



## طیبة للاستثمار TAIBA INVESTMENTS

### OFFER DOCUMENT

This document is issued by Taiba Investments Company (“**Taiba**”) and addressed to the shareholders of Dur Hospitality Company (“**Dur**”) regarding the offer submitted by Taiba to Dur’s shareholders to acquire all the shares of Dur through submitting a securities exchange offer pursuant to Article (26) of the Merger and Acquisition Regulations.

This Document includes essential information about the Transaction. Thus, this Document should be read thoroughly, and all the Document’s sections must be reviewed carefully, particularly the “**Important Notice**” Section, before voting on any resolution regarding the transaction. In case of any doubt regarding the decision to be taken at the Transaction EGM or regarding the Offer, a CMA licensed independent financial advisor should be consulted.

Taiba has entered into a binding implementation agreement with Dur on 17/09/1444H (corresponding to 08/04/2023G) (“**Implementation Agreement**”) for the purpose of acquiring all of Dur’s shares, which amount to (100,000,000) shares with a nominal value of SAR (10) per share, through submitting a securities exchange offer in accordance with the provisions of Article (26) of the Merger and Acquisition Regulations, in consideration for Taiba’s issuance of one hundred million (100,000,000) new ordinary shares with a nominal value of SAR (10) per share for Dur’s shareholders (the “**Consideration Shares**”) by increasing the paid up capital of Taiba from SAR 1,604,574,830 (one billion, six hundred four million, five hundred seventy four thousand, eight hundred thirty Saudi Riyals) to SAR 2,604,574,830 (two billion, six hundred four million, five hundred seventy four thousand, eight hundred thirty Saudi Riyals), and increasing the number of Taiba’s shares from 160,457,483 (one hundred sixty million, four hundred fifty seven thousand, four hundred eighty three) shares to 260,457,483 (two hundred sixty million, four hundred fifty seven thousand, four hundred eighty three) shares, which represents an increase of (62.32%) in current share capital of Taiba (the “**Transaction**”). The Transaction is subject to satisfying the conditions set out in the Implementation Agreement as summarized under Section (2.3.1) (“**Implementation Agreement**”), noting that such conditions may not be amended or waived without the written consent of both companies. On 18/09/1444H (corresponding to 09/04/2023G), Taiba announced the execution of the Implementation Agreement and its firm intention to proceed with the Transaction and submit an offer to Dur’s shareholders in this respect.

Under the Transaction, all of Dur’s shares will be acquired in exchange for Taiba’s issuance of the Consideration Shares to Dur’s shareholders. Pursuant to the Implementation Agreement, following the approval of the Transaction EGM of Taiba and Dur (the “**Transaction Completion**”), Dur’s shareholders who are registered in the shareholders’ register of Dur at the end of the second trading period following the date of Transaction Completion, will receive one (1) Consideration Share in Taiba in return for every share they hold in Dur (the “**Exchange Ratio**”). At the date of Transaction Completion, Dur will become an unlisted joint stock company wholly owned by Taiba (for more details about the Transaction conditions, see Section (2.4) (“**Transaction Completion Procedures**”).

If the Offer is wholly accepted by Dur’s shareholders (through approval of the Transaction by Dur’s EGM), and all of the other conditions of the Transaction as summarized under Section (2.3.1.1) (“**Implementation Agreement Terms and Conditions**”) are satisfied, this will result in an increase of Taiba’s capital from SAR 1,604,574,830 (one billion, six hundred four million, five hundred seventy-four thousand, eight hundred thirty Saudi Riyals) to SAR 2,604,574,830 (two billion, six hundred four million, five hundred seventy-four thousand, eight hundred thirty Saudi Riyals) and then Dur’s shareholders will become owners of (38.4%) of Taiba’s capital. For more details about Taiba and Dur’s rationale for the Transaction, please refer to Section (2.2) (“**Rationale of the Transaction**”).

Taiba has only one class of shares and no shareholder benefits from any preferential voting rights. All Consideration Shares will be of the same class and will have the same rights as the current Taiba shares, including voting rights and dividend rights. The Consideration Shares will entitle their holders to receive dividends declared by Taiba following the date of Transaction Completion according to the eligibility date for each declared dividend. In the event of approval of the Transaction, Dur’s shares to be acquired will be transferred to Taiba following the Transaction Completion without bearing any dividends.

The total value of the Transaction will be determined on the basis of the value of the Consideration Shares. The total nominal value of the Consideration Shares



is SAR 1,000,000,000 (one billion Saudi Riyals). The total market value of the Consideration Shares is SAR 2,950,000,000 (two billion, nine hundred fifty million Saudi riyals), based on the closing price of (SAR 29.50) per Taiba’s share on 15/09/1444H (corresponding to 06/04/2023G) (which is the last trading day prior to the date of entry into the Implementation Agreement). The total value of the Consideration Shares to be recorded in the financial statements of Taiba will be determined at a later stage based on the closing price of Taiba’s share at the last trading day prior to the date of Transaction Completion.

It should be noted that the Transaction Completion is conditional upon obtaining the approval of Taiba’s Transaction EGM and Dur’s Transaction EGM. For more details about the Transaction conditions and the Transaction Completion procedures, please refer to Section (2.3.1) (“**Implementation Agreement**”) and Section (2.4) (“**Transaction Completion Procedures**”) of this document. For the avoidance of doubt, if the Acquisition Resolutions are approved by the requisite number - which is at least three quarters of the voting rights represented in the meeting - of Dur’s shareholders (who have the right to vote in Dur’s Transaction EGM) and Taiba’s shareholders (who have the right to vote in Taiba’s Transaction EGM), and subject to satisfying all of the other Transaction conditions (including no Material Adverse Event occurs or continues and no breach of guarantees provided by both parties) as summarized under Section (2.3.1.1) (“**Implementation Agreement Terms and Conditions**”), Dur’s shares will be delisted from the Saudi Exchange (Tadawul) and Dur will become an unlisted joint stock company wholly owned by Taiba, and all shareholders of Dur (including those who voted against or did not vote in Dur’s Transaction EGM) will receive the Consideration Shares in Taiba in accordance with the Exchange Ratio. Under Article (3) (n) of the Merger and Acquisition Regulations, the shareholder who owns shares in both Taiba and Dur will have the right to vote on the Acquisition Resolutions in the EGM of either one of the Companies only.

Taiba was established under Royal Decree No. (M/41) dated 16/06/1408H, and its incorporation was announced pursuant to His Excellency the Minister of Commerce’s Resolution No. (134) issued on 13/02/1409H (corresponding to 24/09/1988G) and it is a joint stock company holding commercial registration number (4650012403) dated 10/04/1409H (corresponding to 19/11/1988G) issued from Madinah. The current share capital of Taiba is SAR 1,604,574,830 (one billion, six hundred four million, five hundred seventy-four thousand, eight hundred thirty Saudi riyals) divided into 160,457,483 (one hundred sixty million, four hundred fifty-seven thousand, four hundred eighty-three) ordinary shares with a nominal value of SAR 10 (ten Saudi riyals) per share, all of which are fully paid and listed on the Saudi Exchange (Tadawul).

As on the date of this document, Substantial Shareholders of Taiba are: Assila Investment Company (ownership percentage of 16.730%), Mohammed Saleh Hamza Serafi (ownership percentage of 8%), Mohammed Ibrahim Mohammed Al-Eissa (ownership percentage of 7.414%), and Al Salihat Trading and Contracting Holding Co. (ownership percentage of 6.544%). The Substantial Shareholders of Dur are: Assila Investment Company (ownership percentage of 27.144%), Public Investment Fund (PIF) (ownership percentage of 16.628%) and Mohammed Ibrahim Mohammed Al-Eissa (ownership percentage of 12.001%).

If the offer is accepted and the Transaction is completed, Taiba’s major shareholders will be Assila Investment Company (20.729%), Mohammed Ibrahim Mohammed Al-Eissa (9.176%) and the Public Investment Fund (8.490%). Acceptance of the offer and completion of the Transaction will increase the control of each of the above in Taiba, giving these shareholders the ability to influence decisions that require shareholder approval (including voting on the appointment of directors, approving amendments to the bylaws, approving material transactions and other matters requiring shareholder approval).

It should be noted that the Transaction involves the following Related Parties: The PIF as a Substantial Shareholder in Dur with a representative in the Board of Directors of Taiba, and Ibrahim Mohammed Al-Eissa (Chairman of the Board of Directors of Taiba) as a member of the Board of Directors of both Taiba and Assila



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Investment Company since Assila Investment Company and Dur are under joint control of Mohammed Ibrahim Mohammed Al-Eissa, and both Mohammed Ibrahim Mohammed Al-Eissa and Assila Investment Company as they are presumed to act in agreement (since they are in the same group; as Assila Investment Company is controlled by Mohammed Ibrahim Mohammed Al-Eissa) and they collectively own more than (20%) in both Taiba and Dur. For more details in this regard, please refer to Section (2.5) (“**Related Parties and Conflicted Directors**”). As stated above, according to Article 3 (n) of the Merger and Acquisition Regulations, the shareholder who owns shares in both Taiba and Dur will have the right to vote on the Acquisition Resolutions in the EGM of either one of the Companies only. As for the Related Parties who own shares in both companies they will be able to vote on the Acquisition Resolutions in the EGM of either one of the Companies only under the exemption granted by CMA in this regard (for more details about that exemption, see Section (10) (“**Exemptions**”).

It is also worth noting that a number of directors of Taiba also have an interest in the Transaction: Ibrahim Mohammed Al-Eissa (as he is a board member and a shareholder in Assila Investment Company, which is a substantial shareholder of Dur, and his parents also have an interest in Dur’s shares); Ghassan Yasser Shalabi (as one of his relatives is a board member in Assila Investment Company, which is a substantial shareholder in Dur); Feras Salah-Adin Al-Qurashi (as he is a representative of the Public Investment Fund (on Taiba’s board), which is a substantial shareholder in Dur); Mohammed Abdulmohsen Al-Qurainis (as he is a senior executive in Assila Investment Company, which is a substantial shareholder in Dur); and Badr Hamoud Al-Badr (as he owns shares in Dur and was its CEO from 2012G until 2019G) have all declared their interest in the Transaction to the board of Taiba and subsequently abstained from voting on the board’s resolution to approve the Implementation Agreement.

It should be noted that there are also directors of Dur who have an interest in the Transaction: Bader Bin Abdullah Al Issa (as he is a shareholder of Taiba and the CEO of Assila Investment Company, which is a substantial shareholder in Taiba), Fahd bin Abdullah Al Issa (as he is a board member of Assila Investment Company, which is a substantial shareholder in Taiba), and Mishary Bin Najy Al-Ibrahim (as he is a shareholder in Taiba and a representative of PIF on Dur’s board; which in turn is a shareholder in Taiba) have all declared their interest in the Transaction to Dur’s board and subsequently abstained from voting on Dur’s board resolution to approve the Implementation Agreement.

For more details in this regard, please refer to Section (2.5) (“**Related Parties and Conflicted Directors**”).

It should be noted that since the final Exchange Ratio is an integer, Dur’s shareholders will receive no fractional shares.

After issuing the Consideration Shares, the ownership of current Taiba’s shareholders will constitute (61.6%) of Taiba’s share capital, while Dur’s shareholders will own (38.4%) of Taiba’s share capital.



Taiba has submitted an application to the CMA to register and offer the Consideration Shares and to the Saudi Exchange to approve the listing of the Consideration Shares. This Document has been submitted to the CMA and has been approved for publication. All the CMA requirements were met and, subject to obtaining approvals from Taiba’s Transaction EGM and Dur’s Transaction EGM, all the regulatory approvals related to the Transaction and the increase of Taiba’s share capital were obtained. For further information in this regard, please refer to Section (2.4.1) (“**Government Approvals**”).

This Document is issued by Taiba and addressed to Dur’s shareholders. This Document has been prepared in accordance with the requirements of Article (38) of the Merger and Acquisition Regulations. Neither Taiba, its board members, executives, nor employees bear any responsibility for the correctness, accuracy, and completeness of the information related to Dur, its subsidiaries, shareholders, or board members in this Document. It should be noted that all this information was obtained from Dur as part of the Transaction and at the stage when Taiba was conducting - with advisors’ help - the necessary professional due diligence on Dur and some of its subsidiaries. Dur is obligated under the Implementation Agreement to provide Taiba with all the information about Dur required for preparing this Document. Dur has also provided, under the Implementation Agreement, a guarantee to Taiba (as customary in such agreements) regarding the correctness and completeness of the information (in all material respects) provided to Taiba regarding the Transaction as on the date of submission of such information. This information will include the information submitted during the stage of conducting professional due diligence and preparing Transaction related documents including this Document. Dur also warrants and represents that the information submitted is not misleading in all material respects. Dur also represented under the Implementation Agreement that it did not conceal any material information related to the Transaction from Taiba.

This Document has been published around the publication date of the circular of Dur’s board of directors on the Transaction. The circular of Dur’s board includes information related to the Transaction, the related risks and the board’s opinion on the Transaction. Taiba board members, whether collectively or individually, bear no responsibility towards Dur’s shareholders in relation to the information contained in the circular of Dur’s board. Thus, Taiba’s board members will not make, whether collectively or individually, any warranties or representations, explicitly or implicitly, in relation to correctness, accuracy or completeness of the information contained in Dur board’s circular.

**The shareholders should read this Document fully and review all its sections carefully; particularly the “Important Notice” section, in addition to reading the circular of Dur’s board thoroughly and carefully before voting on the Acquisition Resolutions.**

Taiba appointed J.P. Morgan Saudi Arabia as a financial advisor in relation to the Transaction.

