



PORTFOLIO OF 15 PROPERTIES

OSOOL & BAKHEET

JUNE 2022

Valuation Report





REF: 22-0152 EN
Date: 01/08/2022
M/S OBIC

Subject: Valuation Report for 15 Properties in Saudi Arabia & The United Arab Emirates.

Dear Sir,

With reference to your request and approval dated on June 10, 2022, for valuation service of several properties located in Saudi Arabia and United Arab Emirates, please find hereafter our detailed valuation report including other information related to the mentioned property.

Issued without prejudice and liabilities

WHITE CUBES REAL ESTATE

Mr. Essam Al Hussaini – GM- WHITE CUBES KSA

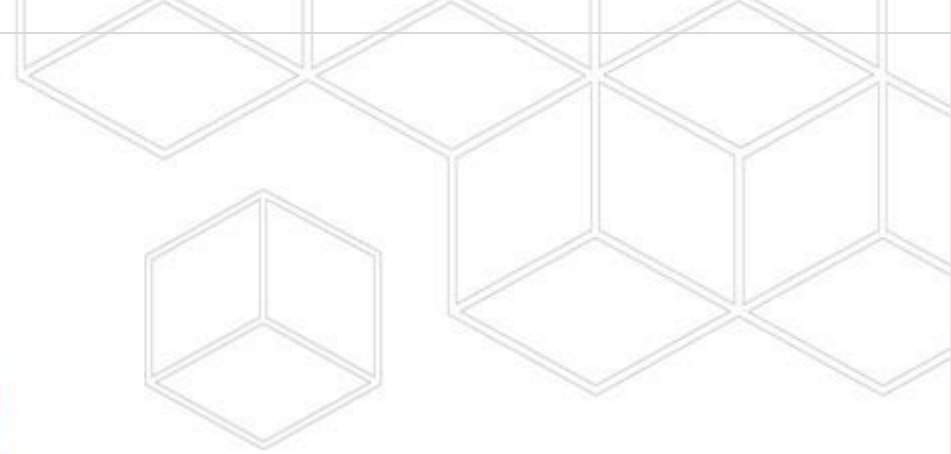
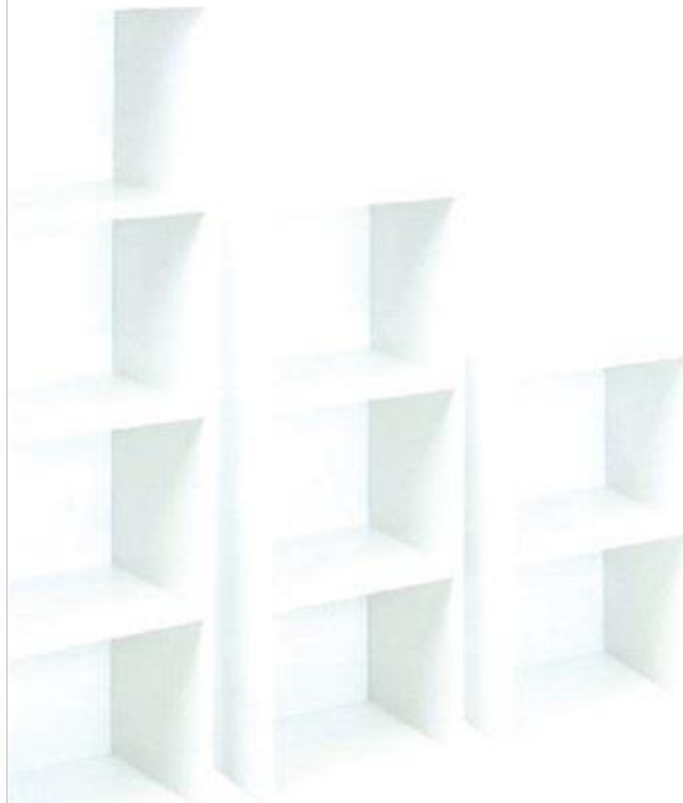
Member of the Saudi Authority of Accredited Valuers (Taqeem)



Table of Contents
(Please Click on the Title for Direct Access)

1.1	EXECUTIVE SUMMARY	5
1.2	BASIS OF VALUATION	7
1.3	DATES	9
1.4	PURPOSE OF VALUATION	9
1.5	AL MAATHER GENX	10
1.6	AL RABIE GENX	33
1.7	AL MOHAMMADIAH	59
1.8	AL TAKHASSOSI SHOWERROOM	89
1.9	AL SAHAFAH BULDING 1	103
1.10	AL SAHAFAH BULDING 2	128
1.11	AL HAEER WAREHOUSES	156
1.12	AL SULAY WAREHOUSES	177
1.13	MANFAAT AI QUDS	203
1.14	MANFAAT WADI LABAN	221
1.15	MANFAAT AI DHABAB	239
1.16	TOWLAN HOTEL SUITES	256
1.17	AL NOKHBA SCOOOL	281
1.18	AL SALAM SCHOOL	304
1.19	BURJEEL HOSPITAL	326
1.20	REPORT USE	347
1.21	DISCLAIMER	347
1.22	CONCLUSION	347
1.23	CONSULTANT STATUS	349
1.24	DISCLOSING CONFLICT OF INTEREST	349

EXECUTIVE SUMMARY



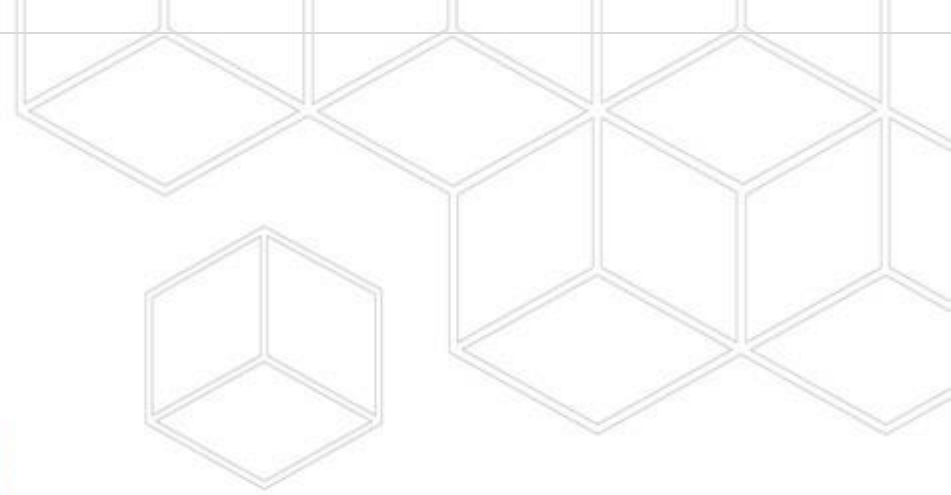
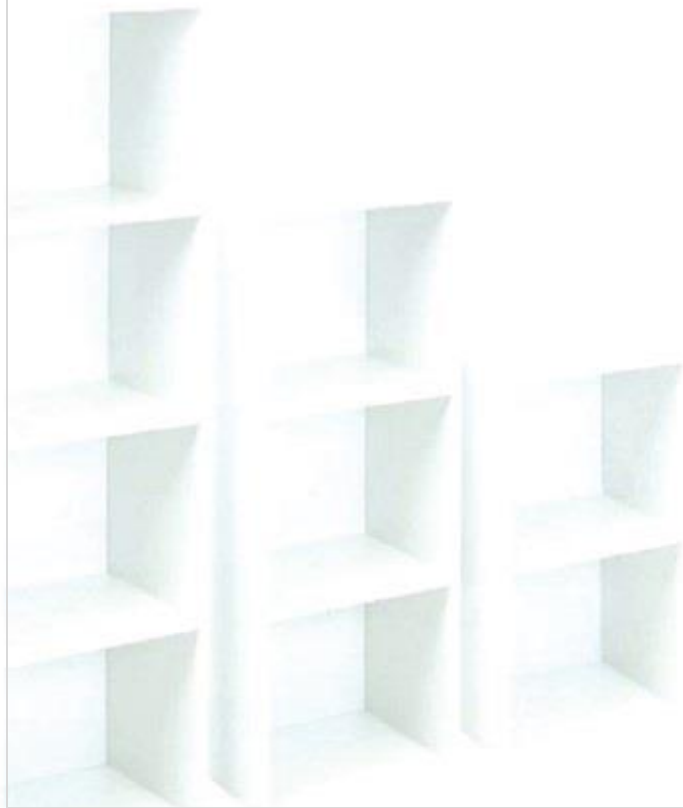


1.1 EXECUTIVE SUMMARY

Introduction	We received instructions from the client/ OBIC on 30/06/2022 to implement valuation service for 15 properties in several cities.
Client	For whom this report is being prepared is OBIC, a Saudi company registered under the Saudi law.
Reference No.	22-0152 EN
Purpose of Valuation	Real Estate Investment Trust (REIT)
Valuation Date	30/06/2022
Inspection Date	15/06/2022
Valuation Approach	Comparable Approach, Cost Approach, Discounted Cash Flow & Income Approach

Property Name	City	Land Area (SQM)	BUA (SQM)	Final Property Value
Al Maather Genx	Riyadh	10,709.16 SQM	22,789.96 SQM	149,500,000 SAR
Al Rabie Genx	Riyadh	3,900.00 SQM	8,589.53 SQM	40,660,000 SAR
Al Mohammadiyah	Riyadh	2,109.00 SQM	15,602.92 SQM	108,680,000 SAR
Al Takhassosi Showroom	Riyadh	4,248.00 SQM	6,610.61 SQM	66,540,000 SAR
Al Sahafah Building 1	Riyadh	2,380.00 SQM	10,880.00 SQM	46,730,000 SAR
Al Sahafah Building 2	Riyadh	2,520.00 SQM	11,340.00 SQM	59,620,000 SAR
Al Haeer Warehouses	Riyadh	13,544.45 SQM	11,980.00 SQM	19,120,000 SAR
Al Sulay Warehouses	Riyadh	54,075.00 SQM	46,158.00 SQM	43,800,000 SAR
Manfaat Al Quds	Riyadh	895.50 SQM	1,257.84 SQM	985,000 SAR
Manfaat Wadi Laban	Riyadh	895.50 SQM	1,645.02 SQM	2,990,000 SAR
Manfaat Al Dhabab	Riyadh	781.94 SQM	3,080.48 SQM	2,700,000 SAR
Towlan Hotel Suites	Al Khobar	1,750.00 SQM	6,526.51 SQM	30,000,000 SAR
Al Nokhba School	Unayzah	6,694.00 SQM	10,522.17 SQM	37,600,000 SAR
Al Salam Schools	Riyadh	10,000.00 SQM	18,349.10 SQM	55,300,000 SAR
Burjeel Hospital	Sharjah	6,033.20 SQM	16,757.87 SQM	117,000,000 SAR

TERMS OF REFERENCE & VALUATION





1.2 VALUATION REFERENCE

This report was prepared based on the instructions issued to us by Osool & Bakheet Investment Company to estimate the market value of the property / real estate that is the subject of this report for the mentioned purpose only. This report may not be used for other purposes. The valuation was prepared in accordance to the regulations and standards issued by the Saudi Authority of Accredited Valuers and the International valuation Standards of the Council of International Assessment Standards (IVSC2022).

1.3 BASIS OF VALUATION

Market Value

Market Value is defined as: -

The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties have each acted knowledgeably, prudently and without compulsion.

The definition of Market Value is applied in accordance with the following conceptual framework:

“*The estimated amount*” refers to a price expressed in terms of money payable for the asset in an arm’s length market transaction. Market value is the most probable price reasonably obtainable in the market on the valuation date in keeping with the market value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of special value:

AN ASSET SHOULD EXCHANGE

“***an asset should exchange***” refers to the fact that the value of an asset is an estimated amount rather than a predetermined amount or actual sale price. It is the price in a transaction that meets all the elements of the market value definition at the valuation date;

ON THE VALUATION DATE

“***on the valuation date***” requires that the value is time specific as of a given date. Because markets and market conditions may change, the estimated value may be incorrect or inappropriate at another time. The valuation amount will reflect the market state and circumstances as at the valuation date, not those at any other date;

BETWEEN WILLING BUYER

“***between a willing buyer***” refers to one who is motivated, but not compelled to buy. This buyer is neither over eager nor determined to buy at any price. This buyer is also one who purchases in accordance with the realities of the current market and with current market expectations, rather than in relation to an imaginary or hypothetical market that cannot be demonstrated or anticipated to exist. The assumed buyer would not pay a higher price than the market requires. The present owner is included among those who constitute “the market”;



AND WILLING SELLER

“and a willing seller” is neither an over eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the asset at market terms for the best price attainable in the open market after proper marketing, whatever that price may be. The factual circumstances of the actual owner are not a part of this consideration because the willing seller is a hypothetical owner;

IN AN ARM’S LENGTH TRANSACTION

“in an arm’s-length transaction” is one between parties who do not have a particular or special relationship, e.g. parent and subsidiary companies or landlord and tenant, that may make the price level uncharacteristic of the market or inflated because of an element of special value. The market value transaction is presumed to be between unrelated parties, each acting independently;

AFTER PROPER MARKETING

“after proper marketing” means that the asset would be exposed to the market in the most appropriate manner to effect its disposal at the best price reasonably obtainable in accordance with the market value definition. The method of sale is deemed to be that most appropriate to obtain the best price in the market to which the seller has access. The length of exposure time is not a fixed period but will vary according to the type of asset and market conditions. The only criterion is that there must have been sufficient time to allow the asset to be brought to the attention of an adequate number of market participants. The exposure period occurs prior to the valuation date;

KNOWLEDGEABLY AND PRUDENTLY

‘where the parties had each acted knowledgeably, prudently’ presumes that both the willing buyer and the willing seller are reasonably informed about the nature and characteristics of the asset, its actual and potential uses and the state of the market as of the valuation date. Each is further presumed to use that knowledge prudently to seek the price that is most favorable for their respective positions in the transaction. Prudence is assessed by referring to the state of the market at the valuation date, not with benefit of hindsight at some later date. For example, it is not necessarily imprudent for a seller to sell assets in a market with falling prices at a price that is lower than previous market levels. In such cases, as is true for other exchanges in markets with changing prices, the prudent buyer or seller will act in accordance with the best market information available at the time;

AND WITHOUT COMPULSION

‘and without compulsion’ establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it. Market value is the basis of value that is most commonly required, being an internationally recognized definition. It describes an exchange between parties that are unconnected (acting at arm’s length) and are operating freely in the marketplace and represents the figure that would appear in a hypothetical contract of sale, or equivalent legal document, on the valuation date, reflecting all those factors that would be taken into account in framing their bids by market participants at large and reflecting the highest and best use of the asset. The highest and best use of an asset is the use of an asset that maximizes its productivity and that is possible, legally permissible, and financially feasible. Market value is the estimated exchange price of an asset without regard to the seller’s costs of sale or the buyer’s costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.



1.4 CLIENT APPROVAL DATE

The client approval date reflects the green light given to us by the client to start the inspection procedures of the property / properties subject to the valuation process.

June 10, 2022.

1.5 INSPECTION DATE

The inspection date reflects the exact date of the property's inspection and the date of executed market survey. Yet, the outcome value of the subject property / properties will be based on the findings at the inspection date.

June 15, 2022.

1.6 VALUATION DATE

The Valuation date is the date on which the opinion of value/s applies. The date of valuation is the date where the value/s of the subject property / properties is reflected. The valuation date is at

June 30, 2022.

1.7 REPORT DATE

The valuation reports usually dated exactly as the valuation date. Yet, and in some cases, the report date can be after the valuation date depending on the nature, size and location of the subject property.

August 01, 2022.

1.8 OPINION OF VALUE

All the outputs will be shown in this report (Values) are based on our best knowledge of the market, documents received from the client (assumed to be correct), market findings and inspection inputs. Yet, the estimated values of the subject property / properties express our opinion of values based on the previously mentioned findings.

1.9 PURPOSE OF VALUATION

The client requested to know the current market value of the subject property **for Auditing Purposes**. Therefore, and according to the valuation purpose, and as requested by the client, we will adapt the valuation methodologies of **The Comparable Approach & Depreciated Replacement Cost (DRC)**

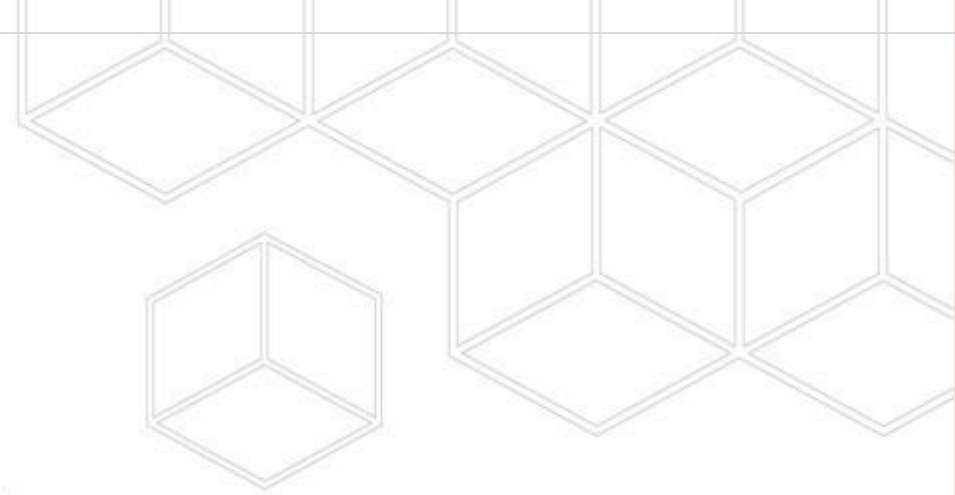
1.10 INSPECTION ROLE

A visit to a property or inspection of an asset, to examine it and obtain relevant information, in order to express a professional opinion of its value. We hereby confirm that we have inspected the subject property / Asset at the date of inspection. Our inspection procedure covers only the surface / boundaries / out layers of the property. No technical inspection has been made such as soil test, construction durability, etc. the following shows the findings from the inspection procedures.

1.11 MARKET SURVEY

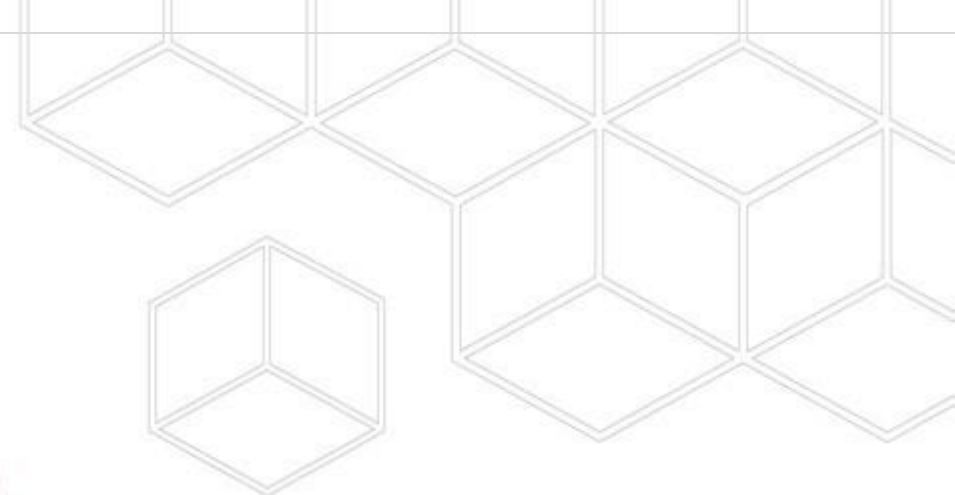
During the site visit, our team has made the market survey for the immediate surrounding areas of the subject property to collect all the possible and related data to the valuation process. The collected data will be prices, rents, land offerings, properties transactions, etc. the collected data type will be according to the property data and the purpose of valuation.

AI Maather Genx



PROPERTY DETAILS

Al Maather Genx





1.12 PROPERTY & LOCATION DESCRIPTION

Property Description	The subject property is a mix-use project composed of showrooms, offices and residential units and located in Al Maather district, Riyadh city. Based on the provided copies of the title deed and the construction permit, the building has total land area of 10,709.16 Sqm and total BUA of 22,789.96 Sqm. According to the site inspection done by our team for the purpose of valuation, the project is open from 3 sides with a direct view on the main Road (Prince Turki Bin Abdulaziz Al Al-Awal Road) where it is surrounded by residential and mix-use buildings where all infrastructural facilities such as water, electricity, sewage, and telecommunication are available in the surroundings and connected to the subject property.
Location Description	The property subject of valuation is a mix-use property located in Al Maather district, Riyadh city. The property is bordered from the north by a 14 meters Street The property is bordered from the south by a 30 meters Street The Property is bordered from the east by a private property The property is bordered to the west by a 60 meters Street
Ease of Access	Based on the current location of the subject property, the access level is high, since it is located on Prince Turki Bin Abdulaziz Al-Awal Road.
Area Surrounding the Property	The subject property is mostly surrounded by residential and mix-use buildings

Land		Building	
Land Use	Commercial	Building Type	Mix-use project
No. of Streets	3	Building Structural Conditions	Fully Constructed
Land Shape	Regular	External Elevation Conditions	Good
Direct View on the Main Road	Prince Turki Bin Abdulaziz Al-Awal Road	Building Finishing Conditions	Good
Direct View on an Internal Street	Al-Nu’aman Bin Thabit	Overall Building Conditions	Good
Land Condition	Constructed land		

1.13 INFRASTRUCTURE FACILITIES

	Available in the surrounding	Connected to the property	
Water	✓	✓	All the infrastructural facilities are available in the surroundings and not yet connected to the subject property.
Electricity	✓	✓	
Tele-Communication	✓	✓	
Sewage	✓	✓	



1.14 LOCATION

The subject property is located in Al Maather district, Riyadh city .

Property Location on a City Scale



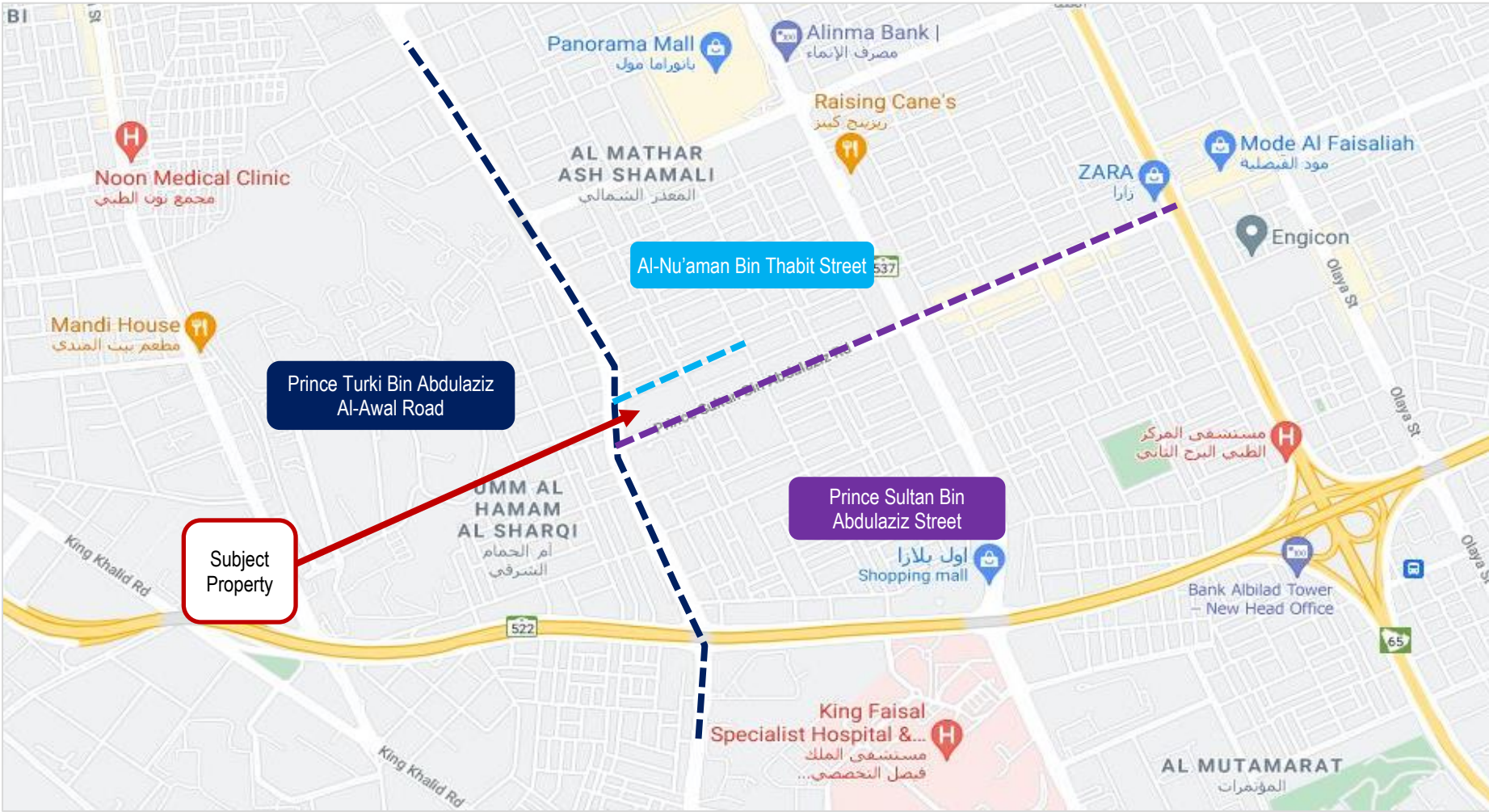
Property Location on a District Scale





1.15 PROPERTY ACCESS

The subject property can be accessed as shown in the map below:





1.16 TITLE DEED & OWNERSHIP

We were provided with copy of the title deed related to the subject property which is owned by one title deed. The details of the subject property:

City	Riyadh	Land Area	10,709.16 Sqm
District	Al Maather	Plot No.	30
T.D Type	Electronic	Block No.	N/A
T.D Number	310112050696	Layout No.	1343
T.D Date	22/11/1438	Owner	Baitek Al Hefdh Real-estate Co.
T.D Value	192,636,980.71 SAR	Ownership Type	Freehold
Date of Last Transaction	22/11/1438	Limitation of Document	N/A
Issued From	Riyadh Notary		
North Side	14 meters Street	East Side	Private property
South Side	30 meters Street	West Side	60 meters Street

Notes	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.
-------	--

1.17 CONSTRUCTION & 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, if the customer did not provide us with a copy of the approved plans, the valuation will be done based on the building permit provided by the customer. In the event that the customer does not provide us with a copy of the legal documents that show the total building surfaces, we will value them using the skills of our team along with the municipality's laws and regulations, and therefore the building surfaces will be estimated only roughly.

Source of BUA		Actual Age of the Property		Status of the property	
Construction Permit	✓	Construction Permit	✓	New	-----
As Built Drawings	-----	As Built Drawings	-----	Fully Constructed	✓
Other Documents	-----	Other Documents	-----	Under Construction	-----
Verbal Information	-----	Verbal Information	-----		
Estimation	-----	Estimation	-----		



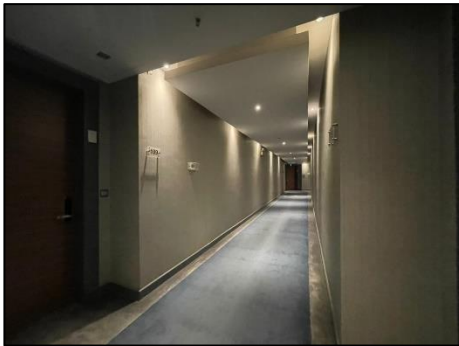
The client provided us with a building permit for the subject property, which contains the following data:

Subject Property	
Construction Permit Type	Layouts modifications
Property Type	Residential, commercial, office building
Construction Permit No.	1433/ 20078
Construction Permit Date	29/11/1433
Permit Expiry Date	29/11/1436

Description	No. of Units	Area (sqm)	Use
Basement	0	6,231.5	Parking
Ground Floor Residential	40	3,184.13	Residential
Ground Floor Commercial	11	3,157	Commercial
First Floor	11	1,978.02	Offices
First Residential	58	4,787.22	Residential
Electricity Room	0	82.59	Electricity Room
Annexes	34	3,369.5	Residential
Fences	1	235	Fences
Total BAU (sqm)		22,789.96	

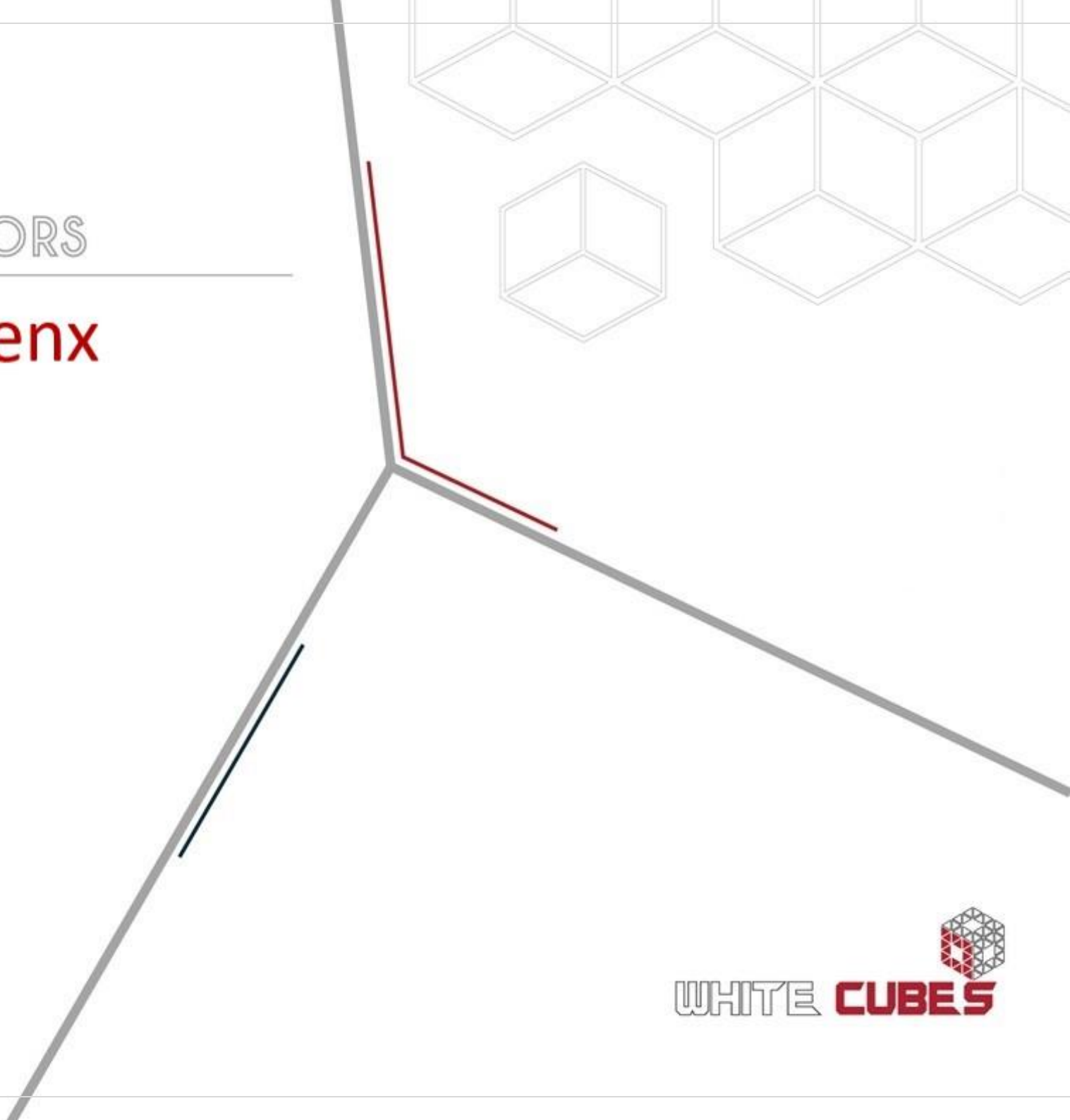
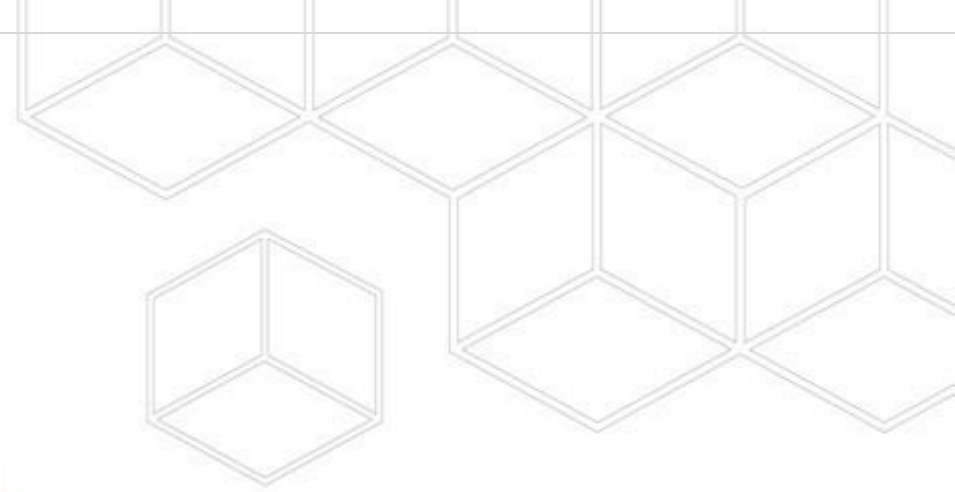


