

Industrial Loan Application Form

Project Name

Steel Arco

(The provided information in this application will be treated as confidential and it would be only used internally within the SIDF)

1. PROJECT DATA

GENERAL INFORMATION	
Project Name (as it is in the industrial license)	Steel Arco
Location (Region/City)	Riyadh
National Address	7890 King Abdulaziz Road, Riyadh, 11564
Telephone / fax / e-mail	+011 6576 7798 / +011 6576 7800 / info@steelarco.com
Commercial Register No. and date:	12348567 / 25 June 2020
Industrial license no. and date	129613123 / 1 July 2020
Legal Entity	<input type="checkbox"/> Sole proprietorship or branch of establishment. If it is a branch, state the name of parent company or establishment: <input checked="" type="checkbox"/> Limited Liability Company or a branch of the company <input type="checkbox"/> General Partnership <input type="checkbox"/> Closed joint stock Company <input type="checkbox"/> Other (specify):
Purpose of the loan	<input checked="" type="checkbox"/> New Project <input checked="" type="checkbox"/> Expansion of an existing project <input type="checkbox"/> Modernization and development <input type="checkbox"/> Project relocation <input type="checkbox"/> Other (specify):

Classification: Confidential

Has the project or project owners dealt previously with other government financing Funds or Credit Bank	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES (specify the name of project (s) and loan number):
Have the project's owner (s) had any previous relation with SIDF or SMEs Financing Guarantee Program (Kafala)	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (specify the name of project (s) and loan or Kafalah number):
Specify expected date for project complete implementation / Completion %	January 2026 / 40%

PROJECT PROFILE

Give a full page brief on the project no less than 300 words stating the project's idea, its objectives and rationales; its products and targeted markets and business experience, etc.

Steel Arco is a factory in Riyadh specializing in producing steel-based building materials for the construction industry. The factory's primary objective is to supply high-quality steel reinforcement bars, beams, and panels, which are essential components for commercial and residential construction. This expansion project aims to meet the rising demand for these materials due to the Kingdom's Vision 2030 initiatives and rapid infrastructure growth.

The factory's products are crucial for building stability and durability, offering essential support in various construction processes. With this expansion, Steel Arco will increase its production capacity by 50%, incorporating cutting-edge machinery and adopting advanced industrial processes that ensure higher efficiency and lower production costs.

Classification: Confidential

Target markets include construction firms, distributors, and contractors within Saudi Arabia and select export destinations in the GCC region. The expansion aligns with the company's vision of becoming a key supplier of building materials in the region, contributing to the national goal of self-sufficiency in industrial outputs. Steel Arco has experienced management with over 10 years of industry experience and a proven track record of delivering high-quality products to various large-scale projects. The factory holds certifications that ensure compliance with international quality standards and has successfully established a reliable local supply chain for raw materials.

PROJECT OWNERSHIP

Name of Owner	Legal Entity	Nationality	Shareholding (%)
Ahmad Alsulami	LLC	Saudi	50%
Abdullah Alsulami	LLC	Saudi	50%

The table above is to fill out (in case the project is a branch of company or establishment, state only the ownership of parent company or establishment). Note: (you may add additional rows to the table if needed)

PROJECT REPRESENTATIVE

Name	Ahmad Alsulami
Representative	Owner & CEO
Mobile Number	+966 553344111
Email	ahmad@steelarco.com

A BRIEF INFORMATION ON PROJECT OWNER (S)

Name	Ahmad Alsulami
------	----------------

Classification: Confidential

Civil Register (residence) / commercial register	122233344					
Address	7890 King Abdulaziz Road, Riyadh					
Telephone No.	+011 6576 7798					
Fax No.	+011 6576 7800					
Mobile No.	+966 553344111					
E-mail	ahmad@steelarco.com					
List of real estate owned						
Property Type (land / building / farm / villa.)	City	Location	Area	Purchase Price	Purchase date	Current market value
Land	Riyadh	7890 King Abdulaziz Road	10,000m ²	15,000,000	2021	18,000,000
Total						
Please attach the land deed title.						
List of establishments, companies or other service/commercial businesses in which the project's owner is a shareholder						
Name of company /establishment		Shareholding (%)		Commercial Registration/ License	Issue Date	
Alsulami Trading Co.		25%		6789123	2015	