Financial Advisor

# J.P.Morgan

The CMA and Saudi Exchange (Tadawul) shall not bear any responsibility for the contents of this Offer Document. They make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from this Document or reliance on any part thereof.

This Offer Document was published on: 25/04/1445H (corresponding to 09/11/2023G) and it was drafted in both Arabic and English. Arabic shall be the official language of the Document and in case of any discrepancy between the Arabic and English texts, the Arabic text shall prevail.

This Offer Document is an unofficial English translation of the official Arabic version and is provided for information purpose only. The Arabic Offer Document remains the only official, legally binding version and shall prevail in the event of any conflict between the two languages.



طيبة للاستثمار  
TAIBA INVESTMENTS

[taiba.com.sa](http://taiba.com.sa)

## Important Notice

This Document contains detailed information about the Transaction. The Document is aimed at providing Dur's shareholders with information about the Transaction and the offer submitted by Taiba to Dur's shareholders in relation to the Transaction. It should be noted that one of the conditions for the Transaction Completion is to obtain the approval of the Transaction from Dur's shareholders and Taiba's shareholders. Dur's shareholders will vote on the Transaction based only on the information contained in this Document and Dur's Board Circular.

The CMA and Saudi Exchange (Tadawul) shall not bear any responsibility for the contents of this Offer Document. They make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from the content of this Document or reliance on any part thereof.

The information and statements contained in this Document are presented as at the date of issuance of this Document unless another date is specified for any information or statements contained in this Document. Consequently, the information contained in this Document is subject to change after the issuance date of this Document. Accordingly, publication of this Document does not necessarily mean that none of the facts or information contained in this Document on Taiba, Dur or any of their subsidiaries have changed. None of the information contained in this Document should be considered expectations or projections on the future financial performance of Taiba, Dur or any of their subsidiaries. No statement in this Document should be interpreted to mean that earnings per Taiba share for the current or future financial years after the Transaction Completion will necessarily match or exceed the historical earnings per Taiba share.

No person has been authorized to give any information or to make any representations on behalf of Taiba's board other than those contained in this Document and, if given or made, such information or representations must not be relied on as having been authorized by Taiba, or J.P. Morgan Saudi Arabia or any of the other advisers in connection with the Transaction.

This Document should not be considered as recommendation from Taiba or its board members or any of its advisors in relation to the Transaction or which way to vote on it. This Document does not include all the information related to Taiba and does not include all the information to be taken into account in any investment decision related to the Transaction. Moreover, all the information contained in this Document is of a general nature and has been prepared without considering the individual investment objectives, the financial situation or the investment needs of any specific recipient of the Document. Each recipient of this Document will be responsible for obtaining independent professional advice from a CMA-licensed financial advisor in relation to the Transaction.

Copies of this Document may be obtained from the headquarters of Taiba or through Taiba's website ([www.taiba.com.sa](http://www.taiba.com.sa)), CMA website ([cma.org.sa](http://cma.org.sa)), or Saudi Exchange (Tadawul) website ([www.saudiexchange.sa](http://www.saudiexchange.sa)). Except for the Offer Document, any contents of the abovementioned websites may not be construed as part of this Document and Taiba will not bear any responsibility for the content of such websites.

Taiba has appointed J.P. Morgan Saudi Arabia as a financial advisor in connection with the Transaction. J. P. Morgan Saudi Arabia – a capital market institution licensed by the CMA to operate in the KSA – shall act as the exclusive financial advisor of Taiba in relation to the Transaction. The company shall not be liable towards any party except for Taiba when giving advice on the Transaction or any other issue referred to in this Document.

Furthermore, J.P. Morgan Saudi Arabia or other advisors referred to in ("*Corporate Directory*") Section did not independently ascertain the correctness and accuracy of the information contained in the Document. Accordingly, those advisors, or any of their affiliates, managers or employees shall not be liable for any direct or indirect loss or damage that any person may incur due to their reliance on any information included in this Document, or due to incorrect, inaccurate, or incomplete information contained in this Document.

This Document may not be construed as legal, financial, zakat-related or tax advice. The recipient of this Document should seek specialized advice from their own legal, financial and tax advisors in relation to such topics. In case of any doubt regarding the decision that should be made by any of the shareholders in Dur's Transaction EGM, Taiba recommends seeking independent financial advice from a CMA- licensed independent financial advisor.

The Transaction relates to securities of Saudi companies listed on the Saudi Exchange (Tadawul), and Consideration Shares represent securities issued by a Saudi company. Accordingly, this document and any other documents or announcements relating to the Transaction have been and will be prepared in accordance with the disclosure requirements applicable in the Kingdom of Saudi Arabia only. The type and presentation of the information contained therein may vary if prepared according to the requirements of another jurisdiction. Taiba does not intend to take any action to publish or register this document or the Consideration Shares in any jurisdiction other than the Kingdom of Saudi Arabia.



## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Document contains certain forward-looking statements. Such forward-looking statements can be identified by the use of forward-looking words or phrases, including but not limited to, "anticipate", "target", "expect", "estimate", "intend", "plan", "will", "believe", "aim", "may", "would", "could" or "should" or other words of similar meaning or the negative thereof. Forward-looking statements in this Document include, without limitation, statements relating to the following: (i) anticipated benefits from the Transaction, future expectations of financial performance and conditions, and other future events; (ii) business and management strategies and the expansion and growth of the operations of Taiba following the Transaction; and (iii) the Transaction and the dates on which events are expected to occur.

The forward-looking statements appearing in this Document reflect the current point of view of Taiba and its management. They are based on numerous assumptions, including assumptions regarding the present and future business strategies of Taiba and the regulatory environment in which it will operate in the future. Forward-looking statements are not a promise or a guarantee of future events, given several, visible and invisible, factors that may affect future events, causing it to be materially different from the expectations, expressed or implied by this Document. The risks and uncertainties relating to forward-looking statements are beyond Taiba's control and cannot be estimated precisely, such as future market conditions and the behaviors of other market participants. Therefore, the recipient of this Document shall read these forward-looking statements based on this notice but may not rely on such statements.

All oral or written forward-looking statements made by Taiba or any persons acting on its behalf are expressly qualified in their entirety by the Important Notice contained in this Section.

Taiba does not intend to amend or update any forward-looking statements contained in this Document, except as required pursuant to applicable laws and regulations.

## PUBLICATION AND DISTRIBUTION RESTRICTIONS

This Document is addressed to Dur's shareholders, subject to any restriction in the laws and regulations of any Restricted Jurisdiction. This Document may not constitute an offer to sell or a request to purchase any securities for any person in any jurisdiction where the law does not permit such offer or request.

### A notice to Dur's Shareholders outside the KSA

Whilst all Dur's shareholders have the right to attend and vote on the resolutions proposed at Dur's Transaction EGM (unless they are restricted due to a conflict of interest or any other restriction imposed by the relevant Saudi laws and regulations), shareholders residing outside the Kingdom of Saudi Arabia are hereby made aware that this Document was not filed or registered with any regulatory authority outside the KSA. Therefore, if a shareholder is based in a jurisdiction where any steps are required to be taken by Taiba to lawfully enable such shareholders to vote on the Acquisition Resolutions, it should be known that Taiba had not taken such steps, and therefore, shareholder should not vote on the resolutions to be proposed at Dur's Transaction EGM. If such shareholder has nevertheless voted on the Acquisition Resolutions, then Taiba reserves the right, after agreeing with Dur, not to proceed with the Transaction unless the relevant resolutions are approved by the requisite majority of Dur's shareholders without counting the votes of that shareholder.

### Financial and Other Information

Taiba and Dur financial statements for the financial years ended on 31 December 2020G, 31 December 2021G, and 31 December 2022G are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted in KSA and other standards and versions issued by Saudi Organization for Chartered and Professional Accountants (SOCPA). Save where expressly stated otherwise, financial information contained in this Document is based on management estimates and has not been independently audited by chartered accountants or otherwise, and all financial information is set out in SAR, unless specified otherwise. This Document contains percentages and rounded figures which are approximate numbers for the purpose of presentation.

## Corporate Directory

### Taiba Investments Company

#### Taiba Investments Company

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### Taiba Representatives

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#### Basil Bin Mohammad bin Saad bin Jabr

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### Taiba's Financial Advisor

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# J.P.Morgan

### Taiba's Legal Advisor

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### Taiba's Financial Due Diligence Advisor

#### **PricewaterhouseCoopers Public Accountants**

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### Taiba's Auditor

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**Note:** The above advisors have given and, as at the date of this Document, have not withdrawn their written consent to the publication of their names, addresses, logos and the statements attributed to each of them in the context in which they appear in this Document (as applicable).

## KEY DATES AND MILESTONES

The table below includes the expected timeline of the key events related to the Transaction. The dates below are approximate and Taiba (Dur or Saudi Exchange (Tadawul), as the case may be) shall announce the actual events that must be announced on Saudi Exchange (Tadawul) website according to the relevant laws and regulations including any changes that may be made to the timeline.

Event	Timeline/ Expected Date
<b>1. Actions required in relation to EGM</b>	
Submission of the final draft of the Offer Document and Shareholders' Circular to the CMA.	The final drafts of the Offer Document and Shareholders' Circular were submitted to the CMA on 25/03/1445H (corresponding to 10/10/2023G)
The CMA's approval of the capital increase application and publication of the Offer Document.	22/04/1445H (corresponding to 06/11/2023G)
The CMA's approval to convene Taiba's Transaction EGM and Dur's Transaction EGM.	25/04/1445H (corresponding to 09/11/2023G)
Publication of the invitation to Taiba's Transaction EGM on the Saudi Exchange (Tadawul) website (with a reference to the possibility of holding a second meeting within an hour after the end of the time allocated to the first meeting if the first meeting was not quorate).	25/04/1445H (corresponding to 09/11/2023G)
Publication of the invitation to Dur's Transaction EGM on the Saudi Exchange (Tadawul) website (with a reference to the possibility of holding a second meeting within an hour after the end of the time allocated to the first meeting if the first meeting was not quorate).	25/04/1445H (corresponding to 09/11/2023G)
Publication of the Offer Document, the Shareholders' Circular, and Dur Board's Circular.	25/04/1445H (corresponding to 09/11/2023G)
Making documents available for inspection.	25/04/1445H (corresponding to 09/11/2023G)
The start of the electronic voting period for shareholders in Taiba's Transaction EGM.	12/05/1445H (corresponding to 26/11/2023G)
The start of the electronic voting period for shareholders in Dur's Transaction EGM.	12/05/1445H (corresponding to 26/11/2023G)
Taiba's Transaction EGM (first meeting) – quorum required is shareholders representing at least 50% of Taiba's share capital.	16/05/1445H (corresponding to 30/11/2023G)
Taiba's Transaction EGM (second meeting) (if the quorum for the first meeting is not attained) – quorum required is shareholders representing at least 25% of Taiba's share capital.	One hour after the expiry of the period specified for Taiba's first inquorate meeting.
Dur's Transaction EGM (first meeting) – quorum required is shareholders representing at least 50% of Dur's share capital.	16/05/1445H (corresponding to 30/11/2023G)
Dur's EGM (second meeting) (if the quorum for the first meeting is not attained) – quorum required is shareholders representing at least 25% of Dur's share capital.	One hour after the expiry of the period specified for Dur's first inquorate meeting.
Announcing the Acquisition Resolutions passed at Taiba's Transaction EGM (first or second meeting) on the Saudi Exchange (Tadawul) website (or, if the EGM was inquorate, the announcement of such fact).	19/05/1445H (corresponding to 03/12/2023G)
Announcing the Acquisition Resolutions passed at Dur's Transaction EGM (first or second meeting) on the Saudi Exchange (Tadawul) website (or, if the EGM was inquorate, the announcement of such fact).	19/05/1445H (corresponding to 03/12/2023G)
<b>2. Actions required in the event that the first and second EGM were inquorate</b>	
The CMA's approval to convene Taiba's or Dur's Transaction EGM (third meeting).	23/05/1445H (corresponding to 07/12/2023G)
Publication of the invitation to Taiba's or Dur's Transaction EGM (third meeting) on the Saudi Exchange (Tadawul) website.	26/05/1445H (corresponding to 10/12/2023G)
The start of the electronic voting period for Taiba's or Dur's Transaction EGM (third meeting) on the Saudi Exchange (Tadawul) website.	12/06/1445H (corresponding to 25/12/2023G)
Taiba's or Dur's Transaction EGM (third meeting) – which will be valid irrespective of the number of shares represented at the meeting.	18/06/1445H (corresponding to 31/12/2023G)



Event	Timeline/ Expected Date
Announcing the Acquisition Resolutions passed at Taiba's or Dur's Transaction EGM (third meeting) on the Saudi Exchange (Tadawul) website	19/06/1445H (corresponding to 01/01/2024G)
<b>3. Transaction Completion and Complementary Steps</b>	
Transaction Completion	<p>16/05/1445H (corresponding 30/11/2023G) (if approval is obtained in the first or second meeting of Taiba's Transaction EGM and Dur's Transaction EGM).</p> <p>18/06/1445H (corresponding 31/12/2023G) (if approval is obtained in the third meeting of Taiba's Transaction EGM and Dur's Transaction EGM, as the case may be).</p>
Suspension of trading of Dur shares	<p>The first trading period following the date of Transaction Completion, which is expected to occur on:</p> <p>19/05/1445H (corresponding to 03/12/2023G) (If approval is obtained in the first or second meeting of Taiba's Transaction EGM and Dur's Transaction EGM).</p> <p>19/06/1445H (corresponding to 01/01/2024) (if approval is obtained in the third meeting of Taiba's Transaction EGM and Dur's Transaction EGM, as the case may be).</p>
Delisting Dur's shares from the Saudi Exchange (Tadawul)	Within a period not less than the third trading period and not exceeding the sixth trading period after the date of Transaction Completion.
Listing the Consideration Shares on the Saudi Exchange (Tadawul) and allocating such shares to the respective shareholders of Dur who are registered in Dur's shareholders register at the end of the second trading period following the date of Transaction Completion.	Within a period of not less than the third trading period and not exceeding the sixth trading period after the date of Transaction Completion.
Amendment of Taiba's commercial register and submitting the amended bylaws to the Ministry of Commerce.	<p>Within thirty (30) days from the Transaction Completion, which is expected to occur on:</p> <p>18/06/1445H (corresponding to 31/12/2023G) (if approval is obtained in the first or second meeting of Taiba's Transaction EGM and Dur's Transaction EGM).</p> <p>18/07/1445H (corresponding 30/01/2024G) (if approval is obtained in the third meeting of Taiba's Transaction EGM and Dur's Transaction EGM, as the case may be).</p>

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1.