1.18 PHOTO RECORD



MARKET INDICATORS

Al Maather Genx



WHITE CUBES



1.19 SAUDI ARABIA ECONOMIC INDICATORS

Economic Indicator	2021 Budget	2022 Expectations	2023 Estimated
Nominal GDP (Billion Riyals)	2,866	3,042	3,232
Real GDP Growth	3.2%	3.4%	3.5%
Inflation Rate	2.9%	2.0%	2.0%
Total Revenue (Billion Riyals)	849	864	928
Total Expenses (Billion Riyals)	990	955	941
Budget Deficit	-141	-91	-13
Public Debt	937	1,013	1,026
Government Reserves at the Saudi Central Bank	280	265	265

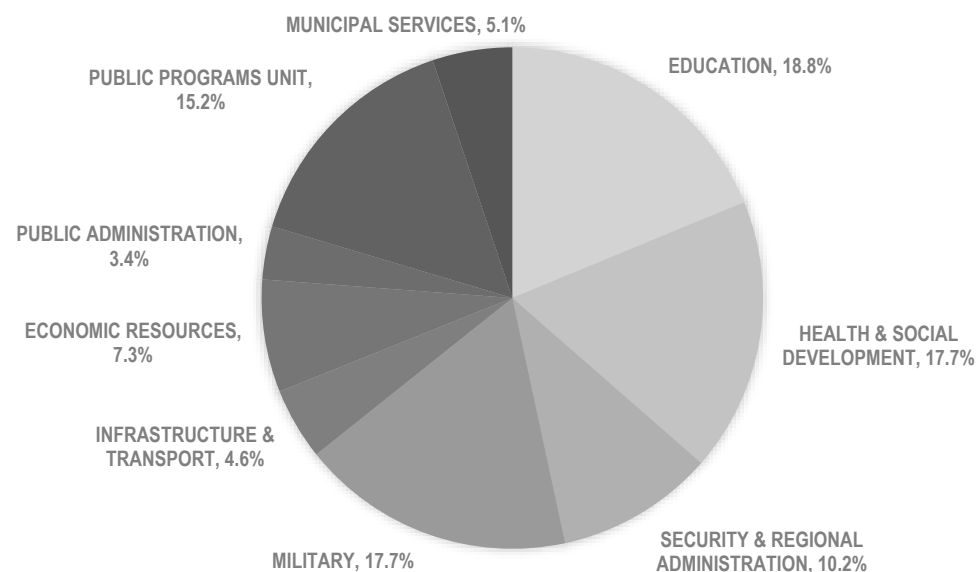
1.20 BUDGET ALLOCATION FOR 2021

Public Administration	34 SAR bn
Military	175 SAR bn
Security & Regional Adm.	101 SAR bn

Municipal Services	51 SAR bn
Education	186 SAR bn
Health & Social Dev.	175 SAR bn

Economic Resources	72 SAR bn
Infrastructure & Transport	46 SAR bn
General Items	151 SAR bn

Source: Ministry of Economy








1.21 SWOT ANALYSIS

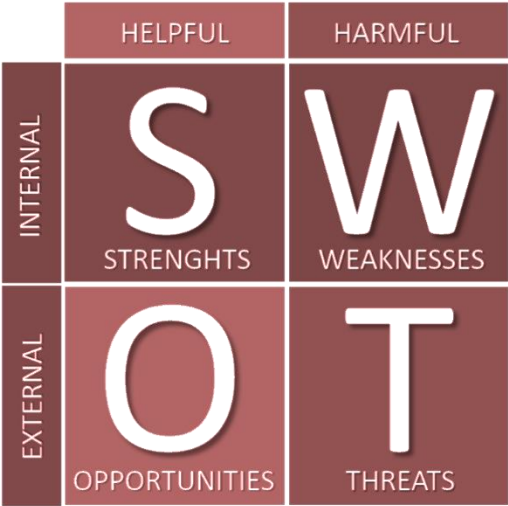
<p>Strength</p> <ul style="list-style-type: none">- The property is open from 3 sides with a direct view on the main Road (Prince Turki Bin Abdulaziz Al-Awal Road)- Ease of access to the property	<p>Weakness</p> <ul style="list-style-type: none">- Similar competitive properties in the hood
<p>Opportunities</p> <ul style="list-style-type: none">- High demand in this area.- Expected growth in rent rate.	<p>Threats</p> <ul style="list-style-type: none">- Existing and potential similar project in the area

The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

1.22 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



1.23 RISK ANALYSIS

Risk Factor	Very Low Risk (1) 1-10	Minimal Risk (2) 11-20	Medium Risk (3) 21-30	Elevated Risk (4) 31-40	Very High Risk (5) 41-50
Overall Economy			✓		
Sector Current Performance			✓		
Sector Future Performance		✓			
Occupancy Rates			✓		
Supply Rate			✓		
Demand Rate			✓		
Access		✓			
Location		✓			
Land Shape			✓		
Surrounding Area facilities			✓		
Total Risk	0	6	21	0	0
Risk Category	27 Risk Points – Medium Risk				

Sector Analysis

Risk Category- 27 Risk

Points - Medium Risk

PROPERTY VALUATION

Al Maather Genx



1.24 GENERAL ASSUMPTIONS

- The subject property is valued under the assumption of freehold status unless otherwise stated in the report.
- All the written and verbal information provided to us by the Client assumed to be up to date, complete and correct in relation to elements such as title deed, construction permits, land area, and any other relevant matters that are set out in the report.
- This report is a valuation report and not structural / building survey. Therefore, we did not carry out any structural due diligence, utilities check, services check, soil test, etc.
- All the inputs used in the valuation methodologies are based on the collected market data using our best know how and experience in the related market.
- The output of this report (Final Value), is based on the used assumptions, received documents from the client and available market data. Yet, the output estimates show an indicative value of the subject property / properties.

1.25 VALUATION APPROACH

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 market value of the subject property:

	DRC	Comparable	Income Cap	DCF	RLV
Land	-----	✓	-----	-----	-----
Building	✓	-----	-----	-----	-----
Overall Property	-----	-----	✓	-----	-----

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 market 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 churches, 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.

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.

1.26 INPUT VALUATION PROCESS

After carrying out the inspection process of the subject property, and based on the purpose of the valuation, we surveyed the surrounding area for the purpose of bringing in information related to the same sector to begin the actual assessment. This information may include similar land prices, residual values, income rates and other information that may be useful, depending on the assessment method to be followed in this report.

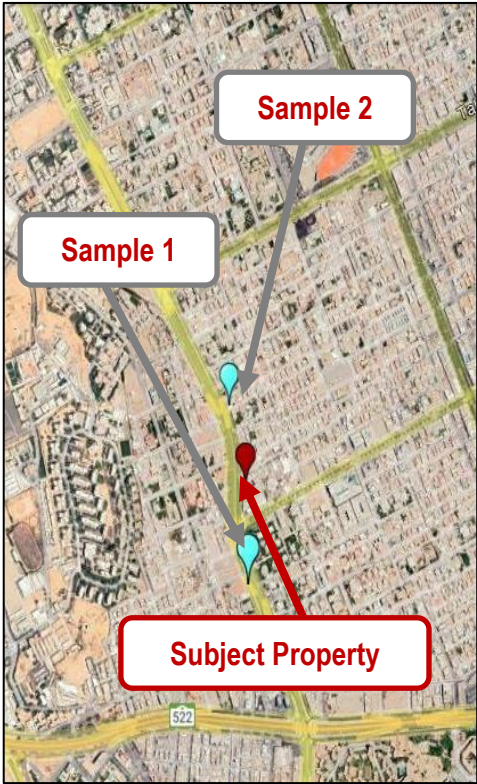


1.27 COMPARABLE APPROACH

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
Quoting	-----	Offering	Offering
District	Al Maather	Al Maather	Al Maather
Sale Price	-----	SAR 42,000,000	SAR 65,500,000
Data Source	Title Deed	Market Survey	Market Survey
Area Size	10,709.16	6,500.00	12,500.00
SAR / Sqm	-----	SAR 6,462	SAR 5,240
Sides Open	3	3	3

Adjustment Analysis		SAMPLE 1		SAMPLE 1	
Area size	10,709.16	6,500.00	5.00%	12,500.00	-5.00%
Location Desirability	Average	Average	0.00%	Average	0.00%
Accessibility	Average	Average	0.00%	Average	0.00%
Main Street Width (m)	60	60	0.00%	40	-2.50%
Sides Open	3	2	-2.50%	4	2.50%
Land Shape	Regular	Regular	0.00%	Regular	0.00%
Close to main Street	Yes	Yes	2.50%	Yes	-5.00%
Negotiable	-----	No	0.00%	No	0.00%
Other Factor	-----	-----	0.00%	-----	0.00%
Total Adjustments Ratio			5.00%		-10.00%
Total Adjustment Amount			SAR 323.1		-SAR 524.0
Net After Adjustment			SAR 6,784.6		SAR 4,716.0
SAR / Sqm			SAR 5,750		
Rounded Value			SAR 5,800		



PROPERTY VALUE	SENSITIVITY ANALYSIS					
		-10%	-5%	0%	5%	10%
SAR 62,113,128	Land Area	10,709	10,709	10,709	10,709	10,709
	SAR / Sqm	SAR 5,220.0	SAR 5,510.0	SAR 5,800.0	SAR 6,090.0	SAR 6,380.0
	Property Value	SAR 55,901,815	SAR 59,007,472	SAR 62,113,128	SAR 65,218,784	SAR 68,324,441
PROPERTY VALUE						



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 5,500 – 6,500 SAR / Sqm with an average of 5,800 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.

1.28 COST APPROACH (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
Skeleton - Concrete Cost	SAR 1,000	SAR 1,200	SAR 1,100
MEP	SAR 600	SAR 800	SAR 700
Finishing Materials	SAR 1,100	SAR 1,300	SAR 1,200
Site Improvements	SAR 60	SAR 100	SAR 80
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			
10,709.16	SAR 5,800	SAR 62,113,128			
Building					
	Unit	Total BUA			
Underground	Sqm	6,231.50			
Upper Floors	Sqm	16,558.46			
Total (SQM)	22,789.96				
Development Cost					
Hard Cost - Upper Floors					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	16,558.46	SAR 1,100	SAR 18,214,306	100%	SAR 18,214,306
Electro Mechanic	16,558.46	SAR 700	SAR 11,590,922	100%	SAR 11,590,922
Finishing	16,558.46	SAR 1,200	SAR 19,870,152	100%	SAR 19,870,152
Fit outs & Appliances	16,558.46	SAR 0	SAR 0	100%	SAR 0
Furniture	16,558.46	SAR 0	SAR 0	100%	SAR 0
Site Improvement	10,709.16	SAR 80	SAR 856,733	100%	SAR 856,733
Total			SAR 50,532,113	100.00%	SAR 50,532,113



Hard Cost - (Underground)					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	6,231.50	SAR 1,650	SAR 10,281,975	100%	SAR 10,281,975
Electro Mechanic	6,231.50	SAR 600	SAR 3,738,900	100%	SAR 3,738,900
Finishing	6,231.50	SAR 700	SAR 4,362,050	100%	SAR 4,362,050
Total			SAR 18,382,925	100.00%	SAR 18,382,925
Overall Soft Cost					
	Total Hard Cost		Ratio	Soft Cost	
Initial Project Pre Cost	SAR 68,915,038		0.10%	SAR 68,915	
Design	SAR 68,915,038		0.50%	SAR 344,575	
Eng Consultant	SAR 68,915,038		1.00%	SAR 689,150	
Management	SAR 68,915,038		5.00%	SAR 3,445,752	
Contingency	SAR 68,915,038		5.00%	SAR 3,445,752	
Others	SAR 68,915,038		0.00%	SAR 0	
TOTAL			11.60%	SAR 7,994,144.38	
Total Hard Cost	SAR 68,915,038	BUA		22,789.96	
Total Soft Cost	SAR 7,994,144.38	SAR / Sqm		SAR 3,375	
Total Construction Cost	SAR 76,909,182.18	Overall Completion		100.0%	

After knowing the total construction costs at a rate of 3,375 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 market value of the building.

DEVELOPMENT VALUE					
Total Dev Cost	SAR 76,909,182	Net Dep Rate	22.86%		
Economic Age	35	Dev Cost After Depreciation	SAR 59,329,941		
Annual Dep Rate	2.86%	Total Completion Rate	100.00%		
Actual Age	8	Developer Profit Rate	20.0%		
Total Dep Rate	22.86%	Dev. Profit Amount	SAR 11,865,988		
Add Appr Rate	0.00%	Development Value	SAR 71,195,929		
Net Dep Rate	22.86%				

The total value of the building is 73,832,815 SAR, which will be added to the value of the land in order to get the full value of the property as follows:



Total Dev. Value	Land Value	Total Property Value	Rounded Value
SAR 71,195,929	SAR 62,113,128	SAR 133,309,057	SAR 133,310,000

1.29 INCOME APPROACH- ACTUAL RATES

The client informed us that the total rental revenues related to the subject property are SAR 10,000,000 for residential units and SAR 4,095,923 for commercial units and the total OPEX is 2,884,385 SAR.

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 7.5%, which will be applied subsequently to the net operating income of the property.

Minimum capitalization rate	7.00%
Maximum capitalization rate	9.00%
Average	8.00%

The effect of the property specifications on the property



Item	Influence	Notes
Ease of access to the property	-0.25%	several major methods
General condition of the property	-0.25%	The actual age of the property is 6 years
The general location of the property	0.00%	The area is served good
Quality and finishes	0.00%	Average quality finishes
Project Management Team	0.00%	Average management and operational team level
Services and public facilities	0.00%	Level and availability of services is average
Total	-0.50%	
<i>Note: When the effect is negative (-), this reduces the capitalization rate, which increases the value of the property. And when the effect is positive (+), this increases the capitalization rate, which reduces the value of the property</i>		
Total adjustments on capitalization rate	-0.50%	
Capitalization rate, according to market averages	8%	
Estimated capitalization rate of the property valuation	7.50%	

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
Residential	0	0	SAR 0	SAR 0	SAR 10,000,000
Commercial	0	0	SAR 0	SAR 0	SAR 4,095,923
-----	0	0	SAR 0	SAR 0	SAR 0
Total Revenues					SAR 14,095,923
EXPENSES					
Unit Type	Management	Utilities	Maintenance	Others	Total Expenses
Residential					SAR 2,884,385
Commercial					
-----	0.00%	0.00%	0.00%	0.00%	0.00%
NET OPERATING INCOME					
Unit Type	Total Revenues		Total Expenses		NOI
Residential	SAR 10,000,000		SAR 2,884,385		SAR 11,211,538
Commercial	SAR 4,095,923				
-----	SAR 0		0.00%		SAR 0
Total					SAR 11,211,538
Total Property Revenues					SAR 14,095,923
Total Property Expenses					-SAR 2,884,385
Net Operating Income					SAR 11,211,537.62
Net Operating Income		Cap Rate	Property Value	Rounded Value	
SAR 11,211,537.62		7.50%	149,487,168.27 SAR	149,500,000.00 SAR	

1.30 VALUATION NOTES



The subject project is a commercial and furnished apartments project. As for the apartment units, and the actual revenues given to us by the client, the average daily rate for these units is almost 205 SAR/Day which falls within the market rate for renting such units in similar projects on daily basis. The above-mentioned revenues, which were given to us by the client took into consideration the vacancy rates of the units within the subject property.

1.31 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

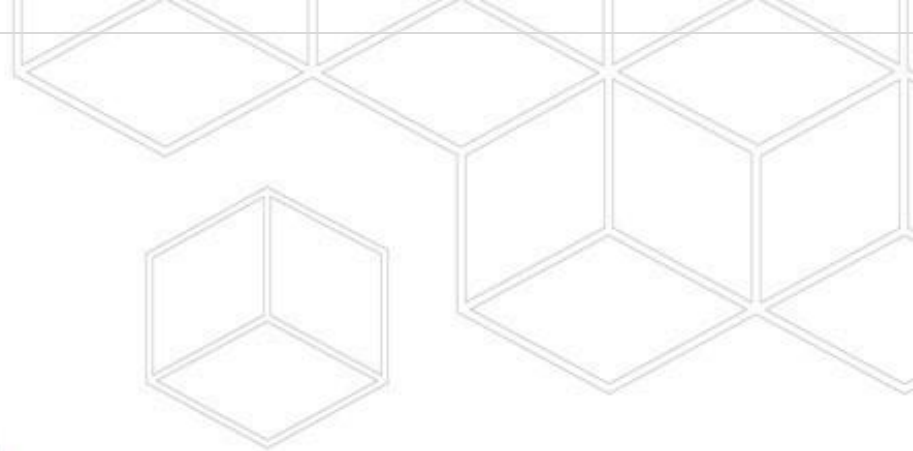
Methodology	Subject of Valuation	Value in Numbers	Value in Letters
DRC Approach	Land + Building	SAR 133,310,000	One Hundred Thirty-Three Million and Three Hundred Ten Thousand Saudi Riyals
Income- Actual	Property	SAR 149,500,000	One Hundred Forty-Nine Million and Five Hundred Thousand Saudi Riyals

1.32 SUBJECT PROPERTY VALUE

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

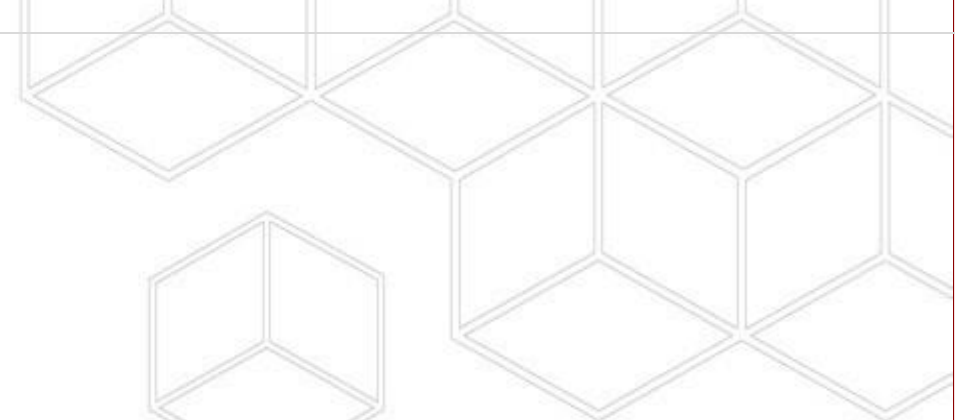
Property Value: **149,500,000 SAR**
 One Hundred Forty-Nine Million and Five Hundred Thousand Saudi Riyals

Al Rabie Genx



PROPERTY DETAILS

Al Rabie Genx





1.33 PROPERTY & LOCATION DESCRIPTION

Property Description	The subject property is a mix-use project composed of showrooms and hospitality units and located in Al Rabie district, Riyadh city. Based on the provided copies of the title deed and the construction permit, the building has total land area of 3,900 Sqm and total BUA of 8,589.53 Sqm. According to the site inspection done by our team for the purpose of valuation, the project is open from 3 sides with a direct view on the main Road (Prince Mohammad Bin Salman Bin Abdulaziz Road) where it is surrounded by residential and mix-use buildings where all infrastructural facilities such as water, electricity, sewage and telecommunication are available in the surroundings and connected to the subject property.
Location Description	The property subject of valuation is a mix-use property located in Al Rabie district, Riyadh city. The property is bordered from the north by a 15 meters Street The property is bordered from the south by a 80 meters Street The Property is bordered from the east by a 15 meters Street The property is bordered to the west by a private property
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 Salman Bin Abdulaziz Road.
Area Surrounding the Property	The subject property is mostly surrounded by residential and mix-use buildings

Land		Building	
Land Use	Commercial	Building Type	Mix-use project
No. of Streets	3	Building Structural Conditions	Fully Constructed
Land Shape	Regular	External Elevation Conditions	Good
Direct View on the Main Road	Prince Mohammad Bin Salman Bin Abdulaziz Road	Building Finishing Conditions	Good
Direct View on an Internal Street	Al Quz Street	Overall Building Conditions	Good
Land Condition	Constructed land		

1.34 INFRASTRUCTURE FACILITIES

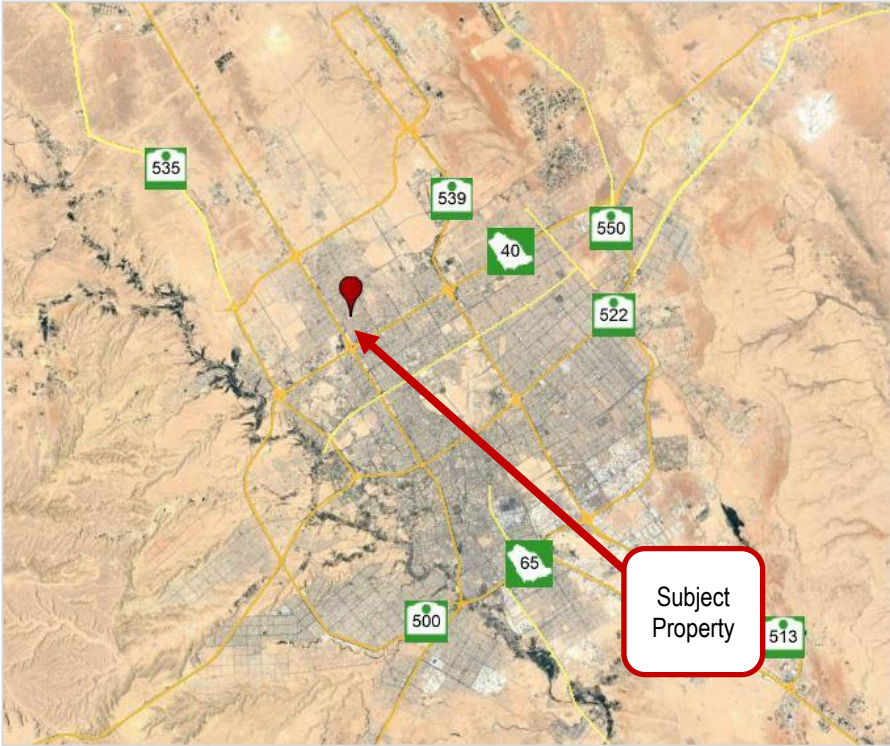
	Available in the surrounding	Connected to the property	
Water	✓	✓	All the infrastructural facilities are available in the surroundings and not yet connected to the subject property.
Electricity	✓	✓	
Tele-Communication	✓	✓	
Sewage	✓	✓	



1.35 LOCATION

The subject property is located in Al Rabie district, Riyadh city .

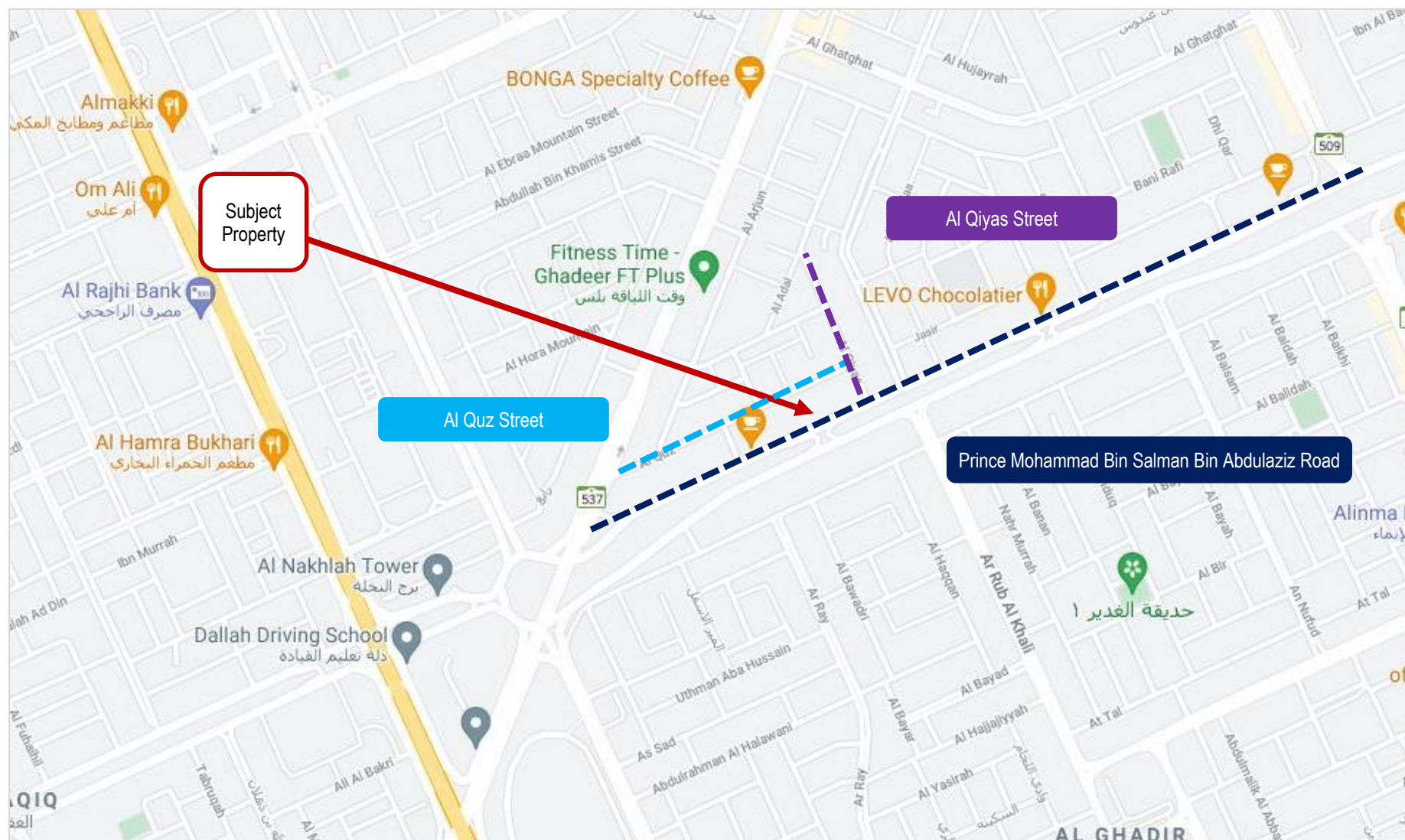
Property Location on a City Scale



Property Location on a District Scale



The subject property can be accessed as shown in the map below:





1.37 TITLE DEED & OWNERSHIP

We were provided with copy of the title deed related to the subject property which is owned by one title deed. The details of the subject property:

City	Riyadh	Land Area	3,900 Sqm
District	Al Rabie	Plot No.	553, 554, 555, 556
T.D Type	Electronic	Block No.	47
T.D Number	914009010891	Layout No.	2413
T.D Date	29/06/1442	Owner	Baitek Al Hefdh Real-estate Co.
T.D Value	22,000,000 SAR	Ownership Type	Freehold
Date of Last Transaction	29/06/1442	Limitation of Document	Mortgaged
Issued From	Riyadh Notary		
North Side	15 meters Street	East Side	15 meters Street
South Side	80 meters Street	West Side	Plot# 557, 558

Notes	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.
-------	--

1.38 CONSTRUCTION & 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, if the customer did not provide us with a copy of the approved plans, the valuation will be done based on the building permit provided by the customer. In the event that the customer does not provide us with a copy of the legal documents that show the total building surfaces, we will value them using the skills of our team along with the municipality's laws and regulations, and therefore the building surfaces will be estimated only roughly.

Source of BUA		Actual Age of the Property		Status of the property	
Construction Permit	✓	Construction Permit	✓	New	-----
As Built Drawings	-----	As Built Drawings	-----	Fully Constructed	✓
Other Documents	-----	Other Documents	-----	Under Construction	-----
Verbal Information	-----	Verbal Information	-----		
Estimation	-----	Estimation	-----		



The client provided us with a building permit for the subject property, which contains the following data:

Subject Property			
Construction Permit Type	New Permit		
Property Type	Hospitality & Showrooms		
Construction Permit No.	1435/5496		
Construction Permit Date	05/04/1435		
Permit Expiry Date	05/04/1438		

Description	No. of Units	Area (sqm)	Use
Basement	0	3,014.83	Parking & Services
Ground Floor	9	1,004.11	Hospitality Units
Commercial Ground Floor	7	1,091.84	Showrooms
First Floor	52	2,319.3	Hospitality Units
Annexes	20	1,159.45	Hospitality Units
Fences	1	128.49	Fences
Total BAU (sqm)		8,589.53	



1.39 PHOTO RECORD



MARKET INDICATORS

Al Rabie Genx



1.40 SAUDI ARABIA ECONOMIC INDICATORS

Economic Indicator	2021 Budget	2022 Expectations	2023 Estimated
Nominal GDP (Billion Riyals)	2,866	3,042	3,232
Real GDP Growth	3.2%	3.4%	3.5%
Inflation Rate	2.9%	2.0%	2.0%
Total Revenue (Billion Riyals)	849	864	928
Total Expenses (Billion Riyals)	990	955	941
Budget Deficit	-141	-91	-13
Public Debt	937	1,013	1,026
Government Reserves at the Saudi Central Bank	280	265	265

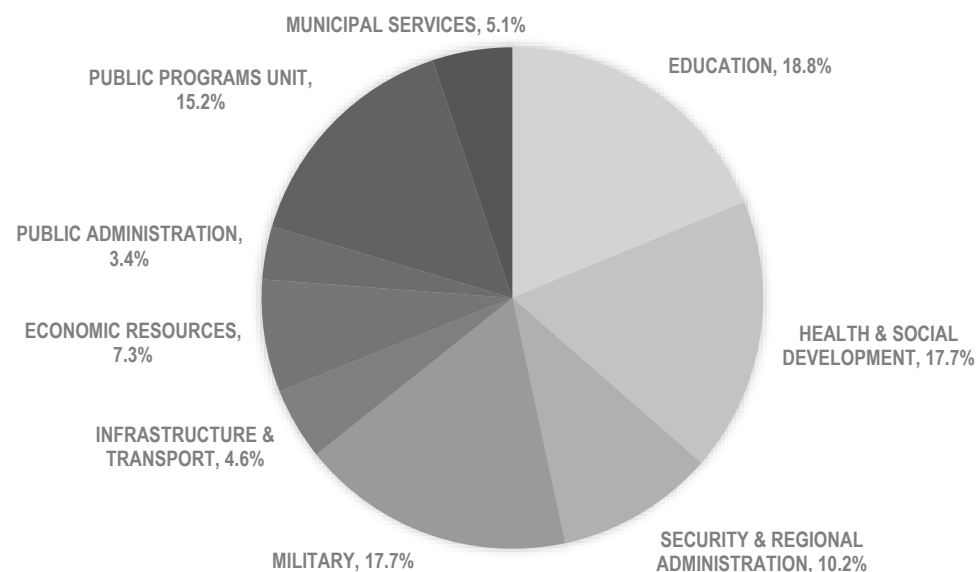
1.41 BUDGET ALLOCATION FOR 2021

Public Administration	34 SAR bn
Military	175 SAR bn
Security & Regional Adm.	101 SAR bn

Municipal Services	51 SAR bn
Education	186 SAR bn
Health & Social Dev.	175 SAR bn

Economic Resources	72 SAR bn
Infrastructure & Transport	46 SAR bn
General Items	151 SAR bn

Source: Ministry of Economy








1.42 SWOT ANALYSIS

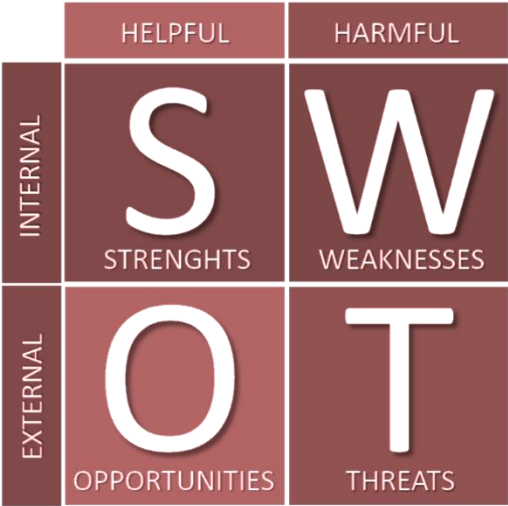
<p>Strength</p> <ul style="list-style-type: none">- The property is open from 3 sides with a direct view on the main Road (Prince Mohammad Bin Salman Bin Abdulaziz Road)- Ease of access to the property	<p>Weakness</p> <ul style="list-style-type: none">- Similar competitive properties in the hood
<p>Opportunities</p> <ul style="list-style-type: none">- High demand on the property type due to its location and ease of access	<p>Threats</p> <ul style="list-style-type: none">- Existing and potential similar project in the area

The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

1.43 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



1.44 RISK ANALYSIS

Risk Factor	Very Low Risk (1) 1-10	Minimal Risk (2) 11-20	Medium Risk (3) 21-30	Elevated Risk (4) 31-40	Very High Risk (5) 41-50
Overall Economy			✓		
Sector Current Performance			✓		
Sector Future Performance		✓			
Occupancy Rates			✓		
Supply Rate			✓		
Demand Rate			✓		
Access		✓			
Location		✓			
Land Shape		✓			
Surrounding Area facilities			✓		
Total Risk	0	8	18	0	0
Risk Category 26 Risk Points – Medium Risk					

Sector Analysis

Risk Category- 26 Risk

Points - Medium Risk

PROPERTY VALUATION

Al Rabie Genx



1.45 GENERAL ASSUMPTIONS

- The subject property is valued under the assumption of freehold status unless otherwise stated in the report.
- All the written and verbal information provided to us by the Client assumed to be up to date, complete and correct in relation to elements such as title deed, construction permits, land area, and any other relevant matters that are set out in the report.
- This report is a valuation report and not structural / building survey. Therefore, we did not carry out any structural due diligence, utilities check, services check, soil test, etc.
- All the inputs used in the valuation methodologies are based on the collected market data using our best know how and experience in the related market.
- The output of this report (Final Value), is based on the used assumptions, received documents from the client and available market data. Yet, the output estimates show an indicative value of the subject property / properties.