Classification: Confidential

Please attach the last three years audited financial statements.			
Other Investments: (includes stock holding, investment accounts, etc.)			
Type of investment		Value of Investment(SR)	
Total			
Please attach the account statements.			
Please attach the C.V of the owner which includes qualifications and work experience			

Important Note: (re-state information of the above table for each owner if more than one owner). Use additional rows in the table when needed

BANK INFORMATION	
Name of account holder (in English)	Ahmad Alsulami
Address	7890 King Abdulaziz Road, Riyadh
Bank Name	Alrajhi Bank
Branch	Alraed
Bank Contact (Tel. & Email)	+011 465 7890 / alraed@alrajhi.com
Account Number	1234567890123456

Please fill in the above table for each bank account for the project and (ONLY FOREIGN OWNERS - PERSONAL ACCOUNT) (Table is to be repeated for each account)

2. MARKETING INFORMATION

2.1 Describe proposed products and their applications:

	Description	Uses & Users	Substitute Products
Steel Rebars	Steel Rebars	Constructions (Structural Support)	Aluminum or composite materials
Steel Panels	Steel Panels	Building frameworks	Precast concrete panels

Use additional rows in the table when needed

2.2 Submit detailed descriptions for each proposed product including product specifications (such as, weights, brand names, dimensions, picture, shelf life and ingredients) and final specific usages/applications of the finished products:

Name	Weight	Dimensions	Shelf life	Main Ingredients	Brand	Unit of measurement	HS code
Steel Rebars	10 kg/m	12m x 0.02m	N/A	Iron, carbon	Steel Arcor	Tons	7214 2
Steel Panels	50 kg/m ²	2m x 3m	N/A	Steel alloys	Steel Arcor	m ²	7308 9

Use additional rows in the table when needed

2.3 Historical sales of project's products for the past three years (Local & Export) (if any):

Product	Year 2021		Year 2022		Year 2023	
	Quantity*	Value	Quantity	Value	Quantity	Value

Classification: Confidential

<i>Steel Rebars</i>	10,000 tons	SAR 20,000,000	12,000 tons	SAR 24,000,000	14,000 tons	SAR 28,000,000
<i>Steel Panels</i>	5,000 tons	SAR 10,000,000	6,500 tons	SAR 13,000,000	7,500 tons	SAR 15,000,000

*Based on the industry norm (in unit/Ton/M³/..etc.). Use additional rows in the table when needed.

2.4 Target Market (s)		
		Total sales (%)
Type of targeted market	✓ Factories € Wholesales € Distributors € Sectorial € Export	40%
Local: (region / city)	- Riyadh - Jeddah - Dammam	
Export: (country)	- UAE - Oman - Bahrain	

2.5 Fill in the table below if project owners have activities other than the subject project products:						
Product	Year 2021		Year 2022		Year 2023	
	Quantity*	Value	Quantity	Value	Quantity	Value
<i>Trading-building Materials</i>	3,000 tons		3,500 tons		5,000 tons	

* Based on the industry norm (in unit/Ton/M³/..etc.).

Classification: Confidential

Table to be re-produced for each owner (shareholder). Use additional rows in the table when needed.

2.6 Main competitive factories in local market with estimates for historical sales for similar products for last three years. Same statement to be prepared for foreign markets if the project is export-oriented to be for each product type:

Factory Name	Products	Production capacity (Units)	Sales Volume <i>(Based on the industry norm)</i>					
			Year 2021		Year 2022		Year 2023	
			Local	Export	Local	Export	Local	Export
Al-Yamah Steel	Steel Rebars	20,000 tons	18,000 tons	2,000 tons	19,000 tons	2,000 tons	2,000 tons	2,500 tons
Rajhi Steel	Steel Panels	15,000 tons	13,500 tons	1,500 tons	14,000 tons	1,500 tons	15,000 tons	2,000 tons

Use additional rows in the table when needed

2.7 Estimates for historical and future demand for products in local market / export market

Product	Targeted Market	Demand Volume (in unit/Ton/M ³ /..etc.) <i>(Based on the industry norm)</i>					
		Historical			Future		
		Year 2021	Year 2022	Year 2023	Year 2024	Year 2025	Year 2026
Steel Rebars	Saudi Arabia	60,000	65,000	70,000	75,000	80,000	85,000

