Sample: Demo Mixed-Use Project: investor IRR of 17.0% clears the 8% hurdle by 9.0 points

Jeddah, Saudi Arabia · Version Sample · Management Case · 24 November 2026

PROJECT FACTS

LOCATION	LAND	GFA	LINES	UNITS	KEYS	GLA	BUILD YEARS	EXIT YEAR
Jeddah Saudi Arabia	37,000 sqm	92,500 sqm, parking excluded	5 2 phases	208 homes for sale	328 hotel rooms	8,750 sqm let	2027 to 2030	2038 held assets sold

HEADLINE RETURNS

PROJECT IRR (FCFF)	EQUITY IRR (FCFE)	INVESTOR IRR (AFTER FEE)	EQUITY MULTIPLE (FCFE)	DEVELOPMENT MARGIN
15.8% unlevered	18.4% levered	17.0% distributions after the performance fee	3.22x	33.1% development profit / GDV

CHECKS

PASS **Investor IRR vs the hurdle**
17.0% against 8.0%

PASS **Development margin vs 20%**
33.1% of GDV

PASS **Peak LTV vs the covenant limit**
52.7% against 60%

WHAT IS REQUESTED

EQUITY	SENIOR DEBT
346.6 226.6 cash + 120.0 land in kind	559.8 drawn to 2030

THE REQUEST BY SOURCE

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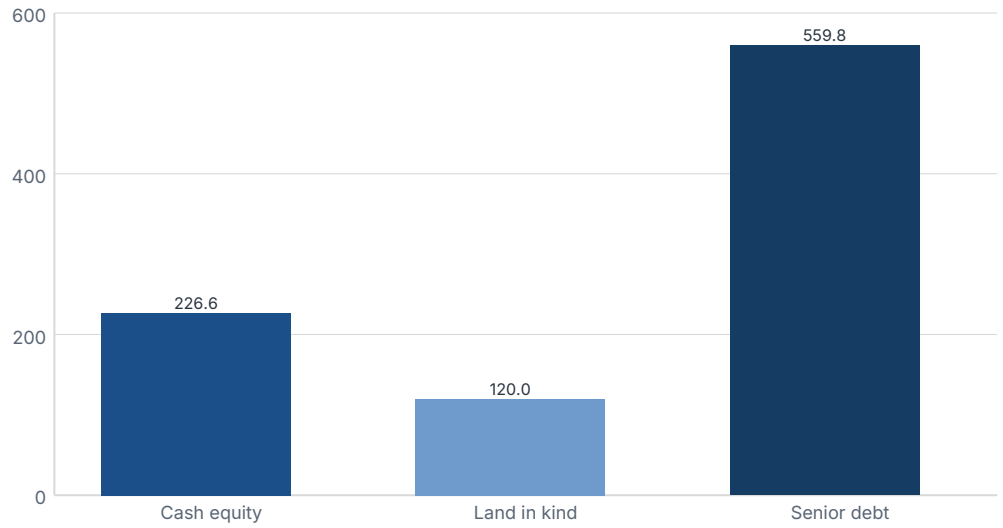

INSIGHT

- Equity and senior debt provide 906.4; investors get back 2.87x their equity after the performance fee.
- Debt is 62% of the new funding; land in kind is 13%.
- 3 of 3 committee tests pass.

GDV of 1,967.5 turns into a development profit of 650.8; Branded Apartments, Phase 1 carries 41% of revenue

HIGHLIGHTS

32%
of revenue is recurring (hotel and lease, 710.2 over the hold); the rest is residential sales.

41%
of revenue comes from Branded Apartments, Phase 1, the largest line.

461.2
gross exit value: the held assets are sold in 2038 at a 8.5% cap rate.

2.28x
average residential sale price (28,967 SAR/sqm) over the TDC per sqm of GFA (12,699).

2.7%
of GDV goes to selling costs (marketing and the sales commission).