## Terms and Definitions

The following definitions shall apply throughout this Document, unless the context requires otherwise:

<b>Implementation Agreement</b>	The binding implementation agreement dated 17/09/1444H (corresponding to 08/04/2023G) concluded between Taiba and Dur setting out the terms and conditions of, and the parties' rights and obligations in connection with, the Transaction.
<b>Transaction Completion</b>	After approval of the Transaction EGM is issued for both Taiba and Dur.
<b>Extraordinary General Assembly (EGM)</b>	An extraordinary general assembly meeting of the shareholders of the relevant Company convened in accordance with the provisions of the bylaws of the relevant Company.
<b>Consideration Shares</b>	The new Taiba shares to be issued to Dur's entitled Shareholders pursuant to the Transaction amounting to one hundred million (100,000,000) ordinary shares with a nominal value of SAR (10) per share.
<b>Firm Intention Announcement</b>	The announcement published by Taiba on the Saudi Exchange (Tadawul) website on 18/09/1444H (corresponding to 09/04/2023G) regarding its firm intention to place an offer of acquisition of all Dur's shares through a securities exchange transaction in accordance with Article (17) (e) of the Merger and Acquisition Regulations.
<b>Affiliate</b>	A person who controls another person or is controlled by such 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>Saudi Exchange</b>	The Saudi Stock Exchange (Tadawul), which is the market in which securities are traded in the Kingdom and is managed and operated by the Saudi Exchange Company and regulated by the Capital Market Authority. It also means, depending on the context, Saudi Exchange Company, a wholly owned subsidiary of Saudi Tadawul Holding Group, which is responsible for operating the market.
<b>Shareholders' Circular</b>	The Shareholders' Circular issued by Taiba in line with the requirements of Article (75) of the ROSCOs.
<b>Dur Board's Circular</b>	The circular issued by Dur's board, to Dur's shareholders, pursuant to Article (39) of MARs in response to Taiba's offer relating to the Transaction which provides the views of Dur's board of directors on the offer to Dur shareholders, and Taiba's plans for Dur and its employees.
<b>Dur's Transaction EGM</b>	The extraordinary general assembly meeting of Dur convened for the purpose of the Acquisition Resolutions.
<b>Taiba's Transaction EGM</b>	The extraordinary general assembly meeting of Taiba convened for the purpose of the Acquisition Resolutions.
<b>Material Adverse Event</b>	<p>Means, pursuant to the definition agreed upon in the Implementation Agreement, any event, occurrence or change in circumstances which individually, or when aggregated with all such other events, occurrences or changes, has or could reasonably be expected to have a material adverse effect on the business, assets, liabilities, financial position, profitability or prospects of either of the Dur Group or the Taiba Group (in each case taken as a whole) or on the Transaction or its implementation, provided that the following shall not be considered in determining whether a Material Adverse Event has occurred:</p> <ol style="list-style-type: none"> <li>Any deterioration of the economic, political or market conditions or securities, credit, financial or other capital markets conditions in the financial services industry globally, in the Middle East, in the KSA or in general except to the extent that such effect adversely affects either company in a materially disproportionate manner compared to other businesses in the industry in which the group of both companies operates (as the case may be).</li> <li>Any change, event or development to the extent solely resulting from the execution and delivery of the Implementation Agreement or the public announcement, pendency or consummation of the Transaction or any of the other transactions contemplated by the Implementation Agreement, including the impact of such changes or developments on the relationships, contractual or otherwise, of either company's group (as the case may be) with employees, clients, suppliers or partners;</li> <li>Any change, event or development to the extent resulting from the execution Any change, event or development to the extent resulting from any failure of either company (as the case may be) to meet any internal or published projections, forecasts, estimates or predictions in respect of revenues, earnings or other financial or operating metrics for any period (it being understood that the facts and circumstances giving rise to such failure may be deemed to constitute, and may be taken into account in determining whether there has been, a Material Adverse Event if such facts and circumstances are not otherwise described in paragraphs (a) or (d) through (h) of this definition);</li> <li>Any change, in and of itself, in the market price, credit rating (with respect to either company or its securities, if any) or trading volume of their shares (it being understood that the facts and circumstances giving rise to such change may be deemed to constitute, and may be taken into account in determining whether there has been, a Material Adverse Event if such facts and circumstances are not otherwise described in paragraphs (a), (c) or (e) through (h) of this definition);</li> </ol>

<b>Material Adverse Event</b>	<p>e) Any change or proposed change, after the Implementation Agreement, in the applicable laws except where the change in applicable laws has an adverse effect on the group of the two companies (as the case may be) in a materially disproportionate manner compared to each other or to other businesses (as the case may be) in the industry in which the two companies operate;</p> <p>f) Geopolitical conditions, the outbreak or escalation of hostilities, any acts of war, sabotage or terrorism, or any escalation or worsening of any such acts of war, sabotage or terrorism threatened or underway as of the date of the Implementation Agreement, except to the extent that such change, event or development affects the two companies group (as the case may be), in a materially disproportionate manner compared to each other or other businesses in the industry in which the two Companies (as the case may be) operate;</p> <p>g) Any flood, earthquake the outbreak or escalation of pandemics, or other natural disaster, except to the extent that such events affect the two companies' groups (as the case may be), in a materially disproportionate manner compared to each other or other businesses in the industry in which the Companies (as the case may be) operate; or</p> <p>h) Any change, event or development to the extent resulting from any action by the two companies groups (as the case may be), that is expressly required to be taken in connection with the Transaction.</p>
<b>Restricted Jurisdiction</b>	Any country or jurisdiction where the offer of, or distribution or publication of this Document or any other documents related to, the Consideration Shares would violate the laws of, or regulations applicable to, that country or jurisdiction.
<b>SAR</b>	Saudi Arabian Riyals, the official currency of KSA
<b>Capital Increase</b>	The proposed increase in the capital of Taiba from one billion six hundred four million five hundred seventy four thousand eight hundred thirty (1,604,574,830) Saudi Riyals to two billion, six hundred four million five hundred seventy-four thousand eight hundred thirty (2,604,574,830) Saudi Riyals and the increase in the number of its shares from one hundred sixty million four hundred fifty-seven thousand four hundred eighty-three (160,457,483) ordinary shares to two hundred sixty million four hundred fifty-seven thousand four hundred eighty-three (260,457,483) ordinary shares, which represents an increase of (62.32%) for the current capital of Taiba.
<b>Closing Price</b>	Last trading price for the shares, according to the mechanism set by the Saudi Exchange (Tadawul).
<b>Control</b>	<p>For the purpose of the Merger and Acquisition Regulations; the ability to influence the actions or decisions of another person, whether directly or indirectly (excluding indirect ownership of shares through swap arrangements or through an investment fund whose unit owner have no discretion in its investment decisions), individually or collectively with a person or persons acting in concert, through holding (directly or indirectly) 30% or more of the voting rights in a company. Moreover, "controller" shall be construed accordingly.</p> <p>For other purposes: the ability to influence the actions or decisions of another person through, whether directly or indirectly, alone or with a relative or affiliate (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 governing body; "controller" shall be construed accordingly.</p>
<b>Subsidiary</b>	In relation to Taiba or Dur, as applicable, any other company which it controls.
<b>Companies</b>	Taiba and Dur
<b>Transaction</b>	Taiba's acquisition of all Dur shares in accordance with Article (26) of the MARs in return for issuing the Consideration Shares to Dur Shareholders by increasing Taiba's capital from SAR 1,604,574,830 (one billion, six hundred four million, five hundred seventy-four thousand, eight hundred thirty Saudi Riyals) to SAR 2,604,574,830 (two billion, six hundred four million, five hundred seventy-four thousand, eight hundred thirty Saudi Riyals).
<b>Related Party</b>	<p>Means a person who (whether or not acting in concert with Taiba or Dur or any of their subsidiaries) owns or deals directly or indirectly with shares of Taiba or Dur either through a private sale or purchase transaction or offer, or any person (in excess of its normal interests as a shareholder) has interest or potential interest - whether personal, financial or commercial - arising from the acquisition or a related party with both Taiba and Dur. The definition, provided that this does not conflict with the general application of this definition, includes, but is not limited to, the following:</p> <ol style="list-style-type: none"> <li>1) Any person(s) who has provided financial assistance (other than a bank in the ordinary course of business) to Taiba or Dur;</li> <li>2) The board members of Taiba and Dur (or any of their subsidiaries);</li> <li>3) Any person owning 20% of Taiba and Dur (whether individually or by acting in concert with other(s)); and</li> <li>4) Substantial shareholder in Taiba who is, at the same time, a board member in Dur, or vice versa.</li> </ol>
<b>"Offeror" or "Taiba"</b>	Taiba Investments Company, a listed joint stock company in the Kingdom of Saudi Arabia headquartered in Madinah, registered under the Commercial Registration No. 4650012403 dated 10/04/1409H and has a share capital of SAR 1,604,574,830 (One billion, six hundred four million, five hundred seventy-four thousand, eight hundred thirty Saudi riyals).
<b>Offer</b>	The offer from Taiba to Dur Shareholders for the purpose of acquisition of all Dur's shares in exchange of Consideration Shares to be issued to Dur Shareholders in Taiba pursuant to Article (26) of the MARs.

<b>Offer Period</b>	The period from Taiba's Firm Intention Announcement until the decision of both Taiba and Dur's Transaction EGMs or until the Implementation Agreement is terminated in accordance with its provisions (whichever comes first). (For more details on termination of the Implementation Agreement, see Section (2.3.1.6) (" <b>Termination of Implementation Agreement</b> ").
<b>Acquisition Resolutions</b>	<p>Resolutions in relation to the Transaction, which will be presented to Taiba and Dur shareholders, as follows:</p> <p><b>With respect to Taiba:</b> Approval of acquisition of all Dur's shares through the issuance of one hundred million (100,000,000) shares; one (1) share in Taiba for each share in Dur according to the terms and conditions of the Implementation Agreement, including approval of the following matters related to the Transaction:</p> <ol style="list-style-type: none"> <li>Approval of the provisions of the Implementation Agreement entered between Taiba and Dur dated 17/09/1444H (corresponding to 08/04/2023G).</li> <li>Approval of the increase of Taiba's capital from one billion, six hundred four million, five hundred seventy-four thousand, eight hundred thirty (1,604,574,830) Saudi Riyals to two billion, six hundred four million, five hundred seventy-four thousand, eight hundred thirty (2,604,574,830) Saudi Riyals according to terms and conditions of the Implementation Agreement; this increase shall be effective on the date of Transaction Completion as per the Companies Law and the Implementation Agreement.</li> <li>Approval of the proposed amendments to Taiba's bylaws in the form set out in Annex (1) with effect from the Date of Transaction Completion.</li> <li>The authorization of Taiba's Board of Directors, or any person authorized by the Board of Directors, to adopt any resolution or take any action as may be necessary to implement any of the above resolutions.</li> </ol> <p><b>With respect to Dur:</b> Approval of the offer presented by Taiba to Dur's shareholders to acquire all Dur's shares in consideration of issuance of one hundred million (100,000,000) shares in Taiba for Dur's shareholders and as a result, Dur will become an unlisted joint stock company wholly owned by Taiba according to the relevant legal requirements and the terms and conditions of the Implementation Agreement including approval of the following matters related to the Transaction:</p> <ol style="list-style-type: none"> <li>Approval of the provisions of the Implementation Agreement entered between Taiba and Dur dated 17/09/1444H (corresponding to 08/04/2023G).</li> <li>The authorization of Dur's Board of Directors, or any person authorized by the Board of Directors, to adopt any resolution or take any action as may be necessary to implement any of the above resolutions.</li> </ol>
<b>Relative</b>	Means husband, wife, children, and parents.
<b>ROSCO</b>	The Rules on the Offer of Securities and Continuing Obligations issued by the board of the CMA pursuant to its resolution No. (3-123-2017) dated 09/04/1439H (corresponding to 27/12/2017G) as amended by the board of the CMA pursuant to its resolution No. (8-5-2023), dated 25/06/1444H (corresponding to 18/01/2023G).
<b>MARs</b>	The Merger and Acquisition Regulations issued by the board of the CMA pursuant to its resolution No. (1-50-2007), dated 21/09/1428H (corresponding to 3/10/2007G), amended by Resolution No. (08-05-2023), dated 25/06/1444H (corresponding to 18/01/2023G).
<b>Non-Binding MoU</b>	The non-binding memorandum of understanding entered into between Taiba and Dur dated 23/05/1444H (corresponding to 17/12/2022G) in relation to the Transaction.
<b>Substantial Shareholder</b>	A shareholder owning five percent (5%) or more of the shares in Taiba or Dur, as the case may be.
<b>Financial Advisor</b>	J. P. Morgan Saudi Arabia.
<b>Offer Document</b>	This document prepared by Taiba pursuant to article (38) of the Merger and Acquisition Regulations in relation to the offer made by Taiba to Dur Shareholders
<b>Exchange Ratio</b>	It is the basis on which the number of Consideration Shares owed to Dur shareholders will be determined in relation to the Transaction, which will result in one Taiba share for every Dur Share owned by such shareholders.
<b>Dur</b>	Dur Hospitality Company, a listed joint stock company having its head office based in Riyadh, KSA, registered in the Commercial Register under No. (1010010726) dated 06/01/1397H (corresponding to 27/12/1976G) and its share capital is one billion (1,000,000,000) Saudi Riyals.
<b>KSA or the Kingdom or Saudi Arabia</b>	Kingdom of Saudi Arabia
<b>Companies Law</b>	The Saudi Arabian Companies Law issued pursuant to Royal Decree No. M/132 dated 01/12/1443H (corresponding to 30 June 2022G).
<b>CMA</b>	The Capital Market Authority of Saudi Arabia.
<b>GAC</b>	The General Authority for Competition of Saudi Arabia.
<b>MOC</b>	The Ministry of Commerce of Saudi Arabia