1.46 VALUATION APPROACH

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 market value of the subject property:

	DRC	Comparable	Income Cap	DCF	RLV
Land	-----	✓	-----	-----	-----
Building	✓	-----	-----	-----	-----
Overall Property	-----	-----	✓	-----	-----

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 market 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 churches, 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.

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.

1.47 INPUT VALUATION PROCESS

After carrying out the inspection process of the subject property, and based on the purpose of the valuation, we surveyed the surrounding area for the purpose of bringing in information related to the same sector to begin the actual assessment. This information may include similar land prices, residual values, income rates and other information that may be useful, depending on the assessment method to be followed in this report.

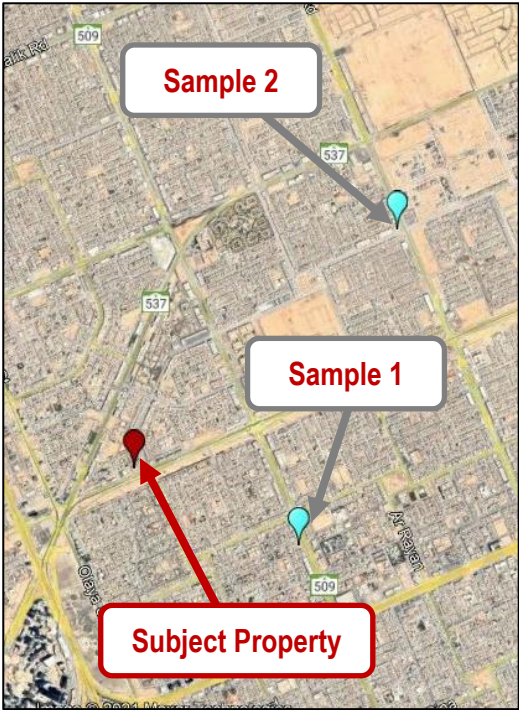


1.48 COMPARABLE APPROACH

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
Quoting	-----	Transaction	Offering
District	Al Rabie	Al Rabie	Al Rabie
Sale Price	-----	SAR 50,000,000	SAR 36,100,000
Data Source	Title Deed	Market Survey	Market Survey
Area Size	3,900.00	5,000.00	3,800.00
SAR / Sqm	-----	SAR 10,000	SAR 9,500
Sides Open	3	3	4

Adjustment Analysis					
		SAMPLE 1		SAMPLE 2	
Area size	3,900.00	5,000.00	0.00%	3,800.00	0.00%
Location Desirability	Average	Average	0.00%	Average	0.00%
Accessibility	Average	Average	0.00%	Average	0.00%
Main Street Width (m)	80	80	0.00%	60	0.00%
Sides Open	3	3	0.00%	4	-5.00%
Land Shape	Regular	Regular	0.00%	Regular	0.00%
Close to main Street	Yes	Yes	0.00%	Yes	0.00%
Negotiable	-----	Yes	-10.00%	No	0.00%
Other Factor	-----	-----	0.00%	-----	0.00%
Total Adjustments Ratio		-10.00%		-5.00%	
Total Adjustment Amount		-SAR 1,000.0		-SAR 475.0	
Net After Adjustment		SAR 9,000.0		SAR 9,025.0	
SAR / Sqm		SAR 9,013			
Rounded Value		SAR 9,000			



PROPERTY VALUE	SENSITIVITY ANALYSIS					
		-10%	-5%	0%	5%	10%
SAR 35,100,000	Land Area	3,900	3,900	3,900	3,900	3,900
	SAR / Sqm	SAR 8,100.0	SAR 8,550.0	SAR 9,000.0	SAR 9,450.0	SAR 9,900.0
	Property Value	SAR 31,590,000	SAR 33,345,000	SAR 35,100,000	SAR 36,855,000	SAR 38,610,000
PROPERTY VALUE						



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 8,500 – 9,500 SAR / Sqm with an average of 9,000 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.

1.49 COST APPROACH (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
Skeleton - Concrete Cost	SAR 800	SAR 1,000	SAR 900
MEP	SAR 500	SAR 700	SAR 600
Finishing Materials	SAR 700	SAR 800	SAR 750
Site Improvements	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
3,900.00	SAR 9,000	SAR 35,100,000

Building		
	Unit	Total BUA
Underground	Sqm	3,014.83
Upper Floors	Sqm	5,574.70
Total (SQM)	8,589.53	

Development Cost					
Hard Cost - Upper Floors					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	5,574.70	SAR 900	SAR 5,017,230	100%	SAR 5,017,230
Electro Mechanic	5,574.70	SAR 600	SAR 3,344,820	100%	SAR 3,344,820
Finishing	5,574.70	SAR 750	SAR 4,181,025	100%	SAR 4,181,025
Fit outs & Appliances	5,574.70	SAR 0	SAR 0	100%	SAR 0
Site Improvement	3,900.00	SAR 100	SAR 390,000	100%	SAR 390,000
Total			SAR 12,933,075	100.00%	SAR 12,933,075



Hard Cost - (Underground)					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	3,014.83	SAR 1,350	SAR 4,070,021	100%	SAR 4,070,021
Electro Mechanic	3,014.83	SAR 300	SAR 904,449	100%	SAR 904,449
Finishing	3,014.83	SAR 500	SAR 1,507,415	100%	SAR 1,507,415
Total			SAR 6,481,885	100.00%	SAR 6,481,885
Overall Soft Cost					
	Total Hard Cost		Ratio	Soft Cost	
Initial Project Pre Cost	SAR 19,414,960		0.10%	SAR 19,415	
Design	SAR 19,414,960		0.50%	SAR 97,075	
Eng. Consultant	SAR 19,414,960		1.00%	SAR 194,150	
Management	SAR 19,414,960		5.00%	SAR 970,748	
Contingency	SAR 19,414,960		5.00%	SAR 970,748	
Others	SAR 19,414,960		0.00%	SAR 0	
TOTAL			11.60%	SAR 2,252,135.30	
Total Hard Cost	SAR 19,414,960	BUA	8,589.53		
Total Soft Cost	SAR 2,252,135.30	SAR / Sqm	SAR 2,523		
Total Construction Cost	SAR 21,667,094.80	Overall Completion	100.0%		

After knowing the total construction costs at a rate of 3,375 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 market value of the building

DEVELOPMENT VALUE			
Total Dev Cost	SAR 21,667,095	Net Dep Rate	14.29%
		Dev Cost After Depreciation	SAR 18,571,796
Economic Age	35	Total Completion Rate	100.00%
Annual Dep Rate	2.86%	Developer Profit Rate	20.0%
Actual Age	5		
Total Dep Rate	14.29%	Dev. Profit Amount	SAR 3,714,359
Add Appr Rate	0.00%	Development Value	SAR 22,286,155
Net Dep Rate	14.29%		

The total value of the building is 73,832,815 SAR, which will be added to the value of the land in order to get the full value of the property as follows:

Total Dev. Value	Land Value	Total Property Value	Rounded Value
SAR 22,286,155	SAR 35,100,000	SAR 57,386,155	SAR 57,390,000



1.50 INCOME APPROACH- ACTUAL RATES

The client informed us that the total net annual rent for the subject property is SAR 3,279,766 and total OPEX of 230,254.14 SAR which will be used in our valuation analysis

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 7.5%, which will be applied subsequently to the net operating income of the property.

Minimum capitalization rate	7.00%
Maximum capitalization rate	9.00%
Average	8.00%



The effect of the property specifications on the property

Item	Influence	Notes
Ease of access to the property	-0.25%	several major methods
General condition of the property	-0.25%	The actual age of the property is 6 years
The general location of the property	0.00%	The area is served good
Quality and finishes	0.00%	Average quality finishes
Project Management Team	0.00%	Average management and operational team level
Services and public facilities	0.00%	Level and availability of services is average
Total	-0.50%	

Note: When the effect is negative (-), this reduces the capitalization rate, which increases the value of the property. And when the effect is positive (+), this increases the capitalization rate, which reduces the value of the property

Total adjustments on capitalization rate -0.50%

Capitalization rate, according to market averages 8%

Estimated capitalization rate of the property valuation 7.50%

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

REVENUES						
Unit Type	Quantity	No of Units	SAR / Sqm	SAR / Unit	Total Revenues	
Commercial Building		The subject property is leased to Several tenants			SAR 3,279,766	
-----	0	0	SAR 0	SAR 0	SAR 0	
-----	0	0	SAR 0	SAR 0	SAR 0	
					Total Revenues	SAR 3,279,766
EXPENSES						
Unit Type	Management	Utilities	Maintenance	Others	Total Expenses	
Commercial Building					SAR 230,254	
-----	0.00%	0.00%	0.00%	0.00%	0.00%	
-----	0.00%	0.00%	0.00%	0.00%	0.00%	
NET OPERATING INCOME						
Unit Type	Total Revenues	Total Expenses	NOI			
Commercial Building	SAR 3,279,766	SAR 230,254	SAR 3,049,512			
-----	SAR 0	0.00%	SAR 0			
-----	SAR 0	0.00%	SAR 0			
			Total	SAR 3,049,512		
Total Property Revenues				SAR 3,279,766		
Total Property Expenses				-SAR 230,254		
Net Operating Income				SAR 3,049,511.86		
Net Operating Income	Cap Rate	Property Value	Rounded Value			
SAR 3,049,511.86	7.50%	40,660,158.13 SAR	40,660,000.00 SAR			

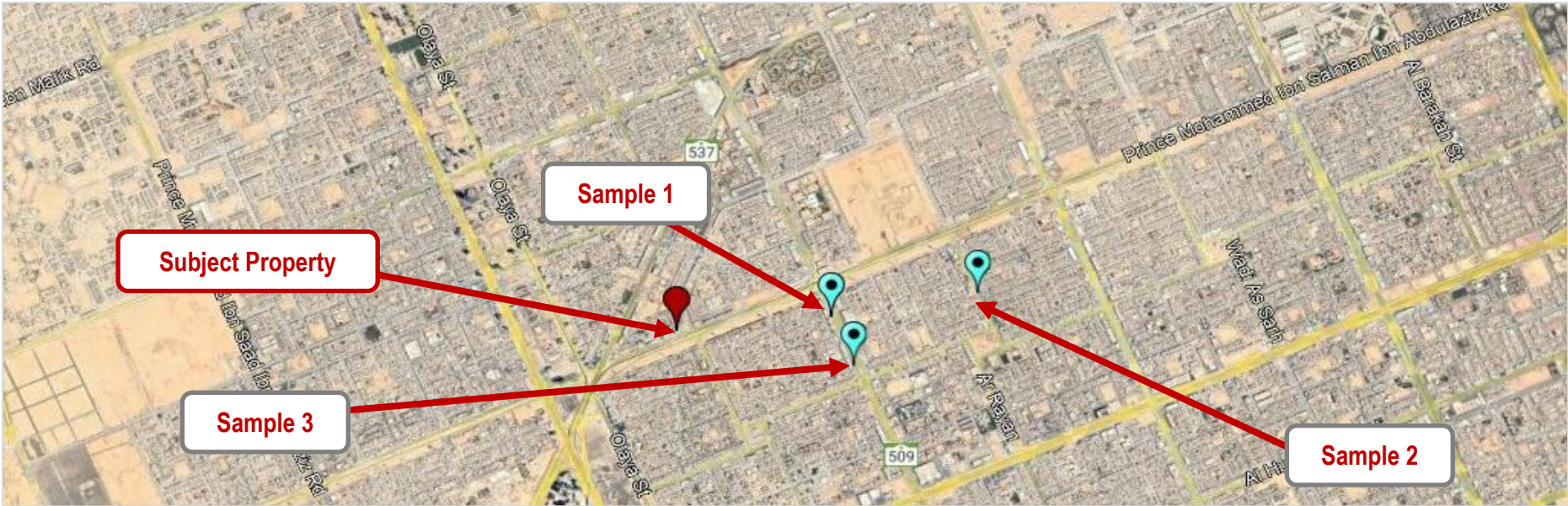


1.51 INCOME APPROACH- MARKET RATES

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 1,000 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 for similar properties:

Comparable	Commercial Showroom Units
	Rental Rate/ Sqm
Comparable 1	1,200 SAR/ Sqm
Comparable 2	1,000 SAR/ Sqm
Comparable 3	1,300 SAR/ Sqm
Average	1,150 SAR/ Sqm





Analysis of Operating and Maintenance Expenses

The operating expenses of similar properties reached between 5% 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	2% to 3%

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 7.5%, which will be applied subsequently to the net operating income of the property.

Minimum capitalization rate	7.00%
Maximum capitalization rate	9.00%
Average	8.00%



The effect of the property specifications on the property		
Item	Influence	Notes
Ease of access to the property	-0.25%	several major methods
General condition of the property	0.00%	The actual age of the property is 4 years
The general location of the property	-0.25%	The area is served good
Quality and finishes	0.00%	Average quality finishes
Project Management Team	0.00%	Average management and operational team level
Services and public facilities	0.00%	Level and availability of services is average
Total	-0.50%	
<i>Note: When the effect is negative (-), this reduces the capitalization rate, which increases the value of the property. And when the effect is positive (+), this increases the capitalization rate, which reduces the value of the property</i>		
Total adjustments on capitalization rate	-0.50%	
Capitalization rate, according to market averages	8%	
Estimated capitalization rate of the property valuation	7.50%	

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
Commercial Building	3,306	0	SAR 1,150	SAR 0	SAR 3,802,372
-----	0	0	SAR 0	SAR 0	SAR 0
-----	0	0	SAR 0	SAR 0	SAR 0
Total Revenues					SAR 3,802,372
EXPENSES					
Unit Type	Management	Utilities	Maintenance	Vacancy	Total Expenses
Commercial Building	3.00%	3.00%	3.00%	5.00%	14.00%
-----	0.00%	0.00%	0.00%	0.00%	0.00%
-----	0.00%	0.00%	0.00%	0.00%	0.00%
NET OPERATING INCOME					
Unit Type	Total Revenues		Total Expenses		NOI
Commercial Building	SAR 3,802,372		14.00%		SAR 3,270,039
-----	SAR 0		0.00%		SAR 0
-----	SAR 0		0.00%		SAR 0
Total					SAR 3,270,039
Total Property Revenues					SAR 3,802,372
Total Property Expenses					-SAR 532,332
Net Operating Income					SAR 3,270,039.49
Net Operating Income	Cap Rate	Property Value		Rounded Value	
SAR 3,270,039.49	7.50%	43,600,526.53 SAR		43,600,000.00 SAR	



1.52 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

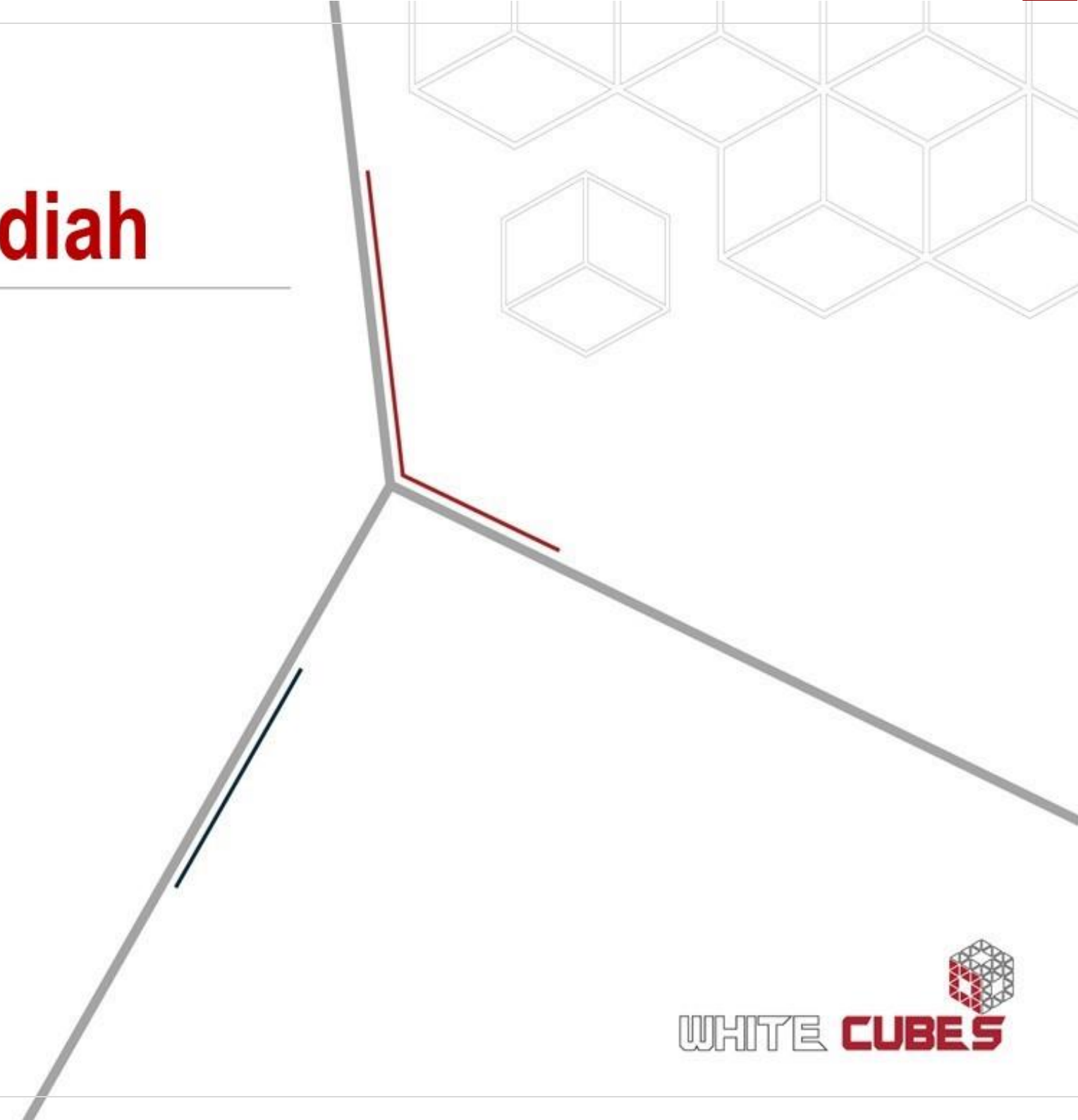
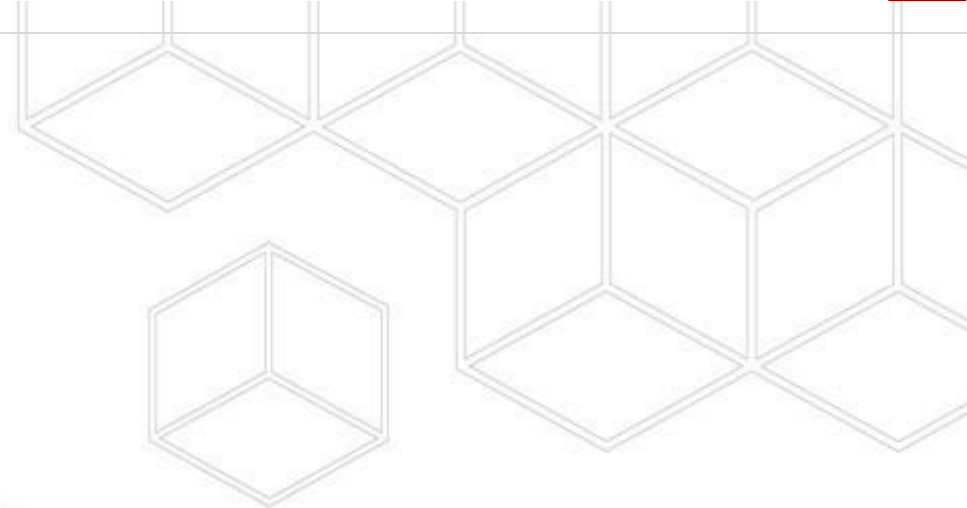
Methodology	Subject of Valuation	Value in Numbers	Value in Letters
DRC Approach	Land + Building	SAR 57,390,000	Fifty-Seven Million and Three Hundred Ninety Thousand Saudi Riyals
Income- Actual	Property	SAR 40,660,000	Forty Million and Six Hundred Sixty Thousand Saudi Riyals
Income- Market	Property	SAR 43,600,000	Forty-Three Million and Six Hundred Thousand Saudi Riyals

1.53 SUBJECT PROPERTY VALUE

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

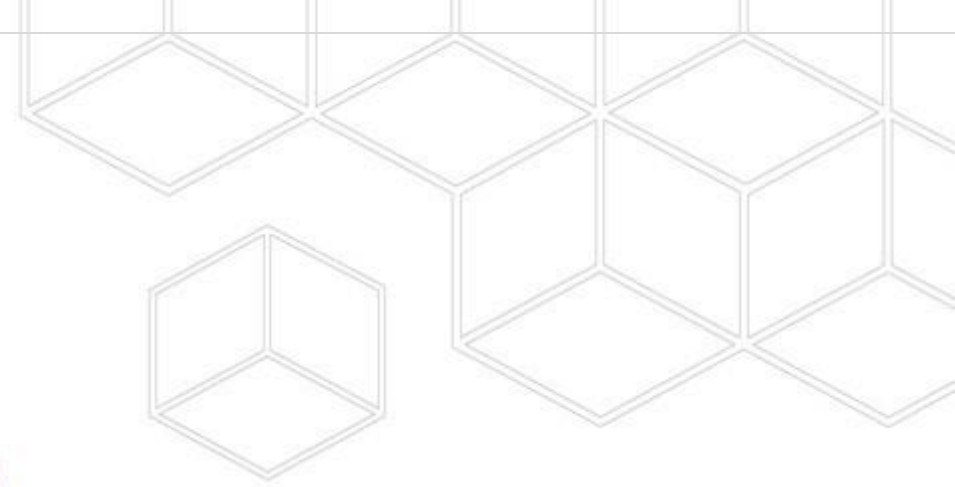
Property Value: **40,660,000 SAR**
 Forty Million and Six Hundred Sixty Thousand Saudi Riyals

Al Mohammadiyah



PROPERTY DETAILS

Al Mohammadiyah



WHITE CUBES 



1.54 PROPERTY & LOCATION DESCRIPTION

Property Description	The subject property is a commercial project composed of showrooms and offices located in Al Maather district, Riyadh city. Based on the provided copies of the title deed and the construction permit, the building has total land area of 2,109 Sqm and total BUA of 15,602.92 Sqm. According to the site inspection done by our team for the purpose of valuation, the project is open from 3 sides with a direct view on the main Road (King Fahad Road) where it is surrounded by residential and mix-use buildings where all infrastructural facilities such as water, electricity, sewage, and telecommunication are available in the surroundings and connected to the subject property.
Location Description	The property subject of valuation is a commercial property located in Al Maather district, Riyadh city. The property is bordered from the north by a 10 meters Street The property is bordered from the south by a private property The Property is bordered from the east by a 80 meters Street The property is bordered to the west by a 14 meters Street
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.
Area Surrounding the Property	The subject property is mostly surrounded by residential and mix-use buildings

Land		Building	
Land Use	Commercial	Building Type	Commercial project
No. of Streets	3	Building Structural Conditions	Fully Constructed
Land Shape	Regular	External Elevation Conditions	Good
Direct View on the Main Road	King Fahad Road	Building Finishing Conditions	Good
Direct View on an Internal Street	Ibn Abi Al Ata Street	Overall Building Conditions	Good
Land Condition	Constructed land		

1.55 INFRASTRUCTURE FACILITIES

	Available in the surrounding	Connected to the property	
Water	✓	✓	All the infrastructural facilities are available in the surroundings and connected to the subject property.
Electricity	✓	✓	
Tele-Communication	✓	✓	
Sewage	✓	✓	



1.56 LOCATION

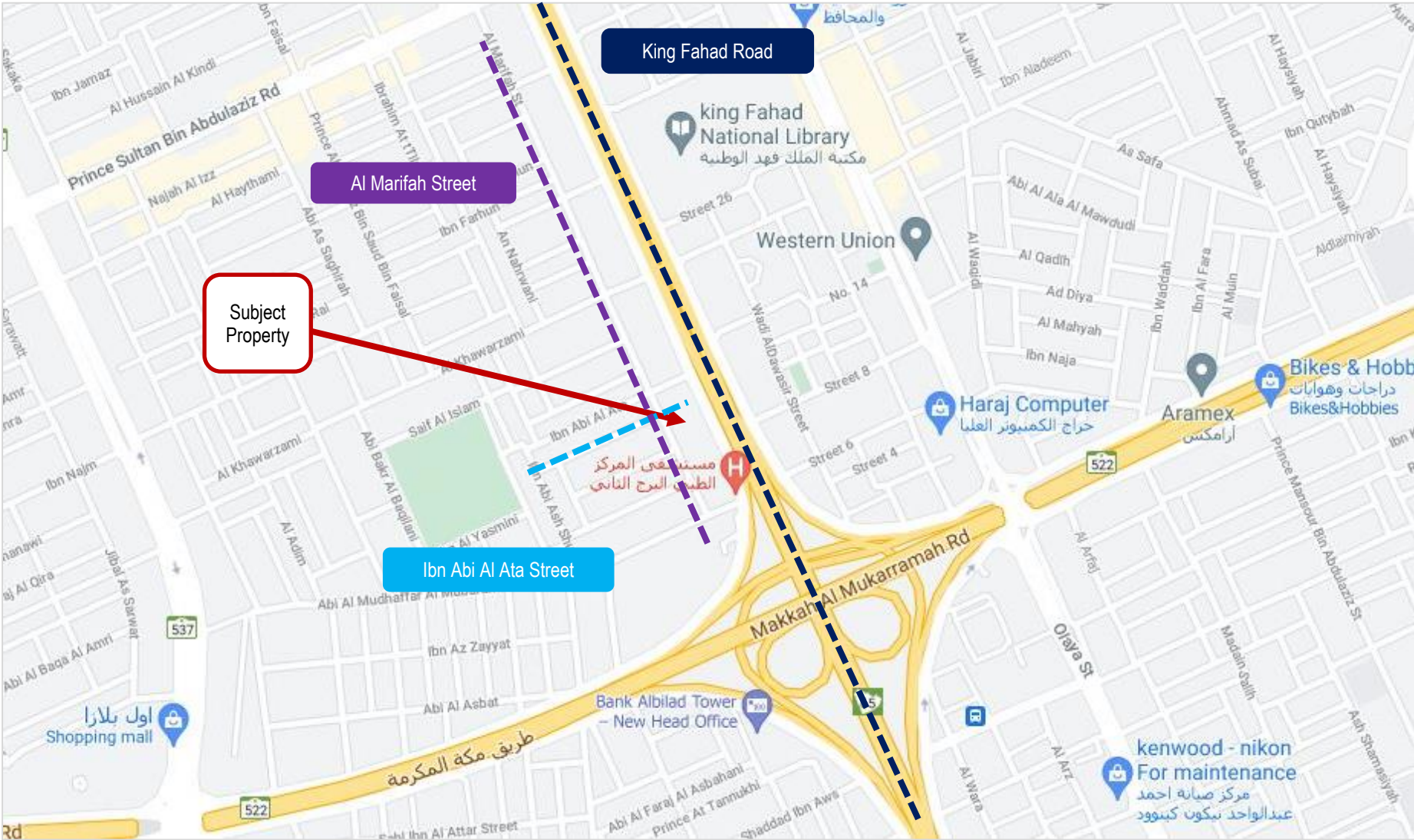
The subject property is located in Al Maather district, Riyadh city .





1.57 PROPERTY ACCESS

The subject property can be accessed as shown in the map below:





1.58 TITLE DEED & OWNERSHIP

We were provided with copy of the title deed related to the subject property which is owned by one title deed. The details of the subject property:

City	Riyadh	Land Area	2,109 Sqm
District	Al Maather	Plot No.	N/A
T.D Type	Electronic	Block No.	N/A
T.D Number	314002002732	Layout No.	1343
T.D Date	28/12/1440	Owner	Baitek Al Hefdh Real-estate Co.
T.D Value	45,000,000 SAR	Ownership Type	Freehold
Date of Last Transaction	28/12/1440	Limitation of Document	Mortgaged
Issued From	Riyadh Notary		
North Side	10 meters Street	East Side	80 meters Street
South Side	Private property	West Side	14 meters Street

Notes	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.
-------	--

1.59 CONSTRUCTION & 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, if the customer did not provide us with a copy of the approved plans, the valuation will be done based on the building permit provided by the customer. In the event that the customer does not provide us with a copy of the legal documents that show the total building surfaces, we will value them using the skills of our team along with the municipality's laws and regulations, and therefore the building surfaces will be estimated only roughly.

