



WHITE CUBES

REAL ESTATE VALUATION REPORT

**Al Khabeer Capital**  
**Ahlan Court Center**  
Awal Al Malqa Real Estate Company

Jeddah City  
30 June 2023



رؤية  
VISION  
2030  
المملكة العربية السعودية  
KINGDOM OF SAUDI ARABIA

REAL ESTATE  
VALUATION REPORT



**REF:** 23-0424  
**Code:**  
**Date:** 30/06/2023  
**M/S:** Awal Al Malqa Real Estate Company

**Subject: Valuation Report for a Retail Project (Ahlan Court Center) in Jeddah City, Saudi Arabia.**

Dear Sir,

With reference to your request and approval dated on 29<sup>th</sup> of May 2023. We will provide you with a detailed report on the property under evaluation, including a market analysis, an economic analysis, and a description of the valuation methods. In addition, we WHITE CUBES guarantee the confidentiality of the client's information and are committed to complete impartiality in the evaluation process and acknowledge that there are no common interests between WHITECUBES and the client.

**WHITE CUBES Consulting Services Co.**

**Mr. Essam M. Al-Husaini – President**

Fellow Member of the Saudi Authority of Accredited Valuers  
License No. 1210000474  
Issued: 01/08/1437 Exp: 24/08/1447  
WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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# EXECUTIVE SUMMARY

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EXECUTIVE  
SUMMARY

## Executive Summary

|                             |  |
|-----------------------------|--|
| <b>Reference No.</b>        | 23-0424  |
| <b>Dep. Code</b>            |  |
| <b>Report Type</b>          | Detailed Report.   |
| <b>Client</b>               | Awal Al Malqa Real Estate Company.   |
| <b>Report user</b>          | Awal Al Malqa Real Estate Company.   |
| <b>Other users</b>          | Investors or those wishing to invest in the Real Estate Investment Trust.                                    |
| <b>Purpose of Valuation</b> | Inclusion in financial statements.   |
| <b>Subject Property</b>     | Commercial Project.  |
| <b>Property Location</b>    | Al Andalus district, Jeddah City.  |
| <b>Title Deed No.</b>       | 920210027006   |
| <b>Title Deed Date</b>      | 17/08/1440   |
| <b>Ownership Type</b>       | Title deed-restricted  |
| <b>Limitations</b>          | Mortgaged to Al Rajhi Banking Investment Company.  |
| <b>Owner</b>                | Awal Al Malqa Real Estate Company.   |
| <b>Land Use</b>             | Commercial   |
| <b>Land Area (Sqm)</b>      | 4,342.25 Sqm   |
| <b>BUA (Sqm)</b>            | 2,758.30 Sqm   |
| <b>GLA (Sqm)</b>            | 1,774 Sqm Showrooms and 984 Sqm Offices  |
| <b>Basis of Value</b>       | Fair Value.  |
| <b>Value Hypothesis</b>     | Current use.   |
| <b>Valuation Approach</b>   | Comparable Approach, Cost Approach and Income Approach.  |
| <b>Currency</b>             | Saudi Arabian Riyal  |
| <b>Final Property Value</b> | SAR 63,450,000   |
| <b>Report Date</b>          | 30/06/2023   |
| <b>Valuation Date</b>       | 30/06/2023   |
| <b>Inspection Date</b>      | 30/05/2023   |
| <b>Expiry Date</b>          | 120 days from date of the inspection, unless there're any economic changes that affect the subject property. |



WHITE **CUBES**

**SCOPE OF WORK**

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SCOPE OF  
WORK

## Scope of Work

### 1.1 Introduction

This report was prepared by WHITE CUBES Co. based on the International Valuation Standards of the Council of International Assessment Standards (IVSC 2022) and the Guide to Practice and Regulations issued by the Saudi Authority of Accredited Valuers (Taqeem), to ensure accurate access to information, the evaluation report must be read in its entirety, our firm is pleased to offer its services to Awal Al Malqa Real Estate Company in order to estimate the fair value of the property that is being evaluated.

### 1.2 Purpose of valuation

The client requested that we evaluate the subject properties for **Inclusion in financial statements.**

### 1.3 Basis of Valuation

**According to Paragraph 1.2, the appropriate basis for value adopted in the evaluation process is the fair value of the property.**

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the principle of an "exit price,"

### 1.4 Valuation Methods

Depending on the purpose of the valuation, and upon the request of the client, we will apply the comparable approach, cost approach and income approach.

### 1.5 Currency

Unless otherwise stated, all values in the report are in Saudi Arabian Riyals.

### 1.6 Scope of Research

Research is an important part of the valuation process. We will conduct extensive research and analysis of various factors that can impact the value of a property or asset, such as market conditions, comparable sales, property characteristics, income potential, and legal and regulatory factors.

## 1.7 Property Inspection

Inspection refers to visiting and inspecting an asset, testing its performance, and gathering information about it from quantities, specifications, land area, building areas, rental areas, services, public utilities, project components, etc., so that an opinion can be expressed regarding its value. Therefore, we confirm that subject property was inspected on May 30, 2023. We will then use this evidence to assess and evaluate the project. We remain committed to providing the client with an accurate and reliable valuation.

## 1.8 Information Sources

An on-site field survey was conducted by our team to ensure the accuracy of some market information required for the valuation, including nearby asset prices, occupancy rates, and specific information about the asset under valuation, to determine its actual fair value. The following sources were used during the field research process:

- Property records: Such as Title deeds, construction permits and layouts.
- Market trends: Real estate market trends and economic indicators can be used to assess the overall demand and supply for properties in the area.
- Market scanning: Income-producing properties such as rental properties can be valued based on their income potential.
- Physical inspection of the property can provide valuable information on its condition and any unique features that may affect its value.
- Construction permit and Layouts.

## 1.9 Assumptions and Special Assumptions

As defined by the International Valuation Standards, assumptions are logical matters that can be accepted as facts during valuation work without being specifically checked or scrutinized. They are accepted as soon as they are mentioned. Based on the facts at the time of the valuation.

- It has been assumed that the information provided by the client is accurate.
- Assumed that all information received from the client is accurate and up to date as of the date of the valuation, whether oral or written.
- This is a valuation report rather than a structural survey. As a result, we did not conduct any utility checks, service checks, soil tests, etc.
- The valuation methodologies are based on market data compiled using our relevant market knowledge and experience.
- This report's output (final value) is derived from assumptions used, documents received from the client, and market data. Nevertheless, the output estimates provide an indication of the property's value.
- After studying the market and using the built-up model, a discount rate of 8.5% was assumed for the project.



### **1.10 Use, Distribution, and Publication Restrictions**

To estimate the fair value of the assets being evaluated, WHITE CUBES Co. has prepared this report. There are restrictions on the transfer, referencing, and presentation of this report and its contents to any other party except as stipulated in the contract letter, and the client must obtain our prior written consent in order to use this report for any other purpose other than that stated in this report.

### **1.11 Legal Notes**

As far as we are aware, no legal notices have been served on the property, whether they are in progress or pending in the court system.



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**PROPERTY DETAILS**

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PROPERTY  
DETAILS

## Property and Location Description

### 2.1 Property Description

Based on the information provided, the subject property is a food court building located in Al Andalus district, Jeddah City. Based on the provided copy of the title deed the subject property has a total land area of 4,342.25 sqm and as per the provided construction permit the total BUA of 2,758.30 Sqm. As per the site inspection done by our team for the purpose of valuation, the land open on 3 sides with a direct view on Prince Mohammad bin Abdulaziz Road from the north side.

### 2.2 Surrounding Area

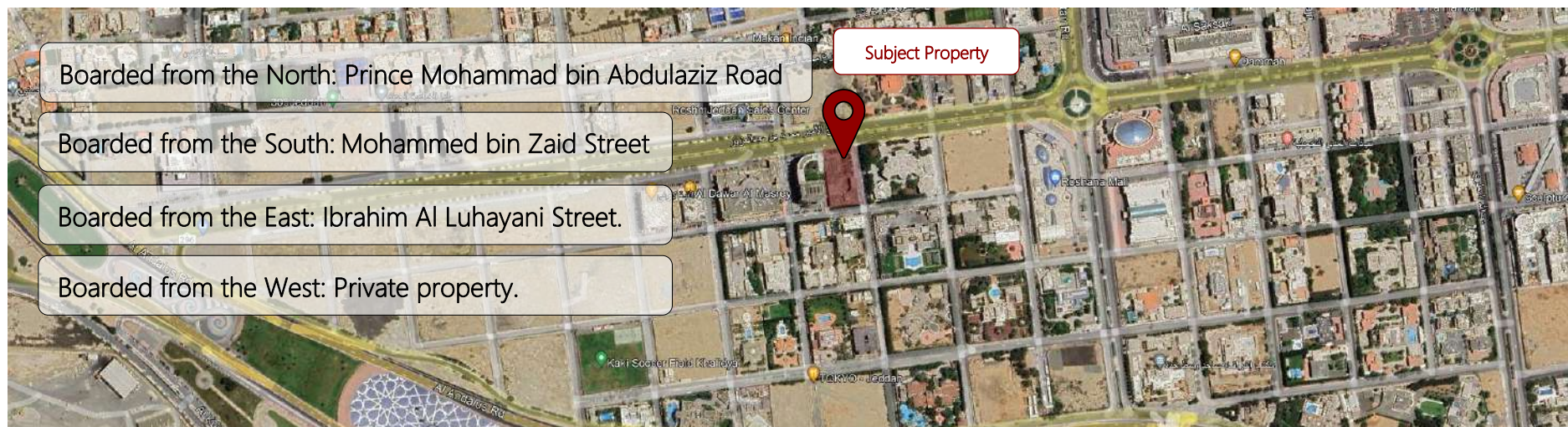
The subject property is surrounded mostly by several residential and commercial buildings.

### 2.3 Ease of Access

Based on the current location of the subject property, the access level is high since it is located on Prince Mohammad bin Abdulaziz Road.

### 2.4 Infrastructure

All the infrastructural facilities are available in the surroundings and connected to the subject property.



## 2.5 Title Deed and Ownership

The client provides us with a copy of the title deed related to the subject property which is owned by one title deed. The details of the subject property:

|                                 |                     |                               |                                   |
|---------------------------------|---------------------|-------------------------------|-----------------------------------|
| <b>City</b>                     | Jeddah              | <b>Land Area</b>              | 4,342.25 Sqm                      |
| <b>District</b>                 | Al Andalus          | <b>Plot No.</b>               | 1                                 |
| <b>T.D Type</b>                 | Electronic          | <b>Block No.</b>              | ---                               |
| <b>T.D Number</b>               | 920210027006        | <b>Layout No.</b>             | 860/ت/س                           |
| <b>T.D Date</b>                 | 17/08/1440          | <b>Owner</b>                  | Awal Al Malqa Real Estate Company |
| <b>T.D Value</b>                | N/A                 | <b>Ownership Type</b>         | Freehold                          |
| <b>Date of Last Transaction</b> | N/A                 | <b>Limitation of Document</b> | Mortgaged                         |
| <b>Issued From</b>              | Jeddah First Notary |                               |                                   |
|                                 |                     |                               |                                   |
| <b>North Side</b>               | 40 meters street    | <b>East Side</b>              | 15 meters street                  |
| <b>South Side</b>               | 15 meters street    | <b>West Side</b>              | Private property                  |

**Note:** The client has provided us with a copy of the Title Deed which was assumed to be correct and authentic. It is not in our scope to run legal diagnosis on any legal document.

## 2.6 Construction and Buildings

The building permit indicates the maximum permissible BUA approved by the city municipality. However, the actual area may differ from the area mentioned in the building permit. Therefore, the Client has provided us with a copy of the Construction Permit issued by Riyadh Municipality with the below details:

| Subject Property                |            |
|---------------------------------|------------|
| <b>Construction Permit Type</b> | New Permit |
| <b>Property Type</b>            | Food Court |
| <b>Construction Permit No.</b>  | 427000307  |
| <b>Construction Permit Date</b> | 27/03/1427 |

| Description            | No. of Units | Area (sqm)      | Use        |
|------------------------|--------------|-----------------|------------|
| <b>Ground Floor</b>    | ----         | 1,774.30        | Restaurant |
| <b>First Floor</b>     | ----         | 984             | Restaurant |
| <b>Total BAU (sqm)</b> |              | <b>2,758.30</b> |            |

## 2.7 Building Gross Leasable Area (GLA)

| Use          | No. of Units | BUA (Sqm) | GLA (Sqm)    | Information Source                       |
|--------------|--------------|-----------|--------------|--|
| Showrooms    | ----         | 2,758.3   | 1,774        | Rental spaces are provided by the client |
| Offices      | ----         |           | 984          |  |
| <b>Total</b> |              |           | <b>2,758</b> |  |

## 2.8 Property Actual Rental Rates

Based on the statement submitted to us by the client, the occupancy rate of the project is currently 100% of the total GLA is 2,758 Sqm.

2.9 Photographs of the Subject Property





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**MARKET INDICATORS**

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MARKET  
INDICATORS

## Market Indicators

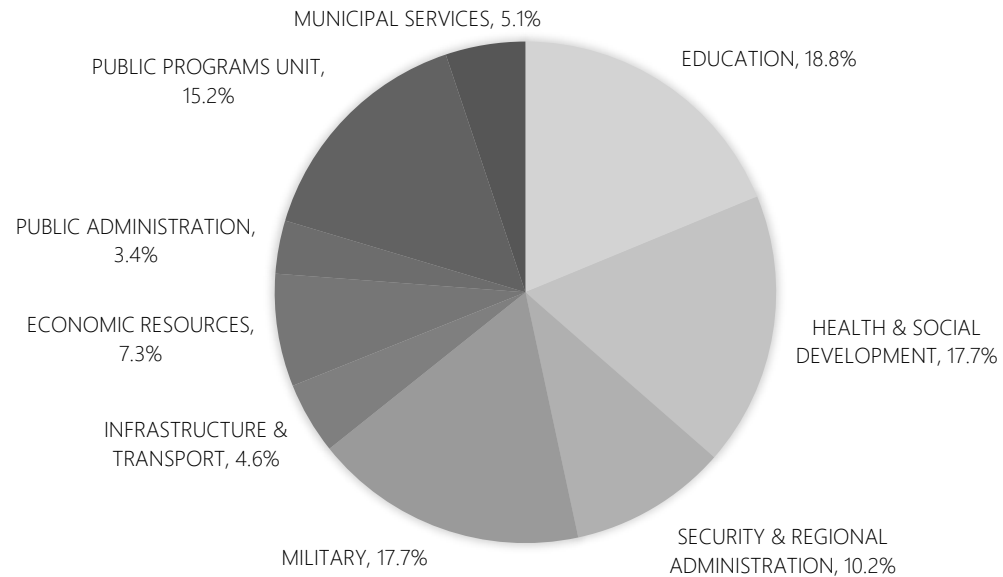
### 3.1 Saudi Arabia Economic Indicators

| Economic Indicator                    | Budget | Expectations | Estimated |       |
|---------------------------------------|--------|--------------|-----------|-------|
|                                       | 2022   | 2023         | 2024      | 2025  |
| <b>Total revenue</b>                  | 1,234  | 1,130        | 1,146     | 1,205 |
| <b>Total expenses</b>                 | 1,132  | 1,114        | 1,125     | 1,134 |
| <b>Budget surplus</b>                 | 102    | 16           | 21        | 71    |
| <b>Debt</b>                           | 985    | 951          | 959       | 962   |
| <b>GDP growth</b>                     | 8.5%   | 3.1%         | 5.7%      | 4.5%  |
| <b>Nominal gross domestic product</b> | 3,957  | 3,869        | 3,966     | 4,247 |
| <b>Inflation</b>                      | 2.6%   | 2.1%         | 2.1%      | 2.0%  |

### 3.2 Budget Allocation for 2022

|                          |            |
|--------------------------|------------|
| Public Administration    | 37 SAR bn  |
| Military                 | 259 SAR bn |
| Security & Regional Adm. | 105 SAR bn |
| Municipal Services       | 63 SAR bn  |
| Education                | 189 SAR bn |
| Health & Social Dev.     | 189 SAR bn |
| Economic Resources       | 72 SAR bn  |
| Infrastructure Transport | 34 SAR bn  |
| General Items            | 165 SAR bn |




Source: Ministry of Finance

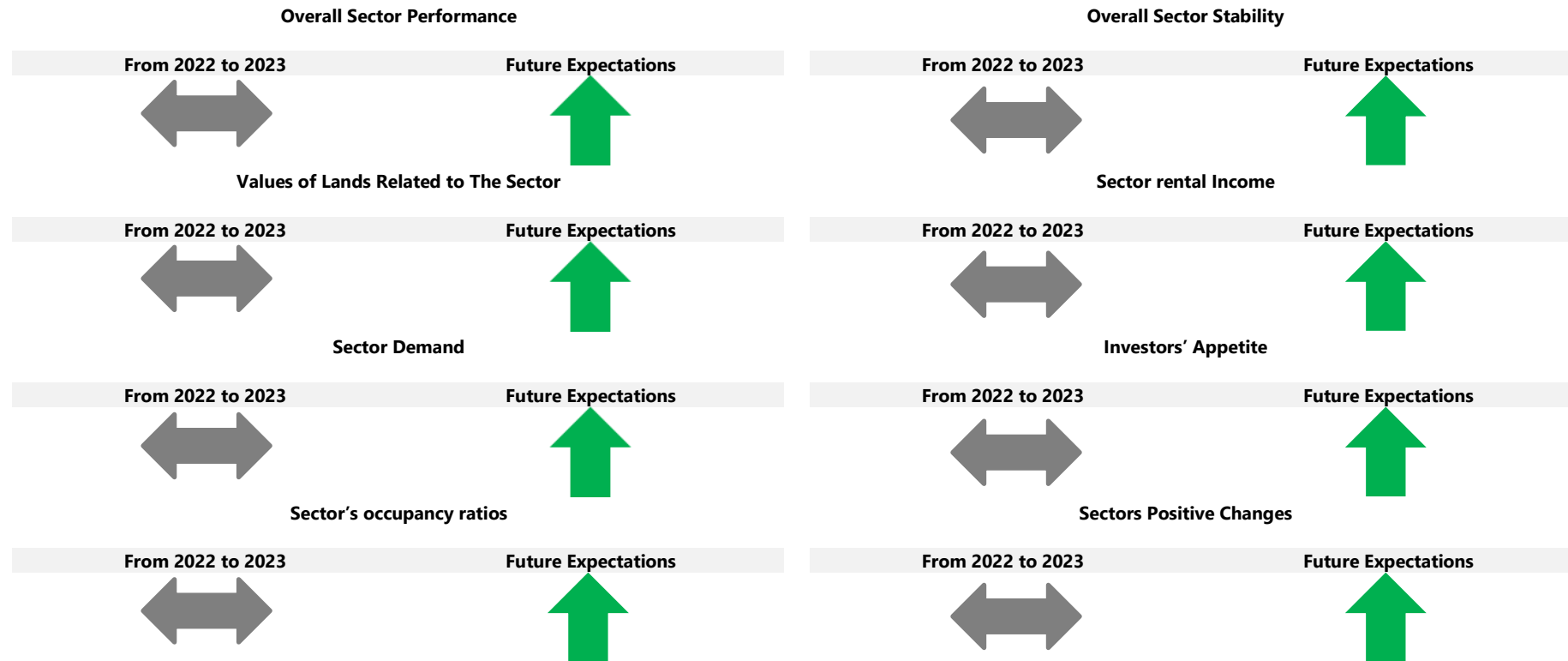




### 3.3 Sector Brief

In the following we will insert general information about the real estate sector related to the property subject of our valuation and which is intended to give an initial indication on the sector. These information and indicators are estimated based on our experience, the current sector performance and some other historical data collected from our side, In addition to some current economic changes in general.

-  Indicator showing a decrease in the current performance comparing to last year
-  Indicator showing an increase in the current performance comparing to last year
-  Indicator showing a stable position in the current performance comparing to last year



White Cubes Team's Analysis

### 3.4 Sector Analysis

| Risk Factor                | Very Low Risk (1)<br>1-6 | Minimal Risk (2)<br>7-12 | Medium Risk (3)<br>13-18 | Elevated Risk (4)<br>19-24 | Very High Risk (5)<br>25-30 |
|----------------------------|--------------------------|--------------------------|--------------------------|----------------------------|-----------------------------|
| Overall, Economy           | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Sector Current Performance | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Sector Future Performance  | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Occupancy Rates            | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Supply Rate                | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Demand Rate                | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Total Risk                 | 0                        | 2                        | 15                       | 0                          | 0                           |

**Risk Category 17 Risk Points – Medium Risk**

#### -Land Analysis

| Risk Factor                 | Very Low Risk (1)<br>1-5 | Minimal Risk (2)<br>6-10 | Medium Risk (3)<br>11-15 | Elevated Risk (4)<br>16-20 | Very High Risk (5)<br>21-25 |
|-----------------------------|--------------------------|--------------------------|--------------------------|----------------------------|-----------------------------|
| Access                      | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Location                    | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Land Shape                  | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Surrounding Area facilities | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Total Risk                  | 0                        | 8                        | 0                        | 0                          | 0                           |

**Risk Category 8 Risk Points – Minimal Risk**

#### -Property Analysis

| Risk Factor            | Very Low Risk (1)<br>1-3 | Minimal Risk (2)<br>4-6 | Medium Risk (3)<br>7-9 | Elevated Risk (4)<br>10-12 | Very High Risk (5)<br>13-15 |
|------------------------|--------------------------|-------------------------|------------------------|----------------------------|-----------------------------|
| Facilities & Amenities | ----                     | ----                    | ✓                      | ----                       | ----                        |
| Management Skills      | ----                     | ----                    | ✓                      | ----                       | ----                        |
| Overall Condition      | ----                     | ✓                       | ----                   | ----                       | ----                        |
| Total Risk             | 0                        | 2                       | 6                      | 0                          | 0                           |

**Risk Category 8 Risk Points – Medium Risk**



WHITE **CUBES**

PROPERTY VALUATION

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PROPERTY  
VALUATION

## Property Valuation

### 4 Valuation Methods

With reference to the valuation purpose, taking into consideration the nature of the subject property, we will use the following ticked methods to estimate the fair value of the subject property:

|                  | Market Approach   | Cost Approach | Income Approach |                |                  |            |
|------------------|-------------------|---------------|-----------------|----------------|------------------|------------|
|                  | Comparable method | DRC method    | DCF method      | Invest. method | Cap. Rate method | RLV method |
| <b>Land</b>      | ✓                 | ----          | ----            | ----           | ----             | ----       |
| <b>Buildings</b> | ----              | ✓             | ----            | ----           | ----             | ----       |
| <b>Property</b>  | ----              | ----          | ----            | ----           | ✓                | ----       |

#### COMPARABLE METHOD

This is the method most are familiar with as it is the accepted method for valuing residential real estate. Typically, this method involves selecting properties with similar characteristics in the same market area that have recently sold. Once those properties are found they are compared to the property in question and a professional appraiser will deduct value from the subject property for comparative deficiencies and increase value for advantages. Typically, this method is required if the investor is seeking conventional financing. For comparable information, property brokers, dealers and estate agents are contacted to ascertain the asking and selling prices for property of the nature in the immediate neighborhood and adjoining areas. Neighboring properties, which have been recently sold or purchased, are investigated to ascertain a reasonable selling price.

#### DEPRECIATED REPLACEMENT COST (DRC)

A cost approach is a real estate valuation method that surmises that the price someone should pay for a piece of property should not exceed what someone would have to pay to build an equivalent building. In cost approach pricing, the market price for the property is equivalent to the cost of land plus cost of construction, less depreciation. It is often most accurate for fair value when the property is new. Generally, the cost approach considers what the land, devoid of any structures, would cost, then adds the cost of building the structures, then depreciation is subtracted. The cost approach is most often used for public buildings, such as schools and mosques, because it is difficult to find recently sold comparable properties in the local market, and public buildings do not earn income, so the income approach cannot be used, either. A property that already has improvements will usually contribute a certain amount of value to the site, but improvements can also lower property value if the site's potential buyers wish to use the property for another use that would entail removing some of the improvements to the current site. The cost approach is best used when improvements are new and there is adequate pricing information to value the property components. The cost

approach may be less desirable if there are no recent sales of vacant land for which to compare, since the major method of valuing vacant lands is to use the sales comparison approach, or when construction costs are not readily available. The cost approach method includes:

- Estimate what the subject property would be worth.
- Estimate the current cost of building the structures, then add that value to the value of the vacant land.
- Estimate the amount of accrued depreciation of the subject property, then subtract it from the total to arrive at the property's worth.

### **CAPITALIZATION METHOD (CAP RATE)**

The income approach values property by the amount of income that it can potentially generate. Hence, this method is used for apartments, office buildings, malls, and other property that generates a regular income.

The appraiser calculates the income according to the following steps:

- Estimate the potential annual gross income by doing market studies to determine what the property could earn, which may not be the same as what it is currently earning.
- The effective gross income is calculated by subtracting the vacancy rate and rent loss as estimated by the appraiser using market studies.
- The net operating income (NOI) is then calculated by subtracting the annual operating expenses from the effective gross income. Annual operating expenses include real estate taxes, insurance, utilities, maintenance, repairs, advertising, and management expenses. Management expenses are included even if the owner is going to manage it, since the owner incurs an opportunity cost by managing it herself. The cost of capital items is not included since it is not an operating expense. Hence, it does not include mortgage and interest since this is a debt payment on a capital item.

Estimate the capitalization rate (aka cap rate), which is the rate of return, or yield, that other investors of property are getting in the local market.

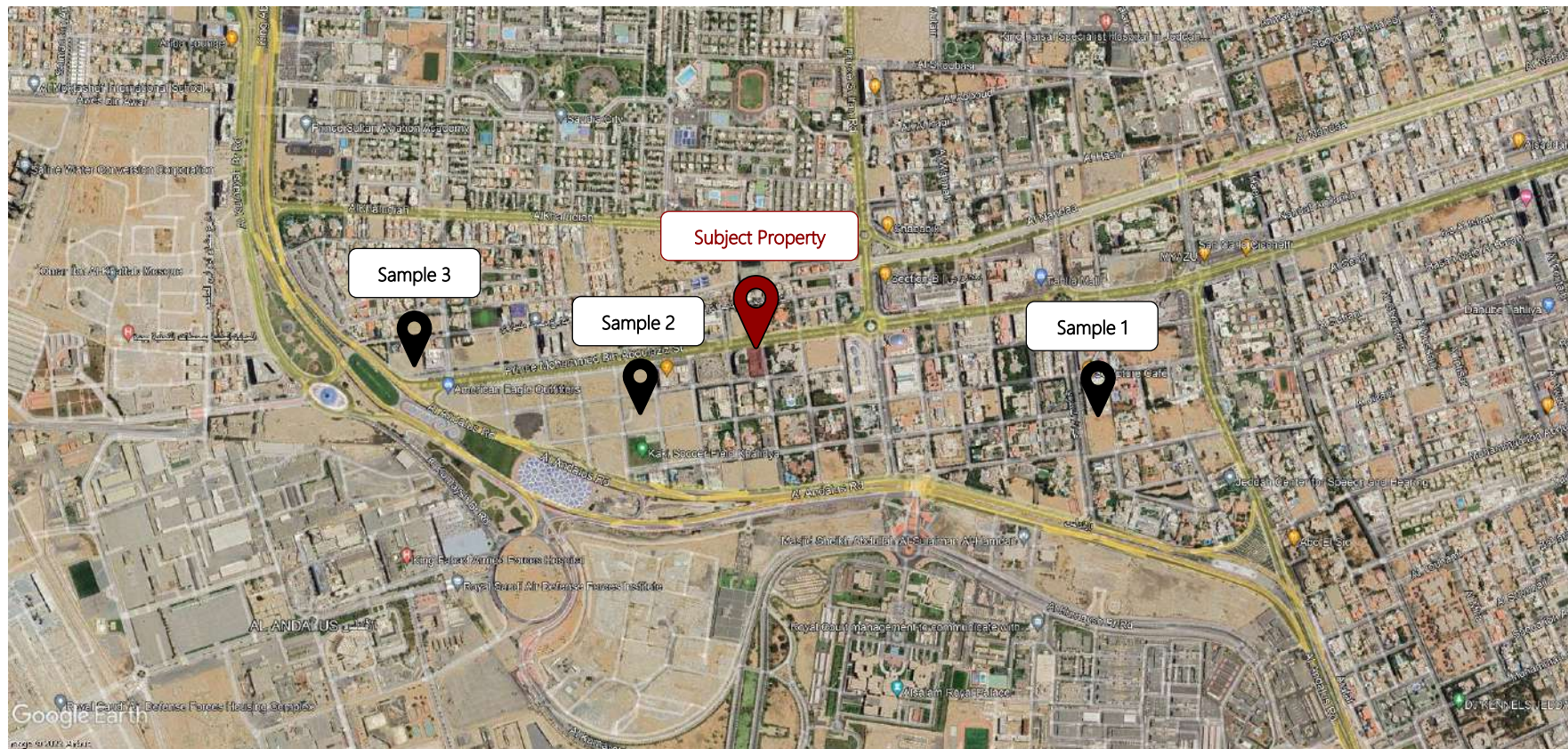
#### 4.1 Comparable Method

This method aims to collect data and information on actual sales and / or current offers of similar properties within the surrounding market, and then make the necessary adjustments to these comparisons in terms of area, location, shape, quality, content, and others. Below is a summary of the valuation process using the comparable method and the amendments made to the available comparisons

| Characteristics of Samples            |                   |                |              |                |              |                |              |
|---------------------------------------|-------------------|----------------|--------------|----------------|--------------|----------------|--------------|
| Feature                               | Subject Property  | Sample 1       |              | Sample 2       |              | Sample 3       |              |
| Quoting                               | -----             | Offering       |              | Offering       |              | Offering       |              |
| City                                  | Jeddah            | Jeddah         |              | Jeddah         |              | Jeddah         |              |
| Sale Price                            | -----             | SAR 90,300,000 |              | SAR 14,400,000 |              | SAR 32,000,000 |              |
| Data Source                           | Client            | Market Survey  |              | Market Survey  |              | Market Survey  |              |
| Area Size                             | 4342.25           | 6,020.00       |              | 1,800.00       |              | 4,000.00       |              |
| SAR / Sqm                             | -----             | SAR 15,000     |              | SAR 8,000      |              | SAR 8,000      |              |
| Market Conditions Adjustment Analysis |                   |                |              |                |              |                |              |
|                                       | Subject Property  | Sample 1       |              | Sample 2       |              | Sample 3       |              |
| SAR/ Sqm before Adj.                  | -----             | SAR 15,000.0   |              | SAR 8,000.0    |              | SAR 8,000.0    |              |
| Mortgage                              | -----             | Cash           |              | Cash           |              | Cash           |              |
| Market Conditions                     | -----             | 0.00%          |              | 0.00%          |              | 0.00%          |              |
| Total Adjustments Ratio               |                   | 0.00%          |              | 0.00%          |              | 0.00%          |              |
| Total Adjustment Amount               |                   | SAR 0.00       |              | SAR 0.00       |              | SAR 0.00       |              |
| Net After Adjustment                  |                   | SAR 15,000.00  |              | SAR 8,000.00   |              | SAR 8,000.00   |              |
| Location Adjustment Analysis          |                   |                |              |                |              |                |              |
|                                       | Subject Property  | Sample 1       |              | Sample 2       |              | Sample 3       |              |
| Area Size                             | 4,342.25          | 6,020.00       | 2.50%        | 1,800.00       | -2.50%       | 4,000.00       | 0.00%        |
| Location Desirability                 | Average           | Average        | 0.00%        | Average        | 0.00%        | Average        | 0.00%        |
| Accessibility                         | Average           | Average        | 0.00%        | Average        | 0.00%        | Average        | 0.00%        |
| Main Street Width (m)                 | 40                | 13             | 5.00%        | 25             | 0.00%        | 40             | 0.00%        |
| Sides Open                            | 4                 | 2              | 2.50%        | 2              | 2.50%        | 4              | 0.00%        |
| Land Shape                            | Regular           | Regular        | 0.00%        | Regular        | 0.00%        | Semi Regular   | 5.00%        |
| Close to main street                  | Yes               | Yes            | 0.00%        | Yes            | 0.00%        | Yes            | 0.00%        |
| Total Adjustments Ratio               |                   | 10.00%         |              | 0.00%          |              | 5.00%          |              |
| Total Adjustment Amount               |                   | SAR 1,500.0    |              | SAR 0.0        |              | SAR 400.0      |              |
| Net After Adjustment                  |                   | SAR 16,500.0   |              | SAR 8,000.0    |              | SAR 8,400.0    |              |
| Weighted Mean                         |                   |                | 60%          |                | 20%          |                | 20%          |
|                                       |                   |                | SAR 9,900.00 |                | SAR 1,600.00 |                | SAR 1,680.00 |
| SAR / Sqm                             | <b>SAR 13,180</b> |                |              |                |              |                |              |
| Rounded Value                         | <b>SAR 13,200</b> |                |              |                |              |                |              |

| Property Value | Sensitivity Analysis |               |                |                |                |                |
|----------------|----------------------|---------------|----------------|----------------|----------------|----------------|
|                | -10%                 | -5%           | 0%             | 5%             | 10%            |                |
| SAR 57,317,700 | Land Area            | 4,342         | 4,342          | 4,342          | 4,342          | 4,342          |
|                | SAR / Sqm            | SAR 11,880    | SAR 12,540     | SAR 13,200     | SAR 13,860     | SAR 14,520     |
|                | Property Value       | 51,585,930.00 | SAR 54,451,815 | SAR 57,317,700 | SAR 60,183,585 | SAR 63,049,470 |

Based on the market samples obtained with the assistance of some real estate experts in the region and the inspection made by our team, the average price for similar properties falls in the range of 12,000 and 14,000 SAR/ Sqm, we will base our valuation on the average rate 13,200 SAR/ Sqm. When comparing with the results of the analysis of comparisons, we found that the property value falls within the same range and is close to the market average values.



## 4.2 Depreciated Replacement Cost (DRC)

As a first step, the cost of reconstructing the building (the cost of replacement) was estimated, based on the average construction costs of similar properties and at the same level of finishes, services, utilities, and others. The opinion of some engineering experts was used in this regard. The following table shows the expected replacement costs for such property.

|                                | Min Cost (SAR / Sqm) | Max Cost (SAR / Sqm) | Average Cost |
|--------------------------------|----------------------|----------------------|--------------|
| <b>Concrete Cost</b>           | SAR 700              | SAR 900              | SAR 800      |
| <b>MEP</b>                     | SAR 150              | SAR 250              | SAR 200      |
| <b>Finishing Materials</b>     | SAR 300              | SAR 500              | SAR 400      |
| <b>Fit outs &amp;Appliance</b> | SAR 100              | SAR 300              | SAR 200      |
| <b>Developer Profit</b>        | 18%                  | 22%                  | 20%          |

In the following table, we will estimate the direct replacement cost of the property taking into consideration the main components of the building, such as the concrete structure, electromechanical work, finishes, site improvements, etc. Then we will estimate the value of the indirect costs as a percentage of the total direct costs to estimate the total construction costs of the project

| Land                       |                 |              |                      |                 |                      |
|----------------------------|-----------------|--------------|----------------------|-----------------|----------------------|
| Land Area                  | SAR / Sqm       |              |                      |                 | Total Value          |
| 4,342.25                   | SAR 13,200      |              |                      |                 | SAR 57,317,700       |
| Building                   |                 |              |                      |                 |                      |
|                            | Unit            | No of Floors |                      |                 | Total BUA            |
| <b>Ground Floor</b>        | Sqm             | 1            |                      |                 | 1,774.30             |
| <b>First floor</b>         | Sqm             | 1            |                      |                 | 984.00               |
| <b>Total (SQM)</b>         | <b>2,758.30</b> |              |                      |                 |                      |
| Development Cost           |                 |              |                      |                 |                      |
| Hard Cost - (Upper Floors) |                 |              |                      |                 |                      |
|                            | Area            | SAR / Sqm    | Total                | Completion Rate | Total Cost           |
| Skeleton and Block         | 2,758.30        | SAR 800      | SAR 2,206,640        | 100%            | SAR 2,206,640        |
| Electro Mechanic           | 2,758.30        | SAR 200      | SAR 551,660          | 100%            | SAR 551,660          |
| Finishing                  | 2,758.30        | SAR 400      | SAR 1,103,320        | 100%            | SAR 1,103,320        |
| Fit outs and Appliances    | 2,758.30        | SAR 200      | SAR 551,660          | 100%            | SAR 551,660          |
| <b>Total</b>               |                 |              | <b>SAR 4,413,280</b> | <b>100%</b>     | <b>SAR 4,413,280</b> |



| Overall Soft Cost               |                         |  |                        |                           |                       |
|---------------------------------|-------------------------|--|------------------------|---------------------------|-----------------------|
|                                 |                         |  | <b>Total Hard Cost</b> | <b>Ratio</b>              | <b>Soft Cost</b>      |
| <b>Initial Project Pre Cost</b> |                         |  | SAR 4,413,280          | 0.10%                     | SAR 4,413             |
| <b>Design</b>                   |                         |  | SAR 4,413,280          | 0.50%                     | SAR 22,066            |
| <b>Eng Consultant</b>           |                         |  | SAR 4,413,280          | 1.00%                     | SAR 44,133            |
| <b>Management</b>               |                         |  | SAR 4,413,280          | 5.00%                     | SAR 220,664           |
| <b>Contingency</b>              |                         |  | SAR 4,413,280          | 5.00%                     | SAR 220,664           |
| <b>Others</b>                   |                         |  | SAR 4,413,280          | 0.00%                     | SAR 0                 |
| <b>TOTAL</b>                    |                         |  |                        | <b>11.60%</b>             | <b>SAR 511,940.48</b> |
| <b>Total Hard Cost</b>          | <b>SAR 4,413,280</b>    |  |                        | <b>BUA</b>                | <b>2,758.30</b>       |
| <b>Total Soft Cost</b>          | <b>SAR 511,940.48</b>   |  |                        | <b>SAR / Sqm</b>          | <b>SAR 1,786</b>      |
| <b>Total Construction Cost</b>  | <b>SAR 4,925,220.48</b> |  |                        | <b>Overall Completion</b> | <b>100%</b>           |

After knowing the total construction costs at a rate of 1,786 SAR per square meter, we will estimate the economic life of the property according to the type of construction and its general condition, then apply the depreciation rates based on the actual age of the property. The developer's profitability will be added to the property's value after depreciation to reflect the estimated fair value of the building.

| DEVELOPMENT VALUE            |                      |                                |                      |
|------------------------------|----------------------|--------------------------------|----------------------|
| <b>Total Dev Cost</b>        | <b>SAR 4,925,220</b> | <b>Annual Dep Rate</b>         | 3.33%                |
| <b>Total Completion Rate</b> | 100.00%              | <b>Actual Age</b>              | 14                   |
| <b>Developer Profit Rate</b> | 20.0%                | <b>Total Dep Rate</b>          | 46.67%               |
| <b>Dev. Profit Amount</b>    | SAR 985,044          | <b>Add Appr Rate</b>           | 0.00%                |
| <b>Development Value</b>     | <b>SAR 5,910,265</b> | <b>Net Dep Rate</b>            | <b>46.67%</b>        |
| <b>Economic Age</b>          | 30                   | <b>Cost After Depreciation</b> | <b>SAR 2,626,784</b> |

In order to determine the full value of the property, the construction costs will be added to the fair value of the land as follows:

| <b>Total Dev. Value</b> | <b>Land Value</b>     | <b>Total Property Value</b> | <b>Rounded Value</b>  |
|-------------------------|-----------------------|-----------------------------|-----------------------|
| <b>SAR 2,626,784</b>    | <b>SAR 57,317,700</b> | <b>SAR 59,944,484</b>       | <b>SAR 59,940,000</b> |

### 4.3 Income Approach Based on Market Rates

#### Market Rental Analysis

Based on the market survey done by our team and to some trade interviews with local real estate agents, in addition to the actual rental rates of the subject property, we have found that the rental rates fall between 2,500 to 3,500 SAR/ Sqm. We have also noted that some of the units are showrooms including internal mezzanine. Taking into consideration all the mentioned, we will base our valuation analysis on 3,100 SAR/ Sqm as rental rate for showrooms. As for the offices rental rates, falls between

|                | <b>Office units</b> | <b>Commercial units</b> |
|----------------|---------------------|-------------------------|
| Comparable no. | Rental Rate/ Unit   | Rental Rate/ Unit       |
| Comparable 1   | 700 SAR/ Sqm        | 2,700 SAR/ Sqm          |
| Comparable 2   | 800 SAR/ Sqm        | 2,500 SAR/ Sqm          |
| <b>Average</b> | <b>750 SAR/ Sqm</b> | <b>2,600 SAR/ Sqm</b>   |

#### Analysis of Operating and Maintenance Expenses

The operating expenses of similar properties reached between 5% to 10% of the total expected income for the property. These ratios depend on the condition and quality of the property and the type of services and public facilities available in the property itself. These ratios are divided into several main categories as follows:

|                                    |          |
|------------------------------------|----------|
| Management expenses                | 2% to 3% |
| Operating and maintenance expenses | 2% to 4% |
| General service bills expenses     | 1% to 2% |
| Other incidental expenses          | 1% to 2% |

#### Property Operation and Maintenance Expenses

We will apply the rate of 6% as the OPEX which will be calculated from the total revenues of the property. This ratio is based on the condition and quality of the property and the type of services and public facilities available in the property itself.

#### Market Capitalization Rate Analysis

Based on recent transactions of real estate properties and funds, the average capitalization rate of acquiring such property falls in the range of 8% to 9%. This average is mainly driven by several factors such as the quality of the building, finishing materials, the general location, ease of access, actual age of the property, size of the project, and the extent of income stability in it. In addition to the above, the capitalization rates are also affected directly by the supply and demand rates for the same type of real estate,

### The Capitalization Rate Used for the Valuation

With regard to the capitalization rate used in the valuation, we will base our analysis on the average capitalization rates based on the market and then make some adjustments based on the property situation in terms of its characteristics, location and some other important elements.

With regard to the capitalization rate used in the valuation, we will rely on the averages of the capitalization rate by market and then make some adjustments based on the real estate situation in terms of the following:

- Easy access to the property
- The general condition of the property
- The general location of the property
- Quality of finishes
- Quality and presence of management team
- Services and public utilities

The estimated capitalization rate for the property, which will be based on the valuation process, is 8.5%, which will be applied subsequently to the net operating income of the property.

| Project          | Sample 1      | Sample 2      | Sample 3      | Sample 4      |
|------------------|---------------|---------------|---------------|---------------|
| Sale Price       | 39,596,000.00 | 65,240,000.00 | 26,455,000.00 | 31,328,000.00 |
| Revenue          | 3,167,680.00  | 5,871,600.00  | 2,248,675.00  | 2,662,880.00  |
| Cap Rate         | 8.00%         | 9.00%         | 8.50%         | 8.50%         |
| Average Cap Rate | <b>8.50%</b>  |               |               |               |



## Occupancy Rates in the Project

Based on the above, the value of the property using the income capitalization method is as follows:

| Revenues                       |                 |                       |                |                      |                         |
|--------------------------------|-----------------|-----------------------|----------------|----------------------|-------------------------|
| Unit Type                      | Quantity        |                       | Revenues       |                      | Total Revenues          |
|                                | Total GLA       | No of Units           | SAR / Sqm      | SAR / Unit           |                         |
| Show Rooms                     | 1,774           | 0                     | SAR 3,000      | SAR 0                | SAR 5,322,000           |
| Offices                        | 984             | 0                     | SAR 750        | SAR 0                | SAR 738,000             |
| <b>Total Revenues</b>          |                 |                       |                |                      | <b>SAR 6,060,000</b>    |
| Expenses                       |                 |                       |                |                      |                         |
| Unit Type                      | Management      | Utilities             | Maintenance    | Vacancy              | Total Expenses          |
|                                |                 |                       |                |                      |                         |
| Show Rooms                     | 2.00%           | 2.00%                 | 2.00%          | 5.00%                | 11.00%                  |
| Offices                        | 2.00%           | 2.00%                 | 2.00%          | 5.00%                | 11.00%                  |
| <b>Total Expenses</b>          |                 |                       |                |                      | <b>22.00%</b>           |
| Net Operating Income           |                 |                       |                |                      |                         |
| Unit Type                      | Total Revenues  |                       | Total Expenses |                      | NOI                     |
|                                |                 |                       |                |                      |                         |
| Show Rooms                     | SAR 5,322,000   |                       | 11.00%         |                      | SAR 4,736,580           |
| Offices                        | SAR 738,000     |                       | 11.00%         |                      | SAR 656,820             |
| <b>Total</b>                   |                 |                       |                |                      | <b>SAR 5,393,400</b>    |
| <b>Total Property Revenues</b> |                 |                       |                |                      | SAR 6,060,000           |
| <b>Total Property Expenses</b> |                 |                       |                |                      | -SAR 666,600            |
| <b>Net Operating Income</b>    |                 |                       |                |                      | <b>SAR 5,393,400.00</b> |
| <b>Net Operating Income</b>    | <b>Cap Rate</b> | <b>Property Value</b> |                | <b>Rounded Value</b> |                         |
| SAR 5,393,400.00               | 8.50%           | 63,451,764.71 SAR     |                | SAR 63,450,000.00    |                         |

#### 4.4 Income Approach Based on Leasing Contract

The client informed us that a discount has been introduced to the subject property leasing contract where the new annual rent is 7,350,000 SAR. In addition, he informed us that the subject property expenses are only the insurance premium of 20,000 SAR. The valuation will be based on the above-mentioned assumptions.

**As per the client, the project is fully leased to one tenant, which is the percentage that will be based on in the valuation process.**

| Revenues                       |  |                |                |                   |                         |
|--------------------------------|--|----------------|----------------|-------------------|-------------------------|
| Unit Type                      | Quantity   |                | Revenues       |                   | Total Revenues          |
|                                | Total GLA  | No of Units    | SAR / Sqm      | SAR / Unit        |                         |
| Retail Project                 | The subject property is Fully leased to 1 tenant |                |                |                   | SAR 7,350,000           |
|                                |  |                |                |                   | <b>Total Revenues</b>   |
|                                |  |                |                |                   | <b>SAR 7,350,000</b>    |
| Expenses                       |  |                |                |                   |                         |
| Unit Type                      | Management                                       | Utilities      | Maintenance    | Insurance         | Total Expenses          |
| Retail Project                 | 0.00%  | 0.00%          | 0.00%          | 20,000            | 20,000                  |
|                                |  |                |                |                   | <b>Total Expenses</b>   |
|                                |  |                |                |                   | <b>20,000</b>           |
| Net Operating Income           |  |                |                |                   |                         |
| Unit Type                      | Total Revenues                                   |                | Total Expenses |                   | NOI                     |
| Retail Project                 | SAR 7,350,000                                    |                | 20,000         |                   | SAR 7,330,000           |
|                                |  |                |                |                   | <b>Total</b>            |
|                                |  |                |                |                   | <b>SAR 7,330,000</b>    |
| <b>Total Property Revenues</b> |  |                |                |                   | SAR 7,350,000           |
| <b>Total Property Expenses</b> |  |                |                |                   | -SAR 20,000             |
| <b>Net Operating Income</b>    |  |                |                |                   | <b>SAR 7,330,000.00</b> |
| Net Operating Income           | Cap Rate   | Property Value |                | Rounded Value     |                         |
| SAR 7,330,000.00               | 8.50%  | 86,235,294.12  |                | SAR 86,240,000.00 |                         |

#### 4.5 Subject Property Value in Different Approaches

| Methodology             | Subject of Valuation | Value in Numbers | Value in Letters  |
|-------------------------|----------------------|------------------|---|
| <b>Income- Market</b>   | Property             | SAR 63,450,000   | Sixty-Three Million Four Hundred Fifty Thousand Saudi Riyals    |
| <b>Income- Contract</b> | Property             | SAR 86,240,000   | eighty-six million two hundred forty thousand Saudi Riyals      |
| <b>DRC Approach</b>     | Land + Building      | SAR 59,940,000   | Fifty-Nine Million and Nine Hundred Forty Thousand Saudi Riyals |

#### 4.6 Subject Property Value

We are of an opinion that the total fair value of the subject property taking into consideration the purpose of valuation by using the Income Approach- Market Rates is:

**Property Value: 63,450,000 SAR**  
**Sixty-Three Million Four Hundred Fifty Thousand Saudi Riyals.**

#### 4.7 Notes

We trust that this report and valuation fulfills the requirements of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright. This report is compiled based on the information received to the best of our belief, knowledge and understanding. The information revealed in this report is strictly confidential and issued for the consideration of the client. The valuer's approval is required in writing to reproduce this report either electronically or otherwise and for further onward distribution, hence no part of this report may be copied without prior consent.

#### 4.8 Accredited Valuers

**Essam M. Al Husaini**  
President



Fellow Member of (RE Valuation)  
License No. 1210000474

**Nabeel M. Al Husaini**  
CEO



Member of (RE Valuation)  
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**Farah E. Al Husaini**  
Valuation Manager



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**Nasser A. Al Arifi**  
Valuer



Member of (RE Valuation)  
License No. 1210002399



Membership- RE Branch  
Membership No.:  
11000171



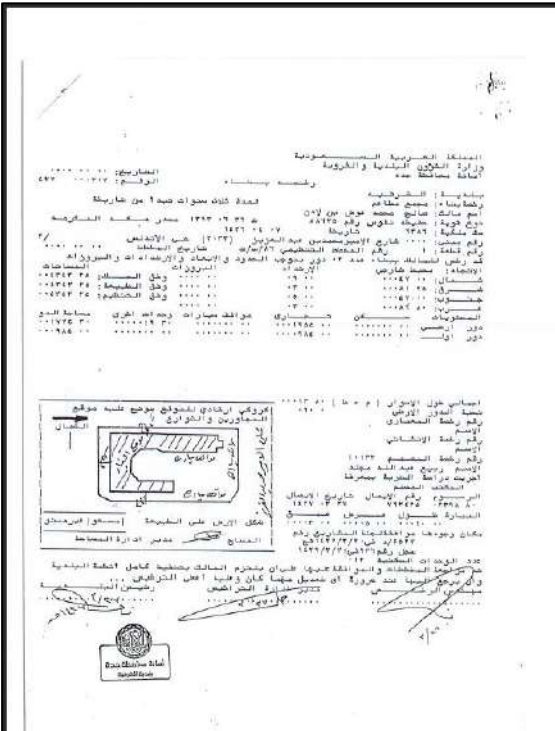
WHITE **CUBES**  
DOCUMENTS

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DOCUMENT

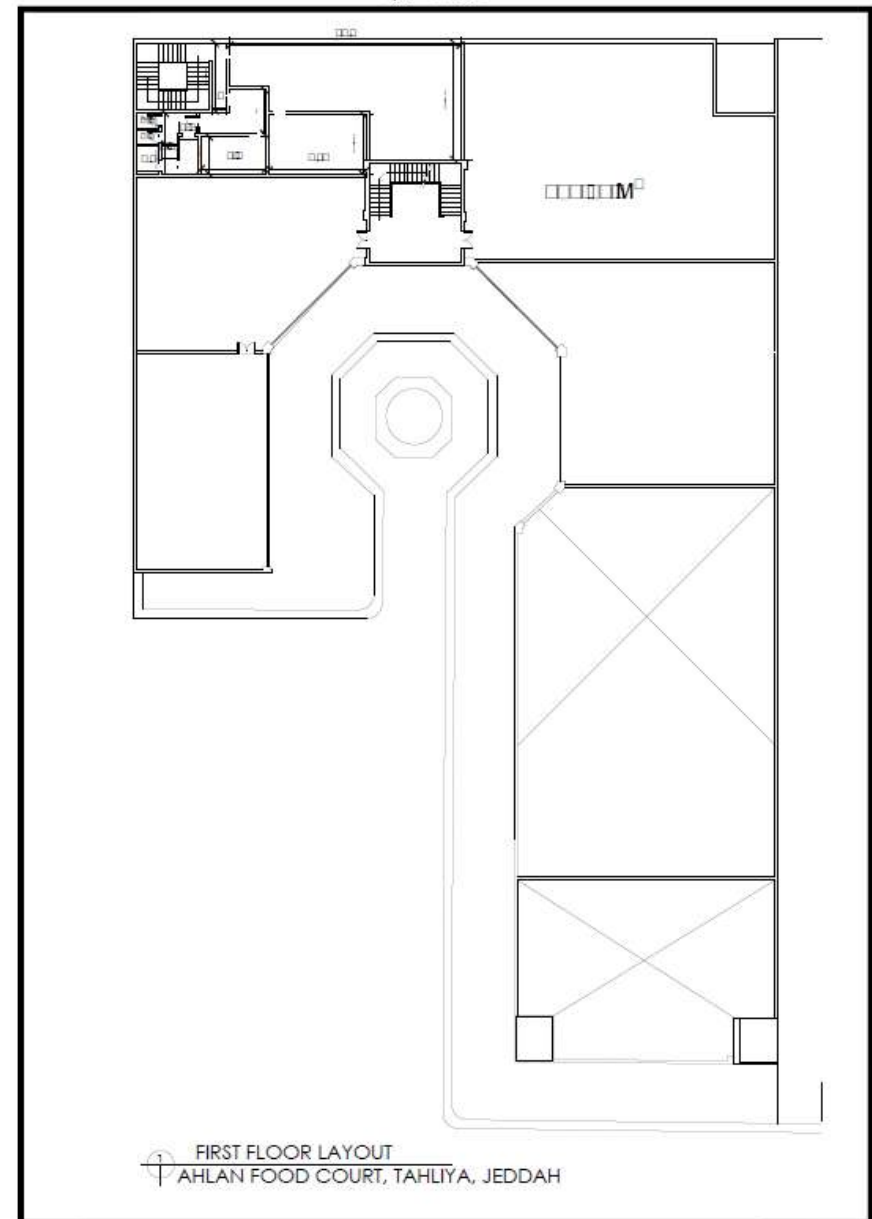
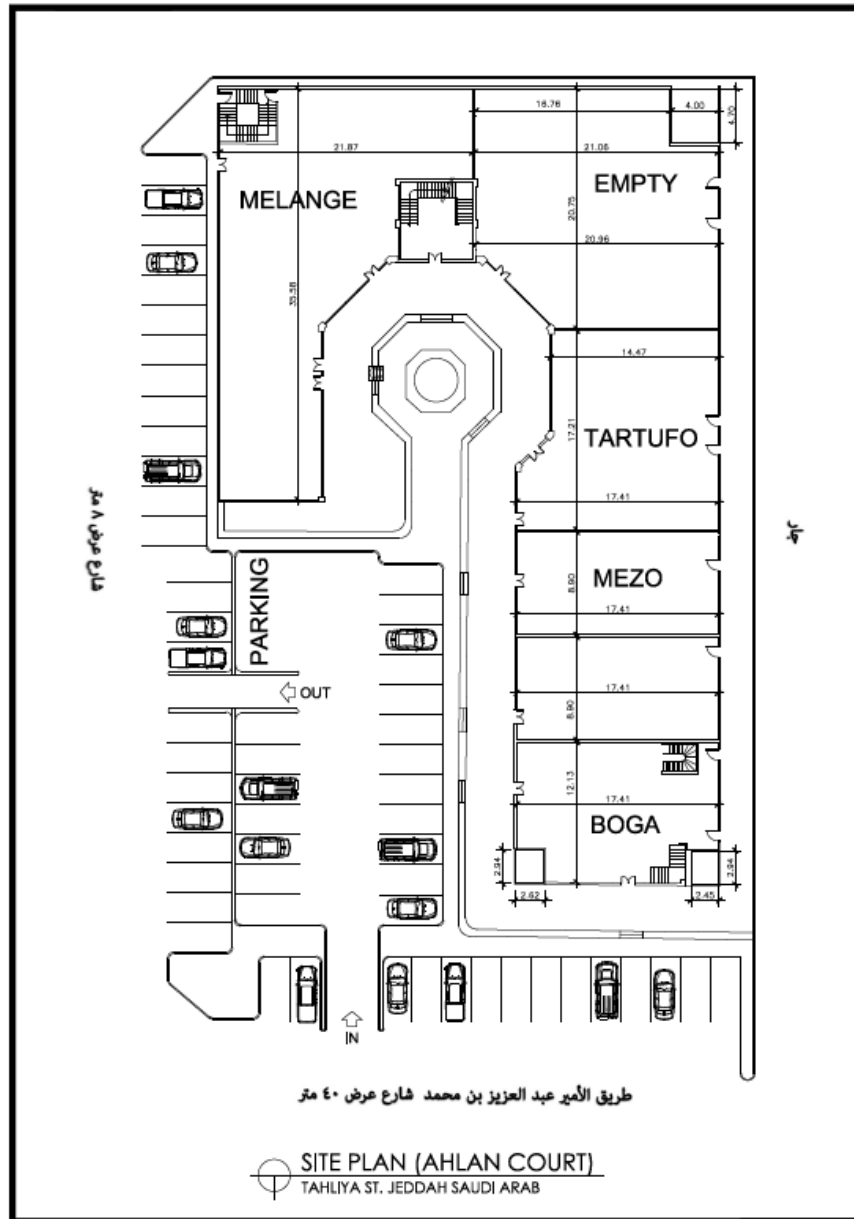
**Documents Received**

**5.1 Title deed and Construction Permit**





## 5.2 Layout



### 5.3 Real Estate Valuation License



وزارة التجارة والاستثمار  
Ministry of Commerce and Investment



## ترخيص مزاولة مهنة لفرع تقييم العقارات

فئة العضوية: أساسي

المقر الرئيسي: الرياض

رقم الترخيص 1210000474 تاريخ إصداره 1437/8/1 هـ تاريخ انتهائه 1447/8/24 هـ

يرخص **عصام محمد عبدالله الحسيني** (سعودي الجنسية) سجل مدني رقم 1044275947 لمزاولة المهنة وقد منح هذا الترخيص بعد أن استوفى شروط القيد الواردة في المادة الخامسة من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/9 هـ بموجب قرار لجنة قيد المقيمين رقم (95/ق/3/42) وتاريخ 1442/5/22 هـ

رئيس لجنة قيد المقيمين

أ. وليد بن عبدالله الرويشد

ختم الوزارة

وزارة التجارة والاستثمار  
Ministry of Commerce and Investment  
إدارة المهن الاستشارية





WHITE CUBES



WHITE CUBES

REAL ESTATE VALUATION REPORT

**Al Khabeer Capital**

**AKUN LOGISTICS**

Awal Al Malqa Real Estate Company

Jeddah City  
30 June 2023



رؤية  
VISION  
2030  
المملكة العربية السعودية  
KINGDOM OF SAUDI ARABIA

REAL ESTATE  
VALUATION REPORT



**REF:** 23-0424  
**Code:**  
**Date:** 30/06/2023  
**M/S:** Awal Al Malqa Real Estate Company

**Subject: Valuation Report for a Cold Store Project (AKUN Logistics) in Jeddah City, Saudi Arabia.**

Dear Sir,

With reference to your request and approval dated on 29<sup>th</sup> of May 2023. We will provide you with a detailed report on the property under evaluation, including a market analysis, an economic analysis, and a description of the valuation methods. In addition, we WHITE CUBES guarantee the confidentiality of the client's information and are committed to complete impartiality in the evaluation process and acknowledge that there are no common interests between WHITECUBES and the client.

**WHITE CUBES Consulting Services Co.**

**Mr. Essam M. Al-Husaini – President**

Fellow Member of the Saudi Authority of Accredited Valuers  
License No. 1210000474  
Issued: 01/08/1437 Exp: 24/08/1447  
WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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WHITE **CUBES**

# EXECUTIVE SUMMARY

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EXECUTIVE  
SUMMARY

## Executive Summary

|                             |  |
|-----------------------------|--|
| <b>Reference No.</b>        | 23-0424  |
| <b>Dep. Code</b>            |  |
| <b>Report Type</b>          | Detailed Report.   |
| <b>Client</b>               | Awal Al Malqa Real Estate Company.   |
| <b>Report user</b>          | Awal Al Malqa Real Estate Company.   |
| <b>Other users</b>          | Investors or those wishing to invest in the Real Estate Investment Trust.                                    |
| <b>Purpose of Valuation</b> | Inclusion in financial statements.   |
| <b>Subject Property</b>     | Cold Storage Project.  |
| <b>Property Location</b>    | King Faisal Naval Base district district, Jeddah City.   |
| <b>Title Deed No.</b>       | 625516001149, 425516001150   |
| <b>Title Deed Date</b>      | 20/11/1442   |
| <b>Ownership Type</b>       | Freehold   |
| <b>Limitations</b>          | None   |
| <b>Owner</b>                | Awal Al Malqa Real Estate Company.   |
| <b>Land Use</b>             | Industrial Use   |
| <b>Land Area (Sqm)</b>      | The land has an area size of 21,118.53 Sqm   |
| <b>BUA (Sqm)</b>            | The property has a total BUA of 16,000 Sqm.  |
| <b>GLA (Sqm)</b>            | The total gross leasable area is 16,000 Sqm.   |
| <b>Basis of Value</b>       | Fair Value.  |
| <b>Value Hypothesis</b>     | Current use.   |
| <b>Valuation Approach</b>   | Comparable Approach, Cost Approach and Income Approach.  |
| <b>Currency</b>             | Saudi Arabian Riyal  |
| <b>Final Property Value</b> | SAR 218,480,000  |
| <b>Report Date</b>          | 30/06/2023   |
| <b>Valuation Date</b>       | 30/06/2023   |
| <b>Inspection Date</b>      | 30/05/2023   |
| <b>Expiry Date</b>          | 120 days from date of the inspection, unless there're any economic changes that affect the subject property. |





WHITE **CUBES**

**SCOPE OF WORK**

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SCOPE OF  
WORK

## Scope of Work

### 1.1 Introduction

This report was prepared by WHITE CUBES Co. based on the International Valuation Standards of the Council of International Assessment Standards (IVSC 2022) and the Guide to Practice and Regulations issued by the Saudi Authority of Accredited Valuers (Taqeem), to ensure accurate access to information, the evaluation report must be read in its entirety, our firm is pleased to offer its services to Awal Al Malqa Real Estate Company in order to estimate the fair value of the property that is being evaluated.

### 1.2 Purpose of valuation

The client requested that we evaluate the subject properties for **Inclusion in financial statements.**

### 1.3 Basis of Valuation

**According to Paragraph 1.2, the appropriate basis for value adopted in the evaluation process is the fair value of the property.**

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the principle of an "exit price,"

### 1.4 Valuation Methods

Depending on the purpose of the valuation, and upon the request of the client, we will apply the comparable approach, cost approach and income approach.

### 1.5 Currency

Unless otherwise stated, all values in the report are in Saudi Arabian Riyals.

### 1.6 Scope of Research

Research is an important part of the valuation process. We will conduct extensive research and analysis of various factors that can impact the value of a property or asset, such as market conditions, comparable sales, property characteristics, income potential, and legal and regulatory factors.

## 1.7 Property Inspection

Inspection refers to visiting and inspecting an asset, testing its performance, and gathering information about it from quantities, specifications, land area, building areas, rental areas, services, public utilities, project components, etc., so that an opinion can be expressed regarding its value. Therefore, we confirm that subject property was inspected on May 30, 2023. We will then use this evidence to assess and evaluate the project. We remain committed to providing the client with an accurate and reliable valuation.

## 1.8 Information Sources

An on-site field survey was conducted by our team to ensure the accuracy of some market information required for the valuation, including nearby asset prices, occupancy rates, and specific information about the asset under valuation, to determine its actual fair value. The following sources were used during the field research process:

- Property records: Such as Title deeds, construction permits and layouts.
- Market trends: Real estate market trends and economic indicators can be used to assess the overall demand and supply for properties in the area.
- Market scanning: Income-producing properties such as rental properties can be valued based on their income potential.
- Physical inspection of the property can provide valuable information on its condition and any unique features that may affect its value.
- Construction permit and Layouts.

## 1.9 Assumptions and Special Assumptions

As defined by the International Valuation Standards, assumptions are logical matters that can be accepted as facts during valuation work without being specifically checked or scrutinized. They are accepted as soon as they are mentioned. Based on the facts at the time of the valuation.

- It has been assumed that the information provided by the client is accurate.
- Assumed that all information received from the client is accurate and up to date as of the date of the valuation, whether oral or written.
- This is a valuation report rather than a structural survey. As a result, we did not conduct any utility checks, service checks, soil tests, etc.
- The valuation methodologies are based on market data compiled using our relevant market knowledge and experience.
- This report's output (final value) is derived from assumptions used, documents received from the client, and market data. Nevertheless, the output estimates provide an indication of the property's value.
- After studying the market and using the built-up model, a discount rate of 7.25% was assumed for the project.

### **1.10 Use, Distribution, and Publication Restrictions**

To estimate the fair value of the assets being evaluated, WHITE CUBES Co. has prepared this report. There are restrictions on the transfer, referencing, and presentation of this report and its contents to any other party except as stipulated in the contract letter, and the client must obtain our prior written consent in order to use this report for any other purpose other than that stated in this report.

### **1.11 Legal Notes**

As far as we are aware, no legal notices have been served on the property, whether they are in progress or pending in the court system.



WHITE **CUBES**

**PROPERTY DETAILS**

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PROPERTY  
DETAILS

## Property and Location Description

### 2.1 Property Description

The subject property is a cold store project located in King Faisal Naval Base district, Jeddah City. Based on the provided copy of the title deed the subject property has a total land area of 21,118.53 sqm and as per the provided construction permit the total BUA of 16,000 Sqm. As per the site inspection done by our team for the purpose of valuation, the land open on 3 sides with a direct view on King Faisal Road from the east side.

### 2.2 Surrounding Area

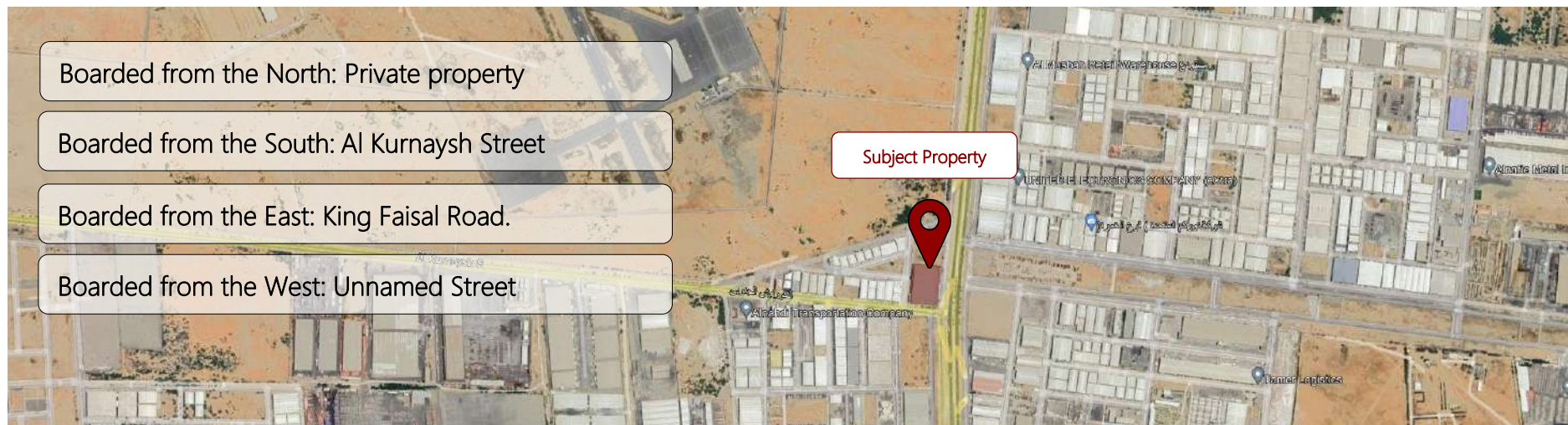
The subject property is surrounded mostly by warehouses and mix-use buildings.

### 2.3 Ease of Access

Based on the current location of the subject property, the access level is high since it is located on King Faisal Road.

### 2.4 Infrastructure

All the infrastructural facilities are available in the surroundings and connected to the subject property.



## 2.5 Title Deed and Ownership

The client provides us with a copy of the title deed related to the subject property which is owned by two title deeds. The details of the subject property:

|                                 |                            |                               |                                   |
|---------------------------------|----------------------------|-------------------------------|-----------------------------------|
| <b>City</b>                     | Jeddah                     | <b>Land Area</b>              | 21,118.53 Sqm                     |
| <b>District</b>                 | King Faisal Naval Base     | <b>Plot No.</b>               | 8, 9, 10, 11, 12, 13, 14, 15      |
| <b>T.D Type</b>                 | Electronic                 | <b>Block No.</b>              | N/A                               |
| <b>T.D Number</b>               | 625516001149, 425516001150 | <b>Layout No.</b>             | س/ج/317                           |
| <b>T.D Date</b>                 | 20/11/1442                 | <b>Owner</b>                  | Awal Al Malqa Real Estate Company |
| <b>T.D Value</b>                | N/A                        | <b>Ownership Type</b>         | Freehold                          |
| <b>Date of Last Transaction</b> | 20/11/1442                 | <b>Limitation of Document</b> | None                              |
| <b>Issued From</b>              | Ministry of Justice        |                               |                                   |
|                                 |                            |                               |                                   |
| <b>North Side</b>               | Private property           | <b>East Side</b>              | 120 meters street                 |
| <b>South Side</b>               | 32 meters street           | <b>West Side</b>              | 30 meters street                  |

**Note:** The client has provided us with a copy of the Title Deed which was assumed to be correct and authentic. It is not in our scope to run legal diagnosis on any legal document.

## 2.6 Construction and Buildings

The building permit indicates the maximum permissible BUA approved by the city municipality. However, the actual area may differ from the area mentioned in the building permit. Therefore, the Client has provided us with a copy of the Construction Permit issued by Riyadh Municipality with the below details:

| Subject Property                |      |
|---------------------------------|------|
| <b>Construction Permit Type</b> | ---- |
| <b>Property Type</b>            | ---- |
| <b>Construction Permit No.</b>  | ---- |
| <b>Construction Permit Date</b> | ---- |

We have not been provided with a Construction Permit.

## 2.7 Photographs of the Subject Property







WHITE **CUBES**

**MARKET INDICATORS**

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MARKET  
INDICATORS

## Market Indicators

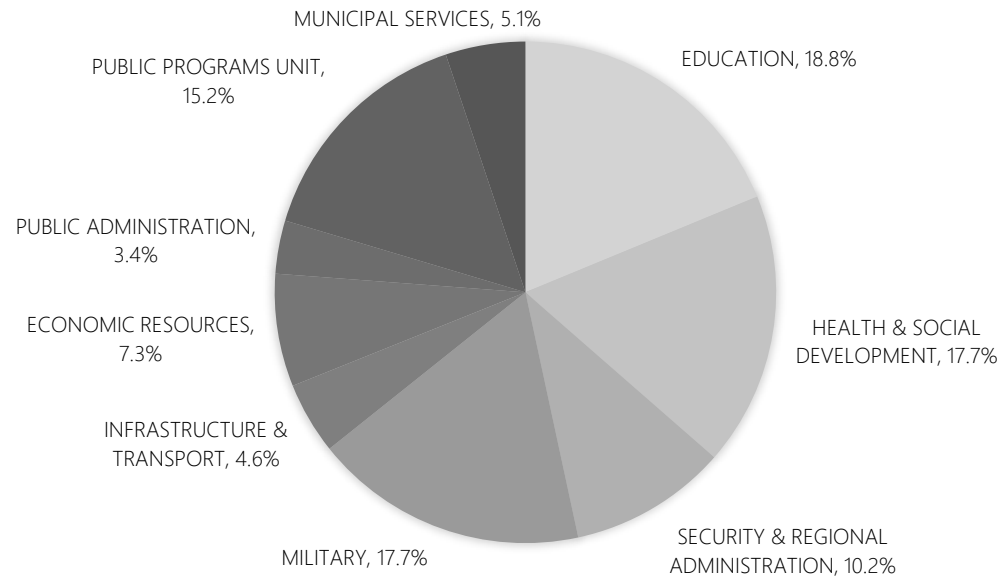
### 3.1 Saudi Arabia Economic Indicators

| Economic Indicator                    | Budget | Expectations | Estimated |       |
|---------------------------------------|--------|--------------|-----------|-------|
|                                       | 2022   | 2023         | 2024      | 2025  |
| <b>Total revenue</b>                  | 1,234  | 1,130        | 1,146     | 1,205 |
| <b>Total expenses</b>                 | 1,132  | 1,114        | 1,125     | 1,134 |
| <b>Budget surplus</b>                 | 102    | 16           | 21        | 71    |
| <b>Debt</b>                           | 985    | 951          | 959       | 962   |
| <b>GDP growth</b>                     | 8.5%   | 3.1%         | 5.7%      | 4.5%  |
| <b>Nominal gross domestic product</b> | 3,957  | 3,869        | 3,966     | 4,247 |
| <b>Inflation</b>                      | 2.6%   | 2.1%         | 2.1%      | 2.0%  |

### 3.2 Budget Allocation for 2022




|                          |            |
|--------------------------|------------|
| Public Administration    | 37 SAR bn  |
| Military                 | 259 SAR bn |
| Security & Regional Adm. | 105 SAR bn |
| Municipal Services       | 63 SAR bn  |
| Education                | 189 SAR bn |
| Health & Social Dev.     | 189 SAR bn |
| Economic Resources       | 72 SAR bn  |
| Infrastructure Transport | 34 SAR bn  |
| General Items            | 165 SAR bn |

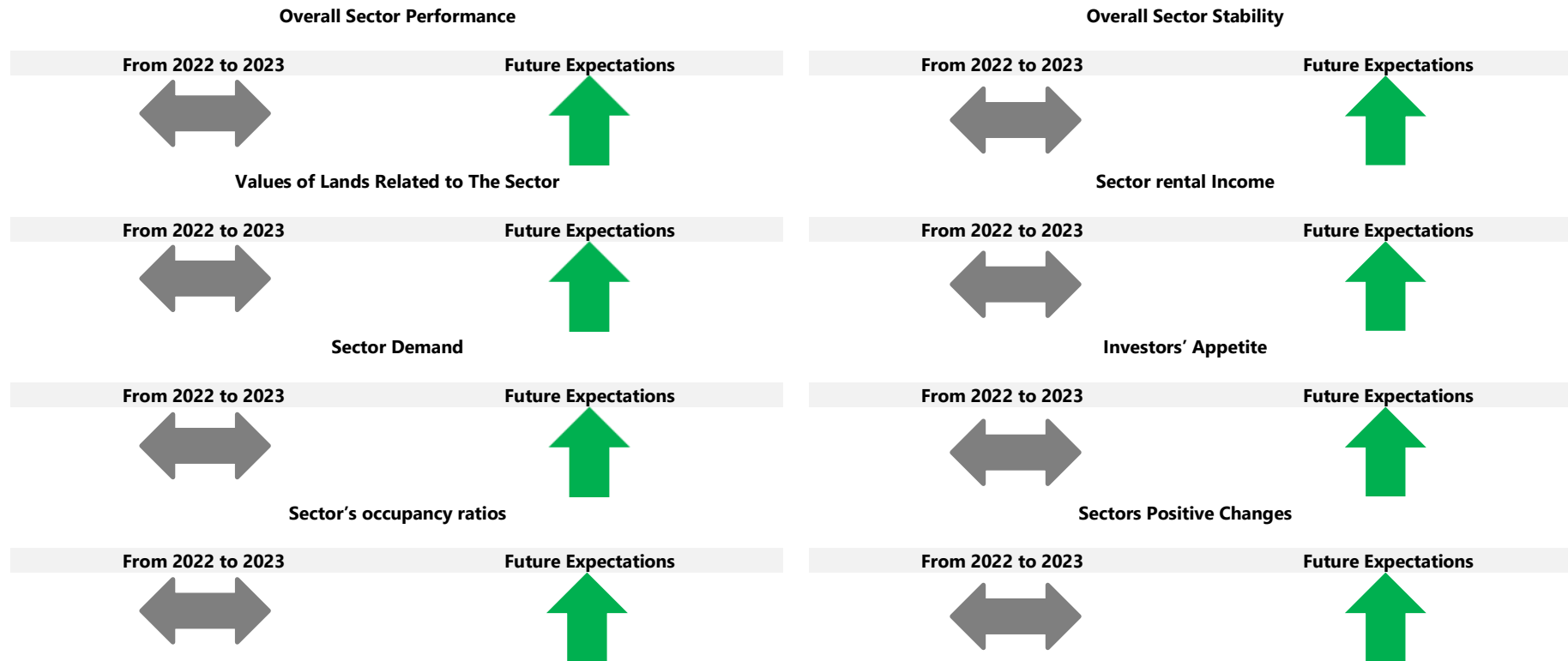
Source: Ministry of Finance



### 3.3 Sector Brief

In the following we will insert general information about the real estate sector related to the property subject of our valuation and which is intended to give an initial indication on the sector. These information and indicators are estimated based on our experience, the current sector performance and some other historical data collected from our side, In addition to some current economic changes in general.

-  Indicator showing a decrease in the current performance comparing to last year
-  Indicator showing an increase in the current performance comparing to last year
-  Indicator showing a stable position in the current performance comparing to last year



White Cubes Team's Analysis

### 3.4 Risk Analysis

#### - Sector Analysis

| Risk Factor                | Very Low Risk (1)<br>1-6 | Minimal Risk (2)<br>7-12 | Medium Risk (3)<br>13-18 | Elevated Risk (4)<br>19-24 | Very High Risk (5)<br>25-30 |
|----------------------------|--------------------------|--------------------------|--------------------------|----------------------------|-----------------------------|
| Overall, Economy           | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Sector Current Performance | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Sector Future Performance  | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Occupancy Rates            | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Supply Rate                | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Demand Rate                | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Total Risk                 | 0                        | 2                        | 15                       | 0                          | 0                           |

**Risk Category 17 Risk Points - Medium Risk**

#### -Land Analysis

| Risk Factor                 | Very Low Risk (1)<br>1-5 | Minimal Risk (2)<br>6-10 | Medium Risk (3)<br>11-15 | Elevated Risk (4)<br>16-20 | Very High Risk (5)<br>21-25 |
|-----------------------------|--------------------------|--------------------------|--------------------------|----------------------------|-----------------------------|
| Access                      | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Location                    | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Land Shape                  | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Surrounding Area facilities | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Total Risk                  | 0                        | 8                        | 0                        | 0                          | 0                           |

**Risk Category 8 Risk Points – Minimal Risk**

#### -Property Analysis

| Risk Factor            | Very Low Risk (1)<br>1-3 | Minimal Risk (2)<br>4-6 | Medium Risk (3)<br>7-9 | Elevated Risk (4)<br>10-12 | Very High Risk (5)<br>13-15 |
|------------------------|--------------------------|-------------------------|------------------------|----------------------------|-----------------------------|
| Facilities & Amenities | ----                     | ----                    | ✓                      | ----                       | ----                        |
| Management Skills      | ----                     | ----                    | ✓                      | ----                       | ----                        |
| Overall Condition      | ----                     | ✓                       | ----                   | ----                       | ----                        |
| Total Risk             | 0                        | 2                       | 6                      | 0                          | 0                           |

**Risk Category 8 Risk Points - Medium Risk**



WHITE **CUBES**

PROPERTY VALUATION

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PROPERTY  
VALUATION

## Property Valuation

### 4 Valuation Methods

With reference to the valuation purpose, taking into consideration the nature of the subject property, we will use the following ticked methods to estimate the fair value of the subject property:

|                  | Market Approach   | Cost Approach | Income Approach |                |                  |            |
|------------------|-------------------|---------------|-----------------|----------------|------------------|------------|
|                  | Comparable method | DRC method    | DCF method      | Invest. method | Cap. Rate method | RLV method |
| <b>Land</b>      | ✓                 | ----          | ----            | ----           | ----             | ----       |
| <b>Buildings</b> | ----              | ✓             | ----            | ----           | ----             | ----       |
| <b>Property</b>  | ----              | ----          | ----            | ----           | ✓                | ----       |

#### COMPARABLE METHOD

This is the method most are familiar with as it is the accepted method for valuing residential real estate. Typically, this method involves selecting properties with similar characteristics in the same market area that have recently sold. Once those properties are found they are compared to the property in question and a professional appraiser will deduct value from the subject property for comparative deficiencies and increase value for advantages. Typically, this method is required if the investor is seeking conventional financing. For comparable information, property brokers, dealers and estate agents are contacted to ascertain the asking and selling prices for property of the nature in the immediate neighborhood and adjoining areas. Neighboring properties, which have been recently sold or purchased, are investigated to ascertain a reasonable selling price.

