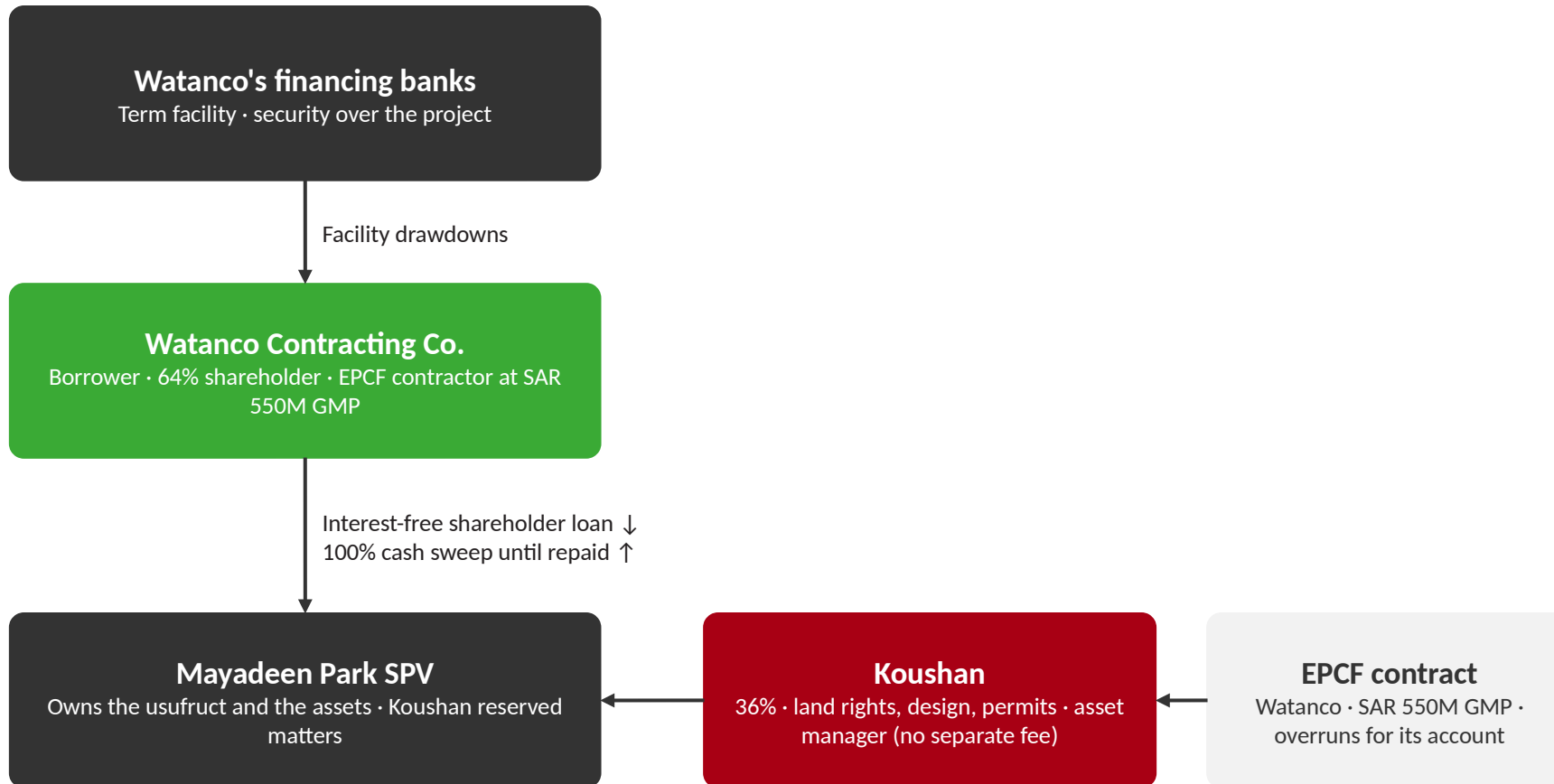


Koushan Real Estate Development

36% • Developer & asset manager

Originated the project and holds the land rights, masterplan, designs and permits; established the SPV and holds reserved matters on the asset. The asset-management role is covered within the SPV's AM & G&A overhead — no separate fee.