Source of BUA		Actual Age of the Property		Status of the property	
Construction Permit	✓	Construction Permit	✓	New	-----
As Built Drawings	-----	As Built Drawings	-----	Fully Constructed	✓
Other Documents	-----	Other Documents	-----	Under Construction	-----
Verbal Information	-----	Verbal Information	-----		
Estimation	-----	Estimation	-----		



The client provided us with a building permit for the subject property, which contains the following data:

Subject Property	
Construction Permit Type	Ownership Transfer
Property Type	Commercial Building
Construction Permit No.	1423/1771
Construction Permit Date	03/06/1426
Permit Expiry Date	03/06/1429

Description	No. of Units	Area (sqm)	Use
Mezzanine	0	1,230	Commercial
Ground Floor	4	1,463	Commercial
Second Basement	0	2,100	Parking
First Basement	0	2,100	Parking
First Floor	8	1,992	Offices
Second Floor	4	940.56	Offices
Third Floor	4	940.56	Offices
Electricity Room	0	20	Electricity Room
Fourth Floor	4	940.56	Offices
Fifth Floor	4	940.56	Offices
Sixth Floor	4	940.56	Offices
Seventh Floor	4	960.56	Offices
Eighth Floor	4	940.56	Offices
Annexes	0	94	Services
Total BAU (sqm)		15,602.92	

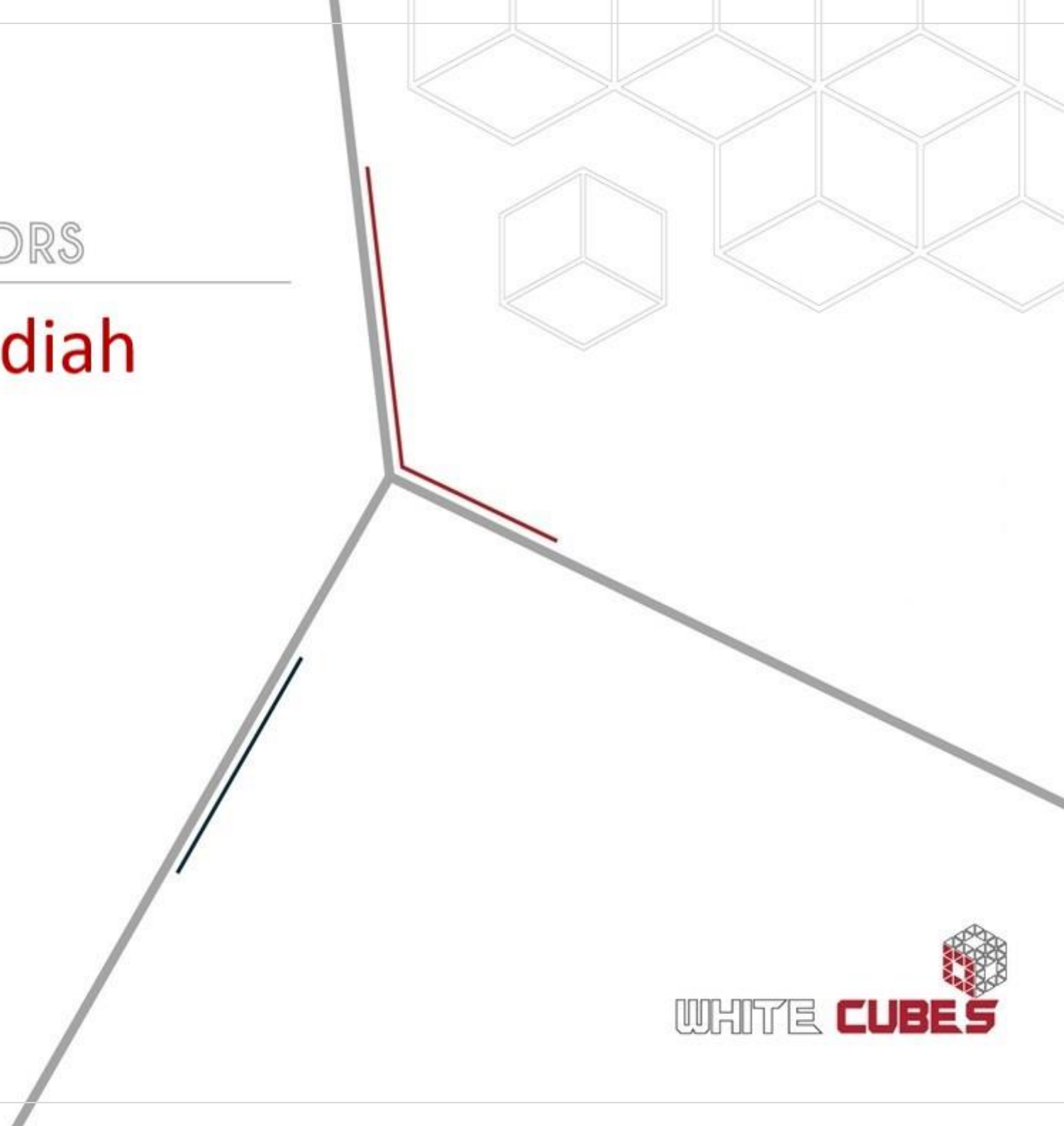
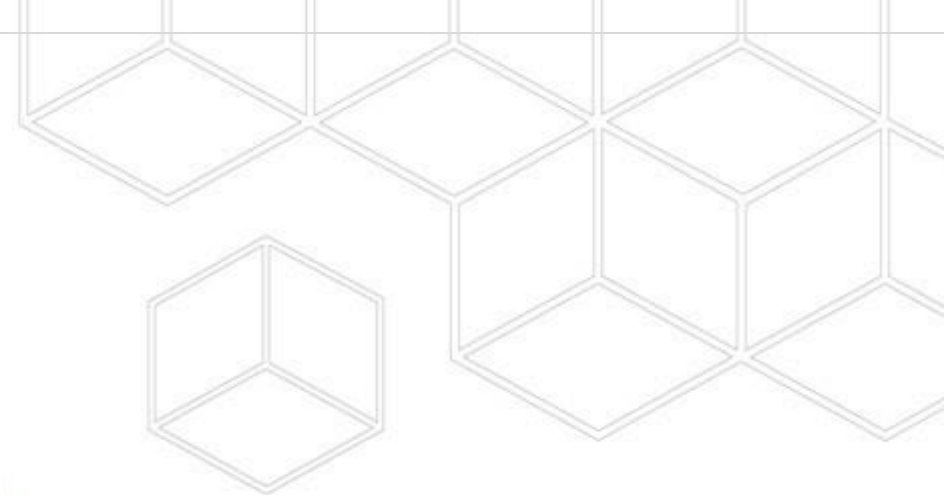


1.60 PHOTO RECORD



MARKET INDICATORS

Al Mohammadiyah





1.61 SAUDI ARABIA ECONOMIC INDICATORS

Economic Indicator	2021 Budget	2022 Expectations	2023 Estimated
Nominal GDP (Billion Riyals)	2,866	3,042	3,232
Real GDP Growth	3.2%	3.4%	3.5%
Inflation Rate	2.9%	2.0%	2.0%
Total Revenue (Billion Riyals)	849	864	928
Total Expenses (Billion Riyals)	990	955	941
Budget Deficit	-141	-91	-13
Public Debt	937	1,013	1,026
Government Reserves at the Saudi Central Bank	280	265	265

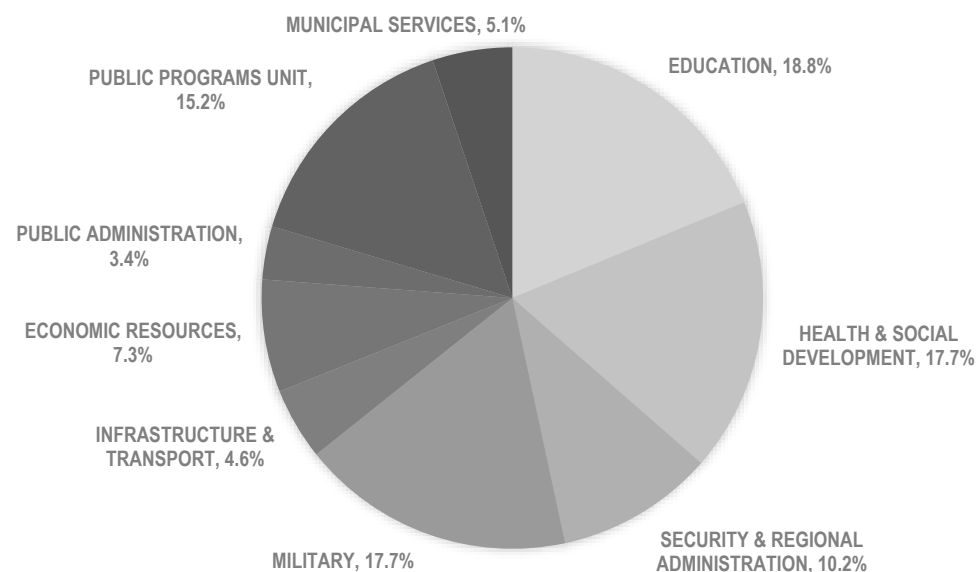
1.62 BUDGET ALLOCATION FOR 2021

Public Administration	34 SAR bn
Military	175 SAR bn
Security & Regional Adm.	101 SAR bn

Municipal Services	51 SAR bn
Education	186 SAR bn
Health & Social Dev.	175 SAR bn

Economic Resources	72 SAR bn
Infrastructure & Transport	46 SAR bn
General Items	151 SAR bn

Source: Ministry of Economy








1.63 SWOT ANALYSIS

<p>Strength</p> <ul style="list-style-type: none">- The property is open from 3 sides with a direct view on the main Road (King Fahad Road)- Ease of access to the property as it is located on an active Road	<p>Weakness</p> <ul style="list-style-type: none">- High traffic area
<p>Opportunities</p> <ul style="list-style-type: none">- High demand on the property type	<p>Threats</p> <ul style="list-style-type: none">- Existing and potential similar project in the area

The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

1.64 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

	HELPFUL	HARMFUL
INTERNAL	<p>S</p> <p>STRENGTHS</p>	<p>W</p> <p>WEAKNESSES</p>
EXTERNAL	<p>O</p> <p>OPPORTUNITIES</p>	<p>T</p> <p>THREATS</p>



White Cubes Team's Analysis



1.65 RISK ANALYSIS

Risk Factor	Very Low Risk (1) 1-10	Minimal Risk (2) 11-20	Medium Risk (3) 21-30	Elevated Risk (4) 31-40	Very High Risk (5) 41-50
Overall Economy			✓		
Sector Current Performance			✓		
Sector Future Performance		✓			
Occupancy Rates			✓		
Supply Rate			✓		
Demand Rate			✓		
Access		✓			
Location		✓			
Land Shape		✓			
Surrounding Area facilities			✓		
Total Risk	0	8	18	0	0
Risk Category 26 Risk Points – Medium Risk					

Sector Analysis

Risk Category- 26 Risk

Points - Medium Risk

PROPERTY VALUATION

Al Mohammadiyah



1.66 GENERAL ASSUMPTIONS

- The subject property is valued under the assumption of freehold status unless otherwise stated in the report.
- All the written and verbal information provided to us by the Client assumed to be up to date, complete and correct in relation to elements such as title deed, construction permits, land area, and any other relevant matters that are set out in the report.
- This report is a valuation report and not structural / building survey. Therefore, we did not carry out any structural due diligence, utilities check, services check, soil test, etc.
- All the inputs used in the valuation methodologies are based on the collected market data using our best know how and experience in the related market.
- The output of this report (Final Value), is based on the used assumptions, received documents from the client and available market data. Yet, the output estimates show an indicative value of the subject property / properties.

1.67 VALUATION APPROACH

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 market value of the subject property:

	DRC	Comparable	Income Cap	DCF	RLV
Land	-----	✓	-----	-----	-----
Building	✓	-----	-----	-----	-----
Overall Property	-----	-----	✓	-----	-----

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 market 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 churches, 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.

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.



1.68 COMPARABLE APPROACH

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	
Quoting	-----	Transaction	
District	Maather	Maather	
Sale Price	-----	SAR 42,000,000	
Data Source	Title Deed	Market Survey	
Area Size	2,109.00	3,000.00	
SAR / Sqm	-----	SAR 14,000	
Sides Open	3	3	

Adjustment Analysis			
		SAMPLE 1	
Area size	2,109.00	3,000.00	0.00%
Location Desirability	Average	Average	0.00%
Accessibility	Average	Average	0.00%
Main Street Width (m)	80	80	0.00%
Sides Open	3	3	0.00%
Land Shape	Regular	Regular	0.00%
Close to main Street	Yes	Yes	0.00%
Negotiable	-----	Yes	-10.00%
Other Factor	-----	-----	0.00%
Total Adjustments Ratio		-10.00%	
Total Adjustment Amount		-SAR 1,400.0	
Net After Adjustment		SAR 12,600.0	

SAR / Sqm	SAR 12,600
Rounded Value	SAR 12,600



PROPERTY VALUE	SENSITIVITY ANALYSIS					
		-10%	-5%	0%	5%	10%
SAR 26,573,400	Land Area	2,109	2,109	2,109	2,109	2,109
	SAR / Sqm	SAR 11,340.0	SAR 11,970.0	SAR 12,600.0	SAR 13,230.0	SAR 13,860.0
	Property Value	SAR 23,916,060	SAR 25,244,730	SAR 26,573,400	SAR 27,902,070	SAR 29,230,740
PROPERTY VALUE						



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 prices for similar properties falls in the range of 12,000 - 13,000 SAR / Sqm with an average of 12,500 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.

1.69 COST APPROACH (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 regards. The following table shows the expected replacement costs for such property.

	Min Cost (SAR / Sqm)	Max Cost (SAR / Sqm)	Average Cost
Skeleton - Concrete Cost	SAR 1,100	SAR 1,300	SAR 1,200
MEP	SAR 500	SAR 700	SAR 600
Finishing Materials	SAR 800	SAR 1,000	SAR 900
Site Improvements	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	
2,109.00		SAR 12,600		SAR 26,573,400	
Building					
		Unit		Total BUA	
Underground		Sqm		4,200.00	
Upper Floors		Sqm		11,402.92	
Total (SQM)		15,602.92			
Development Cost					
Hard Cost - Upper Floors					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	11,402.92	SAR 1,200	SAR 13,683,504	100%	SAR 13,683,504
Electro Mechanic	11,402.92	SAR 600	SAR 6,841,752	100%	SAR 6,841,752
Finishing	11,402.92	SAR 900	SAR 10,262,628	100%	SAR 10,262,628
Fit outs & Appliances	11,402.92	SAR 0	SAR 0	100%	SAR 0
Furniture	11,402.92	SAR 0	SAR 0	100%	SAR 0
Site Improvement	2,109.00	SAR 100	SAR 210,900	100%	SAR 210,900
Total			SAR 30,998,784	100.00%	SAR 30,998,784



Hard Cost - (Underground)					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	4,200.00	SAR 1,800	SAR 7,560,000	100%	SAR 7,560,000
Electro Mechanic	4,200.00	SAR 400	SAR 1,680,000	100%	SAR 1,680,000
Finishing	4,200.00	SAR 500	SAR 2,100,000	100%	SAR 2,100,000
Total			SAR 11,340,000	100.00%	SAR 11,340,000
Overall Soft Cost					
			Total Hard Cost	Ratio	Soft Cost
Initial Project Pre Cost			SAR 42,338,784	0.10%	SAR 42,339
Design			SAR 42,338,784	0.50%	SAR 211,694
Eng Consultant			SAR 42,338,784	1.00%	SAR 423,388
Management			SAR 42,338,784	5.00%	SAR 2,116,939
Contingency			SAR 42,338,784	5.00%	SAR 2,116,939
Others			SAR 42,338,784	0.00%	SAR 0
TOTAL				11.60%	SAR 4,911,298.94
Total Hard Cost	SAR 42,338,784		BUA	15,602.92	
Total Soft Cost	SAR 4,911,298.94		SAR / Sqm	SAR 3,028	
Total Construction Cost	SAR 47,250,082.94		Overall Completion	100.0%	

After knowing the total construction costs at a rate of 3,028 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 market value of the building

DEVELOPMENT VALUE			
Total Dev Cost	SAR 47,250,083	Net Dep Rate	40.00%
		Dev Cost After Depreciation	SAR 28,350,050
Economic Age	35		
Annual Dep Rate	2.86%	Total Completion Rate	100.00%
		Developer Profit Rate	20.0%
Actual Age	14		
Total Dep Rate	40.00%		
Add Appr Rate	0.00%	Dev. Profit Amount	SAR 5,670,010
Net Dep Rate	40.00%	Development Value	SAR 34,020,060

The total value of the building is 34,020,060 SAR, which will be added to the value of the land in order to get the full value of the property as follows:

Total Dev. Value	Land Value	Total Property Value	Rounded Value
SAR 34,020,060	SAR 26,573,400	SAR 60,593,460	SAR 60,590,000



1.70 INCOME APPROACH- ACTUAL RATES

The client provided us with the total annual rent related to the subject property which is SAR 8,430,225.58 and total OPEX of 7,174.23 SAR.

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 7.5% 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

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.

Minimum capitalization rate		7.50%
Maximum capitalization rate		8.50%
Average		7.75%
The effect of the property specifications on the property		
Item	Influence	Notes
Ease of access to the property	-0.25%	several major methods
General condition of the property	0.25%	The actual age of the property is 13 years
The general location of the property	0.00%	The area is served good
Quality and finishes	0.00%	Average quality finishes
Project Management Team	0.00%	Average management and operational team level
Services and public facilities	0.00%	level and availability of services is average
Total	0.00%	
Note: When the effect is negative (-), this reduces the capitalization rate, which increases the value of the property. And when the effect is positive (+), this increases the capitalization rate, which reduces the value of the property		
Total adjustments on capitalization rate	0.00%	
Capitalization rate, according to market averages	7.75%	
Estimated capitalization rate of the property valuation	7.75%	

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 7.75%, 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					
	Quantity		Revenues		
Unit Type	Total GLA	No of Units	SAR / Sqm	SAR / Unit	Total Revenues
Mix-use Property					SAR 8,430,225
-----	0	0	SAR 0	SAR 0	SAR 0
-----	0	0	SAR 0	SAR 0	SAR 0
Total Revenues					SAR 8,430,225
EXPENSES					
Unit Type	Management	Utilities	Maintenance	Others	Total Expenses
Mix-use Property					SAR 7,174
-----	0.00%	0.00%	0.00%	0.00%	0.00%
-----	0.00%	0.00%	0.00%	0.00%	0.00%
NET OPERATING INCOME					
Unit Type	Total Revenues		Total Expenses		NOI
Mix-use Property	SAR 8,430,225		SAR 7,174		SAR 8,423,050
-----	SAR 0		0.00%		SAR 0
-----	SAR 0		0.00%		SAR 0
Total					SAR 8,423,050
Total Property Revenues					SAR 8,430,225
Total Property Expenses					-SAR 7,174
Net Operating Income					SAR 8,423,050.35
Net Operating Income		Cap Rate	Property Value		Rounded Value
SAR 8,423,050.35		7.75%	108,684,520.65 SAR		108,680,000.00 SAR

1.71 INCOME APPROACH- ACTUAL RATES

Based on the market survey done by our team for the purpose of valuation, we couldn't find commercial and office samples similar to the subject properties in the area. Therefore, we have executed trade interviews with local real estate agents and find that the average rental rates for commercial units falls between 1,100 & 1,500 SAR/ Sqm and for office units the average rental rate falls between 800 & 900 SAR/ Sqm. We will base our valuation analysis on the average rates 1,300 SAR/ Sqm and 850 SAR/ Sqm.



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

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 7.5% 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

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.

Minimum capitalization rate		7.50%
Maximum capitalization rate		8.00%
Average		7.75%
The effect of the property specifications on the property		
Item	Influence	Notes
Ease of access to the property	-0.25%	several major methods
General condition of the property	0.25%	The actual age of the property is 13 years
The general location of the property	0.00%	The area is served good
Quality and finishes	0.00%	Average quality finishes
Project Management Team	0.00%	Average management and operational team level
Services and public facilities	0.00%	level and availability of services is average
Total	0.00%	
Note: When the effect is negative (-), this reduces the capitalization rate, which increases the value of the property. And when the effect is positive (+), this increases the capitalization rate, which reduces the value of the property		
Total adjustments on capitalization rate	0.00%	
Capitalization rate, according to market averages	7.75%	
Estimated capitalization rate of the property valuation	7.75%	

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 7.75%, 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						
	Quantity		Revenues			
Unit Type	Total GLA	No of Units	SAR / Sqm		SAR / Unit	Total Revenues
Show Rooms	1,250	0	SAR 1,300		SAR 0	SAR 1,625,000
Offices	8,478	0	SAR 850		SAR 0	SAR 7,206,300
Total Revenues						SAR 8,831,300
EXPENSES						
Unit Type	Management	Utilities	Maintenance		Vacancy	Total Expenses
Show Rooms	2.50%	3.00%	2.50%		10.00%	18.00%
Offices	2.50%	3.00%	2.50%		10.00%	18.00%
NET OPERATING INCOME						
Unit Type	Total Revenues		Total Expenses		NOI	
Show Rooms	SAR 1,625,000		18.00%		SAR 1,332,500	
Offices	SAR 7,206,300		18.00%		SAR 5,909,166	
Total						SAR 7,241,666
Total Property Revenues						SAR 8,831,300
Total Property Expenses						-SAR 1,589,634
Net Operating Income						SAR 7,241,666.00
Net Operating Income		Cap Rate	Property Value		Rounded Value	
SAR 7,241,666.00		7.75%	93,440,851.61 SAR		93,400,000.00 SAR	

1.72 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

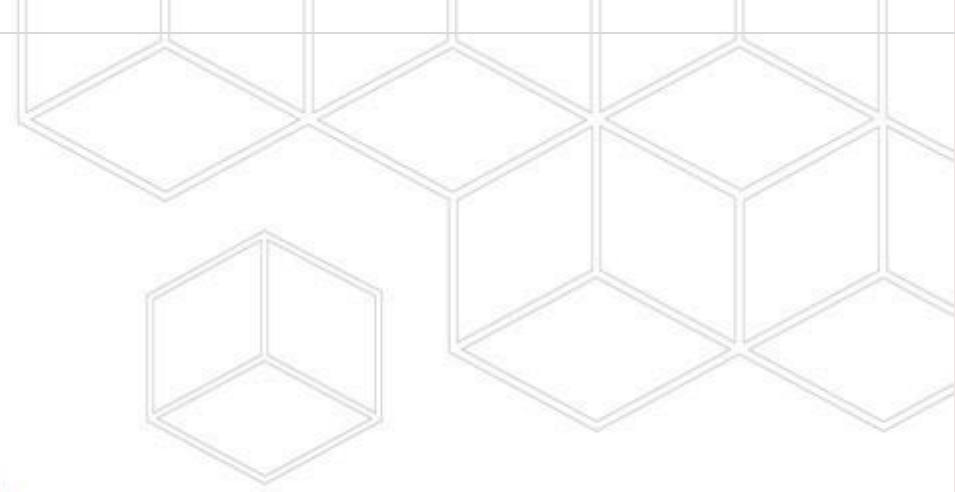
Methodology	Subject of Valuation	Value in Numbers	Value in Letters
DRC Approach	Land + Building	SAR 60,590,000	Sixty Million and Five Hundred Ninety Thousand Saudi Riyals
Income- Actual	Property	SAR 108,680,000	One Hundred Eight Million and Six Hundred Eighty Thousand Saudi Riyals
Income- Market	Property	SAR 93,400,000	Ninety-Three Million and Four Hundred Thousand Saudi Riyals

1.73 SUBJECT PROPERTY VALUE

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

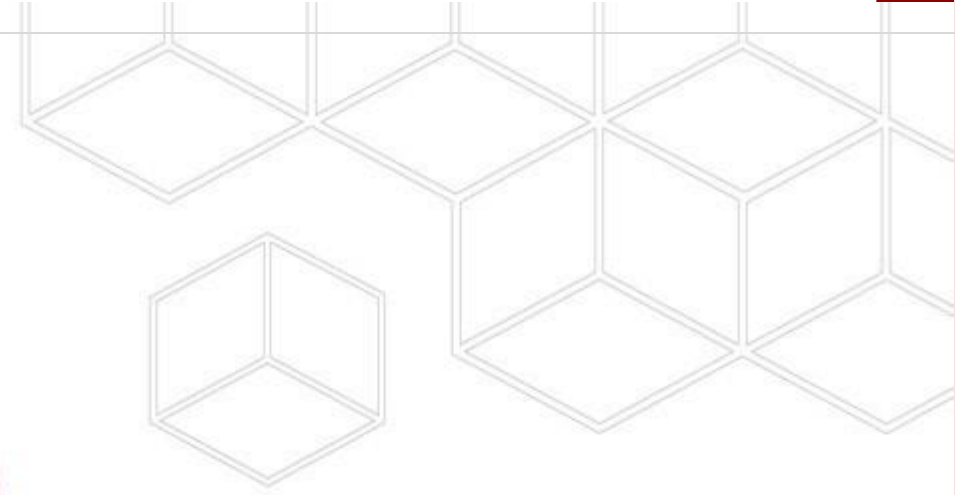
Property Value: 108,680,000 SAR
One Hundred Eight Million and Six Hundred Eighty Thousand Saudi Riyals

AI Takhassosi Project



PROPERTY DETAILS

Al Takhassosi Project



WHITE CUBES 



1.74 PROPERTY & LOCATION DESCRIPTION

Property Description	The subject property is a commercial building located in Al Maather district, Riyadh city. Based on the provided copies of the title deed and the construction permit, the building has total land area of 4,248 Sqm and total BUA of 6,610.61 Sqm. According to the site inspection done by our team for the purpose of valuation, the project is open from 3 sides with a direct view on Al Takhassosi Street where it is surrounded by residential and mix-use buildings where all infrastructural facilities such as water, electricity, sewage, and telecommunication are available in the surroundings and connected to the subject property.
Location Description	The property subject of valuation is a commercial building located in Al Maather district, Riyadh city. The property is bordered from the north by a 20 meters Street The property is bordered from the south by a private property The Property is bordered from the east by a 14 meters Street The property is bordered to the west by a 40 meters Street
Ease of Access	Based on the current location of the subject property, the access level is high since it is located on Al Takhassosi Street.
Area Surrounding the Property	The subject property is mostly surrounded by residential and mix-use buildings

Land		Building	
Land Use	Commercial	Building Type	Commercial building
No. of Streets	3	Building Structural Conditions	Fully Constructed
Land Shape	Regular	External Elevation Conditions	Good
Direct View on the Main Road	Al Takhassosi	Building Finishing Conditions	Good
Direct View on an Internal Street	2 unnamed Streets	Overall Building Conditions	Good
Land Condition	Constructed land		

1.75 INFRASTRUCTURE FACILITIES

	Available in the surrounding	Connected to the property	
Water	✓	✓	All the infrastructural facilities are available in the surroundings and connected to the subject property.
Electricity	✓	✓	
Tele-Communication	✓	✓	
Sewage	✓	✓	



1.76 LOCATION

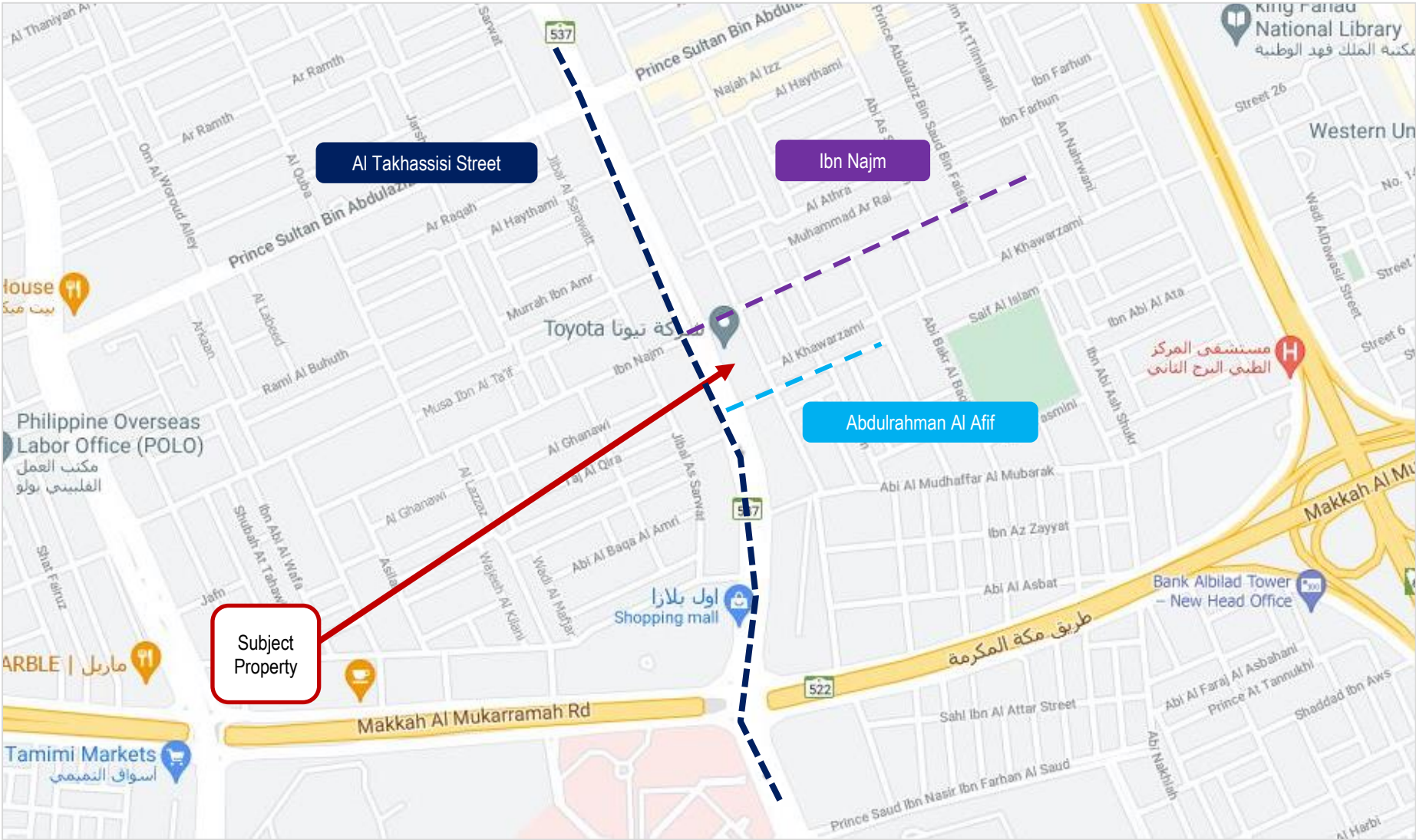
The subject property is located in Al Maather district, Riyadh city .





1.77 PROPERTY ACCESS

The subject property can be accessed as shown in the map below:





1.78 TITLE DEED & OWNERSHIP

We were provided with copy of the title deed related to the subject property which is owned by one title deed. The details of the subject property:

City	Riyadh	Land Area	4,248 Sqm
District	Al Maather	Plot No.	1107 to 1112
T.D Type	Electronic	Block No.	191
T.D Number	314009010892	Layout No.	1343
T.D Date	29/06/1442	Owner	Baitek Al Hefdh Real-estate Co.
T.D Value	25,500,000 SAR	Ownership Type	Freehold
Date of Last Transaction	29/06/1442	Limitation of Document	Mortgaged
Issued From	Riyadh Notary		
North Side	20 meters Street	East Side	14 meters Street
South Side	Plot# 1113, 1114	West Side	40 meters Street

Notes	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.
-------	--

1.79 CONSTRUCTION & 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, if the customer did not provide us with a copy of the approved plans, the valuation will be done based on the building permit provided by the customer. In the event that the customer does not provide us with a copy of the legal documents that show the total building surfaces, we will value them using the skills of our team along with the municipality's laws and regulations, and therefore the building surfaces will be estimated only roughly.