Classification: Confidential

<i>Steel Panels</i>	GCC Export	25,000	30,000	35,000	40,000	45,000	50,000
---------------------	------------	--------	--------	--------	--------	--------	--------

Use additional rows in the table when needed

2.8 Expected sales volume* (for each targeted market) during the first five years of project life

Product	Targeted Market	Year 2024	Year 2025	Year 2026	Year 2027	Year 2028
<i>Steel Rebars</i>	Local	15,000 tons	17,500 tons	20,000 tons	22,500 tons	25,000 tons
<i>Steel Panels</i>	Local	7,000 tons	8,000 tons	9,000 tons	10,000 tons	12,000 tons

**Based on the industry norm (in unit/Ton/M³/..etc.). Use additional rows in the table when needed*

2.9 Explain in no less than 100 words the main factors affecting future growth rate and the methods used in calculating the estimates.

The future growth rate of Steel Arco's products is influenced by several factors, including the increasing demand for steel in the construction and infrastructure sectors, fueled by the Saudi government's Vision 2030 initiatives. Rapid urbanization and the development of new cities and mega-projects such as NEOM are creating significant demand for construction materials. Additionally, GCC countries are investing in infrastructure, leading to higher demand in export markets.

The estimates are based on historical demand trends, market analysis reports, and projected increases in construction activities in the region. Factors such as competition, raw material prices, and economic stability also play a role in determining future growth.

2.10 State places and names of main clients of the

Classification: Confidential

project's proposed products and their current and future needs (if any).								
Names Of clients	Historical consumption*				Future Needs*			
	Year 2021	Year 2022	Year 2023	Year	Year 2024	Year 2025	Year 2026	Year 2027
Saudi Construction Co.	5,000 tons	5,000 tons	5,000 tons	-	6,000 tons	6,000 tons	6,000 tons	6,000 tons
Al-Harama in Developers	3,500 tons	3,500 tons	3,500 tons	-	4,500 tons	4,500 tons	4,500 tons	4,500 tons

*Based on the industry norm (in unit/Ton/M³/..etc.). Use additional rows in the table when needed

2.11 Proposed factory's selling prices compared to competitors' prices (for each targeted market).				
Product	Targeted Market	proposed price	Competitors' prices	Traders/ Importers prices
Steel Rebars	Local	SAR 2,500 per ton	SAR 2,600 per ton	SAR 2,700 per ton
Steel Panels	Export	SAR 3,000 per ton	SAR 3,100 per ton	SAR 3,200 per ton

Use additional rows in the table when needed

2.12 Names of major competitors (manufacturers and suppliers) for each targeted along with their current market shares)		
Name of Competitor	Targeted Market	Market share

Classification: Confidential

<i>Al-Yamamah Steel</i>	Saudi Arabia	25%
<i>Rajhi Steel</i>	Saudi Arabia/GCC	30%

Use additional rows in the table when needed

2.13 A clarifications of sales/marketing management team and distribution channels proposed for the project (staff, felt, branches, etc..)

The sales and marketing team consists of five experienced professionals, including a sales director and four regional managers. The distribution channels will be through Steel Arco's dedicated fleet of ten trucks for local deliveries, as well as partnerships with logistics companies for export orders. The company plans to open two new branches in Jeddah and Dammam to cater to Western and Eastern region customers, respectively.

2.14 Any additional capacity in the targeted market to be noted (name-capacity-date of implementing)

In 2025, Rajhi Steel is planning to increase its production capacity by 5,000 tons per year with new machinery, which may impact the competitive landscape.

2.15 Details on the proposed advertising and promotion campaigns. Budget allocated to carry out such campaign and how it will be spent by each tool for the next 3 years of start-up.

Steel Arco plans to allocate SAR 3 million for a comprehensive advertising and promotion campaign over the first three years of operations. This will include digital marketing (social media, website development), participation in construction industry expos, print media advertising, and sponsorship of major construction projects. The budget breakdown includes:

- SAR 1,000,000 for digital marketing,
- SAR 1,000,000 for industry expos,
- SAR 500,000 for print advertising,
- SAR 500,000 for sponsorships.

