



SAL Saudi Logistics Company announces the signing of a lease and renovation agreement of Cargo Terminal with Dammam Airports Company (DACO)

Item	Explanation
Introduction	SAL Saudi Logistics Company announces the signing of a lease agreement for the cargo terminal at King Fahad International Airport in Dammam with Dammam Airports Company (DACO) for the renovation, operation, and maintenance of the terminal
Transaction Details	Lease agreement of the Cargo Terminal at King Fahad International Airport in Dammam with Dammam Airports Company (DACO) for the renovation, operation, and maintenance, of the terminal, for a period of 20 years
Transaction Value	16,500,000 Saudi riyals annually or 5% of the annual gross revenues, whichever is higher.
Transaction Terms	20 Years lease agreement during which SAL commits to the renovation of the terminal by investing 100,000,000 Saudi Riyals.
Parties of the Transaction	Tenant: SAL Saudi Logistics Services Company Lessor: Dammam Airports Company (DACO)
Transaction Execution Date	24/12/2023
Description of the Business of the Asset forming the Subject Matter of the Transaction	Air Cargo Terminal at King Fahad International Airport in Dammam
Transaction reasons	SAL plans to develop, renovate and operate the cargo terminal in King Fahad International Airport in Dammam
Expected Impact of the Transaction on the Company and Its Operations	The agreement results in a reduction of lease costs of 13,820,000 Saudi Riyals per year over the 20 year lease period with a commitment to invest 100,000,000 Saudi Riyals in 3 phases over a period of 10 years from 2024 to 2033.
Related Parties	N/A
Additional Information	The lease agreement period begins retroactively from 1/3/2022 and ends 2/28/2042.