#### DEPRECIATED REPLACEMENT COST (DRC)

A cost approach is a real estate valuation method that surmises that the price someone should pay for a piece of property should not exceed what someone would have to pay to build an equivalent building. In cost approach pricing, the market price for the property is equivalent to the cost of land plus cost of construction, less depreciation. It is often most accurate for fair value when the property is new. Generally, the cost approach considers what the land, devoid of any structures, would cost, then adds the cost of building the structures, then depreciation is subtracted. The cost approach is most often used for public buildings, such as schools and mosques, because it is difficult to find recently sold comparable properties in the local market, and public buildings do not earn income, so the income approach cannot be used, either. A property that already has improvements will usually contribute a certain amount of value to the site, but improvements can also lower property value if the site's potential buyers wish to use the property for another use that would entail removing some of the improvements to the current site. The cost approach is best used when improvements are new and there is adequate pricing information to value the property components. The cost

approach may be less desirable if there are no recent sales of vacant land for which to compare, since the major method of valuing vacant lands is to use the sales comparison approach, or when construction costs are not readily available. The cost approach method includes:

- Estimate what the subject property would be worth.
- Estimate the current cost of building the structures, then add that value to the value of the vacant land.
- Estimate the amount of accrued depreciation of the subject property, then subtract it from the total to arrive at the property's worth.

### **CAPITALIZATION METHOD (CAP RATE)**

The income approach values property by the amount of income that it can potentially generate. Hence, this method is used for apartments, office buildings, malls, and other property that generates a regular income.

The appraiser calculates the income according to the following steps:

- Estimate the potential annual gross income by doing market studies to determine what the property could earn, which may not be the same as what it is currently earning.
- The effective gross income is calculated by subtracting the vacancy rate and rent loss as estimated by the appraiser using market studies.
- The net operating income (NOI) is then calculated by subtracting the annual operating expenses from the effective gross income. Annual operating expenses include real estate taxes, insurance, utilities, maintenance, repairs, advertising, and management expenses. Management expenses are included even if the owner is going to manage it, since the owner incurs an opportunity cost by managing it herself. The cost of capital items is not included since it is not an operating expense. Hence, it does not include mortgage and interest since this is a debt payment on a capital item.

Estimate the capitalization rate (aka cap rate), which is the rate of return, or yield, that other investors of property are getting in the local market.

## 4.1 Comparable Method

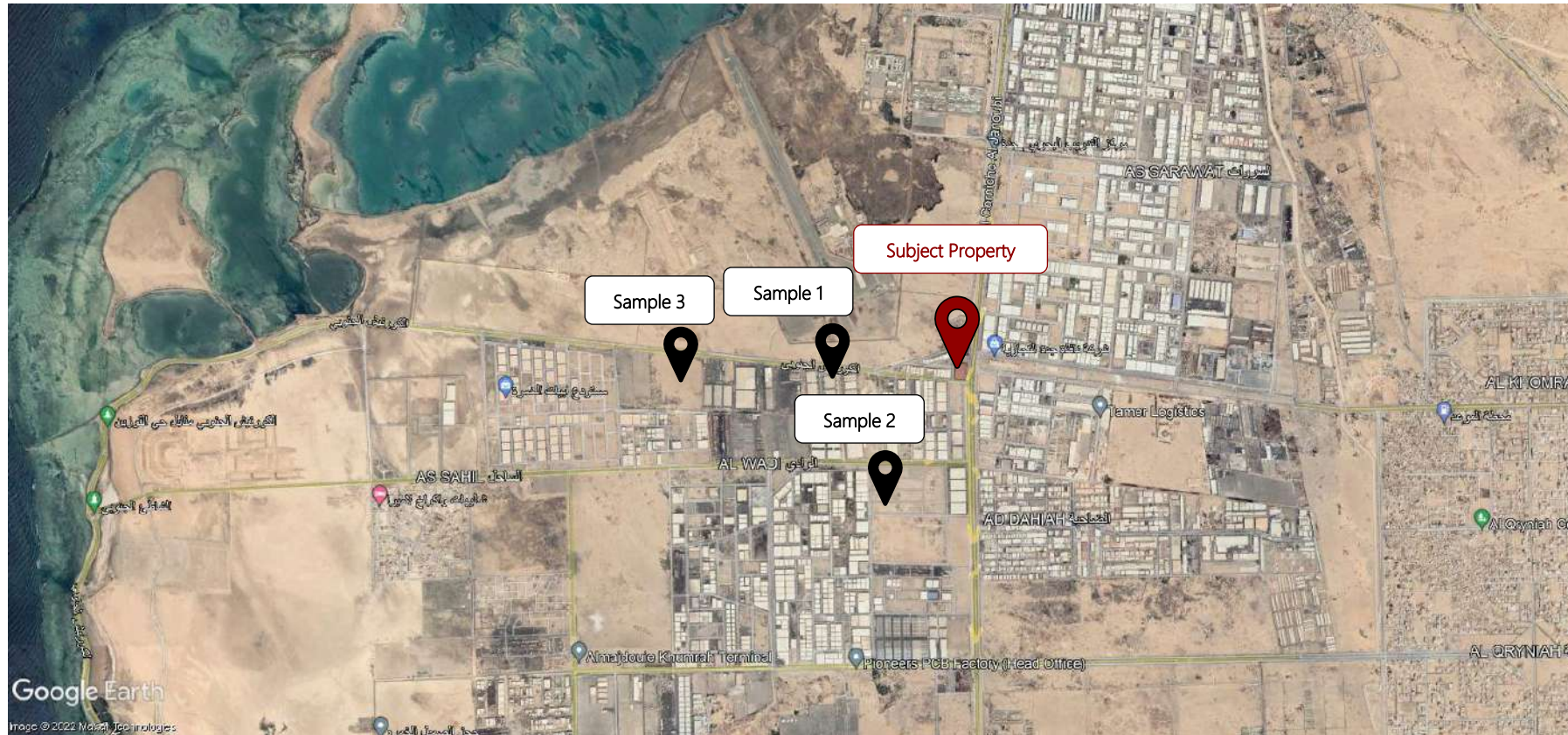
This method aims to collect data and information on actual sales and / or current offers of similar properties within the surrounding market, and then make the necessary adjustments to these comparisons in terms of area, location, shape, quality, content, and others. Below is a summary of the valuation process using the comparable method and the amendments made to the available comparisons

| Characteristics of Samples            |                        |                        |  |                        |  |                        |  |
|---------------------------------------|------------------------|------------------------|--|------------------------|--|------------------------|--|
| Feature                               | Subject Property       | Sample 1               |  | Sample 2               |  | Sample 3               |  |
| Quoting                               | -----                  | Offering               |  | Offering               |  | Offering               |  |
| City                                  | King Faisal Naval Base | King Faisal Naval Base |  | King Faisal Naval Base |  | King Faisal Naval Base |  |
| Sale Price                            | -----                  | SAR 15,450,000         |  | SAR 13,500,000         |  | SAR 18,500,000         |  |
| Data Source                           | Client                 | Market Survey          |  | Market Survey          |  | Market Survey          |  |
| Area Size                             | 21,118.53              | 6,300.00               |  | 4,900.00               |  | 6,500.00               |  |
| SAR / Sqm                             | -----                  | SAR 2,452              |  | SAR 2,755              |  | SAR 2,846              |  |
| Market Conditions Adjustment Analysis |                        |                        |  |                        |  |                        |  |
|                                       | Subject Property       | Sample 1               |  | Sample 2               |  | Sample 3               |  |
| SAR/ Sqm before Adj.                  | -----                  | SAR 2,452              |  | SAR 2,755              |  | SAR 2,846              |  |
| Mortgage                              | -----                  | Cash                   |  | Cash                   |  | Cash                   |  |
| Market Conditions                     | -----                  | 0.00%                  |  | 0.00%                  |  | 0.00%                  |  |
| Total Adjustments Ratio               |                        | 0.00%                  |  | 0.00%                  |  | 0.00%                  |  |
| Total Adjustment Amount               |                        | SAR 0.00               |  | SAR 0.00               |  | SAR 0.00               |  |
| Net After Adjustment                  |                        | SAR 2,452              |  | SAR 2,755              |  | SAR 2,846              |  |
| Location Adjustment Analysis          |                        |                        |  |                        |  |                        |  |
|                                       | Subject Property       | Sample 1               |  | Sample 2               |  | Sample 3               |  |
| Area Size                             | 21,118.53              | 6,300.00               |  | 4,900.00               |  | 6,500.00               |  |
| Location Desirability                 | Average                | Average                |  | Average                |  | Average                |  |
| Accessibility                         | Average                | Average                |  | Average                |  | Average                |  |
| Main Street Width (m)                 | 100                    | 100                    |  | 100                    |  | 60                     |  |
| Sides Open                            | 3                      | 4                      |  | 2                      |  | 1                      |  |
| Land Shape                            | Regular                | Regular                |  | Regular                |  | Regular                |  |
| Close to main street                  | Yes                    | Yes                    |  | Yes                    |  | Yes                    |  |
| Total Adjustments Ratio               |                        | 0.00%                  |  | 0.00%                  |  | 5.00%                  |  |
| Total Adjustment Amount               |                        | SAR 0.0                |  | SAR 0.0                |  | SAR 142.3              |  |
| Net After Adjustment                  |                        | SAR 2,452.4            |  | SAR 2,755.1            |  | SAR 2,988.5            |  |
| Weighted Mean                         |                        | 70%                    |  | 15%                    |  | 15%                    |  |
|                                       |                        | SAR 1,716.67           |  | SAR 413.27             |  | SAR 448.27             |  |
| SAR / Sqm                             | <b>SAR 2,578</b>       |                        |  |                        |  |                        |  |
| Rounded Value                         | <b>SAR 2,600</b>       |                        |  |                        |  |                        |  |



| Property Value | Sensitivity Analysis |                |                |                |                |                |
|----------------|----------------------|----------------|----------------|----------------|----------------|----------------|
|                | -10%                 | -5%            | 0%             | 5%             | 10%            |                |
| SAR 54,900,000 | Land Area            | 21,119         | 21,119         | 21,119         | 21,119         | 21,119         |
|                | SAR / Sqm            | SAR 2,340      | SAR 2,470      | SAR 2,600      | SAR 2,730      | SAR 2,860      |
|                | Property Value       | SAR 49,417,360 | SAR 52,162,769 | SAR 54,908,178 | SAR 57,653,587 | SAR 60,398,996 |

As a first step, and based on the market survey done by our team for the purpose of valuation, we did not find land samples similar to the subject property in terms of area size, street width, location, etc. Yet, we have executed trade interviews with several local real estate agents and found that the average square meter price in the area falls between 2,200 and 3,000 SAR/ Sqm. We will base our valuation on the average rate 2,600 SAR/ Sqm.



## 4.2 Depreciated Replacement Cost (DRC) Approach

As a first step, the cost of reconstructing the building (the cost of replacement) was estimated, based on the average construction costs of similar properties and at the same level of finishes, services, utilities, and others. The opinion of some engineering experts was used in this regard. The following table shows the expected replacement costs for such property.

As per the site inspection done by our team for the purpose of valuation, we have found that the subject property is a customized cold storage warehouse. Yet, the client informed us that the total development cost of the project is 158,200,000 SAR which we believe it is an acceptable value based on the quality. To achieve the value of the property we need to apply the depreciation value and add the land value.

| DEVELOPMENT VALUE            |                        |                                |                        |
|------------------------------|------------------------|--------------------------------|------------------------|
| <b>Total Dev Cost</b>        | <b>SAR 158,200,000</b> | <b>Annual Dep Rate</b>         | 5.0%                   |
| <b>Total Completion Rate</b> | 100%                   | <b>Actual Age</b>              | 6                      |
| <b>Developer Profit Rate</b> | 25%                    | <b>Total Dep Rate</b>          | 30.00%                 |
| <b>Dev. Profit Amount</b>    | SAR 27,685,000         | <b>Add Appr Rate</b>           | 0.00%                  |
| <b>Development Value</b>     | <b>SAR 138,425,000</b> | <b>Net Dep Rate</b>            | <b>30.00%</b>          |
| <b>Economic Age</b>          | 20                     | <b>Cost After Depreciation</b> | <b>SAR 110,740,000</b> |

In order to determine the full value of the property, the construction costs will be added to the fair value of the land as follows:

| Total Dev. Value | Land Value     | Total Property Value | Rounded Value   |
|------------------|----------------|----------------------|-----------------|
| SAR 110,740,000  | SAR 54,908,178 | SAR 165,648,178      | SAR 165,650,000 |

## 4.3 Income Approach- Market Rates

### Market Rental Analysis

The subject property is a cold storage and based on the market survey done by our team and based on the interviews done with local real estate agents, we have found that the rental rates for cold storage similar to the subject property in terms of quality, services, etc (mentioning 3 samples such as Wared Logistics, Storkom, Takhzeen Logistics) falls between 1,050 and 1,150 SAR/ Sqm. We will base our valuation on the average rate 1,100 SAR/ Sqm.

### Market Capitalization Rate Analysis

Based on recent transactions of real estate properties and funds, the average capitalization rate of acquiring such property falls in the range of 7% to 9%. This average is mainly driven by several factors such as the quality of the building, finishing materials, the general location, ease of access, actual age of the property, size of the project, and the extent of income stability in it. In addition to the above, the capitalization rates are also affected directly by the supply and demand rates for the same type of real estate

### The Capitalization Rate Used for the Valuation

With regard to the capitalization rate used in the valuation, we will base our analysis on the average capitalization rates based on the market and then make some adjustments based on the property situation in terms of its characteristics, location and some other important elements.

With regard to the capitalization rate used in the valuation, we will rely on the averages of the capitalization rate by market and then make some adjustments based on the real estate situation in terms of the following:

- Easy access to the property
- The general condition of the property
- The general location of the property
- Quality of finishes
- Quality and presence of management team
- Services and public utilities

The estimated capitalization rate for the property, which will be based on the valuation process, is 7.25%, which will be applied subsequently to the net operating income of the property.

|                             | Sample 1     | Sample 2     | Sample 3     |
|-----------------------------|--------------|--------------|--------------|
| Sale Price                  | 7,500,000.00 | 1,336,080.00 | 1,930,400.00 |
| Revenue                     | 543,750.00   | 93,525.60    | 144,780.00   |
| Capitalization rate         | 7,25%        | 7.00%        | 7.50%        |
| Average capitalization rate | <b>7,25%</b> |              |              |



Based on the above, the value of the property using the income capitalization method is as follows:

| Revenues              |           |             |           |            |                       |
|-----------------------|-----------|-------------|-----------|------------|-----------------------|
| Unit Type             | Quantity  |             | Revenues  |            | Total Revenues        |
|                       | Total GLA | No of Units | SAR / Sqm | SAR / Unit |                       |
| Cold Storage          | 16,000    | 0           | SAR 1,100 | SAR 0      | SAR 17,600,000        |
|                       | 0         | 0           | SAR 0     | SAR 0      | SAR 0                 |
| <b>Total Revenues</b> |           |             |           |            | <b>SAR 17,600,000</b> |

| Expenses              |              |           |             |        |                |
|-----------------------|--------------|-----------|-------------|--------|----------------|
| Unit Type             | Management   | Utilities | Maintenance | Others | Total Expenses |
|                       | Cold Storage | 0.00%     | 0.00%       | 0.00%  | 10.00%         |
| 0                     | 0.00%        | 0.00%     | 0.00%       | 0.00%  | 0.00%          |
| <b>Total Expenses</b> |              |           |             |        | <b>10.00%</b>  |

| Net Operating Income |                |                |                       |
|----------------------|----------------|----------------|-----------------------|
| Unit Type            | Total Revenues | Total Expenses | NOI                   |
| Cold Storage         | SAR 17,600,000 | 10.00%         | SAR 15,840,000        |
| 0                    | SAR 0          | 0.00%          | SAR 0                 |
| <b>Total</b>         |                |                | <b>SAR 15,840,000</b> |

|                                |                 |                       |                           |
|--------------------------------|-----------------|-----------------------|---------------------------|
| <b>Total Property Revenues</b> |                 |                       | SAR 17,600,000            |
| <b>Total Property Expenses</b> |                 |                       | -SAR 1,760,000            |
| <b>Net Operating Income</b>    |                 |                       | <b>SAR 15,840,000.00</b>  |
| <b>Net Operating Income</b>    | <b>Cap Rate</b> | <b>Property Value</b> | <b>Rounded Value</b>      |
| <b>SAR 15,840,000.00</b>       | <b>7.25%</b>    | <b>218,482,758.62</b> | <b>SAR 218,480,000.00</b> |

#### 4.4 Income Approach- Leasing Contract

##### Actual Revenues

The client informed us that the subject property is fully leased to 1 tenant with a triple net of 16,000,000 SAR annually for 5 years.

##### Market Capitalization Rate Analysis

Based on recent transactions of real estate properties and funds, the average capitalization rate of acquiring such property falls in the range of 7% to 9%. This average is mainly driven by several factors such as the quality of the building, finishing materials, the general location, ease of access, actual age of the property, size of the project, and the extent of income stability in it. In addition to the above, the capitalization rates are also affected directly by the supply and demand rates for the same type of real estate.

### The Capitalization Rate Used for the Valuation

With regard to the capitalization rate used in the valuation, we will base our analysis on the average capitalization rates based on the market and then make some adjustments based on the property situation in terms of its characteristics, location and some other important elements.

With regard to the capitalization rate used in the valuation, we will rely on the averages of the capitalization rate by market and then make some adjustments based on the real estate situation in terms of the following:

- Easy access to the property
- The general condition of the property
- The general location of the property
- Quality of finishes
- Quality and presence of management team
- Services and public utilities

The estimated capitalization rate for the property, which will be based on the valuation process, is 7.25%, which will be applied subsequently to the net operating income of the property.

Based on the above, the value of the property using the income capitalization method is as follows:

| Revenues                       |                 |  |                       |                       |                          |
|--------------------------------|-----------------|--|-----------------------|-----------------------|--------------------------|
| Unit Type                      | Quantity        |  | Revenues              |                       | Total Revenues           |
|                                | Total GLA       | No of Units                                      | SAR / Sqm             | SAR / Unit            |                          |
| Cold Storage                   |                 | The subject property is Fully leased to 1 tenant |                       |                       | SAR 16,000,000           |
|                                | 0               | 0  | SAR 0                 | SAR 0                 | SAR 0                    |
|                                |                 |  |                       | <b>Total Revenues</b> | <b>SAR 16,000,000</b>    |
| Expenses                       |                 |  |                       |                       |                          |
| Unit Type                      | Management      | Utilities  | Maintenance           | Others                | Total Expenses           |
| Cold Storage                   | 0.00%           | 0.00%  | 0.00%                 | 0.00%                 | 0.00%                    |
| 0                              | 0.00%           | 0.00%  | 0.00%                 | 0.00%                 | 0.00%                    |
|                                |                 |  |                       | <b>Total Expenses</b> | <b>0.00%</b>             |
| Net Operating Income           |                 |  |                       |                       |                          |
| Unit Type                      | Total Revenues  |  | Total Expenses        |                       | NOI                      |
| Cold Storage                   | SAR 16,000,000  |  | 0.00%                 |                       | SAR 16,000,000           |
| 0                              | SAR 0           |  | 0.00%                 |                       | SAR 0                    |
|                                |                 |  |                       | <b>Total</b>          | <b>SAR 16,000,000</b>    |
| <b>Total Property Revenues</b> |                 |  |                       |                       | SAR 16,000,000           |
| <b>Total Property Expenses</b> |                 |  |                       |                       | SAR 0                    |
| <b>Net Operating Income</b>    |                 |  |                       |                       | <b>SAR 16,000,000.00</b> |
| <b>Net Operating Income</b>    | <b>Cap Rate</b> |  | <b>Property Value</b> |                       | <b>Rounded Value</b>     |
| SAR 16,000,000.00              | 7.25%           |  | 220,689,655.17 SAR    |                       | SAR 220,690,000.00       |

#### 4.5 Subject Property Value in Different Approaches

| Methodology             | Subject of Valuation | Value in Numbers | Value in Letters   |
|-------------------------|----------------------|------------------|--|
| <b>DRC Approach</b>     | Land + Buildings     | SAR 165,650,000  | One Hundred Sixty-Five Million Six Hundred Fifty Thousand Saudi Riyals     |
| <b>Income- Contract</b> | Property             | SAR 220,690,000  | Two Hundred Twenty Million and Six Hundred Ninety Thousand Saudi Riyals    |
| <b>Income- Market</b>   | Property             | SAR 218,480,000  | Two Hundred Eighteen Million and Four Hundred Eighty Thousand Saudi Riyals |

#### 4.6 Subject Property Value

We are of an opinion that the total fair value of the subject property taking into consideration the purpose of valuation by using the Income Approach based on the market rates is:

**Property Value: 218,480,000 SAR**  
**Two Hundred Eighteen Million and Four Hundred Eighty Thousand Saudi Riyals.**

#### 4.7 Conclusion

This report was issued based on all the data received from the client or any other party related to the evaluation mission, and on the assumption that all of this information received from us is correct. Also, all the values mentioned in this report express the opinion resulting from the evaluation process in compliance with international evaluation standards, and they are estimates based on preliminary information collected by our work team and it has been assumed to be correct. Any changes in any information contained in the report that would affect the mentioned final value of the property subject to evaluation.

#### 4.8 Accredited Valuers

**Essam M. Al Husaini**  
President



Fellow Member of (RE Valuation)  
License No. 1210000474

**Nabeel M. Al Husaini**  
CEO



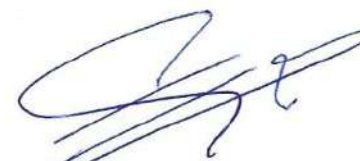
Member of (RE Valuation)  
License No. 1210002782

**Farah E. Al Husaini**  
Valuation Manager



Member of (RE Valuation)  
License No. 1210001964

**Nasser A. Al Arifi**  
Valuer



Member of (RE Valuation)  
License No. 1210002399



Membership- RE Branch  
Membership No.:  
11000171



WHITE **CUBES**  
DOCUMENTS

---

DOCUMENT

## Documents Received

### 5.1 Title deeds

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

المملكة العربية السعودية  
وزارة العدل  
[٢٧٧]

تاريخ الصك: ١٤٤٢/١١/٢٠ هـ  
رقم الصك: ٤٢٥٥١٦٠٠١١٥٠

صك

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد:

فإن 50 % وتعادل 10,559.265 متر مربع مشاعاً من قطعة الأرض 8 و قطعة الأرض 9 و قطعة الأرض 10 و قطعة الأرض 11 و قطعة الأرض 12 و قطعة الأرض 13 و قطعة الأرض 14 و قطعة الأرض 15 من المخطط رقم 317 / ج / س / المعدل الواقع في حي قاعدة الملك فيصل البحرية بمدينة جدة .

وحدودها وأطوالها كالتالي:

شمالاً: يحده غرباً القطعة رقم 6 و شرقاً القطعة رقم 7 بطول: (125) مائة و خمسة و عشرون متر جنوباً: شارع عرض 32 ثم غرفة كهرباء بطول: ( ) يبدأ من الشرق للغرب بطول 67.63م ثم ينكسر للشمال بطول 4م ثم ينكسر للغرب بطول 3.45م ثم ينكسر للجنوب بطول 4م ثم ينكسر للغرب بطول 48.23م ثم ينكسر بشططة للشمال الغربي 7.08م بطول شرقاً: يحده طريق الملك فيصل عرض 120م بطول: ( ) يبدأ من الشمال للجنوب بطول 163.51م ثم ينكسر بشططة للجنوب الغربي بطول 7.07م غرباً: يحده جنوباً شارع عرض 30م وشمالاً مواقف سيارات عرض 5م شارع عرض 30م بطول: ( ) يبدأ من الجنوب للشمال بطول 42.47م ثم ينكسر للشرق بطول 5م ثم ينكسر للشمال بطول 120م ومساحتها: (21,118.53) واحد و عشرون ألفاً و مائة و ثمانية عشر متر مربعاً و ثلاثة و خمسون سنتيمتراً مربعاً فقط المقيد برقم 363982682 في 1436/12/1 هـ والمستند في أفرانها على الصك الصادر من كتابة العدل الأولى بجدة برقم 320208033007 في 1442 / 3 / 15 هـ

قد انتقلت ملكيتها مشاعاً لـ : شركة أول الملقا العقارية بموجب سجل تجاري رقم 1010893802 وتنتهي في 19 / 10 / 1444 هـ .مشاعاً بينهما بالتساوي ، بضمن وقدره 37481250 سبعة و ثلاثون مليوناً و أربعمائة و واحد و ثمانون ألفاً و مئتين و خمسون ريالاً وعليه جرى التصديق تحريراً في 20 / 11 / 1442 هـ لاعتماده ، و صلى الله على نبيينا محمد وآله وصحبه وسلم.

صدرت هذه الوثيقة من وزارة العدل ، ويجب التحقق من بياناتها وسرياتها عبر الخدمات الإلكترونية لوزارة العدل  
نموذج رقم (11) - (11-11-11)  
مصلحة طباع الحكومة - ٩٤١٥٤٠  
صفحة رقم 1 من 1

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

المملكة العربية السعودية  
وزارة العدل  
[٢٧٧]

تاريخ الصك: ١٤٤٢/١١/٢٠ هـ  
رقم الصك: ٦٢٥٥١٦٠٠١١٤٩

صك

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد:

فإن 50 % وتعادل 10,559.265 متر مربع مشاعاً من قطعة الأرض 8 و قطعة الأرض 9 و قطعة الأرض 10 و قطعة الأرض 11 و قطعة الأرض 12 و قطعة الأرض 13 و قطعة الأرض 14 و قطعة الأرض 15 من المخطط رقم 317 / ج / س / المعدل الواقع في حي قاعدة الملك فيصل البحرية بمدينة جدة .

وحدودها وأطوالها كالتالي:

شمالاً: يحده غرباً القطعة رقم 6 و شرقاً القطعة رقم 7 بطول: (125) مائة و خمسة و عشرون متر جنوباً: شارع عرض 32 ثم غرفة كهرباء بطول: ( ) يبدأ من الشرق للغرب بطول 67.63م ثم ينكسر للشمال بطول 4م ثم ينكسر للغرب بطول 3.45م ثم ينكسر للجنوب بطول 4م ثم ينكسر للغرب بطول 48.23م ثم ينكسر بشططة للشمال الغربي 7.08م بطول شرقاً: يحده طريق الملك فيصل عرض 120م بطول: ( ) يبدأ من الشمال للجنوب بطول 163.51م ثم ينكسر بشططة للجنوب الغربي بطول 7.07م غرباً: يحده جنوباً شارع عرض 30م وشمالاً مواقف سيارات عرض 5م شارع عرض 30م بطول: ( ) يبدأ من الجنوب للشمال بطول 42.47م ثم ينكسر للشرق بطول 5م ثم ينكسر للشمال بطول 120م ومساحتها: (21,118.53) واحد و عشرون ألفاً و مائة و ثمانية عشر متر مربع و ثلاثة و خمسون سم مربع فقط المقيد برقم 363982682 في 1436/12/1 هـ والمستند في أفرانها على الصك الصادر من كتابة العدل الأولى بجدة برقم 720225003733 في 1437 / 1 / 27 هـ

قد انتقلت ملكيتها مشاعاً لـ : شركة أول الملقا العقارية بموجب سجل تجاري رقم 1010893802 وتنتهي في 19 / 10 / 1444 هـ .مشاعاً بينهما بالتساوي ، بضمن وقدره 37481250 سبعة و ثلاثون مليوناً و أربعمائة و واحد و ثمانون ألفاً و مئتين و خمسون ريالاً وعليه جرى التصديق تحريراً في 20 / 11 / 1442 هـ لاعتماده ، و صلى الله على نبيينا محمد وآله وصحبه وسلم.

صدرت هذه الوثيقة من وزارة العدل ، ويجب التحقق من بياناتها وسرياتها عبر الخدمات الإلكترونية لوزارة العدل  
نموذج رقم (11) - (11-11-11)  
مصلحة طباع الحكومة - ٩٤١٥٤٠  
صفحة رقم 1 من 1



## 5.2 Real Estate Valuation License



وزارة التجارة والاستثمار  
Ministry of Commerce and Investment



### ترخيص مزاولة مهنة لفرع تقييم العقارات

المقر الرئيسي: الرياض

فئة العضوية: أساسي

رقم الترخيص 1210000474 تاريخ إصداره 1437/8/1 هـ تاريخ انتهائه 1447/8/24 هـ

يرخص **عصام محمد عبدالله الحسيني** (سعودي الجنسية) سجل مدني رقم 1044275947 لمزاولة المهنة

وقد منح هذا الترخيص بعد أن استوفى شروط القيد الواردة في المادة الخامسة من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/9 هـ بموجب قرار لجنة قيد المقيمين رقم (95/ق/3/42) وتاريخ 1442/5/22 هـ

رئيس لجنة قيد المقيمين

أ. وليد بن عبدالله الرويشد

ختم الوزارة

وزارة التجارة والاستثمار  
Ministry of Commerce and Investment  
إدارة المهن الاستشارية





WHITE CUBES



WHITE CUBES

REAL ESTATE VALUATION REPORT

**Al Khabeer Capital**  
**Al Malqa Compound**  
Awal Al Malqa Real Estate Company

Riyadh City  
June 2023



رؤية  
VISION  
2030  
المملكة العربية السعودية  
KINGDOM OF SAUDI ARABIA

REAL ESTATE  
VALUATION REPORT



**REF:** 23-0424  
**Code:**  
**Date:** 30/06/2023  
**M/S:** Awal Al Malqa Real Estate Company

**Subject: Valuation Report for Residential Compound (Malqa Compound) in Riyadh City, Saudi Arabia.**

Dear Sir,

With reference to your request and approval dated 29<sup>th</sup> of May 2023. We will provide you with a detailed report on the property under evaluation, including a market analysis, an economic analysis, and a description of the valuation methods. In addition, we WHITE CUBES guarantee the confidentiality of the client's information and are committed to complete impartiality in the evaluation process and acknowledge that there are no common interests between WHITECUBES and the client.

**WHITE CUBES Consulting Services Co.**

**Mr. Essam M. Al-Husaini – President**

Fellow Member of the Saudi Authority of Accredited Valuers  
License No. 1210000474  
Issued: 01/08/1437 Exp: 24/08/1447  
WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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WHITE **CUBES**

**EXECUTIVE SUMMARY**

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EXECUTIVE  
SUMMARY

## Executive Summary

|                             |   |
|-----------------------------|---|
| <b>Reference No.</b>        |   |
| <b>Dep. Code</b>            |   |
| <b>Report Type</b>          | Detailed Report.  |
| <b>Client</b>               | Awal Al Malqa Real Estate Company.  |
| <b>Report user</b>          | Awal Al Malqa Real Estate Company.  |
| <b>Other users</b>          | Investors or those wishing to invest in the Real Estate Investment Trust.                                     |
| <b>Purpose of Valuation</b> | Inclusion in financial statements.  |
| <b>Subject Property</b>     | Residential Compound.   |
| <b>Property Location</b>    | Al Malqa district, Riyadh City.   |
| <b>Title Deed No.</b>       | 314002002198, 814009006124, 814009006125, 614004005871  |
| <b>Title Deed Date</b>      | 14/09/1440, 15/09/1440  |
| <b>Ownership Type</b>       | Title deed-restricted   |
| <b>Limitations</b>          | Mortgaged to Al Rajhi Banking Investment Company.   |
| <b>Owner</b>                | Awal Al Malqa Real Estate Company.  |
| <b>Land Use</b>             | Residential   |
| <b>Land Area (Sqm)</b>      | The land has an area size of 15,924.68 Sqm  |
| <b>BUA (Sqm)</b>            | As per the provided construction permit, the building is composed of 3 floors with a total BUA of 41,362 Sqm. |
| <b>GLA (Sqm)</b>            | The total gross leasable area is 39,734 Sqm composed of apartments.   |
| <b>Basis of Value</b>       | Fair Value.   |
| <b>Value Hypothesis</b>     | Current use.  |
| <b>Valuation Approach</b>   | Comparable Approach, Cost Approach and Income Approach.   |
| <b>Currency</b>             | Saudi Arabian Riyal   |
| <b>Final Property Value</b> | SAR 295,700,000   |
| <b>Report Date</b>          | 30/06/2023  |
| <b>Valuation Date</b>       | 30/06/2023  |
| <b>Inspection Date</b>      | 01/06/2023  |
| <b>Expiry Date</b>          | 120 days from date of the inspection, unless there're any economic changes that affect the subject property.  |



WHITE **CUBES**

**SCOPE OF WORK**

---

SCOPE OF  
WORK



## Scope of Work

### 1.1 Introduction

This report was prepared by WHITE CUBES Co. based on the International Valuation Standards of the Council of International Assessment Standards (IVSC 2022) and the Guide to Practice and Regulations issued by the Saudi Authority of Accredited Valuers (Taqeem), to ensure accurate access to information, the evaluation report must be read in its entirety, our firm is pleased to offer its services to Awal Al Malqa Real Estate Company in order to estimate the fair value of the property that is being evaluated.

### 1.2 Purpose of valuation

The client requested that we evaluate the subject properties for **inclusion in the financial statements.**

### 1.3 Basis of Valuation

**According to Paragraph 1.2, the appropriate basis for value adopted in the evaluation process is the fair value of the property.**

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the principle of an "exit price,"

### 1.4 Valuation Methods

Depending on the purpose of the valuation, and upon the request of the client, we will apply the comparable approach, cost approach and income approach.

### 1.5 Currency

Unless otherwise stated, all values in the report are in Saudi Arabian Riyals.

### 1.6 Scope of Research

Research is an important part of the valuation process. We will conduct extensive research and analysis of various factors that can impact the value of a property or asset, such as market conditions, comparable sales, property characteristics, income potential, and legal and regulatory factors.

## 1.7 Property Inspection

Inspection refers to visiting and inspecting an asset, testing its performance, and gathering information about it from quantities, specifications, land area, building areas, rental areas, services, public utilities, project components, etc., so that an opinion can be expressed regarding its value. Therefore, we confirm that subject property was inspected on June 01, 2023. We will then use this evidence to assess and evaluate the project. We remain committed to providing the client with an accurate and reliable valuation.

## 1.8 Information Sources

An on-site field survey was conducted by our team to ensure the accuracy of some market information required for the valuation, including nearby asset prices, occupancy rates, and specific information about the asset under valuation, to determine its actual fair value. The following sources were used during the field research process:

- Property records: Such as Title deeds, construction permits and layouts.
- Market trends: Real estate market trends and economic indicators can be used to assess the overall demand and supply for properties in the area.
- Market scanning: Income-producing properties such as rental properties can be valued based on their income potential.
- Physical inspection of the property can provide valuable information on its condition and any unique features that may affect its value.
- Construction permit and Layouts.

## 1.9 Assumptions and Special Assumptions

As defined by the International Valuation Standards, assumptions are logical matters that can be accepted as facts during valuation work without being specifically checked or scrutinized. They are accepted as soon as they are mentioned. Based on the facts at the time of the valuation.

- It has been assumed that the information provided by the client is accurate, but we were not provided with the ownership documents for the asset.
- Assumed that all information received from the client is accurate and up to date as of the date of the valuation, whether oral or written.
- This is a valuation report rather than a structural survey. As a result, we did not conduct any utility checks, service checks, soil tests, etc.
- The valuation methodologies are based on market data compiled using our relevant market knowledge and experience.
- This report's output (final value) is derived from assumptions used, documents received from the client, and market data. Nevertheless, the output estimates provide an indication of the property's value.
- After studying the market and using the built-up model, a discount rate of 7.5% was assumed for the project.

### **1.10 Use, Distribution, and Publication Restrictions**

To estimate the fair value of the assets being evaluated, WHITE CUBES Co. has prepared this report. There are restrictions on the transfer, referencing, and presentation of this report and its contents to any other party except as stipulated in the contract letter, and the client must obtain our prior written consent in order to use this report for any other purpose other than that stated in this report.

### **1.11 Legal Notes**

As far as we are aware, no legal notices have been served on the property, whether they are in progress or pending in the court system.



WHITE **CUBES**

**PROPERTY DETAILS**

---

PROPERTY  
DETAILS

## Property and Location Description

### 2.1 Property Description

The subject property is a residential compound located in Al Malqa district, Riyadh city. Based on the provided copies of the title deed and the construction permit, the project has a total land area of 15,924.68 Sqm, and a total BUA of 41,362 Sqm. As per the site inspection done by our team for the purpose of valuation, the property is composed of 252 residential apartment units, (224) 3 bedrooms apartment and (10) 2 bedrooms apartment and (18) 1 bedroom apartment. The project is open on 4 sides with a direct view on Hajar Valley Road from the north side.

### 2.2 Surrounding Area

The subject property is surrounded mostly by several residential and commercial buildings.

### 2.3 Ease of Access

Based on the current location of the subject property, the access level is Medium since it is located on Hajar Valley street.

### 2.4 Infrastructure

All the infrastructural facilities are available in the surroundings and connected to the subject property.



## 2.5 Title Deed and Ownership

The client provides us with copies of the title deeds related to the subject property which is owned by four title deed. The details of the subject property:

|   |                                   |                                   |                                   |                                   |
|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| <b>City</b>                                 | Riyadh                            | Riyadh                            | Riyadh                            | Riyadh                            |
| <b>District</b>                             | Al Malqa                          | Al Malqa                          | Al Malqa                          | Al Malqa                          |
| <b>Title deed Type</b>                      | Electronic                        | Electronic                        | Electronic                        | Electronic                        |
| <b>T.D No.</b>                              | 814009006124                      | 814009006125                      | 614004005871                      | 314002002198                      |
| <b>T.D Date</b>                             | 14/09/1440                        | 14/09/1440                        | 15/09/1440                        | 14/09/1440                        |
| <b>Title Deed Value</b>                     | 38,181,818.19                     | 38,181,818.19                     | 38,181,818.19                     | 38,181,818.19                     |
| <b>Date of Latest Transaction Issued by</b> | 14/09/1440<br>Riyadh Notary       | 14/09/1440<br>Riyadh Notary       | 15/09/1440<br>Riyadh Notary       | 14/09/1440<br>Riyadh Notary       |
| <b>Property Type</b>                        | Residential                       | Residential                       | Residential                       | Residential                       |
| <b>Land Area (Sqm)</b>                      | 5,481,45                          | 3,481,1                           | 3,481,9                           | 3,480,23                          |
| <b>Plot No.</b>                             | 2333/2334                         | 1/2336                            | 1/2337                            | 1/2335                            |
| <b>Block No.</b>                            | N/A                               | N/A                               | N/A                               | N/A                               |
| <b>Layout No.</b>                           | 3114                              | 3114                              | 3114                              | 3114                              |
| <b>Owners</b>                               | Awal Al Malqa Real Estate Company | Awal Al Malqa Real Estate Company | Awal Al Malqa Real Estate Company | Awal Al Malqa Real Estate Company |
| <b>Ownership</b>                            | Freehold                          | Freehold                          | Freehold                          | Freehold                          |
| <b>Limitations of Document</b>              | Mortgaged                         | Mortgaged                         | Mortgaged                         | Mortgaged                         |

**Note:** The client has provided us with copy of the Title Deed which was assumed to be correct and authentic. It is not in our scope to run legal diagnosis on any legal document.

## 2.6 Construction and Buildings

The building permit indicates the maximum permissible BUA approved by the city municipality. However, the actual area may differ from the area mentioned in the building permit. Therefore, the Client has provided us with a copy of the Construction Permit issued by Riyadh Municipality with the below details:

|                                 | CP 1                          | CP 2              | CP 3              | CP 4              |
|---------------------------------|-------------------------------|-------------------|-------------------|-------------------|
| <b>Construction Permit Type</b> | Modification of building plan | Separation        | Separation        | Separation        |
| <b>Property Type</b>            | Residential                   | Residential       | Residential       | Residential       |
| <b>Construction Permit No.</b>  | 1432/5259                     | 1433/15270        | 1433/15269        | 1433/15265        |
| <b>Construction Permit Date</b> | 26/03/1432                    | 21/08/1433        | 21/08/1433        | 21/08/1433        |
| <b>Permit Expiry Date</b>       | 26/03/1435                    | 21/08/1436        | 21/08/1436        | 21/08/1436        |
|                                 |                               |                   |                   |                   |
|                                 | CP 1                          | CP 2              | CP 3              | CP 4              |
| <b>Description</b>              | <b>Area (Sqm)</b>             | <b>Area (Sqm)</b> | <b>Area (Sqm)</b> | <b>Area (Sqm)</b> |
| Basement                        | 2,052.89                      | 2,052.89          | 2,052.89          | 2,052.89          |
| Residential Ground Floor        | 2,088.00                      | 2,088.20          | 2,088.00          | 2,088.00          |
| First Residential Floor         | 2,555.78                      | 2,555.78          | 2,555.78          | 2,555.78          |
| Second Residential Floor        | 2,380.22                      | 2,380.22          | 2,380.22          | 2,380.22          |
| Annex Floor                     | 1,263.56                      | 1,263.56          | 1,263.56          | 1,263.56          |
| <b>Total BAU (sqm)</b>          | <b>10,340,45</b>              | <b>10,340.65</b>  | <b>10,340,45</b>  | <b>10,340,45</b>  |

As per the provided construction permit, the total BUA is 41,362 Sqm, which will be used in our valuation analysis.

## 2.7 Facilities, Amenities and Services

| Facilities                       |                               |
|----------------------------------|-------------------------------|
| 2 Gymnasiums (For Men and Women) | 18 Elevators with VVVF System |
| Services & Amenities             |                               |
| Pest Control                     | Security Services             |
| Cleaning Services                | General Maintenance           |
| Plumbing Works                   | Electric Works                |
| Mechanical Works                 | Home Appliances Maintenance   |

## 2.8 Maintenance & Operational Expenses

Based on the information provided to us by the client, the total maintenance and operating costs of the subject property are 1,424,420 SAR per year, which includes all administration, maintenance, operation and general service bills, addition to 7% advertising fees and 2% agreement renewal.

## 2.9 Building Gross Leasable Area (GLA)

| Floor No. | Use         | No. of Units | BUA (Sqm) | GLA (Sqm) | Information Source                         |
|-----------|-------------|--------------|-----------|-----------|--|
| 3 Bed Apt | Residential | 224          | ----      | 29,783    | Rental spaces are obtained from the client |
| 2 Bed Apt | Residential | 10           | ----      | 930       |  |
| 1 Bed Apt | Residential | 18           | ----      | 2,110     |  |

\*This rental space is for residential units only.

## 2.10 INSURANCE

Based on the information provided to us by the client, the total costs of the subject property are SAR 117,540 insurance premium expenses.



2.11 Photographs of the Subject Property





WHITE **CUBES**

**MARKET INDICATORS**

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MARKET  
INDICATORS

## Market Indicators

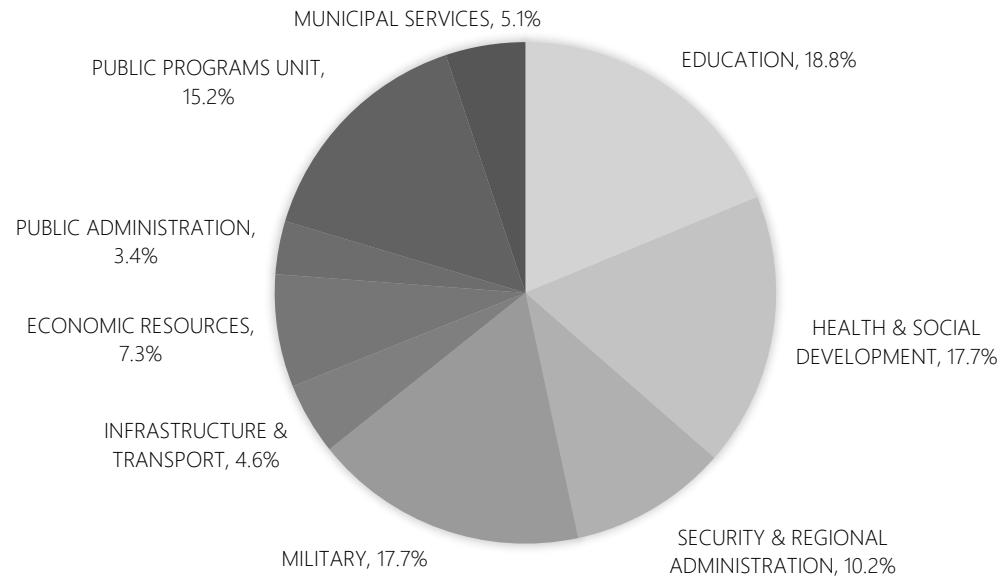
### 3.1 Saudi Arabia Economic Indicators

| Economic Indicator                    | Budget | Expectations | Estimated |       |
|---------------------------------------|--------|--------------|-----------|-------|
|                                       | 2022   | 2023         | 2024      | 2025  |
| <b>Total revenue</b>                  | 1,234  | 1,130        | 1,146     | 1,205 |
| <b>Total expenses</b>                 | 1,132  | 1,114        | 1,125     | 1,134 |
| <b>Budget surplus</b>                 | 102    | 16           | 21        | 71    |
| <b>Debt</b>                           | 985    | 951          | 959       | 962   |
| <b>GDP growth</b>                     | 8.5%   | 3.1%         | 5.7%      | 4.5%  |
| <b>Nominal gross domestic product</b> | 3,957  | 3,869        | 3,966     | 4,247 |
| <b>Inflation</b>                      | 2.6%   | 2.1%         | 2.1%      | 2.0%  |

### 3.2 Budget Allocation for 2022




|                          |            |
|--------------------------|------------|
| Public Administration    | 37 SAR bn  |
| Military                 | 259 SAR bn |
| Security & Regional Adm. | 105 SAR bn |
| Municipal Services       | 63 SAR bn  |
| Education                | 189 SAR bn |
| Health & Social Dev.     | 189 SAR bn |
| Economic Resources       | 72 SAR bn  |
| Infrastructure Transport | 34 SAR bn  |
| General Items            | 165 SAR bn |

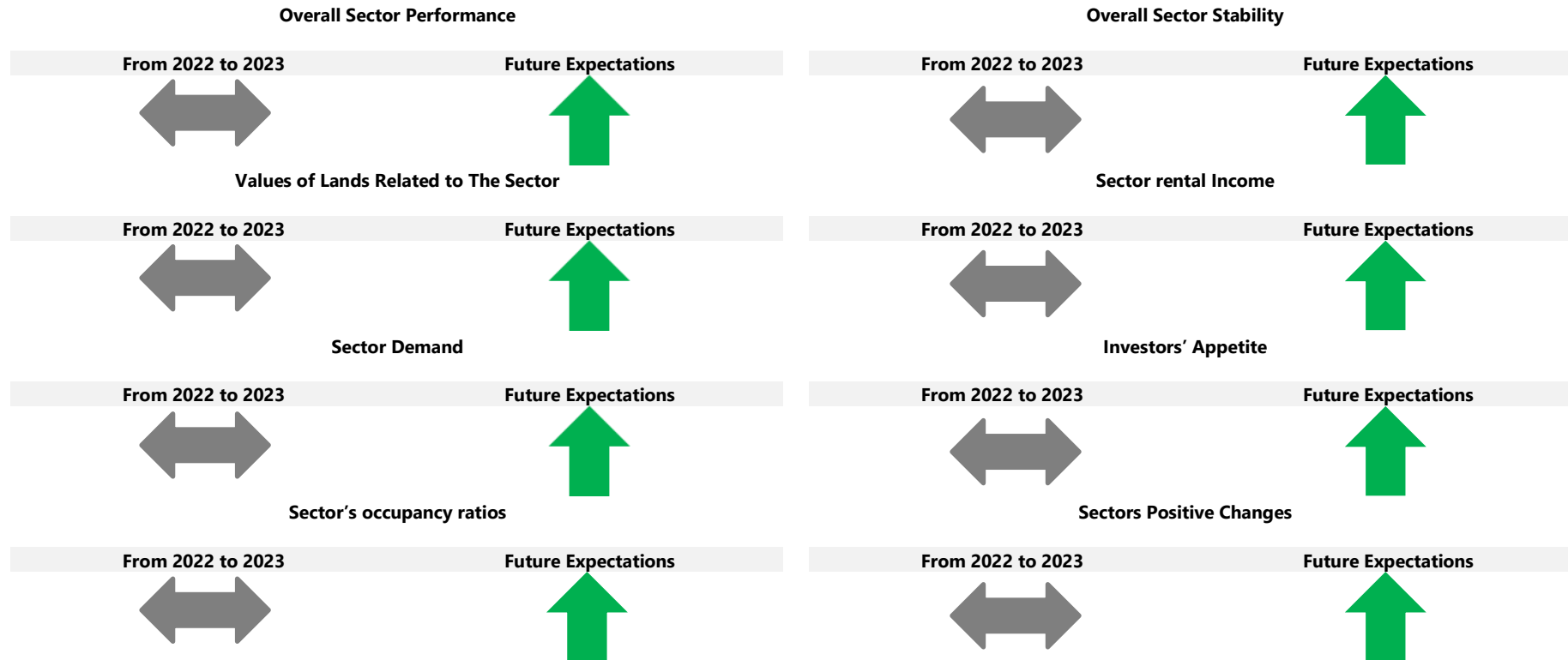
Source: Ministry of Finance



### 3.3 Sector Brief

In the following we will insert general information about the real estate sector related to the property subject of our valuation and which is intended to give an initial indication on the sector. These information and indicators are estimated based on our experience, the current sector performance and some other historical data collected from our side, In addition to some current economic changes in general.

-  Indicator showing a decrease in the current performance comparing to last year
-  Indicator showing an increase in the current performance comparing to last year
-  Indicator showing a stable position in the current performance comparing to last year



White Cubes Team's Analysis

### 3.4 Risk Analysis

#### - Sector Analysis

| Risk Factor                | Very Low Risk (1) | Minimal Risk (2) | Medium Risk (3) | Elevated Risk (4) | Very High Risk (5) |
|----------------------------|-------------------|------------------|-----------------|-------------------|--------------------|
|                            | 1-6               | 7-12             | 13-18           | 19-24             | 25-30              |
| Overall, Economy           | ----              | ----             | ✓               | ----              | ----               |
| Sector Current Performance | ----              | ----             | ✓               | ----              | ----               |
| Sector Future Performance  | ----              | ✓                | ----            | ----              | ----               |
| Occupancy Rates            | ----              | ----             | ✓               | ----              | ----               |
| Supply Rate                | ----              | ----             | ✓               | ----              | ----               |
| Demand Rate                | ----              | ----             | ✓               | ----              | ----               |
| Total Risk                 | 0                 | 2                | 15              | 0                 | 0                  |

**Risk Category 17 Risk Points - Medium Risk**

#### -Land Analysis

| Risk Factor                 | Very Low Risk (1) | Minimal Risk (2) | Medium Risk (3) | Elevated Risk (4) | Very High Risk (5) |
|-----------------------------|-------------------|------------------|-----------------|-------------------|--------------------|
|                             | 1-5               | 6-10             | 11-15           | 16-20             | 21-25              |
| Access                      | ----              | ✓                | ----            | ----              | ----               |
| Location                    | ----              | ✓                | ----            | ----              | ----               |
| Land Shape                  | ----              | ✓                | ----            | ----              | ----               |
| Surrounding Area facilities | ----              | ✓                | ----            | ----              | ----               |
| Total Risk                  | 0                 | 8                | 0               | 0                 | 0                  |

**Risk Category 8 Risk Points – Minimal Risk**

#### -Property Analysis

| Risk Factor            | Very Low Risk (1) | Minimal Risk (2) | Medium Risk (3) | Elevated Risk (4) | Very High Risk (5) |
|------------------------|-------------------|------------------|-----------------|-------------------|--------------------|
|                        | 1-3               | 4-6              | 7-9             | 10-12             | 13-15              |
| Facilities & Amenities | ----              | ----             | ✓               | ----              | ----               |
| Management Skills      | ----              | ----             | ✓               | ----              | ----               |
| Overall Condition      | ----              | ✓                | ----            | ----              | ----               |
| Total Risk             | 0                 | 2                | 6               | 0                 | 0                  |

**Risk Category 8 Risk Points - Medium Risk**



WHITE **CUBES**

PROPERTY VALUATION

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PROPERTY  
VALUATION

## Property Valuation

### 4 Valuation Methods

With reference to the valuation purpose, taking into consideration the nature of the subject property, we will use the following ticked methods to estimate the fair value of the subject property:

|                  | Market Approach   | Cost Approach | Income Approach |                |                  |            |
|------------------|-------------------|---------------|-----------------|----------------|------------------|------------|
|                  | Comparable method | DRC method    | DCF method      | Invest. method | Cap. Rate method | RLV method |
| <b>Land</b>      | ✓                 | ----          | ----            | ----           | ----             | ----       |
| <b>Buildings</b> | ----              | ✓             | ----            | ----           | ----             | ----       |
| <b>Property</b>  | ----              | ----          | ----            | ----           | ✓                | ----       |

#### COMPARABLE METHOD

This is the method most are familiar with as it is the accepted method for valuing residential real estate. Typically, this method involves selecting properties with similar characteristics in the same market area that have recently sold. Once those properties are found they are compared to the property in question and a professional appraiser will deduct value from the subject property for comparative deficiencies and increase value for advantages. Typically, this method is required if the investor is seeking conventional financing. For comparable information, property brokers, dealers and estate agents are contacted to ascertain the asking and selling prices for property of the nature in the immediate neighborhood and adjoining areas. Neighboring properties, which have been recently sold or purchased, are investigated to ascertain a reasonable selling price.

#### DEPRECIATED REPLACEMENT COST (DRC)

A cost approach is a real estate valuation method that surmises that the price someone should pay for a piece of property should not exceed what someone would have to pay to build an equivalent building. In cost approach pricing, the market price for the property is equivalent to the cost of land plus cost of construction, less depreciation. It is often most accurate for fair value when the property is new. Generally, the cost approach considers what the land, devoid of any structures, would cost, then adds the cost of building the structures, then depreciation is subtracted. The cost approach is most often used for public buildings, such as schools and mosques, because it is difficult to find recently sold comparable properties in the local market, and public buildings do not earn income, so the income approach cannot be used, either. A property that already has improvements will usually contribute a certain amount of value to the site, but improvements can also lower property value if the site's potential buyers wish to use the property for another use that would entail removing some of the improvements to the current site. The

cost approach is best used when improvements are new and there is adequate pricing information to value the property components. The cost approach may be less desirable if there are no recent sales of vacant land for which to compare, since the major method of valuing vacant lands is to use the sales comparison approach, or when construction costs are not readily available. The cost approach method includes:

- Estimate what the subject property would be worth.
- Estimate the current cost of building the structures, then add that value to the value of the vacant land.
- Estimate the amount of accrued depreciation of the subject property, then subtract it from the total to arrive at the property's worth.

### **CAPITALIZATION METHOD (CAP RATE)**

The income approach values property by the amount of income that it can potentially generate. Hence, this method is used for apartments, office buildings, malls, and other property that generates a regular income.

The appraiser calculates the income according to the following steps:

- Estimate the potential annual gross income by doing market studies to determine what the property could earn, which may not be the same as what it is currently earning.
- The effective gross income is calculated by subtracting the vacancy rate and rent loss as estimated by the appraiser using market studies.
- The net operating income (NOI) is then calculated by subtracting the annual operating expenses from the effective gross income. Annual operating expenses include real estate taxes, insurance, utilities, maintenance, repairs, advertising, and management expenses. Management expenses are included even if the owner is going to manage it, since the owner incurs an opportunity cost by managing it herself. The cost of capital items is not included since it is not an operating expense. Hence, it does not include mortgage and interest since this is a debt payment on a capital item.

Estimate the capitalization rate (aka cap rate), which is the rate of return, or yield, that other investors of property are getting in the local market.



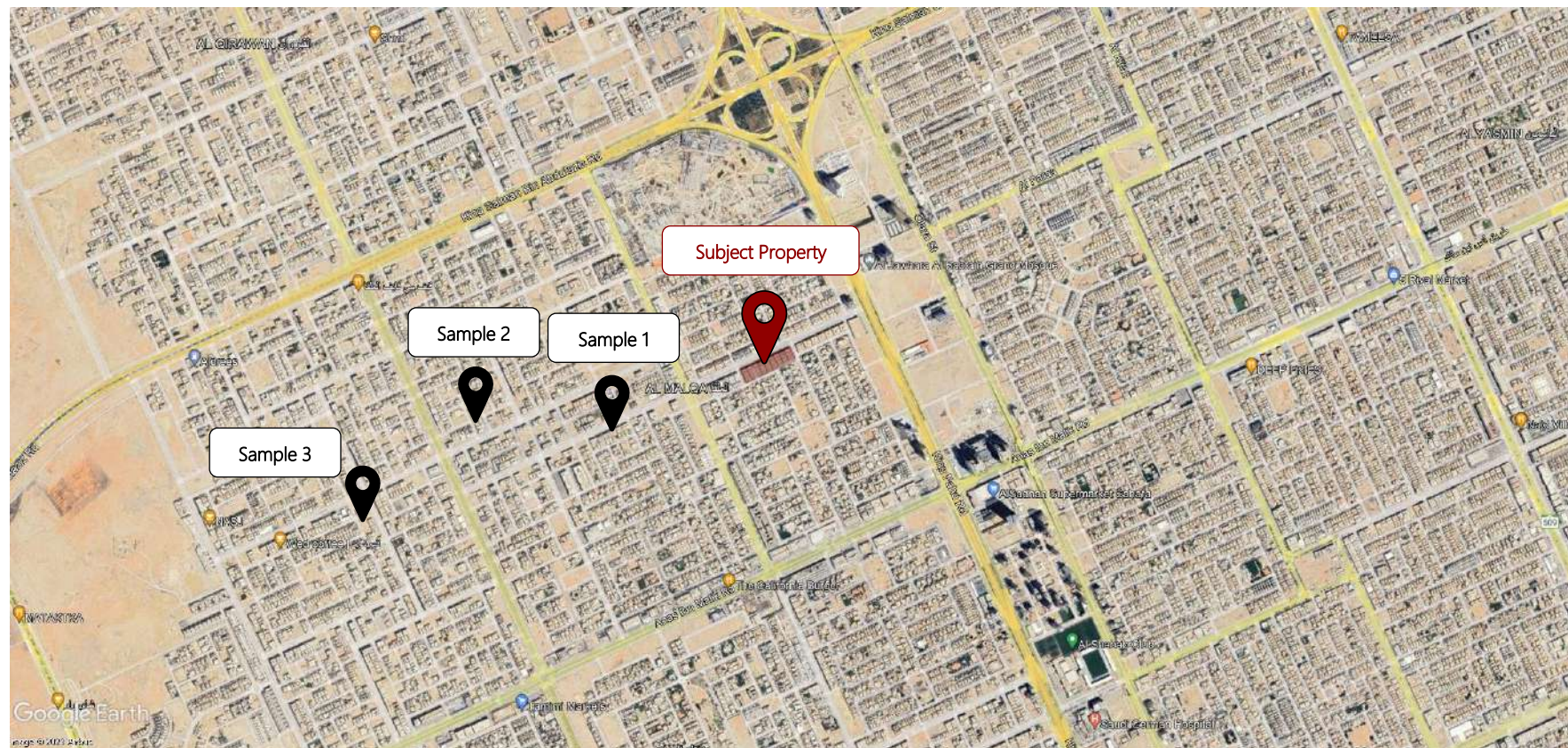
#### 4.1 Comparable Method

This method aims to collect data and information on actual sales and / or current offers of similar properties within the surrounding market, and then make the necessary adjustments to these comparisons in terms of area, location, shape, quality, content, and others. Below is a summary of the valuation process using the comparable method and the amendments made to the available comparisons.

| Characteristics of Samples            |                  |                |  |                |  |               |  |
|---------------------------------------|------------------|----------------|--|----------------|--|---------------|--|
| Feature                               | Subject Property | Sample 1       |  | Sample 2       |  | Sample 3      |  |
| Quoting                               | -----            | Offering       |  | Offering       |  | Offering      |  |
| City                                  | Riyadh           | Riyadh         |  | Riyadh         |  | Riyadh        |  |
| Sale Price                            | -----            | SAR 17,500,000 |  | SAR 24,198,000 |  | SAR 9,452,800 |  |
| Data Source                           | Client           | Market Survey  |  | Market Survey  |  | Market Survey |  |
| Area Size                             | 15,924.68        | 3,286.00       |  | 4,033.00       |  | 1,688.00      |  |
| SAR / Sqm                             | -----            | SAR 5,326      |  | SAR 6,000      |  | SAR 5,600     |  |
| Market Conditions Adjustment Analysis |                  |                |  |                |  |               |  |
|                                       | Subject Property | Sample 1       |  | Sample 2       |  | Sample 3      |  |
| SAR/ Sqm before Adj.                  | -----            | SAR 5,325.6    |  | SAR 6,000.0    |  | SAR 5,600.0   |  |
| Mortgage                              | -----            | Cash           |  | Cash           |  | Cash          |  |
| Market Conditions                     | -----            | 0.00%          |  | 0.00%          |  | 0.00%         |  |
| Total Adjustments Ratio               |                  | 0.00%          |  | 0.00%          |  | 0.00%         |  |
| Total Adjustment Amount               |                  | SAR 0.00       |  | SAR 0.00       |  | SAR 0.00      |  |
| Net After Adjustment                  |                  | SAR 5,325.62   |  | SAR 6,000.00   |  | SAR 5,600.00  |  |
| Location Adjustment Analysis          |                  |                |  |                |  |               |  |
|                                       | Subject Property | Sample 1       |  | Sample 2       |  | Sample 3      |  |
| Area Size                             | 15,924.68        | 3,286.00       |  | 4,033.00       |  | 1,688.00      |  |
| Location Desirability                 | Average          | Average        |  | Average        |  | Average       |  |
| Accessibility                         | Average          | Average        |  | Average        |  | Average       |  |
| Main Street Width (m)                 | 36               | 36             |  | 36             |  | 36            |  |
| Sides Open                            | 4                | 2              |  | 3              |  | 2             |  |
| Land Shape                            | Regular          | Regular        |  | Regular        |  | Regular       |  |
| Close to main street                  | Yes              | Yes            |  | Yes            |  | Yes           |  |
| Total Adjustments Ratio               |                  | 0.00%          |  | 0.00%          |  | 0.00%         |  |
| Total Adjustment Amount               |                  | SAR 0.0        |  | SAR 0.0        |  | SAR 0.0       |  |
| Net After Adjustment                  |                  | SAR 5,325.6    |  | SAR 6,000.0    |  | SAR 5,600.0   |  |
| Weighted Mean                         |                  | 15%            |  | 15%            |  | 70%           |  |
|                                       |                  | SAR 798.84     |  | SAR 900.00     |  | SAR 3,920.00  |  |
| SAR / Sqm                             | <b>SAR 5,619</b> |                |  |                |  |               |  |
| Rounded Value                         | <b>SAR 5,600</b> |                |  |                |  |               |  |

| Property Value | Sensitivity Analysis |                |                |                |                |                |
|----------------|----------------------|----------------|----------------|----------------|----------------|----------------|
|                |                      | -10%           | -5%            | 0%             | 5%             | 10%            |
| SAR 89,180,000 | Land Area            | 15,925         | 15,925         | 15,925         | 15,925         | 15,925         |
|                | SAR / Sqm            | SAR 5,040.0    | SAR 5,320.0    | SAR 5,600.0    | SAR 5,880.0    | SAR 6,160.0    |
|                | Property Value       | SAR 80,260,387 | SAR 84,719,298 | SAR 89,178,208 | SAR 93,637,118 | SAR 98,096,029 |

Based on the market samples obtained with the assistance of some real estate experts in the region and the inspection made by our team, the average price for similar properties falls in the range of 5,000 – 6,200 SAR / Sqm with an average of 5,600 SAR / Sqm. When comparing with the results of the analysis of comparisons, we found that the property value falls within the same range and is close to the market average values.



## 4.2 Depreciated Replacement Cost (DRC) Approach

As a first step, the cost of reconstructing the building (the cost of replacement) was estimated, based on the average construction costs of similar properties and at the same level of finishes, services, utilities, and others. The opinion of some engineering experts was used in this regard. The following table shows the expected replacement costs for such property.

|                                | Min Cost (SAR / Sqm) | Max Cost (SAR / Sqm) | Average Cost |
|--------------------------------|----------------------|----------------------|--------------|
| <b>Concrete Cost</b>           | SAR 800              | SAR 1,000            | SAR 900      |
| <b>MEP</b>                     | SAR 450              | SAR 550              | SAR 500      |
| <b>Finishing Materials</b>     | SAR 700              | SAR 900              | SAR 800      |
| <b>Fit outs &amp;Appliance</b> | SAR 900              | SAR 1,100            | SAR 1,000    |
| <b>Furniture</b>               | SAR 750              | SAR 850              | SAR 800      |
| <b>Site Improvements</b>       | SAR 180              | SAR 220              | SAR 200      |
| <b>Developer Profit</b>        | 20%                  | 30%                  | 25%          |

In the following table, we will estimate the direct replacement cost of the property taking into consideration the main components of the building, such as the concrete structure, electromechanical work, finishes, site improvements, etc. Then we will estimate the value of the indirect costs as a percentage of the total direct costs to estimate the total construction costs of the project

| <b>Land</b>         |                  |  |                |
|---------------------|------------------|--|----------------|
| Land Area           | SAR / Sqm        |  | Total Value    |
| 15,924.68           | SAR 5,600        |  | SAR 89,178,208 |
| <b>Building</b>     |                  |  |                |
|                     | Unit             |  | Total BUA      |
| <b>Underground</b>  | Sqm              |  | SAR 8,212      |
| <b>Ground Floor</b> | Sqm              |  | SAR 8,352      |
| <b>Upper Floors</b> | Sqm              |  | SAR 19,744     |
| <b>Annex</b>        | Sqm              |  | SAR 5,054      |
| <b>Fences</b>       | Sqm              |  | SAR 477.7      |
| <b>Total (SQM)</b>  | <b>41,362.00</b> |  |                |

| <b>Development Cost</b>           |           |           |                |                 |                |
|-----------------------------------|-----------|-----------|----------------|-----------------|----------------|
| <b>Hard Cost - (Upper Floors)</b> |           |           |                |                 |                |
|                                   | Area      | SAR / Sqm | Total          | Completion Rate | Total Cost     |
| Skeleton and Block                | 33,150.44 | SAR 900   | SAR 29,835,396 | 100%            | SAR 29,835,396 |
| Electro Mechanic                  | 33,150.44 | SAR 500   | SAR 16,575,220 | 100%            | SAR 16,575,220 |
| Finishing                         | 33,150.44 | SAR 800   | SAR 26,520,352 | 100%            | SAR 26,520,352 |
| Fit outs and Appliances           | 33,150.44 | SAR 1,000 | SAR 33,150,440 | 100%            | SAR 33,150,440 |
| Furniture                         | 33,150.44 | SAR 800   | SAR 26,520,352 | 100%            | SAR 26,520,352 |
| Site Improvement                  | 15,924.68 | SAR 200   | SAR 3,184,936  | 100%            | SAR 3,184,936  |

| <b>Total</b>                     |                           | <b>SAR 135,786,696</b> |                        | <b>100%</b>               | <b>SAR 135,786,696</b>   |
|----------------------------------|---------------------------|------------------------|------------------------|---------------------------|--------------------------|
| <b>Hard Cost - (Underground)</b> |                           |                        |                        |                           |                          |
|                                  | <b>Area</b>               | <b>SAR / Sqm</b>       | <b>Total</b>           | <b>Completion Rate</b>    | <b>Total Cost</b>        |
| Skeleton & Block                 | 8,211.56                  | SAR 1,350              | SAR 11,085,606         | 100%                      | SAR 11,085,606           |
| Electro Mechanic                 | 8,211.56                  | SAR 700                | SAR 5,748,092          | 100%                      | SAR 5,748,092            |
| Finishing                        | 8,211.56                  | SAR 200                | SAR 1,642,312          | 100%                      | SAR 1,642,312            |
| <b>Total</b>                     |                           |                        | <b>SAR 18,476,010</b>  | <b>100%</b>               | <b>SAR 18,476,010</b>    |
| <b>Overall Soft Cost</b>         |                           |                        |                        |                           |                          |
|                                  |                           |                        | <b>Total Hard Cost</b> | <b>Ratio</b>              | <b>Soft Cost</b>         |
| <b>Initial Project Pre Cost</b>  |                           |                        | SAR 154,262,706        | 0.10%                     | SAR 154,263              |
| <b>Design</b>                    |                           |                        | SAR 154,262,706        | 1.00%                     | SAR 1,542,627            |
| <b>Eng Consultant</b>            |                           |                        | SAR 154,262,706        | 1.00%                     | SAR 1,542,627            |
| <b>Management</b>                |                           |                        | SAR 154,262,706        | 5.00%                     | SAR 7,713,135            |
| <b>Contingency</b>               |                           |                        | SAR 154,262,706        | 5.00%                     | SAR 7,713,135            |
| <b>Others</b>                    |                           |                        | SAR 154,262,706        | 0.00%                     | SAR 0                    |
| <b>TOTAL</b>                     |                           |                        |                        | <b>12.10%</b>             | <b>SAR 18,665,787.43</b> |
| <b>Total Hard Cost</b>           | <b>SAR 154,262,706</b>    |                        |                        | <b>BUA</b>                | <b>41,362.00</b>         |
| <b>Total Soft Cost</b>           | <b>SAR 18,665,787.43</b>  |                        |                        | <b>SAR / Sqm</b>          | <b>SAR 4,181</b>         |
| <b>Total Construction Cost</b>   | <b>SAR 172,928,493.43</b> |                        |                        | <b>Overall Completion</b> | <b>100%</b>              |

After knowing the total construction costs at a rate of 4,181 SAR per square meter, we will estimate the economic life of the property according to the type of construction and its general condition, then apply the depreciation rates based on the actual age of the property. The developer's profitability will be added to the property's value after depreciation to reflect the estimated fair value of the building.

| <b>DEVELOPMENT VALUE</b>     |                        |                                |                        |
|------------------------------|------------------------|--------------------------------|------------------------|
| <b>Total Dev Cost</b>        | <b>SAR 172,928,493</b> | <b>Annual Dep Rate</b>         | 2.00%                  |
| <b>Total Completion Rate</b> | 100%                   | <b>Actual Age</b>              | 9                      |
| <b>Developer Profit Rate</b> | 25.0%                  | <b>Total Dep Rate</b>          | 18.00%                 |
| <b>Dev. Profit Amount</b>    | SAR 43,232,123         | <b>Add Appr Rate</b>           | 0.00%                  |
| <b>Development Value</b>     | <b>SAR 185,033,488</b> | <b>Net Dep Rate</b>            | <b>18.00%</b>          |
| <b>Economic Age</b>          | 50                     | <b>Cost After Depreciation</b> | <b>SAR 141,801,365</b> |

In order to determine the full value of the property, the construction costs will be added to the fair value of the land as follows:

| <b>Total Dev. Value</b> | <b>Land Value</b>     | <b>Total Property Value</b> | <b>Rounded Value</b>   |
|-------------------------|-----------------------|-----------------------------|------------------------|
| <b>SAR 185,033,488</b>  | <b>SAR 89,178,208</b> | <b>SAR 274,211,696</b>      | <b>SAR 274,210,000</b> |

### 4.3 Capitalization Method (Market Rate)

#### Market Rental Analysis

Based on the market survey done by our team, we have found several compounds classified as class A with an average rental rate shown in the below table and on which we will apply an adjustment to achieve the average rental rates for the subject apartments:

| Sample Name       | Rental Rates |            | Adjustments             |          |                        | Rental Rates After Adjust. |              |
|-------------------|--------------|------------|-------------------------|----------|------------------------|----------------------------|--------------|
|                   | 2 Bedrooms   | 3 Bedrooms | Compound Classification | Location | Facilities & Amenities | 2 Bedrooms                 | 3 Bedrooms   |
| Al Hamra Compound | 1,450        | 1,250      | -5%                     | -5%      | -5%                    | 1,233                      | 1,063        |
| Arizona Compound  | 1,550        | 1,400      | -5%                     | -5%      | -5%                    | 1,318                      | 1,190        |
| <b>Average</b>    |              |            |                         |          |                        | <b>1,275</b>               | <b>1,126</b> |

We have classified the subject property compound as class B, yet and based on the above adjustments (compound classification, location and provided facilities and amenities), we have achieved an average rental rate of 1,275 SAR/ Sqm for 2 bedrooms apartment and 1,150 SAR/ Sqm for 3 bedrooms apartment. The estimated average rate used in 1,200 SAR/ Sqm.

#### OPEX

As for the operational expenses for such projects covering the maintenance, management, operation, etc. it is usually calculated as 15% from the total expected revenues of the subject property.

#### Analysis of Operating and Maintenance Expenses

The operating expenses of similar properties reached between 20% to 25% of the total expected income for the property. These ratios depend on the condition and quality of the property and the type of services and public facilities available in the property itself. These ratios are divided into several main categories as follows:

|                                    |          |
|------------------------------------|----------|
| Management expenses                | 5% to 7% |
| Operating and maintenance expenses | 5% to 6% |
| General service bills expenses     | 3% to 4% |
| Other incidental expenses          | 2% to 3% |

### Property Operation and Maintenance Expenses

Based on the information provided to us by the client, the total maintenance and operating costs of the subject property are 1,424,420 SAR per year, which includes all administration, maintenance, operation and general service bills, addition to 7% advertising fees and 2% agreement renewal.

### Market Capitalization Rate Analysis

Based on recent transactions of real estate properties and funds, the average capitalization rate of acquiring such property falls in the range of 7% to 8%. This average is mainly driven by several factors such as the quality of the building, finishing materials, the general location, ease of access, actual age of the property, size of the project, and the extent of income stability in it. In addition to the above, the capitalization rates are also affected directly by the supply and demand rates for the same type of real estate

### The Capitalization Rate Used for the Valuation

Regarding the capitalization rate used in the valuation, we will base our analysis on the average capitalization rates based on the market and then make some adjustments based on the property situation in terms of its characteristics, location and some other important elements.

| project          | The Palm Compound | Al Hamra Oasis Compound | Antara Compound | Qurtubah Compound |
|------------------|-------------------|-------------------------|-----------------|-------------------|
| Sale price       | 2,191,000,000.00  | 850,000,000.00          | 946,000,000.00  | 302,000,000.00    |
| Revenue          | 142,415,000.00    | 68,000,000.00           | 75,680,000.00   | 22,650,000.00     |
| Cap Rate         | 6.50%             | 8.00%                   | 8.00%           | 7.50%             |
| Average Cap Rate | 7.50%             |                         |                 |                   |

The estimated capitalization rate of the property, which will be based on in the evaluation process, is 7.5%, which will be applied later on the net operating income of the property.

Based on the above, the value of the property using the income capitalization method is as follows:

| Revenues                       |                 |             |                       |                       |                          |
|--------------------------------|-----------------|-------------|-----------------------|-----------------------|--------------------------|
|                                | Quantity        |             | Revenues              |                       |                          |
| Unit Type                      | Total GLA       | No of Units | SAR / Sqm             | SAR / Unit            | Total Revenues           |
| Apartment Buildings            | 39,734          | 0           | SAR 1,175             | SAR 0                 | SAR 46,687,450           |
|                                |                 |             |                       | <b>Total Revenues</b> | <b>SAR 46,687,450</b>    |
| Expenses                       |                 |             |                       |                       |                          |
| Unit Type                      | Management      | Utilities   | Maintenance           | Other                 | Total Expenses           |
| Apartment Buildings            | 5.00%           | 7.50%       | 10.00%                | 30.00%                | 52.50%                   |
|                                |                 |             |                       | <b>Total Expenses</b> | <b>52.50%</b>            |
| Net Operating Income           |                 |             |                       |                       |                          |
| Unit Type                      | Total Revenues  |             | Total Expenses        |                       | NOI                      |
| Apartment Buildings            | SAR 46,687,450  |             | 52.50%                |                       | SAR 22,176,539           |
|                                |                 |             | <b>Total</b>          |                       | <b>SAR 22,176,539</b>    |
| <b>Total Property Revenues</b> |                 |             |                       |                       | SAR 46,687,450           |
| <b>Total Property Expenses</b> |                 |             |                       |                       | -SAR 24,510,911          |
| <b>Net Operating Income</b>    |                 |             |                       |                       | <b>SAR 22,176,538.75</b> |
| <b>Net Operating Income</b>    | <b>Cap Rate</b> |             | <b>Property Value</b> |                       | <b>Rounded Value</b>     |
| SAR 22,176,538.75              | 7.50%           |             | 295,687,183.33        |                       | SAR 295,700,000.00       |

#### 4.4 Subject Property Value in Different Approaches

| Methodology            | Subject of Valuation | Value in Numbers | Value in Letters   |
|------------------------|----------------------|------------------|--|
| <b>Income Approach</b> | Property             | SAR 295,700,000  | Two Hundred Ninety-Five Million Seven Hundred Thousand Saudi Riyals    |
| <b>DRC Approach</b>    | Land + Building      | SAR 274,210,000  | Two Hundred Seventy-Four Million Two Hundred Ten Thousand Saudi Riyals |

#### 4.5 Subject Property Value

We are of an opinion that the total fair value of the subject property taking into consideration the purpose of valuation by using the income approach -market rate is:

**Property Value: 295,700,000 SAR**  
**Two Hundred Ninety-Five Million Seven Hundred Thousand Saudi Riyals.**

#### 4.6 Notes

We trust that this report and valuation fulfills the requirements of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright. This report is compiled based on the information received to the best of our belief, knowledge and understanding. The information revealed in this report is strictly confidential and issued for the consideration of the client. The valuer's approval is required in writing to reproduce this report either electronically or otherwise and for further onward distribution, hence no part of this report may be copied without prior consent.

#### 4.7 Accredited Valuers

**Essam M. Al Husaini**  
 President



Fellow Member of (RE Valuation)  
 License No. 1210000474

**Nabeel M. Al Husaini**  
 CEO



Member of (RE Valuation)  
 License No. 1210002782

**Farah E. Al Husaini**  
 Valuation Manager



Member of (RE Valuation)  
 License No. 1210001964

**Nasser A. Al Arifi**  
 Valuer



Member of (RE Valuation)  
 License No. 1210002399



Membership- RE Branch  
 Membership No.:  
 11000171





WHITE **CUBES**  
DOCUMENTS

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DOCUMENT

Documents Received

5.1 Title deed and Construction Permit



الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد؛  
فإن قطعة الأرض رقم ٢٢٢٣ / ١٢٢٣٢ من المخطط رقم ٣١١٤ الواقع في حي الملكة بمدينة الرياض - حدودها وأطرافها كما يلي:  
شمالاً: شارع عرض ٣٩ م بطول: (٨٣,٥) متر وثمانون متر وخمسون سنتيمتر  
جنوباً: شارع عرض ٢٠ م بطول: (٨٣,٥) متر وثمانون متر وخمسون سنتيمتر  
شرقاً: شارع عرض ٣٥ م بطول: (٩٤,٧٢) متر وستون متر وثلاثة وستون سنتيمتر  
غرباً: قطعة رقم ٢٢٢٣ / ١ بطول: (٩٤,٧٢) متر وستون متر وخمسة وستون سنتيمتر  
ومساحتها: (٥,٤٨١,٤٥) مترمربعاً وثمانون متر مربعاً وخمسة وأربعون سنتيمتر مربعاً فقط وانقسم عليها جميع سكني  
المسجلة لدى شركة أول الملكة العقارية بموجب سجل تجاري رقم ١٠١٠٨٣٨٠٢ وتنتهي في ١٩ / ١٠ / ١٤٤١ هـ بالصك الصادر من كتابة العدل الأولى بالرياض رقم ٤٥٦٦٨ - ٣١٠١٢١٠٠٤٣٧ في ٢٢ / ٢ / ١٤٤٠ هـ. قد تم رهنها وما أقيم أو سيقام عليها من بناء / مصالح / شركة/تراجي المصرفية للاستثمار بموجب سجل تجاري رقم ١٠١٠٠٠٠٠٩٦ في ٢٥ / ١٠ / ١٣٧٦ هـ ضماناً لوفائه بما عليه من مستحقات مالية لصالح مصرف التراجي بموجب سجل تجاري رقم ١٠١٠٠٠٠٠٩٦ بمبلغ وقدره ( ٢٨١٨١٨١٨,١٩ ) ريال شائبة وتكون مهين ومائة وواحد وثمانون ألفاً وثمانمائة وخمسة عشر ريال وثمانمائة عشرة عنترة الخبز من الهيئة الشرعية بقرعة ١٨٠٧٢ في ١٤٣٩ / ٧ / ١٤٣٩ هـ على أن يتم سداد الحيثية على أقساط كل ستة أشهر من تاريخ صرف التمويل بقيمة كل قسط ( ١٠٠٠٠٠٠ ) ريال مليون ريال، تدفع اعتباراً من تاريخ ٢٠١٩ / ٣ / ٢١ هـ. وما يخص سعر السداد فلهذا يتم بيع العقار بالقيمة التي كتبت عليها الرهانات واستوفاء ما ذم الأراضين من مبلغ وما نقص يربح فيه عليه بعد اتمام ما يترتب شرعاً وعليه جرى التصديق تبريراً في ١٤ / ١٠ / ١٤٤٠ هـ. ووصل الله على نبينا محمد وآله وصحبه وسلم.