Ownership and funding structure



Cash waterfall

1 Operating costs, land rent, SPV overheads, zakat

2 Minimum cash SAR 10M

3 Shareholder loan repaid in full (interest-free)

4 Distributions 64 / 36

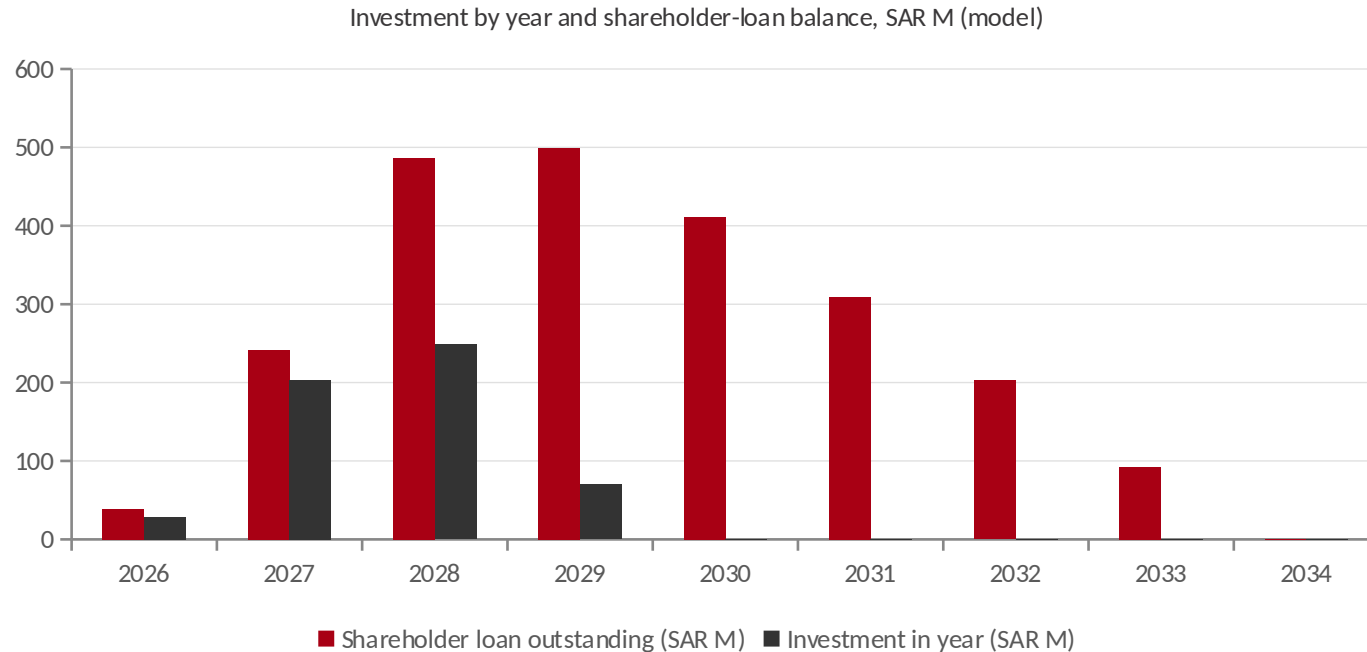
The 64/36 shareholding and shareholder-loan treatment are agreed between the parties; the amendment to the Master EPCF Agreement (Art. 9.1, 17) and the shareholders' agreement are being documented. Koushan's in-kind contribution is subject to a certified valuation under the Companies Law.

Budget within the SAR 550 million cap, by component

SAR million	GMP budget	Retail	Experience Centre	Hotel (Phase 2)	Total within cap	Pre-opening offset
Structural works	130.0	48.8	12.6	48.8	110.2	(19.8)
Finishes	120.0	45.1	11.6	45.1	101.7	(18.3)
MEP works	70.0	31.9	11.9	26.3	70.0	—
Landscaping, water features & infrastructure	65.1	29.6	11.0	24.4	65.1	—
Hotel FF&E (net of pre-opening)	50.0	—	—	35.0	35.0	(15.0)
Experience Centre content & AV systems	60.0	—	60.0	—	60.0	—
Contingency reserve	11.0	5.0	1.9	4.1	11.0	—
Project management reserve	4.0	1.8	0.7	1.5	4.0	—
Design	15.0	6.8	2.5	5.6	15.0	—
Supervision	8.0	3.6	1.4	3.0	8.0	—
Fees & permits	5.0	2.3	0.8	1.9	5.0	—
Marketing & pre-opening (within GMP)	7.0	3.2	1.2	2.6	7.0	—
Rent & administration during construction	5.0	2.3	0.8	1.9	5.0	—
Hard cost (construction)	510.1	162.2	109.6	185.2	457.1	(53.0)
Soft cost	40.0	18.2	6.8	15.0	40.0	—
Pre-opening (added within the cap)	—	19.8	18.2	15.0	53.0	53.0
TOTAL INVESTMENT	550.1	200.3	134.6	215.3	550.1	—

The contractor's GMP breakdown (510 construction + 40 soft) with all pre-opening absorbed inside the SAR 550M cap: hotel pre-opening (15) from the FF&E & preparation line; Centre (18.2) and retail (19.8) pre-opening offset pro-rata against structural works and finishes. Shared items allocated by built-up area; direct items to their component. Sources: interest-free shareholder loan from Watanco (peak SAR 499M), balance from operating cash; Koushan in-kind = SAR 85M (NPV of rent saving). VAT = SAR 72M inside the cap is recoverable and excluded from returns.