VALUE BRIDGE: GDV TO DEVELOPMENT PROFIT

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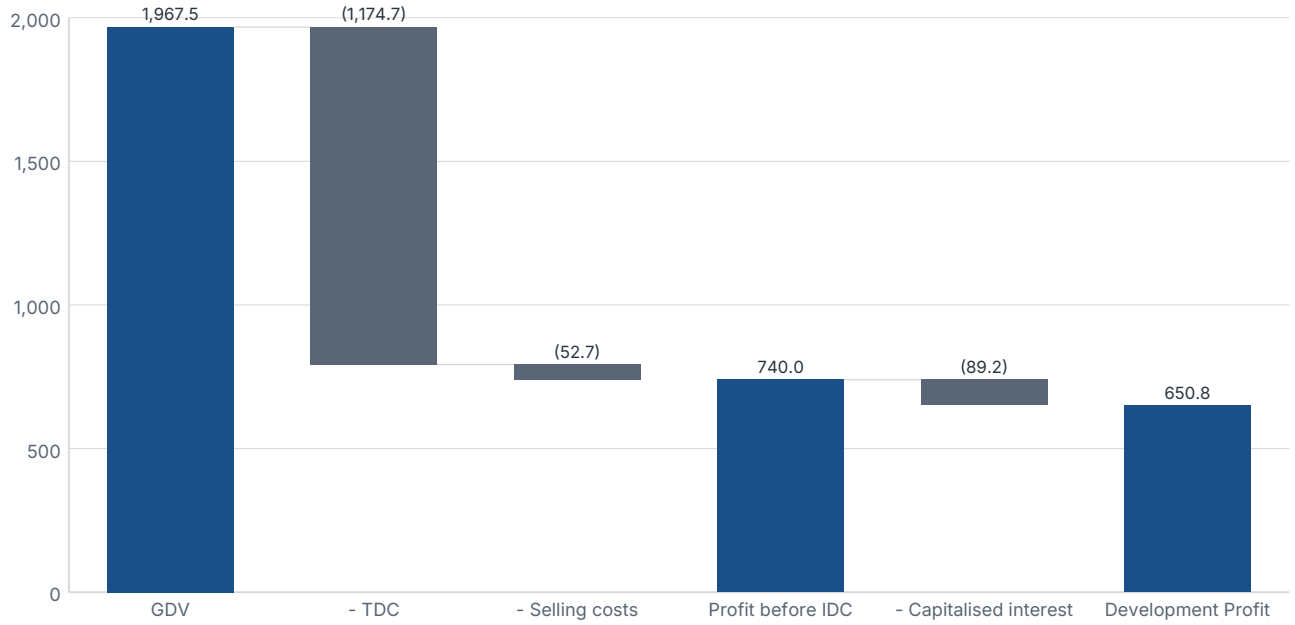

REVENUE MIX BY LINE (2,216.5 OVER THE HOLD)

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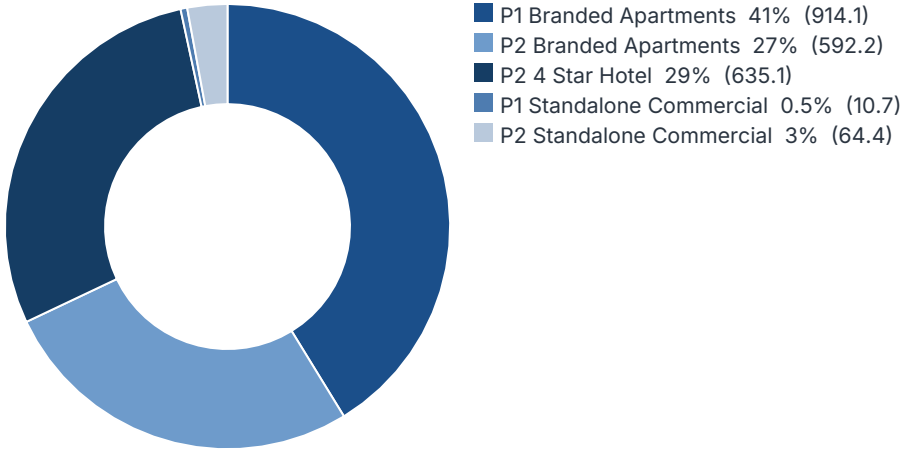