Source of BUA		Actual Age of the Property		Status of the property	
Construction Permit	✓	Construction Permit	✓	New	-----
As Built Drawings	-----	As Built Drawings	-----	Fully Constructed	✓
Other Documents	-----	Other Documents	-----	Under Construction	-----
Verbal Information	-----	Verbal Information	-----		
Estimation	-----	Estimation	-----		



The client provided us with a building permit for the subject property, which contains the following data:

Subject Property				
Construction Permit Type		Layout modification		
Property Type		Car showroom		
Construction Permit No.		1437/363		
Construction Permit Date		09/01/1437		
Permit Expiry Date		09/01/1440		
Description		No. of Units	Area (sqm)	Use
Basement		0	3,448.22	Parking
Mezzanine		0	835.39	Mezzanine
Ground Floor		1	2,327	Showroom
Fences		1	149	Fences
Total BAU (sqm)			6,759.61	

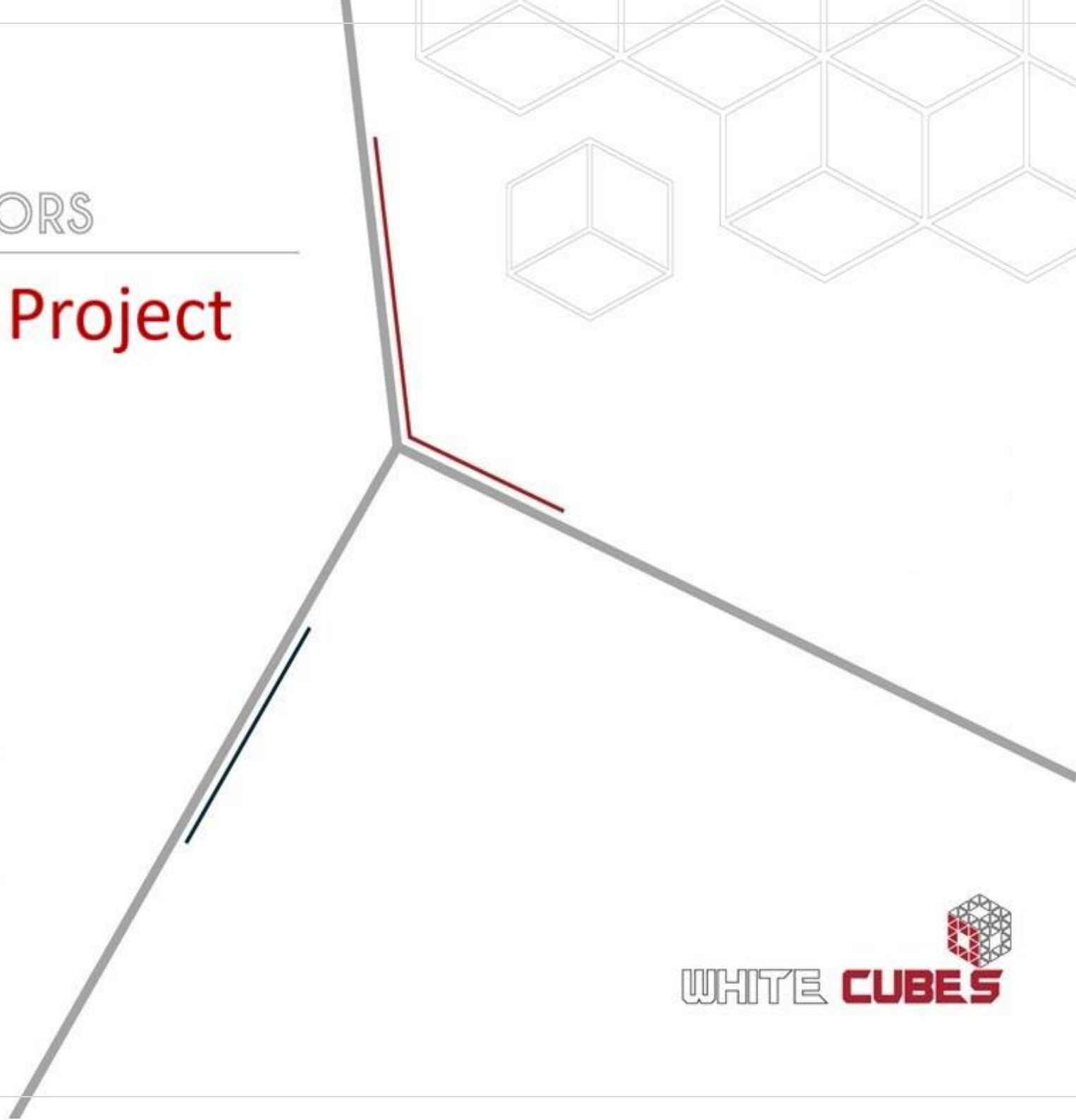
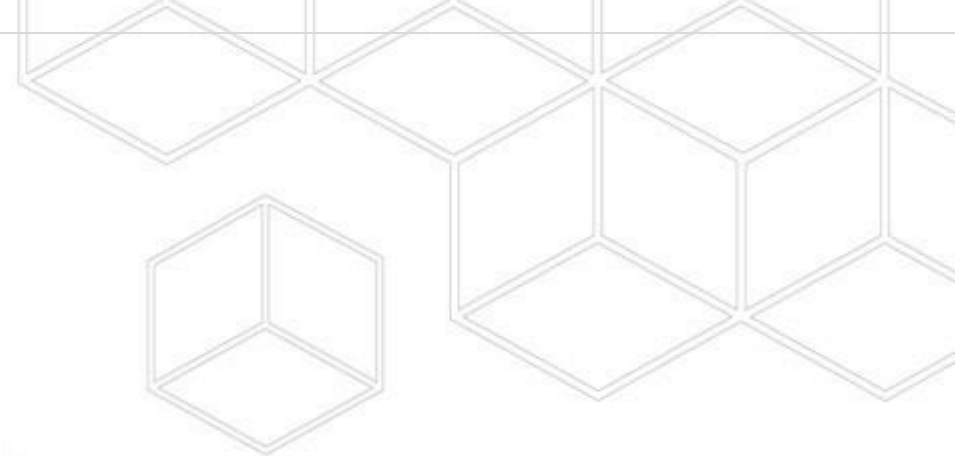


1.80 PHOTO RECORD



MARKET INDICATORS

AI Takhassosi Project





1.81 SAUDI ARABIA ECONOMIC INDICATORS

Economic Indicator	2021 Budget	2022 Expectations	2023 Estimated
Nominal GDP (Billion Riyals)	2,866	3,042	3,232
Real GDP Growth	3.2%	3.4%	3.5%
Inflation Rate	2.9%	2.0%	2.0%
Total Revenue (Billion Riyals)	849	864	928
Total Expenses (Billion Riyals)	990	955	941
Budget Deficit	-141	-91	-13
Public Debt	937	1,013	1,026
Government Reserves at the Saudi Central Bank	280	265	265

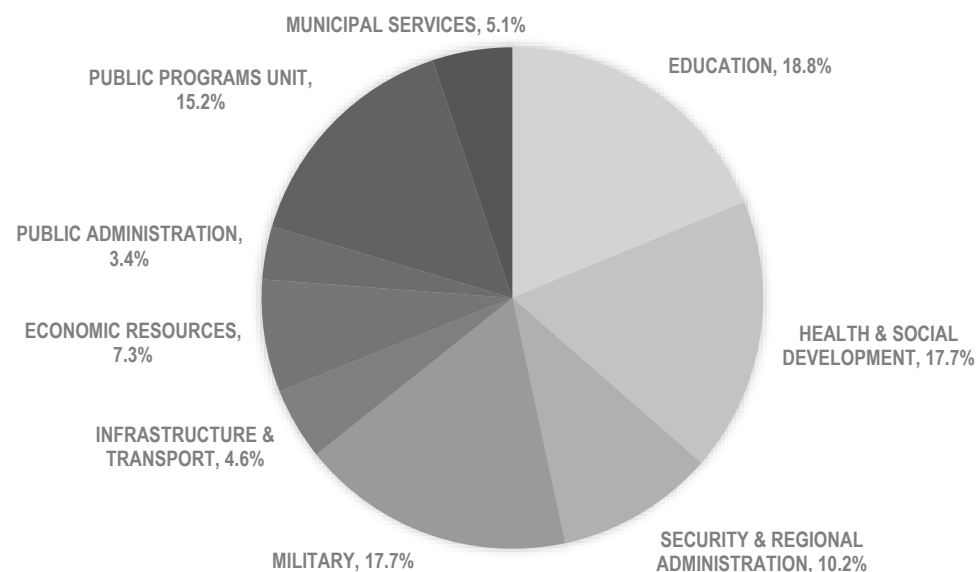
1.82 BUDGET ALLOCATION FOR 2021

Public Administration	34 SAR bn
Military	175 SAR bn
Security & Regional Adm.	101 SAR bn

Municipal Services	51 SAR bn
Education	186 SAR bn
Health & Social Dev.	175 SAR bn

Economic Resources	72 SAR bn
Infrastructure & Transport	46 SAR bn
General Items	151 SAR bn

Source: Ministry of Economy








1.83 SWOT ANALYSIS

<p>Strength</p> <ul style="list-style-type: none">- The property is open from 3 sides with a direct view on Al Takhassosi Street	<p>Weakness</p> <ul style="list-style-type: none">- High traffic area
<p>Opportunities</p> <ul style="list-style-type: none">- High demand on the property type	<p>Threats</p> <ul style="list-style-type: none">- Existing and potential similar project in the area

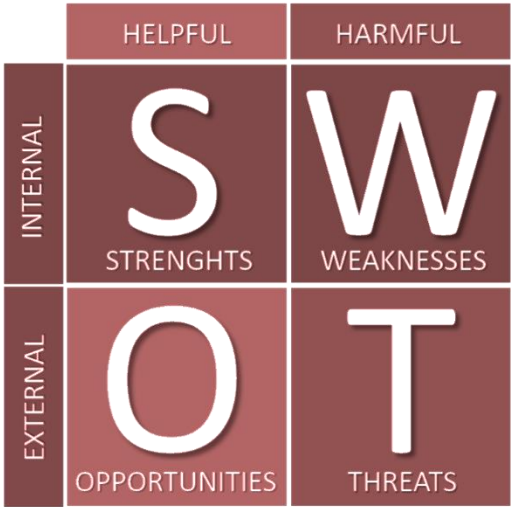
The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

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



1.84 RISK ANALYSIS

Risk Factor	Very Low Risk (1) 1-10	Minimal Risk (2) 11-20	Medium Risk (3) 21-30	Elevated Risk (4) 31-40	Very High Risk (5) 41-50
Overall Economy			✓		
Sector Current Performance			✓		
Sector Future Performance		✓			
Occupancy Rates			✓		
Supply Rate			✓		
Demand Rate			✓		
Access			✓		
Location			✓		
Land Shape		✓			
Surrounding Area facilities			✓		
Total Risk	0	4	24	0	0
Risk Category 26 Risk Points – Medium Risk					

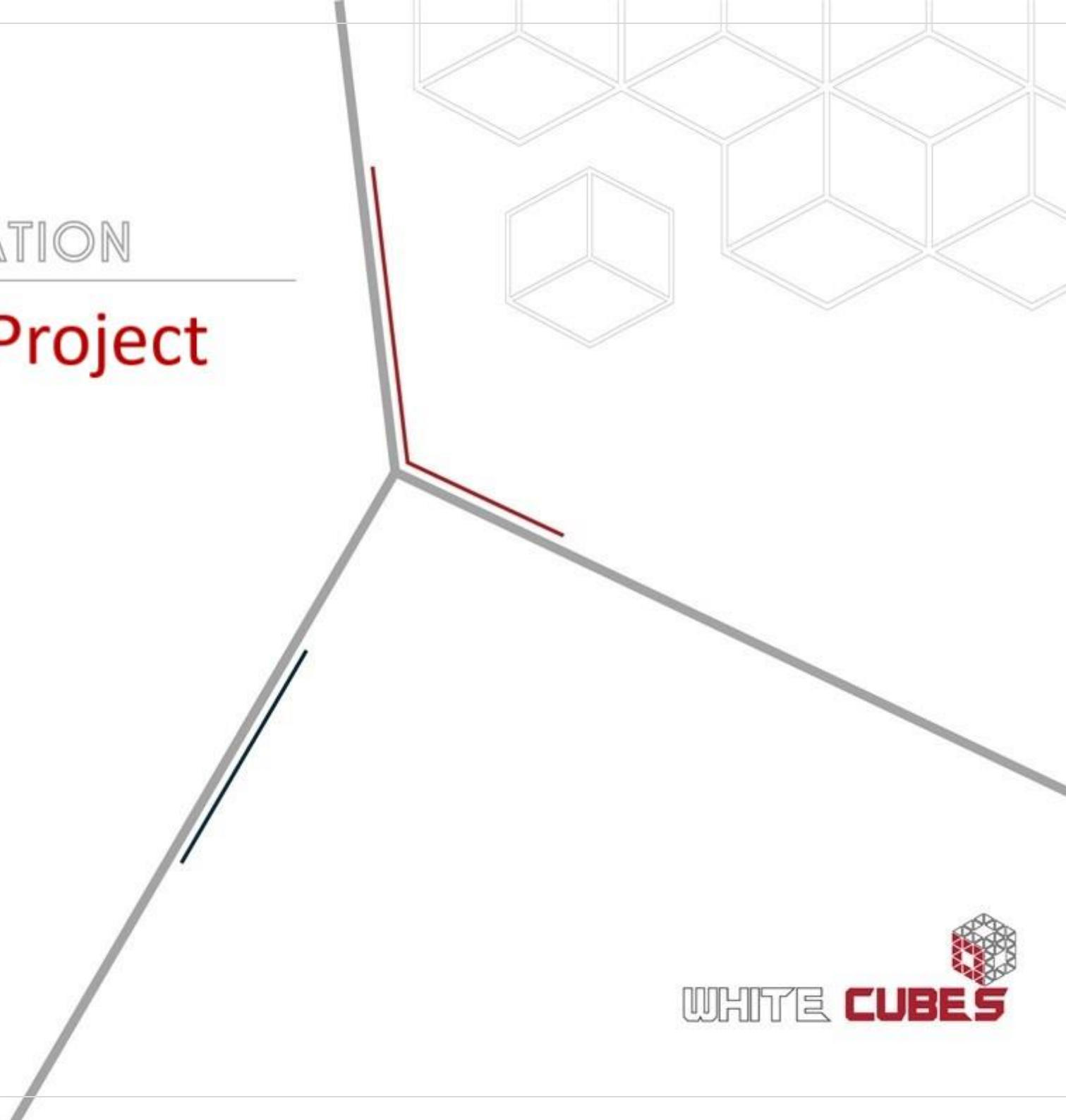
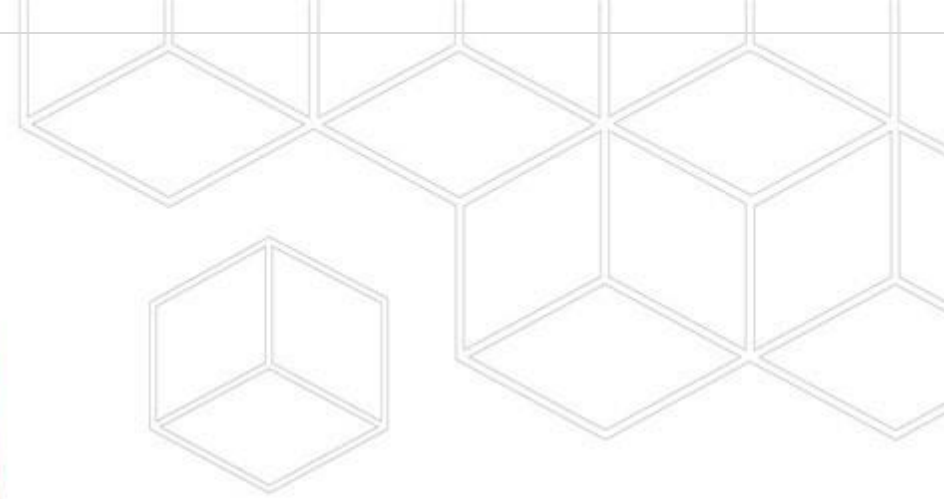
Sector Analysis

Risk Category- 28 Risk

Points - Medium Risk

PROPERTY VALUATION

AI Takhassosi Project





1.85 GENERAL ASSUMPTIONS

- The subject property is valued under the assumption of freehold status unless otherwise stated in the report.
- All the written and verbal information provided to us by the Client assumed to be up to date, complete and correct in relation to elements such as title deed, construction permits, land area, and any other relevant matters that are set out in the report.
- This report is a valuation report and not structural / building survey. Therefore, we did not carry out any structural due diligence, utilities check, services check, soil test, etc.
- All the inputs used in the valuation methodologies are based on the collected market data using our best know how and experience in the related market.
- The output of this report (Final Value), is based on the used assumptions, received documents from the client and available market data. Yet, the output estimates show an indicative value of the subject property / properties.

1.86 VALUATION APPROACH

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 market value of the subject property:

	DRC	Comparable	Income Cap	DCF	RLV
Land					
Building	✓				
Overall Property			✓		

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 market 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 churches, 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.

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.

1.87 COST APPROACH (DRC)

As a first step, based on the market survey done by our team for the purpose of valuation, we couldn't find samples similar to the subject land in terms of location, use, area size, etc. Therefore, we have executed trade interviews with several local real estate agents and found that the average rate for such lands falls between 6,200 & 6,800 SAR/ Sqm. We will base our valuation analysis on the average rate 6,500 SAR/ Sqm.

As a second 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 regards. The following table shows the expected replacement costs for such property.

	Min Cost (SAR / Sqm)	Max Cost (SAR / Sqm)	Average Cost
Skeleton - Concrete Cost	SAR 800	SAR 1,000	SAR 900
MEP	SAR 450	SAR 550	SAR 500
Finishing Materials	SAR 600	SAR 800	SAR 700
Site Improvements	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	
4,248.00		SAR 6,500		SAR 27,612,000	
Building					
		Unit		Total BUA	
Underground		Sqm		3,448.22	
Upper Floors		Sqm		3,311.39	
Total (SQM)		6,759.61			
Development Cost					
Hard Cost - Upper Floors					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	3,311.39	SAR 900	SAR 2,980,251	100%	SAR 2,980,251
Electro Mechanic	3,311.39	SAR 500	SAR 1,655,695	100%	SAR 1,655,695
Finishing	3,311.39	SAR 700	SAR 2,317,973	100%	SAR 2,317,973
Furniture	3,311.39	SAR 0	SAR 0	100%	SAR 0
Site Improvement	4,248.00	SAR 100	SAR 424,800	100%	SAR 424,800
Total			SAR 7,378,719	100.00%	SAR 7,378,719
Hard Cost - (Underground)					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	3,448.22	SAR 1,350	SAR 4,655,097	100%	SAR 4,655,097
Electro Mechanic	3,448.22	SAR 450	SAR 1,551,699	100%	SAR 1,551,699
Finishing	3,448.22	SAR 650	SAR 2,241,343	100%	SAR 2,241,343
Total			SAR 8,448,139	100.00%	SAR 8,448,139
Overall Soft Cost					
		Total Hard Cost		Ratio	Soft Cost
Initial Project Pre Cost		SAR 15,826,858		0.10%	SAR 15,827
Design		SAR 15,826,858		0.50%	SAR 79,134
Eng. Consultant		SAR 15,826,858		1.00%	SAR 158,269
Management		SAR 15,826,858		5.00%	SAR 791,343
Contingency		SAR 15,826,858		5.00%	SAR 791,343
Others		SAR 15,826,858		0.00%	SAR 0
TOTAL				11.60%	SAR 1,835,915.53
Total Hard Cost		SAR 15,826,858	BUA	6,759.61	
Total Soft Cost		SAR 1,835,915.53	SAR / Sqm	SAR 2,613	
Total Construction Cost		SAR 17,662,773.53	Overall Completion	100.0%	



After knowing the total construction costs at a rate of 2,613 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 market value of the building

DEVELOPMENT VALUE			
Total Dev Cost	SAR 17,662,774	Net Dep Rate	8.57%
		Dev Cost After Depreciation	SAR 16,148,822
Economic Age	35	Total Completion Rate	100.00%
Annual Dep Rate	2.86%	Developer Profit Rate	20.0%
Actual Age	3		
Total Dep Rate	8.57%	Dev. Profit Amount	SAR 3,229,764
Add Appr Rate	0.00%	Development Value	SAR 19,378,586
Net Dep Rate	8.57%		

The total value of the building is 19,378,586 SAR, which will be added to the value of the land in order to get the full value of the property as follows:

Total Dev. Value	Land Value	Total Property Value	Rounded Value
SAR 19,378,586	SAR 27,612,000	SAR 46,990,586	SAR 46,990,000

1.88 INCOME APPROACH- ACTUAL RATES

The client informed us that the total net annual rent for the subject property is SAR 4,998,887 and total OPEX of 8,540 SAR which will be used in the valuation analysis.

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.

Minimum capitalization rate	7.00%
Maximum capitalization rate	9.00%
Average	8.00%
The effect of the property specifications on the property	
Item	Influence Notes
Ease of access to the property	-0.25% several major methods
General condition of the property	-0.25% The actual age of the property is 2 years
The general location of the property	0.00% The area is served excellently
Quality and finishes	0.00% Average quality finishes
Project Management Team	0.00% Average management and operational team level
Services and public facilities	0.00% level and availability of services is average
Total	-0.50%
<i>Note: When the effect is negative (-), this reduces the capitalization rate, which increases the value of the property. And when the effect is positive (+), this increases the capitalization rate, which reduces the value of the property</i>	
Total adjustments on capitalization rate	-0.50%
Capitalization rate, according to market averages	8%
Estimated capitalization rate of the property valuation	7.50%

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 7.5% 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	No of Units	SAR / Sqm	SAR / Unit	Total Revenues
Commercial Building		The subject property is Fully leased to 1 tenant			SAR 4,998,887
-----	0	0	SAR 0	SAR 0	SAR 0
-----	0	0	SAR 0	SAR 0	SAR 0
Total Revenues					SAR 4,998,887
EXPENSES					
Unit Type	Management	Utilities	Maintenance	Others	Total Expenses
Commercial Building					SAR 8,540
-----	0.00%	0.00%	0.00%	0.00%	0.00%
-----	0.00%	0.00%	0.00%	0.00%	0.00%



NET OPERATING INCOME			
Unit Type	Total Revenues	Total Expenses	NOI
Commercial Building	SAR 4,998,887	SAR 8,540	SAR 4,990,347
-----	SAR 0	0.00%	SAR 0
-----	SAR 0	0.00%	SAR 0
		Total	SAR 4,990,347
Total Property Revenues			SAR 4,998,887
Total Property Expenses			-SAR 8,540
Net Operating Income			SAR 4,990,347.00
Net Operating Income	Cap Rate	Property Value	Rounded Value
SAR 4,990,347.00	7.50%	66,537,960.00 SAR	66,540,000.00 SAR

1.89 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

Methodology	Subject of Valuation	Value in Numbers	Value in Letters
Income Approach	Property	SAR 66,540,000	Sixty-Six Million and Five Hundred Forty Thousand Saudi Riyals
DRC Approach	Land + Building	SAR 46,990,000	Forty-Six Million and Nine Hundred Ninety Thousand Saudi Riyals

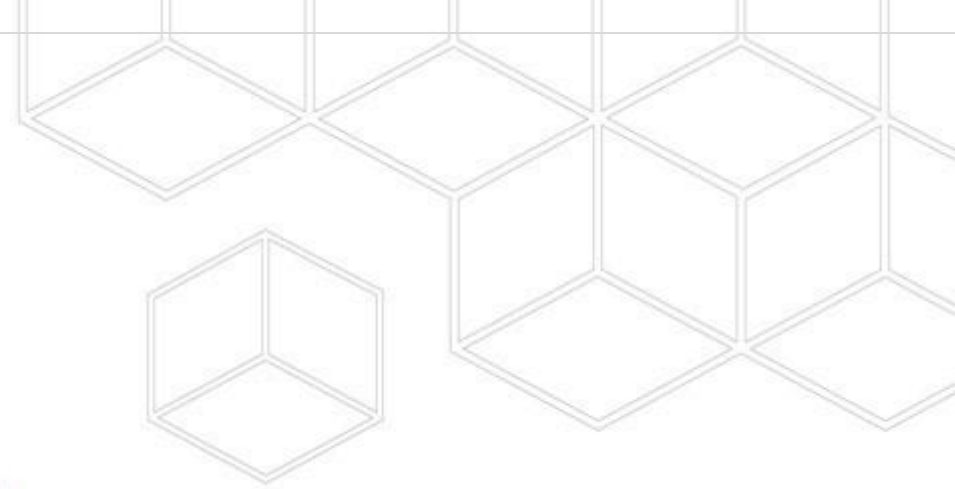
The subject property is not developed to the best use.

1.90 SUBJECT PROPERTY VALUE

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

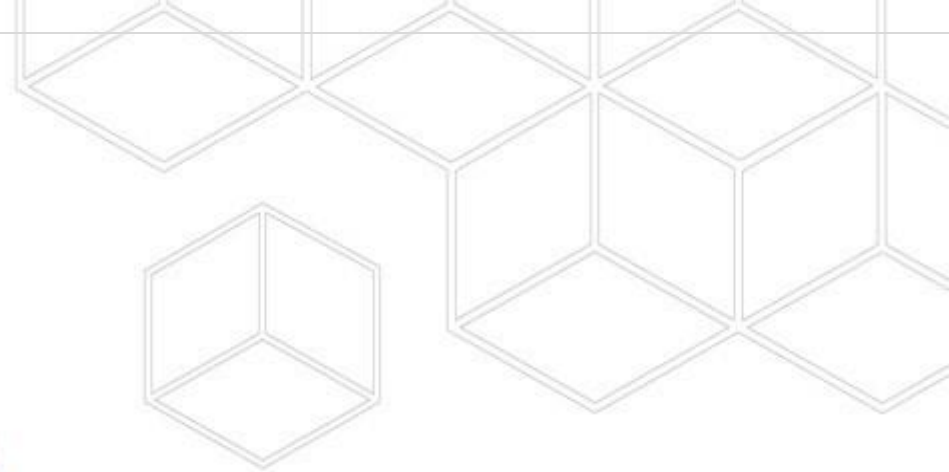
Property Value: **66,540,000 SAR**
 Sixty-Six Million and Five Hundred Forty Thousand Saudi Riyals

Al Sahafah Building 1



PROPERTY DETAILS

Al Sahafah Building 1





1.91PROPERTY & LOCATION DESCRIPTION

Property Description	The subject property is an office building located in Al Sahafah district, Riyadh city. Based on the provided copies of the title deed and the construction permit, the building has total land area of 2,520 Sqm and total BUA of 11,340 Sqm. According to the site inspection done by our team for the purpose of valuation, the project is open from 3 sides with a direct view on Olaya Street where it is surrounded by residential and mix-use buildings where all infrastructural facilities such as water, electricity, sewage and telecommunication are available in the surroundings and connected to the subject property.
Location Description	The property subject of valuation is an office building located in Al Sahafah district, Riyadh city. The property is bordered from the north by a private property The property is bordered from the south by a private property The Property is bordered from the east by a 15 meters Street The property is bordered to the west by a 40 meters Street
Ease of Access	Based on the current location of the subject property, the access level is high since it is located on Olaya Street and near Al Thumamah Road and Prince Mohammad Bin Salman Bin Abdulaziz Road.
Area Surrounding the Property	The subject property is mostly surrounded by residential and mix-use buildings

Land		Building	
Land Use	Commercial	Building Type	Office building
No. of Streets	2	Building Structural Conditions	Fully Constructed
Land Shape	Regular	External Elevation Conditions	Good
Direct View on the Main Road	Olaya Street	Building Finishing Conditions	Good
Direct View on an Internal Street	Wadi Al Risha	Overall Building Conditions	Good
Land Condition	Constructed land		

1.92INFRASTRUCTURE FACILITIES

	Available in the surrounding	Connected to the property	
Water	✓	✓	All the infrastructural facilities are available in the surroundings and connected to the subject property.
Electricity	✓	✓	
Tele-Communication	✓	✓	
Sewage	✓	✓	



1.93 LOCATION

The subject property is located in Al Sahafah district, Riyadh city .

Property Location on a City Scale



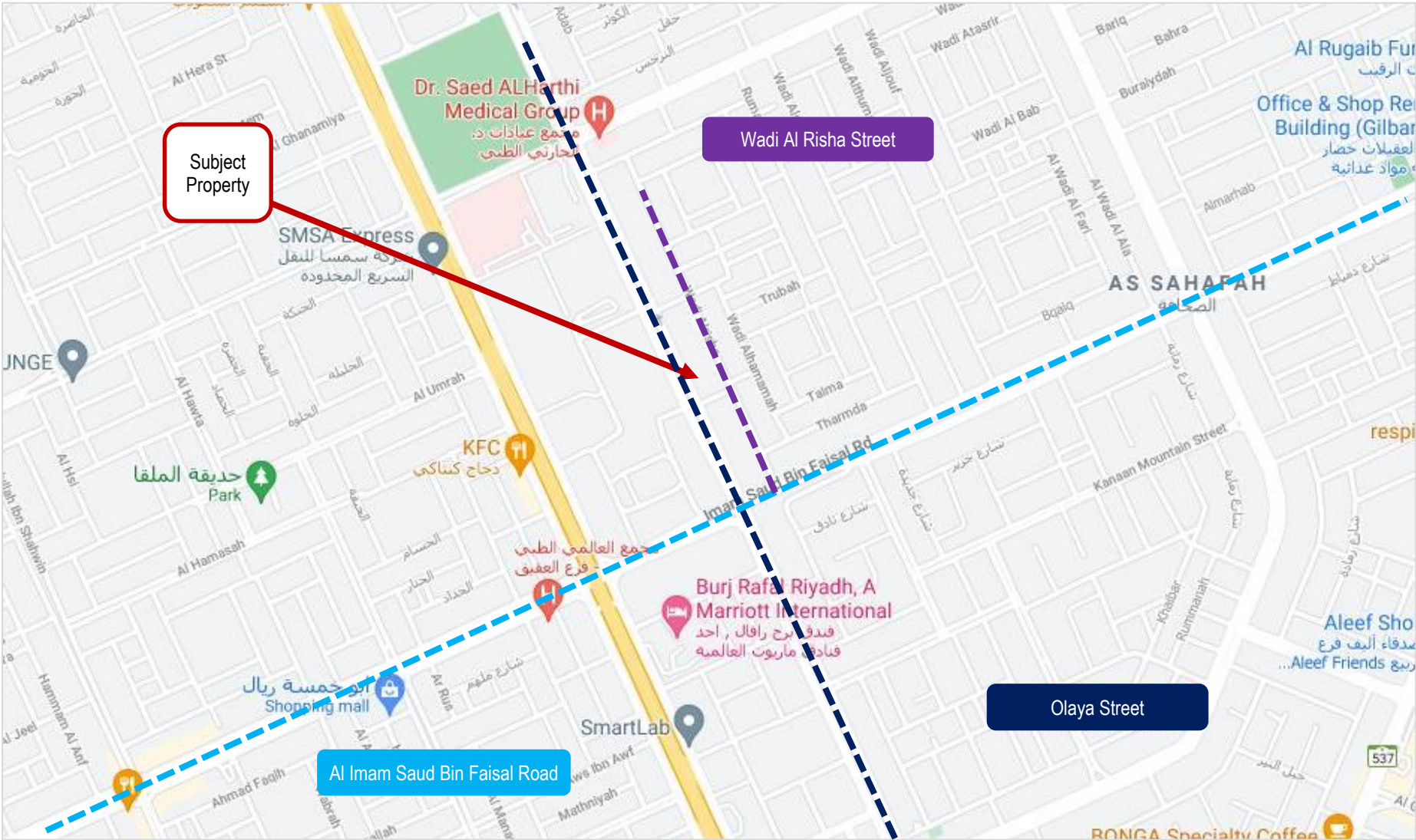
Property Location on a District Scale





1.94 PROPERTY ACCESS

The subject property can be accessed as shown in the map below:





1.95TITLE DEED & OWNERSHIP

We were provided with copy of the title deed related to the subject property which is owned by one title deed. The details of the subject property:

City	Riyadh	Land Area	2,520 Sqm
District	Al Sahafah	Plot No.	1918
T.D Type	Electronic	Block No.	N/A
T.D Number	317815000994	Layout No.	1637
T.D Date	12/06/1441	Owner	Baitek Al Hefdh Real-estate Co.
Date of Last Transaction	12/06/1441	Ownership Type	Freehold
Issued From	Riyadh Northren Notary	Limitation of Document	Mortgaged
North Side	Plot# 1919, 1920, 1921	East Side	15 meters Street
South Side	Plot# 1917	West Side	40 meters Street

Notes	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.
-------	--

1.96CONSTRUCTION & 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, if the customer did not provide us with a copy of the approved plans, the valuation will be done based on the building permit provided by the customer. In the event that the customer does not provide us with a copy of the legal documents that show the total building surfaces, we will value them using the skills of our team along with the municipality's laws and regulations, and therefore the building surfaces will be estimated only roughly.