Two phases on one site; funding peaks at SAR 499M in 2029



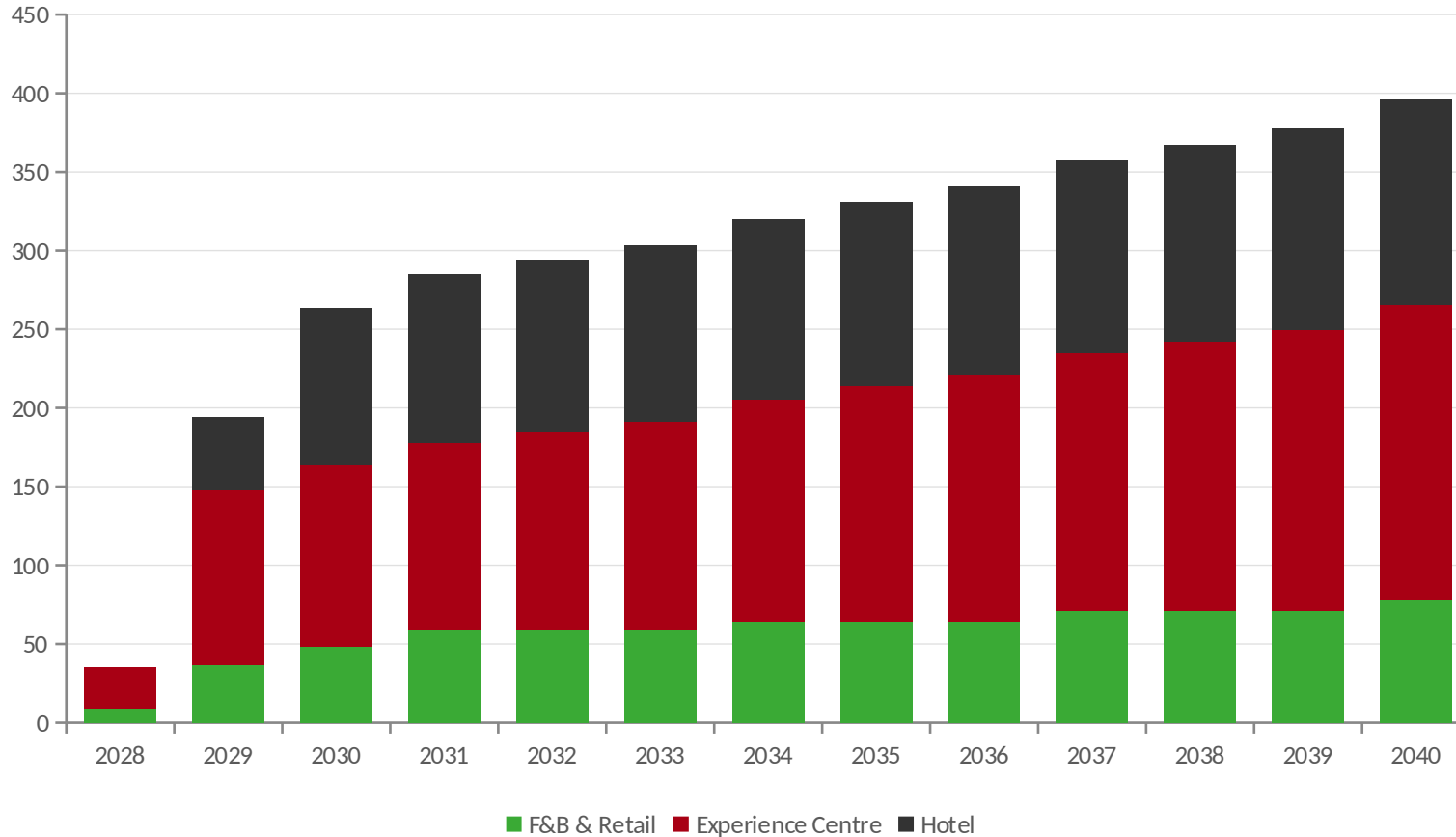
Phase 1 (retail + Centre) follows Watanco's item-based phasing 2026–28; the hotel (Phase 2) is phased 20 / 55 / 25% over 2027–29. The cap of SAR 550M includes SAR 53M of pre-opening. Peak funding need SAR 499M (model); VAT recovery within three months would lower it by ~ SAR 60M.