INSIGHT

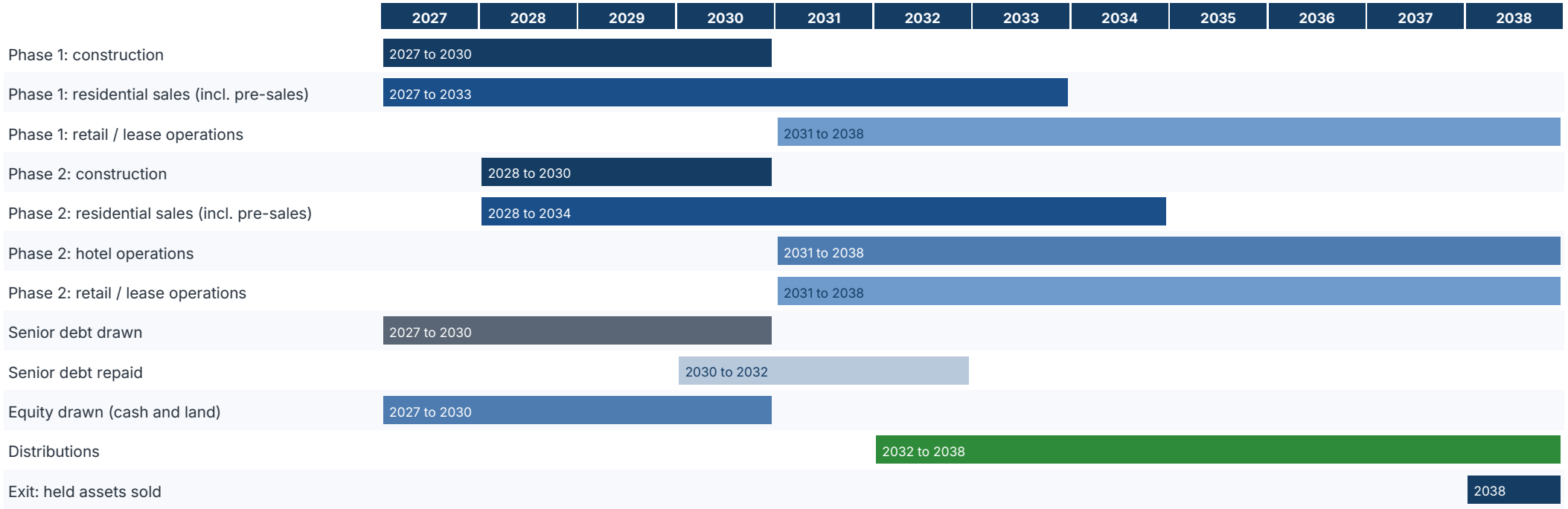
- Development profit is 33.1% of GDV after TDC, selling costs and capitalised interest (89.2).
- The top two lines bring 70% of revenue across 5 earning lines.
- The exit value is 23% of GDV; residential sales the rest.

5 lines on 37,000 sqm of land: built 2027 to 2030, sold and operated to an exit in 2038

LINES

Line	Strategy	Land (sqm)	GFA (sqm)	Units	Keys	GLA (sqm)
Phase 1, Branded Apartments	Sell	16,000	40,000	128	-	-
Phase 1, Standalone Commercial	Lease	500	1,250	-	-	1,250
Phase 2, Branded Apartments	Sell	10,000	25,000	80	-	-
Phase 2, 4 Star Hotel	Operate	7,500	18,750	-	328	-
Phase 2, Standalone Commercial	Lease	3,000	7,500	-	-	7,500
Total		**37,000**	**92,500**	**208**	**328**	**8,750**

PROGRAMME



INSIGHT

- Residential sales start in 2027, before handover, and run to 2034.
- Debt is drawn 2027 to 2030 and repaid by 2032; distributions run 2032 to 2038.
- 208 units, 328 keys and 8,750 sqm of GLA on 92,500 sqm of GFA (plot ratio 2.50x).

Total development cost of 1,174.7, 12,699 SAR per sqm of GFA; revenue peaks at 623.4 in 2030