<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. 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 be limited to:</p> <ol style="list-style-type: none"> <li>1) Members of the same group;</li> <li>2) a person’s relatives;</li> <li>3) Person(s) who provided financial assistance to the offeror (Taiba) or its group members (other than a bank in the ordinary course of business) in order to purchase shares that carry voting rights or convertible debt instruments</li> </ol>
<b>Business Day</b>	Any day, other than a Friday, Saturday or a public holiday in KSA.

## 2. Overview of the Transaction

On 03/11/1442H (corresponding to 13/06/2021G), Taiba and Dur announced start of the initial discussions for the merger of both companies, based on which the two companies decided to start the necessary professional due diligence process and negotiate the merger and exchange information. On 10/08/1443H (corresponding to 13/03/2022G), the two companies announced termination of the initial discussions.

On 24/05/1444H (corresponding to 18/12/2022G), Taiba and Dur announced that they have returned to the discussion table to consider a potential transaction. The two companies signed a memorandum of understanding on 23/05/1444H (corresponding to 17/12/2022G) on a potential securities exchange transaction. Under the memorandum of understanding (“MoU”), both companies agreed that the implementation structure of the potential transaction will be through share exchange offer to be made by Taiba (as the Offeror) to Dur’s Shareholders (as the offeree) for acquisition of all Dur’s shares. Subject to the results of the professional due diligence to be carried out by both companies, Dur’s shareholders would receive one (1) new share in Taiba for every share they own in Dur.

On 18/09/1444 H (corresponding to 09/04/2023G), Taiba made an announcement confirming signing the Implementation Agreement and its firm intention to proceed with the Transaction and making an offer to Dur’s shareholders in this respect. The Implementation Agreement included all the provisions and steps necessary to implement and complete the Transaction between both companies in accordance with the provisions of Article (26) of the Merger and Acquisition Regulations and in accordance with the Capital Market Law, the Companies law and their regulations, and other relevant laws and regulations in force in the Kingdom of Saudi Arabia. For more information on the provisions of the Implementation Agreement, please refer to Section (2.3.1) (“**Implementation Agreement**”).

Pursuant to the Implementation Agreement, Taiba shall acquire all Dur’s shares in exchange of issuance of Consideration Shares to Dur’s Shareholders by increasing Taiba’s capital according to Article (75) of the authorized Rules on the Offer of Securities and Continuing Obligations and based on the final exchange ratio, whereby Dur’s Shareholders will obtain **one (1) share** in Taiba in consideration for every Dur share they hold. The total Consideration Shares shall be one hundred million (100,000,000) shares fully paid at a nominal value per share of SAR (10) so that the total nominal value of the Consideration Shares shall be SAR 1,000,000,000 (one billion Saudi Riyals). These shares will be issued by way of increasing the share capital of Taiba by (62.32%) from SAR 1,604,574,830 (One billion, six hundred four million, five hundred seventy four thousand, eight hundred thirty Saudi riyals) to SAR 2,604,574,830 (two billion, six hundred four million, five hundred seventy four thousand, eight hundred thirty Saudi riyals) and increasing the number of Taiba’s shares from 160,457,483 (one hundred sixty million, four hundred fifty seven thousand, four hundred eighty-three) shares to 260,457,483 (two hundred sixty million, four hundred fifty seven thousand, four hundred eighty-three) shares. Upon the Transaction Completion, the current Taiba Shareholders will own (61.6%) of Taiba’s share capital after the capital increase and Dur’s Shareholders will own (38.4%) of Taiba’s share capital after the capital increase.

The total Transaction value will be determined according to the value of the Consideration Shares. The total nominal value of the Consideration Shares is one billion (1,000,000,000) Saudi Riyals. The total market value of the Consideration Shares is two billion nine hundred fifty million (2,950,000,000) Saudi Riyals based on the closing price of SAR (29.50) of Taiba’s share as on 15/09/1444H (corresponding to 06/04/2023G) (which is the last trading day prior to the Implementation Agreement). The total value of the Consideration Shares (as will be recorded in the financial statements of Taiba) will be determined at a later stage on the basis of the closing price of Taiba’s share on the last trading day prior to the date of Transaction Completion.

As the final Exchange Ratio is an integer, Dur’s shareholders will have no fractions of shares.

It should be noted that no involuntary staff redundancies are expected as a result of the Transaction (if completed).

The following table shows details of ownership in Taiba of each of the Substantial Shareholders of Taiba and Dur and the public prior to and following the Transaction as of 16/03/1445H (corresponding to 01/10/2023G):

Shareholder	Pre-Completion		Post-Completion	
	No. of Shares in Taiba	Shareholding % in Taiba	No. of Shares in Taiba	Shareholding % in Taiba
Assila Investment Company	26,845,269	16.730%	53,989,053	20.729%
Mohammed Ibrahim Mohammed Al-Eissa	11,897,114	7.414%	23,898,563	9.176%
Mohammed Saleh Hamza Serafi	12,837,271	8%	12,837,271	4.929% <sup>(4)</sup>
Al-Salihah Trading and Contracting Holding Company	10,500,000	6.544%	10,500,000	4.031% <sup>(5)</sup>
Public Investment Fund	5,484,374	3.418%	22,112,832	8.490% <sup>(6)</sup>
Members of Taiba’s Board of Directors <sup>(1)</sup>	5,298	0.003%	5,298	0.002%
Taiba’s senior executives <sup>(2)</sup>	N/A	N/A	N/A	N/A

Shareholder	Pre-Completion		Post-Completion	
	No. of Shares in Taiba	Shareholding % in Taiba	No. of Shares in Taiba	Shareholding % in Taiba
Public <sup>(3)</sup>	92,888,157	57.890%	137,114,466	52.644%
<b>Total</b>	<b>160,457,483</b>	<b>100%</b>	<b>260,457,483</b>	<b>100%</b>

- (1) Based on the shares owned directly by Taiba's directors only. For further information about indirect ownership and interest, please refer to Section (3.2) ("*Shareholding of Taiba's Directors*").
- (2) Based on the shares owned directly by Taiba's senior executives only.
- (3) Includes all shares owned by non-Substantial Shareholders in Taiba and Dur and the directors and senior executives of Taiba.
- (4) Mohammed Saleh Hamza Serafi will no longer be a Substantial Shareholder following the Transaction Completion given that his ownership in Taiba will fall below 5%.
- (5) Al-Salihah Trading and Contracting Holding Company will no longer be a Substantial Shareholder following the Transaction Completion given that his ownership in Taiba will fall below 5%.
- (6) The Public Investment Fund is currently not a Substantial Shareholder in Taiba, however, following the Transaction Completion its ownership in Taiba will increase to above 5%, making it a Substantial Shareholder.

The diagram below is a simplified description of the structure of the Transaction:



## 2.1 Valuation of Dur

The Exchange Ratio was agreed between Taiba and Dur which determines the number of Consideration Shares that Dur's shareholders will obtain in Taiba as a result of the Transaction, after negotiation and discussion between both companies and professional, legal and financial due diligence. The following table summarizes the results of the agreed valuation:

<b>Agreed Exchange Ratio</b>	One (1) share in Taiba for each share in Dur
<b>Total Number of the Consideration Shares</b>	One hundred million (100,000,000) ordinary fully paid shares with a nominal value of (SAR 10) per share.
<b>Total Nominal Value of the Consideration Shares</b>	One billion (1,000,000,000) Saudi Riyals.
<b>The total market value of the Consideration Shares (at the end of the last trading day prior to the execution of the Implementation Agreement dated 15/09/1444H (corresponding to 06/04/2023G))</b>	Two billion nine hundred fifty million (2,950,000,000) Saudi riyals.
<b>The total market value of the Dur Shares subject to the Transaction (at the end of the last trading day prior to the execution of the Implementation Agreement dated 15/09/1444H (corresponding to 06/04/2023G))</b>	Two billion four hundred eight million (2,408,000,000) Saudi Riyals.
<b>The difference between total market value of the Consideration Shares and the total market value of Dur's shares subject to the Transaction (at the end of the last trading day prior to the execution of the Implementation Agreement dated 15/09/1444H (corresponding to 06/04/2023G))</b>	22.51%
<b>Taiba share price (at the end of the last trading day prior to the execution of the Implementation Agreement dated 15/09/1444H (corresponding to 06/04/2023G))</b>	SAR 29.50
<b>Dur share price (at the end of the last trading day prior to the execution of the Implementation Agreement dated 15/09/1444H (corresponding to 06/04/2023G))</b>	SAR 24.08
<b>Implied valuation of Dur share (at the end of the last trading day prior to the execution of the Implementation Agreement dated 15/09/1444H (corresponding to 06/04/2023G))</b>	SAR 29.50

## 2.2 Rationale of the Transaction

This section contains the views of Taiba on the expected benefits resulting from the Transaction. It further contains forward-looking statements, which are subject to risks and uncertainties, and hence reliance should not be placed on such statements. For further information on such risks, see the (“**Important Notice**”) section of this document.

Nothing contained in this section is intended to be or shall be deemed to be a forecast, projection or estimate of the future financial or operational performance of Taiba, Dur or the market, and no statement in this Offer Document should be interpreted to mean that earnings per share for current or future financial periods of Taiba post-Transaction would necessarily match or exceed historical earnings per share of Dur or Taiba shares.

The Transaction is expected to create a leading hospitality company (by number of hotel keys) in Saudi Arabia, with ownership and management of multiple real estate properties in the hospitality and residential space across Saudi Arabia including hotels, serviced apartments, residential properties, retail centers, and more.

The combination of the asset portfolios and the integration of operations is expected to result in an increased scale of operations, improved access to real estate development opportunities, shared benefit of know-hows and expertise in hospitality and property management, leverage and scale up owned brands (particularly Makarem) and strengthen capabilities on account of experience and scale in partnerships with international hotel brands, which could ultimately increase competitive advantage and create a better value proposition to the shareholders. In addition, Taiba post-Transaction is expected to be well positioned to support the Saudi economy and play a proactive role in contributing to achieve Saudi Vision 2030 as well as being a key stakeholder in supporting and delivering Saudi’s National Tourism Strategy.

Set out below are the main motives and expected benefits of the Transaction:

- **Scale, coverage, and profile:** The two companies have a combined portfolio of 28 hotels with approximately 5,746 keys, 11 residential properties with approximately 1,519 units, 6 commercial centres spanning approximately 54,695 sqm. and 25 plots, with a total combined revenue of SAR 898,678,992 and operating profit of SAR 195,145,576 (21.7% operating profit margin) based on the prepared unaudited pro forma condensed consolidated financial information for the year ended 31 December 2022G. Given this magnified footprint, post-transaction, Taiba is expected to become one of the leading players in the hospitality business in the Kingdom.
- **Pan KSA geographic footprint:** The combination of Taiba and Dur will result in a large KSA footprint, expected to enable them after the Transaction to capture demand from all client clusters in key cities such as Riyadh, Makkah, Jeddah, Madinah, Tabuk, and Jubail which is expected to further cement their brands and profile across the Kingdom.
- **Capabilities Expansion:** Post-transaction, Taiba plans to leverage Dur and Taiba’s existing and supplementary capabilities and resources to achieve operational and commercial excellence, as well as deliver best-in-class customer experience. After the Transaction, Taiba will have deep know-how and expertise in:
  - **Hospitality management and operations expertise** that could be leveraged at scale across the combined portfolio, as well as the Makarem brand to operate hotels in Makkah and Madinah.
  - **Real estate property development expertise**, both in hospitality projects and commercial centres development.
  - **Global partnerships and relationships**, given experience in forming strategic partnerships with major international flags such as IHG Hotels & Resorts and Marriott International.
- **Catalyzing delivery of Saudi Vision 2030:** The Transaction can enable Taiba to play a vital role in unlocking opportunities presented by Saudi Vision 2030’s transformational agenda. The scale of Taiba post-Transaction will allow it to be well positioned to tap into key growth areas and become a key stakeholder in supporting and delivering Saudi’s National Tourism Strategy.
- **Revenue Synergy:** After the Transaction, Taiba can leverage the geographical complementarity of Dur and Taiba’s asset portfolio across Saudi Arabia. The cumulative know-how of the local market across several different cities in Saudi Arabia (including major metropolitan cities like Riyadh and Jeddah, the holy cities of Makkah and Madinah, smaller but upcoming cities like Tabuk and Jubail) is expected to be beneficial to Taiba post-Transaction. Furthermore, Dur and Taiba’s complementary footprint in the holy cities of Makkah and Madinah is expected to increase sales opportunities and joint packages and strengthen market positioning and branding, driving both revenue uplift as well as customer satisfaction, unlocking revenue synergies in the near-medium term. Furthermore, revenue synergy upside in medium – long term can be expected from strategy driven value creation levers, with the quantum of upside dependent on the strategy of Taiba post-Transaction.
- **Balance Sheet Synergy:** Combining CAPEX spend of the two companies is expected to optimize procurement cost driven by better negotiation with suppliers.
- **Cost Synergy:** The Transaction is expected to lead to efficiency improvements through economies of scale. The Transaction is expected to unlock cost synergies after integration is complete, with significant value creation potential, driven by increased scale, sharing of best practices and annual efficiency gains.