Classification: Confidential

3. TECHNICAL INFORMATION

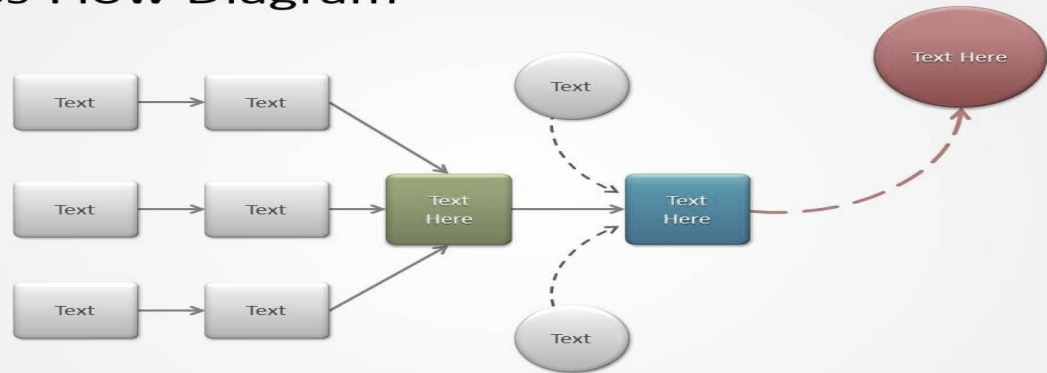
3.1 Elaborate in details the manufacturing process descriptions of each proposed product starting from Raw Materials to the finished products, clarifying what is the type and quantity of machines that will be used on this process as well as the manpower. (Process flow diagram is highly suggested as the following example)

Manufacturing stage	Machinery used	Number of operators	Production rate
<i>Melting</i>	Electric Arc Furnace (1 unit)	5 operators	20 tons/hour
<i>Casting</i>	Continuous Casting Machine (1 unit)	3 operators	20 tons/hour
<i>Rolling</i>	Rolling Mill (2 units, one for rebars and one for panels)	6 operators (3 for rebars, 3 for panels)	20 tons/hour
<i>Cooling</i>	-	-	
<i>Cutting & Finishing:</i>	Cutting Machines (2 units)	4 operators (2 for each product)	20 tons/hour

Process Flow Diagram is highly suggested as the following example:

--

Process Flow Diagram



Use additional rows in the table when needed

3.2 What are the applicable standard specifications?

Write Saudi/ international applicable standard specifications:

- ☐ **SASO 2/1992 (Saudi Arabian Standards Organization) for steel products.**
- ☐ **ASTM A615/A615M (American Society for Testing and Materials) for steel rebars.**
- ☐ **ISO 9001 for general quality management.**
- ☐ **ISO 14001 for environmental management.**

3.3 Detailed capacity calculation for each production section (in the production line) indicating the bottle neck all over the production line to determine the designed installed capacity.

Pro duct	Produ ction rate/ Unit per hour	Mea sure. unit	Shift 's hour s	Num ber of shift s per day	Num ber of days per year	Level of effici ency %	Annu al prod uctio n capa city	licen sed prod uctio n capa city
Stee l Reb ars	20	Tons	8	2	300	90 %	86,40 0	100,0 00

Classification: Confidential

Steel Panels	10	Tons	8	2	300	85%	40,800	50,000

Write main assumptions used in calculating production capacities.

** The same product should be as the same as marketing.*

- ☐ 8-hour shifts with 2 shifts per day, running 300 days per year.
- ☐ Efficiency is based on historical production data and machine capabilities.

3.4 Fill the project capital cost as per the following table:

Fixed Assets	Cost, SR
Building & Civil Works	5,000,000
Machinery and Equipment	24,125,000
Safety Equipment	500,000
Vehicles	850,000
Furniture	90,000
Pre-Operating Expenses	450,000
IT, Hardware and software	100,000
Total Project Cost	31,665,000

3.5 State in detail total cost of the buildings and civil works as per items of the following table:

Item	Cost, SR
General location (site leveling, fences, ground tanks, Etc.)	500,000
Main Building	2,500,000
Warehouses	1,000,

Classification: Confidential

	000
Administrative Offices	800,000
External auxiliary rooms (Guard and electricity rooms)	200,000
Total Cost	5,000,000

3.6 The following points are essential to be submitted to support the above cost:

- Land lease agreement.
- General site layout
- Full set of Building and Civil works drawings (architectural, structural, industrial, mechanical, firefighting system, electrical & plumbing, and ventilation system & AC).
- Design and Supervision contract.
- One or two competitive quotations (including selected offers or contract) for executing each of the following items showing the selected offer:
 - Building and Civil works
 - Electrical & Mechanical Works.
 - Fire Fighting System.
- Bill of Quantities “B.O.Q” with itemized pricing to support the contract agreement.
- In case if the land is outside of MODON, permit to build/operate to be submitted.