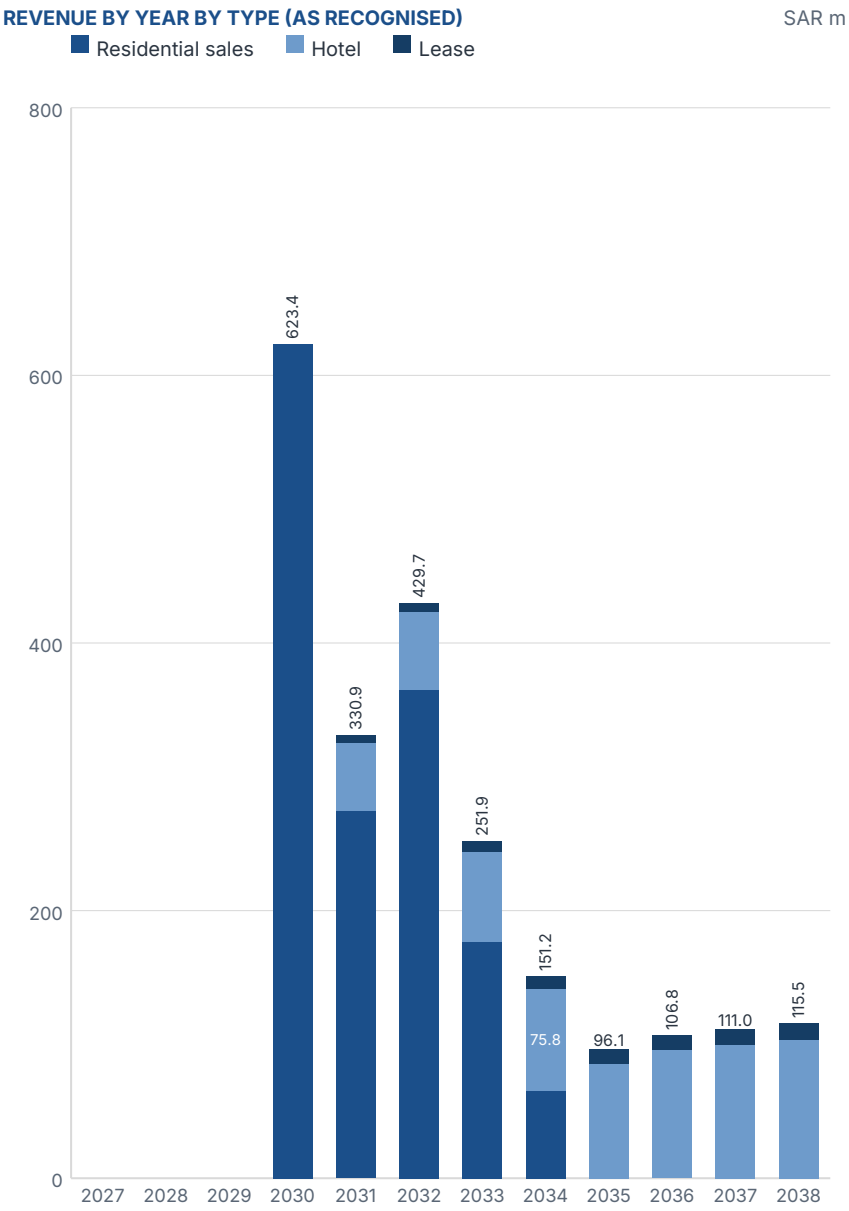
COST BUILD-UP BY LINE (SELLING COSTS ARE OUTSIDE TDC)

Line	Hard cost	Soft cost	Developer fee	Contingency	Land and RETT	Total (TDC)	Per sqm GFA	IDC (memo)
P1 Branded Apartments	342.0	22.4	18.2	19.1	123.0	524.8	13,119	40.4
P1 Standalone Commercial	3.8	0.2	0.2	0.2	3.8	8.3	6,637	1.3
P2 4 Star Hotel	208.3	13.6	11.1	11.7	19.2	263.9	14,073	17.4
P2 Branded Apartments	213.8	14.0	11.4	12.0	76.9	328.0	13,119	23.2
P2 Standalone Commercial	22.7	1.5	1.2	1.3	23.1	49.8	6,637	7.0
Total	**790.6**	**51.8**	**42.1**	**44.2**	**246.0**	**1,174.7**	**12,699**	**89.2**

KEY DRIVERS (ACHIEVED OVER THE HOLD)

Driver	Value	Measure	Value
Residential: average sale price	28,967 SAR/sqm	price growth	4.0% a year
Hotel: average daily rate	875 SAR	occupancy	60.6%
Lease: average rent	1,635 SAR/sqm/yr	occupancy	65.6%

REVENUE BY YEAR BY TYPE (AS RECOGNISED)



INSIGHT

- Hard cost is 67% of TDC; land and RETT 21%.
- Residential sells at 28,967 SAR/sqm against 12,699 SAR/sqm of TDC.
- Capitalised interest adds 89.2 (7.6% of TDC), outside TDC.