The below illustration shows the properties of both Taiba and Dur as at 31 December 2022G.

### Illustration (1): Real Estate Properties for Both Companies

#### Illustration 1-1: Taiba's Properties (as at 31 December 2022G)

Commercial Centers 5 Centers (GLA 34,695 sqm)		Hotel 6 Hotels (1,883 Keys)	
Owned by Al-Aqeeq (a wholly owned subsidiary) and managed by Taiba	Owned and managed by Taiba	Owned by Al-Aqeeq (a wholly owned subsidiary) and managed by Taiba	Owned by Taiba but Managed by others
4 Centers (19.5 Km <sup>2</sup> )	One Center (15.2Km <sup>2</sup> )	4 Hotels (1,506 keys)	2 Hotels (377 keys)
Taiba Suites Commercial center <i>Madinah</i>	Deem Plaza, <i>Riyadh</i>	Taiba Suites <i>Madinah</i>	Dar AlKouther Hotel <i>Madinah</i>
Taiba Front Commercial Center <i>Madinah</i>		Taiba Front <i>Madinah</i>	Madinah Airport Hotel, <i>Madinah</i> (Partially owned , 33.33%)
Taiba Madinah Hotel commercial center		Taiba Madinah Hotel	
Al-Aqeeq Madinah Hotel Commercial Center		Al-Aqeeq Madinah Hotel	

Source: Taiba

#### Illustration 1-2: Dur's Properties (as at 31 December 2022G)

Hotel / Serviced Apartments (22 Hotels / 3,863 Keys)			Residential (11 Properties / 1,519 units)		Retail (1 property)
Owned <sup>(1)</sup> and managed by Dur	Owned <sup>(1)</sup> but not managed by Dur	Managed but not owned by Dur	Owned <sup>(1)</sup> and managed by Dur	Managed but not owned by Dur	Owned and managed by Dur
9 Hotels (1,566 keys)	5 Hotels (1,042 keys)	8 Hotels (1,255 keys)	6 Properties (1,180 units)	5 Properties (339 keys)	1 property (GLA <sup>(4)</sup> : 20km <sup>2</sup> )
Makarem Ajjad <i>Makkah</i>	Riyadh Marriott <i>Riyadh</i>	Makarem Umm Al-Qura - <i>Makkah</i>	Darraq Homes <sup>(3)</sup> <i>Riyadh</i>	Dur Al-Andalus <i>Jeddah</i>	Awal Plaza <i>Riyadh</i>
Holiday Inn & Suites <i>Tabuk</i>	Marriott Courtyard DQ <sup>(2)</sup> - <i>Riyadh</i>	Makarem Al-Bait <i>Makkah</i>	Dur Al-Wadi <i>Riyadh</i>	Dur Al-Rawdah <i>Jeddah</i>	
Holiday Inn & Suites <i>Jubail</i>	Marriott Hotel DQ <sup>(2)</sup> <i>Riyadh</i>	Makarem Mina <i>Makkah</i>	Dur Al-Sharq <i>Riyadh</i>	Dur Al-Yasmin <i>Jeddah</i>	
Marriott Airport <i>Riyadh</i>	Marriott Exec. Apartments <i>Riyadh</i>	Makarem Al Shorofat <i>Makkah</i>	Dur Twaiq <i>Riyadh</i>	Dur Al-Maather <i>Riyadh</i>	
Crowne Plaza Riyadh Palace - <i>Riyadh</i>	Marriott Exec. Apartments DQ <sup>(2)</sup> - <i>Riyadh</i>	Shada Al-Shatea <i>Jeddah</i>	Nakheel Staff Housing - <i>Jeddah</i>	Dur Bader <i>Riyadh</i>	
Shada Al Salamah <i>Jeddah</i>		Dara Al-Rayyan <i>Riyadh</i>	Crowne Plaza Staff Housing - <i>Riyadh</i>		
Dara Al-Salam <i>Jeddah</i>		Dara Alhamra <i>Jeddah</i>			
Dara Quraish <i>Jeddah</i>		Dara Shafa Abha <i>Abha</i>			
Dara Qurtobah - <i>Riyadh</i>					

Notes: In 2019G, Dur acquired 60% stake in Nuzul Shada Hospitality Company ("Shada Hospitality")

<sup>(1)</sup> Includes partial and full ownership and leased properties

<sup>(2)</sup> DQ - Diplomatic Quarter

<sup>(3)</sup> Includes 6 properties – Darraq-I, II, III, IV, V-A, and V-B

<sup>(4)</sup> Represents available rental area for Awal Plaza; total land area is 40,675m<sup>2</sup>

Source: Dur

## 2.3 Agreements related to the Transaction

### 2.3.1 Implementation Agreement

On 17/09/1444H (corresponding to 08/04/2023G), Taiba and Dur entered into an Implementation Agreement whereby they agreed to the terms and conditions of the Transaction and obligations of both companies in relation to implementation of the Transaction. The Implementation Agreement contains warranties given by each company to the other on a reciprocal basis as well as restrictions on the conduct of business.

The Transaction is subject to the approval of Taiba and Dur shareholders. According to Article (3) (n) of the Merger and Acquisition Regulations, a shareholder that holds shares in both Taiba and Dur can only vote on the Acquisition Resolutions in the EGM of one of the companies. For further details about voting in the EGM, see Section (2.4) (“**Transaction Completion Procedures**”).

#### 2.3.1.1 Implementation Agreement Terms and Conditions

The Implementation Agreement includes a number of terms and conditions that must be met to complete the Transaction. The two companies have committed to seeking to fulfill the terms and conditions as soon as possible and to coordinate with each other in this regard before the approval of the EGM of both companies. The two companies have also agreed that none of such terms and conditions may be amended or waived without a written consent from both companies. Here is a summary of those terms and conditions:

1. Obtaining all required approvals of the Capital Market Authority with respect to the Transaction.
2. Obtaining the approval of the Saudi Exchange (Tadawul) on the listing of the Consideration Shares and obtaining any other approvals that might be required with respect to the Transaction.
3. Providing any required notification to the Securities Depository Center Company (Edaa) with respect to the Transaction
4. Obtaining a non-objection from the General Authority for Competition with respect to the Transaction, or the expiration of the applicable waiting period for reviewing the application of economic concentration under the Competition Law.
5. Obtaining any required approvals from the Ministry of Commerce and the Capital Market Authority in respect of the amendments to the bylaws of Taiba.
6. Obtaining the approval of the requisite majority of Taiba’s shareholders on the Acquisition Resolution.
7. Obtaining the approval of the requisite majority of Dur’s shareholders on the Acquisition Resolution.
8. No Material Adverse Event having occurred and continues to occur.
9. No breach of the warranties given by Taiba and Dur under the Implementation Agreement as defined in Section (2.3.1.4) (“**Warranties**”), having occurred, unless such breach is capable of remedy and has been remedied to the reasonable satisfaction of the non-breaching party.
10. No governmental body of competent jurisdiction in Saudi Arabia having enacted, issued, promulgated, enforced or entered any order, injunction, judgment, decree or other action which is in effect and which prohibits or makes illegal the consummation of the Transaction in accordance with the Implementation Agreement.
11. Obtaining the approval of, or notifying, a number of contractual counterparties of both companies.

#### 2.3.1.2 Restrictions on Conducting Business

The Implementation Agreement imposes an obligation on both Taiba and Dur to refrain from taking any act that may violate certain restrictions stipulated in the Implementation Agreement (which are subject to certain exceptions and limitations) that relate to the conduct of business during the period between signing the Implementation Agreement until Transaction Completion or the termination of the Implementation Agreement according to the terms and conditions thereof (whichever occurs first) except with approval of the other party, which the other party may not unreasonably withhold.

If either party breaches any of these restrictions, then the other party has the right to consider the breach as a Material Adverse Event (provided that such breach has an adverse material effect on the Transaction, in the reasonable assessment of the non-breaching party) and therefore terminate the Implementation Agreement under a notice to the breaching party. For further details on the provisions of the Termination of the Implementation Agreement Section (2.3.1.6) (“**Termination of Implementation Agreement**”).



The restrictions related to the conduct of business stipulated in the Implementation Agreement require that none of the two companies and members of their group act, or agree to act, in a way that would violate any of these restrictions, unless this is legally required. The following is a summary of the restrictions:

1. Limiting the business that the two companies and members of their group carry out to their ordinary course of business, which is substantially consistent with their previous practices, provided that the relevant regulations are not violated in all cases.
2. Refraining from making any material amendments to the general nature or scope of the business of the company or any member of their group or conducting any new material activities.
3. In relation to the two companies (without members of their group), not to declare, make, set aside or pay any dividend or other distributions (whether in kind or cash) for any period.
4. Refraining from acquiring or disposing of any asset, entering into or amending any agreement, entering into or making a commitment, or carry out any action, in each case involving consideration, expenditure or liabilities in excess of 5% of the company's net assets (based on the latest audited annual financial statements).
5. Refraining from entering into any loan or financing arrangement, or amending any existing loan or financing arrangement, in excess of 10% of the total existing facilities as on the date of signing the Implementation Agreement.
6. Refraining from approving or proposing any share buy-back or cancellation of shares for any reason.
7. Refrain from taking any action that has the effect of the liquidation, dissolution or a change in legal structure of any companies or any member of its group.
8. Refraining from any change in capital or amendment in its constitutional documents.

### 2.3.1.3 Exceptions

Subject to the above restrictions on business conduct, the two companies agreed to identify several exceptions to the restrictions on business conduct that allow them to carry out certain activities which will not be considered a breach of the restrictions on business conduct:

1. Taking any action, concluding any transaction, or financing or carrying out any project (including the projects under development) disclosed in the business plan submitted to the other party.
2. Carrying out any expenditure related to any projects under development that are disclosed in the party's business plan, provided that the related expenditure for such projects do not exceed the aggregate amount of five hundred and fifty million Saudi Riyals during the six (6) months following the date of the Implementation Agreement.
3. In relation to Taiba, transferring part of or all the assets of Al Aqeeq Real Estate Development Co. to Taiba.
4. In relation to Dur, transferring its entire shareholding in Nuzul Shada Hospitality Company as in-kind contribution for its contemplated investment in an investment fund that will be established and managed by a licensed Capital Market Institution in KSA.
5. Taking any action disclosed to the public or privately disclosed to the other party before the date of the Implementation Agreement.
6. Undertaking any matter contemplated by the Implementation Agreement.

### 2.3.1.4 Warranties

Both companies provided several warranties under the Implementation Agreement:

1. Taiba and Dur have the requisite power and authority to enter into and perform its obligations pursuant to the Implementation Agreement.
2. The obligations arising from the Implementation Agreement are binding obligations for both parties.
3. The entry into of the Implementation Agreement and fulfillment of the obligations thereunder shall not lead to:
  - a. A material breach of bylaws of either party;
  - b. A material breach or violation or giving any other party the right to terminate any material agreement (as defined in the Implementation Agreement) to which either company is a party or the right to amend that agreement materially except as may be disclosed to the other party.
4. All information related to the party or its group and submitted by each party to the other party in relation to the Transaction or any of them or their groups (including the information submitted through due diligence or for the purpose of preparing documents of the Transaction) was as at the date as to which it speaks true and accurate in all material respects and not misleading in any material respect.
5. No material information or any other information related to the Transaction or requested during the due diligence has been withheld by the other party.

### 2.3.1.5 Post Completion Governance of Taiba's Board of Directors

Subject to obtaining the relevant regulatory approvals and approval of the shareholders in both companies, the two companies agreed under the Implementation Agreement to take the necessary steps to modify the formation of Taiba's Board of Directors after the Transaction Completion. Dur will nominate three (3) members, or at least one third of the board members, to be appointed to Taiba's Board of Directors as of Transaction Completion. Taiba will provide seats for nominees through the resignation of members or any other way as Taiba may deem appropriate. It was also agreed that such appointments shall not breach the requirements of the CMA rules and regulations related to the independence of the Board members.

These changes shall be effective only on the date of Transaction Completion. The current boards of directors and executive teams of both companies will continue to manage the two companies and act independently.

In addition, the two companies agreed to create a business integration committee to study the business integration plans and make recommendations to Taiba's Board of Directors after Transaction Completion. Steps related to business integration shall be taken only after approval and Transaction Completion.