3.7 The sponsor is required to submit an itemized breakdown of machinery and equipment costs according the selected quotations. This should be submitted as per the following table:

Classification: Confidential

No.	Formal Equipme nt Name and Model	Brief Descript ion, Specific ations and Output Rate	Quota tion	Man./ Supplier	Quantity	Currency	Forei gn	Tot al Cos t SR' 00 0	Machinery Status *
			Refer ence	Name			Cost/ Unit		
			Quota tion	& Origin			000		
			Date						
1	Electric Arc Furnace EAF-100	100-ton electric arc furnace for steel melting	REF- 2023- 001	ABC Machiner y Co.	1	U S D	2,50 0,000	9,3 75	Ordere d
2	Continuo us Casting Machine CCM-300	300-ton per day casting capacity	REF- 2023- 002	XYZ Equipme nt Inc.	1	E U R	1,200 ,000	5,4 00	Not ordered
3	Rolling Mill RM- 500	500-ton per day steel rolling machine	REF- 2023- 003	RollingT ech Ltd.	1	U S D	1,500 ,000	5,6 25	Ordere d
4	Cutting Machine CTM-200	Cutting steel bars to specified lengths	REF- 2023- 004	SteelCutt ers Co.	2	E U R	100,0 00	900	Not selecte d
5	Cooling System C-100	Cooling system for steel rebars	REF- 2023- 005	CoolSys Ltd.	1	U S D	500,0 00	1,8 75	Imple mente d
	Use additiona l rows in the table when								

Classification: Confidential

	<i>needed</i>								
	sub-total-1	23,175,000							
	spare parts	500,000							
	Installation	300,000							
	SEC connection (transformers)	150,000							
	<i>Use additional rows in the table when needed</i>								
	Grand Total (SR)	24,125,000							

M&E selected offers/ contract should be submitted in the same order as in the above list.

* Machinery Status: (1) Implemented - (2) Arrived - (3) Ordered - (4) Not ordered - (5) Not selected

3.8 Please submit a competitive quotation/offer for major M/E showing the selected supplier as an attachment to this form. In addition, complete a machinery bid analysis details as following table and justification for the selection of supplier.

	Comparison		
Criteria	Selected offer	Comp. offer#1	Comp. offer#2
Manufacturer	ABC Machinery Co.	XYZ Equipment	RollingTech Ltd.

Classification: Confidential

		Inc.	
Country of origin	USA	Germany	Italy
Capacity (kg/hour)	100 tons	90 tons	110 tons
Total Cost (Foreign Currency)	2,500,000 USD	1,800,000 EUR	2,700,000 USD

3.9 The following points are essential to be submitted to support the above cost:

- Description of each production line indicating the capacities and products to be produced by each line.
- Technical catalogs and leaflets for the proposed main machinery.
- The custom clearance for all delivered machinery & equipment.
- The Machinery layout in the production area showing the dimension of production area, warehouse area for raw materials & finish goods and other service areas of the building.

3.10 Detailed requirements of the Project for vehicles and transport means as follows:					
N o.	Vehicle	Number	Single cost (SR)	Total Cost (SR)	Purpose for usage
1	Heavy-Duty Truck	2	200,000	400,000	Transporting raw materials
2	Forklift	3	100,000	300,000	Internal logistics
3	Delivery Van	1	150,000	150,000	Finished goods distribution
Total				850,000	

Use additional rows in the table when needed.

Classification: Confidential

3.11 Furniture and office equipment, including information technology (IT) hardware and software as follows:

N o.	Description	Number	Single cost (SR)	Total Cost (SR)
1	Office Desks and Chairs	10	5,000	50,000
2	Computers and Monitors	10	3,000	30,000
3	Office Storage Cabinets	5	2,000	10,000
Total				90,000

Use additional rows in the table when needed.