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد؛  
فإن قطعة الأرض رقم ١٢٢٣ / ١٢٢٣٢ من المخطط رقم ٣١١٤ الواقع في حي الملكة بمدينة الرياض - حدودها وأطرافها كما يلي:  
شمالاً: شارع عرض ٣٩ م بطول: (٨٣) متر وخمسون متر  
جنوباً: شارع عرض ٢٠ م بطول: (٨٣) متر وخمسون متر  
شرقاً: قطعة رقم ٢٢٢٣ / ٢٢٢٣٢ بطول: (٩٤,٧٥) متر وستون متر وخمسة وستون سنتيمتر  
غرباً: قطعة رقم ١ / ٢٢٢٣٢ بطول: (٩٤,٧٢) متر وستون متر وسبعة وستون سنتيمتر  
ومساحتها: (٣,٤٨٠,٣٣) مترمربعاً وثمانون متر مربعاً و٢٥٥ مترمربعاً فقط وانقسم عليها جميع سكني  
المسجلة لدى شركة أول الملكة العقارية بموجب سجل تجاري رقم ١٠١٠٨٣٨٠٢ وتنتهي في ١٩ / ١٠ / ١٤٤١ هـ بالصك الصادر من كتابة العدل الأولى بالرياض رقم ٤٥٦٦٧ - ٣١٠١٢١٠٠٤٣٧ في ٢٢ / ٢ / ١٤٤٠ هـ. قد تم رهنها وما أقيم أو سيقام عليها من بناء / مصالح / شركة/تراجي المصرفية للاستثمار بموجب سجل تجاري رقم ١٠١٠٠٠٠٠٩٦ في ٢٥ / ١٠ / ١٣٧٦ هـ ضماناً لوفائه بما عليه من مستحقات مالية لصالح مصرف التراجي بموجب سجل تجاري رقم ١٠١٠٠٠٠٠٩٦ بمبلغ وقدره ( ٢٨١٨١٨١٨,١٩ ) ريال شائبة وتكون مهين ومائة وواحد وثمانون ألفاً وثمانمائة وخمسة عشر ريال وثمانمائة عشرة عنترة الخبز من الهيئة الشرعية بقرعة ١٨٠٧٢ في ١٤٣٩ / ٧ / ١٤٣٩ هـ على أن يتم سداد الحيثية على أقساط كل ستة أشهر من تاريخ صرف التمويل بقيمة كل قسط ( ١٠٠٠٠٠٠ ) ريال مليون ريال، تدفع اعتباراً من تاريخ ٢٠١٩ / ٣ / ٢١ هـ. وما يخص سعر السداد فلهذا يتم بيع العقار بالقيمة التي كتبت عليها الرهانات واستوفاء ما ذم الأراضين من مبلغ وما نقص يربح فيه عليه بعد اتمام ما يترتب شرعاً وعليه جرى التصديق تبريراً في ١٤ / ١٠ / ١٤٤٠ هـ. ووصل الله على نبينا محمد وآله وصحبه وسلم.

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد؛  
فإن قطعة الأرض رقم ٢٢٢٣ / ١٢٢٣٢ من المخطط رقم ٣١١٤ الواقع في حي الملكة بمدينة الرياض - حدودها وأطرافها كما يلي:  
شمالاً: شارع عرض ٣٩ م بطول: (٨٣) متر وخمسون متر  
جنوباً: شارع عرض ٢٠ م بطول: (٨٣) متر وخمسون متر  
شرقاً: قطعة رقم ٢٢٢٣ / ١ بطول: (٩٤,٧٢) متر وستون متر وخمسة وستون سنتيمتر  
غرباً: شارع عرض ٣٥ م بطول: (٩٤,٧٢) متر وستون متر وسبعون سنتيمتر  
ومساحتها: (٥,٤٨١,٤٥) مترمربعاً وثمانون متر مربعاً وثمانون سنتيمتر مربعاً فقط وانقسم عليها جميع سكني  
المسجلة لدى شركة أول الملكة العقارية بموجب سجل تجاري رقم ١٠١٠٨٣٨٠٢ وتنتهي في ١٩ / ١٠ / ١٤٤١ هـ بالصك الصادر من كتابة العدل الأولى بالرياض رقم ٤٥٦٦٧ - ٣١٠١٢١٠٠٤٣٧ في ٢٢ / ٢ / ١٤٤٠ هـ. قد تم رهنها وما أقيم أو سيقام عليها من بناء / مصالح / شركة/تراجي المصرفية للاستثمار بموجب سجل تجاري رقم ١٠١٠٠٠٠٠٩٦ في ٢٥ / ١٠ / ١٣٧٦ هـ ضماناً لوفائه بما عليه من مستحقات مالية لصالح مصرف التراجي بموجب سجل تجاري رقم ١٠١٠٠٠٠٠٩٦ بمبلغ وقدره ( ٢٨١٨١٨١٨,١٩ ) ريال شائبة وتكون مهين ومائة وواحد وثمانون ألفاً وثمانمائة وخمسة عشر ريال وثمانمائة عشرة عنترة الخبز من الهيئة الشرعية بقرعة ١٨٠٧٢ في ١٤٣٩ / ٧ / ١٤٣٩ هـ على أن يتم سداد الحيثية على أقساط كل ستة أشهر من تاريخ صرف التمويل بقيمة كل قسط ( ١٠٠٠٠٠٠ ) ريال مليون ريال، تدفع اعتباراً من تاريخ ٢٠١٩ / ٣ / ٢١ هـ. وما يخص سعر السداد فلهذا يتم بيع العقار بالقيمة التي كتبت عليها الرهانات واستوفاء ما ذم الأراضين من مبلغ وما نقص يربح فيه عليه بعد اتمام ما يترتب شرعاً وعليه جرى التصديق تبريراً في ١٤ / ١٠ / ١٤٤٠ هـ. ووصل الله على نبينا محمد وآله وصحبه وسلم.

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد؛  
فإن قطعة الأرض رقم ٢٢٢٣ / ١٢٢٣٢ من المخطط رقم ٣١١٤ الواقع في حي الملكة بمدينة الرياض - حدودها وأطرافها كما يلي:  
شمالاً: شارع عرض ٣٩ م بطول: (٨٣) متر وثلاثة وستون متر وخمسون متر  
جنوباً: شارع عرض ٢٠ م بطول: (٨٣) متر وستون متر وخمسون متر  
شرقاً: قطعة رقم ٢٢٢٣ / ١ بطول: (٩٤,٧٢) متر وستون متر وسبعة وستون سنتيمتر  
غرباً: قطعة رقم ٢٢٢٣ / ١ بطول: (٩٤,٧٢) متر وستون متر وخمسة وستون سنتيمتر  
ومساحتها: (٥,٤٨١,٤٥) مترمربعاً وثمانون متر مربعاً وخمسة وستون سنتيمتر مربعاً فقط وانقسم عليها جميع سكني  
المسجلة لدى شركة أول الملكة العقارية بموجب سجل تجاري رقم ١٠١٠٨٣٨٠٢ وتنتهي في ١٩ / ١٠ / ١٤٤١ هـ بالصك الصادر من كتابة العدل الأولى بالرياض رقم ٤٥٦٦٧ - ٣١٠١٢١٠٠٤٣٧ في ٢٢ / ٢ / ١٤٤٠ هـ. قد تم رهنها وما أقيم أو سيقام عليها من بناء / مصالح / شركة/تراجي المصرفية للاستثمار بموجب سجل تجاري رقم ١٠١٠٠٠٠٠٩٦ في ٢٥ / ١٠ / ١٣٧٦ هـ ضماناً لوفائه بما عليه من مستحقات مالية لصالح مصرف التراجي بموجب سجل تجاري رقم ١٠١٠٠٠٠٠٩٦ بمبلغ وقدره ( ٢٨١٨١٨١٨,١٩ ) ريال شائبة وتكون مهين ومائة وواحد وثمانون ألفاً وثمانمائة وخمسة عشر ريال وثمانمائة عشرة عنترة الخبز من الهيئة الشرعية بقرعة ١٨٠٧٢ في ١٤٣٩ / ٧ / ١٤٣٩ هـ على أن يتم سداد الحيثية على أقساط كل ستة أشهر من تاريخ صرف التمويل بقيمة كل قسط ( ١٠٠٠٠٠٠ ) ريال مليون ريال، تدفع اعتباراً من تاريخ ٢٠١٩ / ٣ / ٢١ هـ. وما يخص سعر السداد فلهذا يتم بيع العقار بالقيمة التي كتبت عليها الرهانات واستوفاء ما ذم الأراضين من مبلغ وما نقص يربح فيه عليه بعد اتمام ما يترتب شرعاً وعليه جرى التصديق تبريراً في ١٤ / ١٠ / ١٤٤٠ هـ. ووصل الله على نبينا محمد وآله وصحبه وسلم.



البلدية العربية السعودية  
وزارة الشؤون البلدية والقروية  
أمانة منطقة الرياض

تأريخ: 1443هـ / 2021م  
رقم الخريطة: 1443/1  
تاريخ الترخيص: 1443/1  
نوع الاستخدام: ارض زراعية

Form with multiple sections: 1. General information (رقم المخطط, تاريخ المخطط, نوع المخطط, etc.). 2. Land use table with columns for area, use type, and status. 3. Notes and conditions. 4. Signatures and stamps.

البلدية العربية السعودية  
وزارة الشؤون البلدية والقروية  
أمانة منطقة الرياض

تأريخ: 1443هـ / 2021م  
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تاريخ الترخيص: 1443/1  
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Form with multiple sections: 1. General information (رقم المخطط, تاريخ المخطط, نوع المخطط, etc.). 2. Land use table with columns for area, use type, and status. 3. Notes and conditions. 4. Signatures and stamps.

البلدية العربية السعودية  
وزارة الشؤون البلدية والقروية  
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Form with multiple sections: 1. General information (رقم المخطط, تاريخ المخطط, نوع المخطط, etc.). 2. Land use table with columns for area, use type, and status. 3. Notes and conditions. 4. Signatures and stamps.

البلدية العربية السعودية  
وزارة الشؤون البلدية والقروية  
أمانة منطقة الرياض

تأريخ: 1443هـ / 2021م  
رقم الخريطة: 1443/1  
تاريخ الترخيص: 1443/1  
نوع الاستخدام: ارض زراعية

Form with multiple sections: 1. General information (رقم المخطط, تاريخ المخطط, نوع المخطط, etc.). 2. Land use table with columns for area, use type, and status. 3. Notes and conditions. 4. Signatures and stamps.

5.2 Layout

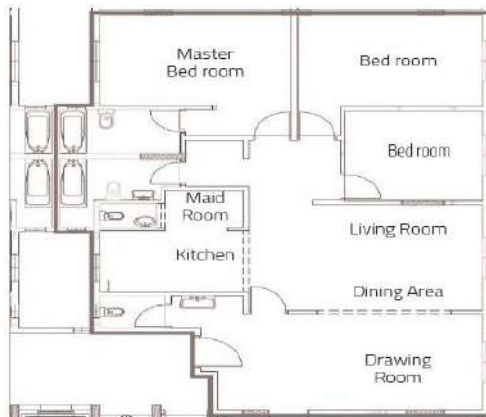
**2 Bedroom – 3 Baths**  
**AREA: 112 – 128 sqm**



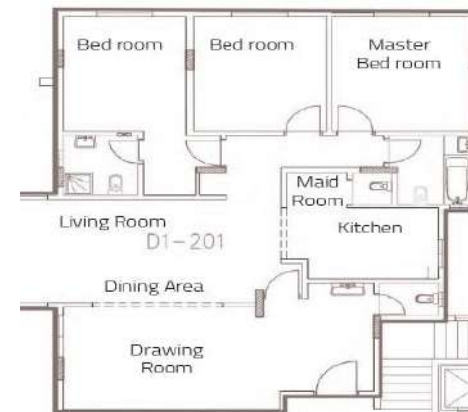
**3 Bedroom & 3 Baths**  
**Area: 112 – 172 sqm**



**3 Bedroom – 4 Bath & Maid Room**  
**Area: 136 – 174 sqm**



**PENTHOUSE: 3 Bedroom – 4 Bath & Maid Room**  
**Area: 180 – 200 sqm**



### 5.3 Real Estate Valuation License



وزارة التجارة والاستثمار  
Ministry of Commerce and Investment



## ترخيص مزاولة مهنة لفرع تقييم العقارات

المقر الرئيسي: الرياض

فئة العضوية: أساسي

رقم الترخيص 1210000474 تاريخ إصداره 1437/8/1 هـ تاريخ انتهائه 1447/8/24 هـ

يرخص **عصام محمد عبدالله الحسيني** (سعودي الجنسية) سجل مدني رقم 1044275947 لمزاولة المهنة وقد منح هذا الترخيص بعد أن استوفى شروط القيد الواردة في المادة الخامسة من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/9 هـ بموجب قرار لجنة قيد المقيمين رقم (95/ق3/42) وتاريخ 1442/5/22 هـ

رئيس لجنة قيد المقيمين

أ. وليد بن عبدالله الرويشد

ختم الوزارة

وزارة التجارة والاستثمار  
Ministry of Commerce and Investment  
إدارة المهن الاستشارية





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REAL ESTATE VALUATION REPORT

# Al Khabeer Capital

## BIN 2 PLAZA

Awal Al Malqa Real Estate Company

Jeddah City  
30 June 2023



رؤية  
VISION  
2030  
المملكة العربية السعودية  
KINGDOM OF SAUDI ARABIA

REAL ESTATE  
VALUATION REPORT



**REF:** 23-0424  
**Code:**  
**Date:** 30/06/2023  
**M/S:** Awal Al Malqa Real Estate Company

**Subject: Valuation Report for a Commercial Center (Bin 2 Plaza) in Jeddah City, Saudi Arabia.**

Dear Sir,

With reference to your request and approval dated on 29<sup>th</sup> of May 2023. We will provide you with a detailed report on the property under evaluation, including a market analysis, an economic analysis, and a description of the valuation methods. In addition, we WHITE CUBES guarantee the confidentiality of the client's information and are committed to complete impartiality in the evaluation process and acknowledge that there are no common interests between WHITECUBES and the client.

**WHITE CUBES Consulting Services Co.**

**Mr. Essam M. Al-Husaini – President**

Fellow Member of the Saudi Authority of Accredited Valuers  
License No. 1210000474  
Issued: 01/08/1437 Exp: 24/08/1447  
WHITE CUBES Co. Real Estate Valuation Membership No: 11000171



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# EXECUTIVE SUMMARY

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EXECUTIVE  
SUMMARY

## Executive Summary

|                             |  |
|-----------------------------|--|
| <b>Reference No.</b>        | 23-0423  |
| <b>Dep. Code</b>            |  |
| <b>Report Type</b>          | Detailed Report.   |
| <b>Client</b>               | Awal Al Malqa Real Estate Company.   |
| <b>Report user</b>          | Awal Al Malqa Real Estate Company.   |
| <b>Other users</b>          | Investors or those wishing to invest in the Real Estate Investment Trust.                                    |
| <b>Purpose of Valuation</b> | Inclusion in financial statements.   |
| <b>Subject Property</b>     | Commercial Project.  |
| <b>Property Location</b>    | Al Amwaj district, Jeddah City.  |
| <b>Title Deed No.</b>       | 420210027007   |
| <b>Title Deed Date</b>      | 17/08/1440   |
| <b>Ownership Type</b>       | Title deed-restricted  |
| <b>Limitations</b>          | Mortgaged to Al Rajhi Banking Investment Company.  |
| <b>Owner</b>                | Awal Al Malqa Real Estate Company.   |
| <b>Land Use</b>             | Commercial/offices.  |
| <b>Land Area (Sqm)</b>      | 20,641.74 Sqm  |
| <b>BUA (Sqm)</b>            | 21,305.3 Sqm.  |
| <b>GLA (Sqm)</b>            | 14,798 Sqm   |
| <b>Basis of Value</b>       | Fair Value.  |
| <b>Value Hypothesis</b>     | Current use.   |
| <b>Valuation Approach</b>   | Comparable Approach, Cost Approach and Income Approach.  |
| <b>Currency</b>             | Saudi Arabian Riyal  |
| <b>Final Property Value</b> | SAR 91,310,000   |
| <b>Report Date</b>          | 30/06/2023   |
| <b>Valuation Date</b>       | 30/06/2023   |
| <b>Inspection Date</b>      | 30/05/2023   |
| <b>Expiry Date</b>          | 120 days from date of the inspection, unless there're any economic changes that affect the subject property. |



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**SCOPE OF WORK**

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SCOPE OF  
WORK

## Scope of Work

### 1.1 Introduction

This report was prepared by WHITE CUBES Co. based on the International Valuation Standards of the Council of International Assessment Standards (IVSC 2022) and the Guide to Practice and Regulations issued by the Saudi Authority of Accredited Valuers (Taqeem), to ensure accurate access to information, the evaluation report must be read in its entirety, our firm is pleased to offer its services to Awal Al Malqa Real Estate Company in order to estimate the fair value of the property that is being evaluated.

### 1.2 Purpose of valuation

The client requested that we evaluate the subject properties for **inclusion in the financial statements**.

### 1.3 Basis of Valuation

**According to Paragraph 1.2, the appropriate basis for value adopted in the evaluation process is the fair value of the property.**

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the principle of an "exit price,"

### 1.4 Valuation Methods

Depending on the purpose of the valuation, and upon the request of the client, we will apply the comparable approach, cost approach and income approach.

### 1.5 Currency

Unless otherwise stated, all values in the report are in Saudi Arabian Riyals.

### 1.6 Scope of Research

Research is an important part of the valuation process. We will conduct extensive research and analysis of various factors that can impact the value of a property or asset, such as market conditions, comparable sales, property characteristics, income potential, and legal and regulatory factors.

## 1.7 Property Inspection

Inspection refers to visiting and inspecting an asset, testing its performance, and gathering information about it from quantities, specifications, land area, building areas, rental areas, services, public utilities, project components, etc., so that an opinion can be expressed regarding its value. Therefore, we confirm that subject property was inspected on May 30, 2023. We will then use this evidence to assess and evaluate the project. We remain committed to providing the client with an accurate and reliable valuation.

## 1.8 Information Sources

An on-site field survey was conducted by our team to ensure the accuracy of some market information required for the valuation, including nearby asset prices, occupancy rates, and specific information about the asset under valuation, to determine its actual fair value. The following sources were used during the field research process:

- Property records: In the absence of property ownership documents, the client has provided us with some information about the assets.
- Market trends: Real estate market trends and economic indicators can be used to assess the overall demand and supply for properties in the area.
- Income analysis: Income-producing properties such as rental properties can be valued based on their income potential.
- Personal inspection: A physical inspection of the property can provide valuable information on its condition and any unique features that may affect its value.

## 1.9 Assumptions and Special Assumptions

As defined by the International Valuation Standards, assumptions are logical matters that can be accepted as facts during valuation work without being specifically checked or scrutinized. They are accepted as soon as they are mentioned. Based on the facts at the time of the valuation.

- It has been assumed that the information provided by the client is accurate, but we were not provided with the ownership documents for the asset.
- Assumed that all information received from the client is accurate and up to date as of the date of the valuation, whether oral or written.
- This is a valuation report rather than a structural survey. As a result, we did not conduct any utility checks, service checks, soil tests, etc.
- The valuation methodologies are based on market data compiled using our relevant market knowledge and experience.
- This report's output (final value) is derived from assumptions used, documents received from the client, and market data. Nevertheless, the output estimates provide an indication of the property's value.
- After studying the market and using the built-up model, a discount rate of 9.50% was assumed for the project.

### **1.10 Use, Distribution, and Publication Restrictions**

To estimate the fair value of the assets being evaluated, WHITE CUBES Co. has prepared this report. There are restrictions on the transfer, referencing, and presentation of this report and its contents to any other party except as stipulated in the contract letter, and the client must obtain our prior written consent in order to use this report for any other purpose other than that stated in this report.

### **1.11 Legal Notes**

As far as we are aware, no legal notices have been served on the property, whether they are in progress or pending in the court system.



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**PROPERTY DETAILS**

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PROPERTY  
DETAILS



## Property and Location Description

### 2.1 Property Description

The subject property is a commercial project located in Al Amwaj district, Jeddah City. Based on the provided copy of the title deed the subject property has a total land area of 20,641.74 sqm and as per the provided construction permit the total BUA of 21,305.3 Sqm. As per the site inspection done by our team for the purpose of valuation, the land open on 4 sides with a direct view on by Abdullah bin Al Khattab from the east side.

### 2.2 Surrounding Area

The subject property is surrounded mostly by several residential and commercial buildings.

### 2.3 Ease of Access

Based on the current location of the subject property, the access level is high since it is located high since it opens on 4 streets and near 2 main street Prince Abdul Majeed Road and Prince Nayef Road.

### 2.4 Infrastructure

All the infrastructural facilities are available in the surroundings and connected to the subject property.



## 2.5 Title Deed and Ownership

The client provides us with a copy of the title deed related to the subject property which is owned by one title deed. The details of the subject property:

|                                 |                     |                               |   |
|---------------------------------|---------------------|-------------------------------|---|
| <b>City</b>                     | Jeddah              | <b>Land Area</b>              | 20,641.74Sqm                                      |
| <b>District</b>                 | Al Amwaj            | <b>Plot No.</b>               | 35 to 63  |
| <b>T.D Type</b>                 | Electronic          | <b>Block No.</b>              | ---   |
| <b>T.D Number</b>               | 420210027007        | <b>Layout No.</b>             | س/ج/420   |
| <b>T.D Date</b>                 | 17/08/1440          | <b>Owner</b>                  | Awal Al Malqa Real Estate Company                 |
| <b>T.D Value</b>                |                     | <b>Ownership Type</b>         | Restricted  |
| <b>Date of Last Transaction</b> |                     | <b>Limitation of Document</b> | Mortgaged to Al Rajhi Banking Investment Company. |
| <b>Issued From</b>              | Jeddah First Notary |                               |   |
| <b>North Side</b>               | 15 meters street    | <b>East Side</b>              | 32 meters street                                  |
| <b>South Side</b>               | 15 meters street    | <b>West Side</b>              | 15 meters street                                  |

**Note:** The client has provided us with a copy of the Title Deed which was assumed to be correct and authentic. It is not in our scope to run legal diagnosis on any legal document.

## 2.6 Construction and Buildings

The building permit indicates the maximum permissible BUA approved by the city municipality. However, the actual area may differ from the area mentioned in the building permit. Therefore, the Client has provided us with a copy of the Construction Permit issued by Riyadh Municipality with the below details:

| Subject Property                |            |
|---------------------------------|------------|
| <b>Construction Permit Type</b> | New Permit |
| <b>Property Type</b>            | Commercial |
| <b>Construction Permit No.</b>  | 505232     |
| <b>Construction Permit Date</b> | 29/02/1431 |

| Description            | No. of Units | Area (sqm)       | Use       |
|------------------------|--------------|------------------|-----------|
| <b>Ground Floor</b>    | ----         | 7928.6           | Showrooms |
| <b>Mezzanine</b>       | ----         | 4727.9           | Showrooms |
| <b>First Floor</b>     | ----         | 8,648.8          | Offices   |
| <b>Total BAU (sqm)</b> |              | <b>21,305.30</b> |           |

## 2.7 Building Gross Leasable Area (GLA)

The client provided us with a list of the unit details and GLA as shown in the below table:

| Unit No. | Type       | Area (Sqm) | Unit No.     | Type       | Area (Sqm)    |
|----------|------------|------------|--------------|------------|---------------|
| 1        | A-Office   | 374        | 3            | B-Offices  | 378           |
| 2        | A-Office   | 310        | 4            | B-Offices  | 201           |
| 3        | A-Office   | 310        | 5            | B-Offices  | 378           |
| 4        | A-Office   | 201        | 6            | B-Offices  | 378           |
| 5        | A-Office   | 274        | 7            | B-Offices  | 374           |
| 6        | A-Office   | 378        | 1-7          | B-Showroom | 2,428         |
| 7        | A-Office   | 374        | 1-7          | C-Offices  | 2,948         |
| 1-4      | A-Showroom | 1,323      | 1-2          | C-Showroom | 822           |
| 5        | A-Showroom | 378        | 3            | C-Showroom | 334           |
| 6        | A-Showroom | 376        | 4            | C-Showroom | 167           |
| 7        | A-Showroom | 378        | 5            | C-Showroom | 378           |
| 1        | B-Offices  | 374        | 6            | C-Showroom | 378           |
| 2        | B-Offices  | 378        | 7            | C-Showroom | 374           |
|          |            |            | <b>Total</b> |            | <b>14,967</b> |

2.8 Photographs of the Subject Property





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**MARKET INDICATORS**

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MARKET  
INDICATORS

## Market Indicators

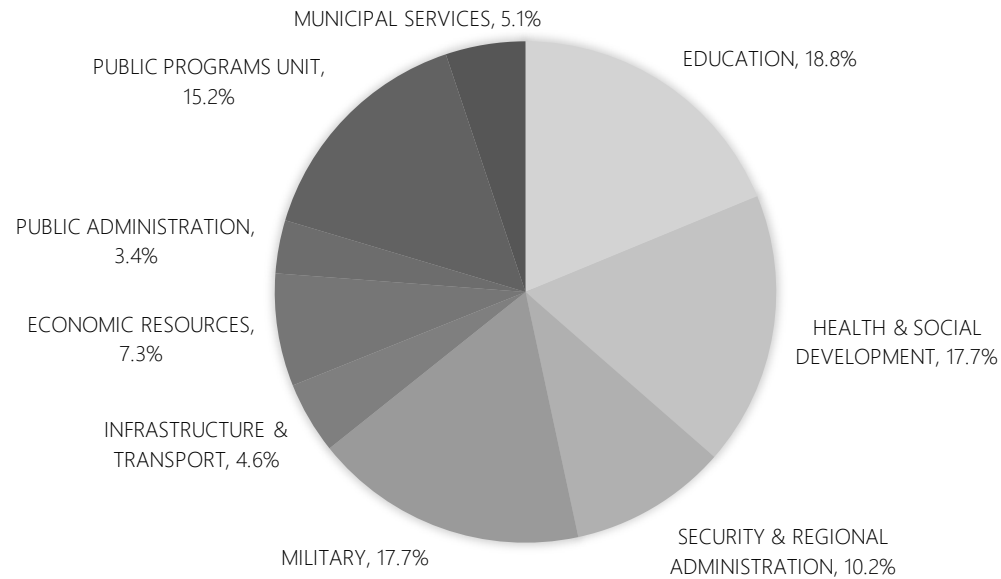
### 3.1 Saudi Arabia Economic Indicators

| Economic Indicator                    | Budget | Expectations | Estimated |       |
|---------------------------------------|--------|--------------|-----------|-------|
|                                       | 2022   | 2023         | 2024      | 2025  |
| <b>Total revenue</b>                  | 1,234  | 1,130        | 1,146     | 1,205 |
| <b>Total expenses</b>                 | 1,132  | 1,114        | 1,125     | 1,134 |
| <b>Budget surplus</b>                 | 102    | 16           | 21        | 71    |
| <b>Debt</b>                           | 985    | 951          | 959       | 962   |
| <b>GDP growth</b>                     | 8.5%   | 3.1%         | 5.7%      | 4.5%  |
| <b>Nominal gross domestic product</b> | 3,957  | 3,869        | 3,966     | 4,247 |
| <b>Inflation</b>                      | 2.6%   | 2.1%         | 2.1%      | 2.0%  |

### 3.2 Budget Allocation for 2022




|                          |            |
|--------------------------|------------|
| Public Administration    | 37 SAR bn  |
| Military                 | 259 SAR bn |
| Security & Regional Adm. | 105 SAR bn |
| Municipal Services       | 63 SAR bn  |
| Education                | 189 SAR bn |
| Health & Social Dev.     | 189 SAR bn |
| Economic Resources       | 72 SAR bn  |
| Infrastructure Transport | 34 SAR bn  |
| General Items            | 165 SAR bn |

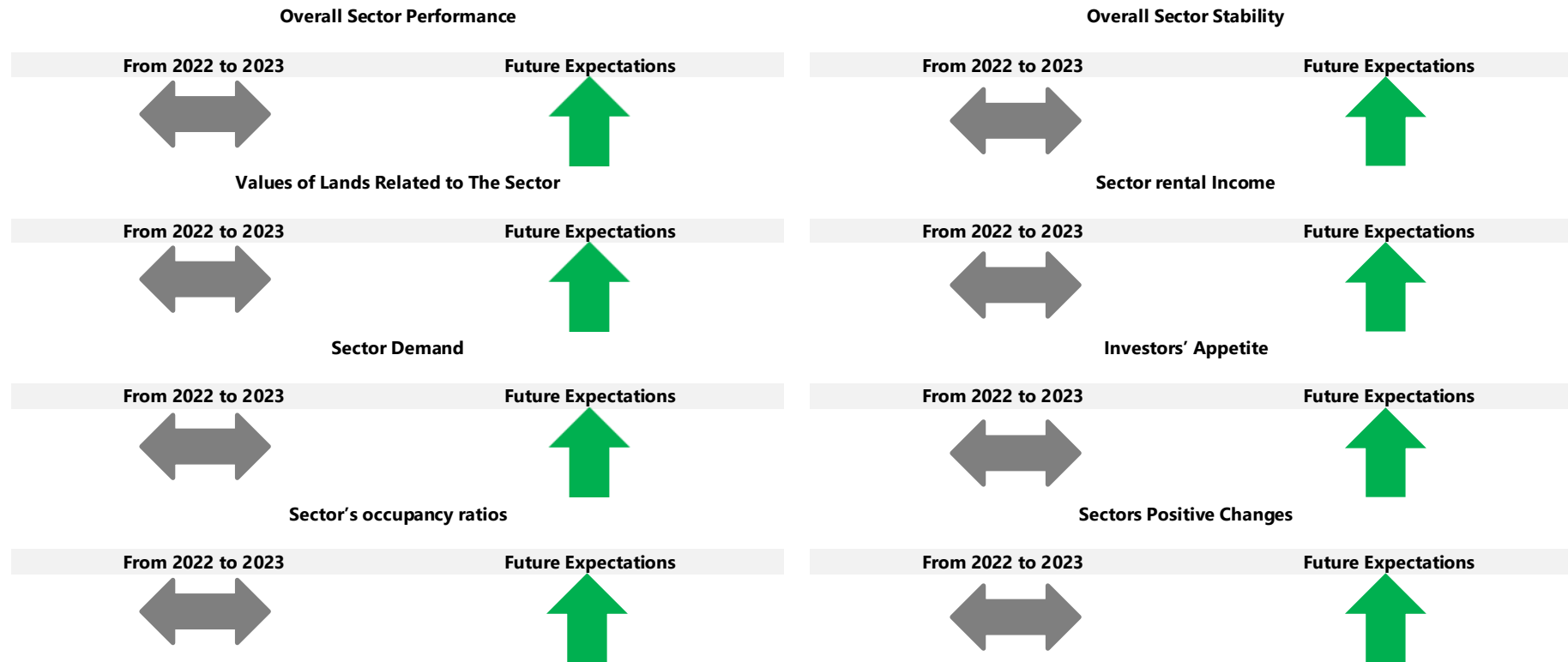
Source: Ministry of Finance



### 3.3 Sector Brief

In the following we will insert general information about the real estate sector related to the property subject of our valuation and which is intended to give an initial indication on the sector. These information and indicators are estimated based on our experience, the current sector performance and some other historical data collected from our side, In addition to some current economic changes in general.

-  Indicator showing a decrease in the current performance comparing to last year
-  Indicator showing an increase in the current performance comparing to last year
-  Indicator showing a stable position in the current performance comparing to last year



White Cubes Team's Analysis

### 3.4 Risk Analysis

#### - Sector Analysis

| Risk Factor                | Very Low Risk (1)<br>1-6 | Minimal Risk (2)<br>7-12 | Medium Risk (3)<br>13-18 | Elevated Risk (4)<br>19-24 | Very High Risk (5)<br>25-30 |
|----------------------------|--------------------------|--------------------------|--------------------------|----------------------------|-----------------------------|
| Overall, Economy           | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Sector Current Performance | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Sector Future Performance  | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Occupancy Rates            | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Supply Rate                | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Demand Rate                | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Total Risk                 | 0                        | 2                        | 15                       | 0                          | 0                           |

Risk Category 17 Risk Points - Medium Risk

#### -Land Analysis

| Risk Factor                 | Very Low Risk (1)<br>1-5 | Minimal Risk (2)<br>6-10 | Medium Risk (3)<br>11-15 | Elevated Risk (4)<br>16-20 | Very High Risk (5)<br>21-25 |
|-----------------------------|--------------------------|--------------------------|--------------------------|----------------------------|-----------------------------|
| Access                      | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Location                    | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Land Shape                  | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Surrounding Area facilities | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Total Risk                  | 0                        | 8                        | 0                        | 0                          | 0                           |

Risk Category 8 Risk Points – Minimal Risk

#### -Property Analysis

| Risk Factor            | Very Low Risk (1)<br>1-3 | Minimal Risk (2)<br>4-6 | Medium Risk (3)<br>7-9 | Elevated Risk (4)<br>10-12 | Very High Risk (5)<br>13-15 |
|------------------------|--------------------------|-------------------------|------------------------|----------------------------|-----------------------------|
| Facilities & Amenities | ----                     | ----                    | ✓                      | ----                       | ----                        |
| Management Skills      | ----                     | ----                    | ✓                      | ----                       | ----                        |
| Overall Condition      | ----                     | ✓                       | ----                   | ----                       | ----                        |
| Total Risk             | 0                        | 2                       | 6                      | 0                          | 0                           |

Risk Category 8 Risk Points - Medium Risk





WHITE **CUBES**

PROPERTY VALUATION

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PROPERTY  
VALUATION

## Property Valuation

### 4 Valuation Methods

With reference to the valuation purpose, taking into consideration the nature of the subject property, we will use the following ticked methods to estimate the fair value of the subject property:

|                  | Market Approach   | Cost Approach | Income Approach |                |                  |            |
|------------------|-------------------|---------------|-----------------|----------------|------------------|------------|
|                  | Comparable method | DRC method    | DCF method      | Invest. method | Cap. Rate method | RLV method |
| <b>Land</b>      | ✓                 | ----          | ----            | ----           | ----             | ----       |
| <b>Buildings</b> | ----              | ✓             | ----            | ----           | ----             | ----       |
| <b>Property</b>  | ----              | ----          | ----            | ----           | ✓                | ----       |

#### COMPARABLE METHOD

This is the method most are familiar with as it is the accepted method for valuing residential real estate. Typically, this method involves selecting properties with similar characteristics in the same market area that have recently sold. Once those properties are found they are compared to the property in question and a professional appraiser will deduct value from the subject property for comparative deficiencies and increase value for advantages. Typically, this method is required if the investor is seeking conventional financing. For comparable information, property brokers, dealers and estate agents are contacted to ascertain the asking and selling prices for property of the nature in the immediate neighborhood and adjoining areas. Neighboring properties, which have been recently sold or purchased, are investigated to ascertain a reasonable selling price.

#### DEPRECIATED REPLACEMENT COST (DRC)

A cost approach is a real estate valuation method that surmises that the price someone should pay for a piece of property should not exceed what someone would have to pay to build an equivalent building. In cost approach pricing, the market price for the property is equivalent to the cost of land plus cost of construction, less depreciation. It is often most accurate for fair value when the property is new. Generally, the cost approach considers what the land, devoid of any structures, would cost, then adds the cost of building the structures, then depreciation is subtracted. The cost approach is most often used for public buildings, such as schools and mosques, because it is difficult to find recently sold comparable properties in the local market, and public buildings do not earn income, so the income approach cannot be used, either. A property that already has improvements will usually contribute a certain amount of value to the site, but improvements can also lower property value if the site's potential buyers wish to use the property for another use that would entail removing some of the improvements to the current site. The cost approach is best used when improvements are new and there is adequate pricing information to value the property components. The cost

approach may be less desirable if there are no recent sales of vacant land for which to compare, since the major method of valuing vacant lands is to use the sales comparison approach, or when construction costs are not readily available. The cost approach method includes:

- Estimate what the subject property would be worth.
- Estimate the current cost of building the structures, then add that value to the value of the vacant land.
- Estimate the amount of accrued depreciation of the subject property, then subtract it from the total to arrive at the property's worth.

### **CAPITALIZATION METHOD (CAP RATE)**

The income approach values property by the amount of income that it can potentially generate. Hence, this method is used for apartments, office buildings, malls, and other property that generates a regular income.

The appraiser calculates the income according to the following steps:

- Estimate the potential annual gross income by doing market studies to determine what the property could earn, which may not be the same as what it is currently earning.
- The effective gross income is calculated by subtracting the vacancy rate and rent loss as estimated by the appraiser using market studies.
- The net operating income (NOI) is then calculated by subtracting the annual operating expenses from the effective gross income. Annual operating expenses include real estate taxes, insurance, utilities, maintenance, repairs, advertising, and management expenses. Management expenses are included even if the owner is going to manage it, since the owner incurs an opportunity cost by managing it herself. The cost of capital items is not included since it is not an operating expense. Hence, it does not include mortgage and interest since this is a debt payment on a capital item.

Estimate the capitalization rate (aka cap rate), which is the rate of return, or yield, that other investors of property are getting in the local market.

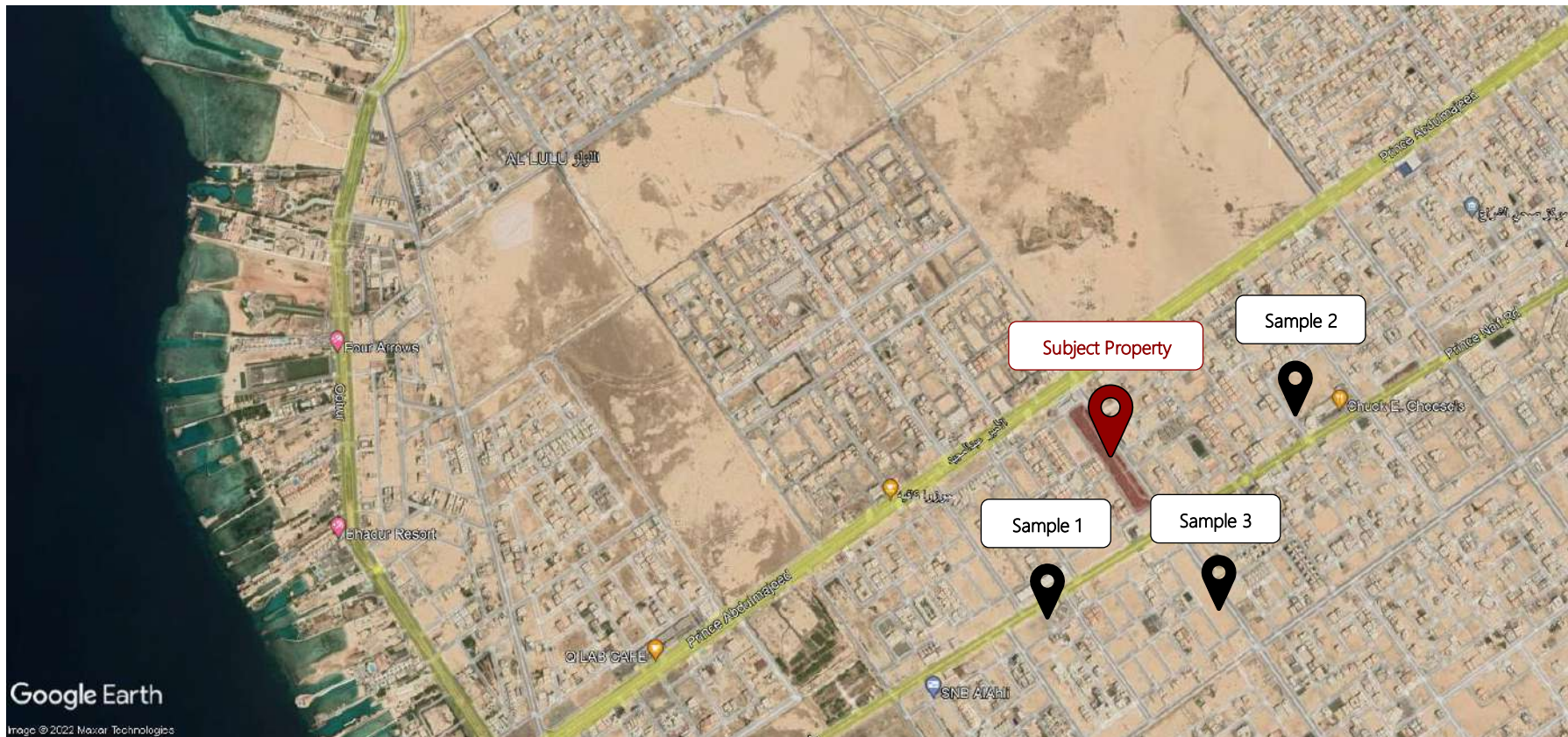
## 4.1 Comparable Method

This method aims to collect data and information on actual sales and / or current offers of similar properties within the surrounding market, and then make the necessary adjustments to these comparisons in terms of area, location, shape, quality, content, and others. Below is a summary of the valuation process using the comparable method and the amendments made to the available comparisons

| Characteristics of Samples            |                  |               |             |               |             |               |              |
|---------------------------------------|------------------|---------------|-------------|---------------|-------------|---------------|--------------|
| Feature                               | Subject Property | Sample 1      |             | Sample 2      |             | Sample 3      |              |
| Quoting                               | -----            | Offering      |             | Offering      |             | Offering      |              |
| City                                  | Jeddah           | Jeddah        |             | Jeddah        |             | Jeddah        |              |
| Sale Price                            | -----            | SAR 2,700,000 |             | SAR 2,628,000 |             | SAR 2,000,000 |              |
| Data Source                           | Client           | Market Survey |             | Market Survey |             | Market Survey |              |
| Area Size                             | 20,641.74        | 900.00        |             | 876.00        |             | 890.00        |              |
| SAR / Sqm                             | -----            | SAR 3,000     |             | SAR 3,000     |             | SAR 2,247     |              |
| Market Conditions Adjustment Analysis |                  |               |             |               |             |               |              |
|                                       | Subject Property | Sample 1      |             | Sample 2      |             | Sample 3      |              |
| SAR/ Sqm before Adj.                  | -----            | SAR 3,000.0   |             | SAR 3,000.0   |             | SAR 2,247.2   |              |
| Mortgage                              | -----            | Cash          |             | Cash          |             | Cash          |              |
| Market Conditions                     | -----            | -----         |             | -----         |             | -----         |              |
| Total Adjustments Ratio               |                  | 0.00%         |             | 0.00%         |             | 0.00%         |              |
| Total Adjustment Amount               |                  | SAR 0.00      |             | SAR 0.00      |             | SAR 0.00      |              |
| Net After Adjustment                  |                  | SAR 3,000.00  |             | SAR 3,000.00  |             | SAR 2,247.19  |              |
| Location Adjustment Analysis          |                  |               |             |               |             |               |              |
|                                       | Subject Property | Sample 1      |             | Sample 2      |             | Sample 3      |              |
| Area Size                             | 20,641.74        | 900.00        | 5.00%       | 876.00        | 5.00%       | 890.00        | 5.00%        |
| Location Desirability                 | Average          | Average       | 0.00%       | Average       | 0.00%       | Average       | 0.00%        |
| Accessibility                         | Average          | Average       | 0.00%       | Average       | 0.00%       | Average       | 0.00%        |
| Main Street Width (m)                 | 32               | 30            | 0.00%       | 30            | 0.00%       | 30            | 0.00%        |
| Sides Open                            | 4                | 1             | -5.00%      | 3             | 0.00%       | 3             | 0.00%        |
| Land Shape                            | Regular          | Regular       | 0.00%       | Regular       | 0.00%       | Regular       | 0.00%        |
| Close to main street                  | Yes              | No            | 0.00%       | No            | 0.00%       | No            | 0.00%        |
| Total Adjustments Ratio               |                  |               | 0.00%       |               | 5.00%       |               | 5.00%        |
| Total Adjustment Amount               |                  |               | SAR 0.0     |               | SAR 150.0   |               | SAR 112.4    |
| Net After Adjustment                  |                  |               | SAR 3,000.0 |               | SAR 3,150.0 |               | SAR 2,359.6  |
| Weighted Mean                         |                  |               | 20%         |               | 20%         |               | 60%          |
|                                       |                  |               | SAR 600.00  |               | SAR 630.00  |               | SAR 1,415.73 |
| SAR / Sqm                             | <b>SAR 2,646</b> |               |             |               |             |               |              |
| Rounded Value                         | <b>SAR 2,650</b> |               |             |               |             |               |              |

| Property Value | Sensitivity Analysis |                |                |                |                |                |
|----------------|----------------------|----------------|----------------|----------------|----------------|----------------|
|                | -10%                 | -5%            | 0%             | 5%             | 10%            |                |
| SAR 54,700,000 | Land Area            | 20,642         | 20,642         | 20,642         | 20,642         | 20,642         |
|                | SAR / Sqm            | SAR 2,385.0    | SAR 2,517.5    | SAR 2,650.0    | SAR 2,782.5    | SAR 2,915.0    |
|                | Property Value       | SAR 49,230,550 | SAR 51,965,580 | SAR 54,700,611 | SAR 57,435,642 | SAR 60,170,672 |

Based on the market samples obtained with the assistance of some real estate experts in the region and the inspection made by our team, the average price for similar properties falls in the range of 2,200 - 3,000 SAR / Sqm with an average of 2,650 SAR / Sqm. When comparing with the results of the analysis of comparisons, we found that the property value falls within the same range and is close to the market average values.



## 4.2 Depreciated Replacement Cost (DRC) Approach

As a first step, the cost of reconstructing the building (the cost of replacement) was estimated, based on the average construction costs of similar properties and at the same level of finishes, services, utilities, and others. The opinion of some engineering experts was used in this regard. The following table shows the expected replacement costs for such property.

|                            | Min Cost (SAR / Sqm) | Max Cost (SAR / Sqm) | Average Cost |
|----------------------------|----------------------|----------------------|--------------|
| <b>Concrete Cost</b>       | SAR 700              | SAR 900              | SAR 800      |
| <b>MEP</b>                 | SAR 250              | SAR 350              | SAR 300      |
| <b>Finishing Materials</b> | SAR 600              | SAR 800              | SAR 700      |
| <b>Site Improvements</b>   | SAR 130              | SAR 170              | SAR 150      |
| <b>Developer Profit</b>    | 18%                  | 22%                  | 20%          |

In the following table, we will estimate the direct replacement cost of the property taking into consideration the main components of the building, such as the concrete structure, electromechanical work, finishes, site improvements, etc. Then we will estimate the value of the indirect costs as a percentage of the total direct costs to estimate the total construction costs of the project

| Land      |           |  |                |
|-----------|-----------|--|----------------|
| Land Area | SAR / Sqm |  | Total Value    |
| 20,641.74 | SAR 2,650 |  | SAR 54,700,611 |

| Building            |                  |  |           |
|---------------------|------------------|--|-----------|
|                     | Unit             |  | Total BUA |
| <b>Ground Floor</b> | Sqm              |  | 7,928.60  |
| <b>Mezzanine</b>    | Sqm              |  | 4,727.90  |
| <b>Upper Floor</b>  | Sqm              |  | 8,648.80  |
| <b>Total (SQM)</b>  | <b>21,305.30</b> |  |           |

| Development Cost           |           |           |                       |                 |                       |
|----------------------------|-----------|-----------|-----------------------|-----------------|-----------------------|
| Hard Cost - (Upper Floors) |           |           |                       |                 |                       |
|                            | Area      | SAR / Sqm | Total                 | Completion Rate | Total Cost            |
| Skeleton and Block         | 21,305.30 | SAR 800   | SAR 17,044,240        | 100%            | SAR 17,044,240        |
| Electro Mechanic           | 21,305.30 | SAR 300   | SAR 6,391,590         | 100%            | SAR 6,391,590         |
| Finishing                  | 21,305.30 | SAR 700   | SAR 14,913,710        | 100%            | SAR 14,913,710        |
| Site Improvement           | 20,641.74 | SAR 150   | SAR 3,096,261         | 100%            | SAR 3,096,261         |
| <b>Total</b>               |           |           | <b>SAR 41,445,801</b> | <b>100.00%</b>  | <b>SAR 41,445,801</b> |

| Overall Soft Cost               |                          |  |                        |                           |                         |
|---------------------------------|--------------------------|--|------------------------|---------------------------|-------------------------|
|                                 |                          |  | <b>Total Hard Cost</b> | <b>Ratio</b>              | <b>Soft Cost</b>        |
| <b>Initial Project Pre Cost</b> |                          |  | SAR 41,445,801         | 0.10%                     | SAR 41,446              |
| <b>Design</b>                   |                          |  | SAR 41,445,801         | 0.50%                     | SAR 207,229             |
| <b>Eng Consultant</b>           |                          |  | SAR 41,445,801         | 1.00%                     | SAR 414,458             |
| <b>Management</b>               |                          |  | SAR 41,445,801         | 5.00%                     | SAR 2,072,290           |
| <b>Contingency</b>              |                          |  | SAR 41,445,801         | 5.00%                     | SAR 2,072,290           |
| <b>Others</b>                   |                          |  | SAR 41,445,801         | 0.00%                     | SAR 0                   |
| <b>TOTAL</b>                    |                          |  |                        | <b>11.60%</b>             | <b>SAR 4,807,712.92</b> |
| <b>Total Hard Cost</b>          | <b>SAR 41,445,801</b>    |  |                        | <b>BUA</b>                | <b>21,305.30</b>        |
| <b>Total Soft Cost</b>          | <b>SAR 4,807,712.92</b>  |  |                        | <b>SAR / Sqm</b>          | <b>SAR 2,171</b>        |
| <b>Total Construction Cost</b>  | <b>SAR 46,253,513.92</b> |  |                        | <b>Overall Completion</b> | <b>100%</b>             |

After knowing the total construction costs at a rate of 2,171 SAR per square meter, we will estimate the economic life of the property according to the type of construction and its general condition, then apply the depreciation rates based on the actual age of the property. The developer's profitability will be added to the property's value after depreciation to reflect the estimated fair value of the building.

| DEVELOPMENT VALUE            |                       |                                |                       |
|------------------------------|-----------------------|--------------------------------|-----------------------|
| <b>Total Dev Cost</b>        | <b>SAR 46,253,514</b> | <b>Annual Dep Rate</b>         | 3.3%                  |
| <b>Total Completion Rate</b> | 100.00%               | <b>Actual Age</b>              | 10                    |
| <b>Developer Profit Rate</b> | 20.0%                 | <b>Total Dep Rate</b>          | 33.33%                |
| <b>Dev. Profit Amount</b>    | SAR 9,250,703         | <b>Add Appr Rate</b>           | 0.00%                 |
| <b>Development Value</b>     | <b>SAR 55,504,217</b> | <b>Net Dep Rate</b>            | <b>33.33%</b>         |
| <b>Economic Age</b>          | 30                    | <b>Cost After Depreciation</b> | <b>SAR 37,002,811</b> |

In order to determine the full value of the property, the construction costs will be added to the fair value of the land as follows:

| <b>Total Dev. Value</b> | <b>Land Value</b>     | <b>Total Property Value</b> | <b>Rounded Value</b>  |
|-------------------------|-----------------------|-----------------------------|-----------------------|
| <b>SAR 37,002,811</b>   | <b>SAR 54,700,611</b> | <b>SAR 91,703,422</b>       | <b>SAR 91,700,000</b> |

### 4.3 Income Approach Based on Market Rates

#### Market Rental Analysis

By studying the rental rates for similar properties in the surrounding area of the subject property, we have found that the average renting rates for commercial units with similar qualities, size, etc range from 800 to 900 SAR / Sqm. As for office units, the rental rates range from 350 to 400 SAR / Sqm. The following is a table that shows some of the comparisons that were used in analysing the market rental rates, as well as the occupancy rates for similar properties:

|                   | Commercial Units    | Office Units        |
|-------------------|---------------------|---------------------|
| Comparable        | Rental Rate/ Sqm    | Rental Rate/ Sqm    |
| Office 1          | -                   | 400 SAR/ Sqm        |
| Obhur mall        | 900 SAR/ Sqm        | -                   |
| Commercial unit 1 | 850 SAR/ Sqm        | -                   |
| Average           | <b>875 SAR/ Sqm</b> | <b>400 SAR/ Sqm</b> |

As per the market survey done by our team, the market rental rates for Obhur mall range between 850 and 950 SAR/ Sqm for commercial units. Yet the property subject of valuation has better location, quality, etc which we will apply an adjustment 12% to achieve 875 SAR/ Sqm for commercial units and 400 SAR/ Sqm for offices.

#### Analysis of Operating and Maintenance Expenses

The operating expenses of similar properties reached between 10% to 15% of the total expected income for the property. These ratios depend on the condition and quality of the property and the type of services and public facilities available in the property itself. These ratios are divided into several main categories as follows:

|                                    |           |
|------------------------------------|-----------|
| Management expenses                | 5% to 7%  |
| Operating and maintenance expenses | 5% to 6%  |
| General service bills expenses     | 3% to 4%  |
| Other incidental expenses          | 8% to 12% |

#### Property Operation and Maintenance Expenses

The client did not provide us with details of the actual maintenance and operation costs of the project and accordingly market averages for similar projects will be assumed. Therefore, we will apply the rate of 23% as the OPEX which will be calculated from the total revenues of the property. This ratio is based on the condition and quality of the property and the type of services and public facilities available in the property itself.



### Market Capitalization Rate Analysis

Based on recent transactions of real estate properties and funds, the average capitalization rate of acquiring such property falls in the range of 9% to 9.5%. This average is mainly driven by several factors such as the quality of the building, finishing materials, the general location, ease of access, actual age of the property, size of the project, and the extent of income stability in it. In addition to the above, the capitalization rates are also affected directly by the supply and demand rates for the same type of real estate

### The Capitalization Rate Used for the Valuation

With regard to the capitalization rate used in the valuation, we will base our analysis on the average capitalization rates based on the market and then make some adjustments based on the property situation in terms of its characteristics, location and some other important elements.

|                             | Sample 1     | Sample 2  | Sample 3    |
|-----------------------------|--------------|-----------|-------------|
| Sale Price                  | 110,170,500  | 1,336,080 | 173,141,000 |
| Revenue                     | 10,466,198   | 8,868,203 | 16,448,395  |
| Capitalization rate         | 9,50%        | 9.50%     | 9.50%       |
| Average capitalization rate | <b>9,50%</b> |           |             |



The used rental rates are based on the location, quality, etc of the subject property. Based on the above, the value of the property using the income capitalization method is as follows:

| Revenues                       |                 |             |                       |            |                          |
|--------------------------------|-----------------|-------------|-----------------------|------------|--------------------------|
|                                | Quantity        |             | Revenues              |            |                          |
| Unit Type                      | Total GLA       | No of Units | SAR / Sqm             | SAR / Unit | Total Revenues           |
| Show Rooms                     | 7,336           | 0           | SAR 1,000             | SAR 0      | SAR 7,336,000            |
| Offices                        | 7,631           | 0           | SAR 515               | SAR 0      | SAR 3,929,965            |
| <b>Total Revenues</b>          |                 |             |                       |            | <b>SAR 11,265,965</b>    |
| Expenses                       |                 |             |                       |            |                          |
| Unit Type                      | Management      | Utilities   | Maintenance           | Others     | Total Expenses           |
| Show Rooms                     | 5.00%           | 3.00%       | 5.00%                 | 10.00%     | 23.00%                   |
| Offices                        | 5.00%           | 3.00%       | 5.00%                 | 10.00%     | 23.00%                   |
| <b>Total Expenses</b>          |                 |             |                       |            | <b>46.00%</b>            |
| Net Operating Income           |                 |             |                       |            |                          |
| Unit Type                      | Total Revenues  |             | Total Expenses        |            | NOI                      |
| Show Rooms                     | SAR 7,336,000   |             | 23.00%                |            | SAR 5,648,720            |
| Offices                        | SAR 3,929,965   |             | 23.00%                |            | SAR 3,026,073            |
| <b>Total</b>                   |                 |             |                       |            | <b>SAR 8,674,793</b>     |
| <b>Total Property Revenues</b> |                 |             |                       |            | SAR 11,265,965           |
| <b>Total Property Expenses</b> |                 |             |                       |            | -SAR 2,591,172           |
| <b>Net Operating Income</b>    |                 |             |                       |            | <b>SAR 8,674,793.05</b>  |
| <b>Net Operating Income</b>    | <b>Cap Rate</b> |             | <b>Property Value</b> |            | <b>Rounded Value</b>     |
| <b>SAR 8,674,793.05</b>        | <b>9.50%</b>    |             | <b>91,313,611.05</b>  |            | <b>SAR 91,310,000.00</b> |

#### 4.4 Income Approach Based on Leasing Contract

The client informed us that the subject property is fully lease to 1 tenant with a triple net revenue of 6,930,000 SAR annually with 35,000 SAR/ Annually as insurance premium.

| Revenues                       |                |  |                |                       |                         |
|--------------------------------|----------------|--|----------------|-----------------------|-------------------------|
|                                | Quantity       |  | Revenues       |                       |                         |
| Unit Type                      | Total GLA      | No of Units                                      | SAR / Sqm      | SAR / Unit            | Total Revenues          |
| Commercial Building            |                | The subject property is Fully leased to 1 tenant |                |                       | SAR 6,930,000           |
|                                |                |  |                | <b>Total Revenues</b> | <b>SAR 6,930,000</b>    |
| Expenses                       |                |  |                |                       |                         |
| Unit Type                      | Management     | Utilities  | Maintenance    | Insurance             | Total Expenses          |
| Commercial Building            | SAR 0          | SAR 0  | SAR 0          | SAR 35,000            | SAR 35,000              |
|                                |                |  |                | <b>Total Expenses</b> | <b>SAR 35,000</b>       |
| Net Operating Income           |                |  |                |                       |                         |
| Unit Type                      | Total Revenues |  | Total Expenses |                       | NOI                     |
| Commercial Building            | SAR 6,930,000  |  | 35,000.00      |                       | SAR 6,895,000           |
|                                |                |  |                | <b>Total</b>          | <b>SAR 6,895,000</b>    |
| <b>Total Property Revenues</b> |                |  |                |                       | SAR 6,930,000           |
| <b>Total Property Expenses</b> |                |  |                |                       | -SAR 35,000             |
| <b>Net Operating Income</b>    |                |  |                |                       | <b>SAR 6,895,000.00</b> |
| Net Operating Income           | Cap Rate       | Property Value                                   |                | Rounded Value         |                         |
| SAR 6,895,000.00               | 9.50%          | 72,578,947.37 SAR                                |                | SAR 72,580,000.00     |                         |

#### 4.5 Subject Property Value in Different Approaches

| Methodology      | Subject of Valuation | Value in Numbers | Value in Letters  |
|------------------|----------------------|------------------|---|
| Income- Market   | Property             | SAR 91,310,000   | Ninety-One Million Three Hundred Ten Thousand Saudi Riyals    |
| Income- Contract | Property             | SAR 72,580,000   | seventy-two million five hundred eighty thousand Saudi Riyals |
| DRC Approach     | Land + Building      | SAR 91,700,000   | Ninety-One Million and Seven Hundred Thousand Saudi Riyals    |

#### 4.6 Subject Property Value

We are of an opinion that the total fair value of the subject property taking into consideration the purpose of valuation by using the Income Approach- Market rates is:

**Property Value: 91,310,000 SAR**  
**Ninety-One Million Three Hundred Ten Thousand Saudi Riyals.**

#### 4.7 Notes

This report was issued based on all the data received from the client or any other party related to the evaluation mission, and on the assumption that all of this information received from us is correct. Also, all the values mentioned in this report express the opinion resulting from the evaluation process in compliance with international evaluation standards, and they are estimates based on preliminary information collected by our work team and it has been assumed to be correct. Any changes in any information contained in the report that would affect the mentioned final value of the property subject to evaluation.

#### 4.8 Accredited Valuers

**Essam M. Al Husaini**  
 President



Fellow Member of (RE Valuation)  
 License No. 1210000474

**Nabeel M. Al Husaini**  
 CEO



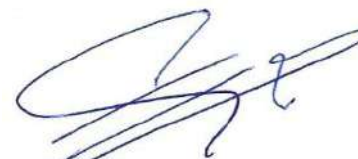
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 Valuer



Member of (RE Valuation)  
 License No. 1210002399



Membership- RE Branch  
 Membership No.:  
 11000171



WHITE **CUBES**  
DOCUMENTS

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DOCUMENT



## 5.2 Real Estate Valuation License





وزارة التجارة والاستثمار  
Ministry of Commerce and Investment

### ترخيص مزاولة مهنة لفرع تقييم العقارات

المقر الرئيسي: الرياض

فئة العضوية: أساسي

رقم الترخيص 1210000474 تاريخ إصداره 1437/8/1 هـ تاريخ انتهائه 1447/8/24 هـ

يرخص **عصام محمد عبدالله الحسيني** (سعودي الجنسية) سجل مدني رقم 1044275947 لمزاولة المهنة

وقد منح هذا الترخيص بعد أن استوفى شروط القيد الواردة في المادة الخامسة من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/9 هـ بموجب قرار لجنة قيد المقيمين رقم (95/ق3/42) وتاريخ 1442/5/22 هـ

رئيس لجنة قيد المقيمين



أ. وليد بن عبدالله الرويشد

ختم الوزارة



وزارة التجارة والاستثمار  
Ministry of Commerce and Investment  
إدارة المهن الاستشارية





WHITE CUBES





WHITE CUBES

REAL ESTATE VALUATION REPORT

**Al Khabeer Capital**  
**B&Q (HomeWorks)**  
Awal Al Malqa Real Estate Company

Riyadh City  
June 2023



رؤية  
VISION  
2030  
المملكة العربية السعودية  
KINGDOM OF SAUDI ARABIA

REAL ESTATE  
VALUATION REPORT



**REF:** 23-0424  
**Code:**  
**Date:** 30/06/2023  
**M/S:** Awal Al Malqa Real Estate Company

**Subject: Valuation Report for B&Q (Retail Center) in Riyadh City, Saudi Arabia.**

Dear Sir,

With reference to your request and approval dated on 29<sup>th</sup> of May 2023. We will provide you with a detailed report on the property under evaluation, including a market analysis, an economic analysis, and a description of the valuation methods. In addition, we WHITE CUBES guarantee the confidentiality of the client's information and are committed to complete impartiality in the evaluation process and acknowledge that there are no common interests between WHITECUBES and the client.

**WHITE CUBES Consulting Services Co.**

**Mr. Essam M. Al-Husaini – President**

Fellow Member of the Saudi Authority of Accredited Valuers  
License No. 1210000474  
Issued: 01/08/1437 Exp: 24/08/1447  
WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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WHITE **CUBES**

# EXECUTIVE SUMMARY

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EXECUTIVE  
SUMMARY

## Executive Summary

|                             |  |
|-----------------------------|--|
| <b>Reference No.</b>        |  |
| <b>Dep. Code</b>            |  |
| <b>Report Type</b>          | Detailed Report.   |
| <b>Client</b>               | Awal Al Malqa Real Estate Company.   |
| <b>Report user</b>          | Awal Al Malqa Real Estate Company.   |
| <b>Other users</b>          | Investors or those wishing to invest in the Real Estate Investment Trust.                                    |
| <b>Purpose of Valuation</b> | Inclusion in financial statements.   |
| <b>Subject Property</b>     | Commercial Project.  |
| <b>Property Location</b>    | King Fahad district, Riyadh City.  |
| <b>Title Deed No.</b>       | 214002002199, 314009006126, 314004005870   |
| <b>Title Deed Date</b>      | 14/09/1440, 15/09/1440   |
| <b>Ownership Type</b>       | Title deed-restricted  |
| <b>Limitations</b>          | Mortgaged to Al Rajhi Banking Investment Company.  |
| <b>Owner</b>                | شركة أول الملقا العقارية   |
| <b>Land Use</b>             | Commercial   |
| <b>Land Area (Sqm)</b>      | The land has an area size of 7,000 Sqm   |
| <b>BUA (Sqm)</b>            | As per the provided construction permit, the total BUA is 9,181 Sqm.   |
| <b>GLA (Sqm)</b>            | The total GLA is 5,275 Sqm composed of showrooms.  |
| <b>Basis of Value</b>       | Fair Value.  |
| <b>Value Hypothesis</b>     | Current use.   |
| <b>Valuation Approach</b>   | Comparable Approach, Cost Approach and Discounted Cash Flow Approach (DCF).                                  |
| <b>Currency</b>             | Saudi Arabian Riyal  |
| <b>Final Property Value</b> | SAR 68,158,000   |
| <b>Report Date</b>          | 30/06/2023   |
| <b>Valuation Date</b>       | 30/06/2023   |
| <b>Inspection Date</b>      | 30/05/2023   |
| <b>Expiry Date</b>          | 120 days from date of the inspection, unless there're any economic changes that affect the subject property. |



WHITE **CUBES**

**SCOPE OF WORK**

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SCOPE OF  
WORK

## Scope of Work

### 1.1 Introduction

This report was prepared by WHITE CUBES Co. based on the International Valuation Standards of the Council of International Assessment Standards (IVSC 2022) and the Guide to Practice and Regulations issued by the Saudi Authority of Accredited Valuers (Taqeem), to ensure accurate access to information, the evaluation report must be read in its entirety, our firm is pleased to offer its services to Awal Al Malqa Real Estate Company in order to estimate the fair value of the property that is being evaluated.

### 1.2 Purpose of valuation

The client requested that we evaluate the subject properties for **Inclusion in financial statements.**

### 1.3 Basis of Valuation

**According to Paragraph 1.2, the appropriate basis for value adopted in the evaluation process is the fair value of the property.**

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the principle of an "exit price,"

### 1.4 Valuation Methods

Depending on the purpose of the valuation, and upon the request of the client, we will apply the comparable approach, cost approach and income approach.

### 1.5 Currency

Unless otherwise stated, all values in the report are in Saudi Arabian Riyals.

### 1.6 Scope of Research

Research is an important part of the valuation process. We will conduct extensive research and analysis of various factors that can impact the value of a property or asset, such as market conditions, comparable sales, property characteristics, income potential, and legal and regulatory factors.

## 1.7 Property Inspection

Inspection refers to visiting and inspecting an asset, testing its performance, and gathering information about it from quantities, specifications, land area, building areas, rental areas, services, public utilities, project components, etc., so that an opinion can be expressed regarding its value. Therefore, we confirm that subject property was inspected on June 01, 2023. We will then use this evidence to assess and evaluate the project. We remain committed to providing the client with an accurate and reliable valuation.

## 1.8 Information Sources

An on-site field survey was conducted by our team to ensure the accuracy of some market information required for the valuation, including nearby asset prices, occupancy rates, and specific information about the asset under valuation, to determine its actual fair value. The following sources were used during the field research process:

- Property records: In the absence of property ownership documents, the client has provided us with some information about the assets.
- Market trends: Real estate market trends and economic indicators can be used to assess the overall demand and supply for properties in the area.
- Income analysis: Income-producing properties such as rental properties can be valued based on their income potential.
- Personal inspection: A physical inspection of the property can provide valuable information on its condition and any unique features that may affect its value.

## 1.9 Assumptions and Special Assumptions

As defined by the International Valuation Standards, assumptions are logical matters that can be accepted as facts during valuation work without being specifically checked or scrutinized. They are accepted as soon as they are mentioned. Based on the facts at the time of the valuation.

- It has been assumed that the information provided by the client is accurate, but we were not provided with the ownership documents for the asset.
- Assumed that all information received from the client is accurate and up to date as of the date of the valuation, whether oral or written.
- This is a valuation report rather than a structural survey. As a result, we did not conduct any utility checks, service checks, soil tests, etc.
- The valuation methodologies are based on market data compiled using our relevant market knowledge and experience.
- This report's output (final value) is derived from assumptions used, documents received from the client, and market data. Nevertheless, the output estimates provide an indication of the property's value.
- After studying the market and using the built-up model, a discount rate of 8% was assumed for the project.



### **1.10 Use, Distribution, and Publication Restrictions**

To estimate the fair value of the assets being evaluated, WHITE CUBES Co. has prepared this report. There are restrictions on the transfer, referencing, and presentation of this report and its contents to any other party except as stipulated in the contract letter, and the client must obtain our prior written consent in order to use this report for any other purpose other than that stated in this report.

### **1.11 Legal Notes**

As far as we are aware, no legal notices have been served on the property, whether they are in progress or pending in the court system.



WHITE **CUBES**

**PROPERTY DETAILS**

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PROPERTY  
DETAILS

## Property and Location Description

### 2.1 Property Description

Based on the information provided, the subject property is a Retail Project (B&Q) located in Riyadh city. The building has a total land area of 7,000 Sqm, and a total BUA of 9,181 Sqm and was constructed 24 years ago. The project is open on 3 sides from the north, south and east with a direct view on King Abdullah Road from the south side.

### 2.2 Surrounding Area

The subject property is surrounded mostly by several residential and commercial buildings.

### 2.3 Ease of Access

Based on the current location of the subject property, the access level is high since it is located on King Abdullah Road.

### 2.4 Infrastructure

All the infrastructural facilities are available in the surroundings and connected to the subject property.



## 2.5 Title Deed and Ownership

The client provides us with copy of the title deeds related to the subject property which is owned by three title deeds. The details of the subject property:

|                                 |                                |                               |                                   |
|---------------------------------|--------------------------------|-------------------------------|-----------------------------------|
| <b>City</b>                     | Riyadh                         | <b>Land Area</b>              | 2,625 Sqm                         |
| <b>District</b>                 | King Fahad                     | <b>Plot No.</b>               | 37 to 40                          |
| <b>T.D Type</b>                 | Electronic                     | <b>Block No.</b>              | 4                                 |
| <b>T.D Number</b>               | 314004005870                   | <b>Layout No.</b>             | 1324                              |
| <b>T.D Date</b>                 | 15/09/1440                     | <b>Owner</b>                  | Awal Al Malqa Real Estate Company |
| <b>T.D Value</b>                | ---                            | <b>Ownership Type</b>         | Restricted                        |
| <b>Date of Last Transaction</b> | 15/09/1440                     | <b>Limitation of Document</b> | Mortgaged                         |
| <b>Issued From</b>              | Riyadh Center Primary Notarial |                               |                                   |
| <b>City</b>                     | Riyadh                         | <b>Land Area</b>              | 1,750 Sqm                         |
| <b>District</b>                 | King Fahad                     | <b>Plot No.</b>               | 43, 44                            |
| <b>T.D Type</b>                 | Electronic                     | <b>Block No.</b>              | 4                                 |
| <b>T.D Number</b>               | 314009006126                   | <b>Layout No.</b>             | 1324                              |
| <b>T.D Date</b>                 | 14/09/1440                     | <b>Owner</b>                  | Awal Al Malqa Real Estate Company |
| <b>T.D Value</b>                | ---                            | <b>Ownership Type</b>         | Restricted                        |
| <b>Date of Last Transaction</b> | 14/09/1440                     | <b>Limitation of Document</b> | Mortgaged                         |
| <b>Issued From</b>              | Riyadh Center Primary Notarial |                               |                                   |
| <b>City</b>                     | Riyadh                         | <b>Land Area</b>              | 2,625 Sqm                         |
| <b>District</b>                 | King Fahad                     | <b>Plot No.</b>               | 39 to 42                          |
| <b>T.D Type</b>                 | Electronic                     | <b>Block No.</b>              | 4                                 |
| <b>T.D Number</b>               | 214002002199                   | <b>Layout No.</b>             | 1324                              |
| <b>T.D Date</b>                 | 14/09/1440                     | <b>Owner</b>                  | Awal Al Malqa Real Estate Company |
| <b>T.D Value</b>                | ---                            | <b>Ownership Type</b>         | Restricted                        |
| <b>Date of Last Transaction</b> | 14/09/1440                     | <b>Limitation of Document</b> | Mortgaged                         |
| <b>Issued From</b>              | Riyadh Center Primary Notarial |                               |                                   |
| <b>North Side</b>               | 12 meters street               | <b>East Side</b>              | 20 meters street                  |
| <b>South Side</b>               | 80 meters street               | <b>West Side</b>              | Private property plot 35and 36    |

**Note:** The client has provided us with a copy of the title deed which was assumed to be correct and authentic. It is not in our scope to run legal diagnosis on any legal document.

## 2.6 Construction and Buildings

The building permit indicates the maximum permissible BUA approved by the city municipality. However, the actual area may differ from the area mentioned in the building permit. Therefore, the Client has provided us with a copy of the Construction Permit issued by Riyadh Municipality with the below details:

| Subject Property                |                    |
|---------------------------------|--------------------|
| <b>Construction Permit Type</b> | New Permit         |
| <b>Property Type</b>            | Commercial Project |
| <b>Construction Permit No.</b>  | 9/1/7/27           |
| <b>Construction Permit Date</b> | 20/02/1419         |

| Description            | No. of Units | Area (sqm)   | Use       |
|------------------------|--------------|--------------|-----------|
| <b>Basement</b>        | ----         | 3,906        | Parking   |
| <b>Ground Floor</b>    | ----         | 3,906        | Showrooms |
| <b>First Floor</b>     | ----         | 1,369        | Offices   |
| <b>Total BAU (sqm)</b> |              | <b>9,181</b> |           |

## 2.7 LEASING CONTRACT

The client informed us that the mater lease rent is for 15 years starting on 01/08/1438 ending 30/07/1453. Yet, the net income from rent is as follows:

### First 5 years as follows:

- 3 years: SAR 6.00 mm per year
- 2 years: SAR 4.50 mm after discount

**Second 5 years:** SAR 4.75 mm after discount

**Third 5 years:** SAR 5.00 mm after discount

## 2.8 Building Gross Leasable Area (GLA)

| Use       | No. of Units | BUA (Sqm) | GLA (Sqm) | Information Source                       |
|-----------|--------------|-----------|-----------|--|
| Showrooms | ----         | 9,181     | 5,275     | Rental spaces are provided by the client |

The client informed us with the below:

Al Futtaim Group Company has been added as an additional party to the lease agreement concluded between Awal Al Malqa Real Estate Company and Al Futtaim International Company. And changing the brand name from HOMEWORKS to B&Q. with extension of the discount previously granted to Al Futtaim International Company until the end of the contract.

## 2.9 Photographs of the Subject Property





WHITE **CUBES**

MARKET INDICATORS

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MARKET  
INDICATORS

## Market Indicators

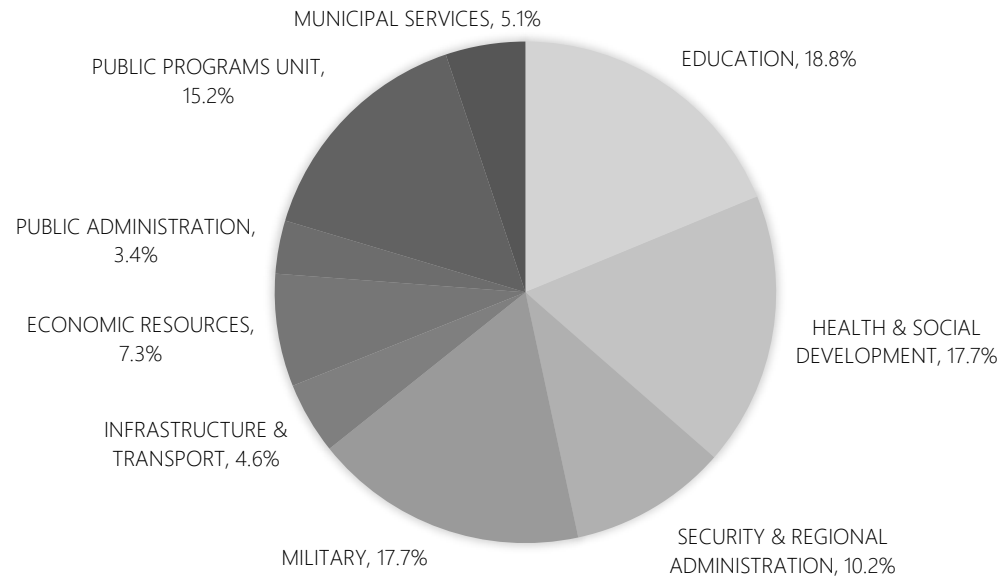
### 3.1 Saudi Arabia Economic Indicators

| Economic Indicator                    | Budget | Expectations | Estimated |       |
|---------------------------------------|--------|--------------|-----------|-------|
|                                       | 2022   | 2023         | 2024      | 2025  |
| <b>Total revenue</b>                  | 1,234  | 1,130        | 1,146     | 1,205 |
| <b>Total expenses</b>                 | 1,132  | 1,114        | 1,125     | 1,134 |
| <b>Budget surplus</b>                 | 102    | 16           | 21        | 71    |
| <b>Debt</b>                           | 985    | 951          | 959       | 962   |
| <b>GDP growth</b>                     | 8.5%   | 3.1%         | 5.7%      | 4.5%  |
| <b>Nominal gross domestic product</b> | 3,957  | 3,869        | 3,966     | 4,247 |
| <b>Inflation</b>                      | 2.6%   | 2.1%         | 2.1%      | 2.0%  |

### 3.2 Budget Allocation for 2022

|                          |            |
|--------------------------|------------|
| Public Administration    | 37 SAR bn  |
| Military                 | 259 SAR bn |
| Security & Regional Adm. | 105 SAR bn |
| Municipal Services       | 63 SAR bn  |
| Education                | 189 SAR bn |
| Health & Social Dev.     | 189 SAR bn |
| Economic Resources       | 72 SAR bn  |
| Infrastructure Transport | 34 SAR bn  |
| General Items            | 165 SAR bn |




Source: Ministry of Finance

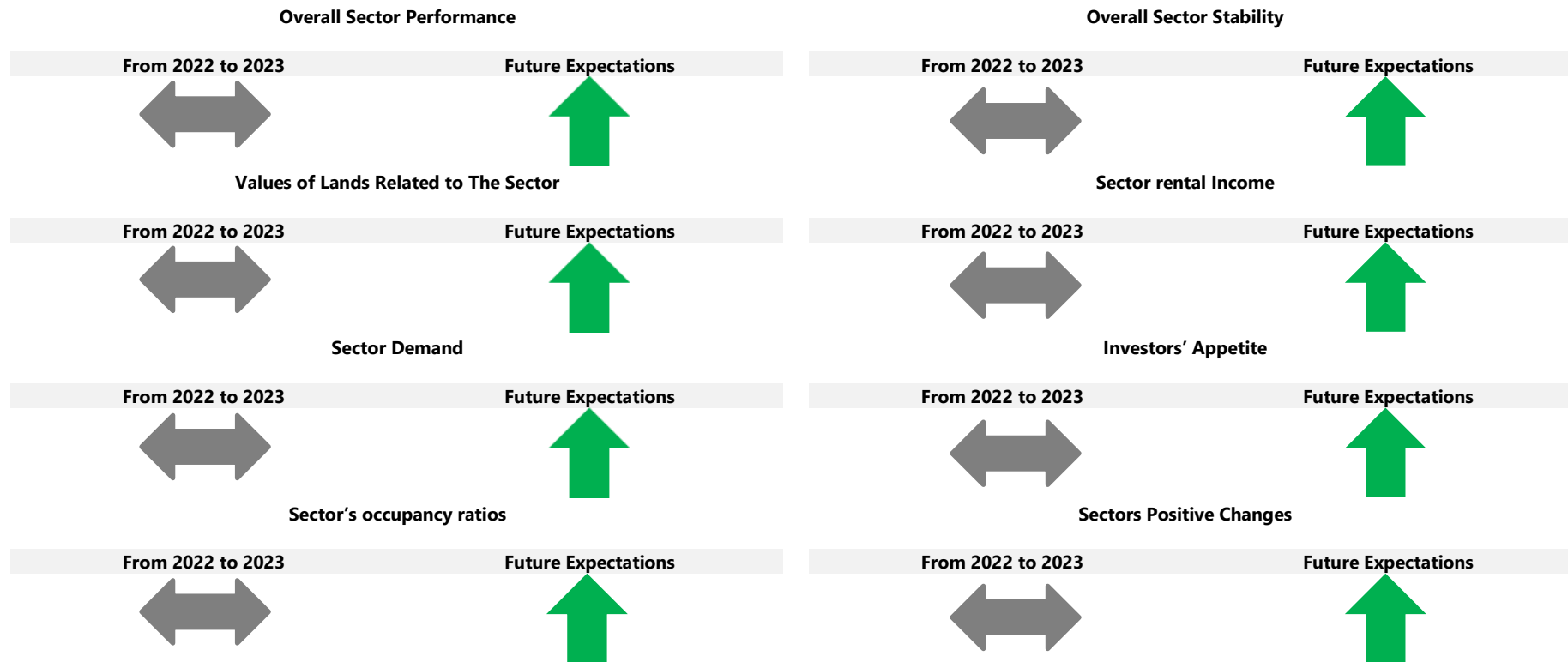




### 3.3 Sector Brief

In the following we will insert general information about the real estate sector related to the property subject of our valuation and which is intended to give an initial indication on the sector. These information and indicators are estimated based on our experience, the current sector performance and some other historical data collected from our side, In addition to some current economic changes in general.