EBITDA of 772.7 by line; Branded Apartments, Phase 1 earns 41% of it

RATIOS

PROFIT ON COST
51.5%
development profit / cost incl. capitalised interest

YIELD ON COST
10.2%
stabilised NOI / cost of the held assets

DEVELOPMENT SPREAD
1.7% GREEN
yield on cost less the exit cap rate

NET PROFIT MARGIN
34.8%
profit after tax / revenue, to the exit

EBITDA BY LINE (LIFETIME)

	P1 Branded Apartments	P2 Branded Apartments	P2 4 Star Hotel	P1 Standalone Commercial	P2 Standalone Commercial	Unallocated (HQ)	Total
Revenue	914.1	592.2	635.1	10.7	64.4	-	2,216.5
Cost of sales	(583.4)	(363.0)	-	-	-	-	(946.5)
Gross profit, residential lines	**330.6**	**229.1**					**559.8**
Operating costs	(13.7)	(8.9)	(463.6)	(1.6)	(9.5)	-	(497.4)
NOI, operating lines			**171.5**	**9.1**	**54.8**		**235.5**
EBITDA before fund fees	**316.9**	**220.3**	**171.5**	**9.1**	**54.8**	**-**	**772.7**
Fund fees and expenses, project level						(60.2)	(60.2)
EBITDA after fund fees							**712.4**

P&L BY YEAR

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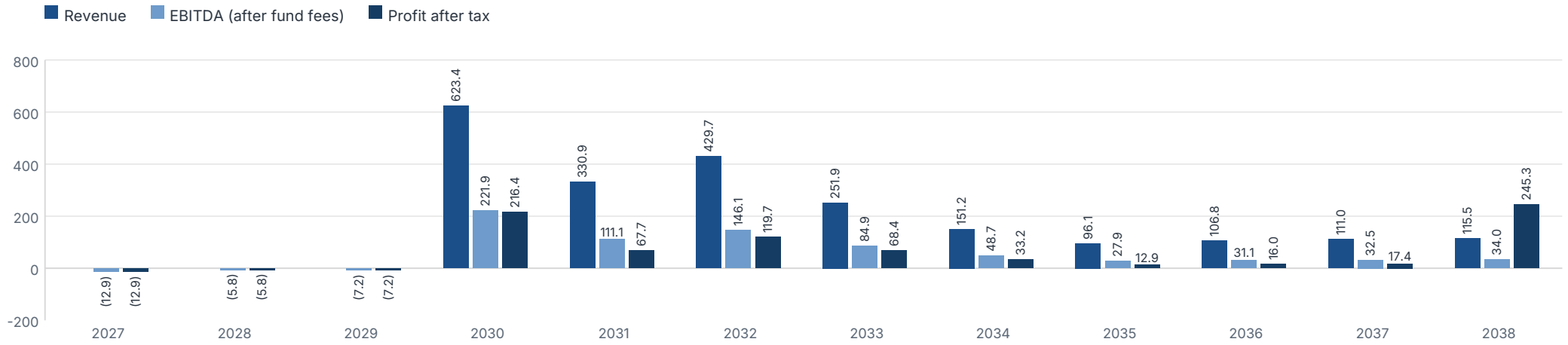

INSIGHT

- Fund fees and expenses take 60.2 (36.2 fees + 24.0 other expenses), 7.8% of EBITDA, leaving 712.4.
- No unallocated overheads.
- The held assets yield 10.2% on cost against a 8.5% exit cap: a 1.7% spread.

1,529.9 funds construction; debt peaks at 519.4 in 2029 and equity is paid back in 2033

SOURCES AND USES, TO 2030

Source / use	Amount	Share
Cash equity	226.6	15%
Land in kind	120.0	8%
Senior debt	559.8	37%
Customer collections	623.4	41%
Total sources	**1,529.9**	**100%**
Land	240.0	
Construction	934.7	
Interest paid	89.2	
Operating costs	46.8	
Debt repaid	199.2	
Cash held at the end	20.0	
Total uses	**1,529.9**	