### 2.3.1.6 Termination of Implementation Agreement

The Implementation Agreement shall be terminated with immediate effect, and the rights and obligations of both parties under it shall cease (with the exception of some rights and obligations that shall survive even after termination of the Implementation Agreement, such as confidentiality and dispute resolution) in any of the following cases:

1. A written notice to terminate is given by either party to the other party following breach of the Implementation Agreement, where such breach constitutes a Material Adverse Event including the following:
  - a. Breach of the obligations specified in the Implementation Agreement regarding providing and submitting the documents required under relevant laws and providing the information required to allow the other party to prepare such documents;
  - b. Breach of the abovementioned business conduct restrictions as defined in Section (2.3.1.2) ("**Restrictions on Conducting Business**") without obtaining the express or implicit approval from the other party according to the Agreement.
  - c. Breach of any warranties submitted under the Implementation Agreement as defined in Section (2.3.1.4) ("**Warranties**").
2. Failure to satisfy the Transaction's conditions or to waive them in writing by both parties before the end of one year from the date of the execution of the Implementation Agreement (unless agreed otherwise in writing).
3. If the Parties agree to terminate the Implementation Agreement in writing.

### 2.3.2 Other Agreements

Except for the non-binding MoU and the Implementation Agreement, no other material agreements are concluded between the two companies in relation to the Transaction.

## 2.4 Transaction Completion Procedures

Subject to satisfying all of the conditions set out in the Implementation Agreement, there are certain procedures required to be completed for the purpose of completing the Transaction, which are as follows:

### 2.4.1 Government Approvals

A number of regulatory approvals must be obtained for the purposes of the Transaction Completion as follows:

- a. Obtaining a non-objection from the General Authority for Competition with respect to the economic concentration arising from the Transaction.
- b. Obtaining approval of the Saudi Exchange (Tadawul) on the listing of the Consideration Shares on the Exchange.
- c. Obtaining CMA approval of Taiba's Capital Increase request and publication of the Offer Document.
- d. Obtaining approval from the Ministry of Commerce in respect of amendments to the bylaws of Taiba (as defined in Schedule (1) of this Document).
- e. CMA approval to convene Taiba's Transaction EGM and Dur's Transaction EGM, and the date and time of the EGM shall be posted on Saudi Exchange's (Tadawul) website.

All government approvals mentioned above have been obtained.

## 2.4.2 EGM Approval

The Transaction is also conditional upon obtaining approvals of EGMs of Taiba and Dur as follows:

1. Approval of Acquisition Resolutions with the required majority representing at least three quarters of voting rights represented in Taiba EGM.
2. Approval of Acquisition Resolutions with the required majority representing at least three quarters of voting rights represented in Dur EGM.

Taiba and Dur will publish the invitation for the respective Transaction EGMs, which shall be convened within a maximum period of twenty-eight (28) business days as of the date of publishing this Document (or any other date as may be approved by the CMA).

All shareholders who are registered in the shareholders register of Taiba and Dur - as the case may be - by the end of trading day on the same day of the relevant EGM will be eligible to attend the EGM. The shareholder may vote on the EGM agenda (by electronic voting), pursuant to the relevant procedures. According to Article (3) (n) of the Merger and Acquisition Regulations, a shareholder that holds shares in both Taiba and Dur can only vote on the Acquisition Resolutions in the EGM of one of the companies only.

Whilst all Dur's shareholders have the right to attend and vote on the resolutions proposed at Dur's Transaction EGM (unless they are restricted due to a conflict of interest or any other restriction imposed by the relevant Saudi laws and regulations), shareholders residing outside the Kingdom of Saudi Arabia are hereby made aware that this Document was not filed or registered with any regulatory authority outside the KSA. Therefore, if a shareholder is based in a jurisdiction where any steps are required to be taken by Taiba to lawfully enable such shareholder to vote on the Acquisition Resolutions, it should be known that Taiba had not taken such steps, and therefore, such shareholder should not vote on the resolutions to be proposed at Dur's Transaction EGM. If such shareholder has nevertheless voted on the Acquisition Resolutions, then Taiba reserves the right, after agreeing with Dur, not to proceed with the Transaction unless the relevant resolutions are approved by the requisite majority of Dur's shareholders without counting the votes of that shareholder.

If the requisite percentage – which is at least three quarters of the shares represented in the meeting- of Dur's shareholders approve the Transaction in Dur's Transaction EGM and all other conditions of the Transaction are met, all Dur shareholders (including those who voted against the Transaction or did not vote) will no longer hold any of Dur's shares because Dur's shares will be delisted and Dur will be wholly owned by Taiba. They will receive, in return, Consideration Shares in Taiba according to the terms and conditions of the Implementation Agreement upon the Transaction Completion.

## 2.4.3 Transaction Completion

Following approval of the Acquisition Resolutions by the shareholders of both Companies, the Resolutions shall be effective. Then, the ownership of all the shares of Dur shall be transferred to Taiba. Dur's shares shall be delisted and Dur will be wholly owned by Taiba which will, as a result, issue Consideration Shares to Dur's shareholders listed in Dur's shareholder register by the end of second trading period following the Date of Transaction Completion.

## 2.5 Related Parties and Conflicted Directors

The Transaction involves Related Parties. The Related Parties are: The PIF as a Substantial Shareholder in Dur with a representative on the Board of Directors of Taiba, and Ibrahim Mohammed Al-Eissa (Chairman of the Board of Directors of Taiba) as a member of the Board of Directors of Taiba and of Assila Investment Company, whereas Assila Investment Company and Dur are under joint control of Mohammed Ibrahim Mohammed Al-Eissa, and both Mohammed Ibrahim Mohammed Al-Eissa and Assila Investment Company as they are presumed to act in concert (since they are in the same group as Assila Investment Company is controlled by Mohammed Ibrahim Mohammed Al-Eissa) and they collectively own (20%) or more in both Taiba and Dur.

Notwithstanding the requirements of Article 3(O) and Article 48 of the Merger and Acquisition Regulations, shareholders who are Related Parties, namely ((1) Public Investment Fund; (2) Ibrahim Mohammed Al-Eissa; (3) Mohammed Ibrahim Mohammed Al-Eissa; and (4) Assila Investment Company) will have the right to vote on the Acquisition Resolutions in the EGM of either company, subject to the voting restrictions applicable to their representatives in the meeting of the board or any committee.

A number of directors of Taiba have an interest in the Transaction: Ibrahim Mohammed Al-Eissa (as he is a board member and a shareholder in Assila Investment Company, which is a substantial shareholder of Dur, and given his parents have an interest in Dur's shares); Ghassan Yasser Shalabi (as one of his relatives is a board member in Assila Investment Company, which is a substantial shareholder in Dur); Feras Salah-Adin Al-Qurashi (as he is a representative of the Public Investment Fund on the Taiba board, which is a substantial shareholder in Dur); Mohammed Abdulmohsen Al-Qurainis (as he is a senior executive in Assila Investment Company, which is a substantial shareholder in Dur); and Badr bin Hamoud Al-Badr (as he owns shares in Dur and was its CEO from 2012G until 2019G) have all declared their interest in the Transaction to the Taiba board and subsequently abstained from voting on the board's resolution to approve the Implementation Agreement.

There are also directors of Dur's board who have an interest in the Transaction: Bader Bin Abdullah Al Issa (as he is a shareholder of Taiba and the CEO of Assila Investment Company, which is a substantial shareholder in Taiba), Fahd bin Abdullah Al Issa (as he is a board member of Assila Investment Company, which is a substantial shareholder in Taiba), and Mishary Bin Najy Al-Ibrahim (as he is a shareholder in Taiba and a representative of PIF on Dur's board; which in turn is a shareholder in Taiba) have declared their interest in the Transaction to Dur's board and subsequently abstained from voting on the board's resolution to approve the Implementation Agreement.

The following table sets out the names and shareholdings of the Related Parties in relation to the Transaction as of 16/03/1445H (corresponding to 01/10/2023G):

Name	Reason for being Related Party	Direct Ownership in Taiba		Direct Ownership in Dur	
		No. of Shares	Shareholding %	No. of Shares	Shareholding %
Public Investment Fund	Substantial shareholder in Dur and has a representative on the board of Taiba	5,484,374	3.418%	16,628,458	16.628%
Ibrahim Mohammed Al-Eissa	On the board of Assila and Taiba, and because Mohammed Ibrahim Mohammed Al-Eissa jointly controls both Dur and Assila	1,000	0.0006%	N/A	N/A
Mohammed Ibrahim Mohammed Al-Eissa*	Presumed to act in concert (they are in the same group due to control of Mohammed Ibrahim Mohammed Al-Eissa over Assila) and they collectively own 20% or more in Taiba and Dur	11,897,114	7.414%	12,001,449	12.001%
Assila Investment Company		26,845,269	16.730%	27,143,784	27.144%
<b>Total</b>		<b>44,227,757</b>	<b>27.563%</b>	<b>55,773,691</b>	<b>55.77%</b>

\* Mohammed Al-Eissa has an interest in both Taiba and Dur represented below:

- **In Taiba:** (1) the endowment of Mohammed Ibrahim Al-Eissa which owns (5,000,000) shares, (2) his wife's ownership of (149,892) shares, (3) the ownership of his son Abdulrahman Al-Eissa which amounts to (3,358,340) shares, (4) the ownership of his son Waleed Al-Eissa which amounts to (2,480) shares, (5) the ownership of his son Ibrahim Al-Eissa which amounts to (1,000) shares. These shares represent (5.305%) of the capital of Taiba.
- **In Dur:** (1) the ownership of his son Abdulrahman Al-Eissa amounting to (2,000,000) shares, (2) the ownership of his son Waleed Al-Eissa amounting to (70,000) shares, (3) the ownership of his son Abdullah Al-Eissa amounting to (1,449) shares. These shares represent (2.071%) of Dur's capital.

The following table sets out the details of the ownership of the directors of Taiba and Dur in relation to the Transaction as of 16/03/1445H (corresponding to 01/10/2023G):

Name	Interest	Shareholding in Taiba				Shareholding in Dur			
		Direct	Indirect Interest <sup>(1)</sup>	Total	%	Direct	Indirect Interest <sup>(1)</sup>	Total	%
<b>Taiba Conflicted Directors</b>									
Ibrahim Mohammed Ibrahim Al-Eissa	Member of the Board of Directors and shareholder of Assila Investment Company, one of the major shareholders of Dur. His parents also have an interest in Dur.	1,000	17,047,006 <sup>(2)</sup>	17,048,006	10.62%	N/A	12,001,449 <sup>(3)</sup>	12,001,449	12.001%
Ghassan Yasser Shalabi	One of his relatives is a member of the Board of Directors of Assila Investment Company, one of the major shareholders of Dur	2,098	40,720 <sup>(4)</sup>	42,818	0.03%	N/A	N/A	N/A	N/A
Feras Salah-Adin Al-Qurashi	A representative of the Public Investment Fund, a major shareholder of Dur	N/A	5,484,374 <sup>(5)</sup>	5,484,374	3.418%	N/A	16,628,458 <sup>(5)</sup>	16,628,458	16.628%
Mohammed Abdulmohsen Al-Qurainis	Senior Executive at Assila Investment Company, one of the major shareholders of Dur	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Badr Hamoud Al-Badr	Owns shares in Dur and was its CEO from 2012G to 2019G	100	N/A	100	0.0001%	2,429	N/A	2,429	0.0002%
<b>Dur Conflicted Directors</b>									
Bader Bin Abdullah Al Issa	Shareholder in Taiba and CEO of Assila Investment Company; a substantial shareholder in Taiba	25	N/A	25	0.00002%	1,485	1,449 <sup>(6)</sup>	2,934	0.0029%
Fahd bin Abdullah Al Issa	Member of the Board of Directors of Assila Investment Company; a substantial shareholder in Taiba	N/A	N/A	N/A	N/A	30	1,449 <sup>(7)</sup>	1,479	0.0014%

Name	Interest	Shareholding in Taiba				Shareholding in Dur			
		Direct	Indirect Interest <sup>(1)</sup>	Total	%	Direct	Indirect Interest <sup>(1)</sup>	Total	%
Mishary Bin Najy Al-Ibrahim	A shareholder in Taiba and a representative of the Public Investment Fund on the Board of Directors of Dur, which in turn is a shareholder in Taiba.	300	5,484,374 <sup>(8)</sup>	5,484,674	3.418%	N/A	16,628,458 <sup>(8)</sup>	16,628,458	16.628%

Source: Taiba, and Dur in relation to Dur's board of directors

- (1) Shares in which they have an indirect interest, meaning shares directly owned by: (1) companies controlled by the member, (2) the member's relatives, i.e., his spouse, parents and children, or (3) the entity in which the member represents.
- (2) Represents the ownership of the father of the director Ibrahim Mohammed Al-Eissa which amounts to (11,897,114) shares, in addition to the ownership of the father's endowment amounting to (5,000,000) shares, in addition to the ownership of the mother of director member Ibrahim Mohammed Al-Eissa in Taiba which amounts to (149,892) shares.
- (3) Represents the ownership of the member's father, Ibrahim Mohammed Al-Eissa, in Dur.
- (4) Represents the ownership of the daughter of director Ghassan bin Yasser Shalaby.
- (5) Ownership of the Public Investment Fund, which is represented by director Firas Al-Qurashi.
- (6) Represents the ownership of director's father.
- (7) Represents the ownership of director's father.
- (8) Represents the ownership of PIF which is represented by director Mishary Al-Ibrahim.