-  Indicator showing a decrease in the current performance comparing to last year
-  Indicator showing an increase in the current performance comparing to last year
-  Indicator showing a stable position in the current performance comparing to last year



White Cubes Team's Analysis

### 3.4 Risk Analysis

#### - Sector Analysis

| Risk Factor                | Very Low Risk (1)<br>1-6 | Minimal Risk (2)<br>7-12 | Medium Risk (3)<br>13-18 | Elevated Risk (4)<br>19-24 | Very High Risk (5)<br>25-30 |
|----------------------------|--------------------------|--------------------------|--------------------------|----------------------------|-----------------------------|
| Overall, Economy           | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Sector Current Performance | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Sector Future Performance  | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Occupancy Rates            | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Supply Rate                | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Demand Rate                | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Total Risk                 | 0                        | 2                        | 15                       | 0                          | 0                           |

Risk Category 17 Risk Points - Medium Risk

#### -Land Analysis

| Risk Factor                 | Very Low Risk (1)<br>1-5 | Minimal Risk (2)<br>6-10 | Medium Risk (3)<br>11-15 | Elevated Risk (4)<br>16-20 | Very High Risk (5)<br>21-25 |
|-----------------------------|--------------------------|--------------------------|--------------------------|----------------------------|-----------------------------|
| Access                      | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Location                    | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Land Shape                  | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Surrounding Area facilities | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Total Risk                  | 0                        | 8                        | 0                        | 0                          | 0                           |

Risk Category 8 Risk Points – Minimal Risk

#### -Property Analysis

| Risk Factor            | Very Low Risk (1)<br>1-3 | Minimal Risk (2)<br>4-6 | Medium Risk (3)<br>7-9 | Elevated Risk (4)<br>10-12 | Very High Risk (5)<br>13-15 |
|------------------------|--------------------------|-------------------------|------------------------|----------------------------|-----------------------------|
| Facilities & Amenities | ----                     | ----                    | ✓                      | ----                       | ----                        |
| Management Skills      | ----                     | ----                    | ✓                      | ----                       | ----                        |
| Overall Condition      | ----                     | ✓                       | ----                   | ----                       | ----                        |
| Total Risk             | 0                        | 2                       | 6                      | 0                          | 0                           |

Risk Category 8 Risk Points - Medium Risk



WHITE **CUBES**

PROPERTY VALUATION

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PROPERTY  
VALUATION

## Property Valuation

### 4 Valuation Methods

With reference to the valuation purpose, taking into consideration the nature of the subject property, we will use the following ticked methods to estimate the fair value of the subject property:

|                  | Market Approach   | Cost Approach | Income Approach |                |                  |            |
|------------------|-------------------|---------------|-----------------|----------------|------------------|------------|
|                  | Comparable method | DRC method    | DCF method      | Invest. method | Cap. Rate method | RLV method |
| <b>Land</b>      | ✓                 | ----          | ----            | ----           | ----             | ----       |
| <b>Buildings</b> | ----              | ✓             | ----            | ----           | ----             | ----       |
| <b>Property</b>  | ----              | ----          | ✓               | ----           | ----             | ----       |

#### COMPARABLE METHOD

This is the method most are familiar with as it is the accepted method for valuing residential real estate. Typically, this method involves selecting properties with similar characteristics in the same market area that have recently sold. Once those properties are found they are compared to the property in question and a professional appraiser will deduct value from the subject property for comparative deficiencies and increase value for advantages. Typically, this method is required if the investor is seeking conventional financing. For comparable information, property brokers, dealers and estate agents are contacted to ascertain the asking and selling prices for property of the nature in the immediate neighborhood and adjoining areas. Neighboring properties, which have been recently sold or purchased, are investigated to ascertain a reasonable selling price.

#### DEPRECIATED REPLACEMENT COST (DRC)

A cost approach is a real estate valuation method that surmises that the price someone should pay for a piece of property should not exceed what someone would have to pay to build an equivalent building. In cost approach pricing, the market price for the property is equivalent to the cost of land plus cost of construction, less depreciation. It is often most accurate for fair value when the property is new. Generally, the cost approach considers what the land, devoid of any structures, would cost, then adds the cost of building the structures, then depreciation is subtracted. The cost approach is most often used for public buildings, such as schools and mosques, because it is difficult to find recently sold comparable properties in the local market, and public buildings do not earn income, so the income approach cannot be used, either. A property that already has improvements will usually contribute a certain amount of value to the site, but improvements can also lower property value if the site's potential buyers wish to use the property for another use that would entail removing some of the improvements to the current site. The cost approach is best used when improvements are new and there is adequate pricing information to value the property components. The cost

approach may be less desirable if there are no recent sales of vacant land for which to compare, since the major method of valuing vacant lands is to use the sales comparison approach, or when construction costs are not readily available. The cost approach method includes:

- Estimate what the subject property would be worth.
- Estimate the current cost of building the structures, then add that value to the value of the vacant land.
- Estimate the amount of accrued depreciation of the subject property, then subtract it from the total to arrive at the property's worth.

### **DISCOUNTED CASH FLOW (DCF)**

The Discounted Cash Flow Method involves estimating net cash flows of an income generating property over specific period and then calculating the present value of that series of cash flows by discounting those net cash flows using a selected "discount rate." A discounted cash flow method (DCF) is a valuation method used to estimate the attractiveness of an income generating property.

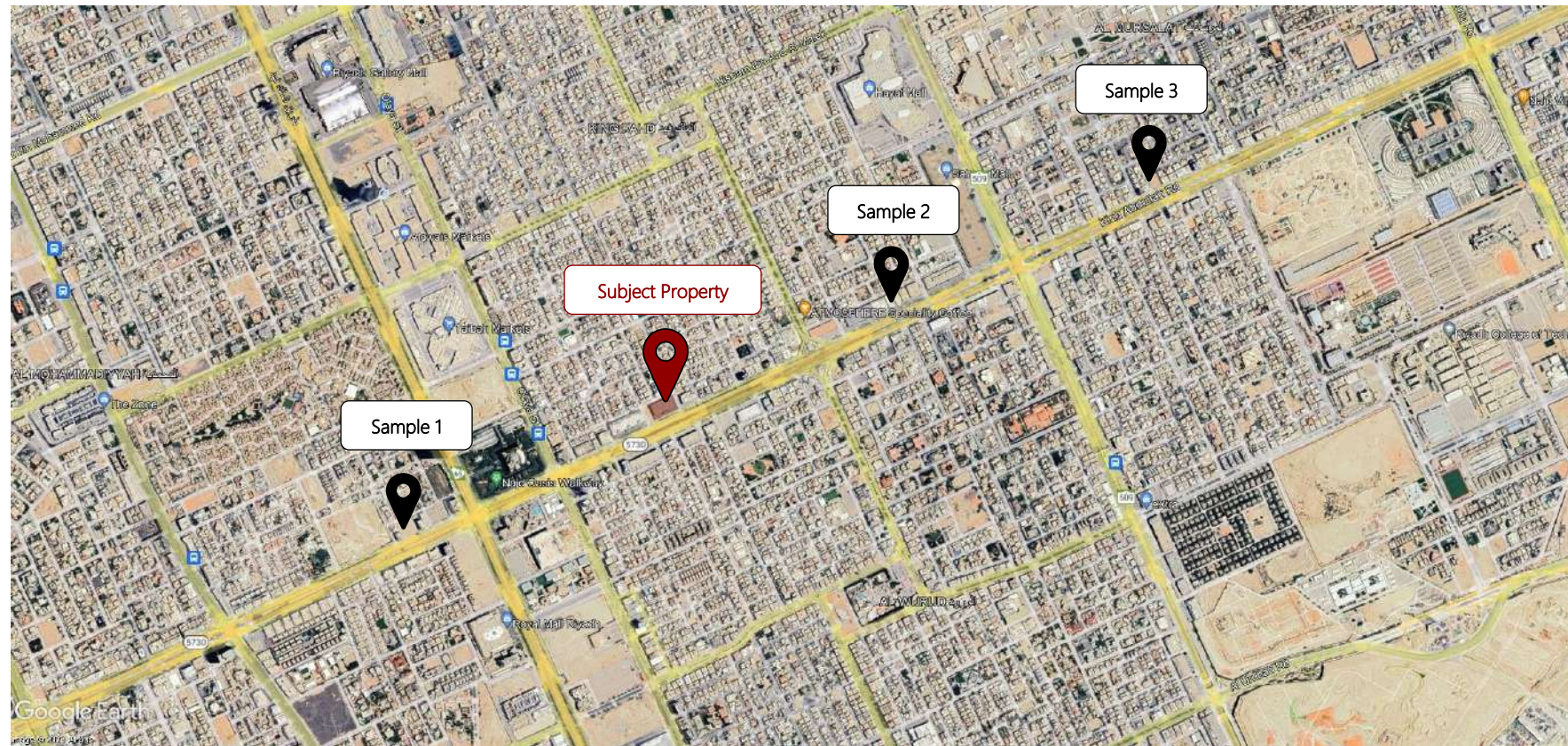
#### 4.1 Comparable Method

This method aims to collect data and information on actual sales and / or current offers of similar properties within the surrounding market, and then make the necessary adjustments to these comparisons in terms of area, location, shape, quality, content, and others. Below is a summary of the valuation process using the comparable method and the amendments made to the available comparisons.

| Characteristics of Samples            |                  |                |        |                |        |                |        |
|---------------------------------------|------------------|----------------|--------|----------------|--------|----------------|--------|
| Feature                               | Subject Property | Sample 1       |        | Sample 2       |        | Sample 3       |        |
| Quoting                               | -----            | Offering       |        | Offering       |        | Offering       |        |
| City                                  | Riyadh           | Riyadh         |        | Riyadh         |        | Riyadh         |        |
| Sale Price                            | -----            | SAR 32,000,000 |        | SAR 27,000,000 |        | SAR 24,370,000 |        |
| Data Source                           | Client           | Market Survey  |        | Market Survey  |        | Market Survey  |        |
| Area Size                             | 7,000.00         | 3,850.00       |        | 3,000.00       |        | 2,900.00       |        |
| SAR / Sqm                             | -----            | SAR 8,312      |        | SAR 9,000      |        | SAR 8,403      |        |
| Market Conditions Adjustment Analysis |                  |                |        |                |        |                |        |
|                                       | Subject Property | Sample 1       |        | Sample 2       |        | Sample 3       |        |
| SAR/ Sqm before Adj.                  | -----            | SAR 8,311.7    |        | SAR 9,000.0    |        | SAR 8,403.4    |        |
| Mortgage                              | -----            | Cash           |        | Cash           |        | Cash           |        |
| Market Conditions                     | -----            | -----          |        | -----          |        | -----          |        |
| Total Adjustments Ratio               |                  | 0.00%          |        | 0.00%          |        | 0.00%          |        |
| Total Adjustment Amount               |                  | SAR 0.00       |        | SAR 0.00       |        | SAR 0.00       |        |
| Net After Adjustment                  |                  | SAR 8,311.69   |        | SAR 9,000.00   |        | SAR 8,403.45   |        |
| Location Adjustment Analysis          |                  |                |        |                |        |                |        |
|                                       | Subject Property | Sample 1       |        | Sample 2       |        | Sample 3       |        |
| Area Size                             | 7,000.00         | 3,850.00       | -2.50% | 3,000.00       | -2.50% | 2,900.00       | -2.50% |
| Location Desirability                 | Average          | Average        | 0.00%  | Average        | 0.00%  | Average        | 0.00%  |
| Accessibility                         | Average          | Average        | 0.00%  | Average        | 0.00%  | Average        | 0.00%  |
| Main Street Width (m)                 | 80               | 80             | 0.00%  | 80             | 0.00%  | 80             | 0.00%  |
| Sides Open                            | 3                | 3              | 0.00%  | 3              | 0.00%  | 2              | 2.50%  |
| Land Shape                            | Regular          | Regular        | 0.00%  | Regular        | 0.00%  | Regular        | 0.00%  |
| Close to main street                  | Yes              | Yes            | 0.00%  | Yes            | 0.00%  | Yes            | 0.00%  |
| Total Adjustments Ratio               |                  | -2.50%         |        | -2.50%         |        | 0.00%          |        |
| Total Adjustment Amount               |                  | -SAR 207.8     |        | -SAR 225.0     |        | SAR 0.0        |        |
| Net After Adjustment                  |                  | SAR 8,103.9    |        | SAR 8,775.0    |        | SAR 8,403.4    |        |
| Weighted Mean                         |                  | <b>70%</b>     |        | <b>20%</b>     |        | <b>10%</b>     |        |
|                                       |                  | SAR 5,672.73   |        | SAR 1,755.00   |        | SAR 840.34     |        |
| SAR / Sqm                             | <b>SAR 8,268</b> |                |        |                |        |                |        |
| Rounded Value                         | <b>SAR 8,300</b> |                |        |                |        |                |        |

| Property Value | Sensitivity Analysis |                |                |                |                |                |
|----------------|----------------------|----------------|----------------|----------------|----------------|----------------|
|                | -10%                 | -5%            | 0%             | 5%             | 10%            |                |
| SAR 58,100,000 | Land Area            | 7,000          | 7,000          | 7,000          | 7,000          | 7,000          |
|                | SAR / Sqm            | SAR 7,470.0    | SAR 7,885.0    | SAR 8,300.0    | SAR 8,715.0    | SAR 9,130.0    |
|                | Property Value       | SAR 52,290,000 | SAR 55,195,000 | SAR 58,100,000 | SAR 61,005,000 | SAR 63,910,000 |

Based on the market samples obtained with the assistance of some real estate experts in the region and the inspection made by our team, the average price for similar properties falls in the range of 8,000 - 8,500 SAR / Sqm with an average of 8,300 SAR / Sqm. When comparing with the results of the analysis of comparisons, we found that the property value falls within the same range and is close to the market average values.



## 4.2 Depreciated Replacement Cost (DRC)

As a first step, the cost of reconstructing the building (the cost of replacement) was estimated, based on the average construction costs of similar properties and at the same level of finishes, services, utilities, and others. The opinion of some engineering experts was used in this regard. The following table shows the expected replacement costs for such property.

|                            | Min Cost (SAR / Sqm) | Max Cost (SAR / Sqm) | Average Cost |
|----------------------------|----------------------|----------------------|--------------|
| <b>Concrete Cost</b>       | SAR 900              | SAR 1,100            | SAR 1,000    |
| <b>MEP</b>                 | SAR 550              | SAR 650              | SAR 600      |
| <b>Finishing Materials</b> | SAR 450              | SAR 550              | SAR 500      |
| <b>Site Improvements</b>   | SAR 100              | SAR 140              | SAR 120      |
| <b>Owner Profit</b>        | 18%                  | 22%                  | 20%          |

In the following table, we will estimate the direct replacement cost of the property taking into consideration the main components of the building, such as the concrete structure, electromechanical work, finishes, site improvements, etc. Then we will estimate the value of the indirect costs as a percentage of the total direct costs to estimate the total construction costs of the project

| <b>Land</b> |           |  |                |
|-------------|-----------|--|----------------|
| Land Area   | SAR / Sqm |  | Total Value    |
| 7,000.00    | SAR 8,300 |  | SAR 58,100,000 |

| <b>Building</b>     |                 |  |           |
|---------------------|-----------------|--|-----------|
|                     | Unit            |  | Total BUA |
| <b>Basement</b>     | Sqm             |  | 3,906.00  |
| <b>Ground Floor</b> | Sqm             |  | 3,906.00  |
| <b>Upper Floors</b> | Sqm             |  | 1,369.00  |
| <b>Fences</b>       | Lm              |  | 70        |
| <b>Total (SQM)</b>  | <b>9,181.00</b> |  |           |

| <b>Development Cost</b>           |          |           |                       |                 |                       |
|-----------------------------------|----------|-----------|-----------------------|-----------------|-----------------------|
| <b>Hard Cost - (Upper Floors)</b> |          |           |                       |                 |                       |
|                                   | Area     | SAR / Sqm | Total                 | Completion Rate | Total Cost            |
| Skeleton and Block                | 5,275.00 | SAR 1,000 | SAR 5,275,000         | 100%            | SAR 5,275,000         |
| Electro Mechanic                  | 5,275.00 | SAR 600   | SAR 3,165,000         | 100%            | SAR 3,165,000         |
| Finishing                         | 5,275.00 | SAR 500   | SAR 2,637,500         | 100%            | SAR 2,637,500         |
| Site Improvements                 | 7,000.00 | SAR 120   | SAR 840,000           | 100%            | SAR 840,000           |
| <b>Total</b>                      |          |           | <b>SAR 11,917,500</b> | <b>100.00%</b>  | <b>SAR 11,917,500</b> |



| Hard Cost - (Underground)      |                          |           |                      |                           |                         |
|--------------------------------|--------------------------|-----------|----------------------|---------------------------|-------------------------|
|                                | Area                     | SAR / Sqm | Total                | Completion Rate           | Total Cost              |
| Skeleton & Block               | 3,906.00                 | SAR 1,500 | SAR 5,859,000        | 100%                      | SAR 5,859,000           |
| Electro Mechanic               | 3,906.00                 | SAR 500   | SAR 1,953,000        | 100%                      | SAR 1,953,000           |
| Finishing                      | 3,906.00                 | SAR 300   | SAR 1,171,800        | 100%                      | SAR 1,171,800           |
| <b>Total</b>                   |                          |           | <b>SAR 8,983,800</b> | <b>100.00%</b>            | <b>SAR 8,983,800</b>    |
| Overall Soft Cost              |                          |           |                      |                           |                         |
|                                |                          |           | Total Hard Cost      | Ratio                     | Soft Cost               |
| Initial Project Pre Cost       |                          |           | SAR 20,901,300       | 0.10%                     | SAR 20,901              |
| Design                         |                          |           | SAR 20,901,300       | 1.00%                     | SAR 209,013             |
| Eng Consultant                 |                          |           | SAR 20,901,300       | 1.00%                     | SAR 209,013             |
| Management                     |                          |           | SAR 20,901,300       | 5.00%                     | SAR 1,045,065           |
| Contingency                    |                          |           | SAR 20,901,300       | 5.00%                     | SAR 1,045,065           |
| Others                         |                          |           | SAR 20,901,300       | 0.00%                     | SAR 0                   |
| <b>TOTAL</b>                   |                          |           |                      | <b>12.10%</b>             | <b>SAR 2,529,057.30</b> |
| <b>Total Hard Cost</b>         | <b>SAR 20,901,300</b>    |           |                      | <b>BUA</b>                | <b>9,181.00</b>         |
| <b>Total Soft Cost</b>         | <b>SAR 2,529,057.30</b>  |           |                      | <b>SAR / Sqm</b>          | <b>SAR 2,552</b>        |
| <b>Total Construction Cost</b> | <b>SAR 23,430,357.30</b> |           |                      | <b>Overall Completion</b> | <b>100 %</b>            |

After knowing the total construction costs at a rate of 2,552SAR per square meter, we will estimate the economic life of the property according to the type of construction and its general condition, then apply the depreciation rates based on the actual age of the property. The developer's profitability will be added to the property's value after depreciation to reflect the estimated fair value of the building.

| DEVELOPMENT VALUE     |                |                         |                |
|-----------------------|----------------|-------------------------|----------------|
| Total Dev Cost        | SAR 23,430,357 | Annual Dep Rate         | 2.0%           |
| Total Completion Rate | 100%           | Actual Age              | 24             |
| Developer Profit Rate | 20%            | Total Dep Rate          | 44.00%         |
| Dev. Profit Amount    | SAR 4,686,071  | Add Appr Rate           | 0.00%          |
| Development Value     | SAR 17,807,072 | Net Dep Rate            | 44.00%         |
| Economic Age          | 50             | Cost After Depreciation | SAR 13,121,000 |

In order to determine the full value of the property, the construction costs will be added to the fair value of the land as follows:

| Total Dev. Value | Land Value     | Total Property Value | Rounded Value  |
|------------------|----------------|----------------------|----------------|
| SAR 17,807,072   | SAR 58,100,000 | SAR 75,907,072       | SAR 75,910,000 |

### 4.3 Discounted Cash Flow- Market Rates

#### Market Rental Analysis

By studying the rental rates for similar properties in the surrounding area of the subject property, we have found that the average renting rates for commercial units range from 1,100 to 1,500 SAR / Sqm. The following is a table that shows some of the comparisons that were used in analysing the market rental rates, as well as the occupancy rates for similar properties.

| Comparable No. | Commercial Showroom Units |
|----------------|---------------------------|
|                | Rental Rate/ Unit         |
| Comparable 1   | 1,500 SAR/ Sqm            |
| Comparable 2   | 1,100 SAR/ Sqm            |
| <b>Average</b> | <b>1,300 SAR/ Sqm</b>     |



### **Analysis of Operating and Maintenance Expenses**

The operating expenses of similar properties reached between 15% to 20% of the total expected income for the property. These ratios depend on the condition and quality of the property and the type of services and public facilities available in the property itself. These ratios are divided into several main categories as follows:

|                                    |          |
|------------------------------------|----------|
| Management expenses                | 5% to 7% |
| Operating and maintenance expenses | 5% to 6% |
| General service bills expenses     | 3% to 4% |
| Other incidental expenses          | 2% to 3% |

### **Property Operation and Maintenance Expenses**

The client did not provide us with details of the actual maintenance and operation costs of the project and accordingly market averages for similar projects will be assumed. Therefore, we will apply the rate of 15% as the OPEX which will be calculated from the total revenues of the property. This ratio is based on the condition and quality of the property and the type of services and public facilities available in the property itself.

### **Market Capitalization Rate Analysis**

Based on recent transactions of real estate properties and funds, the average capitalization rate of acquiring such property falls in the range of 7% to 8%. This average is mainly driven by several factors such as the quality of the building, finishing materials, the general location, ease of access, actual age of the property, size of the project, and the extent of income stability in it. In addition to the above, the capitalization rates are also affected directly by the supply and demand rates for the same type of real estate.

### **The Capitalization Rate Used for the Valuation**

The capitalization rate was derived by extracting from the market, where we found that the minimum is 8% and the maximum is 7%. A capitalization rate of 7.5% was assumed, and it is considered a reasonable percentage after taking into account the components of the property, and it represents the return expected to be achieved by the property at the end of the period, which will be applied later. on the net operating income of the property

## Estimated the Discount Rate of Cash Flows

To estimate the discount rate used in the cash flow method, we will use the cumulative model, which includes a calculation of a number of risks related to the real estate, for the purpose of determining the value of future cash at the present time. The estimation of the existing risk rates was based on current developments in the real estate market.

| Discount rate calculation (cumulative model). |              |   |
|---|--------------|---|
| Government Bond Rate of Return                | 3.1%         | Central Bank  |
| Inflation Rate                                | 2.5%         | Source General Authority for Statistics   |
| Regular Risk Premium                          | 0.5%         | Including increased interest rates, dependency risks on income earnings and competition risks, estimated according to the experience of our team  |
| Irregular Risk Premium                        | 2.0%         | The risks of the property itself include a decrease in rental values, an increase in the occupancy rate, and the extent of competitiveness in the market for the coming period, estimated according to the experience of our team |
| <b>Discount Rate</b>                          | <b>8.02%</b> |   |

| Cash Flow                              |              | 2023             | 2024             | 2025             | 2026             | 2027             | 2028             | 2029             | 2030             | 2031             | 2032              |
|--|--------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
|  |              | 0                | 1                | 2                | 3                | 4                | 5                | 6                | 7                | 8                | 9                 |
| <b>Increase Revision</b>               | 2.50%        | <b>0.00%</b>     | <b>2.50%</b>     | <b>0.00%</b>     | <b>0.00%</b>     | <b>2.50%</b>     | <b>0.00%</b>     | <b>0.00%</b>     | <b>0.00%</b>     | <b>0.00%</b>     | <b>0.00%</b>      |
| <b>Expected Revenues</b>               |              |                  |                  |                  |                  |                  |                  |                  |                  |                  |                   |
| Showrooms                              | Sqm          | 5,275            | 5,275            | 5,275            | 5,275            | 5,275            | 5,275            | 5,275            | 5,275            | 5,275            | 5,275             |
| Rate                                   | SAR          | 1,300            | 1,333            | 1,333            | 1,333            | 1,366            | 1,366            | 1,366            | 1,366            | 1,367            | 1,367             |
| Total                                  | SAR          | 6,857,500        | 7,028,938        | 7,028,938        | 7,028,938        | 7,204,661        | 7,204,661        | 7,204,661        | 7,204,661        | 7,209,936        | 7,209,936         |
| <b>Overall Revenues</b>                |              | <b>6,857,500</b> | <b>7,028,938</b> | <b>7,028,938</b> | <b>7,028,938</b> | <b>7,204,661</b> | <b>7,204,661</b> | <b>7,204,661</b> | <b>7,204,661</b> | <b>7,209,936</b> | <b>7,209,936</b>  |
| <b>Vacancy Rates</b>                   |              |                  |                  |                  |                  |                  |                  |                  |                  |                  |                   |
| Showrooms                              |              | 10%              | 10%              | 10%              | 10%              | 7%               | 7%               | 7%               | 7%               | 7%               | 7%                |
| Total                                  |              | 685,750          | 702,894          | 702,894          | 702,894          | 504,326          | 504,326          | 504,326          | 504,326          | 504,696          | 504,696           |
| <b>Total</b>                           |              | <b>6,171,750</b> | <b>6,326,044</b> | <b>6,326,044</b> | <b>6,326,044</b> | <b>6,700,335</b> | <b>6,700,335</b> | <b>6,700,335</b> | <b>6,700,335</b> | <b>6,705,240</b> | <b>6,705,240</b>  |
| <b>Expenses</b>                        |              |                  |                  |                  |                  |                  |                  |                  |                  |                  |                   |
| OPEX                                   | 15.00%       | 1,028,625        | 1,054,341        | 1,054,341        | 1,054,341        | 1,080,699        | 1,080,699        | 1,080,699        | 1,080,699        | 1,081,490        | 1,081,490         |
| Others                                 | 5%           | 34,288           | 35,145           | 35,145           | 35,145           | 25,216           | 25,216           | 25,216           | 25,216           | 25,235           | 25,235            |
| <b>Overall Expenses</b>                |              | <b>1,062,913</b> | <b>1,089,485</b> | <b>1,089,485</b> | <b>1,089,485</b> | <b>1,105,915</b> | <b>1,105,915</b> | <b>1,105,915</b> | <b>1,105,915</b> | <b>1,106,725</b> | <b>1,106,725</b>  |
| <b>NOI</b>                             |              | <b>5,108,838</b> | <b>5,236,558</b> | <b>5,236,558</b> | <b>5,236,558</b> | <b>5,594,419</b> | <b>5,594,419</b> | <b>5,594,419</b> | <b>5,594,419</b> | <b>5,598,515</b> | <b>5,598,515</b>  |
| <b>Terminal Value</b>                  | <b>7.50%</b> |                  |                  |                  |                  |                  |                  |                  |                  |                  | <b>74,652,870</b> |
| Discount Rate                          | 8.02%        |                  |                  |                  |                  |                  |                  |                  |                  |                  |                   |
| <b>Market Rate / Net Present Value</b> |              |                  |                  |                  |                  |                  |                  |                  |                  |                  | <b>68,158,305</b> |

#### 4.4 Discounted Cash Flow- Leasing Contract

As per the leasing contract received from the client, the subject property is fully leased to one tenant under the name of B&Q (HOMEWORK) Retail Center.

|                         |                               |
|-------------------------|-------------------------------|
| First Party             | شركة الفطيم العالمية التجارية |
| Second Party            | شركة الفطيم الرائدة التجارية  |
| Contract Date           | 01/08/1438                    |
| Contract Duration       | 15 years                      |
| Contract Effective Date | 30/07/1453                    |
| Contract Value          | 75,750,000 SAR                |
| OPEX                    | Paid by The Tenant            |

Al Futtaim Group Company has been added as an additional party to the lease agreement concluded between Awal Al Malqa Real Estate Company and Al Futtaim International Company. And changing the brand name from HOMEWORKS to B&Q. with extension of the discount previously granted to Al Futtaim International Company until the end of the contract.

| Cash Flow                              |       | 2023      | 2024      | 2025      | 2026      | 2027      | 2028      | 2029      | 2030      | 2031       |
|--|-------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|  |       | 0         | 1         | 2         | 3         | 4         | 5         | 6         | 7         | 8          |
| <b>Increase Revision</b>               |       | 0%        | 0%        | 4%        | 0%        | 0%        | 0%        | 0%        | 4%        | 0%         |
| <b>Expected Revenues</b>               |       |           |           |           |           |           |           |           |           |            |
| <b>Overall Revenues</b>                |       | 4,750,000 | 4,750,000 | 4,750,000 | 4,750,000 | 4,750,000 | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000  |
| <b>Expenses</b>                        |       |           |           |           |           |           |           |           |           |            |
| OPEX                                   | 0.0%  | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0          |
| Insurance                              | SAR   | 25,000    | 25,000    | 25,000    | 25,000    | 25,000    | 25,000    | 25,000    | 25,000    | 25,000     |
| <b>Overall Expenses</b>                |       | 25,000    | 25,000    | 25,000    | 25,000    | 25,000    | 25,000    | 25,000    | 25,000    | 25,000     |
| <b>NOI</b>                             |       | 4,725,000 | 4,725,000 | 4,725,000 | 4,725,000 | 4,725,000 | 4,975,000 | 4,975,000 | 4,975,000 | 4,975,000  |
| <b>Terminal Value</b>                  | 7.5%  |           |           |           |           |           |           |           |           | 66,333,333 |
| Discount Rate                          | 8.00% | 1.00      | 0.93      | 0.86      | 0.79      | 0.74      | 0.68      | 0.63      | 0.58      | 0.54       |
| <b>Present Value</b>                   |       | 4,725,000 | 4,375,000 | 4,050,926 | 3,750,857 | 3,473,016 | 3,385,901 | 3,135,094 | 2,902,865 | 38,525,674 |
| <b>Market Rate / Net Present Value</b> |       |           |           |           |           |           |           |           |           | 68,324,333 |

#### 4.5 Subject Property Value in Different Approaches

| Methodology              | Subject of Valuation | Value in Numbers | Value in Letters   |
|--------------------------|----------------------|------------------|--|
| <b>DRC Approach</b>      | Land + Building      | SAR 75,910,000   | Seventy-Five Million Nine Hundred Ten Thousand Saudi Riyals        |
| <b>DCF- Market Rates</b> | Property             | SAR 68,158,000   | Sixty-Eight Million One Hundred Fifty-Eight Thousand Saudi Riyals. |
| <b>DCF- Contract</b>     | Property             | SAR 68,300,000   | Sixty-Eight Million Three Hundred Thousand Saudi Riyals            |

#### 4.6 Subject Property Value

We are of an opinion that the total fair value of the subject property taking into consideration the purpose of valuation by using the Discounted Cash Flow Approach- Market Rates is:

**Property Value: 68,158,000 SAR**  
**Sixty-Eight Million One Hundred Fifty-Eight Thousand Saudi Riyals.**

#### 4.7 Notes

We trust that this report and valuation fulfills the requirements of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright. This report is compiled based on the information received to the best of our belief, knowledge and understanding. The information revealed in this report is strictly confidential and issued for the consideration of the client. The valuer's approval is required in writing to reproduce this report either electronically or otherwise and for further onward distribution, hence no part of this report may be copied without prior consent.

#### 4.8 Accredited Valuers

**Essam M. Al Husaini**  
President



Fellow Member of (RE Valuation)  
License No. 1210000474

**Nabeel M. Al Husaini**  
CEO



Member of (RE Valuation)  
License No. 1210002782

**Farah E. Al Husaini**  
Valuation Manager



Member of (RE Valuation)  
License No. 1210001964

**Nasser A. Al Arifi**  
Valuer



Member of (RE Valuation)  
License No. 1210002399



Membership- RE Branch  
Membership No.:  
11000171



WHITE **CUBES**  
DOCUMENTS

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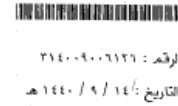
DOCUMENT

Documents Received

5.1 Title deed and Construction Permit



الجمهورية العربية السعودية  
وزارة العدل  
[٢٧٧]  
كاتب العدل بوسط الرياض



الجمهورية العربية السعودية  
وزارة العدل  
[٢٧٧]  
كاتب العدل بوسط الرياض

صك رهن وتملك عقار

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد:  
فإن نصف القطعة قطعة الأرض ٣٩ ونصف القطعة قطعة الأرض ٤٠ و قطعة الأرض ٤١ و قطعة الأرض ٤٢ من البلك رقم ٤ من المخطط رقم ١٣٢٤ الواقع في حي الملك فهد بمدينة الرياض . وحدودها وأطوالها كالتالي:  
شمالاً: شارع عرض ١٢م بطول: (٣٧.٥) سبعة و ثلاثون متر و خمسون سنتيمتر  
جنوباً: شارع عرض ٨٠م بطول: (٣٧.٥) سبعة و ثلاثون متر و خمسون سنتيمتر  
شرقاً: قطعة رقم ٤٤٤٣ بطول: (٧٠) سبعون متر  
غرباً: جزء من القطعتين رقم ٤٠ و ٣٩ بطول: (٧٠) سبعون متر  
ومساحتها : (٢٦٢٥) ألفان و ستمائة و خمسة و عشرون متر مربعاً فقط  
المملوكة لـ/ شركة أول الملقا العقارية بموجب سجل تجاري رقم ١٠١٠٨٩٣٨٠٢ وتنتهي في ١٩ / ١٠ / ١٤٤٤ هـ بالصك الصادر من كتابة العدل الأول بالرياض برقم ٤١٠١٠٦٠٦٠٠٩٧ في ٢٧ / ٤ / ١٤٤٠ هـ . قد تم رهنها وما أقيم أو سيقام عليها من بناء لصالح / شركة الراجحي المصرفية للاستثمار بموجب سجل تجاري رقم ١٠١٠٠٠٠٠٠٩٦ في ٢٥ / ١٠ / ١٣٧٦ هـ ضماناً لوفائه بـ/ بما عليه من مستحقات مالية لصالح مصرف الراجحي بموجب سجل تجاري رقم ١٠١٠٠٠٠٠٠٩٦ بمبلغ وقدره ( ٣٨١٨١٨١٨.١٩ ) ريال ثمانية و ثلاثون مليوناً و مائة و واحد و ثمانون ألفاً و ثمانمائة و ثمانية عشر ريال و تسعة عشر هلة المجاز من الهيئة الشرعية برقم ١٨٠٧٢ في ٧ / ٧ / ١٤٣٩ هـ ، على أن يتم سداد الميوتية على أقساط كل ستة أشهر من تاريخ صرف التمويل بقيمة كل قسط ( ١٠٠٠٠٠٠ ) ريال مليون ريال ، تدفع اعتباراً من تاريخ ٣١ / ٠٣ / ٢٠١٩ م وفي حالة عدم السداد فللمرتهن بيع العقار بالقيمة التي تنتهي عندها الرغبات واستيفاء ما في ذمة الراهن من مبلغ وما نقص فيه عليه بعد اكتمال مايلزم شرعاً وعليه جرى التصديق تحريراً في ١٤ / ٩ / ١٤٤٠ هـ وصلى الله على نبيينا محمد وآله وصحبه وسلم.

رئيس كتابة العدل المساعد  
صالح بن ضيف الله بن احمد العمري



صك رهن وتملك عقار

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد:  
فإن قطعة الأرض ٤٣ و قطعة الأرض ٤٤ من المخطط رقم ١٣٢٤ الواقع في حي الملك فهد بمدينة الرياض . وحدودها وأطوالها كالتالي:  
شمالاً: شارع عرض ١٢م بطول: (٢٥) خمسة و عشرون متر  
جنوباً: شارع عرض ٨٠م بطول: (٢٥) خمسة و عشرون متر  
شرقاً: شارع عرض ٢٠م بطول: (٧٠) سبعون متر  
غرباً: قطعة رقم ٤١ وقطعه رقم ٤٢ بطول: (٧٠) سبعون متر  
ومساحتها : (١٧٥٠) ألف و سبعمائة و خمسون متر مربعاً فقط  
المملوكة لـ/ شركة أول الملقا العقارية بموجب سجل تجاري رقم ١٠١٠٨٩٣٨٠٢ وتنتهي في ١٩ / ١٠ / ١٤٤٤ هـ بالصك الصادر من كتابة العدل الأول بالرياض برقم ٤١٠١٠٦٠٦٠٠٩٧ في ٢٧ / ٤ / ١٤٤٠ هـ . قد تم رهنها وما أقيم أو سيقام عليها من بناء لصالح / شركة الراجحي المصرفية للاستثمار بموجب سجل تجاري رقم ١٠١٠٠٠٠٠٠٩٦ في ٢٥ / ١٠ / ١٣٧٦ هـ ضماناً لوفائه بـ/ بما عليه من مستحقات مالية لصالح مصرف الراجحي بموجب سجل تجاري رقم ١٠١٠٠٠٠٠٠٩٦ بمبلغ وقدره ( ٣٨١٨١٨١٨.١٩ ) ريال ثمانية و ثلاثون مليوناً و مائة و واحد و ثمانون ألفاً و ثمانمائة و ثمانية عشر ريال و تسعة عشر هلة المجاز من الهيئة الشرعية برقم ١٨٠٧٢ في ٧ / ٧ / ١٤٣٩ هـ ، على أن يتم سداد الميوتية على أقساط كل ستة أشهر من تاريخ صرف التمويل بقيمة كل قسط ( ١٠٠٠٠٠٠ ) ريال مليون ريال ، تدفع اعتباراً من تاريخ ٣١ / ٠٣ / ٢٠١٩ م وفي حالة عدم السداد فللمرتهن بيع العقار بالقيمة التي تنتهي عندها الرغبات واستيفاء ما في ذمة الراهن من مبلغ وما نقص فيه عليه بعد اكتمال مايلزم شرعاً وعليه جرى التصديق تحريراً في ١٤ / ٩ / ١٤٤٠ هـ وصلى الله على نبيينا محمد وآله وصحبه وسلم.

كاتب العدل  
عبد الرحمن بن محمد بن رشيد الحريبي





الرقم: ٢١٤٠٠٠٠٥٨٧٠  
 التاريخ: ١٥ / ٩ / ١٤٤٠ هـ



صك رهن وتملك عقار

الحمد لله وحده والصلاة والسلام على من لا نبي بعده وبعد:  
 فإن قطعة الأرض ٣٧ و قطعة الأرض ٣٨ و جزء من قطعة الأرض ٣٩ و جزء من قطعة الأرض ٤٠ من البلك رقم ٤ من المخطط رقم ١٣٢٤ الواقع في حي الملك فهد بمدينة الرياض . وحدودها وأطوالها كالتالي:  
 شمالاً: شارع عرض ١٢م بطول: (٣٧,٥) سبعة و ثلاثون متر و خمسون سنتيمتر  
 جنوباً: شارع عرض ٨٠م بطول: (٣٧,٥) سبعة و ثلاثون متر و خمسون سنتيمتر  
 شرقاً: قطعة رقم ٤١ ورقم ٤٢ بطول: (٧٠) سبعون متر  
 غرباً: قطعة رقم ٣٥ ورقم ٣٦ بطول: (٧٠) سبعون متر  
 ومساحتها : (٢٦٢٥) ألفان و ستمائة و خمسة و عشرون متر مربعاً فقط  
 المملوكة ل/ شركة أول الملقا العقارية بموجب سجل تجاري رقم ١٠١٠٨٩٣٨٠٢ وتنتهي في ١٩ / ١٠ / ١٤٤٤ هـ بالصك الصادر من كتابة العدل الاول بالرياض برقم ٣١٠١١١٠٥٢٦٤٢ في ٢٧ / ٤ / ١٤٤٠ هـ قد تم رهنها وما أقيم أو يسبقها عليها من بناء لصالح / شركة الراجحي المصرفية للاستثمار بموجب سجل تجاري رقم ١٠١٠٠٠٠٠٠٩٦ في ٢٥ / ١٠ / ١٣٧٦ هـ ضماناً لوفائه ب/ بما عليه من مستحقات مالية لصالح مصرف الراجحي بموجب سجل تجاري رقم ١٠١٠٠٠٠٠٠٩٦ و قدره (٣٨١٨١٨١٨,١٩) ريال ثمانية و ثلاثون مليوناً و مائة و واحد و ثمانون ألفاً و ثمانمائة و ثمانية عشر ريال و تسعة عشر هللة الجاز من الهيئة الشرعية برقم ١٨٠٧٢ في ٣ / ٧ / ١٤٣٩ هـ ، على أن يتم سداد المبنوية على أقساط كل (٦) أشهر من تاريخ صرف التمويل بقيمة كل قسط (١٠٠٠٠٠٠) ريال مليون ريال ، تدفع اعتباراً من تاريخ ٣١ / ٣ / ٢٠١٩ هـ وفي حالة عدم السداد فللمرتهن بيع العقار بالقيمة التي تنتهي عندها الرهنات واستيفاء ما في ذمة الراهن من مبلغ وما نقص يرجع فيه عليه بعد اكتمال مايلزم شرعاً وعليه جرى التصديق تحريراً في ١٥ / ٩ / ١٤٤٠ هـ و صلى الله على نبينا محمد وآله وصحبه وسلم.

وزارة العدل  
 كتابة العدل بوسط الرياض  
 كاتب العدل  
 عبد العزيز بن محمد بن عبد العزيز آل طيالب

يلزم مرابطة اوراق رخص البناء قبل  
 مرصن الشهارات ابو الزخيم المهنية  
 وزارة الشؤون البلدية والقروية  
 أمانة مدينة الرياض  
 وكالة التصوير والمساح  
 الإدارة العامة للتخطيط العمرالي  
 إدارة رخص البناء

الرقم: ٩١١١٧/٢٧  
 التاريخ: ١٥/٩/١٤٤٠ هـ

رخصة بناء صالة عرض  
 لمدة ثلاث سنوات تبدأ من تاريخها

بناء صالة عرض لعقار رقم ٤١ من المخطط رقم ١٣٢٤ الواقع في حي الملك فهد بمدينة الرياض . وحدودها وأطوالها كالتالي:  
 شمالاً: شارع عرض ١٢م بطول: (٣٧,٥) سبعة و ثلاثون متر و خمسون سنتيمتر  
 جنوباً: شارع عرض ٨٠م بطول: (٣٧,٥) سبعة و ثلاثون متر و خمسون سنتيمتر  
 شرقاً: قطعة رقم ٤١ ورقم ٤٢ بطول: (٧٠) سبعون متر  
 غرباً: قطعة رقم ٣٥ ورقم ٣٦ بطول: (٧٠) سبعون متر  
 ومساحتها : (٢٦٢٥) ألفان و ستمائة و خمسة و عشرون متر مربعاً فقط

المملوكة ل/ شركة أول الملقا العقارية بموجب سجل تجاري رقم ١٠١٠٨٩٣٨٠٢ وتنتهي في ١٩ / ١٠ / ١٤٤٤ هـ بالصك الصادر من كتابة العدل الاول بالرياض برقم ٣١٠١١١٠٥٢٦٤٢ في ٢٧ / ٤ / ١٤٤٠ هـ قد تم رهنها وما أقيم أو يسبقها عليها من بناء لصالح / شركة الراجحي المصرفية للاستثمار بموجب سجل تجاري رقم ١٠١٠٠٠٠٠٠٩٦ في ٢٥ / ١٠ / ١٣٧٦ هـ ضماناً لوفائه ب/ بما عليه من مستحقات مالية لصالح مصرف الراجحي بموجب سجل تجاري رقم ١٠١٠٠٠٠٠٠٩٦ و قدره (٣٨١٨١٨١٨,١٩) ريال ثمانية و ثلاثون مليوناً و مائة و واحد و ثمانون ألفاً و ثمانمائة و ثمانية عشر ريال و تسعة عشر هللة الجاز من الهيئة الشرعية برقم ١٨٠٧٢ في ٣ / ٧ / ١٤٣٩ هـ ، على أن يتم سداد المبنوية على أقساط كل (٦) أشهر من تاريخ صرف التمويل بقيمة كل قسط (١٠٠٠٠٠٠) ريال مليون ريال ، تدفع اعتباراً من تاريخ ٣١ / ٣ / ٢٠١٩ هـ وفي حالة عدم السداد فللمرتهن بيع العقار بالقيمة التي تنتهي عندها الرهنات واستيفاء ما في ذمة الراهن من مبلغ وما نقص يرجع فيه عليه بعد اكتمال مايلزم شرعاً وعليه جرى التصديق تحريراً في ١٥ / ٩ / ١٤٤٠ هـ و صلى الله على نبينا محمد وآله وصحبه وسلم.

مساحة الأرض: ٢٦٢٥ م<sup>٢</sup>  
 عرض الشارع: ١٢ م  
 عرض العرض: ٣٠ م  
 عرض الحيز: ٣٨ م  
 عرض القطار: ٣٢ م  
 مساحة الأرض: ٢٦٢٥ م<sup>٢</sup>  
 عرض الشارع: ١٢ م

| البلوك | رقم | رقم الرخص | تاريخ | ملاحظات |
|--------|-----|-----------|-------|---------|
| ١      | ٤١  | ٢٧٠٠٠     | ١٤٣٩  |         |
| ٢      | ٤٢  | ٢٧٠٠٠     | ١٤٣٩  |         |
| ٣      | ٣٥  | ٢٧٠٠٠     | ١٤٣٩  |         |
| ٤      | ٣٦  | ٢٧٠٠٠     | ١٤٣٩  |         |

جدول الإحداثيات بالقرن

| نقطة | شمال | شرق | جنوب | غرب |
|------|------|-----|------|-----|
| ١    | ٢٤٦  | ٢٦٦ | ٢٤٦  | ٢٤٦ |
| ٢    | ٢٤٦  | ٢٦٦ | ٢٤٦  | ٢٤٦ |
| ٣    | ٢٤٦  | ٢٦٦ | ٢٤٦  | ٢٤٦ |
| ٤    | ٢٤٦  | ٢٦٦ | ٢٤٦  | ٢٤٦ |

ملاحظات:  
 ١- مساحة الأرض ٢٦٢٥ م<sup>٢</sup>  
 ٢- عرض الشارع ١٢ م  
 ٣- عرض العرض ٣٠ م  
 ٤- عرض الحيز ٣٨ م  
 ٥- عرض القطار ٣٢ م  
 ٦- مساحة الأرض ٢٦٢٥ م<sup>٢</sup>  
 ٧- عرض الشارع ١٢ م

بالتصديق والتوقيع  
 مدير عام التخطيط العمرالي  
 المهندس محمد بن عبد العزيز آل طيالب

بالتصديق والتوقيع  
 مدير إدارة رخص البناء  
 المهندس محمد بن عبد العزيز آل طيالب

## 5.2 Real Estate Valuation License



وزارة التجارة والاستثمار  
Ministry of Commerce and Investment



### ترخيص مزاولة مهنة لفرع تقييم العقارات

فئة العضوية: أساسي

المقر الرئيسي: الرياض

رقم الترخيص 1210000474 تاريخ إصداره 1437/8/1 هـ تاريخ انتهائه 1447/8/24 هـ

يرخص **عصام محمد عبدالله الحسيني** (سعودي الجنسية) سجل مدني رقم 1044275947 لمزاولة المهنة

وقد منح هذا الترخيص بعد أن استوفى شروط القيد الواردة في المادة الخامسة من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/9 هـ بموجب قرار لجنة قيد المقيمين رقم (95/ق/3/42) وتاريخ 1442/5/22 هـ

رئيس لجنة قيد المقيمين

أ. وليد بن عبدالله الرويشد

ختم الوزارة

وزارة التجارة والاستثمار  
Ministry of Commerce and Investment  
إدارة المهن الاستشارية





WHITE CUBES



WHITE CUBES

REAL ESTATE VALUATION REPORT

**Al Khabeer Capital**  
**Elegance Office Tower**  
Awal Al Malqa Real Estate Company

Riyadh City  
30 June 2023



رؤية  
VISION  
2030  
المملكة العربية السعودية  
KINGDOM OF SAUDI ARABIA

REAL ESTATE  
VALUATION REPORT



**REF:** 23-0424  
**Code:**  
**Date:** 30/06/2023  
**M/S:** Awal Al Malqa Real Estate Company

**Subject: Valuation Report for an Office Tower (Elegance Tower) in Riyadh City, Saudi Arabia.**

Dear Sir,

With reference to your request and approval dated on 29<sup>th</sup> of May 2023. We will provide you with a detailed report on the property under evaluation, including a market analysis, an economic analysis, and a description of the valuation methods. In addition, we WHITE CUBES guarantee the confidentiality of the client's information and are committed to complete impartiality in the evaluation process and acknowledge that there are no common interests between WHITECUBES and the client.

**WHITE CUBES Consulting Services Co.**

**Mr. Essam M. Al-Husaini – President**

Fellow Member of the Saudi Authority of Accredited Valuers  
License No. 1210000474  
Issued: 01/08/1437 Exp: 24/08/1447  
WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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WHITE **CUBES**

# EXECUTIVE SUMMARY

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EXECUTIVE  
SUMMARY

## Executive Summary

|                             |  |
|-----------------------------|--|
| <b>Reference No.</b>        | 23-0424  |
| <b>Dep. Code</b>            |  |
| <b>Report Type</b>          | Detailed Report.   |
| <b>Client</b>               | Awal Al Malqa Real Estate Company.   |
| <b>Report user</b>          | Awal Al Malqa Real Estate Company.   |
| <b>Other users</b>          | Investors or those wishing to invest in the Real Estate Investment Trust.                                    |
| <b>Purpose of Valuation</b> | Inclusion in financial statements.   |
| <b>Subject Property</b>     | Commercial Project.  |
| <b>Property Location</b>    | Al Muruj district, Riyadh City.  |
| <b>Title Deed No.</b>       | 393318001500   |
| <b>Title Deed Date</b>      | 02/03/1442   |
| <b>Ownership Type</b>       | Title deed-restricted  |
| <b>Limitations</b>          | Mortgaged to Al Rajhi Banking Investment Company.  |
| <b>Owner</b>                | Awal Al Malqa Real Estate Company.   |
| <b>Land Use</b>             | Commercial   |
| <b>Land Area (Sqm)</b>      | The land has an area size of 5,695 Sqm   |
| <b>BUA (Sqm)</b>            | As per the provided construction permit, the total BUA is 58,163 Sqm.  |
| <b>GLA (Sqm)</b>            | The total gross leasable area is 24,322 Sqm composed of office.  |
| <b>Basis of Value</b>       | Fair Value.  |
| <b>Value Hypothesis</b>     | Current use.   |
| <b>Valuation Approach</b>   | Comparable Approach, Cost Approach and Income Approach Discounted Cash Flow Approach (DCF).                  |
| <b>Currency</b>             | Saudi Arabian Riyal  |
| <b>Final Property Value</b> | SAR 494,400,000  |
| <b>Report Date</b>          | 30/06/2023   |
| <b>Valuation Date</b>       | 30/06/2023   |
| <b>Inspection Date</b>      | 30/05/2023   |
| <b>Expiry Date</b>          | 120 days from date of the inspection, unless there're any economic changes that affect the subject property. |





WHITE **CUBES**

**SCOPE OF WORK**

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SCOPE OF  
WORK

## Scope of Work

### 1.1 Introduction

This report was prepared by WHITE CUBES Co. based on the International Valuation Standards of the Council of International Assessment Standards (IVSC 2022) and the Guide to Practice and Regulations issued by the Saudi Authority of Accredited Valuers (Taqeem), to ensure accurate access to information, the evaluation report must be read in its entirety, our firm is pleased to offer its services to Awal Al Malqa Real Estate Company in order to estimate the fair value of the property that is being evaluated.

### 1.2 Purpose of valuation

The client requested that we evaluate the subject properties for **Inclusion in financial statements.**

### 1.3 Basis of Valuation

**According to Paragraph 1.2, the appropriate basis for value adopted in the evaluation process is the fair value of the property.**

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the principle of an "exit price,"

### 1.4 Valuation Methods

Depending on the purpose of the valuation, and upon the request of the client, we will apply the comparable approach, cost approach and income approach Discounted Cash Flow Approach (DCF).

### 1.5 Currency

Unless otherwise stated, all values in the report are in Saudi Arabian Riyals.

### 1.6 Scope of Research

Research is an important part of the valuation process. We will conduct extensive research and analysis of various factors that can impact the value of a property or asset, such as market conditions, comparable sales, property characteristics, income potential, and legal and regulatory factors.

## 1.7 Property Inspection

Inspection refers to visiting and inspecting an asset, testing its performance, and gathering information about it from quantities, specifications, land area, building areas, rental areas, services, public utilities, project components, etc., so that an opinion can be expressed regarding its value. Therefore, we confirm that subject property was inspected on May 30, 2023. We will then use this evidence to assess and evaluate the project. We remain committed to providing the client with an accurate and reliable valuation.

## 1.8 Information Sources

An on-site field survey was conducted by our team to ensure the accuracy of some market information required for the valuation, including nearby asset prices, occupancy rates, and specific information about the asset under valuation, to determine its actual fair value. The following sources were used during the field research process:

- Property records: In the absence of property ownership documents, the client has provided us with some information about the assets.
- Market trends: Real estate market trends and economic indicators can be used to assess the overall demand and supply for properties in the area.
- Income analysis: Income-producing properties such as rental properties can be valued based on their income potential.
- Physical inspection: A physical inspection of the property can provide valuable information on its condition and any unique features that may affect its value.

## 1.9 Assumptions and Special Assumptions

As defined by the International Valuation Standards, assumptions are logical matters that can be accepted as facts during valuation work without being specifically checked or scrutinized. They are accepted as soon as they are mentioned. Based on the facts at the time of the valuation.

- It has been assumed that the information provided by the client is accurate, but we were not provided with the ownership documents for the asset.
- Assumed that all information received from the client is accurate and up to date as of the date of the valuation, whether oral or written.
- This is a valuation report rather than a structural survey. As a result, we did not conduct any utility checks, service checks, soil tests, etc.
- The valuation methodologies are based on market data compiled using our relevant market knowledge and experience.
- This report's output (final value) is derived from assumptions used, documents received from the client, and market data. Nevertheless, the output estimates provide an indication of the property's value.
- After studying the market and using the built-up model, a discount rate of 8.50% was assumed for the project.

### **1.10 Use, Distribution, and Publication Restrictions**

To estimate the fair value of the assets being evaluated, WHITE CUBES Co. has prepared this report. There are restrictions on the transfer, referencing, and presentation of this report and its contents to any other party except as stipulated in the contract letter, and the client must obtain our prior written consent in order to use this report for any other purpose other than that stated in this report.

### **1.11 Legal Notes**

As far as we are aware, no legal notices have been served on the property, whether they are in progress or pending in the court system.



WHITE **CUBES**

**PROPERTY DETAILS**

---

PROPERTY  
DETAILS

## Property and Location Description

### 2.1 Property Description

The subject property is an office Tower (Elegance Tower) located in Al Muruj district, Riyadh city with direct view on King Fahad Road. Based on the copy of the title deed and the construction permit provided by the client, the project has a total land area of 5,695 Sqm and a total BUA of 58,163 Sqm and composed of 5 basements, a ground floor and 23 upper floors. Yet, the client informed us that the actual project BUA is 62,362 Sqm and that it consists of 27 floors. As per the site inspection done by our team, the tower's and has a regular shape and open from three sides with a direct view on 3 internal streets.

### 2.2 Surrounding Area

The subject property is surrounded mostly by several residential and commercial buildings.

### 2.3 Ease of Access

Based on the current location of the subject property, the access level is high since it is located on King Fahad Road.

### 2.4 Infrastructure

All the infrastructural facilities are available in the surroundings and connected to the subject property.



## 2.5 Title Deed and Ownership

The client provides us with a copy of the title deed related to the subject property which is owned by one title deed. The details of the subject property:

|                                 |   |                               |                                   |
|---------------------------------|---|-------------------------------|-----------------------------------|
| <b>City</b>                     | Riyadh                                    | <b>Land Area</b>              | 5,695 Sqm                         |
| <b>District</b>                 | Al Muruj                                  | <b>Plot No.</b>               | 25/26/27/28                       |
| <b>T.D Type</b>                 | Electronic                                | <b>Block No.</b>              | ---                               |
| <b>T.D Number</b>               | 393318001500                              | <b>Layout No.</b>             | 2593                              |
| <b>T.D Date</b>                 | 02/03/1442                                | <b>Owner</b>                  | Awal Al Malqa Real Estate Company |
| <b>T.D Value</b>                |   | <b>Ownership Type</b>         | Freehold                          |
| <b>Date of Last Transaction</b> |   | <b>Limitation of Document</b> | Mortgaged                         |
| <b>Issued From</b>              | Notarized by Mishaal Saud Hady Ad Dusari. |                               |                                   |
|                                 |   |                               |                                   |
| <b>North Side</b>               | 10 Meters walkway.                        | <b>East Side</b>              | Parking & 20 Meters Street.       |
| <b>South Side</b>               | 10 Meters Sidewalk.                       | <b>West Side</b>              | Parking & 20 Meters Street.       |

**Note:** The client has provided us with a copy of the Title Deed which was assumed to be correct and authentic. It is not in our scope to run legal diagnosis on any legal document.

## 2.6 Construction and Buildings

The building permit indicates the maximum permissible BUA approved by the city municipality. However, the actual area may differ from the area mentioned in the building permit. Therefore, the Client has provided us with a copy of the Construction Permit issued by Riyadh Municipality with the below details:

| Subject Property                |                          |
|---------------------------------|--------------------------|
| <b>Construction Permit Type</b> | Replacement of lost copy |
| <b>Property Type</b>            | Office Tower             |
| <b>Construction Permit No.</b>  | 1432/16564               |
| <b>Construction Permit Date</b> | 09/03/1438               |
| <b>Expiration Date</b>          | 09/03/1441               |

| Description            | No. of Units | Area (sqm)    | Use        |
|------------------------|--------------|---------------|------------|
| <b>Ground Floor</b>    | 1            | 1,285         | Reception  |
| <b>5 Basements</b>     | 0            | 28,475        | Parking    |
| <b>First Floor</b>     | 1            | 1,665         | Reception  |
| <b>Floor 2 to 4</b>    | 16           | 3,855         | Offices    |
| <b>Floor 5 to 9</b>    | 40           | 6,765         | Offices    |
| <b>Floor 10 to 13</b>  | 16           | 3,308         | Office     |
| <b>Floor 14 to 18</b>  | 40           | 6,765         | Offices    |
| <b>Floor 19 to 21</b>  | 24           | 3,855         | Offices    |
| <b>Floor 22</b>        | 1            | 1,095         | Restaurant |
| <b>Floor 23</b>        | 1            | 1,095         | Restaurant |
| <b>Total BAU (sqm)</b> |              | <b>58,163</b> |            |

## 2.7 Property Actual Rental Rates

The project will be leased for 3 years for special tenant with special customization with an annual rent of 30,000,000 SAR. Although, it is expected that such client (governmental authority) will continue renting the project for the same amount, we will conservatively assume that after 3 years the project will be leased as individual offices. In this case, the new upcoming tenants will get the benefit of the special high-tech customization of the project causing higher rental rate compared to the market.



## 2.8 Gross Leasable Areas

The client provided us with a document showing the total leasable areas of the subject project as follows:

| Floor         | Use                    | No of Floors | GLA / Floor | BUA / Floor | GLA              |
|---------------|------------------------|--------------|-------------|-------------|------------------|
| Basement      | Parking + Storage      | 5            | 161.80      | 5,695.00    | 809.01           |
| Lower Ground  | Entrance (Rest. & Gym) | 1            | 108.10      | 1,301.27    | 108.10           |
| Upper Floor   | Reception + Café       | 1            | 207.47      | 1,301.27    | 207.47           |
| Mezzanine     | MZ                     | 3            | 470.06      | 763.10      | 1,410.18         |
| Service Floor | Mechanical             | 1            | 478.20      | 1,406.80    | 478.20           |
| TF 6-10       | Office                 | 5            | 1,139.20    | 1,457.15    | 5,696.00         |
| Service Floor | Gym                    | 1            | 1,136.05    | 1,457.15    | 1,136.05         |
| Service Floor | Pool                   | 1            | 1,064.00    | 1,368.65    | 1,064.00         |
| TF 13-15      | Office                 | 3            | 538.12      | 842.15      | 1,614.36         |
|               | Office                 | 0            | -           | 1,456.80    | -                |
| TF 16-21      | Office                 | 6            | 1,139.20    | 1,475.00    | 6,835.20         |
| TF 22-23      | Office                 | 2            | 1,079.45    | 1,407.30    | 2,158.90         |
| F 24          | Office                 | 1            | 1,051.72    | 1,407.30    | 1,051.72         |
| F 25          | Restaurant             | 1            | 1,336.10    | 1,549.00    | 1,336.10         |
| RF 26         | Restaurant             | 1            | 417.10      | 577.45      | 417.10           |
| <b>Total</b>  |                        | <b>32</b>    |             |             | <b>24,322.39</b> |

| GLA Summary       | No of Floors | GLA / Floor | GLA              |
|-------------------|--------------|-------------|------------------|
| Storage Rooms     | 5            | 161.80      | 809.01           |
| Gym               | 2            | 1,127.05    | 2,254.10         |
| Restaurant & Café | 3            | 671.57      | 2,014.72         |
| Office            | 20           | 962.23      | 19,244.56        |
| <b>Total</b>      |              |             | <b>24,322.39</b> |

The client informed us that the subject property includes several facilities such as a gymnasium, restaurant, café, pool, and a helipad.

## 2.9 Photographs of the Subject Property





WHITE **CUBES**

**MARKET INDICATORS**

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MARKET  
INDICATORS

## Market Indicators

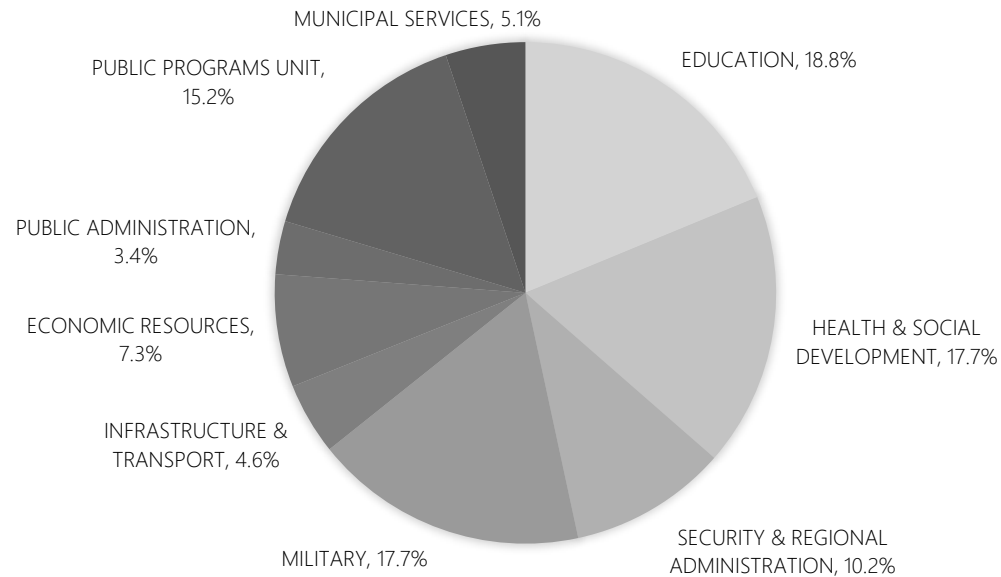
### 3.1 Saudi Arabia Economic Indicators

| Economic Indicator                    | Budget | Expectations | Estimated |       |
|---------------------------------------|--------|--------------|-----------|-------|
|                                       | 2022   | 2023         | 2024      | 2025  |
| <b>Total revenue</b>                  | 1,234  | 1,130        | 1,146     | 1,205 |
| <b>Total expenses</b>                 | 1,132  | 1,114        | 1,125     | 1,134 |
| <b>Budget surplus</b>                 | 102    | 16           | 21        | 71    |
| <b>Debt</b>                           | 985    | 951          | 959       | 962   |
| <b>GDP growth</b>                     | 8.5%   | 3.1%         | 5.7%      | 4.5%  |
| <b>Nominal gross domestic product</b> | 3,957  | 3,869        | 3,966     | 4,247 |
| <b>Inflation</b>                      | 2.6%   | 2.1%         | 2.1%      | 2.0%  |

### 3.2 Budget Allocation for 2022




|                          |            |
|--------------------------|------------|
| Public Administration    | 37 SAR bn  |
| Military                 | 259 SAR bn |
| Security & Regional Adm. | 105 SAR bn |
| Municipal Services       | 63 SAR bn  |
| Education                | 189 SAR bn |
| Health & Social Dev.     | 189 SAR bn |
| Economic Resources       | 72 SAR bn  |
| Infrastructure Transport | 34 SAR bn  |
| General Items            | 165 SAR bn |

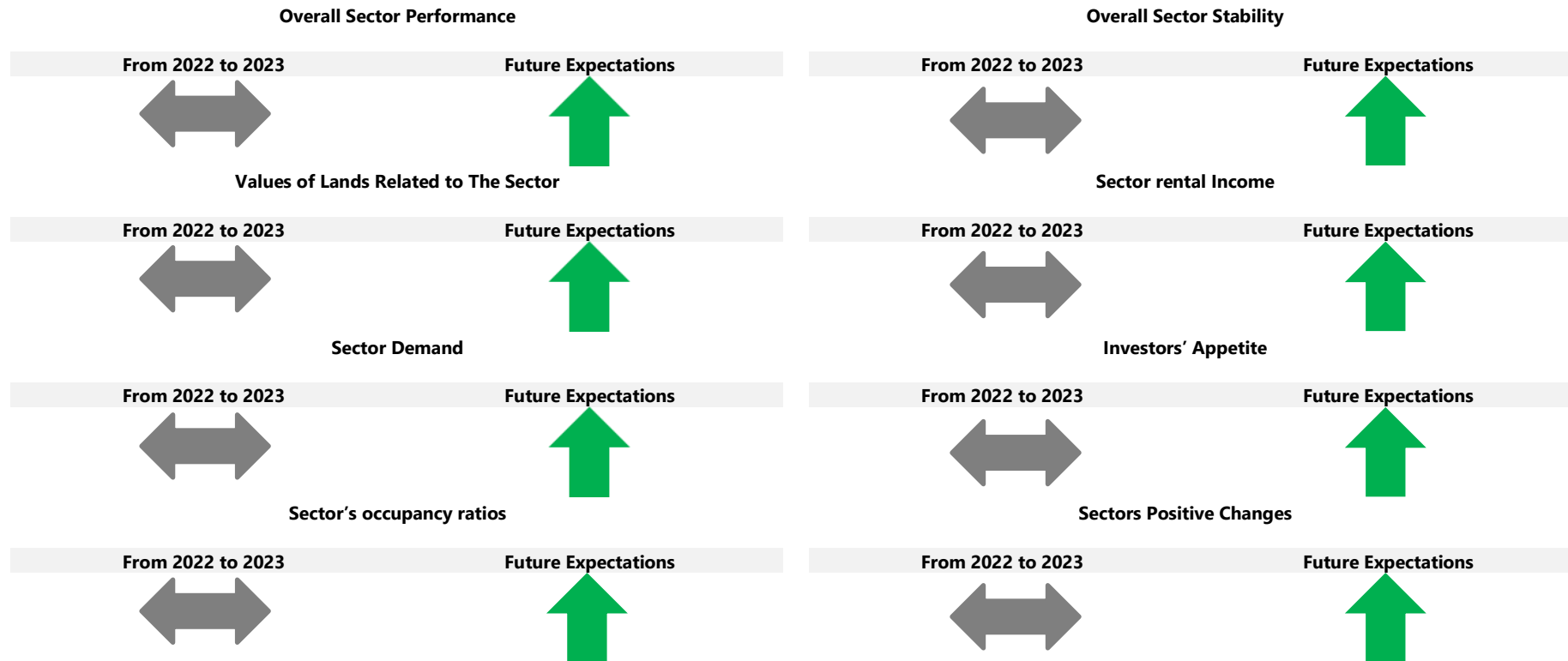
Source: Ministry of Finance



### 3.3 Sector Brief

In the following we will insert general information about the real estate sector related to the property subject of our valuation and which is intended to give an initial indication on the sector. These information and indicators are estimated based on our experience, the current sector performance and some other historical data collected from our side, In addition to some current economic changes in general.

-  Indicator showing a decrease in the current performance comparing to last year
-  Indicator showing an increase in the current performance comparing to last year
-  Indicator showing a stable position in the current performance comparing to last year



White Cubes Team's Analysis

### 3.4 Risk Analysis

#### - Sector Analysis

| Risk Factor                | Very Low Risk (1) | Minimal Risk (2) | Medium Risk (3) | Elevated Risk (4) | Very High Risk (5) |
|----------------------------|-------------------|------------------|-----------------|-------------------|--------------------|
|                            | 1-6               | 7-12             | 13-18           | 19-24             | 25-30              |
| Overall, Economy           | ----              | ----             | ✓               | ----              | ----               |
| Sector Current Performance | ----              | ----             | ✓               | ----              | ----               |
| Sector Future Performance  | ----              | ✓                | ----            | ----              | ----               |
| Occupancy Rates            | ----              | ----             | ✓               | ----              | ----               |
| Supply Rate                | ----              | ----             | ✓               | ----              | ----               |
| Demand Rate                | ----              | ----             | ✓               | ----              | ----               |
| Total Risk                 | 0                 | 2                | 15              | 0                 | 0                  |

**Risk Category 17 Risk Points - Medium Risk**

#### -Land Analysis

| Risk Factor                 | Very Low Risk (1) | Minimal Risk (2) | Medium Risk (3) | Elevated Risk (4) | Very High Risk (5) |
|-----------------------------|-------------------|------------------|-----------------|-------------------|--------------------|
|                             | 1-5               | 6-10             | 11-15           | 16-20             | 21-25              |
| Access                      | ----              | ✓                | ----            | ----              | ----               |
| Location                    | ----              | ✓                | ----            | ----              | ----               |
| Land Shape                  | ----              | ✓                | ----            | ----              | ----               |
| Surrounding Area facilities | ----              | ✓                | ----            | ----              | ----               |
| Total Risk                  | 0                 | 8                | 0               | 0                 | 0                  |

**Risk Category 8 Risk Points – Minimal Risk**

#### -Property Analysis

| Risk Factor            | Very Low Risk (1) | Minimal Risk (2) | Medium Risk (3) | Elevated Risk (4) | Very High Risk (5) |
|------------------------|-------------------|------------------|-----------------|-------------------|--------------------|
|                        | 1-3               | 4-6              | 7-9             | 10-12             | 13-15              |
| Facilities & Amenities | ----              | ----             | ✓               | ----              | ----               |
| Management Skills      | ----              | ----             | ✓               | ----              | ----               |
| Overall Condition      | ----              | ✓                | ----            | ----              | ----               |
| Total Risk             | 0                 | 2                | 6               | 0                 | 0                  |

**Risk Category 8 Risk Points - Medium Risk**



WHITE **CUBES**

PROPERTY VALUATION

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PROPERTY  
VALUATION

## Property Valuation

### 4 Valuation Methods

With reference to the valuation purpose, taking into consideration the nature of the subject property, we will use the following ticked methods to estimate the fair value of the subject property:

|                  | Market Approach   | Cost Approach | Income Approach |                |                  |            |
|------------------|-------------------|---------------|-----------------|----------------|------------------|------------|
|                  | Comparable method | DRC method    | DCF method      | Invest. method | Cap. Rate method | RLV method |
| <b>Land</b>      | ✓                 | ----          | ----            | ----           | ----             | ----       |
| <b>Buildings</b> | ----              | ✓             | ----            | ----           | ----             | ----       |
| <b>Property</b>  | ----              | ----          | ✓               | ----           | ----             | ----       |

#### COMPARABLE METHOD

This is the method most are familiar with as it is the accepted method for valuing residential real estate. Typically, this method involves selecting properties with similar characteristics in the same market area that have recently sold. Once those properties are found they are compared to the property in question and a professional appraiser will deduct value from the subject property for comparative deficiencies and increase value for advantages. Typically, this method is required if the investor is seeking conventional financing. For comparable information, property brokers, dealers and estate agents are contacted to ascertain the asking and selling prices for property of the nature in the immediate neighborhood and adjoining areas. Neighboring properties, which have been recently sold or purchased, are investigated to ascertain a reasonable selling price.

#### DEPRECIATED REPLACEMENT COST (DRC)

A cost approach is a real estate valuation method that surmises that the price someone should pay for a piece of property should not exceed what someone would have to pay to build an equivalent building. In cost approach pricing, the market price for the property is equivalent to the cost of land plus cost of construction, less depreciation. It is often most accurate for fair value when the property is new. Generally, the cost approach considers what the land, devoid of any structures, would cost, then adds the cost of building the structures, then depreciation is subtracted. The cost approach is most often used for public buildings, such as schools and mosques, because it is difficult to find recently sold comparable properties in the local market, and public buildings do not earn income, so the income approach cannot be used, either. A property that already has improvements will usually contribute a certain amount of value to the site, but improvements can also lower property value if the site's potential buyers wish to use the property for another use that would entail removing some of the improvements to the current site. The



cost approach is best used when improvements are new and there is adequate pricing information to value the property components. The cost approach may be less desirable if there are no recent sales of vacant land for which to compare, since the major method of valuing vacant lands is to use the sales comparison approach, or when construction costs are not readily available. The cost approach method includes:

- Estimate what the subject property would be worth.
- Estimate the current cost of building the structures, then add that value to the value of the vacant land.
- Estimate the amount of accrued depreciation of the subject property, then subtract it from the total to arrive at the property's worth.

### **DISCOUNTED CASH FLOW (DCF)**

The Discounted Cash Flow Method involves estimating net cash flows of an income generating property over specific period of time, and then calculating the present value of that series of cash flows by discounting those net cash flows using a selected "discount rate." A discounted cash flow method (DCF) is a valuation method used to estimate the attractiveness of an income generating property

## 4.1 Comparable Method

This method aims to collect data and information on actual sales and / or current offers of similar properties within the surrounding market, and then make the necessary adjustments to these comparisons in terms of area, location, shape, quality, content, and others. Below is a summary of the valuation process using the comparable method and the amendments made to the available comparisons.

| Characteristics of Samples            |                  |                |       |                |       |                |       |
|---------------------------------------|------------------|----------------|-------|----------------|-------|----------------|-------|
| Feature                               | Subject Property | Sample 1       |       | Sample 2       |       | Sample 3       |       |
| Quoting                               | -----            | Offering       |       | Offering       |       | Offering       |       |
| City                                  | Riyadh           | Riyadh         |       | Riyadh         |       | Riyadh         |       |
| Sale Price                            | -----            | SAR 46,000,000 |       | SAR 41,250,000 |       | SAR 45,970,000 |       |
| Data Source                           | Client           | Market Survey  |       | Market Survey  |       | Market Survey  |       |
| Area Size                             | 5,695.00         | 2,700.00       |       | 2,500.00       |       | 2,750.00       |       |
| SAR / Sqm                             | -----            | SAR 17,037     |       | SAR 16,500     |       | SAR 16,716     |       |
| Market Conditions Adjustment Analysis |                  |                |       |                |       |                |       |
|                                       | Subject Property | Sample 1       |       | Sample 2       |       | Sample 3       |       |
| SAR/ Sqm before Adj.                  | -----            | SAR 17,037     |       | SAR 16,500     |       | SAR 16,716     |       |
| Mortgage                              | -----            | Cash           |       | Cash           |       | Cash           |       |
| Market Conditions                     | -----            | 0.00%          |       | 0.00%          |       | 0.00%          |       |
| Total Adjustments Ratio               |                  | 0.00%          |       | 0.00%          |       | 0.00%          |       |
| Total Adjustment Amount               |                  | SAR 0.00       |       | SAR 0.00       |       | SAR 0.00       |       |
| Net After Adjustment                  |                  | SAR 17,037     |       | SAR 16,500     |       | SAR 16,716     |       |
| Location Adjustment Analysis          |                  |                |       |                |       |                |       |
|                                       | Subject Property | Sample 1       |       | Sample 2       |       | Sample 3       |       |
| Area Size                             | 5,695.00         | 2,700.00       | 0.00% | 2,500.00       | 0.00% | 2,750.00       | 0.00% |
| Location Desirability                 | Average          | Average        | 0.00% | Average        | 0.00% | Average        | 0.00% |
| Accessibility                         | Average          | Average        | 0.00% | Average        | 0.00% | Average        | 0.00% |
| Main Street Width (m)                 | 20               | 20             | 0.00% | 20             | 0.00% | 30             | 0.00% |
| Sides Open                            | 3                | 3              | 0.00% | 2              | 0.00% | 3              | 0.00% |
| Land Shape                            | Regular          | Regular        | 0.00% | Regular        | 0.00% | Regular        | 0.00% |
| Close to main street                  | Yes              | Yes            | 0.00% | Yes            | 0.00% | Yes            | 0.00% |
| Total Adjustments Ratio               |                  | 0.00%          |       | 0.00%          |       | 0.00%          |       |
| Total Adjustment Amount               |                  | SAR 0.0        |       | SAR 0.0        |       | SAR 0.0        |       |
| Net After Adjustment                  |                  | SAR 17,037.0   |       | SAR 16,500.0   |       | SAR 16,716.4   |       |
| Weighted Mean                         |                  | 65%            |       | 15%            |       | 20%            |       |
| SAR / Sqm                             |                  | SAR 11,074.07  |       | SAR 2,475.00   |       | SAR 3,343.27   |       |
| Rounded Value                         |                  | SAR 16,892     |       | SAR 16,900     |       |                |       |

| Property Value | Sensitivity Analysis |                |                |                |                 |                 |
|----------------|----------------------|----------------|----------------|----------------|-----------------|-----------------|
|                | -10%                 | -5%            | 0%             | 5%             | 10%             |                 |
| SAR 96,245,500 | Land Area            | 5,695          | 5,695          | 5,695          | 5,695           | 5,695           |
|                | SAR / Sqm            | SAR 15,210.0   | SAR 16,055.0   | SAR 16,900.0   | SAR 17,745.0    | SAR 18,590.0    |
|                | Property Value       | SAR 86,620,950 | SAR 91,433,225 | SAR 96,245,500 | SAR 101,057,775 | SAR 105,870,050 |

Based on the market samples obtained with the assistance of some real estate experts in the region and the inspection made by our team, the average price for similar properties falls in the range of 16,500 - 17,200 SAR / Sqm with an average of 16,900 SAR / Sqm. When comparing with the results of the analysis of comparisons, we found that the property value falls within the same range and is close to the market average values.