Source of BUA		Actual Age of the Property		Status of the property	
Construction Permit	✓	Construction Permit	✓	New	-----
As Built Drawings	-----	As Built Drawings	-----	Fully Constructed	✓
Other Documents	-----	Other Documents	-----	Under Construction	-----
Verbal Information	-----	Verbal Information	-----		
Estimation	-----	Estimation	-----		



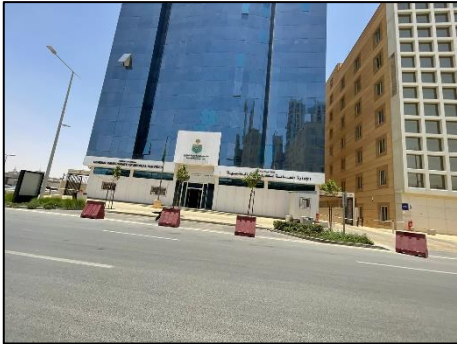
The client provided us with a building permit for the subject property, which contains the following data:

Subject Property	
Construction Permit Type	New Permit
Property Type	Commercial, Offices
Construction Permit No.	1431/9936
Construction Permit Date	08/06/1431
Permit Expiry Date	08/06/1434

Description	No. of Units	Area (sqm)	Use
Mezzanine	1	765.30	Commercial
Second basement	0	2,520.00	Parking
First basement	0	2,520.00	Parking
Ground Floor	6	754.50	Commercial
First Floor	6	789.00	Offices
Second Floor	6	800.50	Offices
Third Floor	6	800.50	Offices
Electricity Room	0	20.00	Electricity room
Fourth Floor	6	800.50	Offices
Fifth Floor	6	789.00	Offices
Sixth Floor	6	800.50	Offices
Fences	1	176.00	Fences
Total BAU (sqm)		11,340	



1.97 PHOTO RECORD



MARKET INDICATORS

Al Sahafah Building 1





1.98 SAUDI ARABIA ECONOMIC INDICATORS

Economic Indicator	2021 Budget	2022 Expectations	2023 Estimated
Nominal GDP (Billion Riyals)	2,866	3,042	3,232
Real GDP Growth	3.2%	3.4%	3.5%
Inflation Rate	2.9%	2.0%	2.0%
Total Revenue (Billion Riyals)	849	864	928
Total Expenses (Billion Riyals)	990	955	941
Budget Deficit	-141	-91	-13
Public Debt	937	1,013	1,026
Government Reserves at the Saudi Central Bank	280	265	265

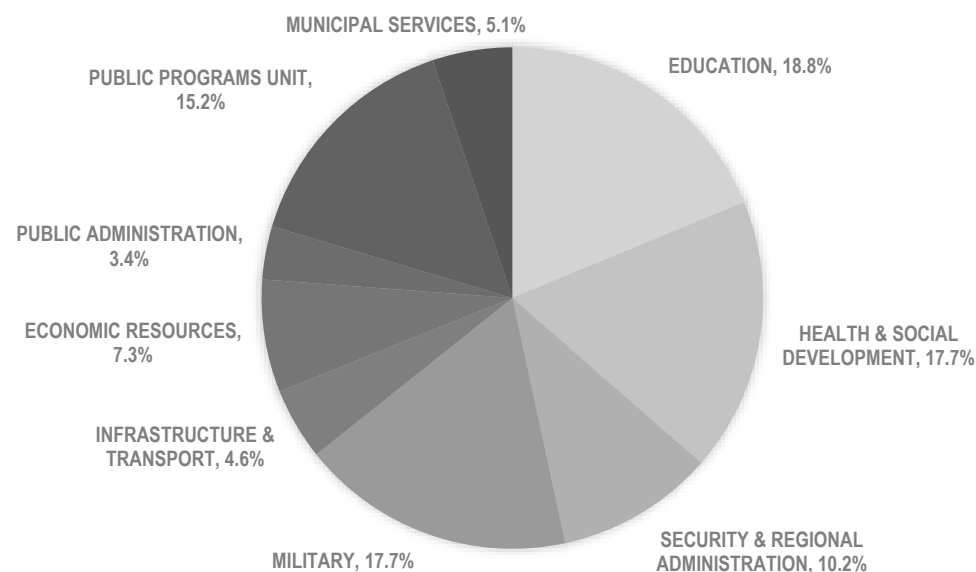
1.99 BUDGET ALLOCATION FOR 2021

Public Administration	34 SAR bn
Military	175 SAR bn
Security & Regional Adm.	101 SAR bn

Municipal Services	51 SAR bn
Education	186 SAR bn
Health & Social Dev.	175 SAR bn

Economic Resources	72 SAR bn
Infrastructure & Transport	46 SAR bn
General Items	151 SAR bn

Source: Ministry of Economy








1.100 SWOT ANALYSIS

<p>Strength</p> <ul style="list-style-type: none">- Ease of access to the property as it is located on Olaya Street and near Al Imam Saud Bin Faysal Road	<p>Weakness</p> <ul style="list-style-type: none">- High traffic area
<p>Opportunities</p> <ul style="list-style-type: none">- High demand on the property type as it is located beside the commercial belt.- Close to main commercial built of Riyadh City.	<p>Threats</p> <ul style="list-style-type: none">- Existing and potential similar project in the area

The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

1.101 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

	HELPFUL	HARMFUL
INTERNAL	<p>S</p> <p>STRENGHTS</p>	<p>W</p> <p>WEAKNESSES</p>
EXTERNAL	<p>O</p> <p>OPPORTUNITIES</p>	<p>T</p> <p>THREATS</p>



White Cubes Team's Analysis



1.102 RISK ANALYSIS

Risk Factor	Very Low Risk (1) 1-10	Minimal Risk (2) 11-20	Medium Risk (3) 21-30	Elevated Risk (4) 31-40	Very High Risk (5) 41-50
Overall Economy			✓		
Sector Current Performance			✓		
Sector Future Performance		✓			
Occupancy Rates			✓		
Supply Rate			✓		
Demand Rate			✓		
Access		✓			
Location		✓			
Land Shape		✓			
Surrounding Area facilities			✓		
Total Risk	0	8	18	0	0
Risk Category	26 Risk Points – Medium Risk				

Sector Analysis

Risk Category- 26 Risk

Points - Medium Risk

PROPERTY VALUATION

Al Sahafah Building 1



1.103 GENERAL ASSUMPTIONS

- The subject property is valued under the assumption of freehold status unless otherwise stated in the report.
- All the written and verbal information provided to us by the Client assumed to be up to date, complete and correct in relation to elements such as title deed, construction permits, land area, and any other relevant matters that are set out in the report.
- This report is a valuation report and not structural / building survey. Therefore, we did not carry out any structural due diligence, utilities check, services check, soil test, etc.
- All the inputs used in the valuation methodologies are based on the collected market data using our best know how and experience in the related market.
- The output of this report (Final Value), is based on the used assumptions, received documents from the client and available market data. Yet, the output estimates show an indicative value of the subject property / properties.

1.104 VALUATION APPROACH

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 market value of the subject property:

	DRC	Comparable	Income Cap	DCF	RLV
Land	-----	✓	-----	-----	-----
Building	✓	-----	-----	-----	-----
Overall Property	-----	-----	✓	-----	-----

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 market 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 churches, 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.

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.



1.105 COMPARABLE APPROACH

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
Quoting	-----	Offering	Offering
District	Al Sahafah	Al Sahafah	Al Sahafah
Sale Price	-----	SAR 16,800,000	SAR 20,720,000
Data Source	Title Deed	Market Survey	Market Survey
Area Size	2,520.00	1,680.00	2,590.00
SAR / Sqm	-----	SAR 10,000	SAR 8,000
Sides Open	2	3	2

Adjustment Analysis					
		SAMPLE 1		SAMPLE 2	
Area size	2,520.00	1,680.00	0.00%	2,590.00	0.00%
Location Desirability	Average	Average	0.00%	Average	0.00%
Accessibility	Average	Average	0.00%	Average	0.00%
Main Street Width (m)	40	40	0.00%	40	0.00%
Sides Open	2	3	-5.00%	2	0.00%
Land Shape	Regular	Regular	0.00%	Regular	0.00%
Close to main Street	Yes	Yes	0.00%	Yes	0.00%
Negotiable	-----	No	0.00%	No	0.00%
Other Factor	-----	-----	0.00%	-----	0.00%
Total Adjustments Ratio		-5.00%		0.00%	
Total Adjustment Amount		-SAR 500.0		SAR 0.0	
Net After Adjustment		SAR 9,500.0		SAR 8,000.0	
SAR / Sqm		SAR 8,750			
Rounded Value		SAR 8,750			



PROPERTY VALUE	SENSITIVITY ANALYSIS					
		-10%	-5%	0%	5%	10%
SAR 22,050,000	Land Area	2,520	2,520	2,520	2,520	2,520
	SAR / Sqm	SAR 7,875.0	SAR 8,312.5	SAR 8,750.0	SAR 9,187.5	SAR 9,625.0
	Property Value	SAR 19,845,000	SAR 20,947,500	SAR 22,050,000	SAR 23,152,500	SAR 24,255,000
PROPERTY VALUE						



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 prices for similar properties falls in the range of 8,500 - 9,000 SAR / Sqm with an average of 8,750 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.

1.106 COST APPROACH (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
Skeleton - Concrete Cost	SAR 1,100	SAR 1,300	SAR 1,200
MEP	SAR 600	SAR 800	SAR 700
Finishing Materials	SAR 900	SAR 1,100	SAR 1,000
Site Improvements	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	
2,520.00		SAR 8,750		SAR 22,050,000	
Building					
		Unit		Total BUA	
Underground		Sqm		5,040.00	
Upper Floors		Sqm		6,300.00	
Total (SQM)		11,340.00			
Contingency					
Hard Cost - Upper Floors					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	6,300.00	SAR 1,200	SAR 7,560,000	100%	SAR 7,560,000
Electro Mechanic	6,300.00	SAR 700	SAR 4,410,000	100%	SAR 4,410,000
Finishing	6,300.00	SAR 1,000	SAR 6,300,000	100%	SAR 6,300,000
Site Improvement	2,520.00	SAR 100	SAR 252,000	100%	SAR 252,000
Total			SAR 18,522,000	100.00%	SAR 18,522,000



Hard Cost - (Underground)					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	5,040.00	SAR 1,800	SAR 9,072,000	100%	SAR 9,072,000
Electro Mechanic	5,040.00	SAR 400	SAR 2,016,000	100%	SAR 2,016,000
Finishing	5,040.00	SAR 600	SAR 3,024,000	100%	SAR 3,024,000
Total			SAR 14,112,000	100.00%	SAR 14,112,000
Overall Soft Cost					
	Total Hard Cost		Ratio	Soft Cost	
Initial Project Pre Cost	SAR 32,634,000		0.10%	SAR 32,634	
Design	SAR 32,634,000		0.50%	SAR 163,170	
Eng. Consultant	SAR 32,634,000		1.00%	SAR 326,340	
Management	SAR 32,634,000		5.00%	SAR 1,631,700	
Contingency	SAR 32,634,000		5.00%	SAR 1,631,700	
Others	SAR 32,634,000		0.00%	SAR 0	
TOTAL			11.60%	SAR 3,785,544.00	
Total Hard Cost	SAR 32,634,000	BUA	11,340.00		
Total Soft Cost	SAR 3,785,544.00	SAR / Sqm	SAR 3,212		
Total Construction Cost	SAR 36,419,544.00	Overall Completion	100.0%		

After knowing the total construction costs at a rate of 3,212 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 market value of the building

DEVELOPMENT VALUE			
Total Dev Cost	SAR 36,419,544	Net Dep Rate	25.71%
		Dev Cost After Depreciation	SAR 27,054,518
Economic Age	35	Total Completion Rate	100.00%
Annual Dep Rate	2.86%	Developer Profit Rate	20.0%
Actual Age	9		
Total Dep Rate	25.71%		
Add Appr Rate	0.00%	Dev. Profit Amount	SAR 5,410,904
Net Dep Rate	25.71%	Development Value	SAR 32,465,422

The total value of the building is 32,465,422 SAR, which will be added to the value of the land in order to get the full value of the property as follows:

Total Dev. Value	Land Value	Total Property Value	Rounded Value
SAR 32,465,422	SAR 22,050,000	SAR 54,515,422	SAR 54,520,000



1.107 INCOME APPROACH- ACTUAL RATES

The client informed us that the total net annual rental revenues related to the subject property is SAR 3,800,000 and total OPEX of SAR 61,734 which will be used in our valuation analysis.

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 7.5% 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.

Minimum capitalization rate			7.50%	<p>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:</p> <ul style="list-style-type: none">- 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 <p>The estimated capitalization rate for the property, which will be based on the valuation process, is 8% which will be applied subsequently to the net operating income of the property.</p>
Maximum capitalization rate			9.00%	
Average			8.25%	
The effect of the property specifications on the property				
Item	Influence	Notes		
Ease of access to the property	-0.25%	several major methods		
General condition of the property	0.25%	The actual age of the property is 8 years		
The general location of the property	-0.25%	The area is served average		
Quality and finishes	0.00%	Average quality finishes		
Project Management Team	0.00%	Average management and operational team level		
Services and public facilities	0.00%	Level and availability of services is average		
Total	-0.25%			
<i>Note: When the effect is negative (-), this reduces the capitalization rate, which increases the value of the property. And when the effect is positive (+), this increases the capitalization rate, which reduces the value of the property</i>				
Total adjustments on capitalization rate		-0.25%		
Capitalization rate, according to market averages		8.25%		
Estimated capitalization rate of the property valuation		8.00%		



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
Offices		The subject property is leased to Several tenants			SAR 3,800,000
-----	0	0	SAR 0	SAR 0	SAR 0
-----	0	0	SAR 0	SAR 0	SAR 0
Total Revenues					SAR 3,800,000
EXPENSES					
Unit Type	Management	Utilities	Maintenance	Others	Total Expenses
Offices					SAR 61,734.29
-----	0.00%	0.00%	0.00%	0.00%	0.00%
-----	0.00%	0.00%	0.00%	0.00%	0.00%
NET OPERATING INCOME					
Unit Type	Total Revenues		Total Expenses		NOI
Offices	SAR 3,800,000		SAR 61,734		SAR 3,738,266
-----	SAR 0		0.00%		SAR 0
-----	SAR 0		0.00%		SAR 0
Total					SAR 3,738,266
Total Property Revenues					SAR 3,800,000
Total Property Expenses					-SAR 61,734
Net Operating Income					SAR 3,738,265.71
Net Operating Income		Cap Rate	Property Value		Rounded Value
SAR 3,738,265.71		8.00%	46,728,321.38 SAR		46,730,000.00 SAR

1.108 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 office units range from 450 to 550 SAR / Sqm. The following is a table that shows some of the comparisons that were used in analysing the market rental rates for similar properties:



Comparable	Office Units
	Rental Rate/ Sqm
Comparable 1	600 SAR/ Sqm
Comparable 2	550 SAR/ Sqm
Comparable 3	500 SAR/ Sqm
Average	550 SAR/ Sqm



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



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 7.5% 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%, which will be applied subsequently to the net operating income of the property.

Minimum capitalization rate		7.00%
Maximum capitalization rate		8.00%
Average		7.50%
The effect of the property specifications on the property		
Item	Influence	Notes
Ease of access to the property	-0.25%	several major methods
General condition of the property	0.25%	The actual age of the property is 8 years
The general location of the property	-0.25%	The area is served average
Quality and finishes	0.00%	Average quality finishes
Project Management Team	0.00%	Average management and operational team level
Services and public facilities	0.00%	Level and availability of services is average
Total	-0.25%	
<i>Note: When the effect is negative (-), this reduces the capitalization rate, which increases the value of the property. And when the effect is positive (+), this increases the capitalization rate, which reduces the value of the property</i>		
Total adjustments on capitalization rate	0.00%	
Capitalization rate, according to market averages	7.50%	
Estimated capitalization rate of the property valuation	7.50%	



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
Offices	11,340	0	SAR 530	SAR 10	SAR 6,010,200
Total Revenues					SAR 6,010,200
EXPENSES					
Unit Type	Management	Utilities	Maintenance	Others	Total Expenses
Offices	3.00%	3.00%	3.00%	10.00%	19.00%
NET OPERATING INCOME					
Unit Type	Total Revenues		Total Expenses		NOI
Offices	SAR 6,010,200		19.00%		SAR 4,868,262
Total					SAR 4,868,262
Total Property Revenues					SAR 6,010,200
Total Property Expenses					-SAR 1,141,938
Net Operating Income					SAR 4,868,262.00
Net Operating Income		Cap Rate		Property Value	
SAR 4,868,262.00		7.50%		64,910,160.00 SAR	
				Rounded Value	
				64,900,000.00 SAR	

1.109 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

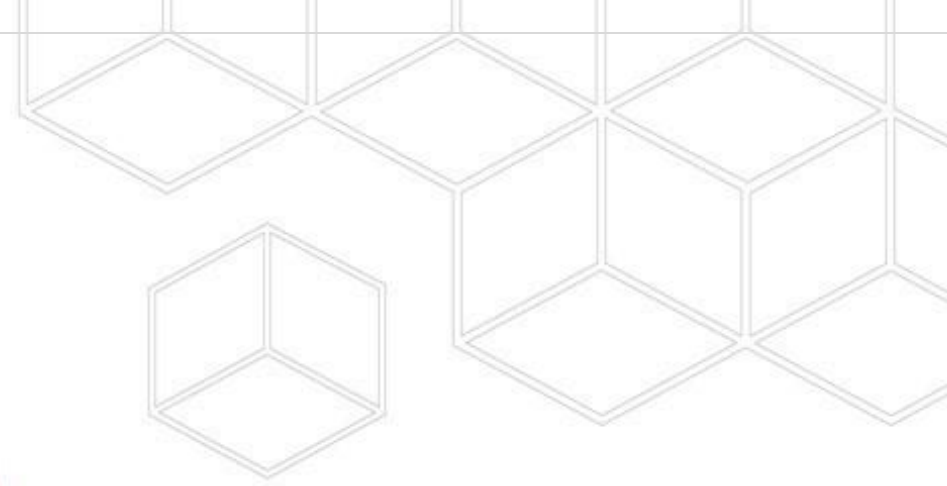
Methodology	Subject of Valuation	Value in Numbers	Value in Letters
DRC Approach	Land + Building	SAR 54,520,000	Fifty-Four Million and Five Hundred Twenty Thousand Saudi Riyals
Income- Actual	Property	SAR 46,730,000	Forty-Six Million and Seven Hundred Thirty Thousand Saudi Riyals
Income- Market	Property	SAR 64,900,000	Sixty-Four Million and Nine Hundred Thousand Saudi Riyals

1.110 SUBJECT PROPERTY VALUE

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

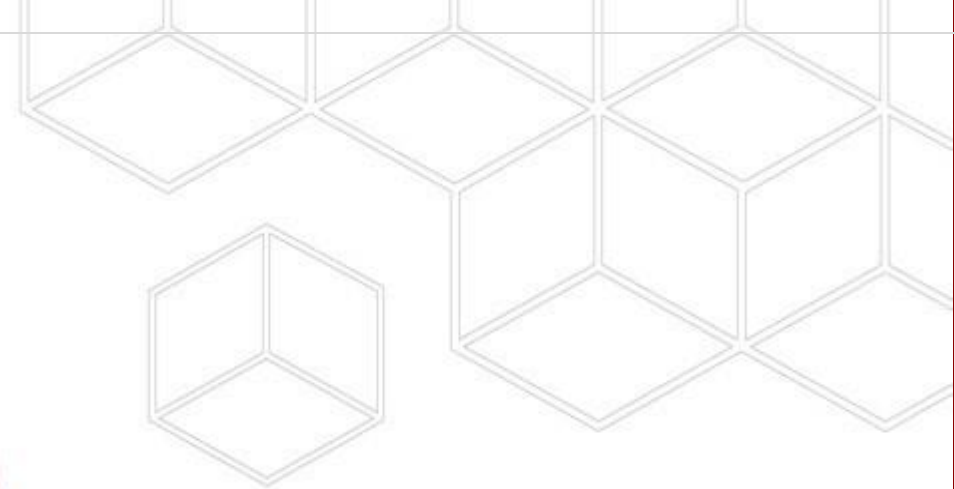
Property Value: 46,730,000 SAR
Forty-Six Million and Seven Hundred Thirty Thousand Saudi Riyals

Al Sahafah Building 2



PROPERTY DETAILS

Al Sahafah Building 2



WHITE CUBES 



1.111 PROPERTY & LOCATION DESCRIPTION

Property Description	The subject property is an office building located in Al Sahafah district, Riyadh city. Based on the provided copies of the title deed and the construction permit, the building has total land area of 2,380 Sqm and total BUA of 10,880 Sqm. According to the site inspection done by our team for the purpose of valuation, the project is open from 2 sides with a direct view on Olaya Street where it is surrounded by residential and mix-use buildings where all infrastructural facilities such as water, electricity, sewage, and telecommunication are available in the surroundings and connected to the subject property.
Location Description	The property subject of valuation is an office building located in Al Sahafah district, Riyadh city. The property is bordered from the north by a private property The property is bordered from the south by a 20 meters Street The Property is bordered from the east by a 20 meters Street The property is bordered to the west by a 40 meters Street
Ease of Access	Based on the current location of the subject property, the access level is high since it is located on Olaya Street and near Al Imam Saud Bin Faysal Road.
Area Surrounding the Property	The subject property is mostly surrounded by residential and mix-use buildings

Land		Building	
Land Use	Commercial	Building Type	Office building
No. of Streets	3	Building Structural Conditions	Fully Constructed
Land Shape	Regular	External Elevation Conditions	Good
Direct View on the Main Road	Olaya Street	Building Finishing Conditions	Good
Direct View on an Internal Street	Jabal Al Hessi Street	Overall Building Conditions	Good
Land Condition	Constructed land		

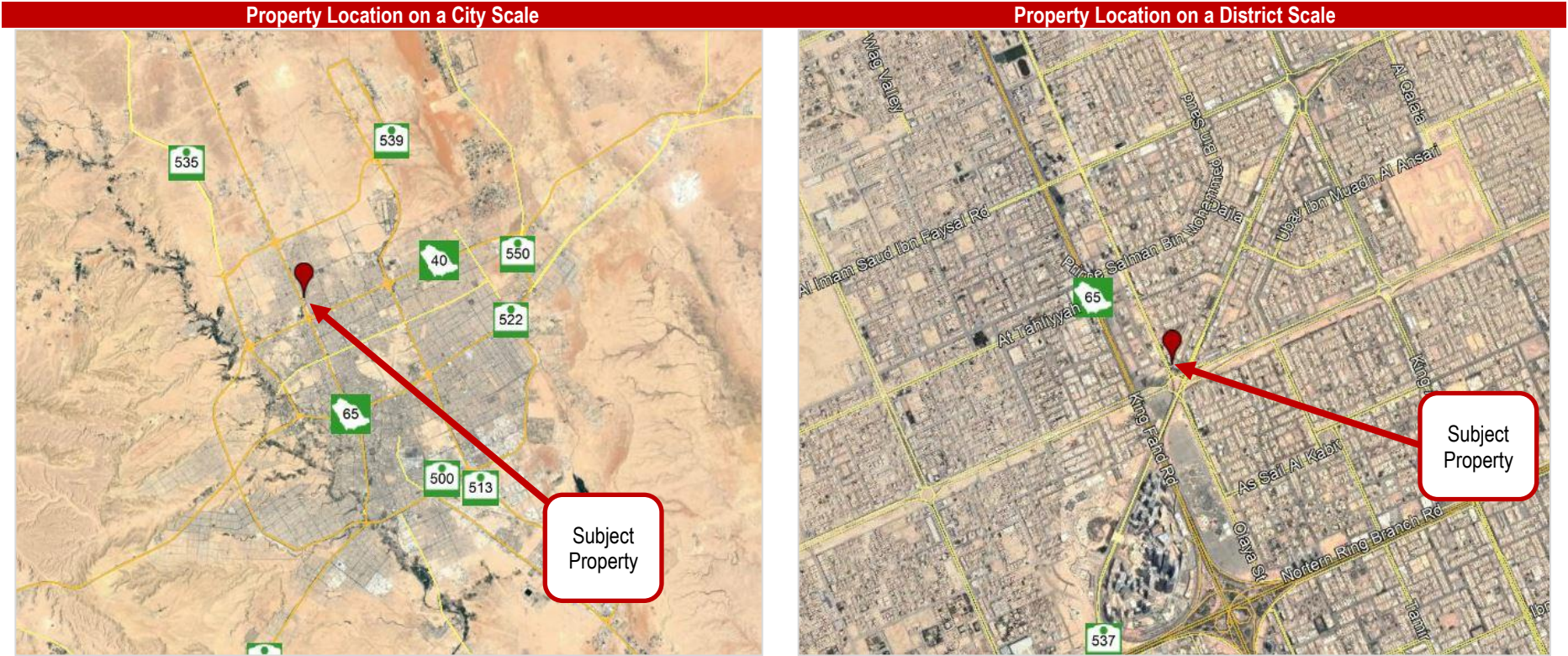
1.112 INFRASTRUCTURE FACILITIES

	Available in the surrounding	Connected to the property	
Water	✓	✓	All the infrastructural facilities are available in the surroundings and connected to the subject property.
Electricity	✓	✓	
Tele-Communication	✓	✓	
Sewage	✓	✓	



1.113 LOCATION

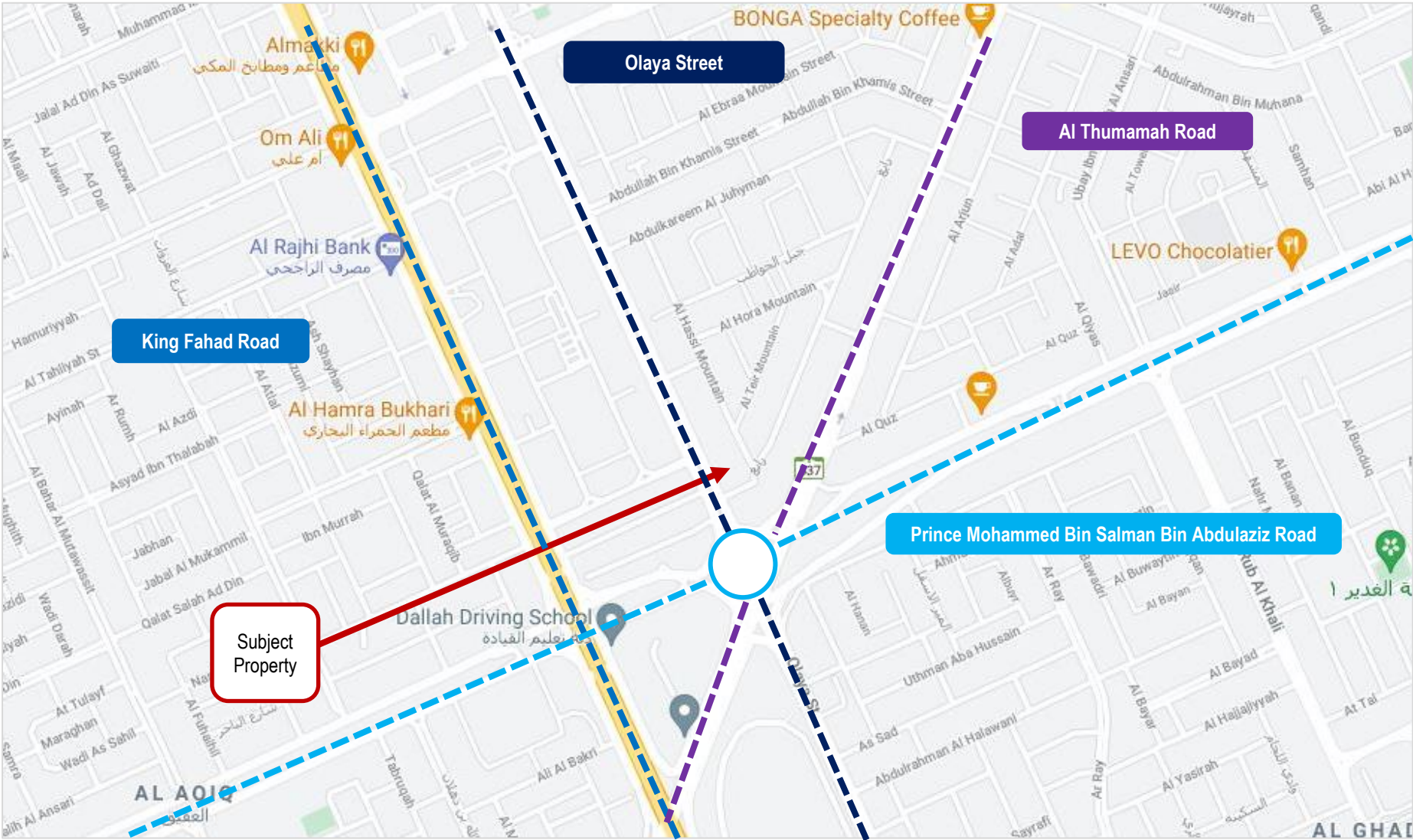
The subject property is located in Al Sahafah district, Riyadh city .





1.114 PROPERTY ACCESS

The subject property can be accessed as shown in the map below:





1.115 TITLE DEED & OWNERSHIP

We were provided with copy of the title deed related to the subject property which is owned by one title deed. The details of the subject property:

City	Riyadh	Land Area	2,380 Sqm
District	Al Sahafah	Plot No.	1290/1289
T.D Type	Electronic	Block No.	100
T.D Number	317812001040	Layout No.	2413
T.D Date	12/06/1441	Owner	Baitek Al Hefdh Real-estate Co.
Date of Last Transaction	12/06/1441	Ownership Type	Freehold
Issued From	Riyadh Northern Notary	Limitation of Document	Mortgaged
North Side	Plot# 1291, 1299	East Side	20 meters Street
South Side	20 meters Street	West Side	40 meters Street

Notes	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.
-------	--

1.116 CONSTRUCTION & 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, if the customer did not provide us with a copy of the approved plans, the valuation will be done based on the building permit provided by the customer. In the event that the customer does not provide us with a copy of the legal documents that show the total building surfaces, we will value them using the skills of our team along with the municipality's laws and regulations, and therefore the building surfaces will be estimated only roughly.

Source of BUA		Actual Age of the Property		Status of the property	
Construction Permit	✓	Construction Permit	✓	New	-----
As Built Drawings	-----	As Built Drawings	-----	Fully Constructed	✓
Other Documents	-----	Other Documents	-----	Under Construction	-----
Verbal Information	-----	Verbal Information	-----		
Estimation	-----	Estimation	-----		



The client provided us with a building permit for the subject property, which contains the following data:

Subject Property	
Construction Permit Type	New Permit
Property Type	Administrative Building
Construction Permit No.	1432/12653
Construction Permit Date	05/07/1432
Permit Expiry Date	05/07/1435

Description	No. of Units	Area (sqm)	Use
Ground Floor	2	299.49	Commercial
Second Basement	0	2,371.00	Parking
First basement	0	2,371.00	Parking
Ground Floor	2	447.61	Offices
First Floor	4	719.57	Offices
Second Floor	6	778.50	Offices
Third Floor	6	778.50	Offices
Electricity Room	0	20.00	Electricity room
Fourth Floor	6	778.50	Offices
Fifth Floor	6	778.50	Offices
Sixth Floor	6	778.50	Offices
Seventh Floor	6	778.50	Offices
Fences	1	162.00	Fences
Total BAU (sqm)		10,880.00	

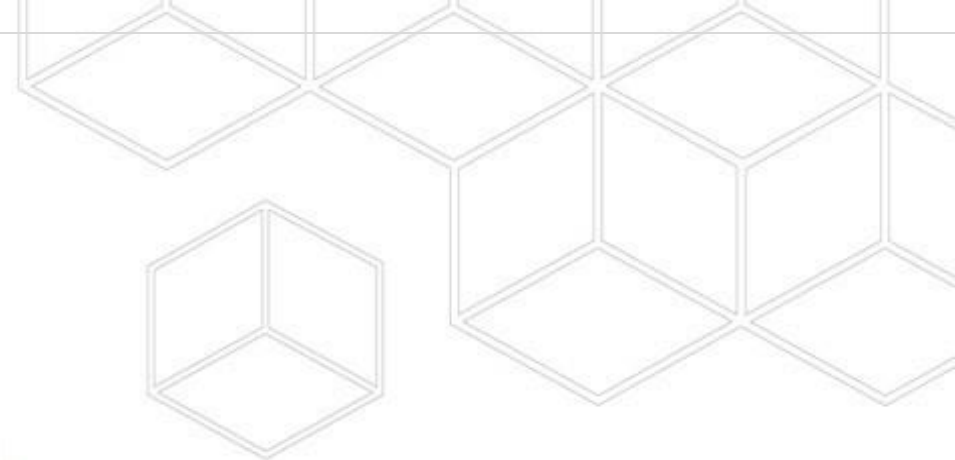


1.117 PHOTO RECORD



MARKET INDICATORS

Al Sahafah Building 2





1.118 SAUDI ARABIA ECONOMIC INDICATORS

Economic Indicator	2021 Budget	2022 Expectations	2023 Estimated
Nominal GDP (Billion Riyals)	2,866	3,042	3,232
Real GDP Growth	3.2%	3.4%	3.5%
Inflation Rate	2.9%	2.0%	2.0%
Total Revenue (Billion Riyals)	849	864	928
Total Expenses (Billion Riyals)	990	955	941
Budget Deficit	-141	-91	-13
Public Debt	937	1,013	1,026
Government Reserves at the Saudi Central Bank	280	265	265

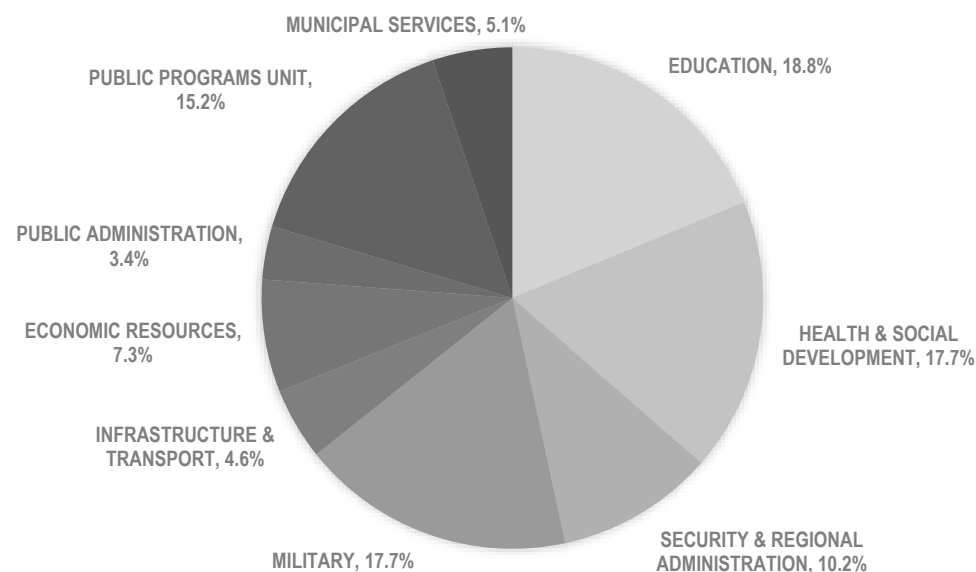
1.119 BUDGET ALLOCATION FOR 2021

Public Administration	34 SAR bn
Military	175 SAR bn
Security & Regional Adm.	101 SAR bn

Municipal Services	51 SAR bn
Education	186 SAR bn
Health & Social Dev.	175 SAR bn

Economic Resources	72 SAR bn
Infrastructure & Transport	46 SAR bn
General Items	151 SAR bn

Source: Ministry of Economy








1.120 SWOT ANALYSIS

<p>Strength</p> <ul style="list-style-type: none">- The property is open from 3 sides with a direct view on Olaya Street and located near 2 main Roads (Prince Mohammad Bin Salman Bin Abdulaziz Road and Al Thumamah Road)	<p>Weakness</p> <ul style="list-style-type: none">- None
<p>Opportunities</p> <ul style="list-style-type: none">- High demand on the property type as it is located beside the commercial belt.- Expected growth in rental rates	<p>Threats</p> <ul style="list-style-type: none">- Existing and potential similar project in the area

The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

1.121 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

	HELPFUL	HARMFUL
INTERNAL	<p>S</p> <p>STRENGTHS</p>	<p>W</p> <p>WEAKNESSES</p>
EXTERNAL	<p>O</p> <p>OPPORTUNITIES</p>	<p>T</p> <p>THREATS</p>



White Cubes Team's Analysis



1.122 RISK ANALYSIS

Risk Factor	Very Low Risk (1) 1-10	Minimal Risk (2) 11-20	Medium Risk (3) 21-30	Elevated Risk (4) 31-40	Very High Risk (5) 41-50
Overall Economy			✓		
Sector Current Performance			✓		
Sector Future Performance		✓			
Occupancy Rates			✓		
Supply Rate			✓		
Demand Rate			✓		
Access		✓			
Location		✓			
Land Shape		✓			
Surrounding Area facilities			✓		
Total Risk	0	8	18	0	0
Risk Category 26 Risk Points – Medium Risk					

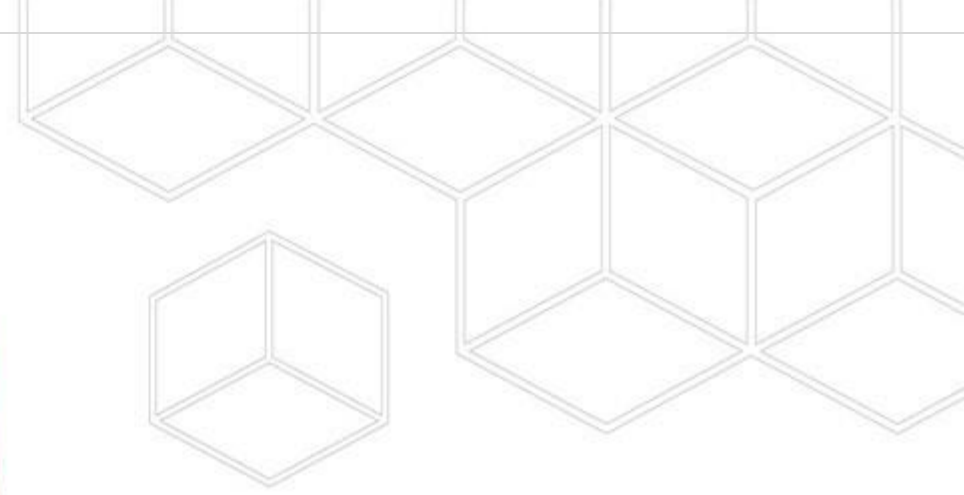
Sector Analysis

Risk Category- 26 Risk

Points - Medium Risk

PROPERTY VALUATION

Al Sahafah Building 2





1.123 GENERAL ASSUMPTIONS

- The subject property is valued under the assumption of freehold status unless otherwise stated in the report.
- All the written and verbal information provided to us by the Client assumed to be up to date, complete and correct in relation to elements such as title deed, construction permits, land area, and any other relevant matters that are set out in the report.
- This report is a valuation report and not structural / building survey. Therefore, we did not carry out any structural due diligence, utilities check, services check, soil test, etc.
- All the inputs used in the valuation methodologies are based on the collected market data using our best know how and experience in the related market.
- The output of this report (Final Value), is based on the used assumptions, received documents from the client and available market data. Yet, the output estimates show an indicative value of the subject property / properties.