## 2.6 Restrictions on the Consideration Shares

Trading the shares of Taiba is subject to the regulations, circulars and instructions of the competent authorities in the Kingdom of Saudi Arabia, and non-Saudis may not purchase Taiba shares; and the Consideration shares will be subject to the same restriction.

It should be clarified that the Consideration shares will be issued to the eligible non-Saudi shareholders of Dur with all their associated rights (including voting and dividends) and they will be able to dispose of and sell them, but they will not be able – like any other non-Saudi investor – to purchase shares in Taiba.



## 3. Shareholding and Transactions

### 3.1 Taiba's Shareholding and Transactions

Taiba does not have shares in Dur and has not traded in Dur's shares within the previous twelve months preceding the offer period until the day prior to the publication of this Document.

### 3.2 Shareholding of Taiba's Directors

The table below indicates the shareholding of Taiba's directors and the size of their controlling share, if any, in Taiba or Dur as on 16/03/1445H (corresponding to 01/10/2023G):

Name	Position	Role	Representing	Shareholding in Taiba				Shareholding in Dur			
				Direct	Indirect Interest <sup>(1)</sup>	Total	%	Direct	Indirect Interest <sup>(1)</sup>	Total	%
Mr. Ibrahim Mohammed Ibrahim Al-Eissa	President	Non-Executive	N/A	1,000	17,047,006 <sup>(2)</sup>	17,048,006	10.62%	N/A	12,001,449 <sup>(3)</sup>	12,001,449	12.001%
Eng. Anas Mohammed Saleh Serafi	Vice President	Non-Executive	N/A	1,000	23,337,271 <sup>(4)</sup>	23,338,271	14.544%	N/A	N/A	N/A	N/A
Mr. Ghassan Yasser Shalabi	Director	Non-Executive	N/A	2,098	40,720 <sup>(5)</sup>	42,818	0.03%	N/A	N/A	N/A	N/A
Mr. Basel Mohammed Bin Jabr	Director	independent	N/A	100	N/A	100	0.0001%	N/A	N/A	N/A	N/A
Eng. Muhannad Qusai Al Azzawi	Director	independent	N/A	1,000	N/A	1,000	0.0006%	N/A	N/A	N/A	N/A
Mr. Feras Salah-Adin Al-Qurashi	Director	Non-Executive	PIF	N/A	5,484,374 <sup>(6)</sup>	5,484,374	3.418%	N/A	16,628,458 <sup>(6)</sup>	16,628,458	16.628%
Eng. Mohammed Abdulmohsen Al-Qurainis	Director	independent	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Badr Hamoud Al-Badr	Director	independent	N/A	100	N/A	100	0.0001%	2,429	N/A	2,429	0.0002%
Mr. Eid Faleh Al Shamri	Director	independent	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: Taiba

- (1) Indirect interest in shares directly owned by: (1) Companies controlled by the director; or (2) The directors relatives: wife, parents and children (3) entity represented by directors.
- (2) Represents the ownership of the father of the director Ibrahim Mohammed Al-Eissa, which amounts to (11,897,114) shares, in addition to the ownership of the father's endowment amounting to (5,000,000) shares, in addition to the ownership of the mother of director Ibrahim Mohammed Al-Eissa in Taiba, which amounts to (149,892) shares.
- (3) Represents the shareholding of the father of board member Ibrahim Mohammed Al-Eissa in Dur.
- (4) The ownership of the father of director Anas Mohammed Saleh Serafi, which amounts to (12,837,271) shares, in addition to the ownership of Al-Salihah Trading and Contracting Holding Company, which amounts to (10,500,000), in which the director indirectly owns (24.5%).
- (5) Represents the shareholding of the daughter of board member Ghassan Yasser Shalabi.
- (6) Represents the shareholding of PIF, which is represented by director Feras Al-Qurashi.

### 3.3 Transactions of Taiba's Directors

Except for the detailed transaction below, Taiba's directors did not trade in any of their shares in Taiba or Dur indicated in the above table throughout the twelve-month period preceding the Offer Period and until the day prior to the publication of this Document.

Director's Name	Company of Shares Traded	Date of Trading	Type of Trading	Qty	Price (SAR)
Mohammed Abdulmohsen Al-Qurainis	Dur	17 May 2022G	Purchase	367	24.62
Mohammed Abdulmohsen Al-Qurainis	Dur	12 September 2022G	Sale	367	22.14

### 3.4 Taiba's Shareholding and Transactions through Acting in Concert

There are no shares in Taiba or Dur owned or controlled by a person acting in concert with Taiba as on the date of publication of this Document. Nor has any person acting in concert with Taiba traded in shares of Taiba or Dur through the twelve months preceding the Offer Period until the day prior to the publication of this Document.

## 4.

## Arrangements, conditions, and special deals

There is no agreement, arrangement or understanding in relation to the Transaction (including any compensation arrangement) between Taiba (or any other person acting in concert with it) or any of the board members or shareholders or any person who was a board member or shareholder in Dur during the twelve months prior to the date of publication of this Document.

## 5. Final owners of Dur's shares and Controlling Shareholders in Taiba

### 5.1 Substantial Shareholders

At the date of this Document, Substantial Shareholders of Taiba are: Assila Investment Company (ownership percentage of 16.73%), Mohammed Saleh Hamza Serafi (ownership percentage of 8%), Mohammed Ibrahim Mohammed Al-Eissa (ownership percentage of 7.414%), and Al Salihat Trading and Contracting Holding Co. (ownership percentage of 6.544%). The Substantial Shareholders of Dur are: Assila Investment Company (ownership percentage of 27.144%), Public Investment Fund (PIF) (ownership percentage of 16.628%) and Mohammed Ibrahim Mohammed Al-Eissa (ownership percentage of 12.001%).

After Transaction Completion, Substantial Shareholders in Taiba will be Assila Investment Company (ownership percentage of 20.729%), Mohammed Ibrahim Mohammed Al-Eissa (ownership percentage of 9.176%) and Public Investment Fund (PIF) (ownership percentage of 8.490%).

### 5.2 The ultimate owner of the acquired shares and the Controlling Shareholder

Based on the information submitted by Dur: Mohammed Ibrahim Mohammed Al-Eissa controls Dur as he owns (32.355%) of Dur, represented by (a) his direct ownership of (12%) and (b) his ownership of (75%) of Assila Investment Company, which also owns (27.14%) of Dur's shares.

Dur confirmed that Mohammed Ibrahim Mohammed Al-Eissa's adult sons own shares in Dur as follows:

- Abdulrahman Mohammed Al-Eissa owns 2,000,000 shares.
- Waleed Mohammed Al-Eissa owns 70,000 shares.
- Abdullah Mohammed Al-Eissa Owns 1,449 shares.

These shares represent in their entirety (2.071%) of the capital of Dur.

Excluding that, no person(s) owns or controls (30%) or more of Dur's capital or is able to direct and manage its decisions; and there will be no transfer of securities acquired under the Offer to other persons.

## 6. Financial Information

### 6.1 Closing Price of Taiba's Shares

The table below contains the closing price of Taiba's shares for the first day of each month of the six months directly preceding the date of publication of the Offer Document, for the last day preceding the commencement of the Offer Period and for the last day available before publication of the Offer Document.

Date	Closing Price of Taiba's Share (SAR)
01/11/2023G	26.15
01/10/2023G	27.20
03/09/2023G	28.10
01/08/2023G	30.85
02/07/2023G	30.50
01/06/2023G	29.45
01/05/2023G	29.50
<b>The last trading day before commencement of the Offer Period</b>	
06/04/2023G	29.50
<b>The last trading day before the publication of this Document</b>	
08/11/2023G	26.35

Source: Saudi Exchange website (Tadawul)

### 6.2 Closing Price of Dur's Shares

The table below contains the closing price of Dur's shares for the first day of each month of the six months directly preceding the date of publication of the Offer Document, for the last day preceding the commencement of the Offer Period and for the last day available before publication of the Offer Document.

Date	Closing Price of Dur's Share (SAR)
01/11/2023G	23.44
01/10/2023G	25.70
03/09/2023G	28.00
01/08/2023G	28.25
02/07/2023G	27.80
01/06/2023G	27.25
01/05/2023G	27.55
<b>The last trading day before commencement of the Offer Period</b>	
06/04/2023G	24.08
<b>The last trading day before the publication of this Document</b>	
08/11/2023G	25.55

Source: Saudi Exchange website (Tadawul)

### 6.3 Distributions and Dividend Policy

Based on the Exchange Ratio, which is represented by the shareholders of Dur obtaining one (1) share in Taiba for every share they own in Dur, the total number of Consideration Shares will be one hundred million (100,000,000) fully paid-up shares with a nominal value of (10) Saudi Riyals per share. These shares will be issued through increasing the capital of Taiba by (62.32%) and increasing the number of its shares from one hundred sixty million, four hundred and fifty-seven thousand, four hundred and eighty-three (160,457,483) shares to two hundred sixty million, four hundred and fifty-seven thousand, four hundred and eighty-three (260,457,483) shares. Following Transaction Completion, Taiba's existing shareholders will own 61.6% of Taiba's capital after the capital increase, and Dur shareholders will own 38.4% of Taiba's capital after the capital increase.

All Taiba's shares are of one class and no share gives its shareholders preferential rights. The Consideration Shares will be issued of the same class as the current Taiba shares with the same rights they possess, and the Consideration Shares will be issued without any dividends. Upon Transaction Completion, and subsequent distribution of any dividends by Taiba during any given financial period, all Taiba shareholders (including shareholders who own Consideration Shares) will be entitled to such dividends, each according to the number of shares he owns without any discrimination in rights, according to the eligibility date of each declared dividend.

Taiba is not obligated to declare or distribute any dividends. Any decision to distribute dividends relies on several factors including Taiba's past and future profitability and cash flows, financing and capital requirements, market and economic factors in general, zakat and tax, in addition to other legal and regulatory considerations including any commitments by Taiba to its commercial contracts. Therefore, there is no guarantee of actual dividend distribution, and no guarantee as to the amounts to be paid in any year or period.

The table below indicates the details of the dividend distributions of Taiba for the previous fiscal years ending on 31 December 2020G and 2021G. Also, Taiba did not distribute dividends during the year 2022G or during the current year 2023G.

	2020G			2021G	
	1st Half	2nd Half	Year Total	3rd Quarter	Year Total
Amount of distributed dividends per share in the fiscal year (SAR)	80,228,741.50	80,228,741.50	160,457,483	641,829,932	641,829,932
Entitlement Date	06/08/2020G	29/03/2021G	-	21/11/2021G	-
Distributed dividend per share	SAR 0.5	SAR 0.5	-	SAR 4	-
Distributed dividends % of the share nominal value	5%	5%	10%	40%	40%



## 7.

## Transaction Financing

The total value of the Transaction will be paid through issuing the Consideration Shares to Dur's Shareholders. Therefore, no loans or financing will be obtained for Transaction Completion.

## 8. Offer Termination Effect

The Offer submitted by Taiba to shareholders of Dur for the purpose of the transaction will end if the Implementation Agreement is terminated according to its provisions before the date of Dur's Transaction EGM. (For more details on the termination provisions of the Implementation Agreement, please refer to Section (2.3.1.6) ("**Termination of Implementation Agreement**"). The Offer will also be terminated if either of Taiba or Dur's Transaction EGMs did not to approve the Acquisition Resolutions. In such case, Dur's Shareholders shall not have the right to accept the Offer and Taiba shall not be committed to any earlier acceptance relating to the Offer.

## 9. Taiba Description

### 9.1 Overview

Taiba was established by Royal Decree No. (M/41) dated 16/06/1408H, and its incorporation was announced pursuant to His Excellency the Minister of Commerce's Resolution No. (134) issued on 13/02/1409H (corresponding to 24/09/1988G) and it is a joint stock company under commercial registration number (4650012403) dated 10/04/1409H (corresponding to 19/11/1988G) issued from Al Madinah Al Munawwarah. The current capital of Taiba is SAR 1,604,574,830 (one billion, six hundred and four million, five hundred and seventy-four thousand, eight hundred thirty Saudi riyals) divided into 160,457,483 (one hundred and sixty million, four hundred and fifty-seven thousand, four hundred and eighty-three) ordinary shares with a nominal value of SAR 10 (ten Saudi Riyals) per share, all of which are fully paid.

Mainly operating in real estate investment and development, Taiba is a leader in investment in real estate developments in Madinah as one of the major developers in the center of Madinah. Taiba also has a track record in real estate investment and development of large commercial and hotel projects in Madinah since its inception in 1988G. Taiba is a key supporter of Saudi Vision 2030 and works particularly on supporting economic diversity sought by the KSA through facilitating growth and development in public service sectors, especially the hospitality sector.

Taiba's approach in management and operation of its hospitality investments through cooperation and partnerships with global brands in the hotel operation industry has helped provide a hotel system that offers its hospitality services with international standards and specifications to meet the growing demand for these services by visitors from within or outside the Kingdom.