## 4.2 Depreciated Replacement Cost (DRC) Approach

As a first step, the cost of reconstructing the building (the cost of replacement) was estimated, based on the average construction costs of similar properties and at the same level of finishes, services, utilities, and others. The opinion of some engineering experts was used in this regard. The following table shows the expected replacement costs for such property.

|                                | Min Cost (SAR / Sqm) | Max Cost (SAR / Sqm) | Average Cost |
|--------------------------------|----------------------|----------------------|--------------|
| <b>Concrete Cost</b>           | SAR 1,100            | SAR 1,300            | SAR 1,200    |
| <b>MEP</b>                     | SAR 500              | SAR 700              | SAR 600      |
| <b>Finishing Materials</b>     | SAR 1,200            | SAR 1,400            | SAR 1,300    |
| <b>Fit outs &amp;Appliance</b> | SAR 80               | SAR 120              | SAR 100      |
| <b>Site Improvements</b>       | SAR 100              | SAR 140              | SAR 120      |
| <b>Developer Profit</b>        | 20%                  | 30%                  | 25%          |

| Land               |                  |              |                |
|--------------------|------------------|--------------|----------------|
| Land Area          | SAR / Sqm        |              | Total Value    |
| 5,695.00           | SAR 16,900       |              | SAR 96,245,500 |
| Building           |                  |              |                |
|                    | Unit             | No of Floors | Total BUA      |
| <b>Basement</b>    | Sqm              | 5            | 28,475.00      |
| <b>Upper Floor</b> | Sqm              | 1            | 29,688.00      |
| <b>Total (SQM)</b> | <b>58,163.00</b> |              |                |

In the following table, we will estimate the direct replacement cost of the property taking into consideration the main components of the building, such as the concrete structure, electromechanical work, finishes, site improvements, etc. Then we will estimate the value of the indirect costs as a percentage of the total direct costs to estimate the total construction costs of the project

| Development Cost           |           |           |                       |                 |                       |
|----------------------------|-----------|-----------|-----------------------|-----------------|-----------------------|
| Hard Cost - (Upper Floors) |           |           |                       |                 |                       |
|                            | Area      | SAR / Sqm | Total                 | Completion Rate | Total Cost            |
| Skeleton and Block         | 29,688.00 | SAR 1,200 | SAR 35,625,600        | 100%            | SAR 35,625,600        |
| Electro Mechanic           | 29,688.00 | SAR 600   | SAR 17,812,800        | 100%            | SAR 17,812,800        |
| Finishing                  | 29,688.00 | SAR 1,300 | SAR 38,594,400        | 100%            | SAR 38,594,400        |
| Fit outs and Appliances    | 29,688.00 | SAR 100   | SAR 2,968,800         | 100%            | SAR 2,968,800         |
| <b>Total</b>               |           |           | <b>SAR 95,685,000</b> | <b>100%</b>     | <b>SAR 95,685,000</b> |

| Hard Cost - (Underground)      |                           |           |                       |                           |                          |
|--------------------------------|---------------------------|-----------|-----------------------|---------------------------|--------------------------|
|                                | Area                      | SAR / Sqm | Total                 | Completion Rate           | Total Cost               |
| Skeleton & Block               | 28,475.00                 | SAR 1,800 | SAR 51,255,000        | 100%                      | SAR 51,255,000           |
| Electro Mechanic               | 28,475.00                 | SAR 500   | SAR 14,237,500        | 100%                      | SAR 14,237,500           |
| Finishing                      | 28,475.00                 | SAR 600   | SAR 17,085,000        | 100%                      | SAR 17,085,000           |
| <b>Total</b>                   |                           |           | <b>SAR 82,577,500</b> | <b>100%</b>               | <b>SAR 82,577,500</b>    |
| Overall Soft Cost              |                           |           |                       |                           |                          |
|                                |                           |           | Total Hard Cost       | Ratio                     | Soft Cost                |
| Initial Project Pre Cost       |                           |           | SAR 178,262,500       | 0.10%                     | SAR 178,263              |
| Design                         |                           |           | SAR 178,262,500       | 0.50%                     | SAR 891,313              |
| Eng Consultant                 |                           |           | SAR 178,262,500       | 1.00%                     | SAR 1,782,625            |
| Management                     |                           |           | SAR 178,262,500       | 5.00%                     | SAR 8,913,125            |
| Contingency                    |                           |           | SAR 178,262,500       | 5.00%                     | SAR 8,913,125            |
| Others                         |                           |           | SAR 178,262,500       | 0.00%                     | SAR 0                    |
| <b>TOTAL</b>                   |                           |           |                       | <b>11.60%</b>             | <b>SAR 20,678,450.00</b> |
| <b>Total Hard Cost</b>         | <b>SAR 178,262,500</b>    |           |                       | <b>BUA</b>                | <b>58,163.00</b>         |
| <b>Total Soft Cost</b>         | <b>SAR 20,678,450.00</b>  |           |                       | <b>SAR / Sqm</b>          | <b>SAR 3,420</b>         |
| <b>Total Construction Cost</b> | <b>SAR 198,940,950.00</b> |           |                       | <b>Overall Completion</b> | <b>100 %</b>             |

After knowing the total construction costs at a rate of 3,420 SAR per square meter, we will estimate the economic life of the property according to the type of construction and its general condition, then apply the depreciation rates based on the actual age of the property. The developer's profitability will be added to the property's value after depreciation to reflect the estimated fair value of the building.

| DEVELOPMENT VALUE     |                 |                         |                 |
|-----------------------|-----------------|-------------------------|-----------------|
| Total Dev Cost        | SAR 198,940,950 | Annual Dep Rate         | 2.9%            |
| Total Completion Rate | 100%            | Actual Age              | 3               |
| Developer Profit Rate | 25%             | Total Dep Rate          | 8.57%           |
| Dev. Profit Amount    | SAR 49,735,238  | Add Appr Rate           | 0.00%           |
| Development Value     | SAR 248,676,188 | Net Dep Rate            | 8.57%           |
| Economic Age          | 35              | Cost After Depreciation | SAR 227,361,086 |

In order to determine the full value of the property, the construction costs will be added to the fair value of the land as follows:

| Total Dev. Value | Land Value     | Total Property Value | Rounded Value   |
|------------------|----------------|----------------------|-----------------|
| SAR 227,361,086  | SAR 96,245,500 | SAR 323,606,586      | SAR 323,610,000 |

### 4.3 Discounted Cash Flow- Market Rates

#### Market Rental Analysis

By studying the rental rates for similar properties in the surrounding area of the subject property, we have found that the average renting rates for office units range from 1,100 to 1,300 SAR / Sqm. The following is a table that shows some of the comparisons that were used in analysing the market rental rates, as well as the occupancy rates for similar properties:

|                       | <b>Office Units</b>   |
|-----------------------|-----------------------|
| <b>Comparable No.</b> | Rental Rate/ Unit     |
| <b>Comparable 1</b>   | 1,100 SAR/ Sqm        |
| <b>Comparable 2</b>   | 1,400 SAR/ Sqm        |
| <b>Average</b>        | <b>1,250 SAR/ Sqm</b> |

#### Analysis of comparison of market rents with actual rents

The project will be leased for 5 years for special tenant with special customization with an annual rent of 30,000,000 SAR. Although, it is expected that such client (governmental authority) will continue renting the project for the same amount, we will conservatively assume that after the 5 years the project will be leased as individual offices. In this case, the new upcoming tenants will get the benefit of the special high-tech customization of the project causing higher rental rate compared to the market.

#### Analysis of Operating and Maintenance Expenses

The operating expenses of similar properties reached between 10% to 15% of the total expected income for the property. These ratios depend on the condition and quality of the property and the type of services and public facilities available in the property itself. These ratios are divided into several main categories as follows:

|                                    |          |
|------------------------------------|----------|
| Management expenses                | 3% to 7% |
| Operating and maintenance expenses | 3% to 6% |
| General service bills expenses     | 3% to 4% |
| Other incidental expenses          | 1% to 3% |

#### Property Operation and Maintenance Expenses

The owner did not provide us with details of the actual maintenance and operation costs of the project and accordingly market averages for similar projects will be assumed. Therefore, we will apply the rate of 10% as the OPEX which will be calculated from the total revenues of the property. This ratio is based on the condition and quality of the property and the type of services and public facilities available in the property itself.

### Market Capitalization Rate Analysis

Based on recent transactions of real estate properties and funds, the average capitalization rate of acquiring such property falls in the range of 7% to 9%. This average is mainly driven by several factors such as the quality of the building, finishing materials, the general location, ease of access, actual age of the property, size of the project, and the extent of income stability in it. In addition to the above, the capitalization rates are also affected directly by the supply and demand rates for the same type of real estate.

### The Capitalization Rate Used for the Valuation

With regard to the capitalization rate used in the valuation, we will base our analysis on the average capitalization rates based on the market and then make some adjustments based on the property situation in terms of its characteristics, location and some other important elements.

### Estimated the Discount Rate of Cash Flows

To estimate the discount rate used in the cash flow method, we will use the CAPM model, which includes a calculation of several risk factors related to the property, for the purpose of determining the value of future cash at the present time. The estimation of the existing risk rates has been based according to the developments in the current property market. As a result, the expected discount rate is 11%. We have used a lower discount rate of 8.5% due to several reasons: 1- The property is fully leased to a special tenant with special customization; 2- Good location on the intersection of 2 main roads the northern ring road and the King Fahd Road in addition to its proximity to King Abdullah Financial City. 3- We assume that after the 5 years the project will be leased as individual offices. In this case, the new upcoming tenants will get the benefit of the special high-tech customization of the project causing higher rental rate compared to the market.

| CAPM (Cost of Equity) Calculation |               |
|-----------------------------------|---------------|
| Risk Free Rate                    | 2.20%         |
| Beta                              | 1.12          |
| Country Risk Premium              | 2.50%         |
| Equity Risk Premium               | 4.02%         |
| Indigenous Risk Premium           | 1.50%         |
| <b>Cost of Equity</b>             | <b>11.00%</b> |

|  |             | 2023              | 2024              | 2025              | 2026              | 2027              | 2028              | 2029              | 2030              | 2031              | 2032               |
|--|-------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| Cash Flow                              |             | 0                 | 1                 | 2                 | 3                 | 4                 | 5                 | 6                 | 7                 | 8                 | 9                  |
| <b>Increase Revision</b>               |             | <b>3%</b>         | <b>3%</b>         | <b>3%</b>         | <b>3%</b>         | <b>3%</b>         | <b>3%</b>         | <b>3%</b>         | <b>3%</b>         | <b>3%</b>         | <b>3%</b>          |
| <b>Expected Revenues</b>               |             |                   |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| Leasing Contract                       | SAR         | 30,000,000        | 30,000,000        | 30,000,000        | 30,000,000        | 0                 | 0                 | 0                 | 0                 | 0                 | 0                  |
| <b>Total</b>                           | SAR         | <b>30,000,000</b> | <b>30,000,000</b> | <b>30,000,000</b> | <b>30,000,000</b> | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>0</b>           |
| Offices                                | Sqm         | 24,322            | 24,322            | 24,322            | 24,322            | 24,322            | 24,322            | 24,322            | 24,322            | 24,322            | 24,322             |
| Rate                                   | SAR         | 1,288             | 1,327             | 1,366             | 1,407             | 1,450             | 1,493             | 1,538             | 1,584             | 1,632             | 1,681              |
| <b>Total</b>                           | SAR         | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>35,258,517</b> | <b>36,316,273</b> | <b>37,405,761</b> | <b>38,527,934</b> | <b>39,683,772</b> | <b>40,874,285</b>  |
| Others                                 | SAR         | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                  |
| Service Charge @ 10%                   | SAR         | 0                 | 0                 | 0                 | 0                 | 3,525,852         | 3,631,627         | 3,740,576         | 3,852,793         | 3,968,377         | 4,087,429          |
| <b>Overall Revenues</b>                |             | <b>30,000,000</b> | <b>30,000,000</b> | <b>30,000,000</b> | <b>30,000,000</b> | <b>38,784,369</b> | <b>39,947,900</b> | <b>41,146,337</b> | <b>42,380,727</b> | <b>43,652,149</b> | <b>44,961,714</b>  |
| <b>Vacancy Rates</b>                   |             |                   |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| Leasing Contract                       | 0.0%        | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                  |
| Offices                                | 5.0%        | 0                 | 0                 | 0                 | 0                 | 1,939,218         | 1,997,395         | 2,057,317         | 2,119,036         | 2,182,607         | 2,248,086          |
| <b>Total</b>                           |             | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>1,939,218</b>  | <b>1,997,395</b>  | <b>2,057,317</b>  | <b>2,119,036</b>  | <b>2,182,607</b>  | <b>2,248,086</b>   |
| <b>Expenses</b>                        |             |                   |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| OPEX                                   | 10.0%       | 0                 | 0                 | 0                 | 0                 | 3,878,437         | 3,994,790         | 4,114,634         | 4,238,073         | 4,365,215         | 4,496,171          |
| <b>Overall Expenses</b>                |             | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>3,878,437</b>  | <b>3,994,790</b>  | <b>4,114,634</b>  | <b>4,238,073</b>  | <b>4,365,215</b>  | <b>4,496,171</b>   |
| <b>NOI</b>                             |             | <b>30,000,000</b> | <b>30,000,000</b> | <b>30,000,000</b> | <b>30,000,000</b> | <b>32,966,714</b> | <b>33,955,715</b> | <b>34,974,387</b> | <b>36,023,618</b> | <b>37,104,327</b> | <b>38,217,457</b>  |
| <b>Terminal Value @ --&gt;</b>         | <b>7.0%</b> |                   |                   |                   |                   |                   |                   |                   |                   |                   | <b>545,963,665</b> |
| Discount Rate                          | 8.50%       | 1.00              | 0.92              | 0.85              | 0.78              | 0.72              | 0.67              | 0.61              | 0.56              | 0.52              | 0.48               |
|  |             | 30,000,000        | 27,649,770        | 25,483,659        | 23,487,243        | 23,787,933        | 22,582,093        | 21,437,379        | 20,350,691        | 19,319,089        | 280,336,647        |
| <b>Market Rate / Net Present Value</b> |             |                   |                   |                   |                   |                   |                   |                   |                   |                   | <b>494,434,503</b> |

#### 4.4 Subject Property Value in Different Approaches

| Methodology         | Subject of Valuation | Value in Numbers | Value in Letters   |
|---------------------|----------------------|------------------|--|
| <b>DCF Approach</b> | Property             | SAR 494,434,503  | Four hundred ninety-four million four hundred thirty-four thousand five hundred three Saudi Riyals |
| <b>DRC Approach</b> | Land + Building      | SAR 323,600,000  | Three Hundred Twenty-Three Million Six Hundred Saudi Riyals  |



#### 4.5 Subject Property Value

We are of an opinion that the total fair value of the subject property taking into consideration the purpose of valuation by using the Discounted Cash Flow method is:

**Property Value: SAR 494,400,000**  
**Four Hundred Ninety-Four Million Four Hundred Thousand Saudi Riyals.**

#### 4.6 Conclusion

This report was issued based on all the data received from the client or any other party related to the evaluation mission, and on the assumption that all of this information received from us is correct. Also, all the values mentioned in this report express the opinion resulting from the evaluation process in compliance with international evaluation standards, and they are estimates based on preliminary information collected by our work team and it has been assumed to be correct. Any changes in any information contained in the report that would affect the mentioned final value of the property subject to evaluation.

#### 4.7 Accredited Valuers

**Essam M. Al Husaini**  
 President



Fellow Member of (RE Valuation)  
 License No. 1210000474

**Nabeel M. Al Husaini**  
 CEO



Member of (RE Valuation)  
 License No. 1210002782

**Farah E. Al Husaini**  
 Valuation Manager



Member of (RE Valuation)  
 License No. 1210001964

**Nasser A. Al Arifi**  
 Valuer



Member of (RE Valuation)  
 License No. 1210002399



Membership- RE Branch  
 Membership No.:  
 11000171



WHITE **CUBES**  
DOCUMENTS

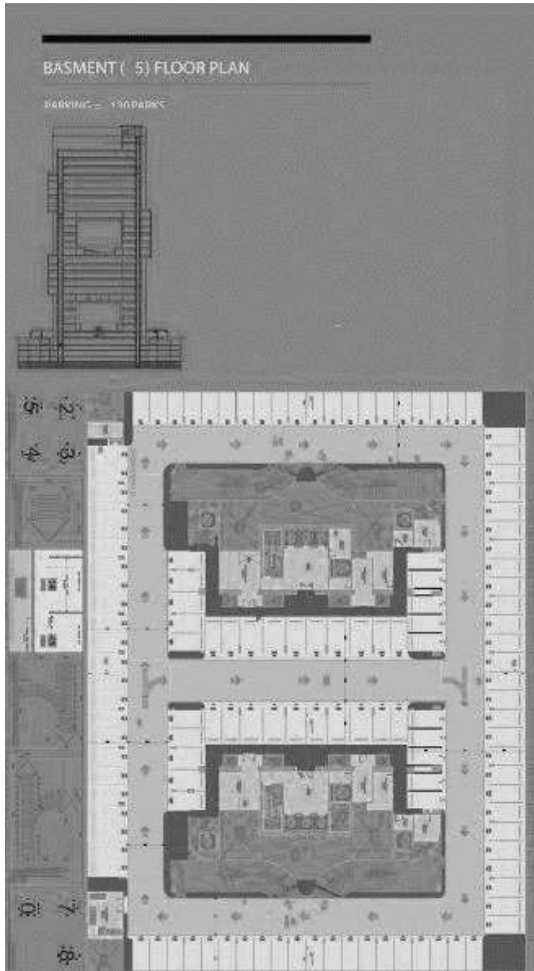
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DOCUMENT

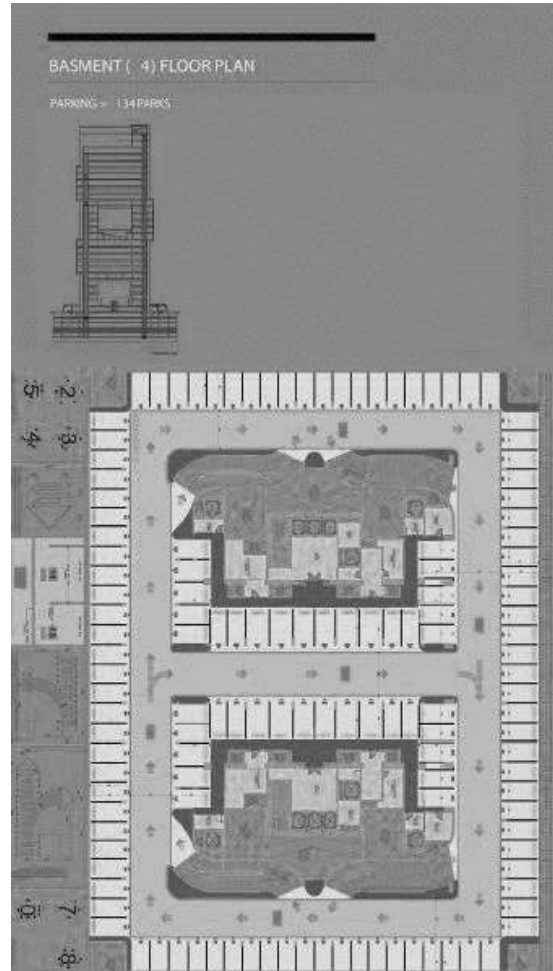


## 5.2 Layout

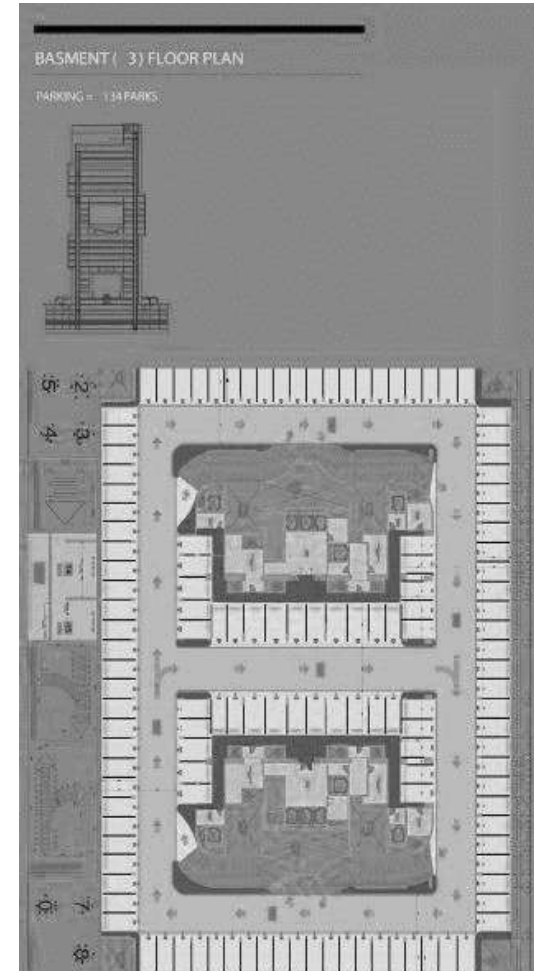
**Basement (5)**



**Basement (4)**



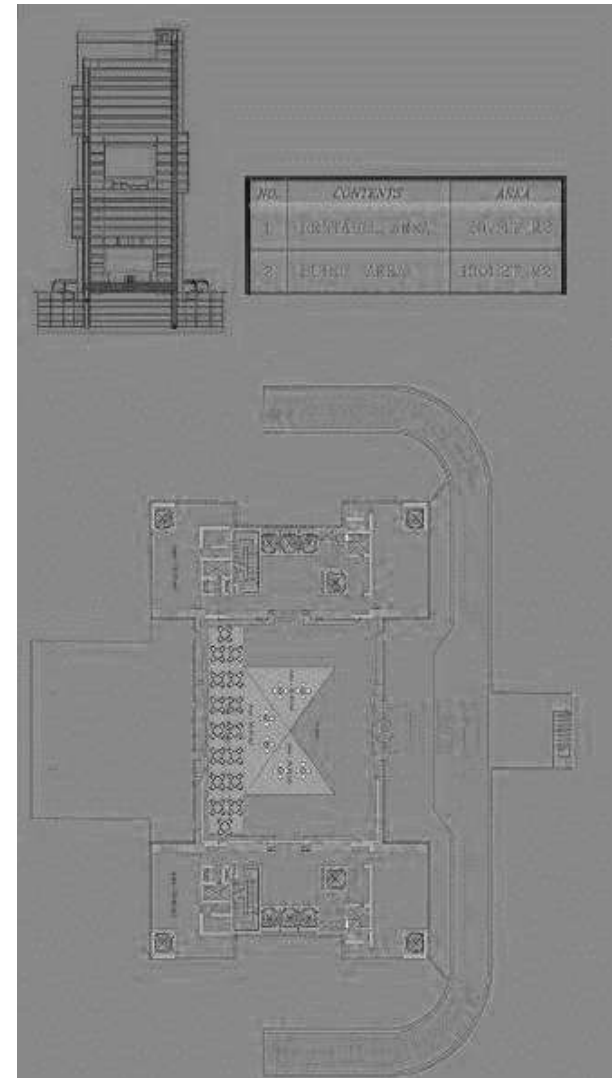
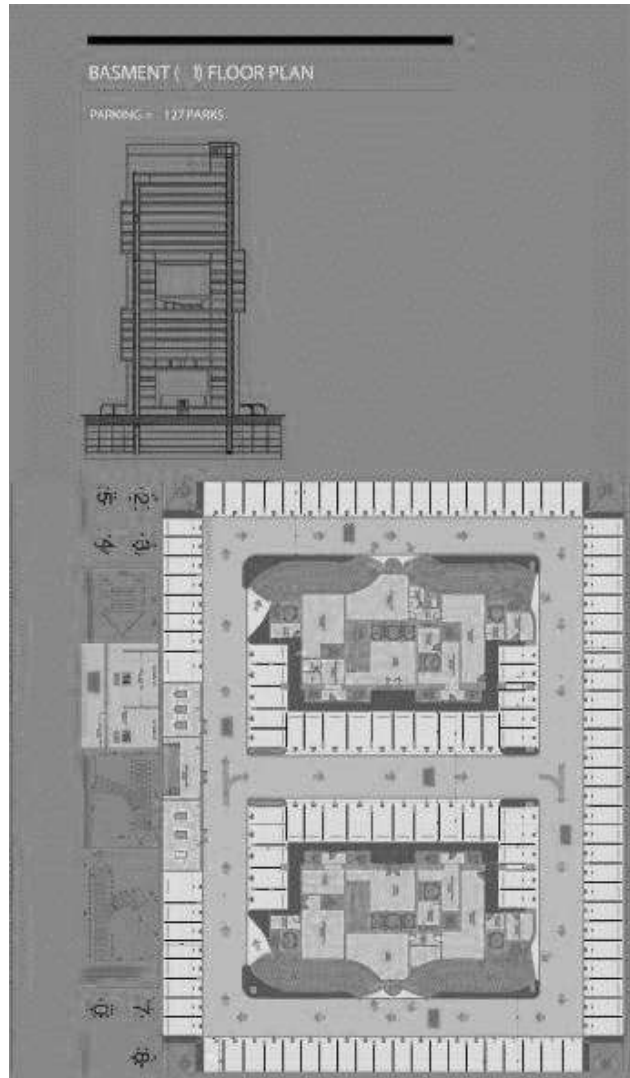
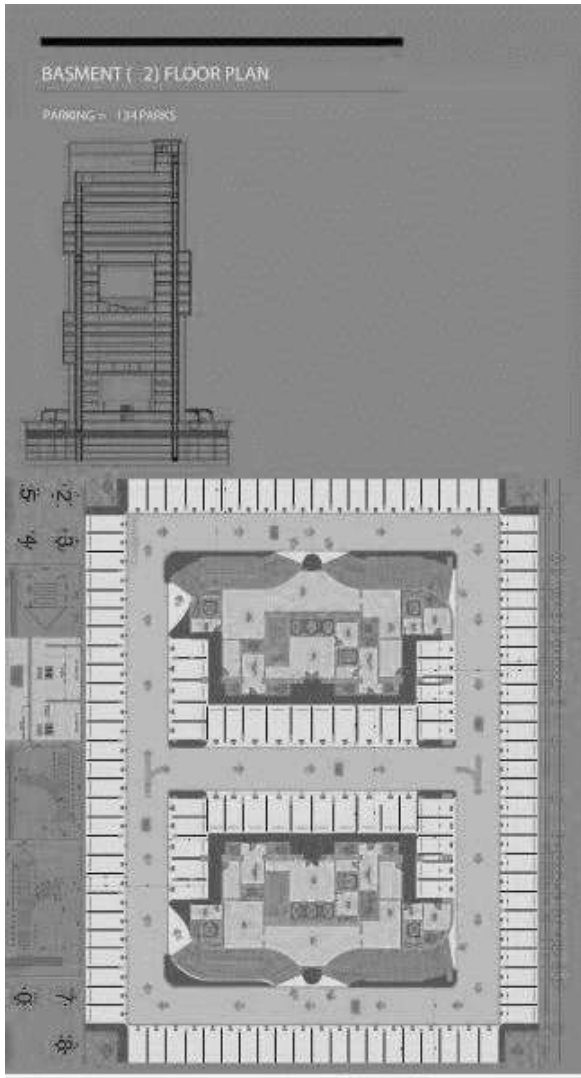
**Basement (3)**



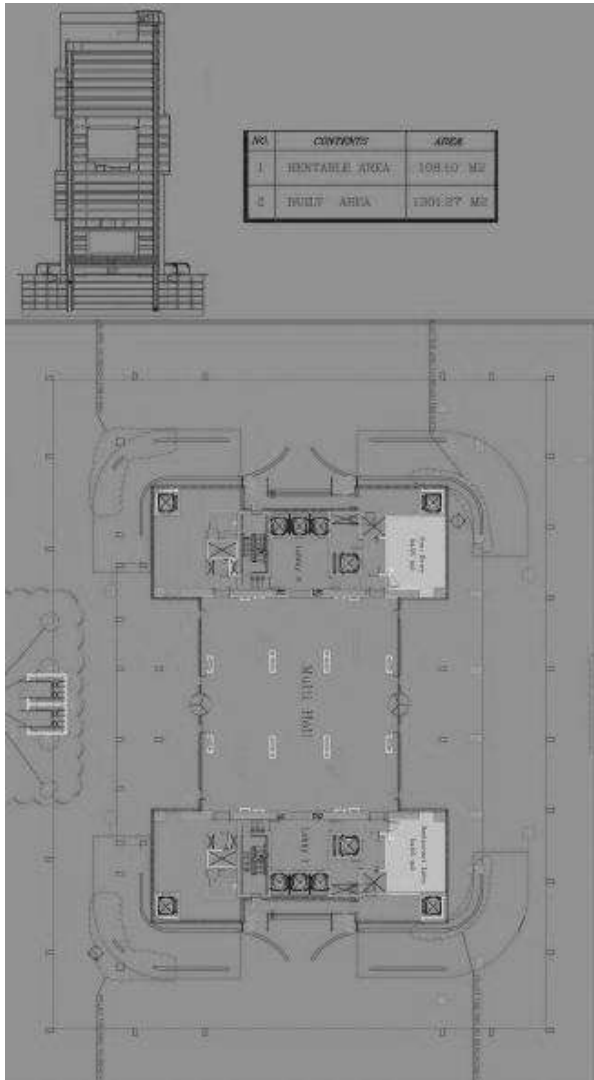
Basement (2)

Basement (1)

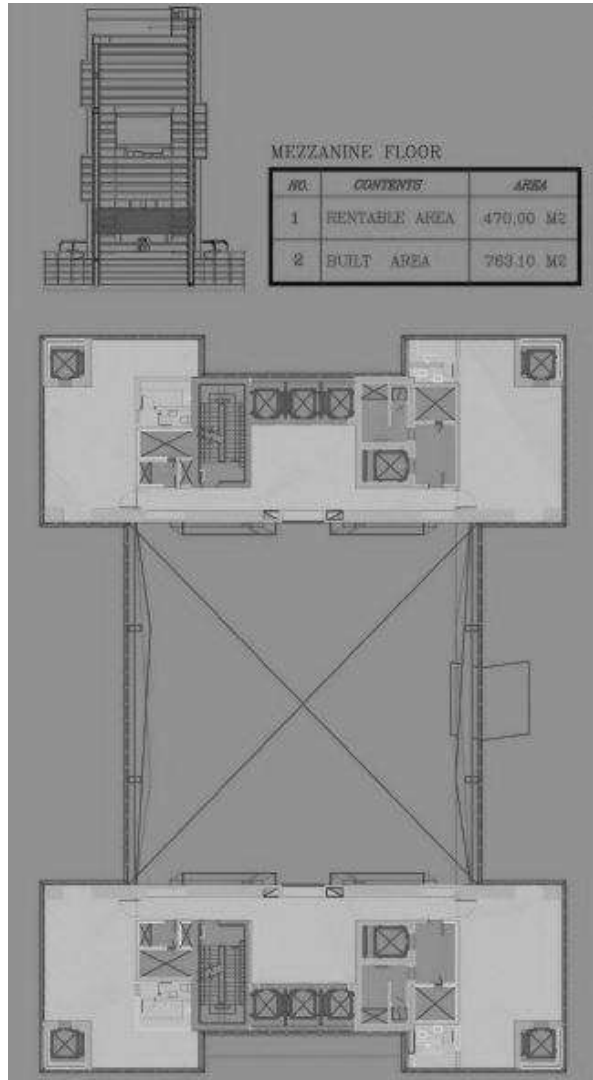
Lower Ground Plan



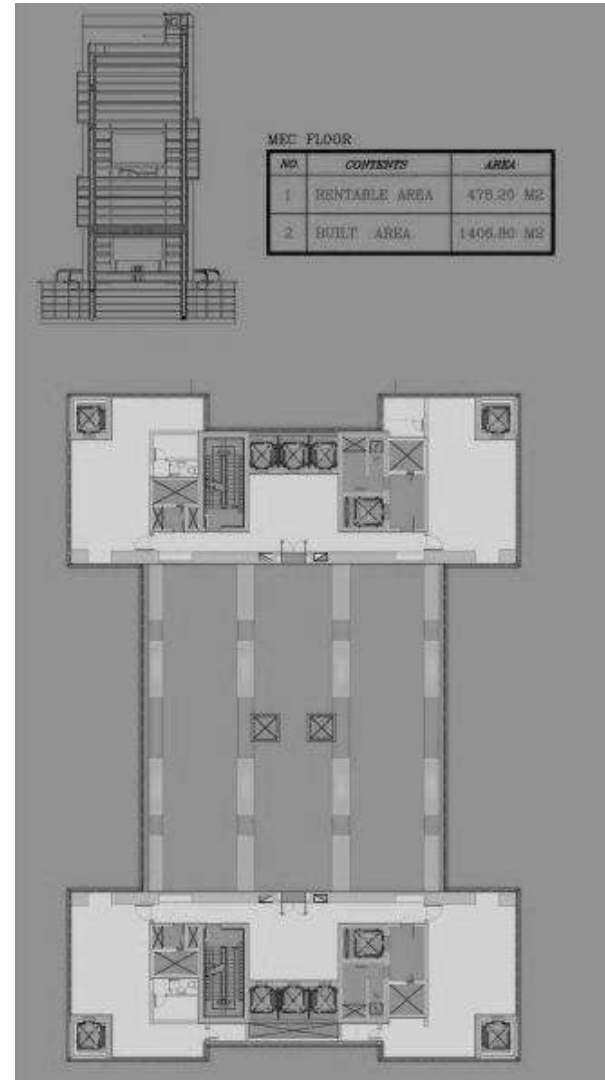
Upper Ground Floor Plan



Mezzanine Floor



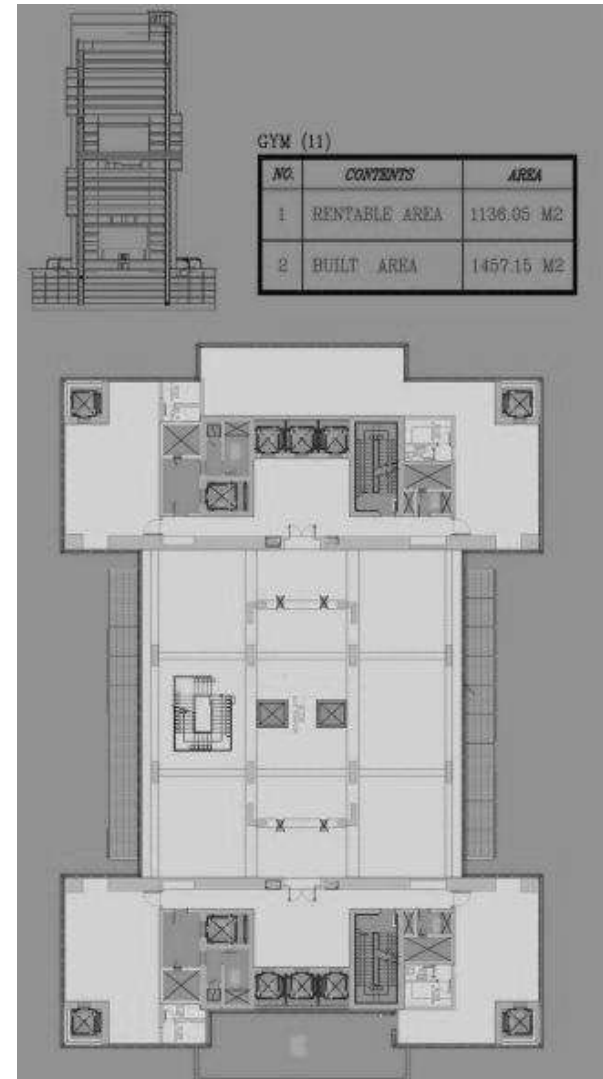
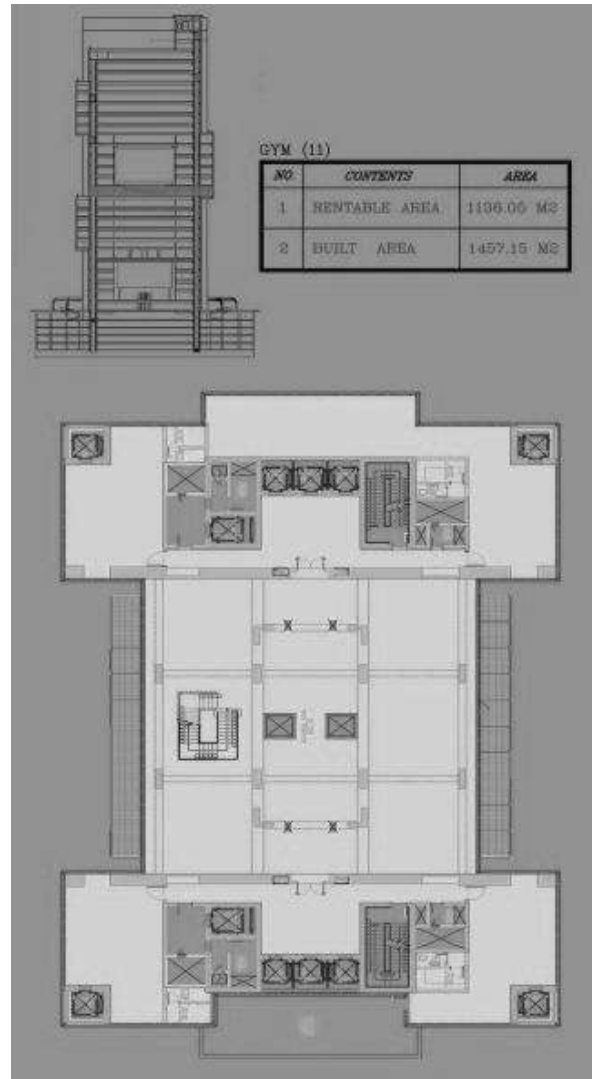
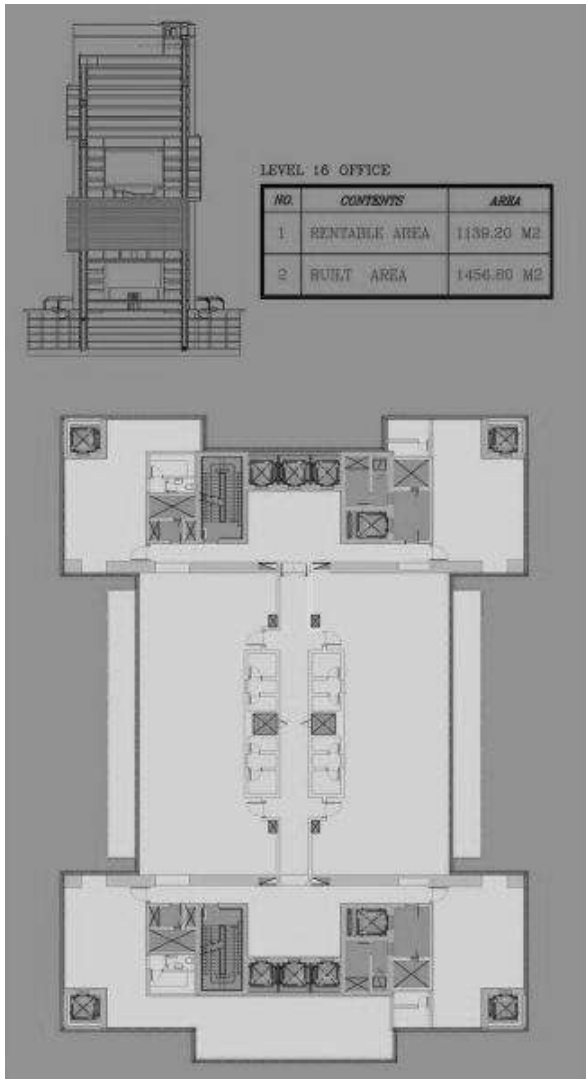
MEC. Floor Plan



**Floor Plan for Typical (6-10)**

**Gym**

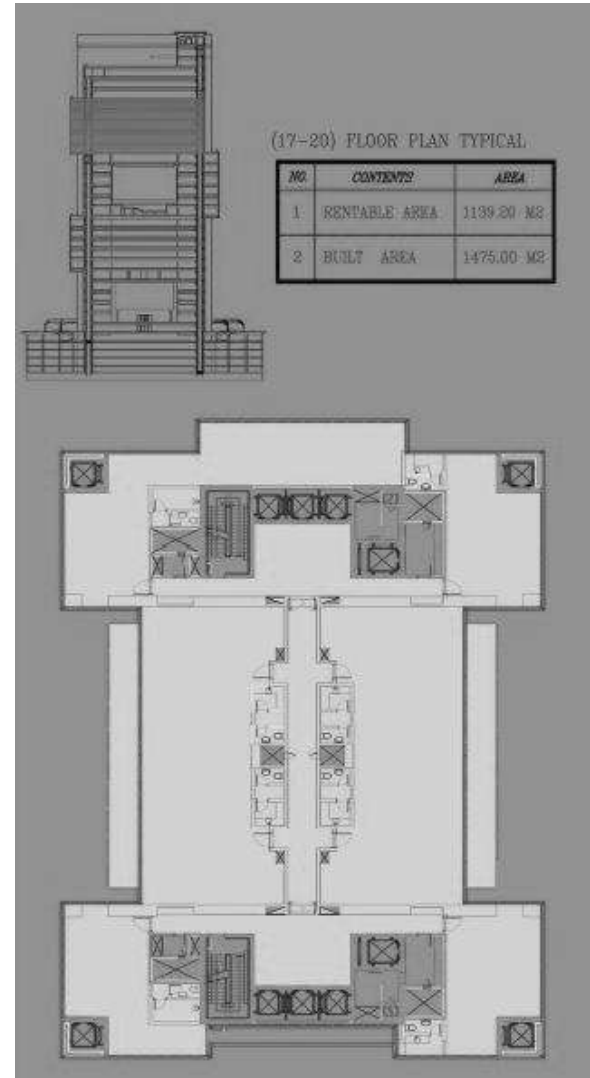
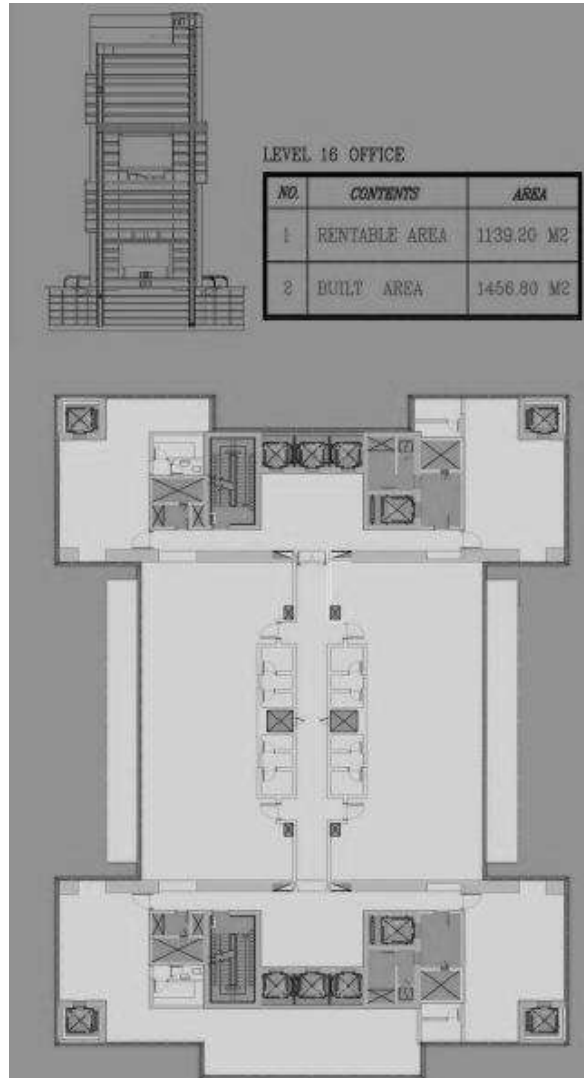
**Gym**



**(13-14-15) Floor Plan**

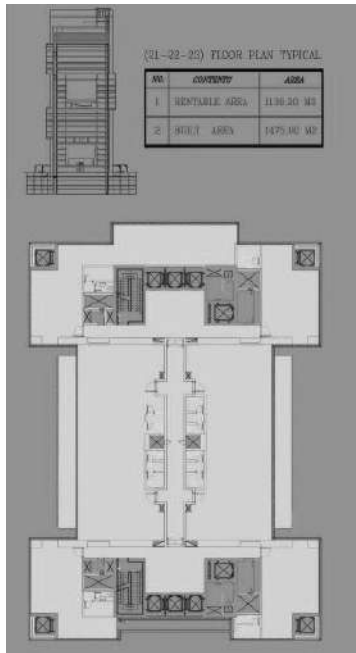
**Level 16 Office**

**(17-20) Floor Plan Typical**

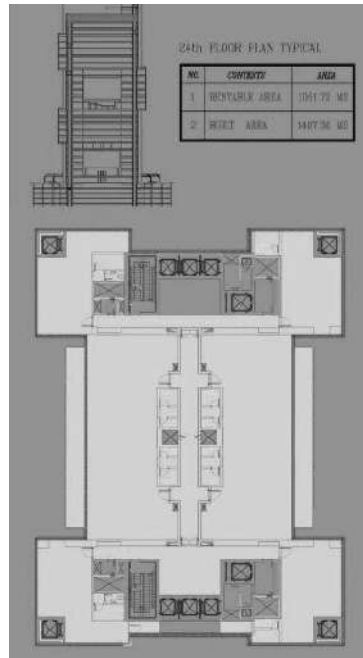




**(21-22-23) Floor Plan Typical**



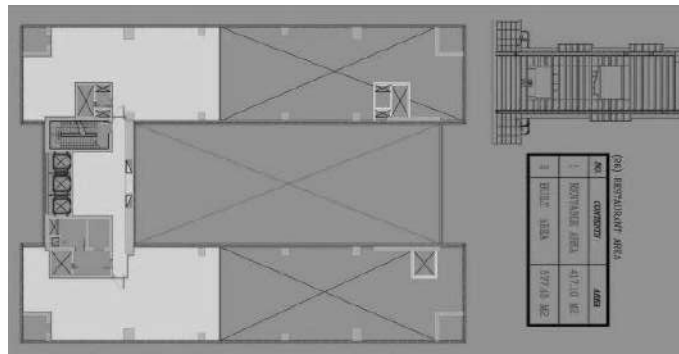
**(24) Floor Plan Typical**



**Restaurant Area (25)**



**Restaurant Area 2 (26)**



### 5.3 Real Estate Valuation License



وزارة التجارة والاستثمار  
Ministry of Commerce and Investment



## ترخيص مزاولة مهنة لفرع تقييم العقارات

فئة العضوية: أساسي

المقر الرئيسي: الرياض

رقم الترخيص 1210000474 تاريخ إصداره 1437/8/1 هـ تاريخ انتهائه 1447/8/24 هـ

يرخص **عصام محمد عبدالله الحسيني** (سعودي الجنسية) سجل مدني رقم 1044275947 لمزاولة المهنة وقد منح هذا الترخيص بعد أن استوفى شروط القيد الواردة في المادة الخامسة من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/9 هـ بموجب قرار لجنة قيد المقيمين رقم (95/ق/3/42) وتاريخ 1442/5/22 هـ

رئيس لجنة قيد المقيمين

أ. وليد بن عبدالله الرويشد

ختم الوزارة

وزارة التجارة والاستثمار  
Ministry of Commerce and Investment  
إدارة المهن الاستشارية





WHITE CUBES



WHITE CUBES

REAL ESTATE VALUATION REPORT

# Al Khabeer Capital

## Elite Centre

Awal Al Malqa Real Estate Company

Jeddah City  
30 June 2023



رؤية  
VISION  
2030  
المملكة العربية السعودية  
KINGDOM OF SAUDI ARABIA

REAL ESTATE  
VALUATION REPORT



**REF:** 23-0424  
**Code:**  
**Date:** 30/06/2023  
**M/S:** Awal Al Malqa Real Estate Company

**Subject: Valuation Report for a Commercial Centre (Elite Centre) in Jeddah City, Saudi Arabia.**

Dear Sir,

With reference to your request and approval dated on 29<sup>th</sup> of May 2023. We will provide you with a detailed report on the property under evaluation, including a market analysis, an economic analysis, and a description of the valuation methods. In addition, we WHITE CUBES guarantee the confidentiality of the client's information and are committed to complete impartiality in the evaluation process and acknowledge that there are no common interests between WHITECUBES and the client.

**WHITE CUBES Consulting Services Co.**

**Mr. Essam M. Al-Husaini – President**

Fellow Member of the Saudi Authority of Accredited Valuers  
License No. 1210000474  
Issued: 01/08/1437 Exp: 24/08/1447  
WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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WHITE **CUBES**

# EXECUTIVE SUMMARY

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EXECUTIVE  
SUMMARY

## Executive Summary

|                             |  |
|-----------------------------|--|
| <b>Reference No.</b>        | 23-0424  |
| <b>Dep. Code</b>            |  |
| <b>Report Type</b>          | Detailed Report.   |
| <b>Client</b>               | Awal Al Malqa Real Estate Company.   |
| <b>Report user</b>          | Awal Al Malqa Real Estate Company.   |
| <b>Other users</b>          | Investors or those wishing to invest in the Real Estate Investment Trust.                                    |
| <b>Purpose of Valuation</b> | Inclusion in financial statements.   |
| <b>Subject Property</b>     | Commercial Project.  |
| <b>Property Location</b>    | Al Andalus district, Jeddah City.  |
| <b>Title Deed No.</b>       | 420221011608   |
| <b>Title Deed Date</b>      | 17/08/1440   |
| <b>Ownership Type</b>       | Title deed-restricted  |
| <b>Limitations</b>          | Mortgaged to Al Rajhi Banking Investment Company.  |
| <b>Owner</b>                | Awal Al Malqa Real Estate Company.   |
| <b>Land Use</b>             | Commercial   |
| <b>Land Area (Sqm)</b>      | The land has an area size of 4,319.75 Sqm  |
| <b>BUA (Sqm)</b>            | As per the provided construction permit, the total BUA is 15,712 Sqm.  |
| <b>GLA (Sqm)</b>            | The total gross leasable area of the project is 13,766 Sqm.  |
| <b>Basis of Value</b>       | Fair Value.  |
| <b>Value Hypothesis</b>     | Current use.   |
| <b>Valuation Approach</b>   | Comparable Approach, Cost Approach and Income Approach.  |
| <b>Currency</b>             | Saudi Arabian Riyal  |
| <b>Final Property Value</b> | SAR 150,000,000  |
| <b>Report Date</b>          | 30/06/2023   |
| <b>Valuation Date</b>       | 30/06/2023   |
| <b>Inspection Date</b>      | 30/05/2023   |
| <b>Expiry Date</b>          | 120 days from date of the inspection, unless there're any economic changes that affect the subject property. |





WHITE **CUBES**

**SCOPE OF WORK**

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SCOPE OF  
WORK

## Scope of Work

### 1.1 Introduction

This report was prepared by WHITE CUBES Co. based on the International Valuation Standards of the Council of International Assessment Standards (IVSC 2022) and the Guide to Practice and Regulations issued by the Saudi Authority of Accredited Valuers (Taqeem), to ensure accurate access to information, the evaluation report must be read in its entirety, our firm is pleased to offer its services to Awal Al Malqa Real Estate Company in order to estimate the fair value of the property that is being evaluated.

### 1.2 Purpose of valuation

The client requested that we evaluate the subject properties for **Inclusion in financial statements.**

### 1.3 Basis of Valuation

**According to Paragraph 1.2, the appropriate basis for value adopted in the evaluation process is the fair value of the property.**

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the principle of an "exit price,"

### 1.4 Valuation Methods

Depending on the purpose of the valuation, and upon the request of the client, we will apply the comparable approach, cost approach and income approach.

### 1.5 Currency

Unless otherwise stated, all values in the report are in Saudi Arabian Riyals.

### 1.6 Scope of Research

Research is an important part of the valuation process. We will conduct extensive research and analysis of various factors that can impact the value of a property or asset, such as market conditions, comparable sales, property characteristics, income potential, and legal and regulatory factors.

## 1.7 Property Inspection

Inspection refers to visiting and inspecting an asset, testing its performance, and gathering information about it from quantities, specifications, land area, building areas, rental areas, services, public utilities, project components, etc., so that an opinion can be expressed regarding its value. Therefore, we confirm that subject property was inspected on May 30, 2023. We will then use this evidence to assess and evaluate the project. We remain committed to providing the client with an accurate and reliable valuation.

## 1.8 Information Sources

An on-site field survey was conducted by our team to ensure the accuracy of some market information required for the valuation, including nearby asset prices, occupancy rates, and specific information about the asset under valuation, to determine its actual fair value. The following sources were used during the field research process:

- Property records: In the absence of property ownership documents, the client has provided us with some information about the assets.
- Market trends: Real estate market trends and economic indicators can be used to assess the overall demand and supply for properties in the area.
- Income analysis: Income-producing properties such as rental properties can be valued based on their income potential.
- Personal inspection: A physical inspection of the property can provide valuable information on its condition and any unique features that may affect its value.

## 1.9 Assumptions and Special Assumptions

As defined by the International Valuation Standards, assumptions are logical matters that can be accepted as facts during valuation work without being specifically checked or scrutinized. They are accepted as soon as they are mentioned. Based on the facts at the time of the valuation.

- It has been assumed that the information provided by the client is accurate, but we were not provided with the ownership documents for the asset.
- Assumed that all information received from the client is accurate and up to date as of the date of the valuation, whether oral or written.
- This is a valuation report rather than a structural survey. As a result, we did not conduct any utility checks, service checks, soil tests, etc.
- The valuation methodologies are based on market data compiled using our relevant market knowledge and experience.
- This report's output (final value) is derived from assumptions used, documents received from the client, and market data. Nevertheless, the output estimates provide an indication of the property's value.
- After studying the market and using the built-up model, a discount rate of 9.5% was assumed for the project.

### **1.10 Use, Distribution, and Publication Restrictions**

To estimate the fair value of the assets being evaluated, WHITE CUBES Co. has prepared this report. There are restrictions on the transfer, referencing, and presentation of this report and its contents to any other party except as stipulated in the contract letter, and the client must obtain our prior written consent in order to use this report for any other purpose other than that stated in this report.

### **1.11 Legal Notes**

As far as we are aware, no legal notices have been served on the property, whether they are in progress or pending in the court system.



WHITE **CUBES**

**PROPERTY DETAILS**

---

PROPERTY  
DETAILS

## Property and Location Description

### 2.1 Property Description

Based on the information provided the subject property is a commercial project located in Al Andalus district, Jeddah City. Based on the provided copy of the title deed the subject property has a total land area of 4,319.25 sqm and as per the provided construction permit the total BUA of 15,712 Sqm and composed of 7 offices floors and retail unit on the ground floor. As per the site inspection done by our team for the purpose of valuation, the land open on 3 sides with a direct view on Prince Mohammad bin Abdulaziz Road from the north side.

### 2.2 Surrounding Area

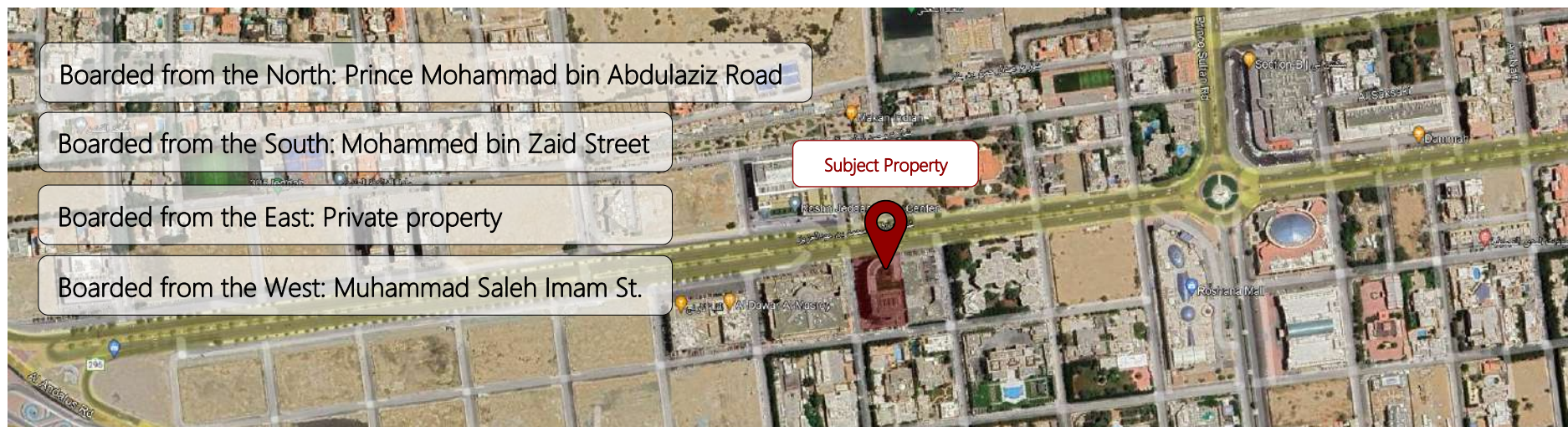
The subject property is surrounded mostly by several residential and commercial buildings.

### 2.3 Ease of Access

Based on the current location of the subject property, the access level is high since it is located on Prince Mohammad bin Abdulaziz Road.

### 2.4 Infrastructure

All the infrastructural facilities are available in the surroundings and connected to the subject property.



## 2.5 Title Deed and Ownership

The client provides us with a copy of the title deed related to the subject property which is owned by one title deed. The details of the subject property:

|                                 |                     |                               |   |
|---------------------------------|---------------------|-------------------------------|---|
| <b>City</b>                     | Jeddah              | <b>Land Area</b>              | 4,319.75 Sqm                                      |
| <b>District</b>                 | Al Andalus          | <b>Plot No.</b>               | 2   |
| <b>T.D Type</b>                 | Electronic          | <b>Block No.</b>              | ---   |
| <b>T.D Number</b>               | 420221011608        | <b>Layout No.</b>             | 860/ت/س   |
| <b>T.D Date</b>                 |                     | <b>Owner</b>                  | Awal Al Malqa Real Estate Company                 |
| <b>T.D Value</b>                |                     | <b>Ownership Type</b>         | Freehold  |
| <b>Date of Last Transaction</b> | 17/08/1440          | <b>Limitation of Document</b> | Mortgaged to Al Rajhi Banking Investment Company. |
| <b>Issued From</b>              | Jeddah First Notary |                               |   |
| <b>North Side</b>               | 40 meters street    | <b>East Side</b>              | Private property                                  |
| <b>South Side</b>               | 15 meters street    | <b>West Side</b>              | 15 meters street                                  |

**Note:** The client has provided us with a copy of the Title Deed which was assumed to be correct and authentic. It is not in our scope to run legal diagnosis on any legal document.

## 2.6 Construction and Buildings

The building permit indicates the maximum permissible BUA approved by the city municipality. However, the actual area may differ from the area mentioned in the building permit. Therefore, the Client has provided us with a copy of the Construction Permit issued by Riyadh Municipality with the below details:

| Subject Property                |            |
|---------------------------------|------------|
| <b>Construction Permit Type</b> | New Permit |
| <b>Property Type</b>            | Mix use    |
| <b>Construction Permit No.</b>  | 35218      |
| <b>Construction Permit Date</b> | 18/10/1430 |

| Description            | No. of Units | Area (sqm)    | Use       |
|------------------------|--------------|---------------|-----------|
| Ground Floor           | ----         | 2,468         | Showrooms |
| First Floor            | ----         | 2,386         | Offices   |
| Second Floor           | ----         | 2,468         | Offices   |
| Third Floor            | ----         | 2,468         | Offices   |
| Typical Floors         | ----         | 4,911         | Offices   |
| Annex                  | ----         | 1,011         | Offices   |
| <b>Total BAU (sqm)</b> |              | <b>15,712</b> |           |

## 2.7 Building Gross Leasable Area (GLA)

| Use          | No. of Units | BUA (Sqm) | GLA (Sqm)     | Information Source                       |
|--------------|--------------|-----------|---------------|--|
| Show Rooms   | ----         |           | 2,169         | Rental spaces are provided by the client |
| Offices      | ----         | 15,712    | 9,882         |  |
| Mezzanine    | ----         |           | 1,715         |  |
| <b>Total</b> |              |           | <b>13,766</b> |  |

## 2.8 Property Actual Rental Rates

As per the client, informed us that the property is occupied 80% of the offices and 100% of the showrooms (Al Jazira Bank). the property as an income generating property rented to the previous owner by triple net lease of SAR 16,000,000 annually which



increases every 5 years. The client also informed us that a discount is introduced to the current leasing contract where the net lease becomes 11,520,000 SAR. The valuation will be based on the before assumption.

**2.9 Photographs of the Subject Property**





WHITE **CUBES**

**MARKET INDICATORS**

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MARKET  
INDICATORS

## Market Indicators

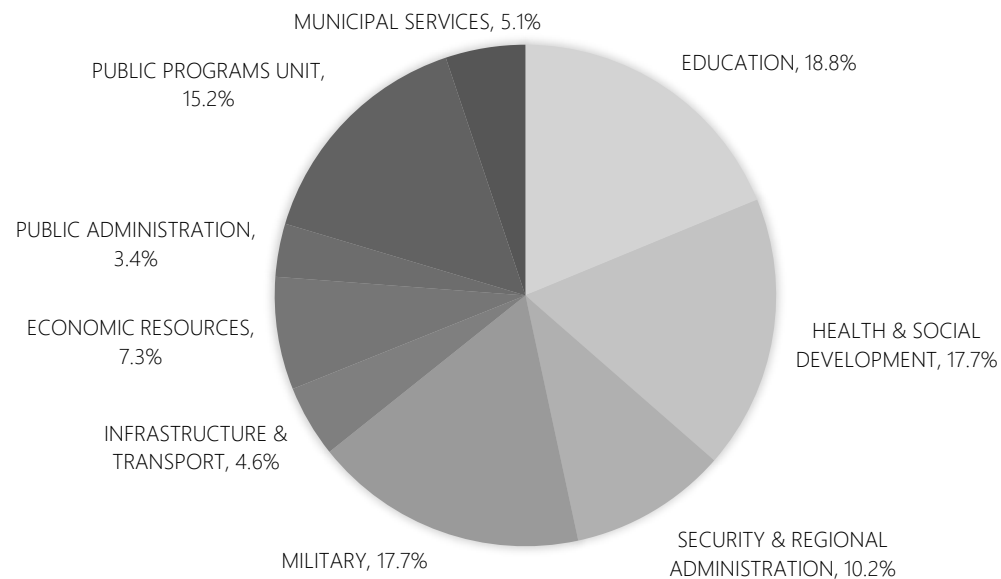
### 3.1 Saudi Arabia Economic Indicators

| Economic Indicator                    | Budget | Expectations | Estimated |       |
|---------------------------------------|--------|--------------|-----------|-------|
|                                       | 2022   | 2023         | 2024      | 2025  |
| <b>Total revenue</b>                  | 1,234  | 1,130        | 1,146     | 1,205 |
| <b>Total expenses</b>                 | 1,132  | 1,114        | 1,125     | 1,134 |
| <b>Budget surplus</b>                 | 102    | 16           | 21        | 71    |
| <b>Debt</b>                           | 985    | 951          | 959       | 962   |
| <b>GDP growth</b>                     | 8.5%   | 3.1%         | 5.7%      | 4.5%  |
| <b>Nominal gross domestic product</b> | 3,957  | 3,869        | 3,966     | 4,247 |
| <b>Inflation</b>                      | 2.6%   | 2.1%         | 2.1%      | 2.0%  |

### 3.2 Budget Allocation for 2022




|                          |            |
|--------------------------|------------|
| Public Administration    | 37 SAR bn  |
| Military                 | 259 SAR bn |
| Security & Regional Adm. | 105 SAR bn |
| Municipal Services       | 63 SAR bn  |
| Education                | 189 SAR bn |
| Health & Social Dev.     | 189 SAR bn |
| Economic Resources       | 72 SAR bn  |
| Infrastructure Transport | 34 SAR bn  |
| General Items            | 165 SAR bn |

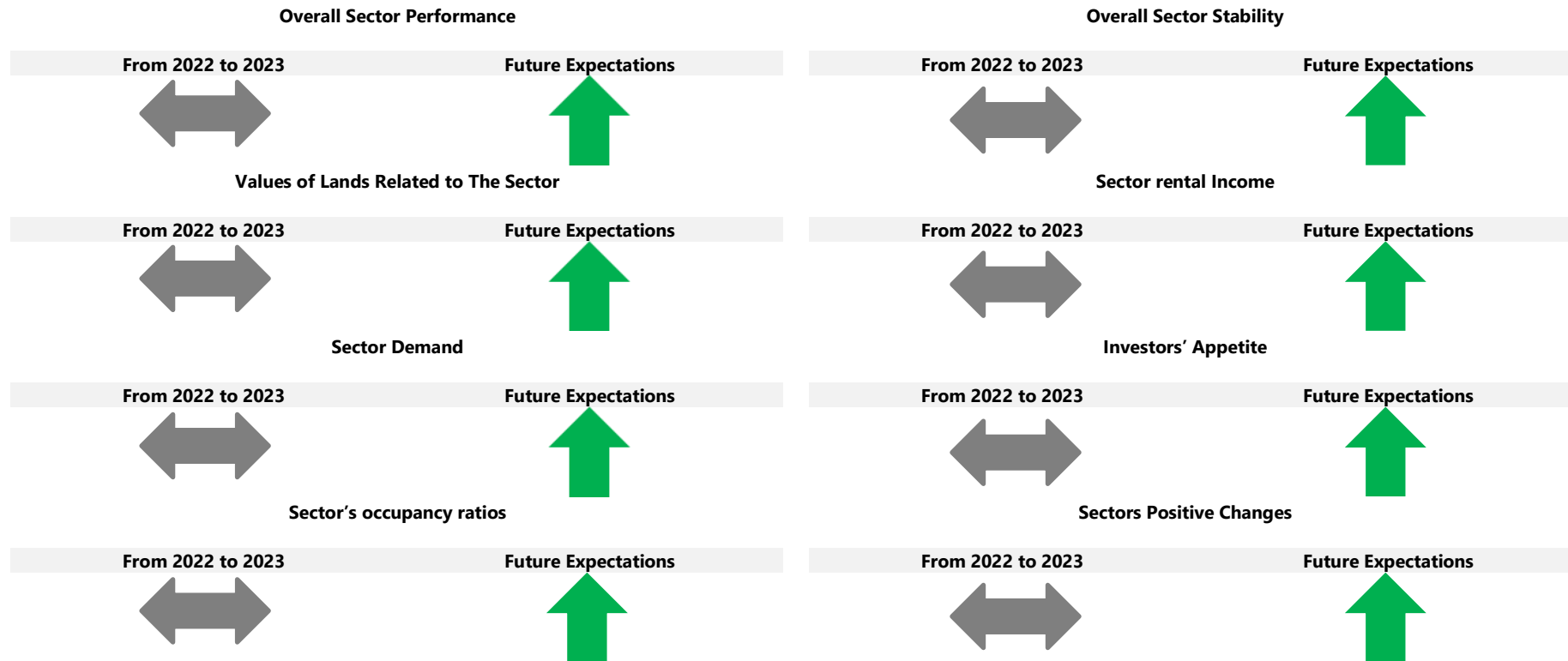
Source: Ministry of Finance



### 3.3 Sector Brief

In the following we will insert general information about the real estate sector related to the property subject of our valuation and which is intended to give an initial indication on the sector. These information and indicators are estimated based on our experience, the current sector performance and some other historical data collected from our side, In addition to some current economic changes in general.

-  Indicator showing a decrease in the current performance comparing to last year
-  Indicator showing an increase in the current performance comparing to last year
-  Indicator showing a stable position in the current performance comparing to last year



White Cubes Team's Analysis

### 3.4 Risk Analysis

#### - Sector Analysis

| Risk Factor                | Very Low Risk (1) | Minimal Risk (2) | Medium Risk (3) | Elevated Risk (4) | Very High Risk (5) |
|----------------------------|-------------------|------------------|-----------------|-------------------|--------------------|
|                            | 1-6               | 7-12             | 13-18           | 19-24             | 25-30              |
| Overall, Economy           | ----              | ----             | ✓               | ----              | ----               |
| Sector Current Performance | ----              | ----             | ✓               | ----              | ----               |
| Sector Future Performance  | ----              | ✓                | ----            | ----              | ----               |
| Occupancy Rates            | ----              | ----             | ✓               | ----              | ----               |
| Supply Rate                | ----              | ----             | ✓               | ----              | ----               |
| Demand Rate                | ----              | ----             | ✓               | ----              | ----               |
| Total Risk                 | 0                 | 2                | 15              | 0                 | 0                  |

**Risk Category 17 Risk Points - Medium Risk**

#### -Land Analysis

| Risk Factor                 | Very Low Risk (1) | Minimal Risk (2) | Medium Risk (3) | Elevated Risk (4) | Very High Risk (5) |
|-----------------------------|-------------------|------------------|-----------------|-------------------|--------------------|
|                             | 1-5               | 6-10             | 11-15           | 16-20             | 21-25              |
| Access                      | ----              | ✓                | ----            | ----              | ----               |
| Location                    | ----              | ✓                | ----            | ----              | ----               |
| Land Shape                  | ----              | ✓                | ----            | ----              | ----               |
| Surrounding Area facilities | ----              | ✓                | ----            | ----              | ----               |
| Total Risk                  | 0                 | 8                | 0               | 0                 | 0                  |

**Risk Category 8 Risk Points – Minimal Risk**

#### -Property Analysis

| Risk Factor            | Very Low Risk (1) | Minimal Risk (2) | Medium Risk (3) | Elevated Risk (4) | Very High Risk (5) |
|------------------------|-------------------|------------------|-----------------|-------------------|--------------------|
|                        | 1-3               | 4-6              | 7-9             | 10-12             | 13-15              |
| Facilities & Amenities | ----              | ----             | ✓               | ----              | ----               |
| Management Skills      | ----              | ----             | ✓               | ----              | ----               |
| Overall Condition      | ----              | ✓                | ----            | ----              | ----               |
| Total Risk             | 0                 | 2                | 6               | 0                 | 0                  |

**Risk Category 8 Risk Points - Medium Risk**



WHITE **CUBES**

PROPERTY VALUATION

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PROPERTY  
VALUATION

## Property Valuation

### 4 Valuation Methods

With reference to the valuation purpose, taking into consideration the nature of the subject property, we will use the following ticked methods to estimate the fair value of the subject property:

|                  | Market Approach   | Cost Approach | Income Approach |                |                  |            |
|------------------|-------------------|---------------|-----------------|----------------|------------------|------------|
|                  | Comparable method | DRC method    | DCF method      | Invest. method | Cap. Rate method | RLV method |
| <b>Land</b>      | ✓                 | ----          | ----            | ----           | ----             | ----       |
| <b>Buildings</b> | ----              | ✓             | ----            | ----           | ----             | ----       |
| <b>Property</b>  | ----              | ----          | ----            | ----           | ✓                | ----       |

#### COMPARABLE METHOD

This is the method most are familiar with as it is the accepted method for valuing residential real estate. Typically, this method involves selecting properties with similar characteristics in the same market area that have recently sold. Once those properties are found they are compared to the property in question and a professional appraiser will deduct value from the subject property for comparative deficiencies and increase value for advantages. Typically, this method is required if the investor is seeking conventional financing. For comparable information, property brokers, dealers and estate agents are contacted to ascertain the asking and selling prices for property of the nature in the immediate neighborhood and adjoining areas. Neighboring properties, which have been recently sold or purchased, are investigated to ascertain a reasonable selling price.

#### DEPRECIATED REPLACEMENT COST (DRC)

A cost approach is a real estate valuation method that surmises that the price someone should pay for a piece of property should not exceed what someone would have to pay to build an equivalent building. In cost approach pricing, the market price for the property is equivalent to the cost of land plus cost of construction, less depreciation. It is often most accurate for fair value when the property is new. Generally, the cost approach considers what the land, devoid of any structures, would cost, then adds the cost of building the structures, then depreciation is subtracted. The cost approach is most often used for public buildings, such as schools and mosques, because it is difficult to find recently sold comparable properties in the local market, and public buildings do not earn income, so the income approach cannot be used, either. A property that already has improvements will usually contribute a certain amount of value to the site, but improvements can also lower property value if the site's potential buyers wish to use the property for another use that would entail removing some of the improvements to the current site. The

cost approach is best used when improvements are new and there is adequate pricing information to value the property components. The cost approach may be less desirable if there are no recent sales of vacant land for which to compare, since the major method of valuing vacant lands is to use the sales comparison approach, or when construction costs are not readily available. The cost approach method includes:

- Estimate what the subject property would be worth.
- Estimate the current cost of building the structures, then add that value to the value of the vacant land.
- Estimate the amount of accrued depreciation of the subject property, then subtract it from the total to arrive at the property's worth.

### **CAPITALIZATION METHOD (CAP RATE)**

The income approach values property by the amount of income that it can potentially generate. Hence, this method is used for apartments, office buildings, malls, and other property that generates a regular income.

The appraiser calculates the income according to the following steps:

- Estimate the potential annual gross income by doing market studies to determine what the property could earn, which may not be the same as what it is currently earning.
- The effective gross income is calculated by subtracting the vacancy rate and rent loss as estimated by the appraiser using market studies.
- The net operating income (NOI) is then calculated by subtracting the annual operating expenses from the effective gross income. Annual operating expenses include real estate taxes, insurance, utilities, maintenance, repairs, advertising, and management expenses. Management expenses are included even if the owner is going to manage it, since the owner incurs an opportunity cost by managing it herself. The cost of capital items is not included since it is not an operating expense. Hence, it does not include mortgage and interest since this is a debt payment on a capital item.

Estimate the capitalization rate (aka cap rate), which is the rate of return, or yield, that other investors of property are getting in the local market.



## 4.1 Comparable Method

This method aims to collect data and information on actual sales and / or current offers of similar properties within the surrounding market, and then make the necessary adjustments to these comparisons in terms of area, location, shape, quality, content, and others. Below is a summary of the valuation process using the comparable method and the amendments made to the available comparisons.

| Characteristics of Samples            |                   |                 |              |                |              |                |              |
|---------------------------------------|-------------------|-----------------|--------------|----------------|--------------|----------------|--------------|
| Feature                               | Subject Property  | Sample 1        |              | Sample 2       |              | Sample 3       |              |
| Quoting                               | -----             | Offering        |              | Offering       |              | Offering       |              |
| City                                  | Jeddah            | Jeddah          |              | Jeddah         |              | Jeddah         |              |
| Sale Price                            | -----             | SAR 124,000,000 |              | SAR 58,500,000 |              | SAR 78,400,000 |              |
| Data Source                           | Client            | Market Survey   |              | Market Survey  |              | Market Survey  |              |
| Area Size                             | 4,319.75          | 8,700.00        |              | 4,500.00       |              | 7,000.00       |              |
| SAR / Sqm                             | -----             | SAR 14,253      |              | SAR 13,000     |              | SAR 11,200     |              |
| Market Conditions Adjustment Analysis |                   |                 |              |                |              |                |              |
|                                       | Subject Property  | Sample 1        |              | Sample 2       |              | Sample 3       |              |
| SAR/ Sqm before Adj.                  | -----             | SAR 14,252.9    |              | SAR 13,000.0   |              | SAR 11,200.0   |              |
| Mortgage                              | -----             | Cash            |              | Cash           |              | Cash           |              |
| Market Conditions                     | -----             | -----           |              | -----          |              | -----          |              |
| Total Adjustments Ratio               |                   | 0.00%           |              | 0.00%          |              | 0.00%          |              |
| Total Adjustment Amount               |                   | SAR 0.00        |              | SAR 0.00       |              | SAR 0.00       |              |
| Net After Adjustment                  |                   | SAR 14,252.87   |              | SAR 13,000.00  |              | SAR 11,200.00  |              |
| Location Adjustment Analysis          |                   |                 |              |                |              |                |              |
|                                       | Subject Property  | Sample 1        |              | Sample 2       |              | Sample 3       |              |
| Area Size                             | 4,319.75          | 8,700.00        | 5.00%        | 4,500.00       | 0.00%        | 7,000.00       | 5.00%        |
| Location Desirability                 | High              | High            | 0.00%        | High           | 0.00%        | High           | 0.00%        |
| Accessibility                         | Average           | Average         | 0.00%        | Average        | 0.00%        | Average        | 0.00%        |
| Main Street Width (m)                 | 40                | 40              | 0.00%        | 40             | 0.00%        | 40             | 0.00%        |
| Sides Open                            | 3                 | 4               | -2.50%       | 1              | -5.00%       | 2              | 2.50%        |
| Land Shape                            | Regular           | Regular         | 0.00%        | Regular        | 0.00%        | Regular        | 0.00%        |
| Close to main street                  | Yes               | Yes             | 0.00%        | Yes            | 0.00%        | Yes            | 0.00%        |
| Total Adjustments Ratio               |                   |                 | 2.50%        |                | -5.00%       |                | 7.50%        |
| Total Adjustment Amount               |                   |                 | SAR 356.3    |                | -SAR 650.0   |                | SAR 840.0    |
| Net After Adjustment                  |                   |                 | SAR 14,609.2 |                | SAR 12,350.0 |                | SAR 12,040.0 |
| Weighted Mean                         |                   |                 | <b>30%</b>   |                | <b>40%</b>   |                | <b>30%</b>   |
|                                       |                   |                 | SAR 4,382.76 |                | SAR 4,940.00 |                | SAR 3,612.00 |
| SAR / Sqm                             | <b>SAR 12,935</b> |                 |              |                |              |                |              |
| Rounded Value                         | <b>SAR 12,900</b> |                 |              |                |              |                |              |

| Property Value        | Sensitivity Analysis |                |                |                |                |
|-----------------------|----------------------|----------------|----------------|----------------|----------------|
|                       | -10%                 | -5%            | 0%             | 5%             | 10%            |
| SAR 55,725,000        | 4,320                | 4,320          | 4,320          | 4,320          | 4,320          |
| <b>Land Area</b>      | 4,320                | 4,320          | 4,320          | 4,320          | 4,320          |
| <b>SAR / Sqm</b>      | SAR 11,610.0         | SAR 12,255.0   | SAR 12,900.0   | SAR 13,545.0   | SAR 14,190.0   |
| <b>Property Value</b> | SAR 50,152,298       | SAR 52,938,536 | SAR 55,724,775 | SAR 58,511,014 | SAR 61,297,253 |

Based on the market samples obtained with the assistance of some real estate experts in the region and the inspection made by our team, the average price for similar properties falls in the range of 12,000 & 14,000 SAR/ Sqm. We will base our valuation analysis on the average rate of 12,900 SAR / Sqm. When comparing it with the results of the analysis of comparisons, we found that the property value falls within the same range and is close to the market average values.



## 4.2 Depreciated Replacement Cost (DRC) Approach

As a first step, the cost of reconstructing the building (the cost of replacement) was estimated, based on the average construction costs of similar properties and at the same level of finishes, services, utilities, and others. The opinion of some engineering experts was used in this regard. The following table shows the expected replacement costs for such property.

|                     | Min Cost (SAR / Sqm) | Max Cost (SAR / Sqm) | Average Cost |
|---------------------|----------------------|----------------------|--------------|
| Concrete Cost       | SAR 900              | SAR 1,100            | SAR 1,000    |
| MEP                 | SAR 350              | SAR 450              | SAR 400      |
| Finishing Materials | SAR 1,200            | SAR 1,400            | SAR 1,300    |
| Fitouts &Appliance  | SAR 80               | SAR 120              | SAR 100      |
| Owner Profit        | 18%                  | 22%                  | 20%          |

In the following table, we will estimate the direct replacement cost of the property taking into consideration the main components of the building, such as the concrete structure, electromechanical work, finishes, site improvements, etc. Then we will estimate the value of the indirect costs as a percentage of the total direct costs to estimate the total construction costs of the project

| Land               |                  |  |                |
|--------------------|------------------|--|----------------|
| Land Area          | SAR / Sqm        |  | Total Value    |
| 4,319.75           | SAR 12,900       |  | SAR 55,724,775 |
| Building           |                  |  |                |
|                    | Unit             |  | Total BUA      |
| Ground Floor       | Sqm              |  | 2,468.00       |
| Upper Floors       | Sqm              |  | 12,233.00      |
| Annex              | Sqm              |  | 1,011.00       |
| Fences             | Lm               |  | 69             |
| <b>Total (SQM)</b> | <b>15,712.00</b> |  |                |

| Development Cost           |           |           |                       |                 |                       |
|----------------------------|-----------|-----------|-----------------------|-----------------|-----------------------|
| Hard Cost - (Upper Floors) |           |           |                       |                 |                       |
|                            | Area      | SAR / Sqm | Total                 | Completion Rate | Total Cost            |
| Skeleton and Block         | 15,712.00 | SAR 1,000 | SAR 15,712,000        | 100%            | SAR 15,712,000        |
| Electro Mechanic           | 15,712.00 | SAR 400   | SAR 6,284,800         | 100%            | SAR 6,284,800         |
| Finishing                  | 15,712.00 | SAR 1,300 | SAR 20,425,600        | 100%            | SAR 20,425,600        |
| Site Improvements          | 4,319.75  | SAR 100   | SAR 431,975           | 100%            | SAR 431,975           |
| <b>Total</b>               |           |           | <b>SAR 42,854,375</b> | <b>100.00%</b>  | <b>SAR 42,854,375</b> |

| Overall Soft Cost               |                          |  |                        |                           |                         |
|---------------------------------|--------------------------|--|------------------------|---------------------------|-------------------------|
|                                 |                          |  | <b>Total Hard Cost</b> | <b>Ratio</b>              | <b>Soft Cost</b>        |
| <b>Initial Project Pre Cost</b> |                          |  | SAR 42,854,375         | 0.10%                     | SAR 42,854              |
| <b>Design</b>                   |                          |  | SAR 42,854,375         | 0.50%                     | SAR 214,272             |
| <b>Eng Consultant</b>           |                          |  | SAR 42,854,375         | 1.00%                     | SAR 428,544             |
| <b>Management</b>               |                          |  | SAR 42,854,375         | 5.00%                     | SAR 2,142,719           |
| <b>Contingency</b>              |                          |  | SAR 42,854,375         | 5.00%                     | SAR 2,142,719           |
| <b>Others</b>                   |                          |  | SAR 42,854,375         | 0.00%                     | SAR 0                   |
| <b>TOTAL</b>                    |                          |  |                        | 11.60%                    | <b>SAR 4,971,107.50</b> |
| <b>Total Hard Cost</b>          | <b>SAR 42,854,375</b>    |  |                        | <b>BUA</b>                | <b>15,712.00</b>        |
| <b>Total Soft Cost</b>          | <b>SAR 4,971,107.50</b>  |  |                        | <b>SAR / Sqm</b>          | <b>SAR 3,044</b>        |
| <b>Total Construction Cost</b>  | <b>SAR 47,825,482.50</b> |  |                        | <b>Overall Completion</b> | <b>100.0%</b>           |

After knowing the total construction costs at a rate of 3,044 SAR per square meter, we will estimate the economic life of the property according to the type of construction and its general condition, then apply the depreciation rates based on the actual age of the property. The developer's profitability will be added to the property's value after depreciation to reflect the estimated fair value of the building.

| DEVELOPMENT VALUE            |                       |                                |                       |
|------------------------------|-----------------------|--------------------------------|-----------------------|
| <b>Total Dev Cost</b>        | <b>SAR 47,825,483</b> | <b>Annual Dep Rate</b>         | 2.5%                  |
| <b>Total Completion Rate</b> | 100.00%               | <b>Actual Age</b>              | 10                    |
| <b>Developer Profit Rate</b> | 20.0%                 | <b>Total Dep Rate</b>          | 25.00%                |
| <b>Dev. Profit Amount</b>    | SAR 9,565,097         | <b>Add Appr Rate</b>           | 0.00%                 |
| <b>Development Value</b>     | <b>SAR 45,434,208</b> | <b>Net Dep Rate</b>            | <b>25.00%</b>         |
| <b>Economic Age</b>          | 40                    | <b>Cost After Depreciation</b> | <b>SAR 35,869,112</b> |

In order to determine the full value of the property, the construction costs will be added to the fair value of the land as follows:

| <b>Total Dev. Value</b> | <b>Land Value</b>     | <b>Total Property Value</b> | <b>Rounded Value</b>   |
|-------------------------|-----------------------|-----------------------------|------------------------|
| <b>SAR 45,434,208</b>   | <b>SAR 55,724,775</b> | <b>SAR 101,158,983</b>      | <b>SAR 101,160,000</b> |

### 4.3 Income Approach- Market Rates

#### Market Rental Analysis

By studying the rental prices of similar properties in the area surrounding the property under evaluation, we found that the average rental prices of commercial units' range between 2,000 and 3,000 SAR/Sqm. We also noticed that the exhibitions have an internal mezzanine. To consider all of the above, we will base our evaluation on 2,600 SAR/Sqm for exhibitions. As for office unit rents, they are as follows:

|                | Office Units      |
|----------------|-------------------|
| Comparable No. | Rental Rate/ Unit |
| Comparable 1   | 700 SAR/ Sqm      |
| Comparable 2   | 800 SAR/ Sqm      |
| Average        | 750 SAR/ Sqm      |

As for the offices, we will base our valuation on 900 SAR/ Sqm due to better quality, services, etc.