3.12 Pre-operating breakdown costs according to the following table:

N o.	Description	Cost (SR)
1	Legal and administrative expenses	100,000
2	Staff training	200,000
3	Technical consultancy	150,000
Total		450,000

Use additional rows in the table when needed.

3.13 The raw & packaging material consumption per unit for each proposed product (i.e. the amount and cost of raw & packaging material to produce one ton for each type of product). This information to be submitted as per the following table:

Pro duct	N o.	Raw material	The amount of raw material in ton/ 1 Ton product produced	(Unit price) , Cost of raw material	Tota l Cost SR/ Ton	Sourc e

Classification: Confidential

				/ton (SR/ ton)		
Steel I rebars	1	Steel Billets	1.05	2,000	2100	Local Steel Supplier
	2	Lubricants	0.01	100	1	Global Lubricants
	3	Packaging Materials	0.02	200	4	Local Packaging Co.
Total					2,105	

In addition, please submit the source of required raw materials supported with official quotation for all raw materials for the above table.

3.13 The raw & packaging material consumption per unit for each proposed product (i.e. the amount and cost of raw & packaging material to produce one ton for each type of product). This information to be submitted as per the following table:

Product	No.	Raw material	The amount of raw material in ton/ 1 Ton product produced	(Unit price) , Cost of raw material /ton (SR/ton)	Total Cost SR/Ton	Source
Steel I Pane	1	Steel Billets	1.05	2,500	2,625	Local Steel Supplier

Classification: Confidential

Is						er
	2	Lubricants	0.01	500	5	Global Lubricants
	3	Packaging Materials	0.02	200	4	Local Packaging Co.
Total					2,634	

In addition, please submit the source of required raw materials supported with official quotation for all raw materials for the above table.

* The above table should reflect each product as mentioned in table 2.1

3.14 Detailed requirement of the project for manpower as following:					
Job Description	No. of employees	Basic Monthly Salary (SR)	Total cost of the monthly salary	Additional benefits %	Total salary (SR)
First: Direct labor					
Machine Operators	20	4,000	80,000	10%	88,000

Classification: Confidential

Maintenance Technicians					
Indirect Labor					
Second: Indirect labor					
Supervisors					
Administrative Staff					
Total Riyals					171,600

Use additional rows in the table when needed.

3.15 Detail requirements of the project for utilities necessary for the operation as per following items:

N o.	Description Overall consumption	Unit	Unit price	Total use	Annual cost (SR)
1	Electricity	KW	0.18	500,000	90,000
2	Water	M3	10	3,000	30,000
3	Gas	BTU	0.20	2,000	400
4	Fuel	Liter s	1	10,000	10,000
Total					130,400

Use additional rows in the table when needed.

3.16 Know-how

Please submit a Know-how agreement if applicable

3.17 A brief statement of project's available resources for production management and quality

Classification: Confidential

control.

The project has allocated skilled production managers with experience in steel manufacturing, complemented by a dedicated quality control team. Additionally, there are established partnerships with external consultants for quality certifications (ISO 9001, SASO).

4. FINANCIAL INFORMATION

4.1 SOURCES OF FINANCE

Sources of lending	%	SR
Paid-in capital (No less than 25% of total cost)	30 %	30,000,000
Internal cash flows (in case of loans for expansion, modernization and development)	20 %	20,000,000
SIDF loan amount	50 %	50,000,000
Other loans (Specify either a bank loan or loans from shareholders, etc.):		
Total	100%	100,000,000

4.2 Please complete the following financial projections for the project:

Classification: Confidential

1) Statement of Financial Position	Amounts in thousands SR				
	Year 2024	Year 2025	Year 2026	Year 2027	Year 2028
Assets					
Current Assets					
Cash in the factory and banks	5,000	6,000	7,500	9,000	
Account Receivables	10,000	11,000	12,500	14,000	
Inventory	15,000	16,500	18,000	20,000	
				6,000	
Other current assets	3,000	4,000	5,000		
Total current assets	33,000	37,500	43,000	49,000	0
Non-current assets					
Net fixed assets	50,000	47,500	45,000	42,000	
Other fixed assets	8,000	7,500	7,000	6,500	
Intangible assets	5,000	4,500	4,000	3,500	
Total non-current assets	63,000	59,500	56,000	52,000	0
Total Assets	96,000	97,000	99,000	101,000	0
Liabilities:					
Account Payables	8,000	7,500	7,000	6,500	
Short-term loans	10,000	9,000	8,000	7,000	