CONSTRUCTION FUNDING BY YEAR

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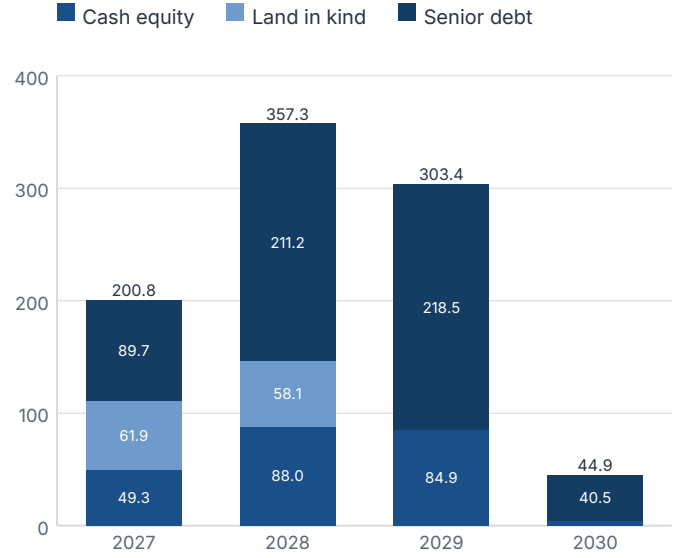

DEBT DRAWN AND REPAID

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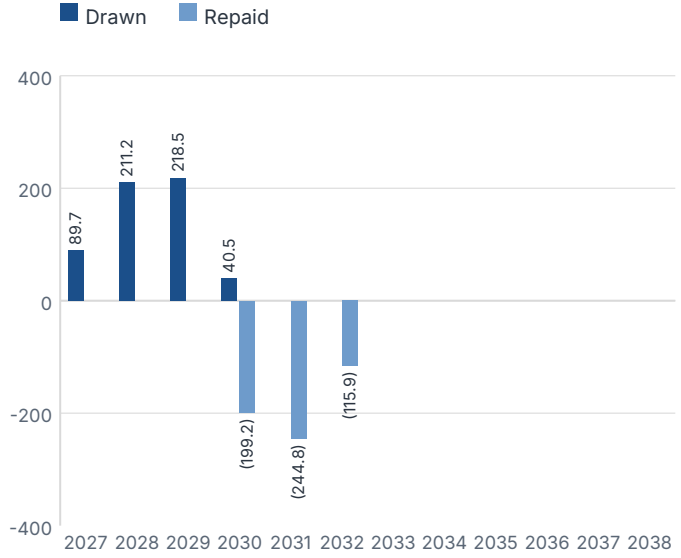

EQUITY J-CURVE, AFTER THE FEE

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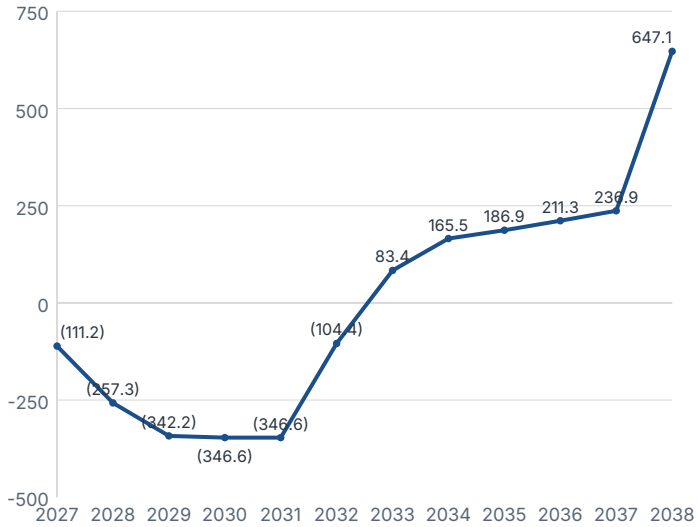