#### Analysis of Operating and Maintenance Expenses

The operating expenses of similar properties reached between 10% to 15% of the total expected income for the property. These ratios depend on the condition and quality of the property and the type of services and public facilities available in the property itself. These ratios are divided into several main categories as follows:

|                                    |          |
|------------------------------------|----------|
| Management expenses                | 3% to 5% |
| Operating and maintenance expenses | 3% to 5% |
| General service bills expenses     | 1% to 2% |
| Other incidental expenses          | 1% to 2% |

#### Property Operation and Maintenance Expenses

We will apply the rate of 11% as the OPEX which will be calculated from the total revenues of the property. This ratio is based on the condition and quality of the property and the type of services and public facilities available in the property itself.

#### Market Capitalization Rate Analysis

Based on recent transactions of real estate properties and funds, the average capitalization rate of acquiring such property falls in the range of 8.5% to 9.5%. This average is mainly driven by several factors such as the quality of the building, finishing materials, the general location, ease of access, actual age of the property, size of the project, and the extent of income stability in it. In addition to the above, the capitalization rates are also affected directly by the supply and demand rates for the same type of real estate.

### The Capitalization Rate Used for the Valuation

The capitalization rate was derived by extracting from the market, where we found that the minimum is 10% and the maximum is 9%. A capitalization rate of 9.5% was assumed.

Reasonable after taking into account the components of the property, and it represents the return expected to be achieved by the property at the end of the period, which will be applied later to net operating income.

for real estate

Based on the above, the value of the property using the income capitalization method is as follows:

| Revenues                       |                |                |               |                    |                          |
|--------------------------------|----------------|----------------|---------------|--------------------|--------------------------|
| Unit Type                      | Quantity       |                | Revenues      |                    | Total Revenues           |
|                                | Total GLA      | No of Units    | SAR / Sqm     | SAR / Unit         |                          |
| Show Rooms                     | 2,169          | 0              | SAR 2,600     | SAR 0              | SAR 5,639,400            |
| Offices                        | 9,882          | 0              | SAR 900       | SAR 0              | SAR 8,893,800            |
| Mezzanine                      | 1,715          | 0              | SAR 1,450     | SAR 0              | SAR 2,486,750            |
| <b>Total Revenues</b>          |                |                |               |                    | <b>SAR 17,019,950</b>    |
| Expenses                       |                |                |               |                    |                          |
| Unit Type                      | Management     | Utilities      | Maintenance   | Others             | Total Expenses           |
| Show Rooms                     | 3.00%          | 3.00%          | 5.00%         | 5.00%              | 16.00%                   |
| Offices                        | 3.00%          | 3.00%          | 5.00%         | 10.00%             | 21.00%                   |
| Mezzanine                      | 0.00%          | 0.00%          | 0.00%         | 0.00%              | 0.00%                    |
| <b>Total Expenses</b>          |                |                |               |                    | <b>37.00%</b>            |
| Net Operating Income           |                |                |               |                    |                          |
| Unit Type                      | Total Revenues | Total Expenses | NOI           |                    |                          |
| Show Rooms                     | SAR 5,639,400  | 16.00%         | SAR 4,737,096 |                    |                          |
| Offices                        | SAR 8,893,800  | 21.00%         | SAR 7,026,102 |                    |                          |
| Mezzanine                      | SAR 2,486,750  | 0.00%          | SAR 2,486,750 |                    |                          |
| <b>Total</b>                   |                |                |               |                    | <b>SAR 14,249,948</b>    |
| <b>Total Property Revenues</b> |                |                |               |                    | SAR 17,019,950           |
| <b>Total Property Expenses</b> |                |                |               |                    | -SAR 2,770,002           |
| <b>Net Operating Income</b>    |                |                |               |                    | <b>SAR 14,249,948.00</b> |
| Net Operating Income           | Cap Rate       | Property Value |               | Rounded Value      |                          |
| SAR 14,249,948.00              | 9.50%          | 149,999,452.63 |               | SAR 150,000,000.00 |                          |

#### 4.4 Income Approach Based on the Leasing Contract

The client informed us that the current occupancy rate is 80% for offices and 100% for commercial showrooms, and that the property is leased at a net rent of 16,000,000 SAR annually and increases every 5 years with insurance costs of 50,000 SAR. The customer also informed us that a temporary discount has been added to the current lease contract, so that the rent becomes equal to 11,520,000 riyals. The evaluation will be based on previous assumptions.

| Revenues                       |  |             |                    |                       |                          |
|--------------------------------|--|-------------|--------------------|-----------------------|--------------------------|
| Unit Type                      | Quantity   |             | Revenues           |                       | Total Revenues           |
|                                | Total GLA  | No of Units | SAR / Sqm          | SAR / Unit            |                          |
| Commercial Building            | The subject property is Fully leased to 1 tenant |             |                    |                       | SAR 11,520,000           |
|                                |  |             |                    | <b>Total Revenues</b> | <b>SAR 11,520,000</b>    |
| Expenses                       |  |             |                    |                       |                          |
| Unit Type                      | Management                                       | Utilities   | Maintenance        | Insurance             | Total Expenses           |
| Commercial Building            | 0.00%  | 0.00%       | 0.00%              | 50,000.00             | 50,000.00                |
|                                |  |             |                    | <b>Total Expenses</b> | <b>50,000.00</b>         |
| Net Operating Income           |  |             |                    |                       |                          |
| Unit Type                      | Total Revenues                                   |             | Total Expenses     |                       | NOI                      |
| Commercial Building            | SAR 11,520,000                                   |             | 50,000.00          |                       | SAR 11,470,000           |
|                                |  |             |                    | <b>Total</b>          | <b>SAR 11,470,000</b>    |
| <b>Total Property Revenues</b> |  |             |                    |                       | SAR 11,520,000           |
| <b>Total Property Expenses</b> |  |             |                    |                       | -SAR 50,000              |
| <b>Net Operating Income</b>    |  |             |                    |                       | <b>SAR 11,470,000.00</b> |
| Net Operating Income           |  | Cap Rate    | Property Value     |                       | Rounded Value            |
| SAR 11,470,000.00              |  | 9.50%       | 120,736,842.11 SAR |                       | SAR 120,740,000.00       |

#### 4.5 Subject Property Value in different Approaches

| Methodology             | Subject of Valuation | Value in Numbers | Value in Letters   |
|-------------------------|----------------------|------------------|--|
| <b>Income- Market</b>   | Property             | SAR 150,000,000  | One Hundred Fifty Million Saudi Riyals                                   |
| <b>Income- Contract</b> | Property             | SAR 120,740,000  | One Hundred Twenty Million and Seven Hundred Forty Thousand Saudi Riyals |
| <b>DRC Approach</b>     | Land + Building      | SAR 101,160,000  | One Hundred One Million One Hundred Sixty Thousand Saudi Riyals          |

#### 4.6 Subject Property Value

We are of an opinion that the total fair value of the subject property taking into consideration the purpose of valuation by using the income approach- market rates is:

**Property Value: 150,000,000 SAR**  
**One Hundred Fifty Million Saudi Riyals.**

#### 4.7 Conclusion

We trust that this report and valuation fulfills the requirements of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright. This report is compiled based on the information received to the best of our belief, knowledge and understanding. The information revealed in this report is strictly confidential and issued for the consideration of the client. The valuer's approval is required in writing to reproduce this report either electronically or otherwise and for further onward distribution, hence no part of this report may be copied without prior consent.

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Valuer



Member of (RE Valuation)  
License No. 1210002399



Membership- RE Branch  
Membership No.:  
11000171





WHITE **CUBES**  
DOCUMENTS

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DOCUMENT

Documents Received

5.1 Title deed and Construction Permit

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ  
 وزارة العدل  
 وزارة العدل  
 كتاب العدل  
 [٢٧٧]  
 كتابة العدل الأولى بجدة  
 رقم: ٤٢٠٢٢١٠١١٦٠٨  
 الرقم: ٤٢٠٢٢١٠١١٦٠٨  
 التاريخ: ١٧ / ٨ / ١٤٤٠ هـ

**صك رهن وتملك عقار**

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد:  
 فإن قطعة الأرض رقم ٢ من المخطط رقم ٨٦٠ / من / ت الواقع في حي الاندلس بمدينة جدة .  
 وحدودها وأطولها كالتالي:  
 شمالاً: شارع الأمير محمد بن عبد العزيز عرض ٤٠ م بطول: (٤٧) سبعة و أربعون متر يبدأ من الشرق لغرب ثم  
 شطفه جنوب غرب ٤٠,٢٤ م  
 جنوباً: شارع عرض ١٥ م بطول: (٤٧) سبعة و أربعون متر يبدأ من الشرق للغرب ثم شطفه شمال غرب ٤٠,٢٤ م  
 شرقاً: قطعة رقم ١ بطول: (٨٦,٨) ستة و ثمانون متر و ثمانون سنتيمتر  
 غرباً: شارع عرض ١٥ م بطول: (٨٠,٣٥) ثمانون متر و خمسة و ثلاثون سنتيمتر  
 ومساحتها: (٤,٣١٩,٧٥) أربعة آلاف و ثلاثمائة و تسعة عشر متر مربعاً و خمسة و سبعون سنتيمتر مربعاً فقط  
 المملوكة ل/ شركة أول للمقا العقارية بموجب سجل تجاري رقم ١٠١٠٨٩٣٨٠٢ وتنتهي في ١٩ / ١٠ / ١٤٤٤ هـ بالصك الصادر من  
 هذه الإدارة برقم ٦٢٠٢٢١٤٠٢٨٢١٥ في ١٥ / ٦ / ١٤٤٠ هـ قد تم رهنتها وما أقيم أو سيقام عليها من بناء لصالح / شركة لاجي  
 المصرفية للاستثمار بموجب سجل تجاري رقم ١٠١٠٠٠٠٠٩٦ في ٢٥ / ١٠ / ١٣٧٦ هـ ضماناً لوفائه بأ مبلغ ٣٨١٨١٨,١٩ ثمانية  
 و ثلاثون مليوناً و مائة و واحد و ثمانون ألفاً و ثمانمائة و ثمانية عشر ريال و تسعة عشر حلة على ان يتم سداد الدبونية على  
 أقساط كل ٦ أشهر من تاريخ صرف التمويل بقيمة كل قسط ٩٠١٠٠٠٠ تسعة مليون و عشرة آلاف تدفع في نهاية المدة اعتباراً من  
 تاريخ ٣١/٢/٢٠١٩ وفي حالة عدم السداد فللمرهن بيع العقار بالقيمة التي تنتهي عندها الرهات واستيفاء ما في ذمة الراهن من مبلغ  
 وما نقص فيه عليه بعد اكتمال مايلزم شرعاً وعليه جرى التصديق تحريراً في ١٧ / ٨ / ١٤٤٠ هـ وصلى الله على نبيينا محمد  
 وآله وصحبه وسلم.

الختم الرسمي  
 كاتب العدل  
 أحمد بن غفر الله بن عطية الزهراني  
 وزارة العدل  
 كتابة العدل الأولى بجدة  
 كاتب العدل رقم ٢٧١

هذه المسند وحدة متطابقة، وخطاب أو عقد وشهادة ملكة يؤدي إلى عدم صلاحية المسند  
 نسخة مطبوع المسند - ٢٨٧٠٢٢  
 ( هذا النموذج مخصص للاستخدام بالحواسب الآلي ويمنع تعديله )  
 نموذج رقم (١٠٠٣٠٠١٦)

الإدارة العامة للمحافظة له حصص البناء  
 رقم رخصة البناء: 35218  
 تاريخها: 18 - ثوال 1430  
 البلدية: الغربية  
 القرية: الغربية  
 رقم رخصة البناء: 35218  
 تاريخها: 09 - ربيع الثاني 1438  
 البلدية: مكة المكرمة  
 القرية: مكة المكرمة  
 رقم المالك: خالد محمد عويش بن لادن  
 نوع قهوة: سجل قهوة: 1003135023 تاريخها: مصلحتها: حته  
 ملكية رقم: 433 تاريخ: 01 - ربيع الثاني 1424 مصلحتها: كتاب عمل  
 رقم العقيد: شارع: اسم مسمى: حقه: الأضلاع  
 رقم القطعة: 2 المخطط: 4860 تاريخ: رقم الكروكي: 000059438 شرفيات: 14652.43 شماليات: 2788.73  
 قدر رهنى للفاك ببناء عدد: 6 دور بمغوب الحدود والأبعاد والإرتدادات والبروزات

| الخصائص        | سكني | تجاري |       | مساحة الدور |
|----------------|------|-------|-------|-------------|
|                |      | مكاتب | مخازن |             |
| الموقع         |      |       |       |             |
| الطابق الأرضي  |      | 1559  | 908   | 2467        |
| الطابق الأول   |      | 1477  | 908   | 2365        |
| الطابق الثاني  |      | 2468  |       | 2468        |
| الطابق الثالث  |      | 2468  |       | 2468        |
| الطابق المكبر  |      | 4910  |       | 4910        |
| أرضي قلا السطح |      |       |       |             |
| علوي قلا السطح |      |       |       |             |
| الملحق العلوي  |      | 1011  |       | 1011        |
| وحدات أخرى     |      |       |       |             |

عدد الوحدات السكنية: 50  
 طول الأسوار: 69  
 اسم المكتب الهندسي: دة الأهم إستشارات خدمة التخطيط الحضري والأبن  
 رقم رخصة المكتب الهندسي: دة الأهم إستشارات خدمة التخطيط الحضري والأبن  
 الرسوم:  
 رقم الإيصال: 3512023598  
 تاريخ الإيصال: 09 - ربيع الثاني 1435  
 رقم إحصار العقود المطلوبة حسب النظام: 13728.80  
 المدقق الإداري: خدمة البناء  
 المدقق القانوني والعقدي:  
 المدير: محمد العتيبي  
 ملاحظة هامة: يجب الالتزام بالتعليمات خلف الرخصة والختم

قصر كبريتية بموجب رخصة البناء رقم 35218 في 16 / 10 / 1430 هـ بموجب مصادقة الشايف العربية برقم 300065546 في 21 / 16 / 1430 هـ رقم قسطنطين بن  
 تميم التوبة هو حسب الرخصة المسند

جدة أمانة  
 قلنود الأمانة

## 5.2 Real Estate Valuation License



وزارة التجارة والاستثمار  
Ministry of Commerce and Investment



### ترخيص مزاولة مهنة لفرع تقييم العقارات

فئة العضوية: أساسي

المقر الرئيسي: الرياض

رقم الترخيص 1210000474 تاريخ إصداره 1437/8/1 هـ تاريخ انتهائه 1447/8/24 هـ

يرخص **عصام محمد عبدالله الحسيني** (سعودي الجنسية) سجل مدني رقم 1044275947 لمزاولة المهنة

وقد منح هذا الترخيص بعد أن استوفى شروط القيد الواردة في المادة الخامسة من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/9 هـ بموجب قرار لجنة قيد المقيمين رقم (95/ق/3/42) وتاريخ 1442/5/22 هـ

رئيس لجنة قيد المقيمين

أ. وليد بن عبدالله الرويشد

ختم الوزارة

وزارة التجارة والاستثمار  
Ministry of Commerce and Investment  
إدارة المهن الاستشارية





WHITE CUBES



WHITE CUBES

REAL ESTATE VALUATION REPORT

# Al Khabeer Capital GALLERY MALL

Awal Al Malqa Real Estate Company

Tabuk City  
June 2023



رؤية  
VISION  
2030  
المملكة العربية السعودية  
KINGDOM OF SAUDI ARABIA

REAL ESTATE  
VALUATION REPORT



**REF:** 23-0424  
**Code:**  
**Date:** 30/06/2023  
**M/S:** Awal Al Malqa Real Estate Company

**Subject: Valuation Report for the leasing right of Gallery Mall in Tabuk City, Saudi Arabia.**

Dear Sir,

With reference to your request and approval dated on 29<sup>th</sup> of May 2023. We will provide you with a detailed report on the property under evaluation, including a market analysis, an economic analysis, and a description of the valuation methods. In addition, we WHITE CUBES guarantee the confidentiality of the client's information and are committed to complete impartiality in the evaluation process and acknowledge that there are no common interests between WHITECUBES and the client.

**WHITE CUBES Consulting Services Co.**

**Mr. Essam M. Al-Husaini – President**

Fellow Member of the Saudi Authority of Accredited Valuers  
License No. 1210000474  
Issued: 01/08/1437 Exp: 24/08/1447  
WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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# EXECUTIVE SUMMARY

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EXECUTIVE  
SUMMARY



## Executive Summary

|                             |  |
|-----------------------------|--|
| <b>Reference No.</b>        |  |
| <b>Dep. Code</b>            |  |
| <b>Report Type</b>          | Detailed Report.   |
| <b>Client</b>               | Awal Al Malqa Real Estate Company.   |
| <b>Report user</b>          | Awal Al Malqa Real Estate Company.   |
| <b>Other users</b>          | Investors or those wishing to invest in the Real Estate Investment Trust.                                    |
| <b>Purpose of Valuation</b> | Inclusion in financial statements.   |
| <b>Subject Property</b>     | Retail project.  |
| <b>Property Location</b>    | Tabuk City.  |
| <b>Title Deed No.</b>       | ----   |
| <b>Title Deed Date</b>      | ----   |
| <b>Ownership Type</b>       | ----   |
| <b>Limitations</b>          | ----   |
| <b>Owner</b>                | The client informed us that the property is a leasehold.   |
| <b>Land Use</b>             | Commercial   |
| <b>Land Area (Sqm)</b>      | Based on the client, the property has a total land area of 41,630 Sqm,                                       |
| <b>BUA (Sqm)</b>            | As per the provided construction permit, the total BUA is 43,624.95 Sqm.                                     |
| <b>GLA (Sqm)</b>            | The total gross leasable area is 35,868 Sqm.   |
| <b>Basis of Value</b>       | Fair Value.  |
| <b>Value Hypothesis</b>     | Current use.   |
| <b>Valuation Approach</b>   | Discounted Cash Flow Approach (DCF).   |
| <b>Currency</b>             | Saudi Arabian Riyal  |
| <b>Final Property Value</b> | SAR 164,500,000  |
| <b>Report Date</b>          | 30/06/2023   |
| <b>Valuation Date</b>       | 30/06/2023   |
| <b>Inspection Date</b>      | 29/05/2023   |
| <b>Expiry Date</b>          | 120 days from date of the inspection, unless there're any economic changes that affect the subject property. |



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**SCOPE OF WORK**

---

SCOPE OF  
WORK

## Scope of Work

### 1.1 Introduction

This report was prepared by WHITE CUBES Co. based on the International Valuation Standards of the Council of International Assessment Standards (IVSC 2022) and the Guide to Practice and Regulations issued by the Saudi Authority of Accredited Valuers (Taqeem), to ensure accurate access to information, the evaluation report must be read in its entirety, our firm is pleased to offer its services to Awal Al Malqa Real Estate Company in order to estimate the fair value of the property that is being evaluated.

### 1.2 Purpose of valuation

The client requested that we evaluate the subject properties for **inclusion in the financial statements.**

### 1.3 Basis of Valuation

**According to Paragraph 1.2, the appropriate basis for value adopted in the evaluation process is the fair value of the property.**

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the principle of an "exit price,"

### 1.4 Valuation Methods

Depending on the purpose of the valuation, and upon the request of the client, we will apply the comparable approach, cost approach and income approach.

### 1.5 Currency

Unless otherwise stated, all values in the report are in Saudi Arabian Riyals.

### 1.6 Scope of Research

Research is an important part of the valuation process. We will conduct extensive research and analysis of various factors that can impact the value of a property or asset, such as market conditions, comparable sales, property characteristics, income potential, and legal and regulatory factors.

## 1.7 Property Inspection

Inspection refers to visiting and inspecting an asset, testing its performance, and gathering information about it from quantities, specifications, land area, building areas, rental areas, services, public utilities, project components, etc., so that an opinion can be expressed regarding its value. Therefore, we confirm that subject property was inspected on May 29, 2023. We will then use this evidence to assess and evaluate the project. We remain committed to providing the client with an accurate and reliable valuation.

## 1.8 Information Sources

An on-site field survey was conducted by our team to ensure the accuracy of some market information required for the valuation, including nearby asset prices, occupancy rates, and specific information about the asset under valuation, to determine its actual fair value. The following sources were used during the field research process:

- Property records: Such as Title deeds, construction permits and layouts.
- Market trends: Real estate market trends and economic indicators can be used to assess the overall demand and supply for properties in the area.
- Market scanning: Income-producing properties such as rental properties can be valued based on their income potential.
- Physical inspection of the property can provide valuable information on its condition and any unique features that may affect its value.
- Construction permit and Layouts.

## 1.9 Assumptions and Special Assumptions

As defined by the International Valuation Standards, assumptions are logical matters that can be accepted as facts during valuation work without being specifically checked or scrutinized. They are accepted as soon as they are mentioned. Based on the facts at the time of the valuation.

- *It has been assumed that the information provided by the client is accurate.*
- *Assumed that all information received from the client is accurate and up to date as of the date of the valuation, whether oral or written.*
- *This is a valuation report rather than a structural survey. As a result, we did not conduct any utility checks, service checks, soil tests, etc.*
- *The valuation methodologies are based on market data compiled using our relevant market knowledge and experience.*
- *This report's output (final value) is derived from assumptions used, documents received from the client, and market data. Nevertheless, the output estimates provide an indication of the property's value.*
- After studying the market, a cap rate of 9.5% was assumed for the project.

### **1.10 Use, Distribution, and Publication Restrictions**

To estimate the fair value of the assets being evaluated, WHITE CUBES Co. has prepared this report. There are restrictions on the transfer, referencing, and presentation of this report and its contents to any other party except as stipulated in the contract letter, and the client must obtain our prior written consent in order to use this report for any other purpose other than that stated in this report.

### **1.11 Legal Notes**

As far as we are aware, no legal notices have been served on the property, whether they are in progress or pending in the court system.



WHITE **CUBES**

**PROPERTY DETAILS**

---

PROPERTY  
DETAILS

## Property and Location Description

### 2.1 Property Description

The subject property is a lease hold Retail Project (Gallery Mall) located in Tabuk city. The building has a total land area of 41,630 Sqm, a total BUA of 43,624.95 Sqm. The project is open on 4 sides with a direct view on King Khaled Road from the north side.

### 2.2 Surrounding Area

The subject property is surrounded mostly by several residential and commercial buildings.

### 2.3 Ease of Access

Based on the current location of the subject property, the access level is high since it is located on King Khaled Road.

### 2.4 Infrastructure

All the infrastructural facilities are available in the surroundings and connected to the subject property.



## 2.5 Title Deed and Ownership

We were not provided with a copy of the title deed related to the subject property. Yet, the client informed us that the project is a leasehold.

## 2.6 Construction and Buildings

The building permit indicates the maximum permissible BUA approved by the city municipality. However, the actual area may differ from the area mentioned in the building permit. Therefore, the Client has provided us with a copy of the Construction Permit issued by Riyadh Municipality with the below details:

| Subject Property                |            |
|---------------------------------|------------|
| <b>Construction Permit Type</b> | New Permit |
| <b>Property Type</b>            | Retail     |
| <b>Construction Permit No.</b>  | 58457      |
| <b>Construction Permit Date</b> | 01/07/1434 |

| Description            | No. of Units | Area (sqm)       | Use        |
|------------------------|--------------|------------------|------------|
| Basement               | ----         | 12,243           | Parking    |
| Ground Floor           | ----         | 16,136.7         | Commercial |
| Typical Floors         | ----         | 15,245.25        | Commercial |
| <b>Total BAU (sqm)</b> |              | <b>43,624.95</b> |            |



2.7 Photographs of the Subject Property





WHITE **CUBES**

**MARKET INDICATORS**

---

MARKET  
INDICATORS

## Market Indicators

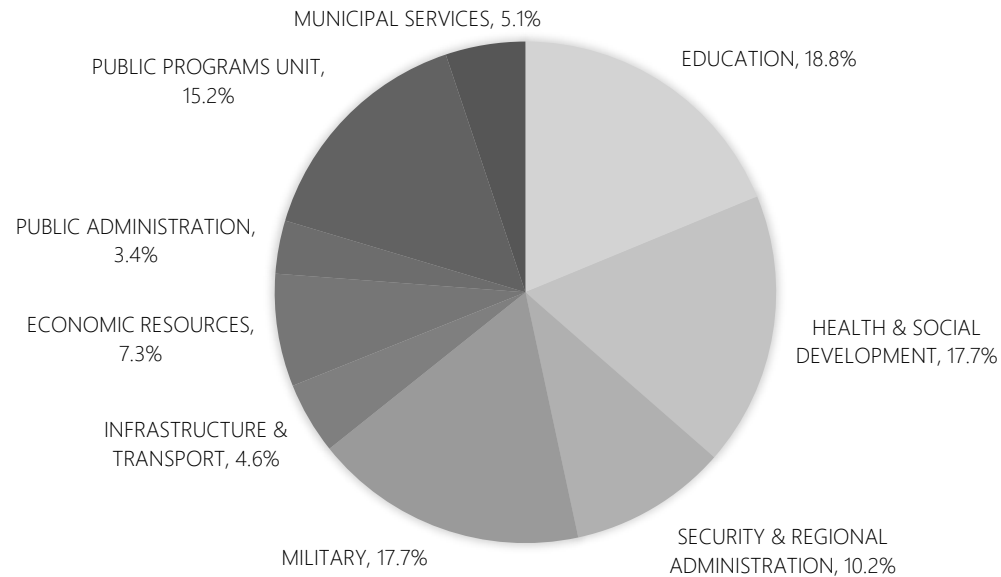
### 3.1 Saudi Arabia Economic Indicators

| Economic Indicator                    | Budget | Expectations | Estimated |       |
|---------------------------------------|--------|--------------|-----------|-------|
|                                       | 2022   | 2023         | 2024      | 2025  |
| <b>Total revenue</b>                  | 1,234  | 1,130        | 1,146     | 1,205 |
| <b>Total expenses</b>                 | 1,132  | 1,114        | 1,125     | 1,134 |
| <b>Budget surplus</b>                 | 102    | 16           | 21        | 71    |
| <b>Debt</b>                           | 985    | 951          | 959       | 962   |
| <b>GDP growth</b>                     | 8.5%   | 3.1%         | 5.7%      | 4.5%  |
| <b>Nominal gross domestic product</b> | 3,957  | 3,869        | 3,966     | 4,247 |
| <b>Inflation</b>                      | 2.6%   | 2.1%         | 2.1%      | 2.0%  |

### 3.2 Budget Allocation for 2022




|                          |            |
|--------------------------|------------|
| Public Administration    | 37 SAR bn  |
| Military                 | 259 SAR bn |
| Security & Regional Adm. | 105 SAR bn |
| Municipal Services       | 63 SAR bn  |
| Education                | 189 SAR bn |
| Health & Social Dev.     | 189 SAR bn |
| Economic Resources       | 72 SAR bn  |
| Infrastructure Transport | 34 SAR bn  |
| General Items            | 165 SAR bn |

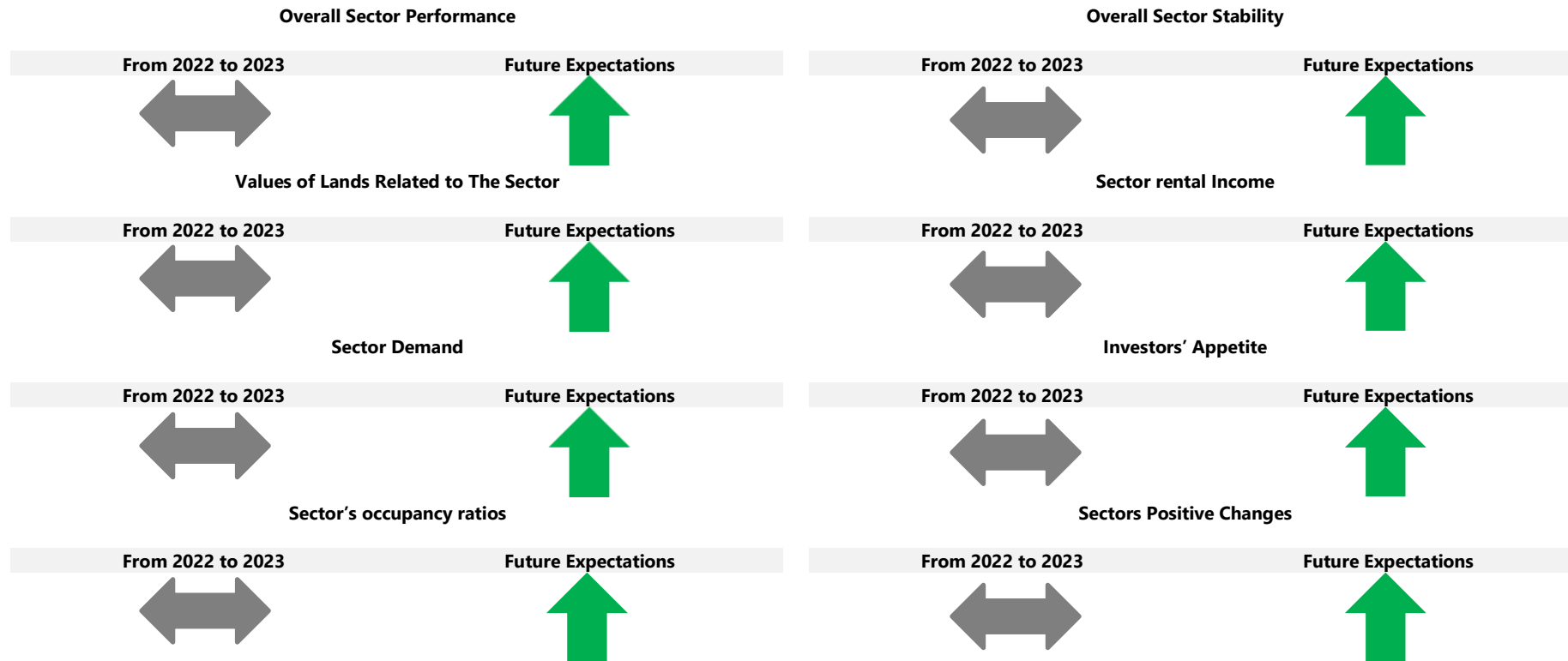
Source: Ministry of Finance



### 3.3 Sector Brief

In the following we will insert general information about the real estate sector related to the property subject of our valuation and which is intended to give an initial indication on the sector. These information and indicators are estimated based on our experience, the current sector performance and some other historical data collected from our side, In addition to some current economic changes in general.

-  Indicator showing a decrease in the current performance comparing to last year
-  Indicator showing an increase in the current performance comparing to last year
-  Indicator showing a stable position in the current performance comparing to last year



White Cubes Team's Analysis

### 3.4 Risk Analysis

#### - Sector Analysis

| Risk Factor                | Very Low Risk (1)<br>1-6 | Minimal Risk (2)<br>7-12 | Medium Risk (3)<br>13-18 | Elevated Risk (4)<br>19-24 | Very High Risk (5)<br>25-30 |
|----------------------------|--------------------------|--------------------------|--------------------------|----------------------------|-----------------------------|
| Overall, Economy           | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Sector Current Performance | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Sector Future Performance  | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Occupancy Rates            | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Supply Rate                | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Demand Rate                | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Total Risk                 | 0                        | 2                        | 15                       | 0                          | 0                           |

**Risk Category 17 Risk Points - Medium Risk**

#### -Land Analysis

| Risk Factor                 | Very Low Risk (1)<br>1-5 | Minimal Risk (2)<br>6-10 | Medium Risk (3)<br>11-15 | Elevated Risk (4)<br>16-20 | Very High Risk (5)<br>21-25 |
|-----------------------------|--------------------------|--------------------------|--------------------------|----------------------------|-----------------------------|
| Access                      | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Location                    | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Land Shape                  | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Surrounding Area facilities | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Total Risk                  | 0                        | 8                        | 0                        | 0                          | 0                           |

**Risk Category 8 Risk Points – Minimal Risk**

#### -Property Analysis

| Risk Factor            | Very Low Risk (1)<br>1-3 | Minimal Risk (2)<br>4-6 | Medium Risk (3)<br>7-9 | Elevated Risk (4)<br>10-12 | Very High Risk (5)<br>13-15 |
|------------------------|--------------------------|-------------------------|------------------------|----------------------------|-----------------------------|
| Facilities & Amenities | ----                     | ----                    | ✓                      | ----                       | ----                        |
| Management Skills      | ----                     | ----                    | ✓                      | ----                       | ----                        |
| Overall Condition      | ----                     | ✓                       | ----                   | ----                       | ----                        |
| Total Risk             | 0                        | 2                       | 6                      | 0                          | 0                           |

**Risk Category 8 Risk Points - Medium Risk**



WHITE **CUBES**

PROPERTY VALUATION

---

PROPERTY  
VALUATION

## Property Valuation

### 4 Valuation Methods

With reference to the valuation purpose, taking into consideration the nature of the subject property, we will use the following ticked methods to estimate the fair value of the subject property:

|                  | Market Approach   | Cost Approach | Income Approach |                |                  |            |
|------------------|-------------------|---------------|-----------------|----------------|------------------|------------|
|                  | Comparable method | DRC method    | DCF method      | Invest. method | Cap. Rate method | RLV method |
| <b>Land</b>      | ----              | ----          | ----            | ----           | ----             | ----       |
| <b>Buildings</b> | ----              | ----          | ----            | ----           | ----             | ----       |
| <b>Property</b>  | ----              | ----          | ✓               | ----           | ----             | ----       |

### DISCOUNTED CASH FLOW (DCF)

The Discounted Cash Flow Method involves estimating net cash flows of an income generating property over specific period of time, and then calculating the present value of that series of cash flows by discounting those net cash flows using a selected "discount rate." A discounted cash flow method (DCF) is a valuation method used to estimate the attractiveness of an income generating property.

## 4.1 Discounted Cash Flow- Market Rates

### Analysis of Operating and Maintenance Expenses

The operating expenses of similar properties reached between 15% to 20% of the total expected income for the property. These ratios depend on the condition and quality of the property and the type of services and public facilities available in the property itself. These ratios are divided into several main categories as follows:

|                                    |          |
|------------------------------------|----------|
| Management expenses                | 3% to 5% |
| Operating and maintenance expenses | 3% to 5% |
| General service bills expenses     | 3% to 5% |
| Other incidental expenses          | 2% to 3% |

### Property Operation and Maintenance Expenses

We will apply the rate of 6,823,479 as the OPEX which will be calculated from the total revenues of the property. This ratio is based on the condition and quality of the property and the type of services and public facilities available in the property itself.

### Occupancy Rates in the Project

Based on the market survey done by our team, the occupancy rates for similar projects are 60% to 70% on which we will base our valuation analysis.

### The capitalization rate used in the valuation.

The capitalization rate was derived by the method of extraction from the market, where we found that the minimum is 8% and the maximum is 7%. A capitalization rate of 7% was assumed.

Reasonable after taking into account the components of the property, and it represents the return expected to be achieved by the property at the end of the period, which will be applied later to net operating income.

for the property

### Estimated the Discount Rate of Cash Flows

To estimate the discount rate used in the cash flow method, we will use the CAPM model,

which includes a calculation of several risk factors related to the property, for the purpose of determining the value of future cash at the present time. The estimation of the existing risk rates has been based according to the developments in the current property market. As a result, the expected discount rate is 11%.

| CAPM (Cost of Equity) Calculation |               |
|-----------------------------------|---------------|
| Risk Free Rate                    | 2.20%         |
| Beta                              | 1.12          |
| Country Risk Premium              | 2.50%         |
| Equity Risk Premium               | 4.00%         |
| Indigenous Risk Premium           | 1.50%         |
| <b>Cost of Equity</b>             | <b>11.00%</b> |



## Contract- Market DCF

The land of the subject property is owned by Tabuk Municipality and rented for Al-Qadeebi sons Company who transferred it to "Awal Al Malqa Real Estate Compony" with leasing right for 25 years starting 1434 with annual lease rate of SAR 1,579,000.

| Cash Flow                              |            | 2023              | 2024              | 2025              | 2026              | 2027              | 2028              | 2029              | 2030              |
|--|------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|  |            | 0                 | 1                 | 2                 | 3                 | 4                 | 5                 | 6                 | 7                 |
| <b>Increase Revision</b>               |            | <b>0.0%</b>       | <b>0.0%</b>       | <b>2.5%</b>       | <b>0.0%</b>       | <b>0.0%</b>       | <b>2.5%</b>       | <b>0.0%</b>       | <b>0.0%</b>       |
| <b>Expected Revenues</b>               |            |                   |                   |                   |                   |                   |                   |                   |                   |
| Total GLA (GF Shops)                   | Sqm        | 7,096             | 7,096             | 7,096             | 7,096             | 7,096             | 7,096             | 7,096             | 7,096             |
| Rate (SAR)                             | SAR        | 1,255             | 1,255             | 1,286             | 1,286             | 1,286             | 1,318             | 1,318             | 1,318             |
| <b>Total</b>                           | <b>SAR</b> | <b>8,905,480</b>  | <b>8,905,480</b>  | <b>9,125,456</b>  | <b>9,125,456</b>  | <b>9,125,456</b>  | <b>9,352,528</b>  | <b>9,352,528</b>  | <b>9,352,528</b>  |
| Total GLA (First Floor Shops)          | Sqm        | 6,296             | 6,296             | 6,296             | 6,296             | 6,296             | 6,296             | 6,296             | 6,296             |
| Rate (SAR)                             | SAR        | 1,044             | 1,044             | 1,070             | 1,070             | 1,070             | 1,096             | 1,096             | 1,096             |
| <b>Total</b>                           | <b>SAR</b> | <b>6,573,024</b>  | <b>6,573,024</b>  | <b>6,736,720</b>  | <b>6,736,720</b>  | <b>6,736,720</b>  | <b>6,900,416</b>  | <b>6,900,416</b>  | <b>6,900,416</b>  |
| Total GLA (Fast Food Lines)            | Sqm        | 1,100             | 1,100             | 1,100             | 1,100             | 1,100             | 1,100             | 1,100             | 1,100             |
| Rate (SAR)                             | SAR        | 1,100             | 1,100             | 1,128             | 1,128             | 1,128             | 1,156             | 1,156             | 1,156             |
| <b>Total</b>                           | <b>SAR</b> | <b>1,210,000</b>  | <b>1,210,000</b>  | <b>1,240,800</b>  | <b>1,240,800</b>  | <b>1,240,800</b>  | <b>1,271,600</b>  | <b>1,271,600</b>  | <b>1,271,600</b>  |
| Total GLA (Entertainment)              | Sqm        | 5,900             | 5,900             | 5,900             | 5,900             | 5,900             | 5,900             | 5,900             | 5,900             |
| Rate (SAR)                             | SAR        | 375               | 375               | 384               | 384               | 384               | 394               | 394               | 394               |
| <b>Total</b>                           | <b>SAR</b> | <b>2,212,500</b>  | <b>2,212,500</b>  | <b>2,265,600</b>  | <b>2,265,600</b>  | <b>2,265,600</b>  | <b>2,324,600</b>  | <b>2,324,600</b>  | <b>2,324,600</b>  |
| Total GLA (Hyper Market)               | Sqm        | 4,810             | 4,810             | 4,810             | 4,810             | 4,810             | 4,810             | 4,810             | 4,810             |
| Rate (SAR)                             | SAR        | 425               | 425               | 436               | 436               | 436               | 447               | 447               | 447               |
| <b>Total</b>                           | <b>SAR</b> | <b>2,044,250</b>  | <b>2,044,250</b>  | <b>2,097,160</b>  | <b>2,097,160</b>  | <b>2,097,160</b>  | <b>2,150,070</b>  | <b>2,150,070</b>  | <b>2,150,070</b>  |
| Total GLA (ATMs)                       | Sqm        | 6                 | 6                 | 6                 | 6                 | 6                 | 6                 | 6                 | 6                 |
| Rate (SAR)                             | SAR        | 210,000           | 210,000           | 215,250           | 215,250           | 215,250           | 220,631           | 220,631           | 220,631           |
| <b>Total</b>                           | <b>SAR</b> | <b>1,260,000</b>  | <b>1,260,000</b>  | <b>1,291,500</b>  | <b>1,291,500</b>  | <b>1,291,500</b>  | <b>1,323,786</b>  | <b>1,323,786</b>  | <b>1,323,786</b>  |
| Total GLA (Anchor Stores)              | Sqm        | 10,313            | 10,313            | 10,313            | 10,313            | 10,313            | 10,313            | 10,313            | 10,313            |
| Rate (SAR)                             | SAR        | 432               | 432               | 443               | 443               | 443               | 454               | 454               | 454               |
| <b>Total</b>                           | <b>SAR</b> | <b>4,455,216</b>  | <b>4,455,216</b>  | <b>4,568,659</b>  | <b>4,568,659</b>  | <b>4,568,659</b>  | <b>4,682,102</b>  | <b>4,682,102</b>  | <b>4,682,102</b>  |
| Total GLA (Kiosks)                     | Sqm        | 1,196             | 1,196             | 1,196             | 1,196             | 1,196             | 1,196             | 1,196             | 1,196             |
| Rate (SAR)                             | SAR        | 3,429             | 3,429             | 3,514             | 3,514             | 3,514             | 3,602             | 3,602             | 3,602             |
| <b>Total</b>                           | <b>SAR</b> | <b>4,101,084</b>  | <b>4,101,084</b>  | <b>4,202,744</b>  | <b>4,202,744</b>  | <b>4,202,744</b>  | <b>4,307,992</b>  | <b>4,307,992</b>  | <b>4,307,992</b>  |
| Total GLA (Others)                     | Sqm        | 7                 | 7                 | 7                 | 7                 | 7                 | 7                 | 7                 | 7                 |
| Rate (SAR)                             | SAR        | 1,220,000         | 1,220,000         | 1,250,500         | 1,250,500         | 1,250,500         | 1,281,763         | 1,281,763         | 1,281,763         |
| <b>Total</b>                           | <b>SAR</b> | <b>8,540,000</b>  | <b>8,540,000</b>  | <b>8,753,500</b>  | <b>8,753,500</b>  | <b>8,753,500</b>  | <b>8,972,341</b>  | <b>8,972,341</b>  | <b>8,972,341</b>  |
| <b>Overall Revenues</b>                |            | <b>39,301,554</b> | <b>39,301,554</b> | <b>40,282,139</b> | <b>40,282,139</b> | <b>40,282,139</b> | <b>41,285,435</b> | <b>41,285,435</b> | <b>41,285,435</b> |
| <b>Expenses</b>                        |            |                   |                   |                   |                   |                   |                   |                   |                   |
| <b>Vacancy Rates</b>                   | %          | <b>45%</b>        | <b>40%</b>        | <b>35%</b>        | <b>30%</b>        | <b>15%</b>        | <b>15%</b>        | <b>15%</b>        | <b>12%</b>        |
| <b>Total</b>                           | <b>SAR</b> | <b>17,685,699</b> | <b>15,720,622</b> | <b>14,098,749</b> | <b>12,084,642</b> | <b>6,042,321</b>  | <b>6,192,815</b>  | <b>6,192,815</b>  | <b>4,747,825</b>  |
| <b>OPEX Rate</b>                       | %          | <b>3%</b>         | <b>3%</b>         | <b>3%</b>         | <b>3%</b>         | <b>3%</b>         | <b>3%</b>         | <b>3%</b>         | <b>3%</b>         |
| <b>OPEX</b>                            | <b>SAR</b> | <b>6,823,479</b>  | <b>6,994,066</b>  | <b>7,168,918</b>  | <b>7,348,141</b>  | <b>7,531,844</b>  | <b>7,720,140</b>  | <b>7,913,144</b>  | <b>8,110,972</b>  |
| Land Rent                              | SAR        | 1,579,000         | 1,579,000         | 1,579,000         | 1,579,000         | 1,579,000         | 1,579,000         | 1,579,000         | 1,579,000         |
| Insurance                              | SAR        | 95,930            | 95,930            | 95,930            | 95,930            | 95,930            | 95,930            | 95,930            | 95,930            |
| <b>Overall Expenses</b>                |            | <b>26,184,108</b> | <b>24,389,618</b> | <b>22,942,597</b> | <b>21,107,713</b> | <b>15,249,095</b> | <b>15,587,885</b> | <b>15,780,889</b> | <b>14,533,727</b> |
| <b>NOI</b>                             |            | <b>13,117,446</b> | <b>14,911,936</b> | <b>17,339,542</b> | <b>19,174,426</b> | <b>25,033,044</b> | <b>25,697,550</b> | <b>25,504,546</b> | <b>26,751,708</b> |
| Discount Rate                          |            | 11.00%            |                   |                   |                   |                   |                   |                   |                   |
| <b>Market Rate / Net Present Value</b> |            |                   |                   |                   |                   |                   |                   |                   |                   |

| Cash Flow                              |            | 2031               | 2032              | 2033              | 2034              | 2035              | 2036              | 2037              | 2038              |
|--|------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|  |            | 8                  | 9                 | 10                | 11                | 12                | 13                | 14                | 15                |
| <b>Increase Revision</b>               |            | <b>2.5%</b>        | <b>0.0%</b>       | <b>0.0%</b>       | <b>2.5%</b>       | <b>0.0%</b>       | <b>0.0%</b>       | <b>2.5%</b>       | <b>0.0%</b>       |
| <b>Expected Revenues</b>               |            |                    |                   |                   |                   |                   |                   |                   |                   |
| Total GLA (GF Shops)                   | Sqm        | 7,096              | 7,096             | 7,096             | 7,096             | 7,096             | 7,096             | 7,096             | 7,096             |
| Rate (SAR)                             | SAR        | 1,351              | 1,351             | 1,351             | 1,385             | 1,385             | 1,385             | 1,419             | 1,419             |
| <b>Total</b>                           | <b>SAR</b> | <b>9,586,696</b>   | <b>9,586,696</b>  | <b>9,586,696</b>  | <b>9,827,960</b>  | <b>9,827,960</b>  | <b>9,827,960</b>  | <b>10,069,224</b> | <b>10,069,224</b> |
| Total GLA (First Floor Shops)          | Sqm        | 6,296              | 6,296             | 6,296             | 6,296             | 6,296             | 6,296             | 6,296             | 6,296             |
| Rate (SAR)                             | SAR        | 1,124              | 1,124             | 1,124             | 1,152             | 1,152             | 1,152             | 1,181             | 1,181             |
| <b>Total</b>                           | <b>SAR</b> | <b>7,076,704</b>   | <b>7,076,704</b>  | <b>7,076,704</b>  | <b>7,252,992</b>  | <b>7,252,992</b>  | <b>7,252,992</b>  | <b>7,435,576</b>  | <b>7,435,576</b>  |
| Total GLA (Fast Food Lines)            | Sqm        | 1,100              | 1,100             | 1,100             | 1,100             | 1,100             | 1,100             | 1,100             | 1,100             |
| Rate (SAR)                             | SAR        | 1,185              | 1,185             | 1,185             | 1,214             | 1,214             | 1,214             | 1,245             | 1,245             |
| <b>Total</b>                           | <b>SAR</b> | <b>1,303,500</b>   | <b>1,303,500</b>  | <b>1,303,500</b>  | <b>1,335,400</b>  | <b>1,335,400</b>  | <b>1,335,400</b>  | <b>1,369,500</b>  | <b>1,369,500</b>  |
| Total GLA (Entertainment)              | Sqm        | 5,900              | 5,900             | 5,900             | 5,900             | 5,900             | 5,900             | 5,900             | 5,900             |
| Rate (SAR)                             | SAR        | 404                | 404               | 404               | 414               | 414               | 414               | 424               | 424               |
| <b>Total</b>                           | <b>SAR</b> | <b>2,383,600</b>   | <b>2,383,600</b>  | <b>2,383,600</b>  | <b>2,442,600</b>  | <b>2,442,600</b>  | <b>2,442,600</b>  | <b>2,501,600</b>  | <b>2,501,600</b>  |
| Total GLA (Hyper Market)               | Sqm        | 4,810              | 4,810             | 4,810             | 4,810             | 4,810             | 4,810             | 4,810             | 4,810             |
| Rate (SAR)                             | SAR        | 458                | 458               | 458               | 469               | 469               | 469               | 481               | 481               |
| <b>Total</b>                           | <b>SAR</b> | <b>2,202,980</b>   | <b>2,202,980</b>  | <b>2,202,980</b>  | <b>2,255,890</b>  | <b>2,255,890</b>  | <b>2,255,890</b>  | <b>2,313,610</b>  | <b>2,313,610</b>  |
| Total GLA (ATMs)                       | Sqm        | 6                  | 6                 | 6                 | 6                 | 6                 | 6                 | 6                 | 6                 |
| Rate (SAR)                             | SAR        | 226,147            | 226,147           | 226,147           | 231,801           | 231,801           | 231,801           | 237,596           | 237,596           |
| <b>Total</b>                           | <b>SAR</b> | <b>1,356,882</b>   | <b>1,356,882</b>  | <b>1,356,882</b>  | <b>1,390,806</b>  | <b>1,390,806</b>  | <b>1,390,806</b>  | <b>1,425,576</b>  | <b>1,425,576</b>  |
| Total GLA (Anchor Stores)              | Sqm        | 10,313             | 10,313            | 10,313            | 10,313            | 10,313            | 10,313            | 10,313            | 10,313            |
| Rate (SAR)                             | SAR        | 465                | 465               | 465               | 477               | 477               | 477               | 489               | 489               |
| <b>Total</b>                           | <b>SAR</b> | <b>4,795,545</b>   | <b>4,795,545</b>  | <b>4,795,545</b>  | <b>4,919,301</b>  | <b>4,919,301</b>  | <b>4,919,301</b>  | <b>5,043,057</b>  | <b>5,043,057</b>  |
| Total GLA (Kiosks)                     | Sqm        | 1,196              | 1,196             | 1,196             | 1,196             | 1,196             | 1,196             | 1,196             | 1,196             |
| Rate (SAR)                             | SAR        | 3,692              | 3,692             | 3,692             | 3,784             | 3,784             | 3,784             | 3,879             | 3,879             |
| <b>Total</b>                           | <b>SAR</b> | <b>4,415,632</b>   | <b>4,415,632</b>  | <b>4,415,632</b>  | <b>4,525,664</b>  | <b>4,525,664</b>  | <b>4,525,664</b>  | <b>4,639,284</b>  | <b>4,639,284</b>  |
| Total GLA (Others)                     | Sqm        | 7                  | 7                 | 7                 | 7                 | 7                 | 7                 | 7                 | 7                 |
| Rate (SAR)                             | SAR        | 1,313,807          | 1,313,807         | 1,313,807         | 1,346,652         | 1,346,652         | 1,346,652         | 1,380,318         | 1,380,318         |
| <b>Total</b>                           | <b>SAR</b> | <b>9,196,649</b>   | <b>9,196,649</b>  | <b>9,196,649</b>  | <b>9,426,564</b>  | <b>9,426,564</b>  | <b>9,426,564</b>  | <b>9,662,226</b>  | <b>9,662,226</b>  |
| <b>Overall Revenues</b>                |            | <b>42,318,188</b>  | <b>42,318,188</b> | <b>42,318,188</b> | <b>43,377,177</b> | <b>43,377,177</b> | <b>43,377,177</b> | <b>44,459,653</b> | <b>44,459,653</b> |
| <b>Expenses</b>                        |            |                    |                   |                   |                   |                   |                   |                   |                   |
| <b>Vacancy Rates</b>                   | %          | <b>10%</b>         | <b>10%</b>        | <b>10%</b>        | <b>10%</b>        | <b>10%</b>        | <b>10%</b>        | <b>10%</b>        | <b>10%</b>        |
| <b>Total</b>                           | <b>SAR</b> | <b>4,231,819</b>   | <b>4,231,819</b>  | <b>4,231,819</b>  | <b>4,337,718</b>  | <b>4,337,718</b>  | <b>4,337,718</b>  | <b>4,445,965</b>  | <b>4,445,965</b>  |
| <b>OPEX Rate</b>                       | %          | <b>3%</b>          | <b>3%</b>         | <b>3%</b>         | <b>3%</b>         | <b>3%</b>         | <b>3%</b>         | <b>3%</b>         | <b>3%</b>         |
| <b>OPEX</b>                            | <b>SAR</b> | <b>8,313,747</b>   | <b>8,521,590</b>  | <b>8,734,630</b>  | <b>8,952,996</b>  | <b>9,176,821</b>  | <b>9,406,241</b>  | <b>9,641,397</b>  | <b>9,882,432</b>  |
| Land Rent                              | SAR        | 1,579,000          | 1,579,000         | 1,579,000         | 1,579,000         | 1,579,000         | 1,579,000         | 1,579,000         | 1,579,000         |
| Insurance                              | SAR        | 95,930             | 95,930            | 95,930            | 95,930            | 95,930            | 95,930            | 95,930            | 95,930            |
| <b>Overall Expenses</b>                |            | <b>14,220,496</b>  | <b>14,428,339</b> | <b>14,641,379</b> | <b>14,965,644</b> | <b>15,189,469</b> | <b>15,418,889</b> | <b>15,762,292</b> | <b>16,003,327</b> |
| <b>NOI</b>                             |            | <b>28,097,692</b>  | <b>27,889,849</b> | <b>27,676,809</b> | <b>28,411,533</b> | <b>28,187,708</b> | <b>27,958,288</b> | <b>28,697,361</b> | <b>28,456,326</b> |
| Discount Rate                          |            | 11.00%             |                   |                   |                   |                   |                   |                   |                   |
| <b>Market Rate / Net Present Value</b> |            | <b>164,527,214</b> |                   |                   |                   |                   |                   |                   |                   |

## 4.2 Valuation Notes

- As the purpose of valuation is for REIT, and as the REIT fund (acquire income generating properties), we believe that most appropriate approach to do the valuation for such properties should be based on income methodology (DCF).
- The market rates are used based the actual rates within the project which are used as market actual transactions.

## 4.3 Subject Property Value

We are of an opinion that the total value of the leasing right of the subject property taking into consideration the purpose of valuation by using the Discounted Cash Flow Approach is:

**Property Value: SAR 164,500,000**  
**One hundred sixty-four million five hundred thousand Saudi Riyal.**

## 4.4 Conclusion

We trust that this report and valuation fulfills the requirements of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright. This report is compiled based on the information received to the best of our belief, knowledge and understanding. The information revealed in this report is strictly confidential and issued for the consideration of the client. The valuer's approval is required in writing to reproduce this report either electronically or otherwise and for further onward distribution, hence no part of this report may be copied without prior consent.

## 4.5 Accredited Valuers

**Essam M. Al Husaini**  
 President



Fellow Member of (RE Valuation)  
 License No. 1210000474

**Nabeel M. Al Husaini**  
 CEO



Member of (RE Valuation)  
 License No. 1210002782

**Farah E. Al Husaini**  
 Valuation Manager



Member of (RE Valuation)  
 License No. 1210001964

**Nasser A. Al Arifi**  
 Valuer



Member of (RE Valuation)  
 License No. 1210002399



Membership- RE Branch  
 Membership No.:  
 11000171



WHITE **CUBES**  
DOCUMENTS

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DOCUMENT

Documents Received

5.1 Construction Permit

المملكة العربية السعودية  
وزارة الشؤون البلدية والقروية  
أمانة منطقة تبوك

رقم الترخيص: ٥٨٤٥٧  
تاريخ صدورها: ١٤٣٩/٧/١  
تاريخ انتهائها: ١٤٣٧/٧/١

اسم صاحب الرخصة: أمانة منطقة تبوك ( المستاجر شركة أبناء القضيبي للمقاولات )  
رقم الصك: --- تاريخه: --- مصدره: تبوك  
رقم قطعة الأرض: بدون رقم الخطة: --- تاريخه: --- يحي: الصالحية  
رقم الكروكي التنظيمي: ١٣٧٤ تاريخه: ١٤٣٤/٦/١٤ نوع البناء: فلنجر

كروكي الموقع العام  
كروكي قطعة الأرض والمبنى الأصلي

المرحلة العمراني: الخرجي  
المقاييس والاشتراطات:

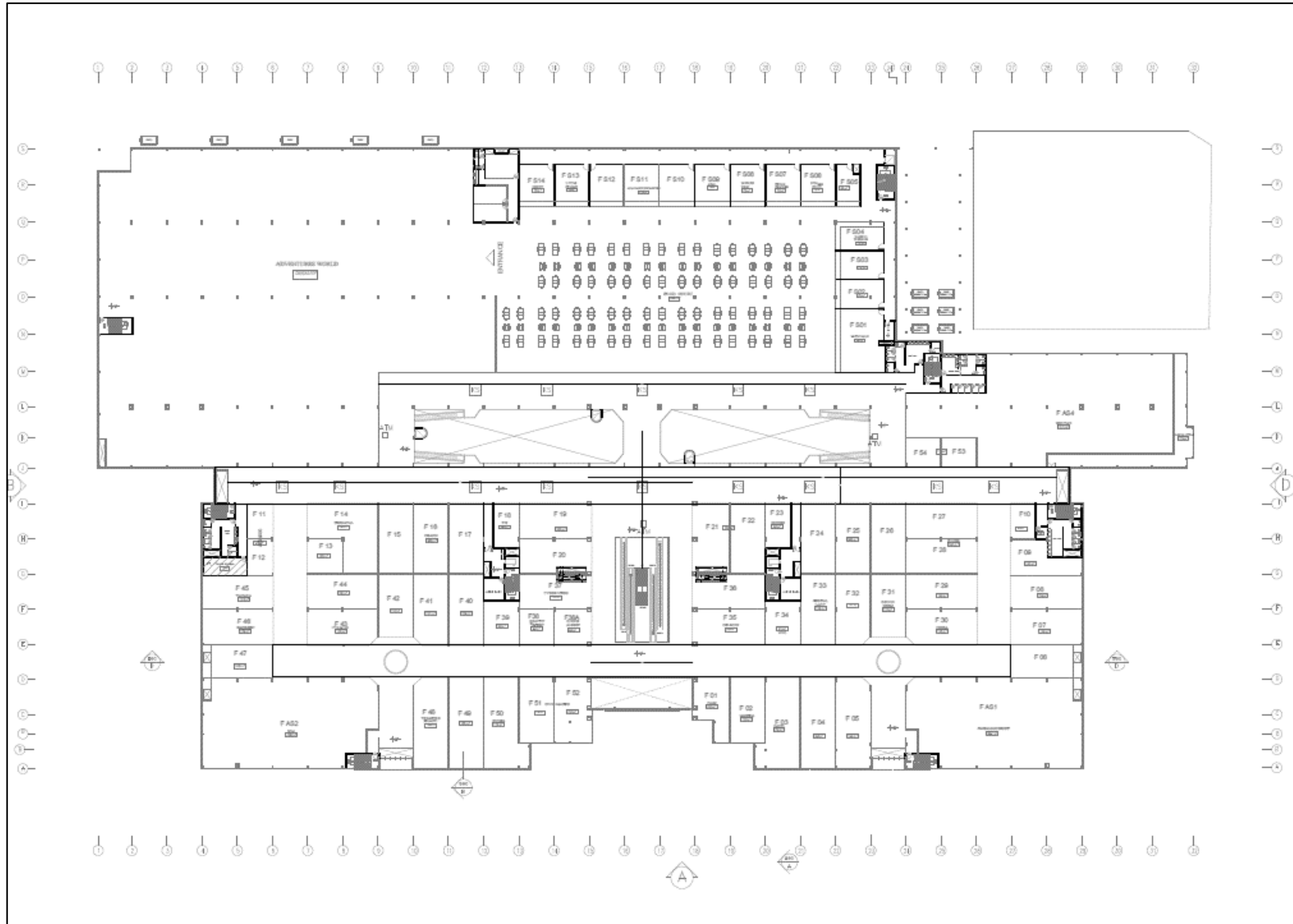
| الجهة  | الحدودها        | الابعاد (م) | الارتفاع (م) | البيروز (م) |
|--------|-----------------|-------------|--------------|-------------|
| الشمال | شارع عرض ٢٠ متر | ١٧٢ م       | ١٤/١٤        | ---         |
| الشرق  | شارع عرض ٣٠ متر | ١٥٩ م       | ١٧/١٥        | ---         |
| الجنوب | شارع عرض ٢٠ متر | ١٧٢ م       | ٢٠/٢٠        | ---         |
| الغرب  | شارع عرض ٢٠ متر | ٢٥٦ م       | ٥٥/٥٥        | ---         |

مساحة الأرض: ٤١٢٣٦ م<sup>٢</sup> وأحد وأربعون ألفاً وستة مائة واثلاثون متراً  
مساحة البناء بالقوى: ١٢٤٢٠ م<sup>٢</sup> عشرة آلاف وثمان مائة وثلاثة وأربعون متراً  
مساحة البناء بالدور الأرضي: ١٣٧٤٠ م<sup>٢</sup> عشرة آلاف وستة مائة واثنان  
مساحة البناء بالدور المتكرر: ١٣٧٤٠ م<sup>٢</sup> عشرة آلاف وستة مائة واثنان  
عدد الأتوار المتكررة: ٢٠  
مساحة الملحق الأرضي: ٢٠  
مساحة الملحق العلوي: ٢٠  
عدد الوحدات: ١٣٥ م<sup>٢</sup> وستة واثلاثون محلات  
إجمالي مساحة البناء: ١٣٧٤٠ م<sup>٢</sup> لثلاثين ألفاً وستة مائة واثنان متراً  
ارتفاع الدور: ٥٠ م خصية متر  
أقصى ارتفاع للبناء: ١٥٥ م خمسة عشرون متراً وخصون سم  
إجمالي طول السور: ٢٠ م  
أقل ارتفاع للسور: ٢٠ م  
أقصى ارتفاع للسور: ٢٠ م  
نسبة مساحة الدور الأرضي لمساحة الأرض: ٣٨,٢٦ %  
منسوب الشارع: ---  
تخطيط الواجهة: ---  
البيروزات: ---  
استخدام المبنى: ---

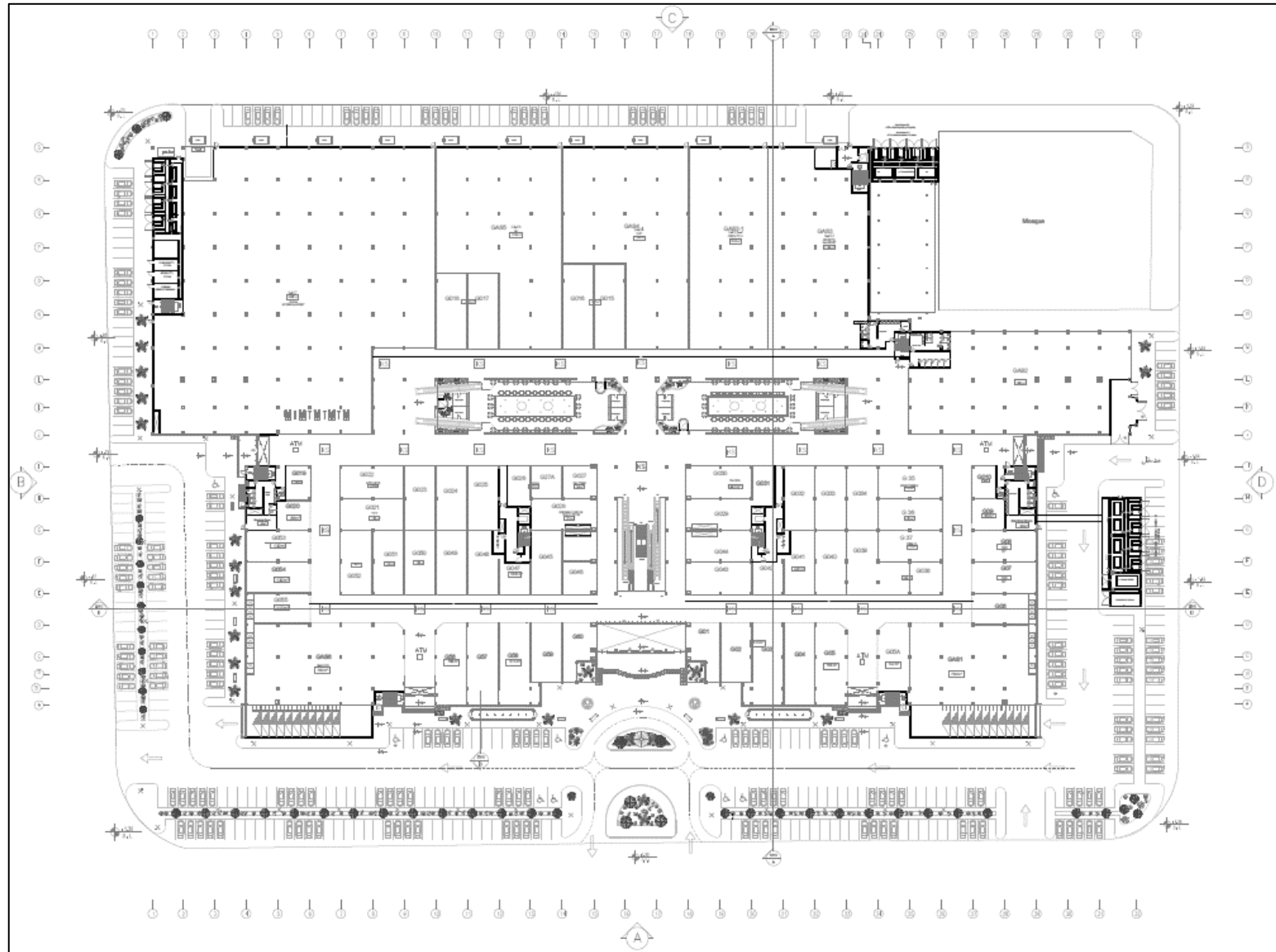
الرسوم المستحقة على الرخصة: ٤٥١٥٠/٦ ريال  
وتم سدادها بموجب الايصال رقم: ١٩٧٩٩٤ ريال  
بتاريخ: ١٤٣٩ / ٦ / ١٤  
اسم المساح / المراقب: محمد بن عبد العزيز  
التوقيع: ١٤٣٩/٥  
مهندس الرخص: محمد بن عبد العزيز  
اسم: محمد بن عبد العزيز  
التوقيع: ١٤٣٩/٥  
اسم: محمد بن عبد العزيز  
التوقيع: ١٤٣٩/٥

## 5.2 Layout

### First Floor



Ground Floor



### 5.3 Real Estate Valuation License





وزارة التجارة والاستثمار  
Ministry of Commerce and Investment

## ترخيص مزاولة مهنة لفرع تقييم العقارات

المقر الرئيسي: الرياض

فئة العضوية: أساسي

رقم الترخيص 1210000474 تاريخ إصداره 1437/8/1 هـ تاريخ انتهائه 1447/8/24 هـ

يرخص **عصام محمد عبدالله الحسيني** (سعودي الجنسية) سجل مدني رقم 1044275947 لمزاولة المهنة

وقد منح هذا الترخيص بعد أن استوفى شروط القيد الواردة في المادة الخامسة من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/9 هـ بموجب قرار لجنة قيد المقيمين رقم (95/ق/3/42) وتاريخ 1442/5/22 هـ

رئيس لجنة قيد المقيمين



أ. وليد بن عبدالله الرويشد

ختم الوزارة



وزارة التجارة والاستثمار  
Ministry of Commerce and Investment  
إدارة المهن الاستشارية







WHITE CUBES



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REAL ESTATE VALUATION REPORT

# Al Khabeer Capital PALAZZO PLAZA

Awal Al Malqa Real Estate Company

Riyadh City  
June 2023



رؤية  
VISION  
2030  
المملكة العربية السعودية  
KINGDOM OF SAUDI ARABIA

REAL ESTATE  
VALUATION REPORT



**REF:** 23-0424  
**Code:**  
**Date:** 30/06/2023  
**M/S:** Awal Al Malqa Real Estate Company

**Subject: Valuation Report for a Commercial Project (Palazzo Plaza) in Riyadh City, Saudi Arabia.**

Dear Sir,

With reference to your request and approval dated on 29<sup>th</sup> of May 2023. We will provide you with a detailed report on the property under evaluation, including a market analysis, an economic analysis, and a description of the valuation methods. In addition, we WHITE CUBES guarantee the confidentiality of the client's information and are committed to complete impartiality in the evaluation process and acknowledge that there are no common interests between WHITECUBES and the client.

**WHITE CUBES Consulting Services Co.**

**Mr. Essam M. Al-Husaini – President**

Fellow Member of the Saudi Authority of Accredited Valuers  
License No. 1210000474  
Issued: 01/08/1437 Exp: 24/08/1447  
WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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WHITE **CUBES**

# EXECUTIVE SUMMARY

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EXECUTIVE  
SUMMARY

## Executive Summary

|                             |  |
|-----------------------------|--|
| <b>Reference No.</b>        |  |
| <b>Dep. Code</b>            |  |
| <b>Report Type</b>          | Detailed Report.   |
| <b>Client</b>               | Awal Al Malqa Real Estate Company.   |
| <b>Report user</b>          | Awal Al Malqa Real Estate Company.   |
| <b>Other users</b>          | Investors or those wishing to invest in the Real Estate Investment Trust.                                    |
| <b>Purpose of Valuation</b> | Inclusion in financial statements.   |
| <b>Subject Property</b>     | Commercial Project.  |
| <b>Property Location</b>    | As Sulimaniyah district, Riyadh City.  |
| <b>Title Deed No.</b>       | 214002002200   |
| <b>Title Deed Date</b>      | 14/09/1440   |
| <b>Ownership Type</b>       | Title deed-restricted  |
| <b>Limitations</b>          | Mortgaged to Al Rajhi Banking Investment Company.  |
| <b>Owner</b>                | Awal Al Malqa Real Estate Company.   |
| <b>Land Use</b>             | Commercial   |
| <b>Land Area (Sqm)</b>      | The land has an area size of 6,050 Sqm   |
| <b>BUA (Sqm)</b>            | As per the provided construction permit, the total BUA is 5,648.24 Sqm.                                      |
| <b>GLA (Sqm)</b>            | Based on the tenant list provided by the client, the total GLA is 5,941 Sqm.                                 |
| <b>Basis of Value</b>       | Fair Value.  |
| <b>Value Hypothesis</b>     | Current use.   |
| <b>Valuation Approach</b>   | Comparable Approach, Cost Approach and Income Approach.  |
| <b>Currency</b>             | Saudi Arabian Riyal  |
| <b>Final Property Value</b> | SAR 68,410,000   |
| <b>Report Date</b>          | 30/06/2023   |
| <b>Valuation Date</b>       | 30/06/2023   |
| <b>Inspection Date</b>      | 01/06/2023   |
| <b>Expiry Date</b>          | 120 days from date of the inspection, unless there're any economic changes that affect the subject property. |



WHITE **CUBES**

**SCOPE OF WORK**

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SCOPE OF  
WORK

## Scope of Work

### 1.1 Introduction

This report was prepared by WHITE CUBES Co. based on the International Valuation Standards of the Council of International Assessment Standards (IVSC 2022) and the Guide to Practice and Regulations issued by the Saudi Authority of Accredited Valuers (Taqeem), to ensure accurate access to information, the evaluation report must be read in its entirety, our firm is pleased to offer its services to Awal Al Malqa Real Estate Company in order to estimate the fair value of the property that is being evaluated.

### 1.2 Purpose of valuation

The client requested that we evaluate the subject properties for **inclusion in the financial statements**.

### 1.3 Basis of Valuation

**According to Paragraph 1.2, the appropriate basis for value adopted in the evaluation process is the fair value of the property.**

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the principle of an "exit price,"

### 1.4 Valuation Methods

Depending on the purpose of the valuation, and upon the request of the client, we will apply the comparable approach, cost approach and income approach.

### 1.5 Currency

Unless otherwise stated, all values in the report are in Saudi Arabian Riyals.

### 1.6 Scope of Research

Research is an important part of the valuation process. We will conduct extensive research and analysis of various factors that can impact the value of a property or asset, such as market conditions, comparable sales, property characteristics, income potential, and legal and regulatory factors.



## 1.7 Property Inspection

Inspection refers to visiting and inspecting an asset, testing its performance, and gathering information about it from quantities, specifications, land area, building areas, rental areas, services, public utilities, project components, etc., so that an opinion can be expressed regarding its value. Therefore, we confirm that subject property was inspected on June 01, 2023. We will then use this evidence to assess and evaluate the project. We remain committed to providing the client with an accurate and reliable valuation.

## 1.8 Information Sources

An on-site field survey was conducted by our team to ensure the accuracy of some market information required for the valuation, including nearby asset prices, occupancy rates, and specific information about the asset under valuation, to determine its actual fair value. The following sources were used during the field research process:

- Property records: Such as Title deeds, construction permits and layouts.
- Market trends: Real estate market trends and economic indicators can be used to assess the overall demand and supply for properties in the area.
- Market scanning: Income-producing properties such as rental properties can be valued based on their income potential.
- Physical inspection of the property can provide valuable information on its condition and any unique features that may affect its value.
- Construction permit and Layouts.

## 1.9 Assumptions and Special Assumptions

As defined by the International Valuation Standards, assumptions are logical matters that can be accepted as facts during valuation work without being specifically checked or scrutinized. They are accepted as soon as they are mentioned. Based on the facts at the time of the valuation.

- It has been assumed that the information provided by the client is accurate, but we were not provided with the ownership documents for the asset.
- Assumed that all information received from the client is accurate and up to date as of the date of the valuation, whether oral or written.
- This is a valuation report rather than a structural survey. As a result, we did not conduct any utility checks, service checks, soil tests, etc.
- The valuation methodologies are based on market data compiled using our relevant market knowledge and experience.
- This report's output (final value) is derived from assumptions used, documents received from the client, and market data. Nevertheless, the output estimates provide an indication of the property's value.
- After studying the market and using the built-up model, a discount rate of 8.25% was assumed for the project.

### **1.10 Use, Distribution, and Publication Restrictions**

To estimate the fair value of the assets being evaluated, WHITE CUBES Co. has prepared this report. There are restrictions on the transfer, referencing, and presentation of this report and its contents to any other party except as stipulated in the contract letter, and the client must obtain our prior written consent in order to use this report for any other purpose other than that stated in this report.

### **1.11 Legal Notes**

As far as we are aware, no legal notices have been served on the property, whether they are in progress or pending in the court system.



WHITE **CUBES**

**PROPERTY DETAILS**

---

PROPERTY  
DETAILS

## Property and Location Description

### 2.1 Property Description

The subject property is a commercial project (Palazzo Plaza) located in Al Sulaymaniyah district, Riyadh city. Based on the provided copies of the title deed and the construction permit, the project has a total land area of 6,050 Sqm, and a total BUA of 5,648.24 Sqm. As per the site inspection done by our team for the purpose of valuation, the property is open on 4 sides with a direct view on King Muhammad V Road from the east side.

### 2.2 Surrounding Area

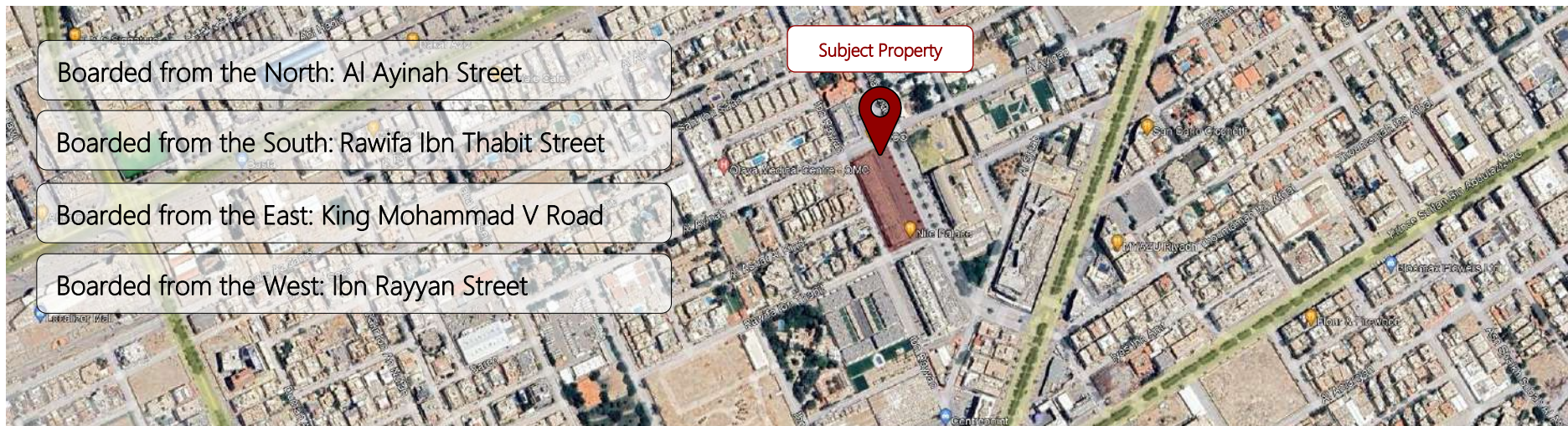
The subject property is surrounded mostly by several residential and commercial buildings.

### 2.3 Ease of Access

Based on the current location of the subject property, the access level is moderate since it is located on King Mohammad V Road.

### 2.4 Infrastructure

All the infrastructural facilities are available in the surroundings and connected to the subject property.