Classification: Confidential

SIDF due installments	5,000	4,000	3,000	2,000	
Liabilities to related parties	2,000	1,800	1,600	1,400	
Other current liabilities	6,000	5,500	5,000	4,500	
Total current liabilities	31,000	27,800	24,600	21,400	0
SIDF loan	50,000	45,000	40,000	35,000	
Long-term bank loans	20,000	18,000	16,000	14,000	
Other long-term liabilities	3,000	2,800	2,600	2,400	
Total Liabilities	104,000	93,600	83,200	72,800	0
<u>Equity:</u>					
Paid-up capital	30,000	30,000	30,000	30,000	
Retained Earnings (Loss)	-5,000	2,000	5,800	9,000	
General Reserve	2,000	2,500	3,000	3,500	
Owner's Current Account	-1,000	-500	1,000	2,000	
Total equity	26,000	34,000	39,800	44,500	0
Total equity and liabilities	96,000	97,000	99,000	101,000	0

Classification: Confidential

2) Income Statement	Amounts in thousands SR				
	Year 2024	Year 2025	Year 2026	Year 2027	Year 2028
Sales	80,000	90,000	100,000	110,000	
Raw materials	25,000	27,000	30,000	32,500	
Direct labor	10,000	11,000	12,000	13,000	
Maintenance	5,000	5,500	6,000	6,500	
Utilities	4,000	4,500	5,000	5,500	
Depreciation and amortization	8,000	7,000	6,500	6,000	
Other direct expenses	3,000	3,500	4,000	4,500	
Total operating costs	55,000	58,500	63,500	68,000	0
GROSS PROFIT	25,000	31,500	36,500	42,000	0
Less:					
Sales expenses and administrative expenses	5,000	6,000	7,000	7,500	
Finance charges	3,000	2,500	2,000	1,500	
Other expenses (or sales)	2,000	1,500	1,200	1,000	
NET PROFIT	15,000	21,500	26,300	32,000	0

Classification: Confidential

3) Financial flows of the project	Amounts in thousands SR				
	Year 2024	Year 2025	Year 2026	Year 2027	Year 2028
<u>Financial inflows:</u>					
Paid-up capital	30,000	0	0	0	
Self-financing from the owner	20,000	0	0	0	
Bank Financing	15,000				
Government lending agencies (SIDF Loan)	25,000				
Depreciation and Amortization	8,000	7,000	6,500	6,000	
Total inflows (1)	98,000	7,000	6,500	6,000	0
<u>Cash outflows:</u>					
Capital expense for project	60,000	0	0	0	
Bank installments	5,000	5,000	5,000	5,000	
Government agencies installments (SIDF loan)	6,000	6,000	6,000	6,000	
Dividends	2,000	3,000	4,000	5,000	
Total outflows (2)	73,000	14,000	15,000	16,000	0
Funds remaining at the end of the year (1 - 2)	25,000	-7,000	-8,500	-10,000	0
Pooled funds:	25,000	18,000	9,500	-500	0

Classification: Confidential

4.3 Financial Analysis of the economic feasibility of the project by applying economic criteria such as IRR and capital return.

Project IRR: 18%

Expected payback period: 5 years

I, owner of the project, applicant for industrial loan, hereby acknowledge and undertake as follows: -

- 1. All information and data written in the loan application form as well as the documents submitted to Saudi Industrial Development Fund (SIDF) are true and accurate and shall bear any resulting consequences and responsibilities.**
- 2. My knowledge and information of all project's elements including capital, income and operation costs, estimated financial results and certify that the project is economically viable based thereon.**
- 3. Submit to SIDF any additional information or data requested by SIDF as soon as possible. In case of any default on my part with respect to follow up and submission of such documentation, SIDF shall have the right to close my application file without recourse to me.**
- 4. My submission of the application form constitutes no legal obligation on SIDF's part to finance the project; rather the application shall be subject to study and evaluation in accordance with the SIDF applicable procedures.**