Milestones

- **Q3 2026** Facility close; Phase 1 construction start (Aug 2026)
- **Q2 2027** Hotel construction permit and Al-Maqr approval; Phase 2 start
- **Dec 2027** Phase 1 structure complete — Centre and retail
- **15 Apr 2028** End of extended rent-free period
- **Jul 2028** Phase 1 construction complete
- **Q4 2028** Grand opening: Centre and boulevard, before Ramadan 1450H
- **Mid-2029** Hotel completion and opening (Phase 2)
- **2031** Operational stabilisation
- **2034** Shareholder loan repaid
- **2040** Exit at a 10% cap (modelled)

Revenue builds to SAR 285M by 2031 across three engines

SPV revenue by component, SAR M



SAR 285M

Total revenue 2031 — hotel 38%, Centre 42%, retail 21%

SAR 109M

SPV NOI 2032 after operator fees, SPV overheads and land rent

37%

NOI margin at stabilisation

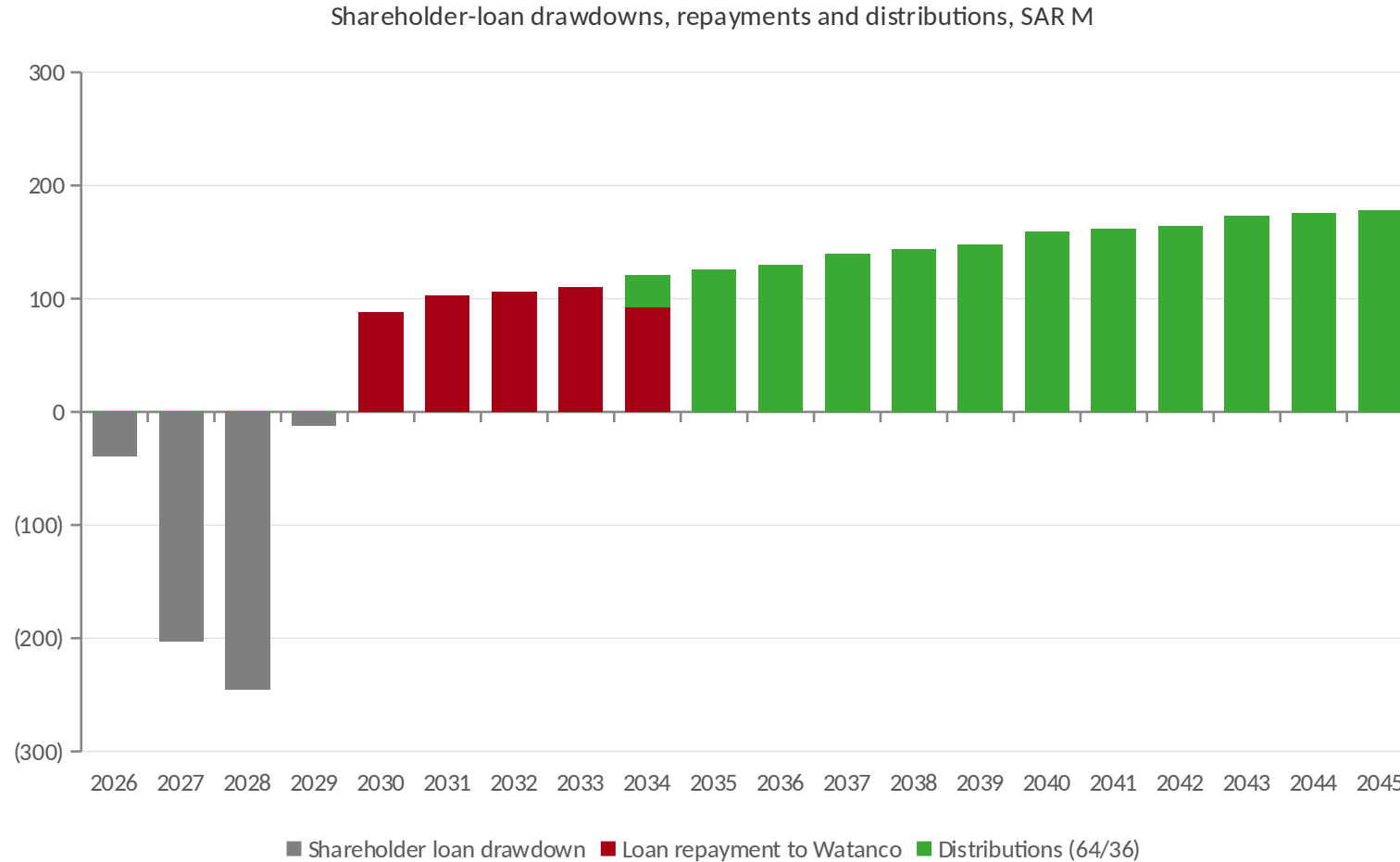
Drivers: ProFun pro-forma (Centre), Savills tenant mix scaled to Phase 1 (retail) and IHG-benchmark per key (hotel); retail rents +10% every 3 years; Centre +2.5% after 2040; hotel ADR +2.2% a year.