According to Taiba's bylaws, Taiba carries out the following activities:

1. Managing its subsidiaries or co-managing companies it has stake in and providing the necessary support;
2. Investing its funds in shares and other securities according to the regulatory and Shariah conditions.
3. Owning real estate and movables necessary for its business.
4. Providing loans, guarantees, and funding to its subsidiaries.
5. Owning and exploiting intellectual property rights including patents, trademarks, franchise rights and other moral rights and leasing such rights to its subsidiaries or others.
6. Owning, developing, investing, selling, purchasing, renting, leasing, managing, operating, and maintaining property.
7. Owning, investing in, managing, operating, and maintaining hotels, hospitals, residential complexes of all types and tourist and recreational facilities.
8. Maintaining, managing, and operating cities, facilities, and public and private facilities.
9. Architectural, civil, mechanical, and electrical contracting.
10. Agricultural, industrial and mining activities according to the applicable laws.
11. Wholesale and retail trade in consumables, equipment, machinery, agricultural, electrical, electronic and catering devices.
12. Providing credit and mortgage services.
13. Supervising the implementation of real estate projects.
14. Importing materials, devices, furniture, tools and equipment in relation to the company's business.
15. Any other legitimate purpose that is consistent with the nature of Taiba's business.

Also, according to its commercial register, the purposes of Taiba are as follows:

1. Purchasing and selling land, real estate, dividing them and off-plan sales activities.
2. Management and leasing of owned or leased properties (residential).
3. Management and leasing of owned or leased properties (non-residential).
4. General construction of residential buildings.
5. Hotels.
6. Road hotels (Motels).
7. Hotel apartments.

Taiba aims to commit to real estate investment and development, and to developing its employees to create competent Saudi employees in the real estate management and development sector in the Kingdom. Also, Taiba owns many investments in a number of sectors by a number of subsidiaries and other companies, as well as ownership in shares of listed and unlisted companies, all of which comes within the company's track record in investing and developing real estate properties in Al Madinah Al Munawwarah as a real estate developer known for its strategically located commercial and hotel projects.

## 9.2 Vision, Mission, and Strategic Direction

### Company's Vision

Leadership in real estate investment and development.

### Mission

Commitment to real estate investment and development that achieves rewarding and sustainable returns for the shareholders, in addition to staff development.

### Strategic Direction

As the Taiba Board of Directors approved the main directions of the company for the next five years until 2026G, and such include:

1. Continuing as a real estate investment and development company in Al Madinah Al Munawwarah and expanding within the regions of the Kingdom through diversification in real estate activities and in hospitality sectors, residential complexes, and mixed-purpose projects: residential, commercial, office, and recreational.
2. Promoting investment processes to achieve the targeted growth rates according to specific benchmarks through:
  - Total or partial acquisition of companies in the same activities and business as the company.
  - Entering partnerships with real estate companies and funds for investment opportunities.
  - Direct purchase of income-generating assets.

## 9.3 Most important Current Projects and Investments

Taiba has several major hotel and commercial projects in Al Madinah Al Munawwarah, as follows:

### 1. Taiba Suites Madinah:

Located directly on the northern courtyard of the Prophet's Mosque, spanning an area of (5,793 m<sup>2</sup>), it is the first residential and commercial center established in the central area of Al Madinah Al Munawwarah. During 2020G, a project was launched to renovate and develop the hotel suites, develop a central restaurant to serve guests of the suites and develop sub entrances at the ground floor. The project was also designed to develop the electromechanical systems used in the building for the purpose of increasing operational returns, the hotel suites project also has a commercial center, which is the first and largest shopping mall in the central area of Al Madinah Al Munawwarah and has several major brands.

### 2. Taiba Front Hotel:

Located directly on the northern courtyard of the Prophet's Mosque, spanning an area of (2,937 m<sup>2</sup>), the hotel contains (630) suites and hotel rooms developed recently. The commercial center at the building contains several major brands.

### 3. Al Aqeeq Madinah Hotel:

Located to the north of the Prophet's Mosque, spanning (2,292 m<sup>2</sup>), the hotel contains (505) five-star suites and rooms.

### 4. Taiba Madinah Hotel:

Located to the southwest from the Prophet's Mosque, spanning (1,589 m<sup>2</sup>), the hotel contains (208) five-star suites and rooms.

### 5. Dar Al Kawthar Hotel:

Located to the west from the Prophet's Mosque, spanning (540 m<sup>2</sup>), the hotel contains (150) three-star rooms.

#### 6. Millennium Madinah Airport hotel:

Located on King Salman bin Abdulaziz Road inside Prince Mohammad Bin Abdulaziz International Airport in Al Madinah Al Munawwarah and spanning (540m<sup>2</sup>), it contains (227) five-star suites and rooms.

#### 7. Deem Plaza - Riyadh:

A mall in the city of Riyadh on a land area of (16,517m<sup>2</sup>) and is located on King Abdullah Road in Al Hamra District. This mall includes retail stores, office units and services.

Taiba also owns several plots of land at several locations in the Kingdom that will be developed with the aim to maximize its investments and generate returns for its shareholders. These include:

- A plot in Al Madinah Al Munawwarah spanning (46,382m<sup>2</sup>) at Sayyid Al-Shuhada district, 3km from the Prophet's Mosque. This plot will be developed for mixed purposes (residential, retail, hotel, office).
- A plot in Al Madinah Al Munawwarah spanning (1,759m<sup>2</sup>) at Al Hashimiyah District. on King Faisal Road.
- A plot in Riyadh on King Abdullah Road spanning (9,998m<sup>2</sup>) near the Exhibition Center. The study on the development has been suspended as it has been announced that the plot was expropriated in favor of the King Salman Park Project.

## 9.4 Description of Taiba's Future Business

Within the framework of Taiba and its subsidiaries' endeavor to take advantage of attractive real estate investment opportunities in various cities of the Kingdom, Taiba intends to establish and develop a number of real estate projects such as hotel rooms and suites, and commercial centers. The most prominent projects and investments as dated 16/03/1445H (corresponding to 01/10/2023G) are represented below. These are expected projects only, and their details and plans may change in the future.

### Sheraton Taiba Hotel Madinah project

**Category:** Five star.

**Site:** Al Madinah Al Munawwarah-North of the central area of the Prophet's Mosque.

**Land Area:** 2005m<sup>2</sup>.

**Description:**

Two opposite towers on two opposite plots of land. The two towers consist of (21) floors containing (435) hotel rooms and suites. They are connected by an overpass from the eleventh to the thirteenth floor. The hotel also has a central restaurant and many retail stores.



### Novotel Madinah project

**Category:** Four star

**Site:** Al Madinah Al Munawwarah- West of the central area of the Prophet's Mosque.

**Land Area:** 1,822m<sup>2</sup>.

**Description:**

A hotel containing (18) floors consisting of ground floor and mezzanine for hotel services, and (12) floors containing royal suites and (394) hotel rooms. The hotel has a central restaurant, commercial stores, and allocates part of the 4th basement to mezzanine for parking and hotel services.



### Crowne Plaza Hotel and Suites Riyadh project

**Category:** Four star

**Site:** Riyadh- Al Olaya District. Al Takhassusi road – Makkah road intersection.

**Land Area:** 11,073m<sup>2</sup>.

**Description:**

Hotel apartments and a commercial center consisting of (18) floors, where the hotel section consists of (7) floors containing (110) hotel apartments from the second floor to the eighth floor, as well as (6) floors containing (192) hotel rooms from the ninth floor to the fourteenth floor. While the commercial part is on the ground and first floors. The hotel also contains recreational hotel services on the roof top: a spa and a swimming pool; and (2) basements used as parking lots and a basement for utilities.



### DoubleTree by Hilton Jeddah project

**Category:** Four star.

**Site:** Jeddah- East side of Al Andalus Road at Al Ruwais District.

**Land Area:** 9,585m<sup>2</sup>.

**Description:**

A 38-floor hotel building with (402) apartments and hotel rooms in addition to a restaurant and several recreational services. Also, the hotel overlooks important landmarks such as the Flag Square, King Fahad's Fountain, as well as Red Sea.



### A complex for hotel logistics services project

**Site:** Madinah- Hamra Al-Assad District. - Abi Kabir southwestern Madinah

**Land Area:** 55,677m<sup>2</sup>.

**Description:**

A complex to provide logistic services to Taiba and to other hotels operating in Madinah. It consists of residential buildings for workers, central laundry, central kitchen, smart storage, as well as an administrative building.



### A mall project

**Site:** Al Khobar- Corniche District. - Al Fozan Roundabout Prince Turkey road- King Faisal road intersection.

**Area:** 10,154m<sup>2</sup>.

**Description:**

A commercial complex that consists of three main buildings, each has three major restaurants in addition to several parking areas, seating area, and outdoor services.



## 9.5 Taiba-owned companies

### 9.5.1 Subsidiaries

The following table shows a list of companies where Taiba owns a direct and indirect stake that amounts to or exceeds 30% of the capital of such companies as of 16/03/1445H (corresponding to 01/10/2023G):

Company Name	Legal Status	Founding and Permanent Headquarters	Sector	Taiba Ownership%
Al Aqeeq Real Estate Development Co.	Single-shareholder LLC	Kingdom of Saudi Arabia	Real Estate	100%
Tawd Real Estate Management and Marketing Company (Tawd)*	Single-shareholder LLC	Kingdom of Saudi Arabia	Real Estate	100%**
Madinah Airport Hotel Co.	Closed joint stock company	Kingdom of Saudi Arabia	Real Estate	33.33%
Arab Resort Areas Company (ARAC)*	Closed joint stock company	Kingdom of Saudi Arabia	Tourism	99.96%
Saudi Heritage Hospitality Company (Nuzul)*	Closed joint stock company	Kingdom of Saudi Arabia	Tourism	30%
Knowledge Economic City Developers Company	LLC	Kingdom of Saudi Arabia	Real Estate	35.06%

\* The company is under liquidation.

\*\* Ownership is through Al Aqeeq Real Estate Development Co.

## 9.5.2 Investments in other Companies

The following table lists the companies where Taiba has a direct stake that is less than 30% of the capital of those companies as of 16/03/1445H (corresponding to 01/10/2023G):

Company Name	Legal Status	Founding and Permanent Headquarters	Sector	Taiba shareholding
Makkah Construction and Development Company	Listed joint stock company	Kingdom of Saudi Arabia	Real Estate	0.72%
Knowledge Economic City Company	Listed joint stock company	Kingdom of Saudi Arabia	Real Estate	9.6%
Al-Sirah City Real Estate Development Company	LLC	Kingdom of Saudi Arabia	Real Estate	20%
Kinan International Real Estate Development Company	LLC	Kingdom of Saudi Arabia	Real Estate	2.33%
SABIC Agri-Nutrients Company	Listed joint stock company	Kingdom of Saudi Arabia	Industrial	0.25%



## 10. Exemptions

An exemption has been obtained from the Capital Market Authority from the requirements of article (3)(O) and Article (48) of the Merger and Acquisition Regulations, in which the shareholders who are Related Parties (namely (1) Public Investment Fund, (2) Ibrahim Mohammed Al-Eissa, (3) Mohammed Ibrahim Mohammed Al-Eissa, and (4) Assila Investment Company) will have the right to vote on the Acquisition Resolutions in the EGM of one of the companies, subject to the voting restrictions towards their representatives (if any) in the meeting of the board or any committees. For more details about the related parties, please refer to Section (2.5) (“*Related Parties and Conflicted Directors*”).

An exemption was also obtained from the Capital Market Authority from the requirement of paragraph (10) from subparagraph (b) part (2) of the instructions for corporate announcements related to general assemblies, whose agenda includes capital change contained in the instructions for companies’ announcements, so that a clarification will not be included in the announcement of Taiba for its invitation to its EGM that the votes of related parties will not be counted during voting on the Acquisition Resolutions in the Transaction EGMs, in accordance with the above exemption.

## 11.

## Documentation available for inspection

Taiba shall make the following documentation available for preview at its headquarters from 10 a.m. to 3 p.m. during working days, from the date of publication of this Document until the end of the Offer Period:

1. Taiba's bylaws
2. Dur's bylaws
3. Taiba's audited financial statements for the fiscal year ended on 31 December 2021G and 2022G.
4. Dur's audited financial statements for the fiscal year ended on 31 December 2021G and 2022G.
5. Non-Binding MOU.
6. Implementation Agreement
7. Dur's Valuation Report issued by the financial advisor.
8. Taiba's unaudited pro forma condensed consolidated financial information for the fiscal year ended on 31 December 2022G for the purpose of the Transaction.
9. Advisors' letters of consent to use their names, logos and affidavits (as applicable) in this Document.

## Appendix (1): The proposed amendments to Taiba's bylaws

Article No.	The Article as it is in the current bylaws	The proposed amendment to the Article
Article 7- Share Capital	The company's capital is set at (one billion, six hundred four million, five hundred seventy four thousand, eight hundred thirty Saudi riyals) SAR 1,604,574,830 fully paid up and divided into 160,457,483 (one hundred sixty million, four hundred fifty seven thousand, four hundred eighty-three) shares with equal nominal value; each worth ten riyals, all of which are ordinary and cash shares.	The company's <b>issued</b> capital is set at <b>one</b> two billion, six hundred four million, five hundred seventy-four thousand, eight hundred thirty Saudi riyals (SAR <b>21,604,574,830</b> ) fully paid up and divided into <b>one two</b> hundred sixty million, four hundred fifty-seven thousand, four hundred eighty-three ( <b>2160,457,483</b> ) shares with equal value; each <b>worth with nominal value of</b> ten riyals, all of which are ordinary and cash shares.
Article 5 – Company Headquarters	The company's head office is located in Al-Madinah Al-munawarrah and the Board of Directors may establish branches, offices or agencies inside or outside the Kingdom of Saudi Arabia.	The company's head office is located in <b>Al-Madinah Al-munawarrah Riyadh</b> , and the Board of Directors may establish branches, offices or agencies inside or outside the Kingdom of Saudi Arabia.

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TAIBA INVESTMENTS