## 2.5 Title Deed and Ownership

The client provides us with a copy of the title deed related to the subject property which is owned by one title deed. The details of the subject property:

|                                 |                                |                               |                                   |
|---------------------------------|--------------------------------|-------------------------------|-----------------------------------|
| <b>City</b>                     | Riyadh                         | <b>Land Area</b>              | 6,050 Sqm                         |
| <b>District</b>                 | As Sulaymaniyah                | <b>Plot No.</b>               | 333 to 342                        |
| <b>T.D Type</b>                 | Electronic                     | <b>Block No.</b>              | 35                                |
| <b>T.D Number</b>               | 214002002200                   | <b>Layout No.</b>             | 690                               |
| <b>T.D Date</b>                 | 14/09/1440                     | <b>Owner</b>                  | Awal Al Malqa Real Estate Company |
| <b>T.D Value</b>                | ---                            | <b>Ownership Type</b>         | Freehold                          |
| <b>Date of Last Transaction</b> | 14/09/1440                     | <b>Limitation of Document</b> | Mortgaged                         |
| <b>Issued From</b>              | Riyadh Center Primary Notarial |                               |                                   |
|                                 |                                |                               |                                   |
| <b>North Side</b>               | 20 meters street               | <b>East Side</b>              | 30 meters street                  |
| <b>South Side</b>               | 15 meters street               | <b>West Side</b>              | Walkway 10 meter                  |

**Note:** The client has provided us with a copy of the Title Deed which was assumed to be correct and authentic. It is not in our scope to run legal diagnosis on any legal document.

## 2.6 Construction and Buildings

The building permit indicates the maximum permissible BUA approved by the city municipality. However, the actual area may differ from the area mentioned in the building permit. Therefore, the Client has provided us with a copy of the Construction Permit issued by Riyadh Municipality with the below details:

| Subject Property                |                         |
|---------------------------------|-------------------------|
| <b>Construction Permit Type</b> | Add Building Components |
| <b>Property Type</b>            | Commercial Project      |
| <b>Construction Permit No.</b>  | 2925/1437               |
| <b>Construction Permit Date</b> | 17/02/1437              |

| Description             | No. of Units | Area (sqm)      | Use        |
|-------------------------|--------------|-----------------|------------|
| Mezzanine               | ----         | 2,603.70        | Commercial |
| Commercial Ground Floor | 15           | 2,916.20        | Commercial |
| Electricity Room        | ----         | 128,34          | Services   |
| Fences                  | 1            | 171 m           | Services   |
| <b>Total BAU (sqm)</b>  |              | <b>5,648.24</b> |            |

## 2.7 Maintenance & Operational Expenses

Based on the information provided to us by the client, the total maintenance and operating costs of the subject property are 400,000 SAR per year, which includes all management and maintenance expenses in addition to 507,600 SAR insurance premium expenses.

## 2.8 Insurance

Based on the information provided to us by the client, the total costs of the subject property are 25,000 SAR insurance premium expenses.

2.9 Photographs of the Subject Property





WHITE **CUBES**

**MARKET INDICATORS**

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MARKET  
INDICATORS



## Market Indicators

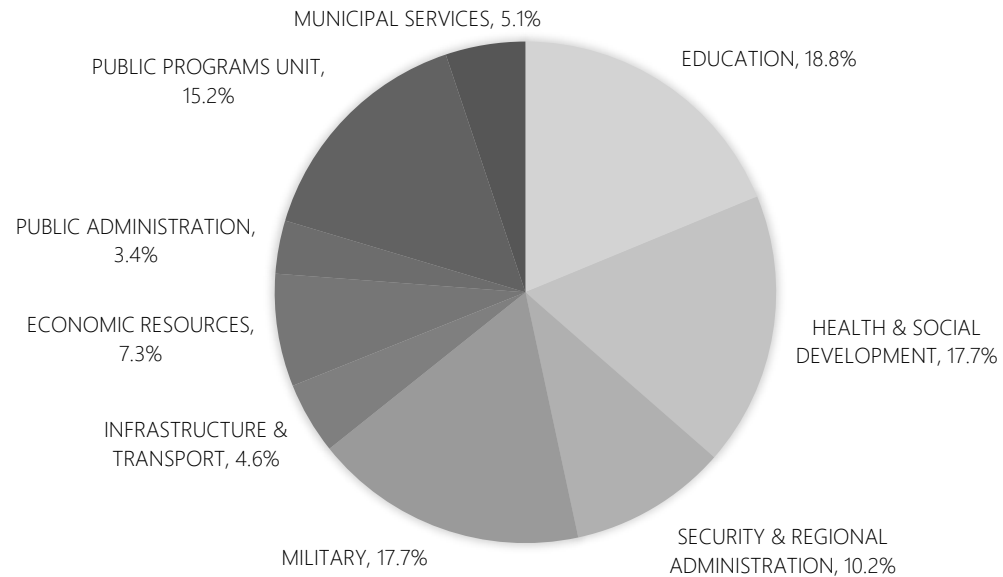
### 3.1 Saudi Arabia Economic Indicators

| Economic Indicator                    | Budget | Expectations | Estimated |       |
|---------------------------------------|--------|--------------|-----------|-------|
|                                       | 2022   | 2023         | 2024      | 2025  |
| <b>Total revenue</b>                  | 1,234  | 1,130        | 1,146     | 1,205 |
| <b>Total expenses</b>                 | 1,132  | 1,114        | 1,125     | 1,134 |
| <b>Budget surplus</b>                 | 102    | 16           | 21        | 71    |
| <b>Debt</b>                           | 985    | 951          | 959       | 962   |
| <b>GDP growth</b>                     | 8.5%   | 3.1%         | 5.7%      | 4.5%  |
| <b>Nominal gross domestic product</b> | 3,957  | 3,869        | 3,966     | 4,247 |
| <b>Inflation</b>                      | 2.6%   | 2.1%         | 2.1%      | 2.0%  |

### 3.2 Budget Allocation for 2022




|                          |            |
|--------------------------|------------|
| Public Administration    | 37 SAR bn  |
| Military                 | 259 SAR bn |
| Security & Regional Adm. | 105 SAR bn |
| Municipal Services       | 63 SAR bn  |
| Education                | 189 SAR bn |
| Health & Social Dev.     | 189 SAR bn |
| Economic Resources       | 72 SAR bn  |
| Infrastructure Transport | 34 SAR bn  |
| General Items            | 165 SAR bn |

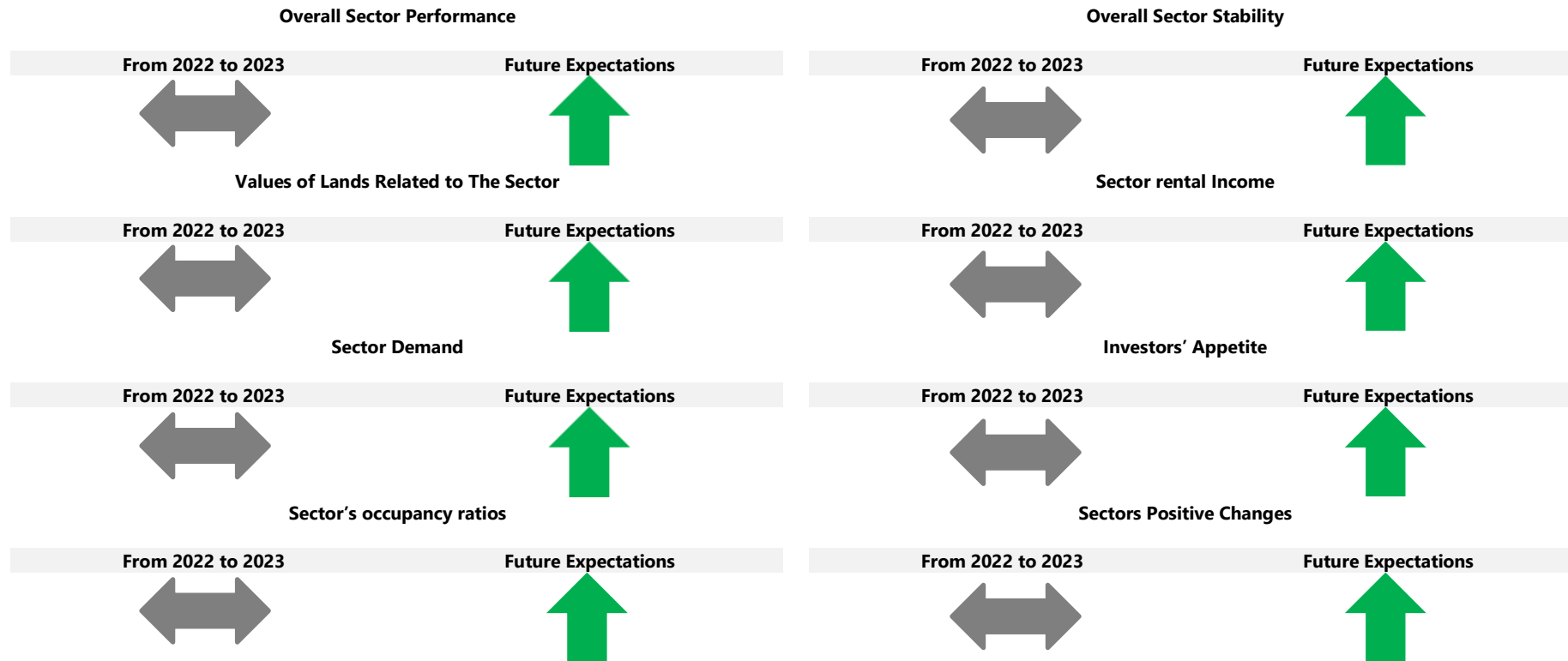
Source: Ministry of Finance



### 3.3 Sector Brief

In the following we will insert general information about the real estate sector related to the property subject of our valuation and which is intended to give an initial indication on the sector. These information and indicators are estimated based on our experience, the current sector performance and some other historical data collected from our side, In addition to some current economic changes in general.

-  Indicator showing a decrease in the current performance comparing to last year
-  Indicator showing an increase in the current performance comparing to last year
-  Indicator showing a stable position in the current performance comparing to last year



White Cubes Team's Analysis

### 3.4 Risk Analysis

#### - Sector Analysis

| Risk Factor                | Very Low Risk (1)<br>1-6 | Minimal Risk (2)<br>7-12 | Medium Risk (3)<br>13-18 | Elevated Risk (4)<br>19-24 | Very High Risk (5)<br>25-30 |
|----------------------------|--------------------------|--------------------------|--------------------------|----------------------------|-----------------------------|
| Overall, Economy           | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Sector Current Performance | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Sector Future Performance  | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Occupancy Rates            | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Supply Rate                | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Demand Rate                | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Total Risk                 | 0                        | 2                        | 15                       | 0                          | 0                           |

**Risk Category 17 Risk Points - Medium Risk**

#### -Land Analysis

| Risk Factor                 | Very Low Risk (1)<br>1-5 | Minimal Risk (2)<br>6-10 | Medium Risk (3)<br>11-15 | Elevated Risk (4)<br>16-20 | Very High Risk (5)<br>21-25 |
|-----------------------------|--------------------------|--------------------------|--------------------------|----------------------------|-----------------------------|
| Access                      | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Location                    | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Land Shape                  | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Surrounding Area facilities | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Total Risk                  | 0                        | 8                        | 0                        | 0                          | 0                           |

**Risk Category 8 Risk Points – Minimal Risk**

#### -Property Analysis

| Risk Factor            | Very Low Risk (1)<br>1-3 | Minimal Risk (2)<br>4-6 | Medium Risk (3)<br>7-9 | Elevated Risk (4)<br>10-12 | Very High Risk (5)<br>13-15 |
|------------------------|--------------------------|-------------------------|------------------------|----------------------------|-----------------------------|
| Facilities & Amenities | ----                     | ----                    | ✓                      | ----                       | ----                        |
| Management Skills      | ----                     | ----                    | ✓                      | ----                       | ----                        |
| Overall Condition      | ----                     | ✓                       | ----                   | ----                       | ----                        |
| Total Risk             | 0                        | 2                       | 6                      | 0                          | 0                           |

**Risk Category 8 Risk Points - Medium Risk**



WHITE **CUBES**

PROPERTY VALUATION

---

PROPERTY  
VALUATION

## Property Valuation

### 4 Valuation Methods

With reference to the valuation purpose, taking into consideration the nature of the subject property, we will use the following ticked methods to estimate the fair value of the subject property:

|                  | Market Approach   | Cost Approach | Income Approach |                |                  |            |
|------------------|-------------------|---------------|-----------------|----------------|------------------|------------|
|                  | Comparable method | DRC method    | DCF method      | Invest. method | Cap. Rate method | RLV method |
| <b>Land</b>      | ✓                 | ----          | ----            | ----           | ----             | ----       |
| <b>Buildings</b> | ----              | ✓             | ----            | ----           | ----             | ----       |
| <b>Property</b>  | ----              | ----          | ----            | ----           | ✓                | ----       |

#### COMPARABLE METHOD

This is the method most are familiar with as it is the accepted method for valuing residential real estate. Typically, this method involves selecting properties with similar characteristics in the same market area that have recently sold. Once those properties are found they are compared to the property in question and a professional appraiser will deduct value from the subject property for comparative deficiencies and increase value for advantages. Typically, this method is required if the investor is seeking conventional financing. For comparable information, property brokers, dealers and estate agents are contacted to ascertain the asking and selling prices for property of the nature in the immediate neighborhood and adjoining areas. Neighboring properties, which have been recently sold or purchased, are investigated to ascertain a reasonable selling price.

#### DEPRECIATED REPLACEMENT COST (DRC)

A cost approach is a real estate valuation method that surmises that the price someone should pay for a piece of property should not exceed what someone would have to pay to build an equivalent building. In cost approach pricing, the market price for the property is equivalent to the cost of land plus cost of construction, less depreciation. It is often most accurate for fair value when the property is new. Generally, the cost approach considers what the land, devoid of any structures, would cost, then adds the cost of building the structures, then depreciation is subtracted. The cost approach is most often used for public buildings, such as schools and mosques, because it is difficult to find recently sold comparable properties in the local market, and public buildings do not earn income, so the income approach cannot be used, either. A property that already has improvements will usually contribute a certain amount of value to the site, but improvements can also lower property value if the site's potential buyers wish to use the property for another use that would entail removing some of the improvements to the current site. The cost approach is best used when improvements are new and there is adequate pricing information to value the property components. The cost

approach may be less desirable if there are no recent sales of vacant land for which to compare, since the major method of valuing vacant lands is to use the sales comparison approach, or when construction costs are not readily available. The cost approach method includes:

- Estimate what the subject property would be worth.
- Estimate the current cost of building the structures, then add that value to the value of the vacant land.
- Estimate the amount of accrued depreciation of the subject property, then subtract it from the total to arrive at the property's worth.

### **CAPITALIZATION METHOD (CAP RATE)**

The income approach values property by the amount of income that it can potentially generate. Hence, this method is used for apartments, office buildings, malls, and other property that generates a regular income.

The appraiser calculates the income according to the following steps:

- Estimate the potential annual gross income by doing market studies to determine what the property could earn, which may not be the same as what it is currently earning.
- The effective gross income is calculated by subtracting the vacancy rate and rent loss as estimated by the appraiser using market studies.
- The net operating income (NOI) is then calculated by subtracting the annual operating expenses from the effective gross income. Annual operating expenses include real estate taxes, insurance, utilities, maintenance, repairs, advertising, and management expenses. Management expenses are included even if the owner is going to manage it, since the owner incurs an opportunity cost by managing it herself. The cost of capital items is not included since it is not an operating expense. Hence, it does not include mortgage and interest since this is a debt payment on a capital item.

Estimate the capitalization rate (aka cap rate), which is the rate of return, or yield, that other investors of property are getting in the local market.

#### 4.1 Comparable Method

This method aims to collect data and information on actual sales and / or current offers of similar properties within the surrounding market, and then make the necessary adjustments to these comparisons in terms of area, location, shape, quality, content, and others. Below is a summary of the valuation process using the comparable method and the amendments made to the available comparisons

| Characteristics of Samples            |                  |                |        |                |        |                |       |
|---------------------------------------|------------------|----------------|--------|----------------|--------|----------------|-------|
| Feature                               | Subject Property | Sample 1       |        | Sample 2       |        | Sample 3       |       |
| Quoting                               | -----            | Offering       |        | Offering       |        | Offering       |       |
| City                                  | Riyadh           | Riyadh         |        | Riyadh         |        | Riyadh         |       |
| Sale Price                            | -----            | SAR 73,800,000 |        | SAR 61,500,000 |        | SAR 60,700,000 |       |
| Data Source                           | Client           | Market Survey  |        | Market Survey  |        | Market Survey  |       |
| Area Size                             | 6,050.00         | 9,000.00       |        | 7,300.00       |        | 5,400.00       |       |
| SAR / Sqm                             | -----            | SAR 8,200      |        | SAR 8,425      |        | SAR 11,241     |       |
| Market Conditions Adjustment Analysis |                  |                |        |                |        |                |       |
|                                       | Subject Property | Sample 1       |        | Sample 2       |        | Sample 3       |       |
| SAR/ Sqm before Adj.                  | -----            | SAR 8,200.0    |        | SAR 8,424.7    |        | SAR 11,240.7   |       |
| Mortgage                              | -----            | Cash           |        | Cash           |        | Cash           |       |
| Market Conditions                     | -----            | 0.00%          |        | 0.00%          |        | 0.00%          |       |
| Total Adjustments Ratio               |                  | 0.00%          |        | 0.00%          |        | 0.00%          |       |
| Total Adjustment Amount               |                  | SAR 0.00       |        | SAR 0.00       |        | SAR 0.00       |       |
| Net After Adjustment                  |                  | SAR 8,200.00   |        | SAR 8,424.66   |        | SAR 11,240.74  |       |
| Location Adjustment Analysis          |                  |                |        |                |        |                |       |
|                                       | Subject Property | Sample 1       |        | Sample 2       |        | Sample 3       |       |
| Area Size                             | 6,050.00         | 9,000.00       | -5.00% | 7,300.00       | -5.00% | 5,400.00       | 0.00% |
| Location Desirability                 | Average          | Average        | -2.50% | Average        | 0.00%  | Average        | 0.00% |
| Accessibility                         | Average          | Average        | 0.00%  | Average        | 0.00%  | Average        | 0.00% |
| Main Street Width (m)                 | 40               | 40             | 0.00%  | 30             | 0.00%  | 40             | 0.00% |
| Sides Open                            | 3                | 4              | -2.50% | 2              | 2.50%  | 2              | 2.50% |
| Land Shape                            | Regular          | Regular        | 0.00%  | Regular        | 0.00%  | Regular        | 0.00% |
| Close to main street                  | Yes              | Yes            | 0.00%  | Yes            | 0.00%  | Yes            | 0.00% |
| Total Adjustments Ratio               |                  | -10.00%        |        | -2.50%         |        | 2.50%          |       |
| Total Adjustment Amount               |                  | -SAR 820.0     |        | -SAR 210.6     |        | SAR 281.0      |       |
| Net After Adjustment                  |                  | SAR 7,380.0    |        | SAR 8,214.0    |        | SAR 11,521.8   |       |
| Weighted Mean                         |                  | 70%            |        | 15%            |        | 15%            |       |
|                                       |                  | SAR 5,166.00   |        | SAR 1,232.11   |        | SAR 1,728.26   |       |
| SAR / Sqm                             | SAR 8,126        |                |        |                |        |                |       |
| Rounded Value                         | SAR 8,100        |                |        |                |        |                |       |

| Property Value | Sensitivity Analysis |                |                |                |                |                |
|----------------|----------------------|----------------|----------------|----------------|----------------|----------------|
|                | -10%                 | -5%            | 0%             | 5%             | 10%            |                |
| SAR 49,000,000 | Land Area            | 6,050          | 6,050          | 6,050          | 6,050          | 6,050          |
|                | SAR / Sqm            | SAR 7,290.0    | SAR 7,695.0    | SAR 8,100.0    | SAR 8,505.0    | SAR 8,910.0    |
|                | Property Value       | SAR 44,104,500 | SAR 46,554,750 | SAR 49,005,000 | SAR 51,455,250 | SAR 53,905,500 |

Based on the market samples obtained with the assistance of some real estate experts in the region and the inspection made by our team, the average price for similar properties falls in the range of 7,900 and 8,300 SAR/ Sqm, we will base our valuation on the average rate 8,100 SAR/ Sqm. When comparing with the results of the analysis of comparisons, we found that the property value falls within the same range and is close to the market average values.





## 4.2 Depreciated Replacement Cost (DRC) Approach

As a first step, the cost of reconstructing the building (the cost of replacement) was estimated, based on the average construction costs of similar properties and at the same level of finishes, services, utilities, and others. The opinion of some engineering experts was used in this regard. The following table shows the expected replacement costs for such property.

|                            | Min Cost (SAR / Sqm) | Max Cost (SAR / Sqm) | Average Cost |
|----------------------------|----------------------|----------------------|--------------|
| <b>Concrete Cost</b>       | SAR 900              | SAR 1,100            | SAR 1,000    |
| <b>MEP</b>                 | SAR 550              | SAR 650              | SAR 600      |
| <b>Finishing Materials</b> | SAR 350              | SAR 450              | SAR 400      |
| <b>Site Improvements</b>   | SAR 100              | SAR 140              | SAR 120      |
| <b>Developer Profit</b>    | 18%                  | 22%                  | 20%          |

In the following table, we will estimate the direct replacement cost of the property taking into consideration the main components of the building, such as the concrete structure, electromechanical work, finishes, site improvements, etc. Then we will estimate the value of the indirect costs as a percentage of the total direct costs to estimate the total construction costs of the project

| <b>Land</b>             |                 |  |                |
|-------------------------|-----------------|--|----------------|
| Land Area               | SAR / Sqm       |  | Total Value    |
| 6,050.00                | SAR 8,100       |  | SAR 49,005,000 |
| <b>Building</b>         |                 |  |                |
|                         | Unit            |  | Total BUA      |
| <b>Ground Floor</b>     | Sqm             |  | 2,916.20       |
| <b>Mezzanine</b>        | Sqm             |  | 2,603.70       |
| <b>Electricity Room</b> | Sqm             |  | 128.34         |
| <b>Fences</b>           | L m             |  | 171            |
| <b>Total (SQM)</b>      | <b>5,648.24</b> |  |                |

| <b>Development Cost</b>           |          |           |                       |                 |                       |
|-----------------------------------|----------|-----------|-----------------------|-----------------|-----------------------|
| <b>Hard Cost - (Upper Floors)</b> |          |           |                       |                 |                       |
|                                   | Area     | SAR / Sqm | Total                 | Completion Rate | Total Cost            |
| Skeleton and Block                | 5,648.24 | SAR 1,000 | SAR 5,648,240         | 100%            | SAR 5,648,240         |
| Electro Mechanic                  | 5,648.24 | SAR 600   | SAR 3,388,944         | 100%            | SAR 3,388,944         |
| Finishing                         | 5,648.24 | SAR 400   | SAR 2,259,296         | 100%            | SAR 2,259,296         |
| Site Improvement                  | 6,050.00 | SAR 120   | SAR 726,000           | 100%            | SAR 726,000           |
| <b>Total</b>                      |          |           | <b>SAR 12,022,480</b> | <b>100%</b>     | <b>SAR 12,022,480</b> |

| Overall Soft Cost              |                          |  |                 |                           |                         |
|--------------------------------|--------------------------|--|-----------------|---------------------------|-------------------------|
|                                |                          |  | Total Hard Cost | Ratio                     | Soft Cost               |
| Initial Project Pre Cost       |                          |  | SAR 12,022,480  | 0.10%                     | SAR 12,022              |
| Design                         |                          |  | SAR 12,022,480  | 1.00%                     | SAR 120,225             |
| Eng Consultant                 |                          |  | SAR 12,022,480  | 1.00%                     | SAR 120,225             |
| Management                     |                          |  | SAR 12,022,480  | 5.00%                     | SAR 601,124             |
| Contingency                    |                          |  | SAR 12,022,480  | 5.00%                     | SAR 601,124             |
| Others                         |                          |  | SAR 12,022,480  | 0.00%                     | SAR 0                   |
| <b>TOTAL</b>                   |                          |  |                 | <b>12.10%</b>             | <b>SAR 1,454,720.08</b> |
| <b>Total Hard Cost</b>         | <b>SAR 12,022,480</b>    |  |                 | <b>BUA</b>                | <b>5,648.24</b>         |
| <b>Total Soft Cost</b>         | <b>SAR 1,454,720.08</b>  |  |                 | <b>SAR / Sqm</b>          | <b>SAR 2,386</b>        |
| <b>Total Construction Cost</b> | <b>SAR 13,477,200.08</b> |  |                 | <b>Overall Completion</b> | <b>100%</b>             |

After knowing the total construction costs at a rate of 2,386 SAR per square meter, we will estimate the economic life of the property according to the type of construction and its general condition, then apply the depreciation rates based on the actual age of the property. The developer's profitability will be added to the property's value after depreciation to reflect the estimated fair value of the building.

| DEVELOPMENT VALUE     |                |                         |                |
|-----------------------|----------------|-------------------------|----------------|
| Total Dev Cost        | SAR 13,477,200 | Annual Dep Rate         | 2.0%           |
| Total Completion Rate | 100%           | Actual Age              | 4              |
| Developer Profit Rate | 20.0%          | Total Dep Rate          | 8.00%          |
| Dev. Profit Amount    | SAR 2,695,440  | Add Appr Rate           | 0.00%          |
| Development Value     | SAR 15,094,464 | Net Dep Rate            | 8.00%          |
| Economic Age          | 50             | Cost After Depreciation | SAR 12,399,024 |

In order to determine the full value of the property, the construction costs will be added to the fair value of the land as follows:

| Total Dev. Value | Land Value     | Total Property Value | Rounded Value  |
|------------------|----------------|----------------------|----------------|
| SAR 15,094,464   | SAR 49,005,000 | SAR 64,099,464       | SAR 64,100,000 |

### 4.3 Income Approach- Market Rates

#### Market Rental Analysis

By studying the rental rates for similar properties in the surrounding area of the subject property, we have found that the average renting rates for commercial units range from 1,100 to 1,300 SAR / Sqm. The following is a table that shows some of the comparisons that were used in analysing the market rental rates, as well as the occupancy rates for similar properties:

|                     | Commercial Showroom Units |
|---------------------|---------------------------|
| <b>Comparable</b>   | Rental Rate/ Sqm          |
| <b>Comparable 1</b> | 1,375 SAR/ Sqm            |
| <b>Comparable 2</b> | 1,100 SAR/ Sqm            |
| <b>Average</b>      | <b>1,250 SAR/ Sqm</b>     |



**Analysis of Operating and Maintenance Expenses**

The operating expenses of similar properties reached between 8% to 12% of the total expected income for the property. These ratios depend on the condition and quality of the property and the type of services and public facilities available in the property itself. These ratios are divided into several main categories as follows:

|                                    |            |
|------------------------------------|------------|
| Management expenses                | 3% to 5%   |
| Operating and maintenance expenses | 3% to 5%   |
| General service bills expenses     | 3% to 4%   |
| Other incidental expenses          | 10% to 15% |

**Property Operation and Maintenance Expenses**

The maintenance and operation costs of the project are assumed accordingly to market averages for similar projects. Therefore, we will apply the rate of 24% as the OPEX which will be calculated from the total revenues of the property. This ratio is based on the condition and quality of the property and the type of services and public facilities available in the property itself.

**Market Capitalization Rate Analysis**

Based on recent transactions of real estate properties and funds, the average capitalization rate of acquiring such property falls in the range of 8% to 9%. This average is mainly driven by several factors such as the quality of the building, finishing materials, the general location, ease of access, actual age of the property, size of the project, and the extent of income stability in it. In addition to the above, the capitalization rates are also affected directly by the supply and demand rates for the same type of real estate.

**The Capitalization Rate Used for the Valuation**

With regard to the capitalization rate used in the valuation, we will base our analysis on the average capitalization rates based on the market and then make some adjustments based on the property situation in terms of its characteristics, location and some other important elements.

With regard to the capitalization rate used in the valuation, we will rely on the averages of the capitalization rate by market and then make some adjustments based on the real estate situation in terms of the following:

- Easy access to the property
- The general condition of the property
- The general location of the property
- Quality of finishes
- Quality and presence of management team
- Services and public utilities

| Project          | Sample 1   | Sample 2   | Sample 3    |
|------------------|------------|------------|-------------|
| Sale Price       | 86,455,000 | 93,349,500 | 104,500,000 |
| Revenue          | 7,564,813  | 7,467,960  | 8,360,000   |
| Cap Rate         | 8.75%      | 8.00%      | 8.00%       |
| Average Cap Rate |            | 8.25%      |             |

The estimated capitalization rate for the property, which will be based on the valuation process, is 8.25%, which will be applied subsequently to the net operating income of the property.

| Revenues                       |                 |             |                       |            |                         |                      |
|--------------------------------|-----------------|-------------|-----------------------|------------|-------------------------|----------------------|
| Unit Type                      | Quantity        |             | Revenues              |            | Total Revenues          |                      |
| Unit Type                      | Total GLA       | No of Units | SAR / Sqm             | SAR / Unit | Total Revenues          |                      |
| Show Rooms                     | 5,941           | 0           | SAR 1,250             | SAR 0      | SAR 7,426,250           |                      |
|                                |                 |             |                       |            | <b>Total Revenues</b>   | <b>SAR 7,426,250</b> |
| Expenses                       |                 |             |                       |            |                         |                      |
| Unit Type                      | Management      | Utilities   | Maintenance           | Others     | Total Expenses          |                      |
| Show Rooms                     | 3.00%           | 3.00%       | 3.00%                 | 15.00%     | 24.00%                  |                      |
|                                |                 |             |                       |            | <b>Total Expenses</b>   | <b>24.00%</b>        |
| Net Operating Income           |                 |             |                       |            |                         |                      |
| Unit Type                      | Total Revenues  |             | Total Expenses        |            | NOI                     |                      |
| Show Rooms                     | SAR 7,426,250   |             | 24.00%                |            | SAR 5,643,950           |                      |
|                                |                 |             |                       |            | <b>Total</b>            | <b>SAR 5,643,950</b> |
| <b>Total Property Revenues</b> |                 |             |                       |            | SAR 7,426,250           |                      |
| <b>Total Property Expenses</b> |                 |             |                       |            | -SAR 1,782,300          |                      |
| <b>Net Operating Income</b>    |                 |             |                       |            | <b>SAR 5,643,950.00</b> |                      |
| <b>Net Operating Income</b>    | <b>Cap Rate</b> |             | <b>Property Value</b> |            | <b>Rounded Value</b>    |                      |
| <b>SAR 5,643,950.00</b>        | <b>8.25%</b>    |             | <b>68,411,515.15</b>  |            | <b>SAR 68,410,000</b>   |                      |

#### 4.4 Income Approach- Actual Rates

##### Actual Rental Analysis

The client provided us with the list of tenants related to the subject property and which are shown below:

| UNIT # | UNIT      | LEASED AREA (SQM) | TOTAL INCOME        |
|--------|-----------|-------------------|---------------------|
| 4      | Show Room | 415.25            | 415,000.00          |
| 5      | Show Room | 415.25            | 433,675.00          |
| 6      | Show Room | 415.25            | 415,000.00          |
| 7      | Show Room | 415.25            | 348,810.00          |
| 8      | Show Room | 207.50            | 302,588.00          |
| 9      | Show Room | 207.50            | 302,588.00          |
| 10     | Show Room | 415.00            | 378,907.50          |
| 11     | Show Room | 415.00            | 378,907.50          |
| 12     | Show Room | 415.25            | 415,000.00          |
| 13     | Show Room | 366.18            | 403,201.00          |
| 14     | Show Room | 374.67            | 340,945.15          |
| 15     | Show Room | 374.67            | 340,945.15          |
|        |           |                   | <b>4,475,567.30</b> |

The client informed us that the occupancy rate is 75%.

Based on the above, the value of the property using the income capitalization method is as follows:

| Revenues                       |                |             |                   |            |                       |                      |
|--------------------------------|----------------|-------------|-------------------|------------|-----------------------|----------------------|
| Unit Type                      | Quantity       |             | Revenues          |            |                       |                      |
| Unit Type                      | Total GLA      | No of Units | SAR / Sqm         | SAR / Unit | Total Revenues        |                      |
| Show Rooms                     | 4,437          | 12          | SAR 0             | SAR 0      | SAR 4,475,567         |                      |
|                                |                |             |                   |            | <b>Total Revenues</b> | <b>SAR 4,475,567</b> |
| Expenses                       |                |             |                   |            |                       |                      |
| Unit Type                      | Management     | Utilities   | Maintenance       | Others     | Total Expenses        |                      |
| Show Rooms                     | 0.00%          | 0.00%       | 0.00%             | 0.00%      | 532,600               |                      |
|                                |                |             |                   |            | <b>Total Expenses</b> | <b>532,600</b>       |
| Net Operating Income           |                |             |                   |            |                       |                      |
| Unit Type                      | Total Revenues |             | Total Expenses    |            | NOI                   |                      |
| Show Rooms                     | SAR 4,475,567  |             | 532,600           |            | SAR 3,942,967         |                      |
|                                |                |             |                   |            | <b>Total</b>          | <b>SAR 3,942,967</b> |
| <b>Total Property Revenues</b> |                |             |                   |            | SAR 4,475,567         |                      |
| <b>Total Property Expenses</b> |                |             |                   |            | -SAR 532,600          |                      |
| <b>Net Operating Income</b>    |                |             |                   |            | <b>SAR 3,942,967</b>  |                      |
| Net Operating Income           | Cap Rate       |             | Property Value    |            | Rounded Value         |                      |
| SAR 3,942,967                  | 8.25%          |             | 47,793,543.03 SAR |            | SAR 47,790,000        |                      |

#### 4.5 Subject Property Value in Different Approaches

| Methodology           | Subject of Valuation | Value in Numbers | Value in Letters   |
|-----------------------|----------------------|------------------|--|
| <b>Income- Actual</b> | Property             | SAR 47,790,000   | Forty-Seven Million Seven Hundred Ninety Thousand Saudi Riyals |
| <b>Income- Market</b> | Property             | SAR 68,410,000   | Sixty-Eight Million and Four Hundred Ten Thousand Saudi Riyals |
| <b>DRC Approach</b>   | Land + Building      | SAR 64,100,000   | Sixty-Four Million One Hundred Thousand Saudi Riyals           |

#### 4.6 Subject Property Value

We are of an opinion that the total fair value of the subject property taking into consideration the purpose of valuation by using the Income Approach- Market Rates is:

**Property Value: 68,410,000 SAR**  
**Sixty-Eight Million and Four Hundred Ten Thousand Saudi Riyals.**

#### 4.7 Notes

We trust that this report and valuation fulfills the requirement of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright. This report is compiled based on the information received to the best of our belief, knowledge and understanding. The information revealed in this report is strictly confidential and issued for the consideration of the client. The valuer's approval is required in writing to reproduce this report either electronically or otherwise and for further onward distribution, hence no part of this report may be copied without prior consent.

#### 4.8 Accredited Valuers

**Essam M. Al Husaini**  
 President



Fellow Member of (RE Valuation)  
 License No. 1210000474

**Nabeel M. Al Husaini**  
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 Valuer



Member of (RE Valuation)  
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Membership- RE Branch  
 Membership No.:  
 11000171



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## 5.2 Real Estate Valuation License



وزارة التجارة والاستثمار  
Ministry of Commerce and Investment



### ترخيص مزاولة مهنة لفرع تقييم العقارات

فئة العضوية: أساسي

المقر الرئيسي: الرياض

رقم الترخيص 1210000474 تاريخ إصداره 1437/8/1 هـ تاريخ انتهائه 1447/8/24 هـ

يرخص **عصام محمد عبدالله الحسيني** (سعودي الجنسية) سجل مدني رقم 1044275947 لمزاولة المهنة

وقد منح هذا الترخيص بعد أن استوفى شروط القيد الواردة في المادة الخامسة من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/9 هـ بموجب قرار لجنة قيد المقيمين رقم (95/ق/3/42) وتاريخ 1442/5/22 هـ

رئيس لجنة قيد المقيمين

أ. وليد بن عبدالله الرويشد

ختم الوزارة

وزارة التجارة والاستثمار  
Ministry of Commerce and Investment  
إدارة المهن الاستشارية





WHITE CUBES

**Al Khabeer Capital**  
**Vision College - Jeddah**  
**(Previously Al Farabi College)**  
Awal Al Malqa Real Estate Company

Jeddah City  
June 2023



**REF:** 23-0424  
**Code:**  
**Date:** 30/06/2023  
**M/S:** Awal Al Malqa Real Estate Company

**Subject: Valuation Report for Vision College (Previously Al Farabi) in Jeddah City, Saudi Arabia.**

Dear Sir,

With reference to your request and approval dated on 29<sup>th</sup> of May 2023. We will provide you with a detailed report on the property under evaluation, including a market analysis, an economic analysis, and a description of the valuation methods. In addition, we WHITE CUBES guarantee the confidentiality of the client's information and are committed to complete impartiality in the evaluation process and acknowledge that there are no common interests between WHITECUBES and the client.

**WHITE CUBES Consulting Services Co.**

**Mr. Essam M. Al-Husaini – President**

Fellow Member of the Saudi Authority of Accredited Valuers  
License No. 1210000474  
Issued: 01/08/1437 Exp: 24/08/1447  
WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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WHITE **CUBES**

# EXECUTIVE SUMMARY

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EXECUTIVE  
SUMMARY

## Executive Summary

|                             |  |
|-----------------------------|--|
| <b>Reference No.</b>        |  |
| <b>Dep. Code</b>            |  |
| <b>Report Type</b>          | Detailed Report.   |
| <b>Client</b>               | Awal Al Malqa Real Estate Company.   |
| <b>Report user</b>          | Awal Al Malqa Real Estate Company.   |
| <b>Other users</b>          | Investors or those wishing to invest in the Real Estate Investment Trust.                                    |
| <b>Purpose of Valuation</b> | Inclusion in financial statements.   |
| <b>Subject Property</b>     | Educational Facility.  |
| <b>Property Location</b>    | Al Rayaah district, Jeddah City.   |
| <b>Title Deed No.</b>       | 993788002766   |
| <b>Title Deed Date</b>      | 23/04/1443   |
| <b>Ownership Type</b>       | Title deed-restricted  |
| <b>Limitations</b>          | Mortgaged to Al Rajhi Banking Investment Company.  |
| <b>Owner</b>                | Awal Al Malqa Real Estate Company.   |
| <b>Land Use</b>             | Educational  |
| <b>Land Area (Sqm)</b>      | The land has an area size of 3,020.18 Sqm  |
| <b>BUA (Sqm)</b>            | As per the provided construction permit, the total BUA is 15,375 Sqm.  |
| <b>GLA (Sqm)</b>            | Based on the leasing contract provided by the client, the subject property is fully leased to one tenant.    |
| <b>Basis of Value</b>       | Fair Value.  |
| <b>Value Hypothesis</b>     | Current use.   |
| <b>Valuation Approach</b>   | Comparable Approach, Cost Approach and Income Approach.  |
| <b>Currency</b>             | Saudi Arabian Riyal  |
| <b>Final Property Value</b> | SAR 100,000,000  |
| <b>Report Date</b>          | 30/06/2023   |
| <b>Valuation Date</b>       | 30/06/2023   |
| <b>Inspection Date</b>      | 11/06/2023   |
| <b>Expiry Date</b>          | 120 days from date of the inspection, unless there're any economic changes that affect the subject property. |





WHITE **CUBES**

**SCOPE OF WORK**

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SCOPE OF  
WORK

## Scope of Work

### 1.1 Introduction

This report was prepared by WHITE CUBES Co. based on the International Valuation Standards of the Council of International Assessment Standards (IVSC 2022) and the Guide to Practice and Regulations issued by the Saudi Authority of Accredited Valuers (Taqeem), to ensure accurate access to information, the evaluation report must be read in its entirety, our firm is pleased to offer its services to Awal Al Malqa Real Estate Company in order to estimate the fair value of the property that is being evaluated.

### 1.2 Purpose of valuation

The client requested that we evaluate the subject properties for **inclusion in the financial statements.**

### 1.3 Basis of Valuation

**According to Paragraph 1.2, the appropriate basis for value adopted in the evaluation process is the fair value of the property.**

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the principle of an "exit price,"

### 1.4 Valuation Methods

Depending on the purpose of the valuation, and upon the request of the client, we will apply the comparable approach, cost approach and income approach.

### 1.5 Currency

Unless otherwise stated, all values in the report are in Saudi Arabian Riyals.

### 1.6 Scope of Research

Research is an important part of the valuation process. We will conduct extensive research and analysis of various factors that can impact the value of a property or asset, such as market conditions, comparable sales, property characteristics, income potential, and legal and regulatory factors.

## 1.7 Property Inspection

Inspection refers to visiting and inspecting an asset, testing its performance, and gathering information about it from quantities, specifications, land area, building areas, rental areas, services, public utilities, project components, etc., so that an opinion can be expressed regarding its value. Therefore, we confirm that subject property was inspected on June 11, 2023. We will then use this evidence to assess and evaluate the project. We remain committed to providing the client with an accurate and reliable valuation.

## 1.8 Information Sources

An on-site field survey was conducted by our team to ensure the accuracy of some market information required for the valuation, including nearby asset prices, occupancy rates, and specific information about the asset under valuation, to determine its actual fair value. The following sources were used during the field research process:

- Property records: In the absence of property ownership documents, the client has provided us with some information about the assets.
- Market trends: Real estate market trends and economic indicators can be used to assess the overall demand and supply for properties in the area.
- Income analysis: Income-producing properties such as rental properties can be valued based on their income potential.
- Personal inspection: A physical inspection of the property can provide valuable information on its condition and any unique features that may affect its value.

## 1.9 Assumptions and Special Assumptions

As defined by the International Valuation Standards, assumptions are logical matters that can be accepted as facts during valuation work without being specifically checked or scrutinized. They are accepted as soon as they are mentioned. Based on the facts at the time of the valuation.

- It has been assumed that the information provided by the client is accurate, but we were not provided with the ownership documents for the asset.
- Assumed that all information received from the client is accurate and up to date as of the date of the valuation, whether oral or written.
- This is a valuation report rather than a structural survey. As a result, we did not conduct any utility checks, service checks, soil tests, etc.
- The valuation methodologies are based on market data compiled using our relevant market knowledge and experience.
- This report's output (final value) is derived from assumptions used, documents received from the client, and market data. Nevertheless, the output estimates provide an indication of the property's value.
- After studying the market and using the built-up model, a discount rate of 7.5% was assumed for the project.

### **1.10 Use, Distribution, and Publication Restrictions**

To estimate the fair value of the assets being evaluated, WHITE CUBES Co. has prepared this report. There are restrictions on the transfer, referencing, and presentation of this report and its contents to any other party except as stipulated in the contract letter, and the client must obtain our prior written consent in order to use this report for any other purpose other than that stated in this report.

### **1.11 Legal Notes**

As far as we are aware, no legal notices have been served on the property, whether they are in progress or pending in the court system.



WHITE **CUBES**

**PROPERTY DETAILS**

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PROPERTY  
DETAILS

## Property and Location Description

### 2.1 Property Description

The subject property is Vision College (Previously Al Farabi) educational facility in Al Rayaan district, Jeddah city. Based on the provided copy of the title deed and the construction permit, the property has a total land area of 3,020.18 Sqm, total BUA of 15,375 Sqm. Composed of 13 floors. As per the site inspection done by our team, the property is open from 1 side. With directed view on Al Rahmaniya Road from the west side.

### 2.2 Surrounding Area

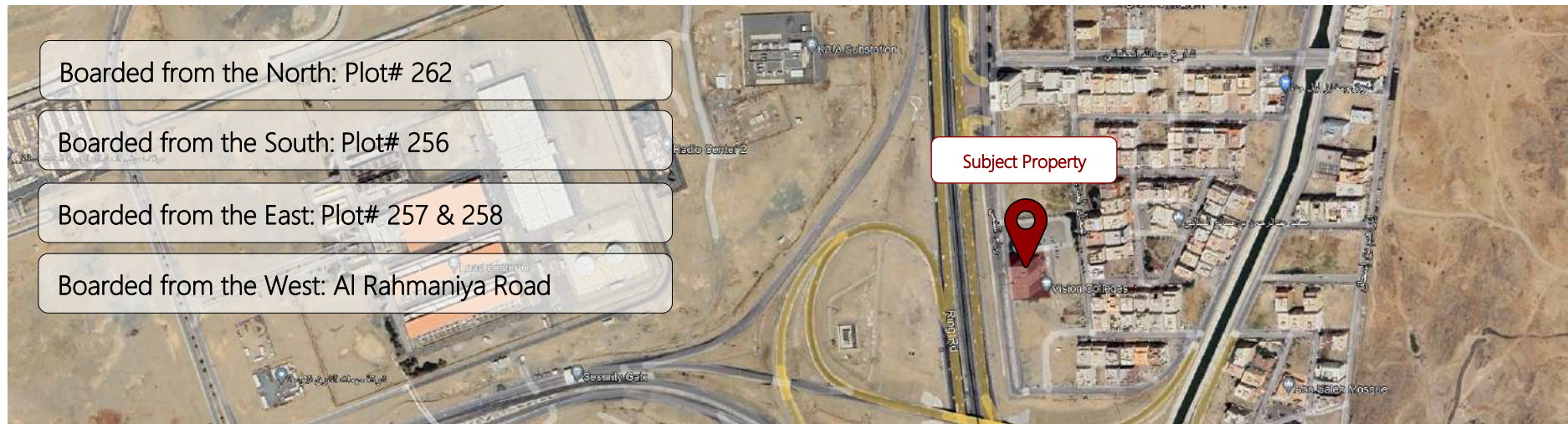
The subject property is surrounded mostly by several residential buildings and vacant lands.

### 2.3 Ease of Access

Based on the current location of the subject property, the access level is Medium since it is located on Al Rahmaniya Road.

### 2.4 Infrastructure

All the infrastructural facilities are available in the surroundings and connected to the subject property.



## 2.5 Title Deed and Ownership

The client provides us with a copy of the title deed related to the subject property which is owned by one title deed. The details of the subject property:

|                                 |                     |                               |                                   |
|---------------------------------|---------------------|-------------------------------|-----------------------------------|
| <b>City</b>                     | Jeddah              | <b>Land Area</b>              | 3,020.18 Sqm                      |
| <b>District</b>                 | Al Rayaan           | <b>Plot No.</b>               | 259                               |
| <b>T.D Type</b>                 | Electronic          | <b>Block No.</b>              | ---                               |
| <b>T.D Number</b>               | 993788002766        | <b>Layout No.</b>             | 416/ج/س                           |
| <b>T.D Date</b>                 | 23/04/1443          | <b>Owner</b>                  | Awal Al Malqa Real Estate Company |
| <b>T.D Value</b>                | ---                 | <b>Ownership Type</b>         | Restricted                        |
| <b>Date of Last Transaction</b> | 23/04/1443          | <b>Limitation of Document</b> | Mortgaged                         |
| <b>Issued From</b>              | Ministry of Justice |                               |                                   |
|                                 |                     |                               |                                   |
| <b>North Side</b>               | Plot# 262           | <b>East Side</b>              | Plot# 257 & 258                   |
| <b>South Side</b>               | Plot# 256           | <b>West Side</b>              | 25 meters street                  |

**Note:** The client has provided us with a copy of the Title Deed which was assumed to be correct and authentic. It is not in our scope to run legal diagnosis on any legal document.

## 2.6 Construction and Buildings

The building permit indicates the maximum permissible BUA approved by the city municipality. However, the actual area may differ from the area mentioned in the building permit. Therefore, the Client has provided us with a copy of the Construction Permit issued by Riyadh Municipality with the below details:

| Subject Property                |                      |
|---------------------------------|----------------------|
| <b>Construction Permit Type</b> | New Permit           |
| <b>Property Type</b>            | Educational Facility |
| <b>Construction Permit No.</b>  | 3748                 |
| <b>Construction Permit Date</b> | 01/05/1430           |

| Description            | Area (sqm)    | Use                              |
|------------------------|---------------|----------------------------------|
| Basement               | 5946.95       | Parking                          |
| Service Floor          | -             | -                                |
| Ground Floor           | 920           | Residential- Commercial- Parking |
| Mezzanine              | 780           | Residential- Commercial          |
| First Floor            | 1,025         | Residential                      |
| Second Floor           | 1,025         | Residential                      |
| Third Floor            | 1,025         | Residential                      |
| Repeated Floor         | 8,200         | Residential                      |
| <b>Total BAU (sqm)</b> | <b>15,375</b> |                                  |



2.7 Photographs of the Subject Property





WHITE **CUBES**

**MARKET INDICATORS**

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MARKET  
INDICATORS

## Market Indicators

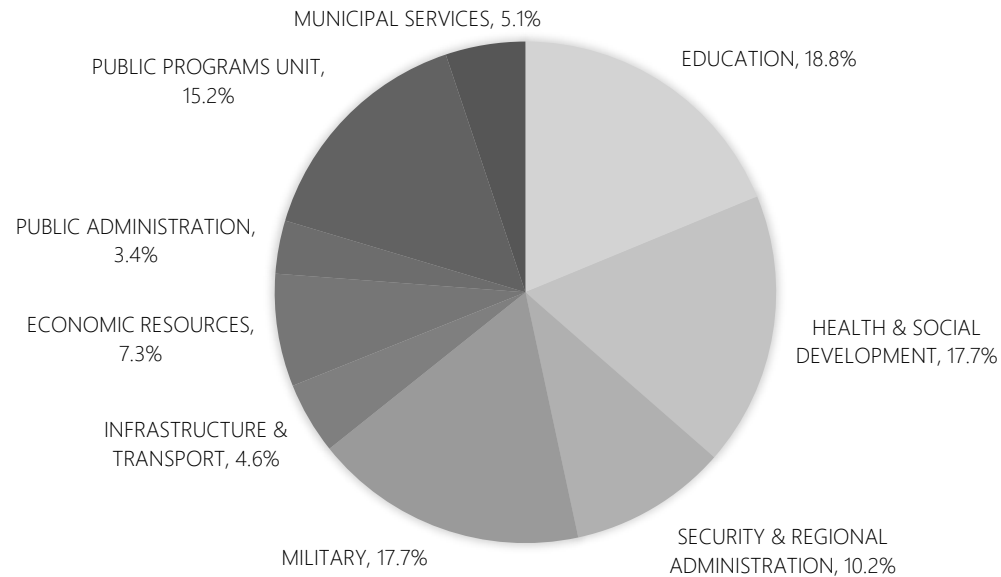
### 3.1 Saudi Arabia Economic Indicators

| Economic Indicator                    | Budget | Expectations | Estimated |       |
|---------------------------------------|--------|--------------|-----------|-------|
|                                       | 2022   | 2023         | 2024      | 2025  |
| <b>Total revenue</b>                  | 1,234  | 1,130        | 1,146     | 1,205 |
| <b>Total expenses</b>                 | 1,132  | 1,114        | 1,125     | 1,134 |
| <b>Budget surplus</b>                 | 102    | 16           | 21        | 71    |
| <b>Debt</b>                           | 985    | 951          | 959       | 962   |
| <b>GDP growth</b>                     | 8.5%   | 3.1%         | 5.7%      | 4.5%  |
| <b>Nominal gross domestic product</b> | 3,957  | 3,869        | 3,966     | 4,247 |
| <b>Inflation</b>                      | 2.6%   | 2.1%         | 2.1%      | 2.0%  |

### 3.2 Budget Allocation for 2022




|                          |            |
|--------------------------|------------|
| Public Administration    | 37 SAR bn  |
| Military                 | 259 SAR bn |
| Security & Regional Adm. | 105 SAR bn |
| Municipal Services       | 63 SAR bn  |
| Education                | 189 SAR bn |
| Health & Social Dev.     | 189 SAR bn |
| Economic Resources       | 72 SAR bn  |
| Infrastructure Transport | 34 SAR bn  |
| General Items            | 165 SAR bn |

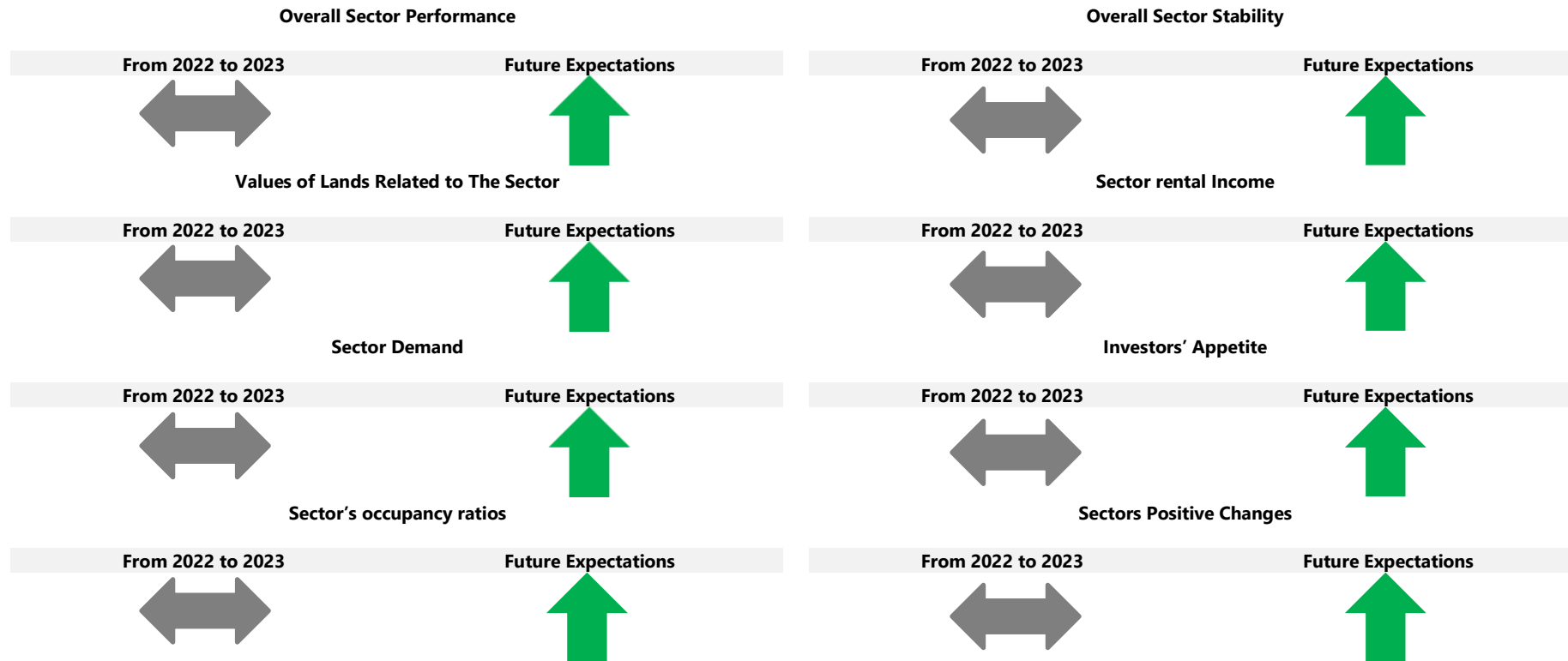
Source: Ministry of Finance



### 3.3 Sector Brief

In the following we will insert general information about the real estate sector related to the property subject of our valuation and which is intended to give an initial indication on the sector. These information and indicators are estimated based on our experience, the current sector performance and some other historical data collected from our side, In addition to some current economic changes in general.

-  Indicator showing a decrease in the current performance comparing to last year
-  Indicator showing an increase in the current performance comparing to last year
-  Indicator showing a stable position in the current performance comparing to last year



White Cubes Team's Analysis

### 3.4 Risk Analysis

#### - Sector Analysis

| Risk Factor                | Very Low Risk (1)<br>1-6 | Minimal Risk (2)<br>7-12 | Medium Risk (3)<br>13-18 | Elevated Risk (4)<br>19-24 | Very High Risk (5)<br>25-30 |
|----------------------------|--------------------------|--------------------------|--------------------------|----------------------------|-----------------------------|
| Overall, Economy           | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Sector Current Performance | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Sector Future Performance  | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Occupancy Rates            | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Supply Rate                | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Demand Rate                | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Total Risk                 | 0                        | 2                        | 15                       | 0                          | 0                           |

**Risk Category 17 Risk Points - Medium Risk**

#### -Land Analysis

| Risk Factor                 | Very Low Risk (1)<br>1-5 | Minimal Risk (2)<br>6-10 | Medium Risk (3)<br>11-15 | Elevated Risk (4)<br>16-20 | Very High Risk (5)<br>21-25 |
|-----------------------------|--------------------------|--------------------------|--------------------------|----------------------------|-----------------------------|
| Access                      | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Location                    | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Land Shape                  | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Surrounding Area facilities | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Total Risk                  | 0                        | 8                        | 0                        | 0                          | 0                           |

**Risk Category 8 Risk Points – Minimal Risk**

#### -Property Analysis

| Risk Factor            | Very Low Risk (1)<br>1-3 | Minimal Risk (2)<br>4-6 | Medium Risk (3)<br>7-9 | Elevated Risk (4)<br>10-12 | Very High Risk (5)<br>13-15 |
|------------------------|--------------------------|-------------------------|------------------------|----------------------------|-----------------------------|
| Facilities & Amenities | ----                     | ----                    | ✓                      | ----                       | ----                        |
| Management Skills      | ----                     | ----                    | ✓                      | ----                       | ----                        |
| Overall Condition      | ----                     | ✓                       | ----                   | ----                       | ----                        |
| Total Risk             | 0                        | 2                       | 6                      | 0                          | 0                           |

**Risk Category 8 Risk Points - Medium Risk**



WHITE **CUBES**

PROPERTY VALUATION

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PROPERTY  
VALUATION

## Property Valuation

### 4 Valuation Methods

With reference to the valuation purpose, taking into consideration the nature of the subject property, we will use the following ticked methods to estimate the fair value of the subject property:

|                  | Market Approach   | Cost Approach | Income Approach |                |                  |            |
|------------------|-------------------|---------------|-----------------|----------------|------------------|------------|
|                  | Comparable method | DRC method    | DCF method      | Invest. method | Cap. Rate method | RLV method |
| <b>Land</b>      | ✓                 | ----          | ----            | ----           | ----             | ----       |
| <b>Buildings</b> | ----              | ✓             | ----            | ----           | ----             | ----       |
| <b>Property</b>  | ----              | ----          | ----            | ----           | ✓                | ----       |

#### CAPITALIZATION METHOD (CAP RATE)

The income approach values property by the amount of income that it can potentially generate. Hence, this method is used for apartments, office buildings, malls, and other property that generates a regular income.

The appraiser calculates the income according to the following steps:

- Estimate the potential annual gross income by doing market studies to determine what the property could earn, which may not be the same as what it is currently earning.
- The effective gross income is calculated by subtracting the vacancy rate and rent loss as estimated by the appraiser using market studies.
- The net operating income (NOI) is then calculated by subtracting the annual operating expenses from the effective gross income. Annual operating expenses include real estate taxes, insurance, utilities, maintenance, repairs, advertising, and management expenses. Management expenses are included even if the owner is going to manage it, since the owner incurs an opportunity cost by managing it herself. The cost of capital items is not included since it is not an operating expense. Hence, it does not include mortgage and interest since this is a debt payment on a capital item.

Estimate the capitalization rate (aka cap rate), which is the rate of return, or yield, that other investors of property are getting in the local market.

## **COMPARABLE METHOD**

This is the method most are familiar with as it is the accepted method for valuing residential real estate. Typically, this method involves selecting properties with similar characteristics in the same market area that have recently sold. Once those properties are found they are compared to the property in question and a professional appraiser will deduct value from the subject property for comparative deficiencies and increase value for advantages. Typically, this method is required if the investor is seeking conventional financing. For comparable information, property brokers, dealers and estate agents are contacted to ascertain the asking and selling prices for property of the nature in the immediate neighborhood and adjoining areas. Neighboring properties, which have been recently sold or purchased, are investigated to ascertain a reasonable selling price.

## **DEPRECIATED REPLACEMENT COST (DRC)**

A cost approach is a real estate valuation method that surmises that the price someone should pay for a piece of property should not exceed what someone would have to pay to build an equivalent building. In cost approach pricing, the market price for the property is equivalent to the cost of land plus cost of construction, less depreciation. It is often most accurate for fair value when the property is new. Generally, the cost approach considers what the land, devoid of any structures, would cost, then adds the cost of building the structures, then depreciation is subtracted. The cost approach is most often used for public buildings, such as schools and mosques, because it is difficult to find recently sold comparable properties in the local market, and public buildings do not earn income, so the income approach cannot be used, either. A property that already has improvements will usually contribute a certain amount of value to the site, but improvements can also lower property value if the site's potential buyers wish to use the property for another use that would entail removing some of the improvements to the current site. The cost approach is best used when improvements are new and there is adequate pricing information to value the property components. The cost approach may be less desirable if there are no recent sales of vacant land for which to compare, since the major method of valuing vacant lands is to use the sales comparison approach, or when construction costs are not readily available. The cost approach method includes:

- Estimate what the subject property would be worth.
- Estimate the current cost of building the structures, then add that value to the value of the vacant land.
- Estimate the amount of accrued depreciation of the subject property, then subtract it from the total to arrive at the property's worth.



## 4.1 Comparable Method

This method aims to collect data and information on actual sales and / or current offers of similar properties within the surrounding market, and then make the necessary adjustments to these comparisons in terms of area, location, shape, quality, content, and others. Below is a summary of the valuation process using the comparable method and the amendments made to the available comparisons

| Characteristics of Samples            |                  |                |  |                |  |                |  |
|---------------------------------------|------------------|----------------|--|----------------|--|----------------|--|
| Feature                               | Subject Property | Sample 1       |  | Sample 2       |  | Sample 3       |  |
| Quoting                               | -----            | Offering       |  | Offering       |  | Offering       |  |
| City                                  | Jeddah           | Jeddah         |  | Jeddah         |  | Jeddah         |  |
| Sale Price                            | -----            | SAR 23,124,800 |  | SAR 21,450,000 |  | SAR 19,700,000 |  |
| Data Source                           | Client           | Market Survey  |  | Market Survey  |  | Market Survey  |  |
| Area Size                             | 3,020.18         | 4,768.00       |  | 3,720.00       |  | 4,330.00       |  |
| SAR / Sqm                             | -----            | SAR 4,850      |  | SAR 5,766      |  | SAR 4,550      |  |
| Market Conditions Adjustment Analysis |                  |                |  |                |  |                |  |
|                                       | Subject Property | Sample 1       |  | Sample 2       |  | Sample 3       |  |
| SAR/ Sqm before Adj.                  | -----            | SAR 4,850.0    |  | SAR 5,766.1    |  | SAR 4,549.7    |  |
| Mortgage                              | -----            | Cash           |  | Cash           |  | Cash           |  |
| Market Conditions                     | -----            | -----          |  | -----          |  | -----          |  |
| Total Adjustments Ratio               |                  | 0.00%          |  | 0.00%          |  | 0.00%          |  |
| Total Adjustment Amount               |                  | SAR 0.00       |  | SAR 0.00       |  | SAR 0.00       |  |
| Net After Adjustment                  |                  | SAR 4,850.00   |  | SAR 5,766.13   |  | SAR 4,549.65   |  |
| Location Adjustment Analysis          |                  |                |  |                |  |                |  |
|                                       | Subject Property | Sample 1       |  | Sample 2       |  | Sample 3       |  |
| Area Size                             | 3,020.18         | 4,768.00       |  | 3,720.00       |  | 4,330.00       |  |
| Location Desirability                 | Average          | Average        |  | Average        |  | Average        |  |
| Accessibility                         | Average          | Average        |  | Average        |  | Average        |  |
| Main Street Width (m)                 | 25               | 25             |  | 15             |  | 25             |  |
| Sides Open                            | 1                | 2              |  | 2              |  | 2              |  |
| Land Shape                            | Regular          | Regular        |  | Regular        |  | Regular        |  |
| Close to main street                  | Yes              | Yes            |  | Yes            |  | Yes            |  |
| Total Adjustments Ratio               |                  | 0.00%          |  | 2.50%          |  | 0.00%          |  |
| Total Adjustment Amount               |                  | SAR 0.0        |  | SAR 144.2      |  | SAR 0.0        |  |
| Net After Adjustment                  |                  | SAR 4,850.0    |  | SAR 5,910.3    |  | SAR 4,549.7    |  |
| Weighted Mean                         |                  | 15%            |  | 15%            |  | 70%            |  |
|                                       |                  | SAR 727.50     |  | SAR 886.54     |  | SAR 3,184.76   |  |
| SAR / Sqm                             | <b>SAR 4,799</b> |                |  |                |  |                |  |
| Rounded Value                         | <b>SAR 4,800</b> |                |  |                |  |                |  |

| Property Value | Sensitivity Analysis |                |                |                |                |                |
|----------------|----------------------|----------------|----------------|----------------|----------------|----------------|
|                | -10%                 | -5%            | 0%             | 5%             | 10%            |                |
| SAR 14,500,000 | Land Area            | 3,020          | 3,020          | 3,020          | 3,020          | 3,020          |
|                | SAR / Sqm            | SAR 4,320.0    | SAR 4,560.0    | SAR 4,800.0    | SAR 5,040.0    | SAR 5,280.0    |
|                | Property Value       | SAR 13,047,178 | SAR 13,772,021 | SAR 14,496,864 | SAR 15,221,707 | SAR 15,946,550 |

Based on the market samples obtained with the assistance of some real estate experts in the region and the inspection made by our team, the average price for similar properties falls in the range of 4,600 - 5,000 SAR / Sqm with an average of 4,800 SAR / Sqm. When comparing it with the results of the analysis of comparisons, we found that the property value falls within the same range and is close to the market average values.



## 4.2 Depreciated Replacement Cost (DRC)

As a first step, the cost of reconstructing the building (the cost of replacement) was estimated, based on the average construction costs of similar properties and at the same level of finishes, services, utilities, and others. The opinion of some engineering experts was used in this regard. The following table shows the expected replacement costs for such property.

|                            | Min Cost (SAR / Sqm) | Max Cost (SAR / Sqm) | Average Cost |
|----------------------------|----------------------|----------------------|--------------|
| <b>Concrete Cost</b>       | SAR 1,100            | SAR 1,300            | SAR 1,200    |
| <b>MEP</b>                 | SAR 600              | SAR 700              | SAR 650      |
| <b>Finishing Materials</b> | SAR 800              | SAR 900              | SAR 850      |
| <b>Site Improvements</b>   | SAR 80               | SAR 120              | SAR 100      |
| <b>Developer Profit</b>    | 18%                  | 22%                  | 20%          |

In the following table, we will estimate the direct replacement cost of the property taking into consideration the main components of the building, such as the concrete structure, electromechanical work, finishes, site improvements, etc. Then we will estimate the value of the indirect costs as a percentage of the total direct costs to estimate the total construction costs of the project

| Land      |           |                |
|-----------|-----------|----------------|
| Land Area | SAR / Sqm | Total Value    |
| 3,020.18  | SAR 4,800 | SAR 14,496,864 |

| Building           |                  |           |
|--------------------|------------------|-----------|
|                    | Unit             | Total BUA |
| <b>Upper Floor</b> | Sqm              | 15,375.00 |
| <b>Total (SQM)</b> | <b>15,375.00</b> |           |

| Development Cost           |           |           |                       |                 |                       |
|----------------------------|-----------|-----------|-----------------------|-----------------|-----------------------|
| Hard Cost - (Upper Floors) |           |           |                       |                 |                       |
|                            | Area      | SAR / Sqm | Total                 | Completion Rate | Total Cost            |
| Skeleton and Block         | 15,375.00 | SAR 1,200 | SAR 18,450,000        | 100%            | SAR 18,450,000        |
| Electro Mechanic           | 15,375.00 | SAR 650   | SAR 9,993,750         | 100%            | SAR 9,993,750         |
| Finishing                  | 15,375.00 | SAR 850   | SAR 13,068,750        | 100%            | SAR 13,068,750        |
| Site Improvement           | 3,020.18  | SAR 100   | SAR 302,018           | 100%            | SAR 302,018           |
| <b>Total</b>               |           |           | <b>SAR 41,814,518</b> | <b>100%</b>     | <b>SAR 41,814,518</b> |

| Overall Soft Cost               |                          |  |                        |                           |                         |
|---------------------------------|--------------------------|--|------------------------|---------------------------|-------------------------|
|                                 |                          |  | <b>Total Hard Cost</b> | <b>Ratio</b>              | <b>Soft Cost</b>        |
| <b>Initial Project Pre Cost</b> |                          |  | SAR 41,814,518         | 0.10%                     | SAR 41,815              |
| <b>Design</b>                   |                          |  | SAR 41,814,518         | 1.00%                     | SAR 418,145             |
| <b>Eng Consultant</b>           |                          |  | SAR 41,814,518         | 0.50%                     | SAR 209,073             |
| <b>Management</b>               |                          |  | SAR 41,814,518         | 5.00%                     | SAR 2,090,726           |
| <b>Contingency</b>              |                          |  | SAR 41,814,518         | 5.00%                     | SAR 2,090,726           |
| <b>TOTAL</b>                    |                          |  |                        | 11.60%                    | <b>SAR 4,850,484.09</b> |
| <b>Total Hard Cost</b>          | <b>SAR 41,814,518</b>    |  |                        | <b>BUA</b>                | <b>15,375.00</b>        |
| <b>Total Soft Cost</b>          | <b>SAR 4,850,484.09</b>  |  |                        | <b>SAR / Sqm</b>          | <b>SAR 3,035</b>        |
| <b>Total Construction Cost</b>  | <b>SAR 46,665,002.09</b> |  |                        | <b>Overall Completion</b> | <b>100.0%</b>           |

After knowing the total construction costs at a rate of 3,035 SAR per square meter, we will estimate the economic life of the property according to the type of construction and its general condition, then apply the depreciation rates based on the actual age of the property. The developer's profitability will be added to the property's value after depreciation to reflect the estimated fair value of the building.

| DEVELOPMENT VALUE            |                       |                                |                       |
|------------------------------|-----------------------|--------------------------------|-----------------------|
| <b>Total Dev Cost</b>        | <b>SAR 46,665,002</b> | <b>Annual Dep Rate</b>         | 3.3%                  |
| <b>Total Completion Rate</b> | 100.00%               | <b>Actual Age</b>              | 12                    |
| <b>Developer Profit Rate</b> | 20.0%                 | <b>Total Dep Rate</b>          | 40.00%                |
| <b>Dev. Profit Amount</b>    | SAR 9,333,000         | <b>Add Appr Rate</b>           | 0.00%                 |
| <b>Development Value</b>     | <b>SAR 37,332,002</b> | <b>Net Dep Rate</b>            | <b>40.00%</b>         |
| <b>Economic Age</b>          | 30                    | <b>Cost After Depreciation</b> | <b>SAR 27,999,001</b> |

In order to determine the full value of the property, the construction costs will be added to the fair value of the land as follows:

| <b>Total Dev. Value</b> | <b>Land Value</b>     | <b>Total Property Value</b> | <b>Rounded Value</b>  |
|-------------------------|-----------------------|-----------------------------|-----------------------|
| <b>SAR 37,332,002</b>   | <b>SAR 14,496,864</b> | <b>SAR 51,828,866</b>       | <b>SAR 51,830,000</b> |

### 4.3 Income Approach- Leasing Contract

The client informed us that the annual lease of report is 7,500,000 SAR for 25 years where an increase of 5% will be added each 5 years.

#### Market Capitalization Rate Analysis

Based on recent transactions of real estate properties and funds, the average capitalization rate of acquiring such property falls in the range of 7% to 8%. This average is mainly driven by several factors such as the quality of the building, finishing materials, the general location, ease of access, actual age of the property, size of the project, and the extent of income stability in it. In addition to the above, the capitalization rates are also affected directly by the supply and demand rates for the same type of real estate.

#### The Capitalization Rate Used for the Valuation

The capitalization rate was derived by extracting from the market, where we found that the minimum is 8% and the maximum is 7%. A capitalization rate of 7% was assumed and is considered a reasonable percentage after taking into account the components of the property, and it represents the return expected to be achieved by the property at the end of the period, which will be applied later. The net operating income of the property

| Project          | Sample 1   | Sample 2   | Sample 3    |
|------------------|------------|------------|-------------|
| Sale Price       | 86,455,000 | 93,349,500 | 104,500,000 |
| Revenue          | 6,484,125  | 7,467,960  | 7,315,000   |
| Cap Rate         | 7.50%      | 8.00%      | 7.00%       |
| Average Cap Rate |            | 7.50%      |             |

Based on the above, the value of the property using the income capitalization method is as follows:

| Revenues                       |                |  |              |                           |                      |
|--------------------------------|----------------|--|--------------|---------------------------|----------------------|
| Unit Type                      | Quantity       | Revenues   |              | Total Revenues            |                      |
| Unit Type                      | Total GLA      | No of Units                                      | SAR / Sqm    | SAR / Unit                | Total Revenues       |
| Educational Facility           |                | The subject property is Fully leased to 1 tenant |              |                           | SAR 7,500,000        |
|                                |                |  |              | <b>Total Revenues</b>     | <b>SAR 7,500,000</b> |
| Expenses                       |                |  |              |                           |                      |
| Unit Type                      | Management     | Utilities  | Maintenance  | Others                    | Total Expenses       |
| Educational Facility           | 0.00%          | 0.00%  | 0.00%        | 0.00%                     | 0.00%                |
|                                |                |  |              | <b>Total Expenses</b>     | <b>0.00%</b>         |
| Net Operating Income           |                |  |              |                           |                      |
| Unit Type                      | Total Revenues | Total Expenses                                   |              | NOI                       |                      |
| Educational Facility           | SAR 7,500,000  | 0.00%  |              | SAR 7,500,000             |                      |
|                                |                |  | <b>Total</b> | <b>SAR 7,500,000</b>      |                      |
| <b>Total Property Revenues</b> |                |  |              | SAR 7,500,000             |                      |
| <b>Total Property Expenses</b> |                |  |              | SAR 0                     |                      |
| <b>Net Operating Income</b>    |                |  |              | <b>SAR 7,500,000.00</b>   |                      |
| Net Operating Income           | Cap Rate       | Property Value                                   |              | Rounded Value             |                      |
| <b>SAR 7,500,000.00</b>        | <b>7.5%</b>    | <b>100,000,000.00</b>                            |              | <b>SAR 100,000,000.00</b> |                      |

#### 4.4 Subject Property Value in Different Approaches

| Methodology     | Subject of Valuation | Value in Numbers | Value in Letters   |
|-----------------|----------------------|------------------|--|
| Income Approach | Property             | SAR 100,000,000  | One Hundred Million Saudi Riyals                             |
| DRC Approach    | Land + Building      | SAR 51,830,000   | Fifty-One Million Eight Hundred Thirty Thousand Saudi Riyals |

#### 4.5 Subject Property Value

We are of an opinion that the total fair value of the subject property taking into consideration the purpose of valuation by using the Income Approach is:

**Property Value: 100,000,000 SAR  
One Hundred Million Saudi Riyals.**

#### 4.6 Notes

We trust that this report and valuation fulfills the requirements of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright. This report is compiled based on the information received to the best of our belief, knowledge and understanding. The information revealed in this report is strictly confidential and issued for the consideration of the client. The valuer's approval is required in writing to reproduce this report either electronically or otherwise and for further onward distribution, hence no part of this report may be copied without prior consent.

#### 4.7 Accredited Valuers

**Essam M. Al Husaini**  
President



Fellow Member of (RE Valuation)  
License No. 1210000474

**Nabeel M. Al Husaini**  
CEO



Member of (RE Valuation)  
License No. 1210002782

**Farah E. Al Husaini**  
Valuation Manager



Member of (RE Valuation)  
License No. 1210001964

**Nasser A. Al Arifi**  
Valuer



Member of (RE Valuation)  
License No. 1210002399



Membership- RE Branch  
Membership No.:  
11000171



WHITE **CUBES**  
DOCUMENTS

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DOCUMENT

Documents Received

5.1 Title deed and Construction Permit

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الجمهورية العربية السعودية  
وزارة العدل  
[٢٧٧]

تاريخ الصك: ١٤٤٣/٤/٢٣ هـ  
رقم الصك: ٩٩٣٧٨٨٠٠٢٧٦٦

صك

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد: فإن قطعة الأرض رقم 259 من المخطط رقم 416 ج / س الواقع في حي الريان بمدينة جدة . وحدودها وأطوالها : شمالاً: قطعة رقم 262 بطول 60 ستون متر جنوباً: قطعة رقم 256 بطول 60 ستون متر شرقاً: قطعة رقم 257 و 258 بطول 55.02 خمسة و خمسون متر و اثنين سنتمتر غرباً: شارع عرض 25م بطول 50.62 خمسون متر و اثنين و ستون سنتمتر ومساحتها 3020.18 ثلاثة آلاف و عشرون متر مربعاً و ثمانية عشر سنتمتراً مربعاً المملوكة ل شركة أول الملقا العقارية بموجب سجل تجاري رقم 1010893802 بموجب الصك الصادر من الموثقين بجدة 4 برقم 793934000147 في 17 / 11 / 1442 قد تم رهنها وما أقيم أو سيقام عليها من بناء لصالح / شركة الراجحي للتطوير المحدودة بموجب سجل تجاري رقم 1010158249 ضماناً للوفاء ب 420000000 فقط أربعمائة و عشرون مليون ريال سعودي لا غير، سبب الرهن : ضمان وفاء للمديونية وفق لشروط عقد الرهن على أن يتم سداد المديونية على 10 أقساط نصف سنوية وقيمة كل قسط 42000000 اثنان واربعون مليون ريال اعتباراً من تاريخ 2019-6-30م وفي حالة عدم السداد فللمرتهن بيع العقار بالقيمة التي تنتهي عندها الرغبات . واستيفاء مافي ذمة الراهن من مبلغ وما نقص يرجع فيه عليه بعد اكمال مايلزم شرعاً . وعليه جرى التصديق تحديداً في 1443 / 04 / 23 لاعتماده، ووصلى الله على نبيينا محمد وآله وصحبه وسلم.

صدرت هذه الوثيقة من وزارة العدل ، ويجب التحقق من بياناتها وسريتها عبر الخدمات الإلكترونية لوزارة العدل  
نموذج رقم (١٧-٣-٢٠٢٠)  
طابع الحكومة - ٢٠١٩  
صفحة رقم 1 من 1

الإدارة المركزية لرخص البناء  
رخصة بناء مغلقة  
رقم الترخيص (٢٤٧٠)

أمانة محافظة جدة

|                 |                          |            |                        |
|-----------------|--------------------------|------------|------------------------|
| رقم رخصة البناء | ٣٧٤٨                     | تاريخها    | ١٤٤٣/٠٤/٠١             |
| رخصة بناء       | مركز سكني وتجاري         | صالحه إلى  | ١٤٣٣/٠٤/٠١             |
| اسم المالك      | الراعي صالح الطال المالك |            |                        |
| نوع هوية        | خليفة عرب                | رقمها      | ١٠١٤٧٠٩٦٦٤             |
| سك سكنية رقم    | ١٠٤٤٩                    | تاريخ      | ١٤٢٧/٠٣/٢٥             |
| رقم العنصر      | ٠                        | حي         | حي ٣٧٨ شرق الخط السريع |
| رقم القطعة      | ٢٥٩                      | رقم المخطط | ١١٦٦ ج/س               |

أد رخص المخطط بناء عدد ١٦ دور بموجب الحدود والأبعاد والارتفاعات والبروزات

| المستويات       | سكن  | تجاري | موقف سيارات | وحدات لغيري | مساحة الدور |
|-----------------|------|-------|-------------|-------------|-------------|
| القبوم          | ---  | ---   | ٨٠٠         | ---         | ---         |
| مناطق خدمة      | ---  | ---   | ٠٠          | ---         | ---         |
| المناطق الأرضي  | ٤١٩  | ٥٠٦   | ١٥٩٠        | ---         | ٩٢٠         |
| مناطق الميزانين | ٥٠١  | ٢٧٩   | ---         | ---         | ٧٨٠         |
| المناطق الأرض   | ١٠٢٥ | ---   | ---         | ---         | ١٠٢٥        |
| المناطق لتأني   | ١٠٢٥ | ---   | ---         | ---         | ١٠٢٥        |
| المناطق لتفان   | ٨٢٠٠ | ---   | ---         | ---         | ٨٢٠٠        |
| المناطق للتكرار | ---  | ---   | ---         | ---         | ---         |

إجمالي طوك الأماز (م - ط)  
رقم رخصة المكتب الهندسي  
الرقم  
٨٠٦٥٨  
رقم الإصدار  
٣٠٠١٠٣٦١٥٠  
تاريخ الإصدار  
١٤٢٣/٠٤/٢٩

٣ تم إصدار المخطوطة حسب النظام  
عدد الوحدات السكنية  
١١

رقم الرسم  
١٥٠

١٦ عمدة الرضا عبد الرحمن شيخ مهندس  
مدير الإدارة المركزية لرخص البناء  
م. محمد طر

أمانة محافظة جدة  
الإدارة العامة للتخطيط العمراني  
على يد المهندس  
الإداري

يجب على صاحب الرخصة التحقق من صحة البيانات الواردة في هذه الوثيقة والتأكد من مطابقتها للبيانات الواردة في السجلات الرسمية وأن أمانة محافظة جدة لا تتكفل بصحة البيانات الواردة في هذه الوثيقة ولا تتكفل بصحة البيانات الواردة في السجلات الرسمية.