Project SPV returns on one timeline (SAR'000)

SAR'000	Y1 - 2026	Y2 - 2027	Y3 - 2028	Y4 - 2029	Y5 - 2030	Y6 - 2031	Y7 - 2032	Y8 - 2033	Y9 - 2034	Y10 - 2035	Y11 - 2036	Y12 - 2037	Y13 - 2038
EBITDA Retails	—	—	4,214	26,083	36,743	46,641	46,386	46,125	51,541	51,266	50,985	56,948	56,653
EBITDA Experience Center	—	—	7,251	34,928	37,412	39,212	42,964	46,946	51,539	56,584	60,793	64,932	69,029
EBITDA Hotel	—	—	—	15,633	35,363	39,249	40,117	41,003	41,910	42,836	43,782	44,750	45,739
<i>Land lease cost</i>	—	—	(1,792)	(2,390)	(2,390)	(2,390)	(2,390)	(2,390)	(2,390)	(2,390)	(2,390)	(2,390)	(2,390)
<i>Land lease (revenue share)</i>	—	—	(706)	(3,878)	(5,265)	(5,699)	(5,882)	(6,069)	(6,394)	(6,616)	(6,813)	(7,141)	(7,340)
<i>Koushan asset-management fee (none)</i>	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>SPV overheads</i>	—	—	(5,750)	(11,788)	(12,082)	(12,384)	(12,694)	(13,011)	(13,336)	(13,670)	(14,012)	(14,362)	(14,721)
Project EBITDA	—	—	3,217	58,590	89,780	104,630	108,502	112,605	122,868	128,010	132,346	142,738	146,970
Structural works, finishes & MEP	14,171	130,093	107,664	30,042	—	—	—	—	—	—	—	—	—
Landscaping, water features & infrastructure	1,686	24,623	32,680	6,112	—	—	—	—	—	—	—	—	—
Hotel FF&E (net of pre-opening)	—	7,000	19,250	8,750	—	—	—	—	—	—	—	—	—
Experience Centre content & AV	—	21,800	38,200	—	—	—	—	—	—	—	—	—	—
Reserves, design, supervision, fees & permits	12,927	16,870	20,040	5,163	—	—	—	—	—	—	—	—	—
Pre-opening (within the SAR 550M cap)	—	2,475	30,639	19,916	—	—	—	—	—	—	—	—	—
Total capex	28,783	202,861	248,473	69,983	—	—	—	—	—	—	—	—	—
Net cash	(28,783)	(202,861)	(245,256)	(11,393)	89,780	104,630	108,502	112,605	122,868	128,010	132,346	142,738	146,970

Exhibit IRR 21.5% — 15-year view (2026–40) with exit at a 10% cap in year 15, SAR'000, before zakat. Full schedule, exit value and all 49 years in the model ('Project Returns' sheet).

Cash flow repays the shareholder loan in full by 2034



SAR 499M

Shareholder loan advanced 2026–28

2034

Loan fully repaid from operating cash (cost payback 2034)

SAR 110M

Annual cash to Watanco in 2033 (100% sweep)

Project level, before VAT recovery. Distributions begin only after the loan is repaid; thereafter Watanco receives 64% of distributable cash (= SAR 80M a year from 2035).