DISTRIBUTIONS BY YEAR, AFTER THE FEE

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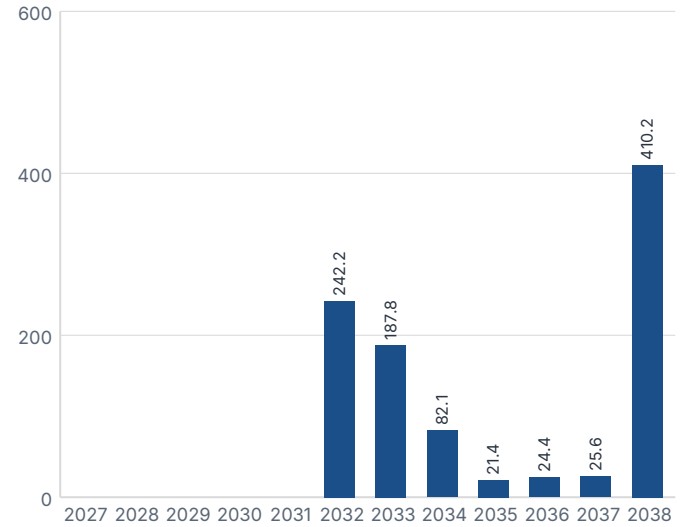

INSIGHT

- Collections fund 41% of construction-period funding; equity 23% and debt 37%.
- Peak equity at risk is 346.6; the J-curve bottoms at (346.6) in 2030 and pays back in 2033; debt is repaid by 2032.
- Investors receive 993.7 after the performance fee, 2.87x their money.

Distributions shared on the time-weighted share: Investor 635.2, Sponsor 358.5

RETURNS

PROJECT NPV (FCFF)	EQUITY NPV (FCFE)	PROJECT MOIC (FCFF)	INVESTOR IRR BEFORE / AFTER FEE	INVESTOR MOIC BEFORE / AFTER FEE
182.6	123.5	2.10x	18.4% / 17.0%	3.22x / 2.87x
at 10.0%	at 12.0%		the performance fee in between	

PARTY RETURNS (DISTRIBUTION BASIS: TIME-WEIGHTED SHARE)

Party	Role	Invested	Distribution share	Distributions before fee	Fee borne	Distributions after fee	IRR before fee	IRR after fee	MOIC before fee	MOIC after fee
Investor	Investor/Equity Partner	226.6	63.9%	714.4	79.2	635.2	18.8%	17.3%	3.15x	2.80x
Sponsor	Sponsor, Developer	120.0	36.1%	403.2	44.7	358.5	17.9%	16.5%	3.36x	2.99x
Total		**346.6**	**100.0%**	**1,117.7**	**124.0**	**993.7**			**3.22x**	**2.87x**

FEES BY EARNER

Earner	Fund fees	Performance fee	Developer fee	Sales commission	Total
Fund Manager	36.2	74.4	-	-	110.6
Sponsor	-	49.6	42.1	30.1	121.8
Total	**36.2**	**124.0**	**42.1**	**30.1**	**232.4**

DISTRIBUTIONS BY PARTY

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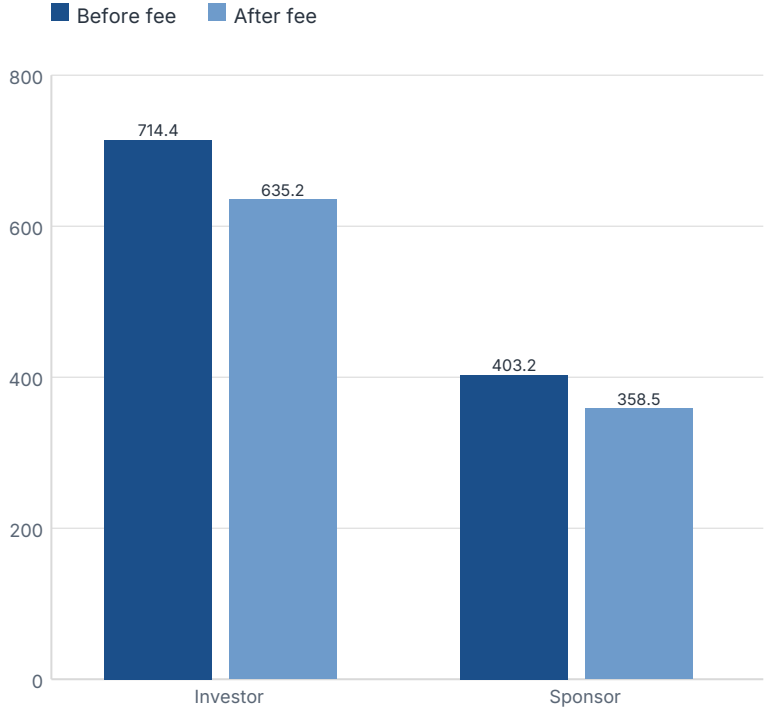