Name: Ahmad Alsulami

Signature: AA

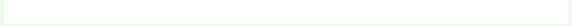
Title: Owner

ID No: 118768790

Date: 09-08-2023

Stamp

Classification: Confidential



Classification: Confidential

إقرار عدم ممانعة لتبادل المعلومات

حيث ترغب (شركة ستيل اركو—
سجل تجاري رقم
بالحصول على تمويل من صندوق التنمية الصناعية السعودي، وحيث
واشترط الصندوق الاستعلام عن (الشركة/ الشركاء) لدى الشركات
الائتمانية المرخص لها، إضافةً إلى تزويد الصندوق لها بمعلومات
ائتمانية (عنه/ عنهم).
عليه فإن مجلس الإدارة والشركاء الموقعون أدناه، يوافقون على
قيام صندوق التنمية الصناعية السعودي بالاستعلام عنهم لدى
الشركات الائتمانية المرخص لها والاطلاع على القوائم المالية
الخاصة بالشركة، إضافةً إلى تزويد الصندوق لهذه الجهات بأي
معلومات ائتمانية عنهم، وعلى ذلك نوقع.

الشركاء الأفراد: - أحمد السلمي، عبدالله السلمي
الاسم:
رقم السجل المدني:
التوقيع:

إقرار الشركة: -
اسم الشركة:
رقم السجل التجاري:
توقيع المفوض:

No Objection Letter for Information Exchange

As (STEEL ARCO Company,
Commercial Registration No. _____), is applying for a loan
from the Saudi Industrial Development Fund (SIDF), and since
the Fund requires credit information on the
Company/shareholders from the licensed credit companies, the
Company's Board of Directors and shareholders signed below
agree to authorize the Fund to inquire on them with the licensed
credit companies and review their financial statements.
Moreover, the Fund has the right to provide their credit
information to such credit companies. We hereby agree and
sign below.

Classification: Confidential

Individual Owner:- Ahmad Alsulami

Name :

ID No :

Signature : AA

Owner/Authorized for Company :

Name:

Commercial Registration No:

Authorized Signatory: AA

Responses to the loan application

- **Credit requirements :**

- Please attach the last four years audited financial statements for Alsulami Trading Co.
- Kindly submit all legal documents (Commercial Registration and Article of association) For Alsulami Trading Co.
- Kindly submit the company profile for Alsulami Trading Co.
- Kindly attach land deeds title for the land owned.
- Kindly fill the rest of the information on the non-objection agreement.
- Kindly complete the missing data in year 2028 in table 4.2
- Kindly clarify what sources of Internal cash flows in table 4.1

- **Marketing Requirements:**

- Kindly elaborate more description for the proposed products and their applications in table (2.1)
- Kindly revise the HS codes entered for the products, ensure 6 digits entry.
- Kindly elaborate more about the targeted in table 2.4 since the percentage has add up to 100%.
- Kindly fill the missing data in table 2.4
- Kindly add the values for the products in table 2.5.
- Kindly specify the building material in table 2.5.
- Kindly clarify why there is no growth in the volumes for steel rebars and Steel Panels from the mentioned competitors in table 2.6.
- Kindly clarify why there is significant reduction in local sales of Al-Yamamah Steel in year 2028.

Classification: Confidential

- Kindly revise the local and export sales input of table 2.6.
- Kindly clarify the basis of sales growth in table 2.7. Kindly provided supported documents if there are any.
- Kindly revise the input of table 2.7
- Kindly clarify the basis of sales growth in table 2.8.
- Kindly revise the input of table 2.8
- Kindly clarify why there is no estimation of future growth on the demand from the main clients provided in table 2.10.
- Kindly revise the input of table 2.10
- **Technical Requirements:**
 - Kindly fill the Process Flow Diagram.
 - Kindly submit all requested documents in point 3.6
 - Kindly clarify the basis for the selected offer despite that the competitor offer No. 1 is cheaper.
 - Kindly submit all requested documents in point 3.9
 - Kindly clarify the use and the needs of each vehicle mentioned in table 3.10
 - Kindly submit the raw material invoices for all material mentioned in table 3.13.
 - Kindly fill the missing data in table 3.14
 - Kindly refill table 4.1 to match the total project costs