Returns and value creation

19.3%

Project IRR — unlevered, hold to 2074

21.2%

Project IRR — exit 2040 at 10% cap

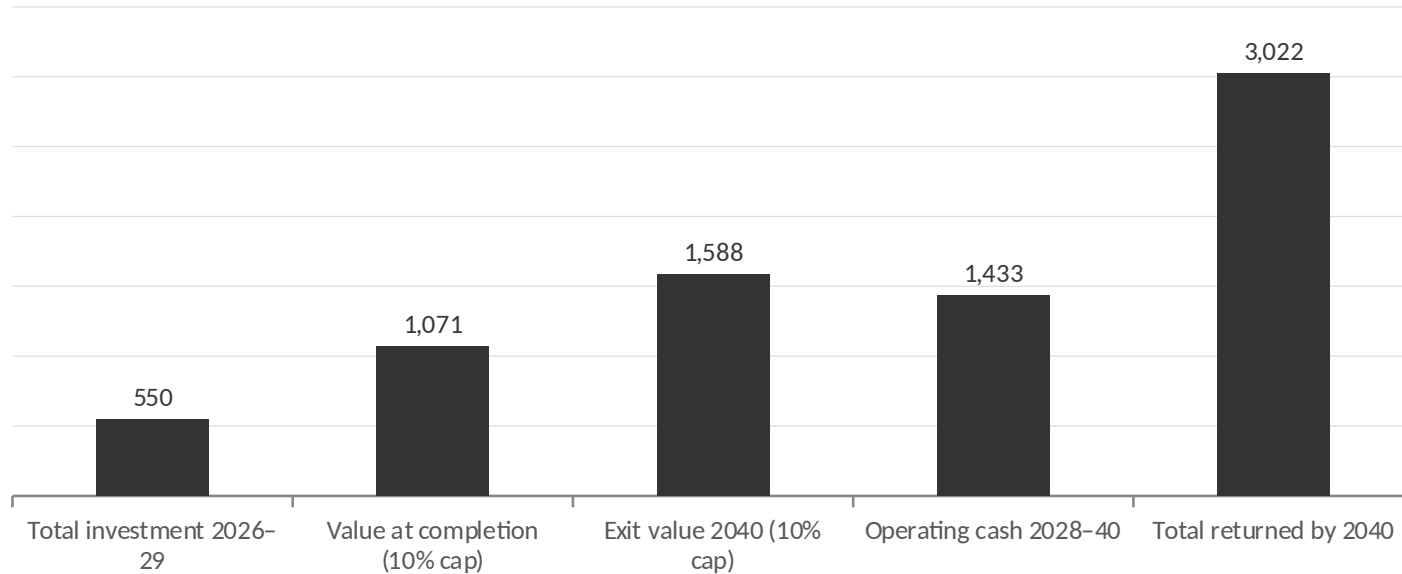
19.7%

Yield on cost — 2032 NOI ÷ SAR 550M

SAR 326M

NPV at 13% (hold)

From investment to value, SAR M (project level, 100%)