002-01-F09; V 3.0

جدة أمانة  
مخطوط الأمانة



## 5.2 Real Estate Valuation License



وزارة التجارة والاستثمار  
Ministry of Commerce and Investment



### ترخيص مزاولة مهنة لفرع تقييم العقارات

المقر الرئيسي: الرياض

فئة العضوية: أساسي

رقم الترخيص 1210000474 تاريخ إصداره 1437/8/1 هـ تاريخ انتهائه 1447/8/24 هـ

يرخص **عصام محمد عبدالله الحسيني** (سعودي الجنسية) سجل مدني رقم 1044275947 لمزاولة المهنة

وقد منح هذا الترخيص بعد أن استوفى شروط القيد الواردة في المادة الخامسة من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/9 هـ بموجب قرار لجنة قيد المقيمين رقم (95/ق/3/42) وتاريخ 1442/5/22 هـ

رئيس لجنة قيد المقيمين

أ. وليد بن عبدالله الرويشد

ختم الوزارة

وزارة التجارة والاستثمار  
Ministry of Commerce and Investment  
إدارة المهن الاستشارية





WHITE CUBES



**Al Khabeer Capital  
Vision College - Riyadh  
(Previously Al Farabi)**  
Awal Al Malqa Real Estate Company

Riyadh City  
June 2023



**REF:** 23-0424  
**Code:**  
**Date:** 30/06/2023  
**M/S:** Awal Al Malqa Real Estate Company

**Subject: Valuation Report for Vision College (Previously Al Farabi) in Riyadh City, Saudi Arabia.**

Dear Sir,

With reference to your request and approval dated on 29<sup>th</sup> of May 2023. We will provide you with a detailed report on the property under evaluation, including a market analysis, an economic analysis, and a description of the valuation methods. In addition, we WHITE CUBES guarantee the confidentiality of the client's information and are committed to complete impartiality in the evaluation process and acknowledge that there are no common interests between WHITECUBES and the client.

**WHITE CUBES Consulting Services Co.**

**Mr. Essam M. Al-Husaini – President**

Fellow Member of the Saudi Authority of Accredited Valuers  
License No. 1210000474  
Issued: 01/08/1437 Exp: 24/08/1447  
WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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WHITE **CUBES**

# EXECUTIVE SUMMARY

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EXECUTIVE  
SUMMARY

## Executive Summary

|                             |  |
|-----------------------------|--|
| <b>Reference No.</b>        |  |
| <b>Dep. Code</b>            |  |
| <b>Report Type</b>          | Detailed Report.   |
| <b>Client</b>               | Awal Al Malqa Real Estate Company.   |
| <b>Report user</b>          | Awal Al Malqa Real Estate Company.   |
| <b>Other users</b>          | Investors or those wishing to invest in the Real Estate Investment Trust.                                    |
| <b>Purpose of Valuation</b> | Inclusion in financial statements.   |
| <b>Subject Property</b>     | Educational Facility.  |
| <b>Property Location</b>    | Ishbilyah district, Riyadh City.   |
| <b>Title Deed No.</b>       | 498507005691   |
| <b>Title Deed Date</b>      | 04/06/1442   |
| <b>Ownership Type</b>       | Title deed-restricted  |
| <b>Limitations</b>          | Mortgaged to Al Rajhi Banking Investment Company.  |
| <b>Owner</b>                | Awal Al Malqa Real Estate Company.   |
| <b>Land Use</b>             | Educational  |
| <b>Land Area (Sqm)</b>      | The land has an area size of 17,046 Sqm  |
| <b>BUA (Sqm)</b>            | As per the provided construction permit, the total BUA is 44,656.92 Sqm.                                     |
| <b>GLA (Sqm)</b>            | Based on the leasing contract provided by the client, the subject property is fully leased to one tenant.    |
| <b>Basis of Value</b>       | Fair Value.  |
| <b>Value Hypothesis</b>     | Current use.   |
| <b>Valuation Approach</b>   | Comparable Approach, Cost Approach and Income Approach.  |
| <b>Currency</b>             | Saudi Arabian Riyal  |
| <b>Final Property Value</b> | SAR 213,330,000  |
| <b>Report Date</b>          | 30/06/2023   |
| <b>Valuation Date</b>       | 30/06/2023   |
| <b>Inspection Date</b>      | 01/06/2023   |
| <b>Expiry Date</b>          | 120 days from date of the inspection, unless there're any economic changes that affect the subject property. |



WHITE **CUBES**

**SCOPE OF WORK**

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SCOPE OF  
WORK



## Scope of Work

### 1.1 Introduction

This report was prepared by WHITE CUBES Co. based on the International Valuation Standards of the Council of International Assessment Standards (IVSC 2022) and the Guide to Practice and Regulations issued by the Saudi Authority of Accredited Valuers (Taqeem), to ensure accurate access to information, the evaluation report must be read in its entirety, our firm is pleased to offer its services to Awal Al Malqa Real Estate Company in order to estimate the fair value of the property that is being evaluated.

### 1.2 Purpose of valuation

The client requested that we evaluate the subject properties for **inclusion in the financial statements**.

### 1.3 Basis of Valuation

**According to Paragraph 1.2, the appropriate basis for value adopted in the evaluation process is the fair value of the property.**

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the principle of an "exit price,"

### 1.4 Valuation Methods

Depending on the purpose of the valuation, and upon the request of the client, we will apply the comparable approach, cost approach and income approach.

### 1.5 Currency

Unless otherwise stated, all values in the report are in Saudi Arabian Riyals.

### 1.6 Scope of Research

Research is an important part of the valuation process. We will conduct extensive research and analysis of various factors that can impact the value of a property or asset, such as market conditions, comparable sales, property characteristics, income potential, and legal and regulatory factors.

## 1.7 Property Inspection

Inspection refers to visiting and inspecting an asset, testing its performance, and gathering information about it from quantities, specifications, land area, building areas, rental areas, services, public utilities, project components, etc., so that an opinion can be expressed regarding its value. Therefore, we confirm that subject property was inspected on June 01, 2023. We will then use this evidence to assess and evaluate the project. We remain committed to providing the client with an accurate and reliable valuation.

## 1.8 Information Sources

An on-site field survey was conducted by our team to ensure the accuracy of some market information required for the valuation, including nearby asset prices, occupancy rates, and specific information about the asset under valuation, to determine its actual fair value. The following sources were used during the field research process:

- Property records: In the absence of property ownership documents, the client has provided us with some information about the assets.
- Market trends: Real estate market trends and economic indicators can be used to assess the overall demand and supply for properties in the area.
- Income analysis: Income-producing properties such as rental properties can be valued based on their income potential.
- Personal inspection: A physical inspection of the property can provide valuable information on its condition and any unique features that may affect its value.

## 1.9 Assumptions and Special Assumptions

As defined by the International Valuation Standards, assumptions are logical matters that can be accepted as facts during valuation work without being specifically checked or scrutinized. They are accepted as soon as they are mentioned. Based on the facts at the time of the valuation.

- It has been assumed that the information provided by the client is accurate, but we were not provided with the ownership documents for the asset.
- Assumed that all information received from the client is accurate and up to date as of the date of the valuation, whether oral or written.
- This is a valuation report rather than a structural survey. As a result, we did not conduct any utility checks, service checks, soil tests, etc.
- The valuation methodologies are based on market data compiled using our relevant market knowledge and experience.
- This report's output (final value) is derived from assumptions used, documents received from the client, and market data. Nevertheless, the output estimates provide an indication of the property's value.
- After studying the market and using the built-up model, a discount rate of 7.5% was assumed for the project.

### **1.10 Use, Distribution, and Publication Restrictions**

To estimate the fair value of the assets being evaluated, WHITE CUBES Co. has prepared this report. There are restrictions on the transfer, referencing, and presentation of this report and its contents to any other party except as stipulated in the contract letter, and the client must obtain our prior written consent in order to use this report for any other purpose other than that stated in this report.

### **1.11 Legal Notes**

As far as we are aware, no legal notices have been served on the property, whether they are in progress or pending in the court system.



WHITE **CUBES**

**PROPERTY DETAILS**

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PROPERTY  
DETAILS

## Property and Location Description

### 2.1 Property Description

The subject property is Vision College (Previously Al Farabi) educational facility in Ishbilyah district, Riyadh city. Based on the provided copy of the title deed and the construction permit, the property has a total land area of 17,046 Sqm, total BUA of 44,656.92 Sqm. As per the site inspection done by our team, the property is open on 2 sides with direct view to Al Bahar Al Arabi Road from the west side.

### 2.2 Surrounding Area

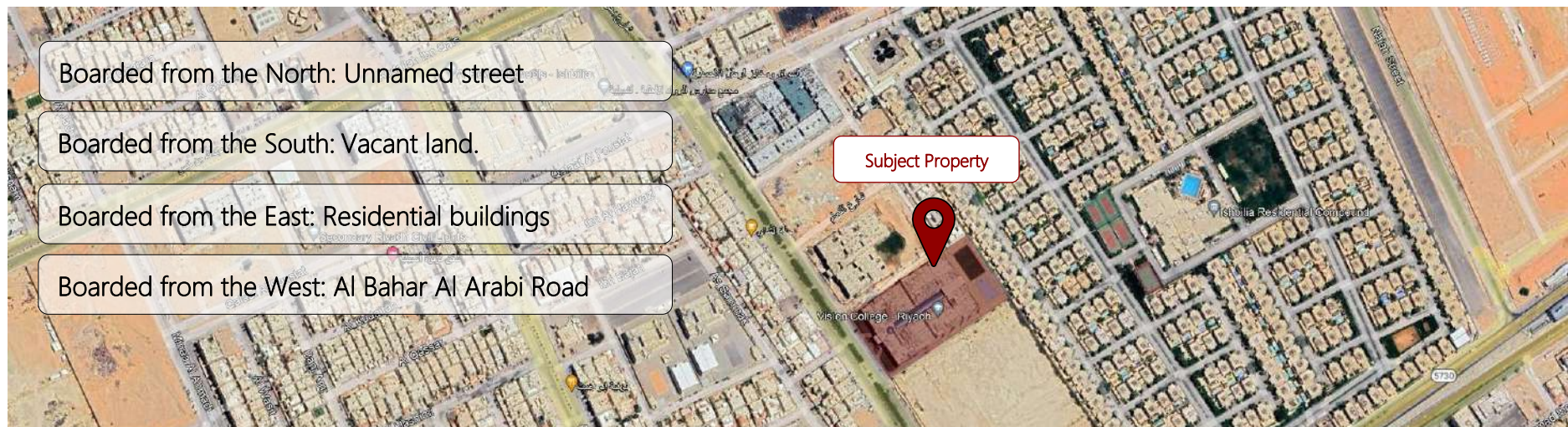
The subject property is surrounded mostly by several residential and commercial buildings.

### 2.3 Ease of Access

Based on the current location of the subject property, the access level is Medium since it is located on Al Bahar Al Arabi Road.

### 2.4 Infrastructure

All the infrastructural facilities are available in the surroundings and connected to the subject property.



## 2.5 Title Deed and Ownership

The client provides us with a copy of the title deed related to the subject property which is owned by one title deed. The details of the subject property:

|                                 |   |                               |                                   |
|---------------------------------|---|-------------------------------|-----------------------------------|
| <b>City</b>                     | Riyadh  | <b>Land Area</b>              | 17,046 Sqm                        |
| <b>District</b>                 | Ishbilyah                                       | <b>Plot No.</b>               | 4                                 |
| <b>T.D Type</b>                 | Electronic                                      | <b>Block No.</b>              | ----                              |
| <b>T.D Number</b>               | 498507005691                                    | <b>Layout No.</b>             | ----                              |
| <b>T.D Date</b>                 | 04/06/1442                                      | <b>Owner</b>                  | Awal Al Malqa Real Estate Company |
| <b>T.D Value</b>                | ---   | <b>Ownership Type</b>         | restricted                        |
| <b>Date of Last Transaction</b> | 04/06/1442                                      | <b>Limitation of Document</b> | Mortgaged                         |
| <b>Issued From</b>              | Notarized by Abdul Rahman Suliman Aba Al Khail. |                               |                                   |
|                                 |   |                               |                                   |
| <b>North Side</b>               | 15 meters street                                | <b>East Side</b>              | Private property                  |
| <b>South Side</b>               | Plot# 5   | <b>West Side</b>              | 40 meters street                  |

**Note:** The client has provided us with a copy of the Title Deed which was assumed to be correct and authentic. It is not in our scope to run legal diagnosis on any legal document.

## 2.6 Construction and Buildings

The building permit indicates the maximum permissible BUA approved by the city municipality. However, the actual area may differ from the area mentioned in the building permit. Therefore, the Client has provided us with a copy of the Construction Permit issued by Riyadh Municipality with the below details:

| Subject Property                |                      |
|---------------------------------|----------------------|
| <b>Construction Permit Type</b> | Renewed Permit       |
| <b>Property Type</b>            | Educational Facility |
| <b>Construction Permit No.</b>  | 1433/1470            |
| <b>Construction Permit Date</b> | 05/03/1439           |

| Description            | No. of Units | Area (sqm)       | Use         |
|------------------------|--------------|------------------|-------------|
| Ground Floor           | 1            | 9440.25          | Educational |
| Basement 2             | 0            | 10414.60         | Parking     |
| Basement 1             | 0            | 10357.19         | Parking     |
| First Floor            | 1            | 9254.32          | Educational |
| Electricity Chamber    | 0            | 20.00            | Electricity |
| Annexes                | 1            | 4627.16          | Educational |
| Fences                 | 1            | 543.4            | Fences      |
| <b>Total BAU (sqm)</b> |              | <b>44,656.92</b> |             |

## 2.7 Photographs of the Subject Property







WHITE **CUBES**

**MARKET INDICATORS**

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MARKET  
INDICATORS

## Market Indicators

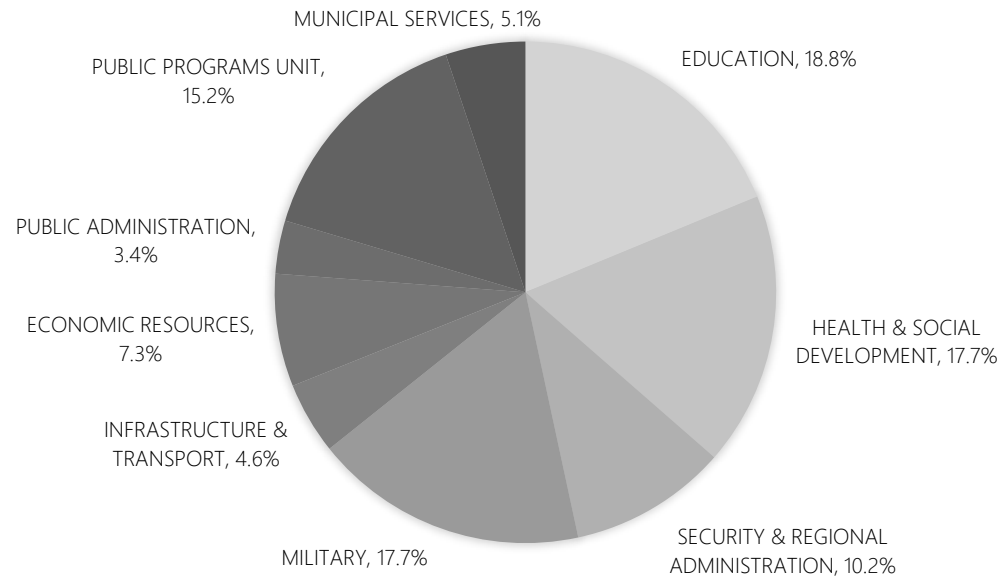
### 3.1 Saudi Arabia Economic Indicators

| Economic Indicator                    | Budget | Expectations | Estimated |       |
|---------------------------------------|--------|--------------|-----------|-------|
|                                       | 2022   | 2023         | 2024      | 2025  |
| <b>Total revenue</b>                  | 1,234  | 1,130        | 1,146     | 1,205 |
| <b>Total expenses</b>                 | 1,132  | 1,114        | 1,125     | 1,134 |
| <b>Budget surplus</b>                 | 102    | 16           | 21        | 71    |
| <b>Debt</b>                           | 985    | 951          | 959       | 962   |
| <b>GDP growth</b>                     | 8.5%   | 3.1%         | 5.7%      | 4.5%  |
| <b>Nominal gross domestic product</b> | 3,957  | 3,869        | 3,966     | 4,247 |
| <b>Inflation</b>                      | 2.6%   | 2.1%         | 2.1%      | 2.0%  |

### 3.2 Budget Allocation for 2022




|                          |            |
|--------------------------|------------|
| Public Administration    | 37 SAR bn  |
| Military                 | 259 SAR bn |
| Security & Regional Adm. | 105 SAR bn |
| Municipal Services       | 63 SAR bn  |
| Education                | 189 SAR bn |
| Health & Social Dev.     | 189 SAR bn |
| Economic Resources       | 72 SAR bn  |
| Infrastructure Transport | 34 SAR bn  |
| General Items            | 165 SAR bn |

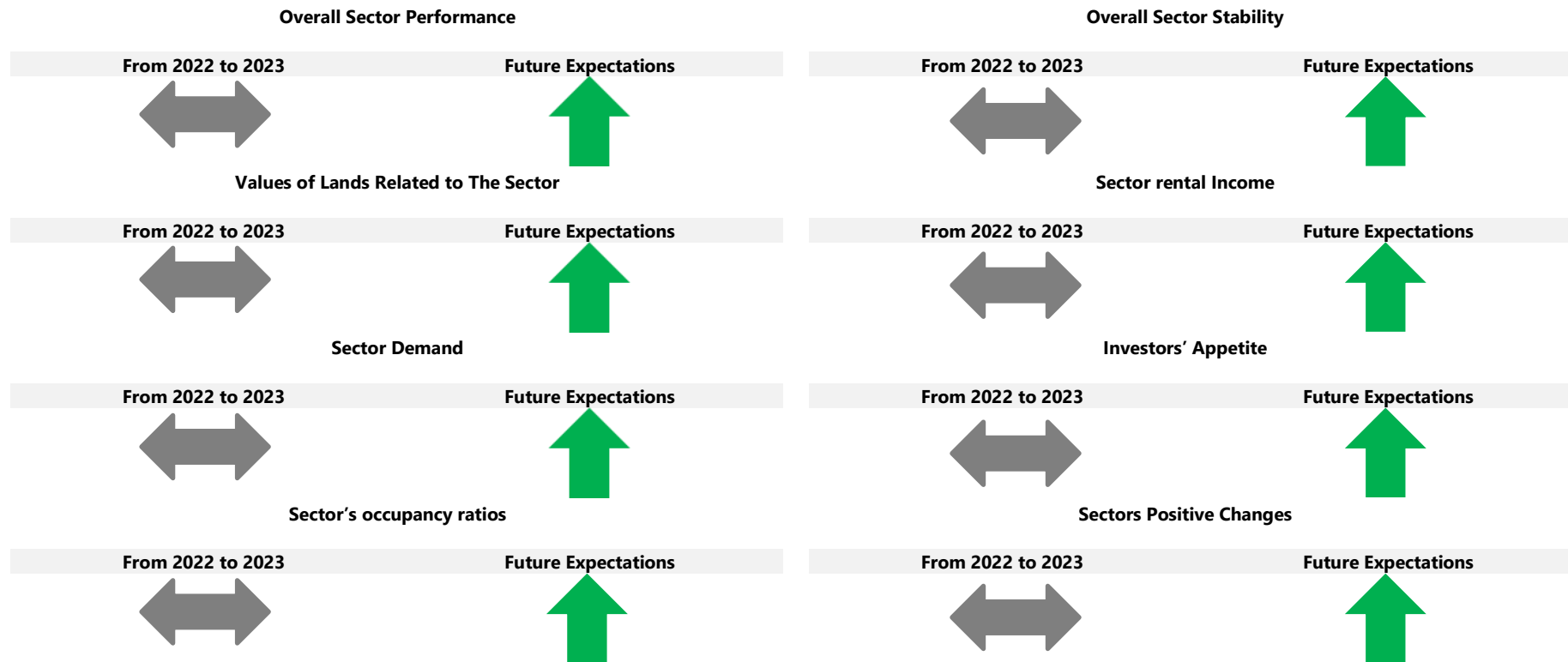
Source: Ministry of Finance



### 3.3 Sector Brief

In the following we will insert general information about the real estate sector related to the property subject of our valuation and which is intended to give an initial indication on the sector. These information and indicators are estimated based on our experience, the current sector performance and some other historical data collected from our side, In addition to some current economic changes in general.

-  Indicator showing a decrease in the current performance comparing to last year
-  Indicator showing an increase in the current performance comparing to last year
-  Indicator showing a stable position in the current performance comparing to last year



White Cubes Team's Analysis

### 3.4 Risk Analysis

#### - Sector Analysis

| Risk Factor                | Very Low Risk (1)<br>1-6 | Minimal Risk (2)<br>7-12 | Medium Risk (3)<br>13-18 | Elevated Risk (4)<br>19-24 | Very High Risk (5)<br>25-30 |
|----------------------------|--------------------------|--------------------------|--------------------------|----------------------------|-----------------------------|
| Overall, Economy           | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Sector Current Performance | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Sector Future Performance  | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Occupancy Rates            | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Supply Rate                | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Demand Rate                | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Total Risk                 | 0                        | 2                        | 15                       | 0                          | 0                           |

**Risk Category 17 Risk Points - Medium Risk**

#### -Land Analysis

| Risk Factor                 | Very Low Risk (1)<br>1-5 | Minimal Risk (2)<br>6-10 | Medium Risk (3)<br>11-15 | Elevated Risk (4)<br>16-20 | Very High Risk (5)<br>21-25 |
|-----------------------------|--------------------------|--------------------------|--------------------------|----------------------------|-----------------------------|
| Access                      | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Location                    | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Land Shape                  | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Surrounding Area facilities | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Total Risk                  | 0                        | 8                        | 0                        | 0                          | 0                           |

**Risk Category 8 Risk Points – Minimal Risk**

#### -Property Analysis

| Risk Factor            | Very Low Risk (1)<br>1-3 | Minimal Risk (2)<br>4-6 | Medium Risk (3)<br>7-9 | Elevated Risk (4)<br>10-12 | Very High Risk (5)<br>13-15 |
|------------------------|--------------------------|-------------------------|------------------------|----------------------------|-----------------------------|
| Facilities & Amenities | ----                     | ----                    | ✓                      | ----                       | ----                        |
| Management Skills      | ----                     | ----                    | ✓                      | ----                       | ----                        |
| Overall Condition      | ----                     | ✓                       | ----                   | ----                       | ----                        |
| Total Risk             | 0                        | 2                       | 6                      | 0                          | 0                           |

**Risk Category 8 Risk Points - Medium Risk**



WHITE **CUBES**

PROPERTY VALUATION

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PROPERTY  
VALUATION

## Property Valuation

### 4 Valuation Methods

With reference to the valuation purpose, taking into consideration the nature of the subject property, we will use the following ticked methods to estimate the fair value of the subject property:

|                  | Market Approach   | Cost Approach | Income Approach |                |                  |            |
|------------------|-------------------|---------------|-----------------|----------------|------------------|------------|
|                  | Comparable method | DRC method    | DCF method      | Invest. method | Cap. Rate method | RLV method |
| <b>Land</b>      | ✓                 | ----          | ----            | ----           | ----             | ----       |
| <b>Buildings</b> | ----              | ✓             | ----            | ----           | ----             | ----       |
| <b>Property</b>  | ----              | ----          | ----            | ----           | ✓                | ----       |

#### COMPARABLE METHOD

This is the method most are familiar with as it is the accepted method for valuing residential real estate. Typically, this method involves selecting properties with similar characteristics in the same market area that have recently sold. Once those properties are found they are compared to the property in question and a professional appraiser will deduct value from the subject property for comparative deficiencies and increase value for advantages. Typically, this method is required if the investor is seeking conventional financing. For comparable information, property brokers, dealers and estate agents are contacted to ascertain the asking and selling prices for property of the nature in the immediate neighborhood and adjoining areas. Neighboring properties, which have been recently sold or purchased, are investigated to ascertain a reasonable selling price.

#### DEPRECIATED REPLACEMENT COST (DRC)

A cost approach is a real estate valuation method that surmises that the price someone should pay for a piece of property should not exceed what someone would have to pay to build an equivalent building. In cost approach pricing, the market price for the property is equivalent to the cost of land plus cost of construction, less depreciation. It is often most accurate for fair value when the property is new. Generally, the cost approach considers what the land, devoid of any structures, would cost, then adds the cost of building the structures, then depreciation is subtracted. The cost approach is most often used for public buildings, such as schools and mosques, because it is difficult to find recently sold comparable properties in the local market, and public buildings do not earn income, so the income approach cannot be used, either. A property that already has improvements will usually contribute a certain amount of value to the site, but improvements can also lower property value if the site's potential buyers wish to use the property for another use that would entail removing some of the improvements to the current site. The cost approach is best used when improvements are new and there is adequate pricing information to value the property components. The cost

approach may be less desirable if there are no recent sales of vacant land for which to compare, since the major method of valuing vacant lands is to use the sales comparison approach, or when construction costs are not readily available. The cost approach method includes:

- Estimate what the subject property would be worth.
- Estimate the current cost of building the structures, then add that value to the value of the vacant land.
- Estimate the amount of accrued depreciation of the subject property, then subtract it from the total to arrive at the property's worth.

### **CAPITALIZATION METHOD (CAP RATE)**

The income approach values property by the amount of income that it can potentially generate. Hence, this method is used for apartments, office buildings, malls, and other property that generates a regular income.

The appraiser calculates the income according to the following steps:

- Estimate the potential annual gross income by doing market studies to determine what the property could earn, which may not be the same as what it is currently earning.
- The effective gross income is calculated by subtracting the vacancy rate and rent loss as estimated by the appraiser using market studies.
- The net operating income (NOI) is then calculated by subtracting the annual operating expenses from the effective gross income. Annual operating expenses include real estate taxes, insurance, utilities, maintenance, repairs, advertising, and management expenses. Management expenses are included even if the owner is going to manage it, since the owner incurs an opportunity cost by managing it herself. The cost of capital items is not included since it is not an operating expense. Hence, it does not include mortgage and interest since this is a debt payment on a capital item.

Estimate the capitalization rate (aka cap rate), which is the rate of return, or yield, that other investors of property are getting in the local market.

## 4.1 Comparable Method

This method aims to collect data and information on actual sales and / or current offers of similar properties within the surrounding market, and then make the necessary adjustments to these comparisons in terms of area, location, shape, quality, content, and others. Below is a summary of the valuation process using the comparable method and the amendments made to the available comparisons

| Characteristics of Samples            |                  |               |       |               |       |               |       |
|---------------------------------------|------------------|---------------|-------|---------------|-------|---------------|-------|
| Feature                               | Subject Property | Sample 1      |       | Sample 2      |       | Sample 3      |       |
| Quoting                               | -----            | Offering      |       | Offering      |       | Offering      |       |
| City                                  | Riyadh           | Riyadh        |       | Riyadh        |       | Riyadh        |       |
| Sale Price                            | -----            | SAR 7,520,000 |       | SAR 9,506,000 |       | SAR 8,754,000 |       |
| Data Source                           | Client           | Market Survey |       | Market Survey |       | Market Survey |       |
| Area Size                             | 17,046.00        | 1,890.00      |       | 2,840.00      |       | 2,460.00      |       |
| SAR / Sqm                             | -----            | SAR 3,979     |       | SAR 3,347     |       | SAR 3,559     |       |
| Market Conditions Adjustment Analysis |                  |               |       |               |       |               |       |
|                                       | Subject Property | Sample 1      |       | Sample 2      |       | Sample 3      |       |
| SAR/ Sqm before Adj.                  | -----            | SAR 3,978.8   |       | SAR 3,347.2   |       | SAR 3,558.5   |       |
| Mortgage                              | -----            | Cash          |       | Cash          |       | Cash          |       |
| Market Conditions                     | -----            | 0.00%         |       | 0.00%         |       | 0.00%         |       |
| Total Adjustments Ratio               |                  | 0.00%         |       | 0.00%         |       | 0.00%         |       |
| Total Adjustment Amount               |                  | SAR 0.00      |       | SAR 0.00      |       | SAR 0.00      |       |
| Net After Adjustment                  |                  | SAR 3,978.84  |       | SAR 3,347.18  |       | SAR 3,558.54  |       |
| Location Adjustment Analysis          |                  |               |       |               |       |               |       |
|                                       | Subject Property | Sample 1      |       | Sample 2      |       | Sample 3      |       |
| Area Size                             | 17,046.00        | 1,890.00      | 0.00% | 2,840.00      | 0.00% | 2,460.00      | 0.00% |
| Location Desirability                 | Average          | Average       | 0.00% | Average       | 0.00% | Average       | 0.00% |
| Accessibility                         | Average          | Average       | 0.00% | Average       | 0.00% | Average       | 0.00% |
| Main Street Width (m)                 | 40               | 40            | 0.00% | 40            | 0.00% | 40            | 0.00% |
| Sides Open                            | 2                | 2             | 0.00% | 2             | 0.00% | 2             | 0.00% |
| Land Shape                            | Regular          | Regular       | 0.00% | Regular       | 0.00% | Regular       | 0.00% |
| Close to main street                  | Yes              | Yes           | 0.00% | Yes           | 0.00% | Yes           | 0.00% |
| Total Adjustments Ratio               |                  | 0.00%         |       | 0.00%         |       | 0.00%         |       |
| Total Adjustment Amount               |                  | SAR 0.0       |       | SAR 0.0       |       | SAR 0.0       |       |
| Net After Adjustment                  |                  | SAR 3,978.8   |       | SAR 3,347.2   |       | SAR 3,558.5   |       |
| Weighted Mean                         |                  | 15%           |       | 15%           |       | 70%           |       |
|                                       |                  | SAR 596.83    |       | SAR 502.08    |       | SAR 2,490.98  |       |
| SAR / Sqm                             | <b>SAR 3,590</b> |               |       |               |       |               |       |
| Rounded Value                         | <b>SAR 3,600</b> |               |       |               |       |               |       |



| Property Value | Sensitivity Analysis |                |                |                |                |                |
|----------------|----------------------|----------------|----------------|----------------|----------------|----------------|
|                | -10%                 | -5%            | 0%             | 5%             | 10%            |                |
| SAR 61,370,000 | Land Area            | 17,046         | 17,046         | 17,046         | 17,046         | 17,046         |
|                | SAR / Sqm            | SAR 3,240.0    | SAR 3,420.0    | SAR 3,600.0    | SAR 3,780.0    | SAR 3,960.0    |
|                | Property Value       | SAR 55,229,040 | SAR 58,297,320 | SAR 61,365,600 | SAR 64,433,880 | SAR 67,502,160 |

Based on the market samples obtained with the assistance of some real estate experts in the region and the inspection made by our team, the average price for similar properties falls in the range of 3,200 - 4,000 SAR / Sqm with an average of 3,600 SAR / Sqm. When comparing with the results of the analysis of comparisons, we found that the property value falls within the same range and is close to the market average values.



## 4.2 Depreciated Replacement Cost (DRC)

As a first step, the cost of reconstructing the building (the cost of replacement) was estimated, based on the average construction costs of similar properties and at the same level of finishes, services, utilities, and others. The opinion of some engineering experts was used in this regard. The following table shows the expected replacement costs for such property.

|                     | Min Cost (SAR / Sqm) | Max Cost (SAR / Sqm) | Average Cost |
|---------------------|----------------------|----------------------|--------------|
| Concrete Cost       | SAR 800              | SAR 1,000            | SAR 900      |
| MEP                 | SAR 400              | SAR 600              | SAR 500      |
| Finishing Materials | SAR 1,100            | SAR 1,300            | SAR 1,200    |
| Site Improvements   | SAR 80               | SAR 120              | SAR 100      |
| Developer Profit    | 18%                  | 22%                  | 20%          |

In the following table, we will estimate the direct replacement cost of the property taking into consideration the main components of the building, such as the concrete structure, electromechanical work, finishes, site improvements, etc. Then we will estimate the value of the indirect costs as a percentage of the total direct costs to estimate the total construction costs of the project

| Land      |           |                |
|-----------|-----------|----------------|
| Land Area | SAR / Sqm | Total Value    |
| 17,046.00 | SAR 3,600 | SAR 61,365,600 |

| Building           |                  |           |
|--------------------|------------------|-----------|
|                    | Unit             | Total BUA |
| Basement           | Sqm              | 20,771.79 |
| Upper Floor        | Sqm              | 23,885.13 |
| <b>Total (SQM)</b> | <b>44,656.92</b> |           |

| Development Cost           |           |           |                       |                 |                       |
|----------------------------|-----------|-----------|-----------------------|-----------------|-----------------------|
| Hard Cost - (Upper Floors) |           |           |                       |                 |                       |
|                            | Area      | SAR / Sqm | Total                 | Completion Rate | Total Cost            |
| Skeleton and Block         | 23,885.13 | SAR 900   | SAR 21,496,617        | 100%            | SAR 21,496,617        |
| Electro Mechanic           | 23,885.13 | SAR 500   | SAR 11,942,565        | 100%            | SAR 11,942,565        |
| Finishing                  | 23,885.13 | SAR 1,200 | SAR 28,662,156        | 100%            | SAR 28,662,156        |
| Site Improvement           | 17,046.00 | SAR 100   | SAR 1,704,600         | 100%            | SAR 1,704,600         |
| <b>Total</b>               |           |           | <b>SAR 63,805,938</b> | <b>100%</b>     | <b>SAR 63,805,938</b> |

| Hard Cost - (Underground)      |                           |           |                       |                           |                          |
|--------------------------------|---------------------------|-----------|-----------------------|---------------------------|--------------------------|
|                                | Area                      | SAR / Sqm | Total                 | Completion Rate           | Total Cost               |
| Skeleton & Block               | 20,771.79                 | SAR 1,200 | SAR 24,926,148        | 100%                      | SAR 24,926,148           |
| Electro Mechanic               | 20,771.79                 | SAR 500   | SAR 10,385,895        | 100%                      | SAR 10,385,895           |
| Finishing                      | 20,771.79                 | SAR 200   | SAR 4,154,358         | 100%                      | SAR 4,154,358            |
| <b>Total</b>                   |                           |           | <b>SAR 39,466,401</b> | <b>100%</b>               | <b>SAR 39,466,401</b>    |
| Overall Soft Cost              |                           |           |                       |                           |                          |
|                                |                           |           | Total Hard Cost       | Ratio                     | Soft Cost                |
| Initial Project Pre Cost       |                           |           | SAR 103,272,339       | 1.00%                     | SAR 1,032,723            |
| Design                         |                           |           | SAR 103,272,339       | 1.00%                     | SAR 1,032,723            |
| Eng Consultant                 |                           |           | SAR 103,272,339       | 2.00%                     | SAR 2,065,447            |
| Management                     |                           |           | SAR 103,272,339       | 2.00%                     | SAR 2,065,447            |
| Contingency                    |                           |           | SAR 103,272,339       | 5.00%                     | SAR 5,163,617            |
| <b>TOTAL</b>                   |                           |           |                       | <b>11.00%</b>             | <b>SAR 11,359,957.29</b> |
| <b>Total Hard Cost</b>         | <b>SAR 103,272,339</b>    |           |                       | <b>BUA</b>                | <b>44,656.92</b>         |
| <b>Total Soft Cost</b>         | <b>SAR 11,359,957.29</b>  |           |                       | <b>SAR / Sqm</b>          | <b>SAR 2,567</b>         |
| <b>Total Construction Cost</b> | <b>SAR 114,632,296.29</b> |           |                       | <b>Overall Completion</b> | <b>100%</b>              |

After knowing the total construction costs at a rate of 2,567 SAR per square meter, we will estimate the economic life of the property according to the type of construction and its general condition, then apply the depreciation rates based on the actual age of the property. The developer's profitability will be added to the property's value after depreciation to reflect the estimated fair value of the building.

| DEVELOPMENT VALUE            |                 |                         |                |
|------------------------------|-----------------|-------------------------|----------------|
| Total Dev Cost               | SAR 114,632,296 | Annual Dep Rate         | 2.5%           |
| Total Completion Rate        | 100.00%         | Actual Age              | 11             |
| Developer Profit Rate        | 20.0%           | Total Dep Rate          | 27.50%         |
| Dev. Profit Amount           | SAR 22,926,459  | Add Appr Rate           | 0.00%          |
| Development Total Fair Value | SAR 106,034,874 | Net Dep Rate            | 27.50%         |
| Economic Age                 | 40              | Cost After Depreciation | SAR 83,108,415 |

In order to determine the full value of the property, the construction costs will be added to the fair value of the land as follows:

| Total Dev. Value | Land Value     | Total Property Value | Rounded Value   |
|------------------|----------------|----------------------|-----------------|
| SAR 106,034,874  | SAR 61,365,600 | SAR 167,400,474      | SAR 167,400,000 |

### 4.3 Income Approach

#### Market Capitalization Rate Analysis

Based on recent deals from the sale of similar real estate and real estate funds, we found that the operating rate of return, or the so-called capitalization rate, on the basis of which the commercial exchange for similar real estate ranges from 7% to 8%. Where this average is affected by rise and fall due to several factors, including the quality of the building's finishing, the general location, the ease of access to the property, the actual age of the property, the size of the project, and the extent of income stability in it. In addition to the above, the capitalization rates are also affected directly by the supply and demand rates for the same type of real estate.

#### The Capitalization Rate Used for the Valuation

With regard to the capitalization rate used in the valuation, we will base our analysis on the average capitalization rates based on the market and then make some adjustments based on the property situation in terms of its characteristics, location and some other important elements.

| Project          | Sample 1    | Sample 2   | Sample 3    |
|------------------|-------------|------------|-------------|
| Sale Price       | 188,540,000 | 98,950,000 | 143,670,000 |
| Revenue          | 14,140,500  | 7,916,000  | 10,056,900  |
| Cap Rate         | 7.50%       | 8.00%      | 7.00%       |
| Average Cap Rate | 7.50%       |            |             |

As per the client, and as per the signed leasing contract, promissory notes have been signed by the tenant for the contract duration which guarantees more stability of the project's revenue stream. Based on that, this will affect the used cap rate to be lower than the market average (cap rate used at 7.5%)

#### Occupancy Rates in the Project

The subject property is fully rented to one tenant (Vision College). The details of the leasing contract is as follows:

|                                |                           |
|--------------------------------|---------------------------|
| Owner (1 <sup>st</sup> Party)  | شركة المقصد العقارية      |
| Tenant (2 <sup>nd</sup> Party) | شركة كليات الرؤية للتعليم |
| Contract Starting Date         | 06/06/2022                |
| Contract Duration              | 25 Years                  |
| Rent Increase Role             | 5% every 5 years.         |

As for the annual rent of the subject property, the following tables shows the rent escalation on yearly bases:

| Year | Annual Rent    | Year | Annual Rent    | Year | Annual Rent    |
|------|----------------|------|----------------|------|----------------|
| 2020 | SAR 16,000,000 | 2029 | SAR 16,800,000 | 2037 | SAR 18,522,000 |
| 2021 | SAR 16,000,000 | 2030 | SAR 17,640,000 | 2038 | SAR 18,522,000 |
| 2022 | SAR 16,000,000 | 2031 | SAR 17,640,000 | 2039 | SAR 18,522,000 |
| 2023 | SAR 16,000,000 | 2032 | SAR 17,640,000 | 2040 | SAR 19,448,100 |
| 2024 | SAR 16,000,000 | 2033 | SAR 17,640,000 | 2041 | SAR 19,448,100 |
| 2025 | SAR 16,800,000 | 2034 | SAR 17,640,000 | 2042 | SAR 19,448,100 |
| 2026 | SAR 16,800,000 | 2035 | SAR 18,522,000 | 2043 | SAR 19,448,100 |
| 2027 | SAR 16,800,000 | 2036 | SAR 18,522,000 | 2044 | SAR 19,448,100 |
| 2028 | SAR 16,800,000 |      |                |      |                |

| Revenues                       |  |                           |                          |                           |                       |
|--------------------------------|--|---------------------------|--------------------------|---------------------------|-----------------------|
| Unit Type                      | Quantity   |                           | Revenues                 |                           | Total Revenues        |
|                                | Total GLA  | No of Units               | SAR / Sqm                | SAR / Unit                |                       |
| Educational Facility           | The subject property is Fully leased to 1 tenant |                           |                          |                           | SAR 16,000,000        |
|                                |  |                           |                          | <b>Total Revenues</b>     | <b>SAR 16,000,000</b> |
| Expenses                       |  |                           |                          |                           |                       |
| Unit Type                      | Management                                       | Utilities                 | Maintenance              | Others                    | Total Expenses        |
| Educational Facility           | 0.00%  | 0.00%                     | 0.00%                    | 0.00%                     | 0.00%                 |
|                                |  |                           |                          | <b>Total Expenses</b>     | <b>0.00%</b>          |
| Net Operating Income           |  |                           |                          |                           |                       |
| Unit Type                      | Total Revenues                                   | Total Expenses            | NOI                      |                           |                       |
| Educational Facility           | SAR 16,000,000                                   | 0.00%                     | SAR 16,000,000           |                           |                       |
|                                |  | <b>Total</b>              | <b>SAR 16,000,000</b>    |                           |                       |
| <b>Total Property Revenues</b> |  |                           | SAR 16,000,000           |                           |                       |
| <b>Total Property Expenses</b> |  |                           | SAR 0                    |                           |                       |
| <b>Net Operating Income</b>    |  |                           | <b>SAR 16,000,000.00</b> |                           |                       |
| <b>Net Operating Income</b>    | <b>Cap Rate</b>                                  | <b>Property Value</b>     |                          | <b>Rounded Value</b>      |                       |
| <b>SAR 16,000,000.00</b>       | <b>7.50%</b>                                     | <b>213,333,333.33 SAR</b> |                          | <b>SAR 213,330,000.00</b> |                       |

#### 4.4 Subject Property Value in Different Approaches

| Methodology              | Subject of Valuation | Value in Numbers | Value in Letters  |
|--------------------------|----------------------|------------------|---|
| <b>Comparable</b>        | Land                 | SAR 61,370,000   | Sixty-One Million Three Hundred Seventy Thousand Saudi Riyals           |
| <b>DRC Approach</b>      | Land + Building      | SAR 167,400,000  | One Hundred Sixty-Seven Million Four Hundred Thousand Saudi Riyals      |
| <b>Income- Contracts</b> | Property             | SAR 213,330,000  | Two Hundred Thirteen Million Three Hundred Thirty Thousand Saudi Riyals |

#### 4.5 Subject Property Value

We are of an opinion that the total fair value of the subject property taking into consideration the purpose of valuation by using the income approach is:

**Property Value: 213,330,000 SAR**  
**Two Hundred Thirteen Million Three Hundred Thirty Thousand Saudi Riyals.**

#### 4.6 Notes

We trust that this report and valuation fulfills the requirement of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright. This report is compiled based on the information received to the best of our belief, knowledge and understanding. The information revealed in this report is strictly confidential and issued for the consideration of the client. The valuer's approval is required in writing to reproduce this report either electronically or otherwise and for further onward distribution, hence no part of this report may be copied without prior consent.

#### 4.7 Accredited Valuers

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President



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Membership- RE Branch  
Membership No.:  
11000171



WHITE **CUBES**  
DOCUMENTS

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DOCUMENT





## 5.2 Real Estate Valuation License



وزارة التجارة والاستثمار  
Ministry of Commerce and Investment



### ترخيص مزاولة مهنة لفرع تقييم العقارات

فئة العضوية: أساسي

المقر الرئيسي: الرياض

رقم الترخيص 1210000474 تاريخ إصداره 1437/8/1 هـ تاريخ انتهائه 1447/8/24 هـ

يرخص **عصام محمد عبدالله الحسيني** (سعودي الجنسية) سجل مدني رقم 1044275947 لمزاولة المهنة وقد منح هذا الترخيص بعد أن استوفى شروط القيد الواردة في المادة الخامسة من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/9 هـ بموجب قرار لجنة قيد المقيمين رقم (95/ق/3/42) وتاريخ 1442/5/22 هـ

رئيس لجنة قيد المقيمين

أ. وليد بن عبدالله الرويشد

ختم الوزارة

وزارة التجارة والاستثمار  
Ministry of Commerce and Investment  
إدارة المهن الاستشارية





WHITE CUBES



WHITE CUBES

REAL ESTATE VALUATION REPORT

**Al Khabeer Capital**  
**Vision College Training Center**  
**(Previously Al Farabi Training Center)**  
Awal Al Malqa Real Estate Company

Riyadh City  
June 2023



رؤية  
VISION  
2030  
المملكة العربية السعودية  
KINGDOM OF SAUDI ARABIA

REAL ESTATE  
VALUATION REPORT



**REF:** 23-0424  
**Code:**  
**Date:** 30/06/2023  
**M/S:** Awal Al Malqa Real Estate Company

**Subject: Valuation Report for an Under Construction Educational Facility Vision Training Center (Al Farabi Previously) in Riyadh City, Saudi Arabia.**

Dear Sir,

With reference to your request and approval dated 29<sup>th</sup> of May 2023. We will provide you with a detailed report on the property under evaluation, including a market analysis, an economic analysis, and a description of the valuation methods. In addition, we WHITE CUBES guarantee the confidentiality of the client's information and are committed to complete impartiality in the evaluation process and acknowledge that there are no common interests between WHITECUBES and the client.

**WHITE CUBES Consulting Services Co.**

**Mr. Essam M. Al-Husaini – President**

Fellow Member of the Saudi Authority of Accredited Valuers

License No. 1210000474

Issued: 01/08/1437 Exp: 24/08/1447

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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WHITE **CUBES**

# EXECUTIVE SUMMARY

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EXECUTIVE  
SUMMARY

## Executive Summary

|                             |   |
|-----------------------------|---|
| <b>Reference No.</b>        |   |
| <b>Dep. Code</b>            |   |
| <b>Report Type</b>          | Detailed Report.  |
| <b>Client</b>               | Awal Al Malqa Real Estate Company.  |
| <b>Report user</b>          | Awal Al Malqa Real Estate Company.  |
| <b>Other users</b>          | Investors or those wishing to invest in the Real Estate Investment Trust.   |
| <b>Purpose of Valuation</b> | Inclusion in financial statements.  |
| <b>Subject Property</b>     | Educational Facility.   |
| <b>Property Location</b>    | Ishbiliya district, Riyadh City.  |
| <b>Title Deed No.</b>       | 598507008764  |
| <b>Title Deed Date</b>      | 15/10/1442  |
| <b>Ownership Type</b>       | Title deed-restricted   |
| <b>Limitations</b>          | Mortgaged to Al Rajhi Banking Investment Company.   |
| <b>Owner</b>                | Awal Al Malqa Real Estate Company.  |
| <b>Land Use</b>             | Educational   |
| <b>Land Area (Sqm)</b>      | The land has an area size of 11,340 Sqm   |
| <b>BUA (Sqm)</b>            | As per the provided construction permit, the total BUA is 37,448.66 Sqm.  |
| <b>GLA (Sqm)</b>            | Based on the leasing contract provided by the client, the subject property is fully leased to one tenant, although the property is still under development. |
| <b>Basis of Value</b>       | Fair Value.   |
| <b>Value Hypothesis</b>     | Current use.  |
| <b>Valuation Approach</b>   | Comparable Approach, Cost Approach.   |
| <b>Currency</b>             | Saudi Arabian Riyal   |
| <b>Final Property Value</b> | SAR 81,960,000  |
| <b>Report Date</b>          | 30/06/2023  |
| <b>Valuation Date</b>       | 30/06/2023  |
| <b>Inspection Date</b>      | 01/06/2023  |
| <b>Expiry Date</b>          | 120 days from date of the inspection, unless there're any economic changes that affect the subject property.  |



WHITE **CUBES**

**SCOPE OF WORK**

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SCOPE OF  
WORK



## Scope of Work

### 1.1 Introduction

This report was prepared by WHITE CUBES Co. based on the International Valuation Standards of the Council of International Assessment Standards (IVSC 2022) and the Guide to Practice and Regulations issued by the Saudi Authority of Accredited Valuers (Taqeem), to ensure accurate access to information, the evaluation report must be read in its entirety, our firm is pleased to offer its services to Awal Al Malqa Real Estate Company in order to estimate the fair value of the property that is being evaluated.

### 1.2 Purpose of valuation

The client requested that we evaluate the subject properties for **inclusion in the financial statements**.

### 1.3 Basis of Valuation

**According to Paragraph 1.2, the appropriate basis for value adopted in the evaluation process is the fair value of the property.**

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the principle of an "exit price,"

### 1.4 Valuation Methods

Depending on the purpose of the valuation, and upon the request of the client, we will apply the comparable approach and cost approach.

### 1.5 Currency

Unless otherwise stated, all values in the report are in Saudi Arabian Riyals.

### 1.6 Scope of Research

Research is an important part of the valuation process. We will conduct extensive research and analysis of various factors that can impact the value of a property or asset, such as market conditions, comparable sales, property characteristics, income potential, and legal and regulatory factors.

## 1.7 Property Inspection

Inspection refers to visiting and inspecting an asset, testing its performance, and gathering information about it from quantities, specifications, land area, building areas, rental areas, services, public utilities, project components, etc., so that an opinion can be expressed regarding its value. Therefore, we confirm that subject property was inspected on June 01, 2023. We will then use this evidence to assess and evaluate the project. We remain committed to providing the client with an accurate and reliable valuation.

## 1.8 Information Sources

An on-site field survey was conducted by our team to ensure the accuracy of some market information required for the valuation, including nearby asset prices, occupancy rates, and specific information about the asset under valuation, to determine its actual fair value. The following sources were used during the field research process:

- Property records: Such as Title deeds, construction permits and layouts.
- Market trends: Real estate market trends and economic indicators can be used to assess the overall demand and supply for properties in the area.
- Market scanning: Income-producing properties such as rental properties can be valued based on their income potential.
- Physical inspection of the property can provide valuable information on its condition and any unique features that may affect its value.
- Construction permit and Layouts.

## 1.9 Assumptions and Special Assumptions

As defined by the International Valuation Standards, assumptions are logical matters that can be accepted as facts during valuation work without being specifically checked or scrutinized. They are accepted as soon as they are mentioned. Based on the facts at the time of the valuation.

- It has been assumed that the information provided by the client is accurate.
- Assumed that all information received from the client is accurate and up to date as of the date of the valuation, whether oral or written.
- This is a valuation report rather than a structural survey. As a result, we did not conduct any utility checks, service checks, soil tests, etc.
- The valuation methodologies are based on market data compiled using our relevant market knowledge and experience.
- This report's output (final value) is derived from assumptions used, documents received from the client, and market data. Nevertheless, the output estimates provide an indication of the property's value.
- After studying the market and using the built-up model, a discount rate of 8.5% was assumed for the project.

### **1.10 Use, Distribution, and Publication Restrictions**

To estimate the fair value of the assets being evaluated, WHITE CUBES Co. has prepared this report. There are restrictions on the transfer, referencing, and presentation of this report and its contents to any other party except as stipulated in the contract letter, and the client must obtain our prior written consent in order to use this report for any other purpose other than that stated in this report.

### **1.11 Legal Notes**

As far as we are aware, no legal notices have been served on the property, whether they are in progress or pending in the court system.



WHITE **CUBES**

**PROPERTY DETAILS**

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PROPERTY  
DETAILS

## Property and Location Description

### 2.1 Property Description

The subject property is Vision Training Center (Previously Al Farabi) it is an under construction educational facility with a land area of 11,340 square meters. As per the provided information by construction permit, the subject property has a total BUA of 37,448.66 square meters, overlooking four streets, with a direct view on Al Bahar Al Arabi Street. from the west side.

### 2.2 Surrounding Area

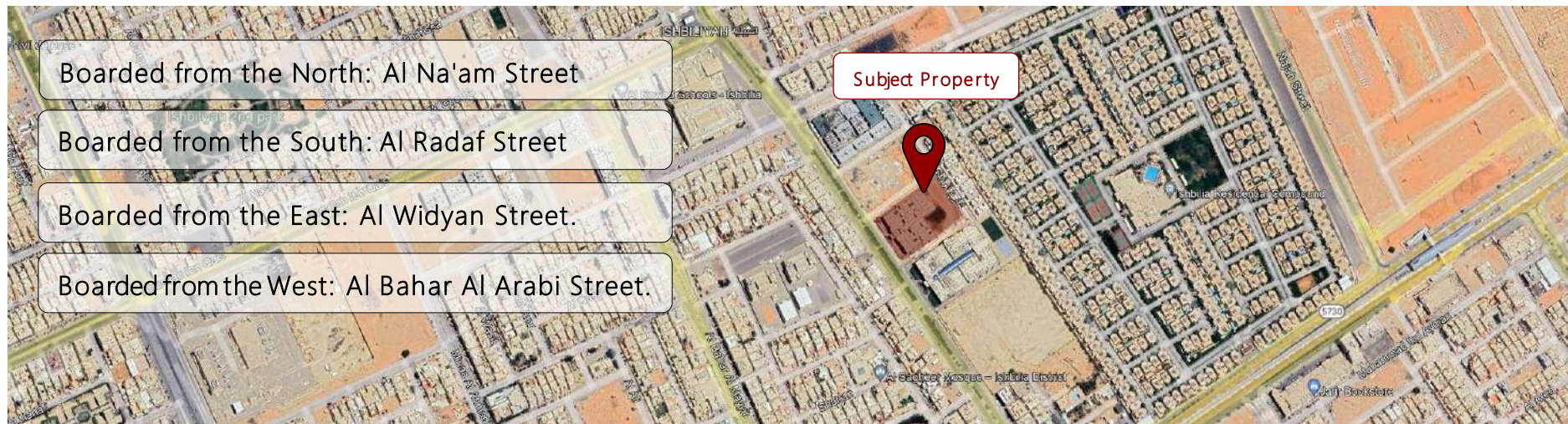
The subject property is surrounded mostly by several residential and commercial buildings.

### 2.3 Ease of Access

Based on the current location of the subject property, the access level is medium since it is located on Al Bahar Al Arabi Street.

### 2.4 Infrastructure

All the infrastructural facilities are available in the surroundings and connected to the subject property.



## 2.5 Title Deed and Ownership

The client provides us with a copy of the title deed related to the subject property which is owned by one title deed. The details of the subject property:

|                                 |                     |                               |                                   |
|---------------------------------|---------------------|-------------------------------|-----------------------------------|
| <b>City</b>                     | Riyadh              | <b>Land Area</b>              | 11,340 Sqm                        |
| <b>District</b>                 | Ishbiliya           | <b>Plot No.</b>               | From Plot No. 9 to No.16          |
| <b>T.D Type</b>                 | Electronic          | <b>Block No.</b>              | ---                               |
| <b>T.D Number</b>               | 598507008764        | <b>Layout No.</b>             | 2932                              |
| <b>T.D Date</b>                 | 15/10/1442          | <b>Owner</b>                  | Awal Al Malqa Real Estate Company |
| <b>T.D Value</b>                | 42,000,000 SAR      | <b>Ownership Type</b>         | Freehold                          |
| <b>Date of Last Transaction</b> | 15/10/1442          | <b>Limitation of Document</b> | Mortgaged                         |
| <b>Issued From</b>              | Ministry of Justice |                               |                                   |
|                                 |                     |                               |                                   |
| <b>North Side</b>               | 15 meters street    | <b>East Side</b>              | 15 meters street                  |
| <b>South Side</b>               | 15 meters street    | <b>West Side</b>              | 40 meters street                  |

**Note:** The client has provided us with a copy of the Title Deed which was assumed to be correct and authentic. It is not in our scope to run legal diagnosis on any legal document.

## 2.6 Construction and Buildings

The building permit indicates the maximum permissible BUA approved by the city municipality. However, the actual area may differ from the area mentioned in the building permit. Therefore, the Client has provided us with a copy of the Construction Permit issued by Riyadh Municipality with the below details:

| Subject Property                |                      |
|---------------------------------|----------------------|
| <b>Construction Permit Type</b> | New Permit           |
| <b>Property Type</b>            | Educational Facility |
| <b>Construction Permit No.</b>  | 1434/20267           |
| <b>Construction Permit Date</b> | 1434/11/10           |

| Description            | No. of Units | Area (sqm)       | Use         |
|------------------------|--------------|------------------|-------------|
| Ground Floor           | 1            | 5946.95          | Educational |
| Basement 3             | 0            | 11,322           | Parking     |
| Basement 2             | 0            | 11,322           | Parking     |
| Basement 1             | 0            | 11,322           | Parking     |
| First Floor            | 0            | 6060.61          | Educational |
| Electricity Chamber    | 0            | 20.00            | Electricity |
| Upper Annexes          | 0            | 2777.10          | Educational |
| Fences                 | 1            | 430.96           | Fences      |
| <b>Total BAU (sqm)</b> |              | <b>48,770.66</b> |             |

As per the provided construction permit, the total BUA is 48,770.66, But one of the basements never been build. Therefor the total BUA is 37,448.66 Sqm which will be used in our valuation analysis.

## 2.7 Photographs of the Subject Property







WHITE **CUBES**

**MARKET INDICATORS**

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MARKET  
INDICATORS

## Market Indicators

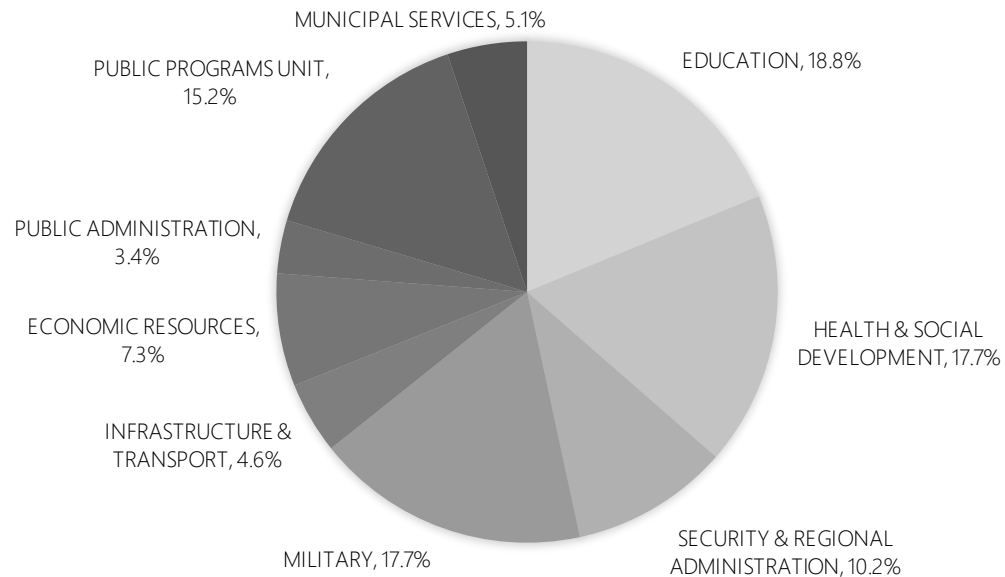
### 3.1 Saudi Arabia Economic Indicators

| Economic Indicator                    | Budget | Expectations | Estimated |       |
|---------------------------------------|--------|--------------|-----------|-------|
|                                       | 2022   | 2023         | 2024      | 2025  |
| <b>Total revenue</b>                  | 1,234  | 1,130        | 1,146     | 1,205 |
| <b>Total expenses</b>                 | 1,132  | 1,114        | 1,125     | 1,134 |
| <b>Budget surplus</b>                 | 102    | 16           | 21        | 71    |
| <b>Debt</b>                           | 985    | 951          | 959       | 962   |
| <b>GDP growth</b>                     | 8.5%   | 3.1%         | 5.7%      | 4.5%  |
| <b>Nominal gross domestic product</b> | 3,957  | 3,869        | 3,966     | 4,247 |
| <b>Inflation</b>                      | 2.6%   | 2.1%         | 2.1%      | 2.0%  |

### 3.2 Budget Allocation for 2022




|                          |            |
|--------------------------|------------|
| Public Administration    | 37 SAR bn  |
| Military                 | 259 SAR bn |
| Security & Regional Adm. | 105 SAR bn |
| Municipal Services       | 63 SAR bn  |
| Education                | 189 SAR bn |
| Health & Social Dev.     | 189 SAR bn |
| Economic Resources       | 72 SAR bn  |
| Infrastructure Transport | 34 SAR bn  |
| General Items            | 165 SAR bn |

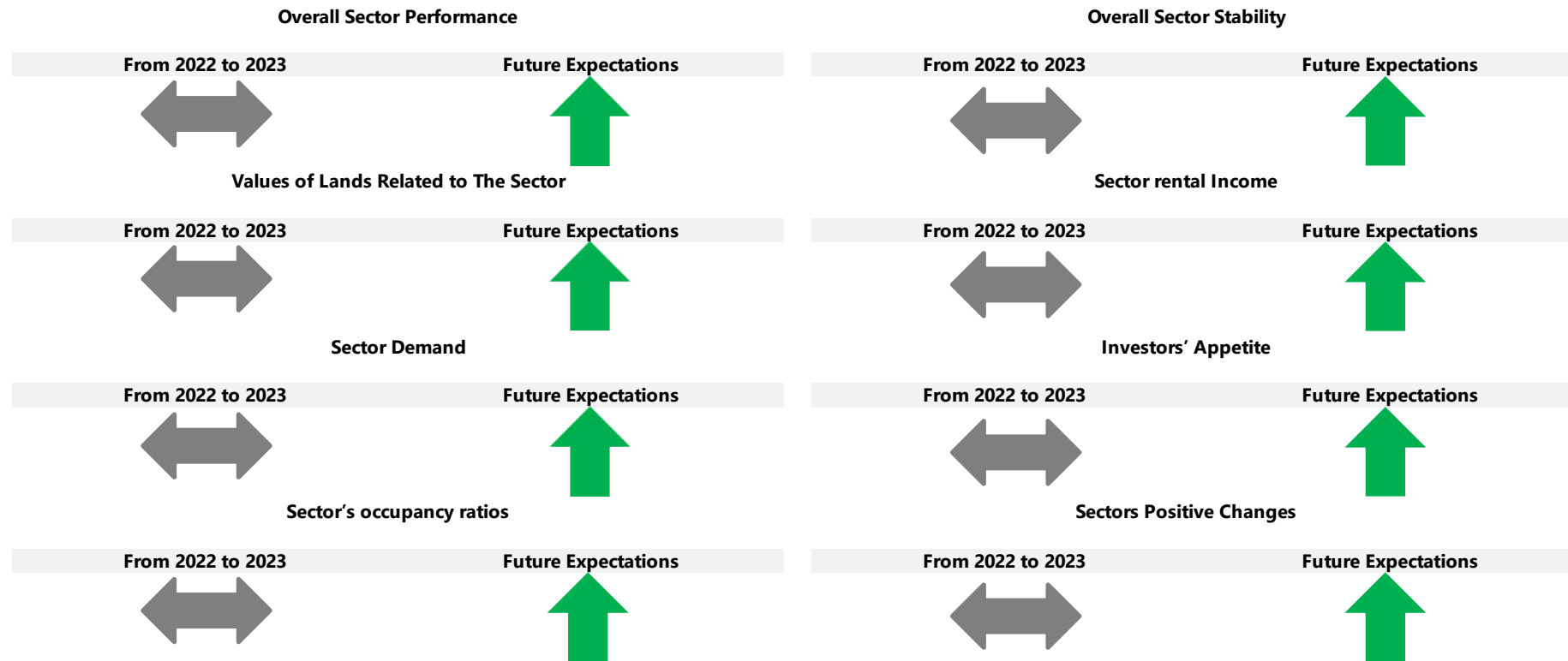
Source: Ministry of Finance



### 3.3 Sector Brief

In the following we will insert general information about the real estate sector related to the property subject of our valuation and which is intended to give an initial indication on the sector. These information and indicators are estimated based on our experience, the current sector performance and some other historical data collected from our side, In addition to some current economic changes in general.

-  Indicator showing a decrease in the current performance comparing to last year
-  Indicator showing an increase in the current performance comparing to last year
-  Indicator showing a stable position in the current performance comparing to last year



White Cubes Team's Analysis

### 3.4 Risk Analysis

#### - Sector Analysis

| Risk Factor                | Very Low Risk (1)<br>1-6 | Minimal Risk (2)<br>7-12 | Medium Risk (3)<br>13-18 | Elevated Risk (4)<br>19-24 | Very High Risk (5)<br>25-30 |
|----------------------------|--------------------------|--------------------------|--------------------------|----------------------------|-----------------------------|
| Overall, Economy           | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Sector Current Performance | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Sector Future Performance  | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Occupancy Rates            | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Supply Rate                | ----                     | ----                     | ✓                        | ----                       | ----                        |
| Demand Rate                | ----                     | ----                     | ✓                        | ----                       | ----                        |
| <b>Total Risk</b>          | 0                        | 2                        | 15                       | 0                          | 0                           |

**Risk Category 17 Risk Points - Medium Risk**

#### -Land Analysis

| Risk Factor                 | Very Low Risk (1)<br>1-5 | Minimal Risk (2)<br>6-10 | Medium Risk (3)<br>11-15 | Elevated Risk (4)<br>16-20 | Very High Risk (5)<br>21-25 |
|-----------------------------|--------------------------|--------------------------|--------------------------|----------------------------|-----------------------------|
| Access                      | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Location                    | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Land Shape                  | ----                     | ✓                        | ----                     | ----                       | ----                        |
| Surrounding Area facilities | ----                     | ✓                        | ----                     | ----                       | ----                        |
| <b>Total Risk</b>           | 0                        | 8                        | 0                        | 0                          | 0                           |

**Risk Category 8 Risk Points – Minimal Risk**

#### -Property Analysis

| Risk Factor            | Very Low Risk (1)<br>1-3 | Minimal Risk (2)<br>4-6 | Medium Risk (3)<br>7-9 | Elevated Risk (4)<br>10-12 | Very High Risk (5)<br>13-15 |
|------------------------|--------------------------|-------------------------|------------------------|----------------------------|-----------------------------|
| Facilities & Amenities | ----                     | ----                    | ✓                      | ----                       | ----                        |
| Management Skills      | ----                     | ----                    | ✓                      | ----                       | ----                        |
| Overall Condition      | ----                     | ✓                       | ----                   | ----                       | ----                        |
| <b>Total Risk</b>      | 0                        | 2                       | 6                      | 0                          | 0                           |

**Risk Category 8 Risk Points - Medium Risk**



WHITE **CUBES**

PROPERTY VALUATION

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PROPERTY  
VALUATION

## Property Valuation

### 4 Valuation Methods

With reference to the valuation purpose, taking into consideration the nature of the subject property, we will use the following ticked methods to estimate the fair value of the subject property:

|                  | Market Approach   | Cost Approach | Income Approach |                |                  |            |
|------------------|-------------------|---------------|-----------------|----------------|------------------|------------|
|                  | Comparable method | DRC method    | DCF method      | Invest. method | Cap. Rate method | RLV method |
| <b>Land</b>      | ✓                 | ----          | ----            | ----           | ----             | ----       |
| <b>Buildings</b> | ----              | ✓             | ----            | ----           | ----             | ----       |
| <b>Property</b>  | ----              | ----          | ----            | ----           | ----             | ----       |

#### COMPARABLE METHOD

This is the method most are familiar with as it is the accepted method for valuing residential real estate. Typically, this method involves selecting properties with similar characteristics in the same market area that have recently sold. Once those properties are found they are compared to the property in question and a professional appraiser will deduct value from the subject property for comparative deficiencies and increase value for advantages. Typically, this method is required if the investor is seeking conventional financing. For comparable information, property brokers, dealers and estate agents are contacted to ascertain the asking and selling prices for property of the nature in the immediate neighborhood and adjoining areas. Neighboring properties, which have been recently sold or purchased, are investigated to ascertain a reasonable selling price.

#### DEPRECIATED REPLACEMENT COST (DRC)

A cost approach is a real estate valuation method that surmises that the price someone should pay for a piece of property should not exceed what someone would have to pay to build an equivalent building. In cost approach pricing, the market price for the property is equivalent to the cost of land plus cost of construction, less depreciation. It is often most accurate for fair value when the property is new. Generally, the cost approach considers what the land, devoid of any structures, would cost, then adds the cost of building the structures, then depreciation is subtracted. The cost approach is most often used for public buildings, such as schools and mosques, because it is difficult to find recently sold comparable properties in the local market, and public buildings do not earn income, so the income approach cannot be used, either. A property that already has improvements will usually contribute a certain amount of value to the site, but improvements can also lower property value if the site's potential buyers wish to use the property for another use that would entail removing some of the improvements to the current site. The cost approach is best used when improvements are new and there is adequate pricing information to value the property components. The cost approach may be less desirable if there are no recent sales of vacant land for which to compare, since the major method of valuing vacant lands is to use the sales comparison approach, or when construction costs are not readily available. The cost approach method includes:

- Estimate what the vacant property would be worth.
- Estimate the current cost of building the structures, then add that value to the value of the vacant land.
- Estimate the amount of accrued depreciation of the subject property, then subtract it from the total to arrive at the property's worth.

#### 4.1 Comparable Method

This method aims to collect data and information on actual sales and / or current offers of similar properties within the surrounding market, and then make the necessary adjustments to these comparisons in terms of area, location, shape, quality, content, and others. Below is a summary of the valuation process using the comparable method and the amendments made to the available comparisons.

| Characteristics of Samples            |                  |                |  |                |  |                |  |
|---------------------------------------|------------------|----------------|--|----------------|--|----------------|--|
| Feature                               | Subject Property | Sample 1       |  | Sample 2       |  | Sample 3       |  |
| Quoting                               | -----            | Offering       |  | Offering       |  | Offering       |  |
| City                                  | Riyadh           | Riyadh         |  | Riyadh         |  | Riyadh         |  |
| Sale Price                            | -----            | SAR 34,000,000 |  | SAR 67,050,000 |  | SAR 51,000,000 |  |
| Data Source                           | Client           | Market Survey  |  | Market Survey  |  | Market Survey  |  |
| Area Size                             | 11,340.00        | 8,500.00       |  | 14,845.00      |  | 15,387.00      |  |
| SAR / Sqm                             | -----            | SAR 4,000      |  | SAR 4,517      |  | SAR 3,314      |  |
| Market Conditions Adjustment Analysis |                  |                |  |                |  |                |  |
|                                       | Subject Property | Sample 1       |  | Sample 2       |  | Sample 3       |  |
| SAR/ Sqm before Adj.                  | -----            | SAR 4,000.0    |  | SAR 4,516.7    |  | SAR 3,314.5    |  |
| Mortgage                              | -----            | Cash           |  | Cash           |  | Cash           |  |
| Market Conditions                     | -----            | 0.00%          |  | 0.00%          |  | 0.00%          |  |
| Total Adjustments Ratio               |                  | 0.00%          |  | 0.00%          |  | 0.00%          |  |
| Total Adjustment Amount               |                  | SAR 0.00       |  | SAR 0.00       |  | SAR 0.00       |  |
| Net After Adjustment                  |                  | SAR 4,000.00   |  | SAR 4,516.67   |  | SAR 3,314.49   |  |
| Location Adjustment Analysis          |                  |                |  |                |  |                |  |
|                                       | Subject Property | Sample 1       |  | Sample 2       |  | Sample 3       |  |
| Area Size                             | 11,340.00        | 8,500.00       |  | 14,845.00      |  | 15,387.00      |  |
| Location Desirability                 | Average          | Average        |  | Average        |  | Average        |  |
| Accessibility                         | Average          | Average        |  | Average        |  | Average        |  |
| Main Street Width (m)                 | 40               | 40             |  | 40             |  | 40             |  |
| Sides Open                            | 4                | 2              |  | 2              |  | 2              |  |
| Land Shape                            | Regular          | Regular        |  | Regular        |  | Regular        |  |
| Close to main street                  | Yes              | Yes            |  | Yes            |  | Yes            |  |
| Total Adjustments Ratio               |                  | 0.00%          |  | 0.00%          |  | 0.00%          |  |
| Total Adjustment Amount               |                  | SAR 0.0        |  | SAR 0.0        |  | SAR 0.0        |  |
| Net After Adjustment                  |                  | SAR 4,000.0    |  | SAR 4,516.7    |  | SAR 3,314.5    |  |
| Weighted Mean                         |                  | 10%            |  | 20%            |  | 70%            |  |
|                                       |                  | SAR 400.00     |  | SAR 903.34     |  | SAR 2,320.15   |  |
| Rounded Value                         | <b>SAR 3,620</b> |                |  |                |  |                |  |

| Property Value | Sensitivity Analysis |               |               |               |               |               |
|----------------|----------------------|---------------|---------------|---------------|---------------|---------------|
|                | -10%                 | -5%           | 0%            | 5%            | 10%           |               |
| SAR 40,824,000 | Land Area            | 11,340        | 11,340        | 11,340        | 11,340        | 11,340        |
|                | SAR / Sqm            | 3,257.10      | 3,438.05      | 3,619.00      | 3,799.95      | 3,980.90      |
|                | Property Value       | 36,935,514.00 | 38,987,487.00 | 41,039,460.00 | 43,091,433.00 | 45,143,406.00 |

Based on the market samples obtained with the assistance of some real estate experts in the region and the inspection made by our team, the average price for similar properties falls in the range of 3,200 - 4,000 SAR / Sqm with an average of 3,620 SAR / Sqm. When comparing with the results of the analysis of comparisons, we found that the property value falls within the same range and is close to the market average values.





## 4.2 Depreciated Replacement Cost (DRC) Approach

As a first step, the cost of reconstructing the building (the cost of replacement) was estimated, based on the average construction costs of similar properties and at the same level of finishes, services, utilities, and others. The opinion of some engineering experts was used in this regard. The following table shows the expected replacement costs for such property.

|                     | Min Cost (SAR / Sqm) | Max Cost (SAR / Sqm) | Average Cost |
|---------------------|----------------------|----------------------|--------------|
| Concrete Cost       | SAR 1,000            | SAR 1,300            | SAR 1,150    |
| MEP                 | SAR 300              | SAR 500              | SAR 400      |
| Finishing Materials | SAR 800              | SAR 1,000            | SAR 900      |

In the following table, we will estimate the direct replacement cost of the property taking into consideration the main components of the building, such as the concrete structure, electromechanical work, finishes, site improvements, etc. Then we will estimate the value of the indirect costs as a percentage of the total direct costs to estimate the total construction costs of the project

| Land                           |                          |           |                       |                           |                         |
|--------------------------------|--------------------------|-----------|-----------------------|---------------------------|-------------------------|
| Land Area                      | SAR / Sqm                |           |                       |                           | Total Value             |
| 11,340.00                      | SAR 3,620                |           |                       |                           | SAR 41,039,460          |
| Building                       |                          |           |                       |                           |                         |
|                                | Unit                     |           |                       |                           | Total BUA               |
| Upper Floors and basement      | Sqm                      |           |                       |                           | 37,448.66               |
| <b>Total (SQM)</b>             | <b>37,448.66</b>         |           |                       |                           |                         |
| Development Cost               |                          |           |                       |                           |                         |
| Hard Cost - (Upper Floors)     |                          |           |                       |                           |                         |
|                                | Area                     | SAR / Sqm | Total                 | Completion Rate           | Total Cost              |
| Skeleton and Block             | 37,448.66                | SAR 1,150 | SAR 43,065,959        | 80%                       | SAR 34,452,767          |
| Electro Mechanic               | 37,448.66                | SAR 400   | SAR 14,979,464        | 0%                        | SAR 0                   |
| Finishing                      | 37,448.66                | SAR 900   | SAR 33,703,794        | 0%                        | SAR 0                   |
| <b>Total</b>                   |                          |           | <b>SAR 91,749,217</b> | <b>37.55%</b>             | <b>SAR 34,452,767</b>   |
| Overall Soft Cost              |                          |           |                       |                           |                         |
|                                |                          |           | Total Hard Cost       | Ratio                     | Soft Cost               |
| Initial Project Pre Cost       |                          |           | SAR 34,452,767        | 1.00%                     | SAR 344,528             |
| Design                         |                          |           | SAR 34,452,767        | 1.00%                     | SAR 344,528             |
| Eng Consultant                 |                          |           | SAR 34,452,767        | 2.00%                     | SAR 689,055             |
| Management                     |                          |           | SAR 34,452,767        | 2.00%                     | SAR 689,055             |
| Contingency                    |                          |           | SAR 34,452,767        | 5.00%                     | SAR 1,722,638           |
| <b>TOTAL</b>                   |                          |           |                       | <b>11.00%</b>             | <b>SAR 3,789,804.39</b> |
| <b>Total Hard Cost</b>         | <b>SAR 34,452,767</b>    |           |                       | <b>BUA</b>                | <b>37,448.66</b>        |
| <b>Total Soft Cost</b>         | <b>SAR 3,789,804.39</b>  |           |                       | <b>SAR / Sqm</b>          | <b>SAR 1,021</b>        |
| <b>Total Construction Cost</b> | <b>SAR 38,242,571.59</b> |           |                       | <b>Overall Completion</b> | <b>37.6%</b>            |

After knowing the total construction costs at a rate of 1,021 SAR per square meter, we will estimate the economic life of the property according to the type of construction and its general condition, then apply the depreciation rates based on the actual age of the property. The developer's profitability will be added to the property's value after depreciation to reflect the estimated fair value of the building.

| DEVELOPMENT VALUE     |                |                         |                |
|-----------------------|----------------|-------------------------|----------------|
| Total Dev Cost        | SAR 38,242,572 | Annual Dep Rate         | 2.5%           |
| Total Completion Rate | 37.55%         | Actual Age              | 0              |
| Developer Profit Rate | 7.0%           | Total Dep Rate          | 0.00%          |
| Dev. Profit Amount    | SAR 2,676,980  | Add Appr Rate           | 0.00%          |
| Development Value     | SAR 40,919,552 | Net Dep Rate            | 0.00%          |
| Economic Age          | 40             | Cost After Depreciation | SAR 38,242,572 |

In order to determine the full value of the property, the construction costs will be added to the fair value of the land as follows:

| Total Dev. Value | Land Value     | Total Property Value | Rounded Value  |
|------------------|----------------|----------------------|----------------|
| SAR 40,919,552   | SAR 41,039,460 | SAR 81,959,012       | SAR 81,960,000 |

#### 4.1 Leasing Contract

The client provided us with a rental contract with the following details:

The first party: Al Maqsad Real Estate Company

The second party: Vision Colleges for Education Company

Duration: 25 years

Start date: 2022.

End date: 2045.

According to the lease contract, there are bonds for contracts with a full term.

#### 4.2 Subject Property Value in Different Approaches

| Methodology                         | Subject of Valuation | Value in Numbers | Value in Letters  |
|-------------------------------------|----------------------|------------------|---|
| Comparable Approach<br>DRC Approach | Land                 | SAR 41,039,460   | Forty-one million thirty-nine thousand four hundred sixty   |
|                                     | Land + Building      | SAR 81,960,000   | Eighty-one million six hundred ninety thousand Saudi Riyals |

### 4.3 Subject Property Value

We are of an opinion that the total fair value of the subject property taking into consideration the purpose of valuation by using the depreciated replacement cost approach is:

**Property Value: 81,960,000 SAR**  
**Eighty-one million six hundred ninety thousand Saudi Riyals.**

### 4.4 Notes

We trust that this report and valuation fulfills the requirements of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright. This report is compiled based on the information received to the best of our belief, knowledge and understanding. The information revealed in this report is strictly confidential and issued for the consideration of the client. The valuer's approval is required in writing to reproduce this report either electronically or otherwise and for further onward distribution, hence no part of this report may be copied without prior consent.

### 4.5 Accredited Valuers

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## 5.2 Real Estate Valuation License



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### ترخيص مزاولة مهنة لفرع تقييم العقارات

فئة العضوية: أساسي

المقر الرئيسي: الرياض

رقم الترخيص 1210000474 تاريخ إصداره 1437/8/1 هـ تاريخ انتهائه 1447/8/24 هـ

برخص **عصام محمد عبدالله الحسيني** (سعودي الجنسية) سجل مدني رقم 1044275947 لمزاولة المهنة

وقد منح هذا الترخيص بعد أن استوفى شروط القيد الواردة في المادة الخامسة من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/9 هـ بموجب قرار لجنة قيد المقيمين رقم (95/ق/3/42) وتاريخ 1442/5/22 هـ.

رئيس لجنة قيد المقيمين

أ. وليد بن عبدالله الرويشد

ختم الوزارة





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