1.124 VALUATION APPROACH

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 market value of the subject property:

	DRC	Comparable	Income Cap	DCF	RLV
Land		✓			
Building	✓				
Overall Property			✓		

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 market 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 churches, 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.

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.



1.125 COMPARABLE APPROACH

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
Quoting	-----	Offering	Offering
District	Al Sahafah	AL Sahafah	Al Sahafah
Sale Price	-----	SAR 24,000,000	SAR 18,000,000
Data Source	Title Deed	Market Survey	Market Survey
Area Size	2,380.00	2,450.00	1,750.00
SAR / Sqm	-----	SAR 9,796	SAR 10,286
Sides Open	3	2	2

Adjustment Analysis					
		SAMPLE 1		SAMPLE 2	
Area size	2,380.00	2,450.00	0.00%	1,750.00	0.00%
Location Desirability	Average	Average	0.00%	Average	0.00%
Accessibility	Average	Average	0.00%	Average	0.00%
Main Street Width (m)	40	40	0.00%	40	0.00%
Sides Open	3	2	0.00%	2	0.00%
Land Shape	Regular	Regular	0.00%	Regular	0.00%
Close to main Street	Yes	Yes	0.00%	Yes	0.00%
Negotiable	-----	Yes	-5.00%	Yes	-5.00%
Other Factor	-----	-----	0.00%	-----	0.00%
Total Adjustments Ratio		-5.00%		-5.00%	
Total Adjustment Amount		-SAR 489.8		-SAR 514.3	
Net After Adjustment		SAR 9,306.1		SAR 9,771.4	
SAR / Sqm		SAR 9,539			
Rounded Value		SAR 9,550			



PROPERTY VALUE	SENSITIVITY ANALYSIS					
		-10%	-5%	0%	5%	10%
	Land Area	2,380	2,380	2,380	2,380	2,380
	SAR / Sqm	SAR 8,595.0	SAR 9,072.5	SAR 9,550.0	SAR 10,027.5	SAR 10,505.0
Property Value		SAR 20,456,100	SAR 21,592,550	SAR 22,729,000	SAR 23,865,450	SAR 25,001,900
PROPERTY VALUE						

SAR 22,729,000



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 prices for similar properties falls in the range of 9,000 - 10,000 SAR / Sqm with an average of 9,500 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.

1.126 COST APPROACH (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 regards. The following table shows the expected replacement costs for such property.

	Min Cost (SAR / Sqm)	Max Cost (SAR / Sqm)	Average Cost
Skeleton - Concrete Cost	SAR 1,100	SAR 1,300	SAR 1,200
MEP	SAR 600	SAR 800	SAR 700
Finishing Materials	SAR 1,000	SAR 1,300	SAR 1,100
Site Improvements	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	
2,380.00		SAR 9,550		SAR 22,729,000	
Building					
		Unit		Total BUA	
Underground		Sqm		4,742.00	
Upper Floors		Sqm		6,138.00	
Total (SQM)		10,880.00			
Development Cost					
Hard Cost - Upper Floors					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	6,138.00	SAR 1,200	SAR 7,365,600	100%	SAR 7,365,600
Electro Mechanic	6,138.00	SAR 700	SAR 4,296,600	100%	SAR 4,296,600
Finishing	6,138.00	SAR 1,100	SAR 6,751,800	100%	SAR 6,751,800
Fit outs & Appliances	6,138.00	SAR 0	SAR 0	100%	SAR 0
Furniture	6,138.00	SAR 0	SAR 0	100%	SAR 0
Site Improvement	2,380.00	SAR 100	SAR 238,000	100%	SAR 238,000
Total			SAR 18,652,000	100.00%	SAR 18,652,000



Hard Cost - (Underground)					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	4,742.00	SAR 1,800	SAR 8,535,600	100%	SAR 8,535,600
Electro Mechanic	4,742.00	SAR 600	SAR 2,845,200	100%	SAR 2,845,200
Finishing	4,742.00	SAR 800	SAR 3,793,600	100%	SAR 3,793,600
Total			SAR 15,174,400	100.00%	SAR 15,174,400
Overall Soft Cost					
	Total Hard Cost		Ratio		Soft Cost
Initial Project Pre Cost	SAR 33,826,400		0.10%		SAR 33,826
Design	SAR 33,826,400		0.50%		SAR 169,132
Eng. Consultant	SAR 33,826,400		1.00%		SAR 338,264
Management	SAR 33,826,400		5.00%		SAR 1,691,320
Contingency	SAR 33,826,400		5.00%		SAR 1,691,320
Others	SAR 33,826,400		0.00%		SAR 0
TOTAL			11.60%		SAR 3,923,862.40
Total Hard Cost	SAR 33,826,400	BUA	10,880.00		
Total Soft Cost	SAR 3,923,862.40	SAR / Sqm	SAR 3,470		
Total Construction Cost	SAR 37,750,262.40	Overall Completion	100.0%		

After knowing the total construction costs at a rate of 3,470 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 market value of the building

DEVELOPMENT VALUE			
Total Dev Cost	SAR 37,750,262	Net Dep Rate	22.86%
		Dev Cost After Depreciation	SAR 29,121,631
Economic Age	35	Total Completion Rate	100.00%
Annual Dep Rate	2.86%	Developer Profit Rate	20.0%
Actual Age	8	Dev. Profit Amount	SAR 5,824,326
Total Dep Rate	22.86%	Development Value	SAR 34,945,957
Add Appr Rate	0.00%		
Net Dep Rate	22.86%		

The total value of the building is 34,945,957 SAR, which will be added to the value of the land in order to get the full value of the property as follows:

Total Dev. Value	Land Value	Total Property Value	Rounded Value
SAR 34,945,957	SAR 22,729,000	SAR 57,674,957	SAR 57,670,000



1.127 INCOME APPROACH- ACTUAL RATES

The client informed us that the total annual net rental revenues related to the subject property is SAR 4,500,000 and total OPEX of SAR 28,854 which will be used in the valuation analysis.

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.

Minimum capitalization rate		7.00%
Maximum capitalization rate		9.00%
Average		8.00%
The effect of the property specifications on the property		
Item	Influence	Notes
Ease of access to the property	-0.25%	several major methods
General condition of the property	0.00%	The actual age of the property is 7 years
The general location of the property	0.00%	The area is served average
Quality and finishes	0.00%	Average quality finishes
Project Management Team	-0.25%	Average management and operational team level
Services and public facilities	0.00%	level and availability of services is average
Total	-0.50%	
Note: When the effect is negative (-), this reduces the capitalization rate, which increases the value of the property. And when the effect is positive (+), this increases the capitalization rate, which reduces the value of the property		
Total adjustments on capitalization rate	-0.50%	
Capitalization rate, according to market averages	8%	
Estimated capitalization rate of the property valuation	7.50%	

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 7.5%, 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					
		Quantity	Revenues		
Unit Type	Total GLA	No of Units	SAR / Sqm	SAR / Unit	Total Revenues
Offices		The subject property is leased to Several tenants			SAR 4,500,000
-----	0	0	SAR 0	SAR 0	SAR 0
-----	0	0	SAR 0	SAR 0	SAR 0
Total Revenues					SAR 4,500,000
EXPENSES					
Unit Type	Management	Utilities	Maintenance	Others	Total Expenses
Offices	0.00%	0.00%	0.00%	0.00%	28,854.00
-----	0.00%	0.00%	0.00%	0.00%	0.00%
-----	0.00%	0.00%	0.00%	0.00%	0.00%
NET OPERATING INCOME					
Unit Type	Total Revenues		Total Expenses		NOI
Offices	SAR 4,500,000		28,854.00		SAR 4,471,146
-----	SAR 0		0.00%		SAR 0
-----	SAR 0		0.00%		SAR 0
Total					SAR 4,471,146
Total Property Revenues					SAR 4,500,000
Total Property Expenses					-SAR 28,854
Net Operating Income					SAR 4,471,146.00
Net Operating Income		Cap Rate	Property Value		Rounded Value
SAR 4,471,146.00		7.50%	59,615,280.00 SAR		59,620,000.00 SAR

1.128 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 office units range from 500 to 550 SAR / Sqm. The following is a table that shows some of the comparisons that were used in analysing the market rental rates for similar properties:



Comparable	Office Units
	Rental Rate/ Sqm
Comparable 1	550 SAR/ Sqm
Comparable 2	500 SAR/ Sqm
Comparable 3	-
Average	530 SAR/ Sqm



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



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 7.5%, which will be applied subsequently to the net operating income of the property.

Minimum capitalization rate		7.00%
Maximum capitalization rate		9.00%
Average		8.00%
The effect of the property specifications on the property		
Item	Influence	Notes
Ease of access to the property	-0.25%	several major methods
General condition of the property	0.00%	The actual age of the property is 7 years
The general location of the property	0.00%	The area is served average
Quality and finishes	0.00%	Average quality finishes
Project Management Team	-0.25%	Average management and operational team level
Services and public facilities	0.00%	level and availability of services is average
Total	-0.50%	
Note: When the effect is negative (-), this reduces the capitalization rate, which increases the value of the property. And when the effect is positive (+), this increases the capitalization rate, which reduces the value of the property		
Total adjustments on capitalization rate	-0.50%	
Capitalization rate, according to market averages		8%
Estimated capitalization rate of the property valuation		7.50%



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
Offices	10,880	0	SAR 550	SAR 10	SAR 5,984,000
-----	0	0	SAR 0	SAR 0	SAR 0
Total Revenues					SAR 5,984,000
EXPENSES					
Unit Type	Management	Utilities	Maintenance	Others	Total Expenses
Offices	3.00%	3.00%	3.00%	10.00%	19.00%
-----	0.00%	0.00%	0.00%	0.00%	0.00%
NET OPERATING INCOME					
Unit Type	Total Revenues		Total Expenses		NOI
Offices	SAR 5,984,000		19.00%		SAR 4,847,040
-----	SAR 0		0.00%		SAR 0
Total					SAR 4,847,040
Total Property Revenues					SAR 5,984,000
Total Property Expenses					-SAR 1,136,960
Net Operating Income					SAR 4,847,040.00
Net Operating Income		Cap Rate	Property Value		Rounded Value
SAR 4,847,040.00		8.00%	60,588,000.00 SAR		60,600,000.00 SAR

1.129 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

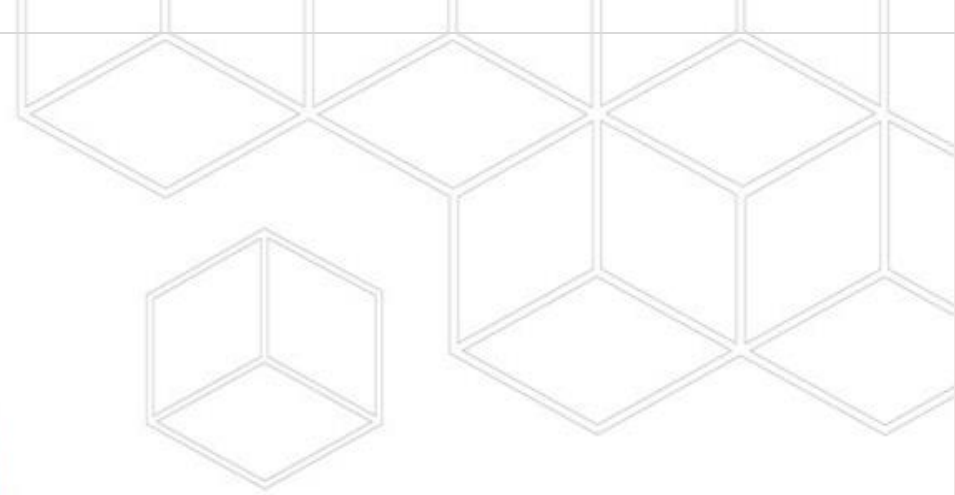
Methodology	Subject of Valuation	Value in Numbers	Value in Letters
DRC Approach	Land + Building	SAR 57,670,000	Fifty-Seven Million and Six Hundred Seventy Thousand Saudi Riyals
Income- Actual	Property	SAR 59,620,000	Fifty-Nine Million and Six Hundred Twenty Thousand Saudi Riyals
Income- Market	Property	SAR 60,600,000	Sixty Million and Six Hundred Thousand Saudi Riyals

1.130 SUBJECT PROPERTY VALUE

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

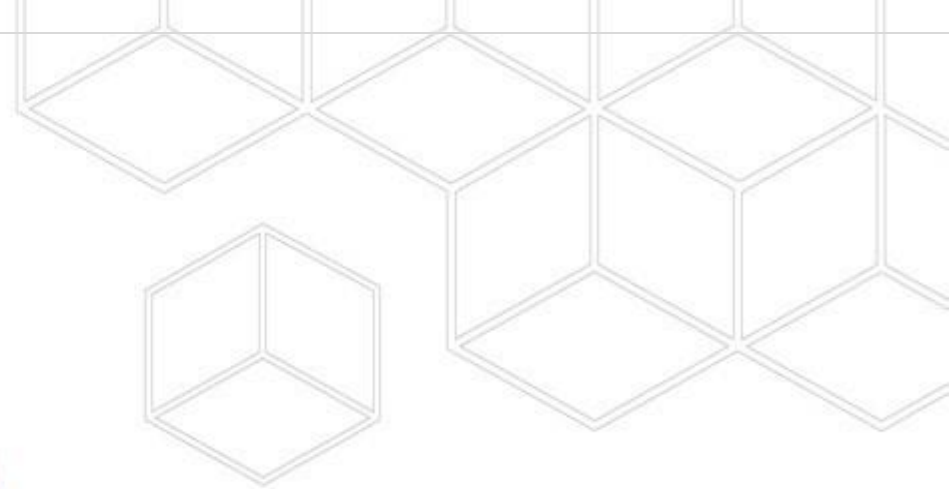
Property Value: **59,620,000 SAR**
Fifty-Nine Million and Six Hundred Twenty Thousand Saudi Riyals

Al Haeer Warehouse



PROPERTY DETAILS

Al Haeer Warehouses





1.131 PROPERTY & LOCATION DESCRIPTION

Property Description	The subject property is a logistic project located in Al Masani district, Riyadh city. Based on the provided copies of the title deed and the construction permit, the building has total land area of 13,544.45 Sqm and total BUA of 11,980 Sqm. According to the site inspection done by our team for the purpose of valuation, the project is open from 4 sides with a direct view on 4 unnamed Streets where it is surrounded by warehouse where all infrastructural facilities such as water, electricity, sewage, and telecommunication are available in the surroundings and connected to the subject property.
Location Description	The property subject of valuation is a logistic project located in Al Masani district, Riyadh city. The property is bordered from the north by a pathway The property is bordered from the south by a 25 meters Street The Property is bordered from the east by a 20 meters Street The property is bordered to the west by a 20 meters Street
Ease of Access	Based on the current location of the subject property, the access level is medium since it is located on Al Haeer Road.
Area Surrounding the Property	The subject property is mostly surrounded by warehouses

Land		Building	
Land Use	Logistics	Building Type	Warehouses
No. of Streets	4	Building Structural Conditions	Fully Constructed
Land Shape	Regular	External Elevation Conditions	Good
Direct View on the Main Road	No direct view on the main Road	Building Finishing Conditions	Good
Direct View on an Internal Street	4 unnamed Streets	Overall Building Conditions	Good
Land Condition	Constructed land		

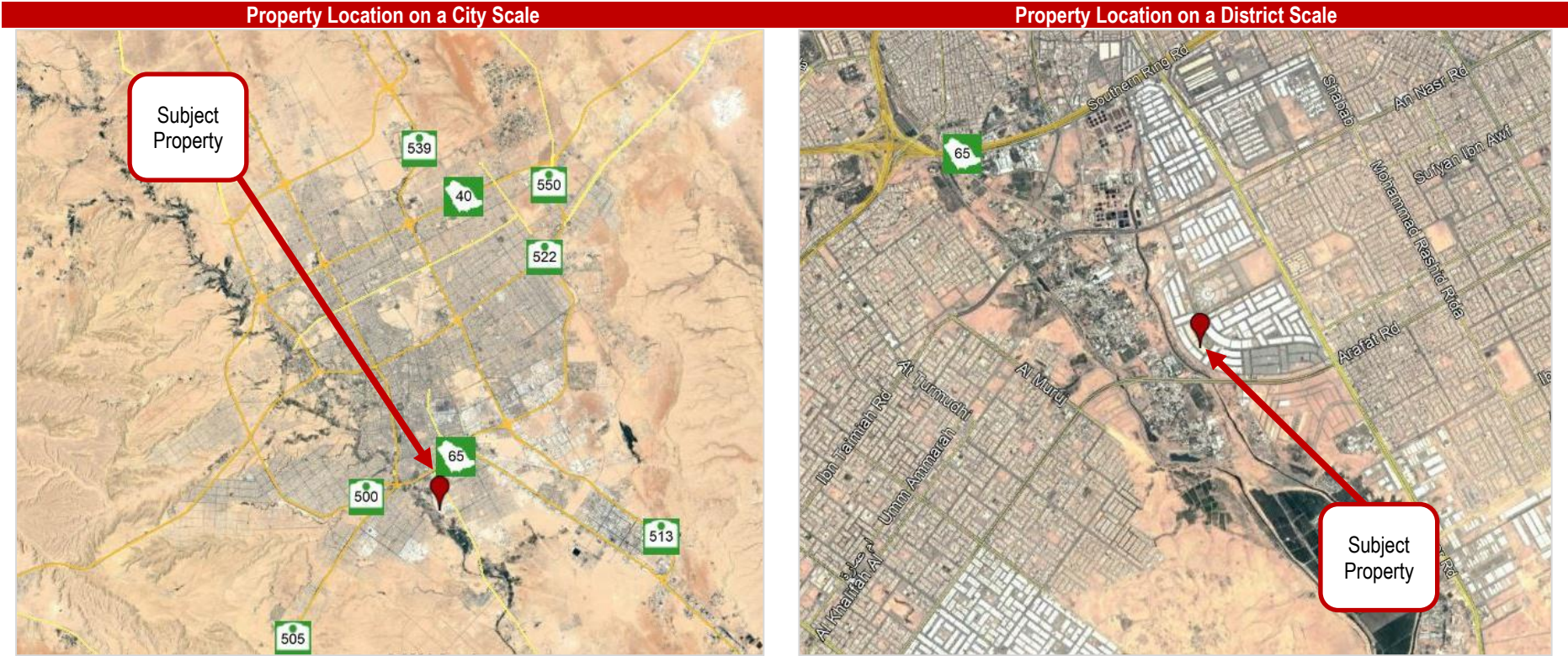
1.132 INFRASTRUCTURE FACILITIES

	Available in the surrounding	Connected to the property	
Water	✓	✓	All the infrastructural facilities are available in the surroundings and connected to the subject property.
Electricity	✓	✓	
Tele-Communication	✓	✓	
Sewage	✓	✓	



1.133 LOCATION

The subject property is located in Al Masani district, Riyadh city .





1.134 PROPERTY ACCESS

The subject property can be accessed as shown in the map below:





1.135 TITLE DEED & OWNERSHIP

We were provided with copy of the title deed related to the subject property which is owned by one title deed. The details of the subject property:

City	Riyadh	Land Area	13,544.45 Sqm
District	Al Masani	Plot No.	2788 to 2801
T.D Type	Electronic	Block No.	N/A
T.D Number	910106051847	Layout No.	3085
T.D Date	21/11/1438	Owner	Baitek Al Hefdh Real-estate Co.
T.D Value	27,281,887.81 SAR	Ownership Type	Freehold
Date of Last Transaction	21/11/1438	Limitation of Document	N/A
Issued From	Riyadh Notary		
North Side	Pathway	East Side	20 meters Street
South Side	25 meters Street	West Side	20 meters Street

Notes	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.
-------	--

1.136 CONSTRUCTION & 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, if the customer did not provide us with a copy of the approved plans, the valuation will be done based on the building permit provided by the customer. In the event that the customer does not provide us with a copy of the legal documents that show the total building surfaces, we will value them using the skills of our team along with the municipality's laws and regulations, and therefore the building surfaces will be estimated only roughly.

Source of BUA		Actual Age of the Property		Status of the property	
Construction Permit	✓	Construction Permit	✓	New	-----
As Built Drawings	-----	As Built Drawings	-----	Fully Constructed	✓
Other Documents	-----	Other Documents	-----	Under Construction	-----
Verbal Information	-----	Verbal Information	-----		
Estimation	-----	Estimation	-----		



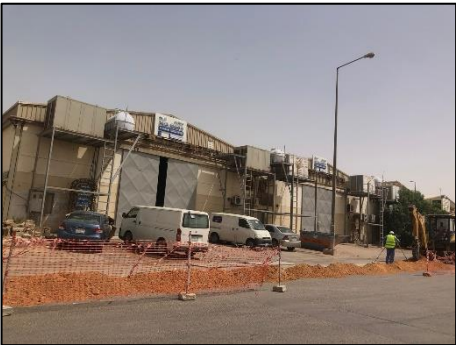
The client provided us with a building permit for the subject property, which contains the following data:

Subject Property	
Construction Permit Type	Renewal
Property Type	Warehouse
Construction Permit No.	1426/740
Construction Permit Date	06/02/1432
Permit Expiry Date	06/02/1435

Description	No. of Units	Area (sqm)	Use
Ground Floor	28	11,970	Warehouse
Electricity Room	0	10	Electricity Room
Fences	0	75	Fences
Total BAU (sqm)		11,980	

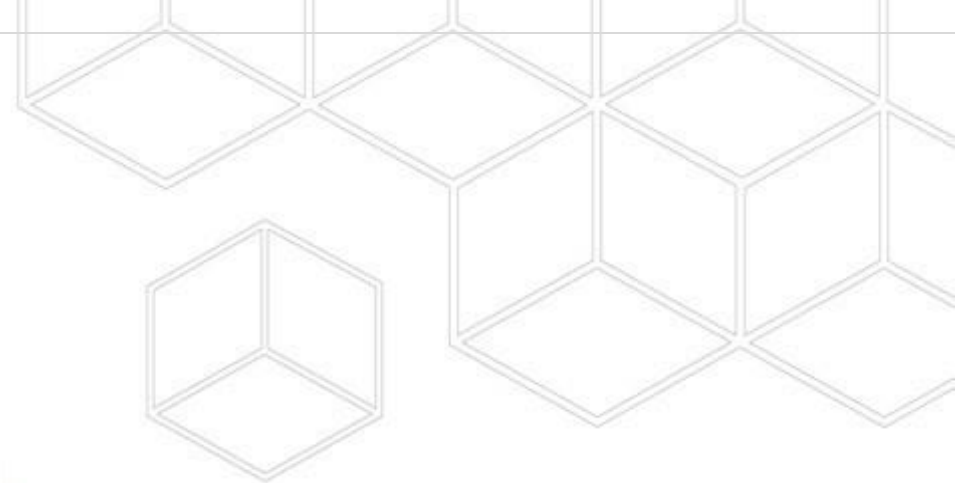


1.137 PHOTO RECORD



MARKET INDICATORS

Al Haeer Warehouses





1.138 SAUDI ARABIA ECONOMIC INDICATORS

Economic Indicator	2021 Budget	2022 Expectations	2023 Estimated
Nominal GDP (Billion Riyals)	2,866	3,042	3,232
Real GDP Growth	3.2%	3.4%	3.5%
Inflation Rate	2.9%	2.0%	2.0%
Total Revenue (Billion Riyals)	849	864	928
Total Expenses (Billion Riyals)	990	955	941
Budget Deficit	-141	-91	-13
Public Debt	937	1,013	1,026
Government Reserves at the Saudi Central Bank	280	265	265

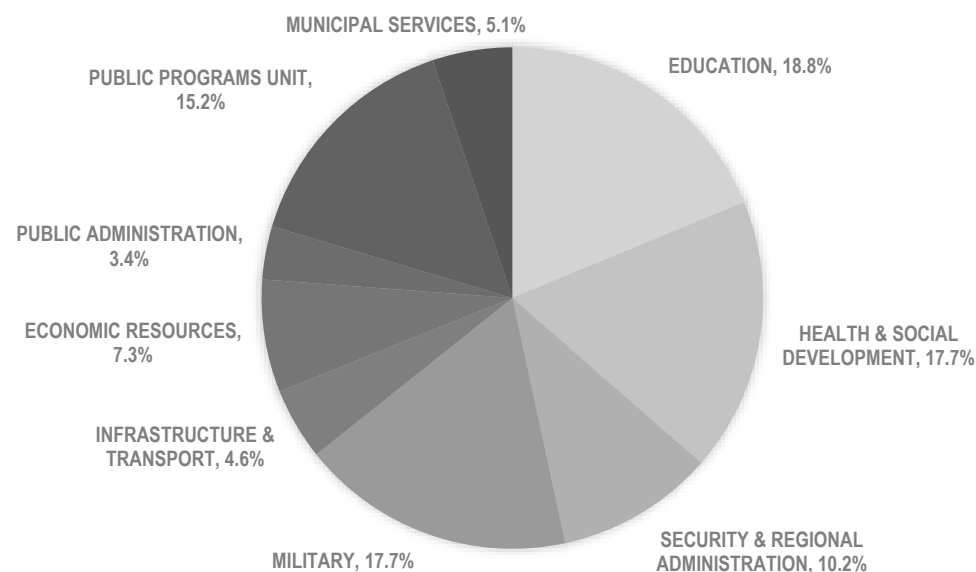
1.139 BUDGET ALLOCATION FOR 2021

Public Administration	34 SAR bn
Military	175 SAR bn
Security & Regional Adm.	101 SAR bn

Municipal Services	51 SAR bn
Education	186 SAR bn
Health & Social Dev.	175 SAR bn

Economic Resources	72 SAR bn
Infrastructure & Transport	46 SAR bn
General Items	151 SAR bn

Source: Ministry of Economy








1.140 SWOT ANALYSIS

<div>Strength</div> <div><ul style="list-style-type: none">- The property is open from 4 sides- Surrounded area is targeted for stores demand.</div>	<div>Weakness</div> <div><ul style="list-style-type: none">- Far from city center</div>
<div>Opportunities</div> <div><ul style="list-style-type: none">- High demand on such property.</div>	<div>Threats</div> <div><ul style="list-style-type: none">- Existing and potential similar project in the area</div>

The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

1.141 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

	HELPFUL	HARMFUL
INTERNAL	<div>S</div> <div>STRENGTHS</div>	<div>W</div> <div>WEAKNESSES</div>
EXTERNAL	<div>O</div> <div>OPPORTUNITIES</div>	<div>T</div> <div>THREATS</div>



White Cubes Team's Analysis



1.142 RISK ANALYSIS

Risk Factor	Very Low Risk (1) 1-10	Minimal Risk (2) 11-20	Medium Risk (3) 21-30	Elevated Risk (4) 31-40	Very High Risk (5) 41-50
Overall Economy			✓		
Sector Current Performance			✓		
Sector Future Performance		✓			
Occupancy Rates			✓		
Supply Rate			✓		
Demand Rate			✓		
Access		✓			
Location		✓			
Land Shape			✓		
Surrounding Area facilities			✓		
Total Risk	0	6	21	0	0
Risk Category	27 Risk Points – Medium Risk				

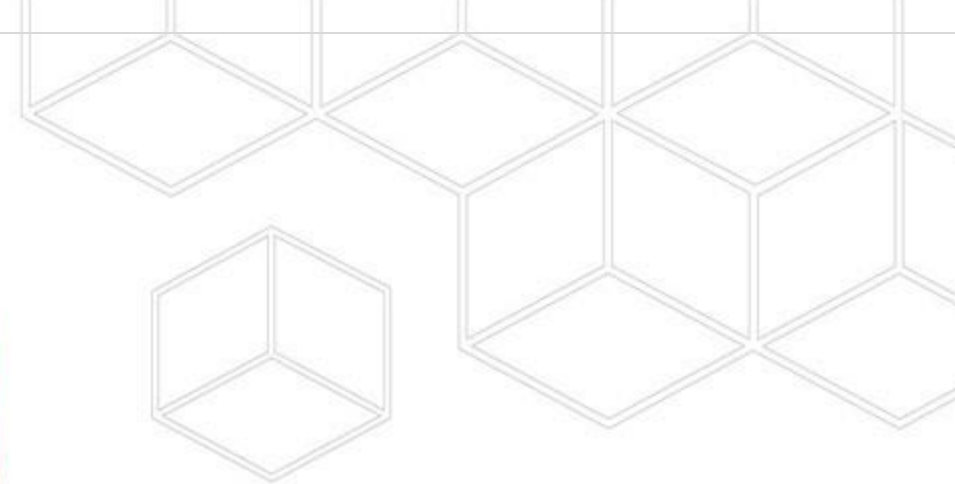
Sector Analysis

Risk Category- 27 Risk

Points - Medium Risk

PROPERTY VALUATION

Al Haeer Warehouses





1.143 GENERAL ASSUMPTIONS

- The subject property is valued under the assumption of freehold status unless otherwise stated in the report.
- All the written and verbal information provided to us by the Client assumed to be up to date, complete and correct in relation to elements such as title deed, construction permits, land area, and any other relevant matters that are set out in the report.
- This report is a valuation report and not structural / building survey. Therefore, we did not carry out any structural due diligence, utilities check, services check, soil test, etc.
- All the inputs used in the valuation methodologies are based on the collected market data using our best know how and experience in the related market.
- The output of this report (Final Value), is based on the used assumptions, received documents from the client and available market data. Yet, the output estimates show an indicative value of the subject property / properties.