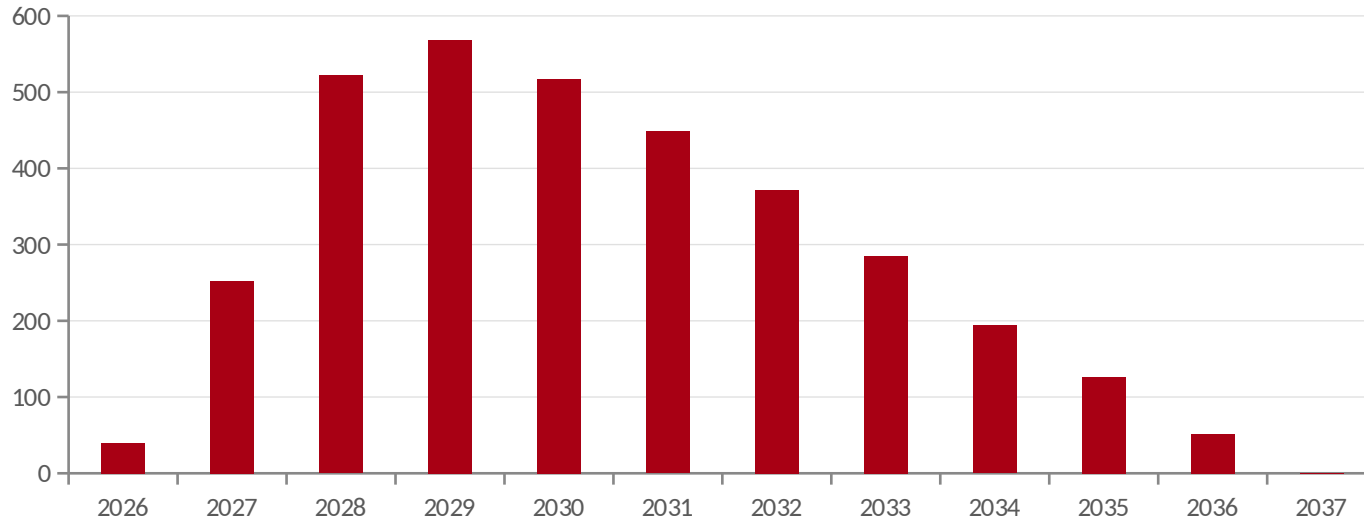


Lender's view of value

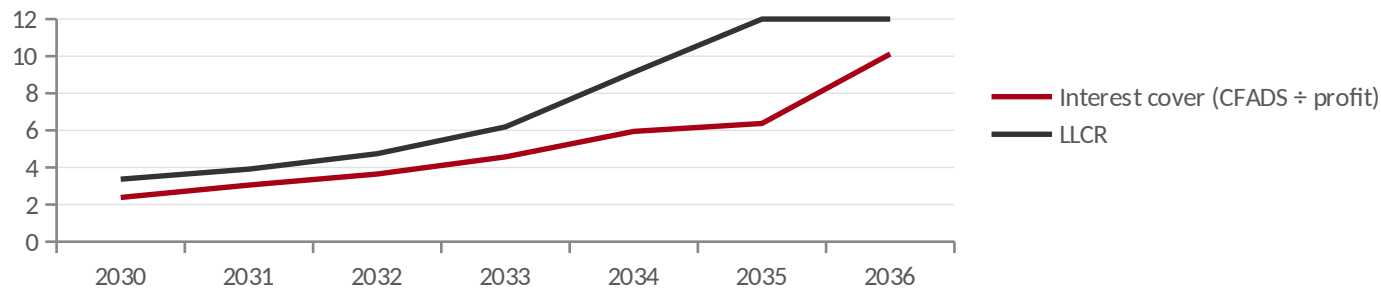
- Completion value SAR 1,071M on a conservative 10% cap, adjusted for the 46-year remaining leasehold — 2.1x cost
- Stabilised NOI of SAR 109M in 2032 from three income streams — the Centre, the boulevard and the hotel — each underwritten by an independent study
- No residual value assumed at leasehold expiry in 2074; the 2040 exit at a 10% cap is the shareholders' basis and is flexed to 9% and 11% on the sensitivity slide

Debt capacity: illustrative facility profile and coverage

Facility balance, SAR M — 4-year grace, profit capitalised, then 100% cash sweep (illustrative 6.5%)



Coverage ratios (capped at 12x for display)



SAR 568M

Peak facility incl. SAR 69M capitalised profit

2037

Facility repaid under 100% cash sweep

2.38x

Minimum interest cover (2030, first repayment year)

53%

Peak loan-to-value on lender's completion value

≥ 3.4x

LLCR throughout at facility rate

Placeholder terms for sizing only — tenor, pricing, grace, currency and security remain to be agreed. CFADS = Watanco's receipts from the SPV (loan repayment + 64% distributions).

Sensitivities: repaid under every case tested

Scenario	Peak need (SAR M)	NOI 2032 (SAR M)	Yield on cost	Project IRR hold	Project IRR 2040 exit	SH loan repaid	Watanco IRR 2040 exit	Facility repaid
Base case (agreed structure)	499	109	19.7%	19.3%	21.2%	2034	17.3%	2037
Construction cost +10% (Watanco-funded overrun, shown for stress)	549	109	18.1%	18.1%	19.8%	2035	16.1%	2038
Hotel revenue -20%	502	101	18.3%	18.5%	20.2%	2035	16.4%	2038
Hotel at IHG 300-key level (hotel revenue -50%, full FF&E retained)	506	90	16.3%	17.1%	18.6%	2035	15.0%	2039
Experience Centre revenue -25%	510	98	17.8%	17.7%	19.3%	2035	15.6%	2038
Experience Centre at LDP base case (instead of ProFun)	520	88	16.0%	16.0%	17.1%	2036	13.6%	2040
Retail revenue -15%	506	100	18.2%	18.3%	20.0%	2035	16.2%	2038
All revenue -20%	519	81	14.8%	15.7%	16.8%	2036	13.3%	2040
Opening delayed one year	559	105	19.2%	17.2%	18.9%	2035	15.2%	2039
Combined: cost +10%, all revenue -15%, one-year delay	612	86	14.3%	14.2%	14.9%	2037	11.7%	2043
Phase 1 only — retail and Centre; hotel deferred (shows the hotel's uplift)	332	71	21.1%	20.4%	22.4%	2034	18.1%	2037
Exit cap rate 9% (base operations)	499	109	19.7%	19.3%	21.6%	2034	17.6%	2037
Exit cap rate 11% (base operations)	499	109	19.7%	19.3%	20.9%	2034	16.9%	2037

Scenario runs of the financing model. 'LDP base case' swaps the Centre from ProFun's pro-forma to LDP's 31%-margin case. The 300-key case halves hotel revenue while retaining the full SAR 50M hotel FF&E, so it is harsher than a true 300-key build. 'Facility repaid' uses the illustrative Watanco's banks terms (6.5%, 4-year grace, 100% cash sweep); a one-year delay would in practice extend the grace period rather than breach cover. Cost overruns are for Watanco's account under the GMP and are shown for stress only.