WATERFALL (HURDLE 8%)

Step	Amount
Distributions before the fee	1,117.7
Hurdle paid	497.9
Above the hurdle	619.8
Performance fee (20%)	124.0
Distributions after the fee	**993.7**

INSIGHT

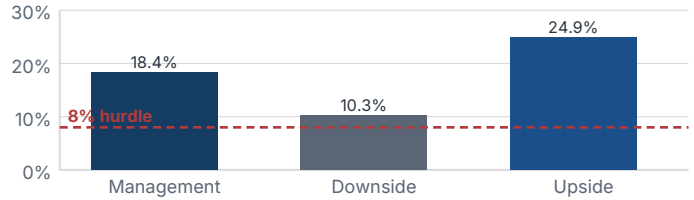
- The performance fee costs investors 1.4 points of IRR (124.0).
- Sponsor earns the most fee income: 121.8 of 232.4.
- Investor takes 63.9% of the distributions on the time-weighted share.

Equity IRR runs 10.3% to 24.9% across 3 cases; 0 red and 2 amber flags

SAVED CASES SIDE BY SIDE

Metric	Management (selected)	Downside	Upside
Equity IRR	18.4%	10.3%	24.9%
Investor IRR	17.0%	9.9%	22.8%
Equity MOIC	3.22x	2.19x	4.16x
Profit	650.8	362.6	892.1
Margin	33.1%	20.5%	41.2%
Peak equity	346.6	371.4	332.0

EQUITY IRR BY CASE



SENSITIVITY: EQUITY IRR, %

Rows: sales price change. Columns: exit cap rate. Outlined: the base case. Red: below the 8% hurdle.

	7.0%	7.5%	8.0%	8.5%	9.0%	9.5%	10.0%
-10%	14.3	13.9	13.6	13.2	13.0	12.7	12.5
-5%	16.8	16.4	16.1	15.8	15.5	15.3	15.1
+0%	19.3	19.0	18.7	18.4	18.2	17.9	17.7
+5%	21.9	21.6	21.3	21.1	20.8	20.6	20.4
+10%	24.5	24.2	24.0	23.7	23.5	23.3	23.2

RISK FLAGS

Test	Value	Amber / red if	Status
Development margin	33.1%	< 20% / < 15%	GREEN
Project IRR	15.8%	< 12% / < 10%	GREEN
Development spread	1.7%	< 1% / < 0%	GREEN
Downside margin	20.5%	< 10% / < 5%	GREEN
DSCR, worst year	10.05x	< 1.50x / < 1.20x	GREEN
Largest line share	41.2%	> 40% / > 60%	AMBER
Funded by collections	40.7%	> 30% / > 50%	AMBER

INTEGRITY CHECKS

7 of 7 checks hold

Check	Result
Balance sheet balances (Assets = L + E)	✓ OK
Cash flow closing == balance sheet cash	✓ OK
Direct cash flow == Indirect cash flow	✓ OK
Balance sheet reconciliation bridge, unexplained	✓ OK
Cash never goes below zero	✓ OK
Balance sheet closes to zero at exit	✓ OK
Typed velocity inside the model years	✓ OK

KEY ASSUMPTIONS

Assumption	Value
Sales	
Sale price (typed)	25,000 SAR/sqm
Sale price growth	4.0% a year
Rent / top occupancy	1,400 SAR/sqm / 75%
Costs	
Build: P1 Branded Apartments	8,000 SAR/sqm main GFA
Build: P1 Standalone Commercial	3,000 SAR/sqm main GFA
Build: P2 4 Star Hotel	10,000 SAR/sqm main GFA
Build: P2 Branded Apartments	8,000 SAR/sqm main GFA
Build: P2 Standalone Commercial	3,000 SAR/sqm main GFA
Soft cost	6.6% of hard
Developer fee	5.0% of hard + soft
Contingency	5.0% of hard + soft + fee
Financing	
Debt share of new funding	70%
Profit rate on debt	7.50%
Exit and fund	
Exit cap rate	8.5%
Hurdle / performance fee	8.0% / 20%

INSIGHT

- In the Downside case the equity IRR is 10.3% and the margin 20.5%.
- Across the sensitivity grid the equity IRR runs 12.5% to 24.5%.
- 0 red and 2 amber of 7 risk flags; every integrity check holds.