Why the facility is well protected

Fixed-price delivery

SAR 550M guaranteed maximum price from Watanco, which is also the 64% shareholder and funder; any overrun is funded by Watanco

Senior to all equity

The shareholder loan is repaid from 100% of SPV cash before any dividend — no lender and no distribution ahead of it

Whole project as collateral

Pledge over SPV shares, assignment of the shareholder loan and project cash flows, and security over the Al-Maqr usufruct (subject to lessor consent)

Low-cost government land

SAR 2.39M fixed rent plus 2% of revenue — under 3% of revenue, ~85% below the Dar Al Qias market rent

Three uncorrelated engines

Hotel 38%, Centre 42%, retail 21% of revenue; the loan is repaid even with all revenue 20% below plan or the Centre at LDP's lower case

Aligned partners

Developer and contractor are paid through the same waterfall: no separate asset-management fee (covered by the SPV overhead); distributions follow repayment

Key risks and mitigants

Risk	Exposure	Mitigant
Construction cost	Cost inflation or scope growth against the SAR 510M construction budget	GMP contract; overrun for Watanco's account; SAR 15M contingency and PM reserve inside the GMP; independent technical adviser to confirm before close
Programme & rent-free period	Extended rent-free period ends 15 Apr 2028, three months before completion	Phased opening prioritising retail and the Centre; written confirmation of the extension to be obtained as a condition precedent
Hotel — Phase 2	Construction permit and Al-Maqr approval to include the hotel (6–8 months); IHG has withdrawn as operator	Hotel starts only once approvals are in hand; Phase 1 alone returns 20.4% / 22.4% on SAR 332M and repays the loan by 2034; operator RFP under way; 300-key case stress-tested
Demand ramp	Centre and retail depend on inclusion in visitor itineraries	LDP and ProFun independently at ~1.2M visitors; LDP's lower case tested as a sensitivity; Savills ramp 50/70/92% on a Phase 1 GLA of 38,597 sqm (Savills' pro-forma scaled down 29%); expansion to Savills' 48,467 sqm only as demand proves; loan repaid even at revenue –20%
Documentation	64/36 and shareholder-loan treatment supersede Art. 9.1 and 17 of the Master Agreement	Amendment and shareholders' agreement in drafting; certified valuation of Koushan's in-kind contribution; both as CPs
Leasehold expiry	Facilities revert to Al-Maqr in 2074 with nil residual	Loan repaid by 2034 (2037 at the facility level); modelled exit in 2040 with 34 years of leasehold remaining

Proposed path to financial close

1

Indicative terms

Nov 2026

Term sheets from Watanco's financing banks: amount, tenor, pricing, grace, currency, security and covenants

2

Due diligence

Nov-Dec 2026

Audited financials of Watanco and Watanco; independent technical adviser on GMP and programme; legal opinion on Saudi security and the Al-Maqr usufruct

3

Conditions precedent

Dec 2026

Amendment / SHA for 64/36; certified in-kind valuation; written Al-Maqr confirmation of the rent-free period; hotel construction permit and Al-Maqr approval (Phase 2); operator shortlist

4

Financial close

Q1 2027

Facility agreement; first drawdown against Watanco's approved cash-flow forecast; construction continues on Watanco's bridge

Available on request: financing model and component models (Excel), virtual data room with the Master EPCF Agreement, Al-Maqr contract, LDP, Savills, IHG and ProFun studies, Dar Al Qias valuation, design package and Watanco's October 2026 feasibility, business plan, valuation, implementation and financing-plan studies.

Let's build Mayadeen together

Watanco Contracting Co. · Koushan Real Estate Development

Watanco Contracting Company · Taba Business Center, Al-Aridh, Al-Madinah · info@watanco.sa · +966 54 008 0600
Koushan Real Estate Development · Jeddah · Yasser Alshahrani, VP Investments

This document is confidential; it is a business case prepared by Koushan Real Estate Development for Watanco Contracting Co. for presentation to Watanco's financing and investment banks in connection with a proposed financing. Figures are indicative, drawn from a preliminary financial model (v1.0, October 2026) and third-party studies, and remain subject to due diligence, documentation and shareholder approvals.