1.144 VALUATION APPROACH

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 market value of the subject property:

	DRC	Comparable	Income Cap	DCF	RLV
Land		✓			
Building	✓				
Overall Property			✓		

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 market 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 churches, 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.

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.



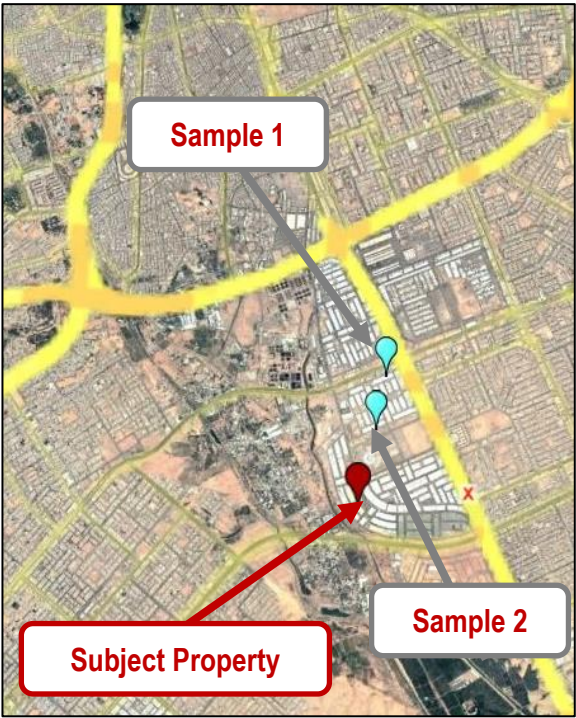
1.145 COMPARABLE APPROACH

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	
Quoting	-----	Offering		Offering	
District	Al Masani	Al Masani		Al Masani	
Sale Price	-----	SAR 1,300,000		SAR 1,600,000	
Area Size	13,544.45	750.00		737.00	
SAR / Sqm	-----	SAR 1,733		SAR 2,171	
Sides Open	4	2		2	

Adjustment Analysis					
		SAMPLE 1		SAMPLE 2	
Area size	13,544.45	750.00	-10.00%	737.00	-10.00%
Location Desirability	Average	Average	0.00%	Average	0.00%
Accessibility	Average	Average	0.00%	Average	0.00%
Main Street Width (m)	25	25	0.00%	20	0.00%
Sides Open	4	2	5.00%	2	5.00%
Land Shape	Regular	Regular	0.00%	Regular	0.00%
Close to main Street	No	No	0.00%	No	0.00%
Negotiable	-----	No	0.00%	Yes	-10.00%
Other Factor	-----	-----	0.00%	-----	0.00%
Total Adjustments Ratio		-5.00%		-15.00%	
Total Adjustment Amount		-SAR 86.7		-SAR 325.6	
Net After Adjustment		SAR 1,646.7		SAR 1,845.3	

SAR / Sqm	SAR 1,746
Rounded Value	SAR 1,750



PROPERTY VALUE	SENSITIVITY ANALYSIS					
		-10%	-5%	0%	5%	10%
	Land Area	13,544	13,544	13,544	13,544	13,544
SAR 23,702,788	SAR / Sqm	SAR 1,575.0	SAR 1,662.5	SAR 1,750.0	SAR 1,837.5	SAR 1,925.0
	Property Value	SAR 21,332,509	SAR 22,517,648	SAR 23,702,788	SAR 24,887,927	SAR 26,073,066
	PROPERTY VALUE					



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 1,500 – 2,000 SAR / Sqm with an average of 1,750 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.

1.146 COST APPROACH (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
Skeleton - Concrete Cost	SAR 600	SAR 800	SAR 700
MEP	SAR 80	SAR 120	SAR 100
Finishing Materials	SAR 150	SAR 250	SAR 200
Site Improvements	SAR 60	SAR 100	SAR 80
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	
13,544.45		SAR 1,750		SAR 23,702,788	
Building					
Upper Floors		Unit		Total BUA	
		Sqm		11,980.00	
Total (SQM)		11,980.00			
Development Cost					
Hard Cost - Upper Floors					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	11,980.00	SAR 700	SAR 8,386,000	100%	SAR 8,386,000
Electro Mechanic	11,980.00	SAR 100	SAR 1,198,000	100%	SAR 1,198,000
Finishing	11,980.00	SAR 200	SAR 2,396,000	100%	SAR 2,396,000
Fit outs & Appliances	11,980.00	SAR 0	SAR 0	100%	SAR 0
Furniture	11,980.00	SAR 0	SAR 0	100%	SAR 0
Site Improvement	13,544.45	SAR 80	SAR 1,083,556	100%	SAR 1,083,556
Total			SAR 13,063,556	100.00%	SAR 13,063,556



Overall Soft Cost				
		Total Hard Cost	Ratio	Soft Cost
Initial Project Pre Cost		SAR 13,063,556	0.10%	SAR 13,064
Design		SAR 13,063,556	0.25%	SAR 32,659
Eng Consultant		SAR 13,063,556	1.00%	SAR 130,636
Management		SAR 13,063,556	3.00%	SAR 391,907
Contingency		SAR 13,063,556	3.00%	SAR 391,907
Others		SAR 13,063,556	0.00%	SAR 0
TOTAL			7.35%	SAR 960,171.37
Total Hard Cost	SAR 13,063,556	BUA	11,980.00	
Total Soft Cost	SAR 960,171.37	SAR / Sqm	SAR 1,171	
Total Construction Cost	SAR 14,023,727.37	Overall Completion	100.0%	

After knowing the total construction costs at a rate of 1,171 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 market value of the building

DEVELOPMENT VALUE				
Total Dev Cost	SAR 14,023,727	Net Dep Rate	40.00%	
		Dev Cost After Depreciation	SAR 8,414,236	
Economic Age	20	Total Completion Rate	100.00%	
Annual Dep Rate	5.00%	Developer Profit Rate	20.0%	
Actual Age	8			
Total Dep Rate	40.00%	Dev. Profit Amount	SAR 1,682,847	
Add Appr Rate	0.00%	Development Value	SAR 10,097,084	
Net Dep Rate	40.00%			

The total value of the building is 10,097,084 SAR, which will be added to the value of the land in order to get the full value of the property as follows:

Total Dev. Value	Land Value	Total Property Value	Rounded Value
SAR 10,097,084	SAR 23,702,788	SAR 33,799,871	SAR 33,800,000



1.147 INCOME APPROACH- ACTUAL RATES

The client informed us that the annual rent related to the subject property is 1,547,000 SAR and total OPEX of 112,822.55 SAR on which we will base our valuation analysis.

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

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.

Minimum capitalization rate		7.00%
Maximum capitalization rate		8.00%
Average		7.50%
The effect of the property specifications on the property		
Item	Influence	Notes
Ease of access to the property	0.00%	several major methods
General condition of the property	0.00%	The actual age of the property is 7 years
The general location of the property	0.00%	The area is served excellently
Quality and finishes	0.00%	Average quality finishes
Project Management Team	0.00%	Average management and operational team level
Services and public facilities	0.00%	level and availability of services is average
Total	0.00%	
<i>Note: When the effect is negative (-), this reduces the capitalization rate, which increases the value of the property. And when the effect is positive (+), this increases the capitalization rate, which reduces the value of the property</i>		
Total adjustments on capitalization rate	0.00%	
Capitalization rate, according to market averages	7.5%	
Estimated capitalization rate of the property valuation	7.50%	

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 7.5%, 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					
	Quantity		Revenues		
Unit Type	Total GLA	No of Units	SAR / Sqm	SAR / Unit	Total Revenues
Warehouses		The subject property is leased to	Several tenants		SAR 1,547,000
-----	0	0	SAR 0	SAR 0	SAR 0
-----	0	0	SAR 0	SAR 0	SAR 0
Total Revenues					SAR 1,547,000
EXPENSES					
Unit Type	Management	Utilities	Maintenance	Others	Total Expenses
Warehouses					SAR 112,822.55
-----	0.00%	0.00%	0.00%	0.00%	0.00%
-----	0.00%	0.00%	0.00%	0.00%	0.00%
NET OPERATING INCOME					
Unit Type	Total Revenues		Total Expenses		NOI
Warehouses	SAR 1,547,000		SAR 112,823		SAR 1,434,177
-----	SAR 0		0.00%		SAR 0
-----	SAR 0		0.00%		SAR 0
Total					SAR 1,434,177
Total Property Revenues					SAR 1,547,000
Total Property Expenses					-SAR 112,823
Net Operating Income					SAR 1,434,177.45
Net Operating Income	Cap Rate	Property Value		Rounded Value	
SAR 1,434,177.45	7.50%	19,122,366.00 SAR		19,120,000.00 SAR	

1.148 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 warehouse units range from 100 to 150 SAR / Sqm. The following is a table that shows some of the comparisons that were used in analysing the market rental rates for similar properties:



Warehouse Units	
Comparable	Rental Rate/ Sqm
Comparable 1	130 SAR/ Sqm
Comparable 2	130 SAR/ Sqm
Comparable 3	-
Average	130 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 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

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.

Minimum capitalization rate	7.00%	
Maximum capitalization rate	8.00%	
Average	7.50%	
The effect of the property specifications on the property		
Item	Influence	Notes
Ease of access to the property	0.00%	several major methods
General condition of the property	0.00%	The actual age of the property is 7 years
The general location of the property	0.00%	The area is served excellently
Quality and finishes	0.00%	Average quality finishes
Project Management Team	0.00%	Average management and operational team level
Services and public facilities	0.00%	level and availability of services is average
Total	0.00%	
Note: When the effect is negative (-), this reduces the capitalization rate, which increases the value of the property. And when the effect is positive (+), this increases the capitalization rate, which reduces the value of the property		
Total adjustments on capitalization rate	0.00%	
Capitalization rate, according to market averages	8%	
Estimated capitalization rate of the property valuation	7.50%	

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 7.5%, 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					
Quantity		Revenues			
Unit Type	Total GLA	No of Units	SAR / Sqm	SAR / Unit	Total Revenues
Warehouses	12,623	0	SAR 130	SAR 10	SAR 1,640,990
-----	0	0	SAR 0	SAR 0	SAR 0
-----	0	0	SAR 0	SAR 0	SAR 0
Total Revenues					SAR 1,640,990
EXPENSES					
Unit Type	Management	Utilities	Maintenance	Others	Total Expenses
Warehouses	2.50%	0.00%	0.00%	5.00%	7.50%
-----	0.00%	0.00%	0.00%	0.00%	0.00%
-----	0.00%	0.00%	0.00%	0.00%	0.00%



NET OPERATING INCOME			
Unit Type	Total Revenues	Total Expenses	NOI
Warehouses	SAR 1,640,990	7.50%	SAR 1,517,916
-----	SAR 0	0.00%	SAR 0
-----	SAR 0	0.00%	SAR 0
		Total	SAR 1,517,916
Total Property Revenues			SAR 1,640,990
Total Property Expenses			-SAR 123,074
Net Operating Income			SAR 1,517,915.75
Net Operating Income	Cap Rate	Property Value	Rounded Value
SAR 1,517,915.75	7.50%	20,238,876.67 SAR	20,200,000.00 SAR

1.149 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

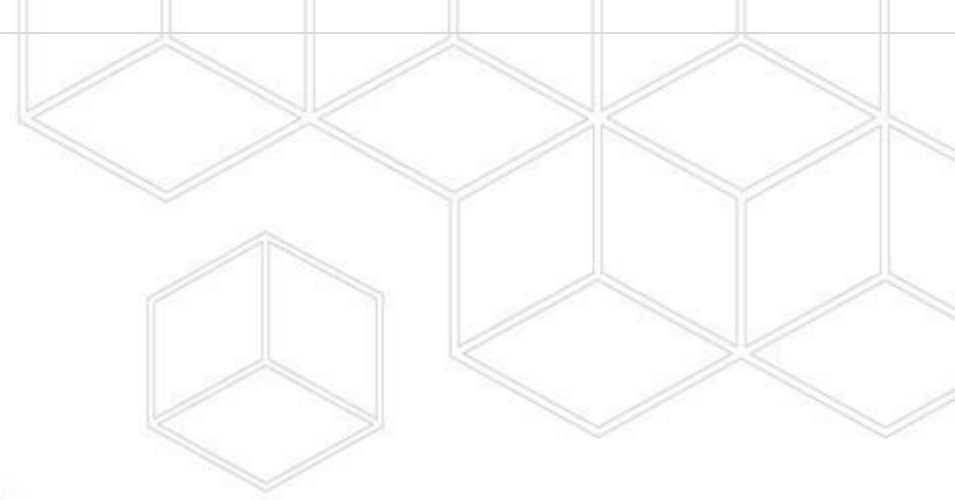
Methodology	Subject of Valuation	Value in Numbers	Value in Letters
DRC Approach	Property	SAR 33,800,000	Thirty-Three Million and Eight Hundred Thousand Saudi Riyals
Income- Actual	Land + Building	SAR 19,120,000	Nineteen Million and One Hundred Twenty Thousand Saudi Riyals
Income- Market	Land	SAR 20,200,000	Twenty Million and Two Hundred Thousand Saudi Riyals

1.150 SUBJECT PROPERTY VALUE

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

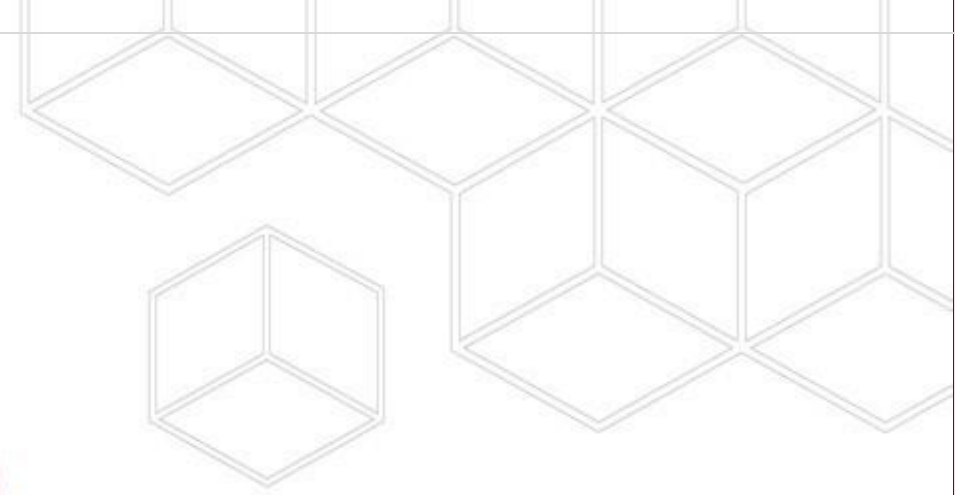
Property Value: **19,120,000 SAR**
 Nineteen Million and One Hundred Twenty Thousand Saudi Riyals

AI Sulay Warehouses



PROPERTY DETAILS

Al Sulay Warehouses





1.151 PROPERTY & LOCATION DESCRIPTION

Property Description	The subject property is a logistic project located in Al Sulay district, Riyadh city. Based on the provided copies of the title deed and the construction permit, the building has total land area of 54,075 Sqm and total BUA of 46,158 Sqm. According to the site inspection done by our team for the purpose of valuation, the project is open from 3 sides with a direct view on Al Kitab Street where it is surrounded by warehouse where all infrastructural facilities such as water, electricity, sewage, and telecommunication are available in the surroundings and connected to the subject property.
Location Description	The property subject of valuation is a logistic project located in Al Sulay district, Riyadh city. The property is bordered from the north by a private property The property is bordered from the south by a 36 meters Street The Property is bordered from the east by a 36 meters Street The property is bordered to the west by a 30 meters Street
Ease of Access	Based on the current location of the subject property, the access level is medium, since it is located near the Second Ring Road.
Area Surrounding the Property	The subject property is mostly surrounded by warehouses

Land		Building	
Land Use	Logistics	Building Type	Warehouses
No. of Streets	3	Building Structural Conditions	Fully Constructed
Land Shape	Regular	External Elevation Conditions	Good
Direct View on the Main Road	No direct view on the main Road	Building Finishing Conditions	Good
Direct View on an Internal Street	Al Kitab Street	Overall Building Conditions	Good
Land Condition	Constructed land		

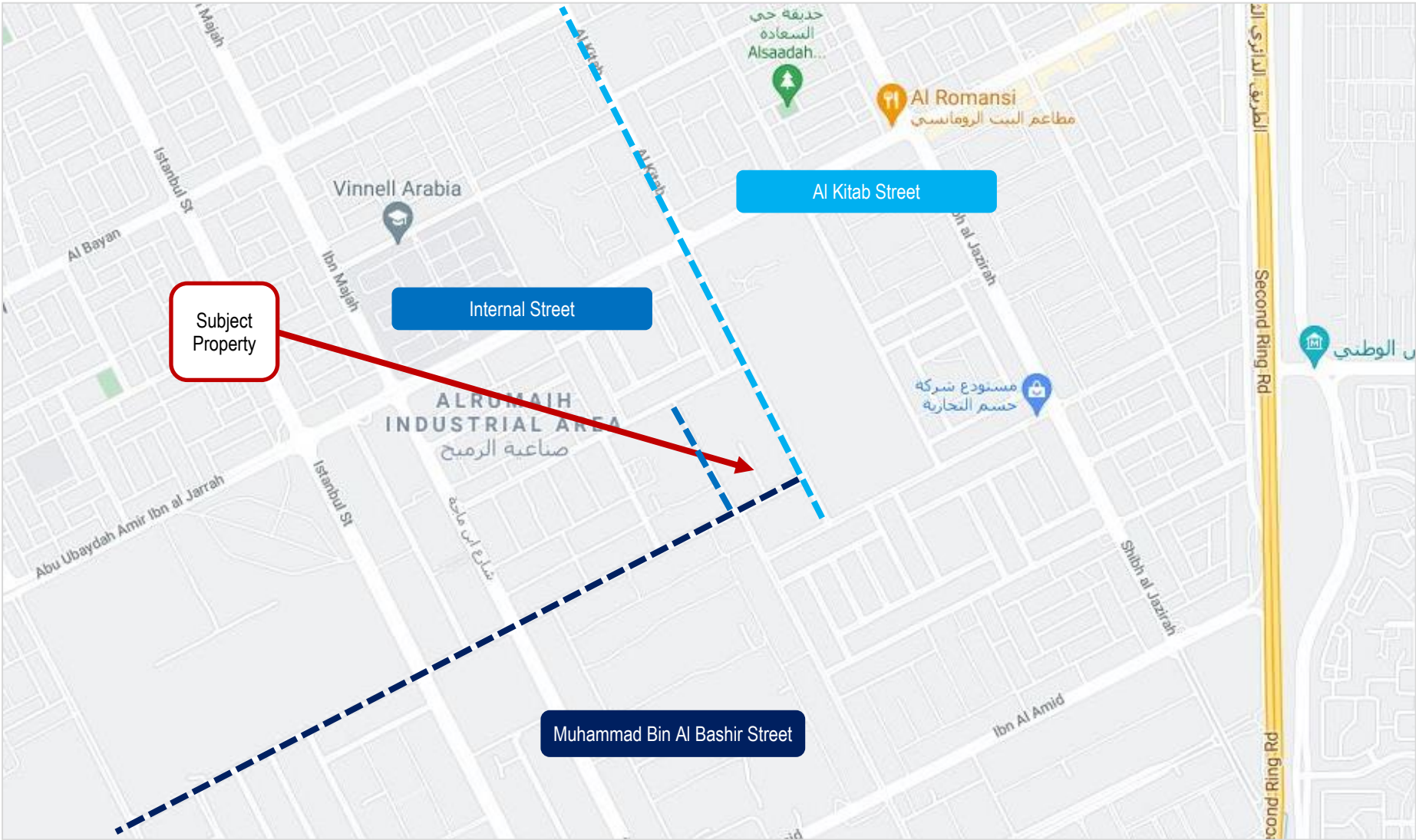
1.152 INFRASTRUCTURE FACILITIES

	Available in the surrounding	Connected to the property	
Water	✓	✓	All the infrastructural facilities are available in the surroundings and connected to the subject property.
Electricity	✓	✓	
Tele-Communication	✓	✓	
Sewage	✓	✓	



1.154 PROPERTY ACCESS

The subject property can be accessed as shown in the map below:





1.155 TITLE DEED & OWNERSHIP

We were provided with copy of the title deed related to the subject property which is owned by one title deed. The details of the subject property:

City	Riyadh	Land Area	54,075 Sqm
District	Al Sulay	Plot No.	27
T.D Type	Electronic	Block No.	N/A
T.D Number	310108046400	Layout No.	1351
T.D Date	23/11/1438	Owner	Baitek Al Hefdh Real-estate Co.
T.D Value	75,502,675.27 SAR	Ownership Type	Freehold
Date of Last Transaction	23/11/1438	Limitation of Document	N/A
Issued From	Riyadh Notary		
North Side	Private property	East Side	36 meters Street
South Side	36 meters Street	West Side	Private property

Notes	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.
-------	--

1.156 CONSTRUCTION & 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, if the customer did not provide us with a copy of the approved plans, the valuation will be done based on the building permit provided by the customer. In the event that the customer does not provide us with a copy of the legal documents that show the total building surfaces, we will value them using the skills of our team along with the municipality's laws and regulations, and therefore the building surfaces will be estimated only roughly.

Source of BUA		Actual Age of the Property		Status of the property	
Construction Permit	✓	Construction Permit	✓	New	-----
As Built Drawings	-----	As Built Drawings	-----	Fully Constructed	✓
Other Documents	-----	Other Documents	-----	Under Construction	-----
Verbal Information	-----	Verbal Information	-----		
Estimation	-----	Estimation	-----		



The client provided us with a building permit for the subject property, which contains the following data:

Subject Property	
Construction Permit Type	New Permit
Property Type	Project
Construction Permit No.	121/3/4/27
Construction Permit Date	04/12/1413
Permit Expiry Date	04/12/1416

Description	No. of Units	Area (sqm)	Use
Ground Floor	0	46,158	Warehouse
Total BAU (sqm)		46,158	

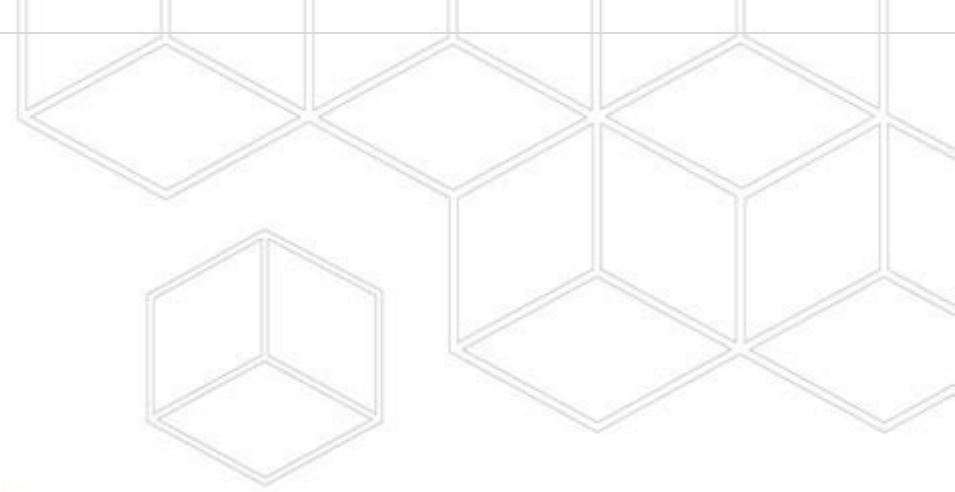


1.157 PHOTO RECORD



MARKET INDICATORS

Al Sulay Warehouses





1.158 SAUDI ARABIA ECONOMIC INDICATORS

Economic Indicator	2021 Budget	2022 Expectations	2023 Estimated
Nominal GDP (Billion Riyals)	2,866	3,042	3,232
Real GDP Growth	3.2%	3.4%	3.5%
Inflation Rate	2.9%	2.0%	2.0%
Total Revenue (Billion Riyals)	849	864	928
Total Expenses (Billion Riyals)	990	955	941
Budget Deficit	-141	-91	-13
Public Debt	937	1,013	1,026
Government Reserves at the Saudi Central Bank	280	265	265

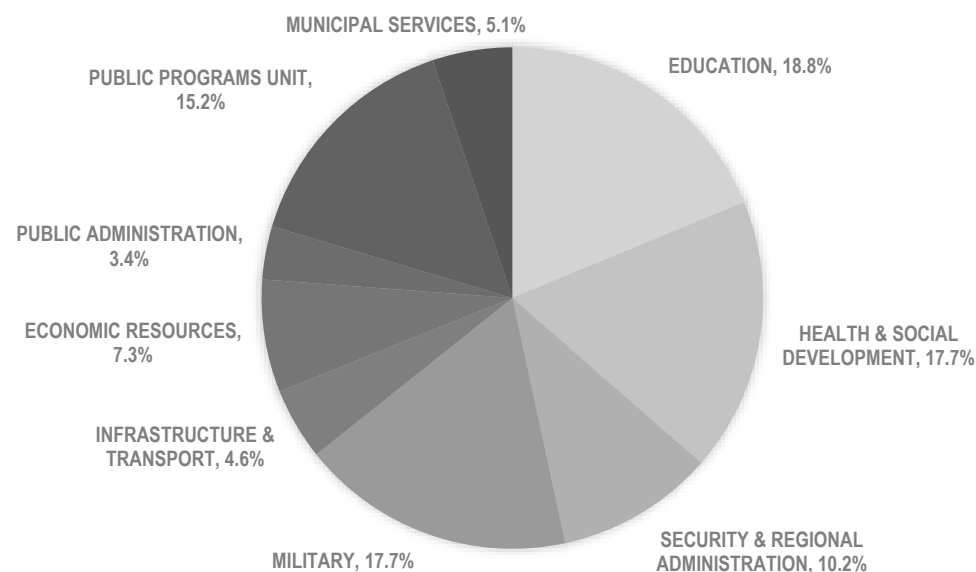
1.159 BUDGET ALLOCATION FOR 2021

Public Administration	34 SAR bn
Military	175 SAR bn
Security & Regional Adm.	101 SAR bn

Municipal Services	51 SAR bn
Education	186 SAR bn
Health & Social Dev.	175 SAR bn

Economic Resources	72 SAR bn
Infrastructure & Transport	46 SAR bn
General Items	151 SAR bn

Source: Ministry of Economy








1.160 SWOT ANALYSIS

<div>Strength</div> <div><ul style="list-style-type: none">- The property is open from 3 sides- Surrounded area is targeted for stores demand.</div>	<div>Weakness</div> <div><ul style="list-style-type: none">- Far from city center</div>
<div>Opportunities</div> <div><ul style="list-style-type: none">- High demand on such properties.</div>	<div>Threats</div> <div><ul style="list-style-type: none">- Existing and potential similar project in the area- High competition environment</div>

The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

1.161 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

	HELPFUL	HARMFUL
INTERNAL	<div>S</div> <div>STRENGHTS</div>	<div>W</div> <div>WEAKNESSES</div>
EXTERNAL	<div>O</div> <div>OPPORTUNITIES</div>	<div>T</div> <div>THREATS</div>



White Cubes Team's Analysis



1.162 RISK ANALYSIS

Risk Factor	Very Low Risk (1) 1-10	Minimal Risk (2) 11-20	Medium Risk (3) 21-30	Elevated Risk (4) 31-40	Very High Risk (5) 41-50
Overall Economy			✓		
Sector Current Performance			✓		
Sector Future Performance		✓			
Occupancy Rates			✓		
Supply Rate			✓		
Demand Rate			✓		
Access		✓			
Location			✓		
Land Shape		✓			
Surrounding Area facilities			✓		
Total Risk	0	6	21	0	0
Risk Category	27 Risk Points – Medium Risk				

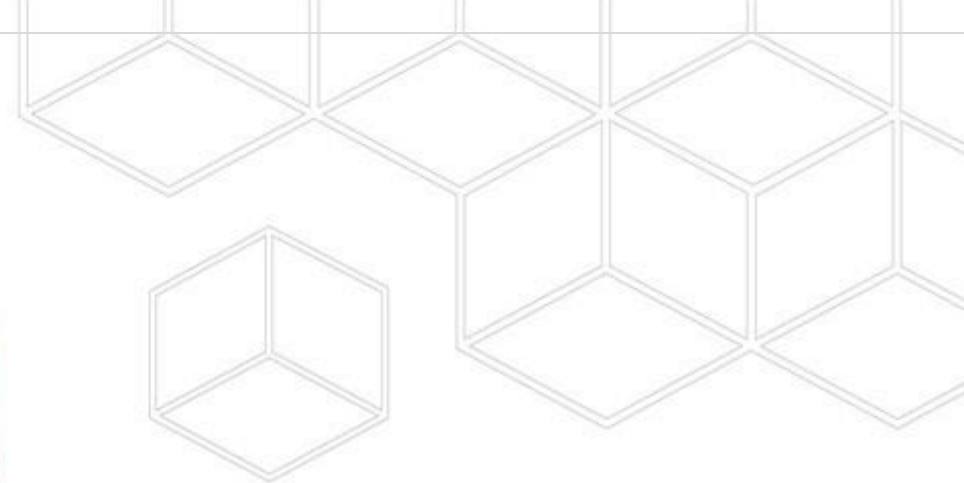
Sector Analysis

Risk Category- 27 Risk

Points - Medium Risk

PROPERTY VALUATION

Al Sulay Warehouses





1.163 GENERAL ASSUMPTIONS

- The subject property is valued under the assumption of freehold status unless otherwise stated in the report.
- All the written and verbal information provided to us by the Client assumed to be up to date, complete and correct in relation to elements such as title deed, construction permits, land area, and any other relevant matters that are set out in the report.
- This report is a valuation report and not structural / building survey. Therefore, we did not carry out any structural due diligence, utilities check, services check, soil test, etc.
- All the inputs used in the valuation methodologies are based on the collected market data using our best know how and experience in the related market.
- The output of this report (Final Value), is based on the used assumptions, received documents from the client and available market data. Yet, the output estimates show an indicative value of the subject property / properties.

1.164 VALUATION APPROACH

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 market value of the subject property:

	DRC	Comparable	Income Cap	DCF	RLV
Land		✓			
Building	✓				
Overall Property			✓		

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 market 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 churches, 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.

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.

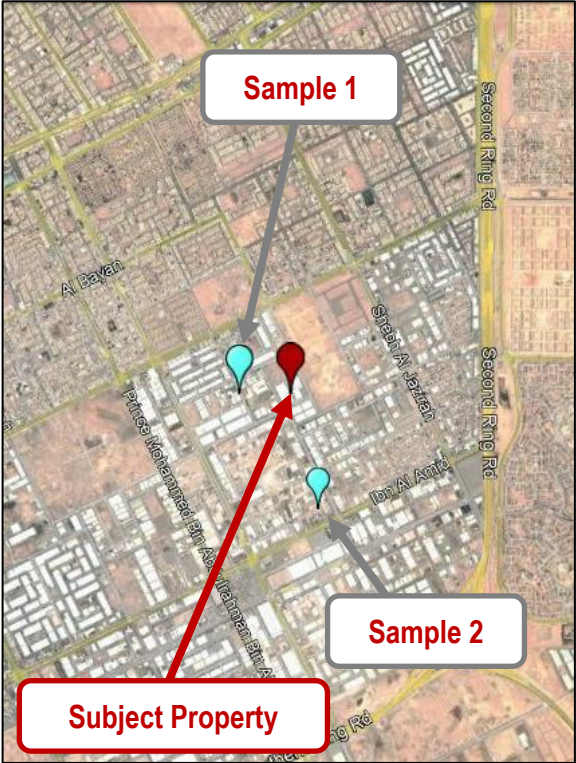


1.165 COMPARABLE APPROACH

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
Quoting	-----	Offering	Offering
District	Al Sulay	Al Sulay	Al Sulay
Sale Price	-----	SAR 2,684,600	SAR 7,735,000
Data Source	Title Deed	Market Survey	Market Survey
Area Size	54,075.00	1,732.00	5,950.00
SAR / Sqm	-----	SAR 1,550	SAR 1,300
Sides Open	3	1	1

Adjustment Analysis		SAMPLE 1		SAMPLE 2	
Area size	54,075.00	1,732.00	-15.00%	5,950.00	-15.00%
Location Desirability	Average	Average	0.00%	Average	0.00%
Accessibility	Average	Average	0.00%	Average	0.00%
Main Street Width (m)	36	30	0.00%	35	0.00%
Sides Open	3	1	10.00%	1	10.00%
Land Shape	Regular	Regular	0.00%	Regular	0.00%
Close to main Street	No	No	0.00%	No	0.00%
Negotiable	-----	No	0.00%	No	0.00%
Other Factor	-----	-----	0.00%	-----	0.00%
Total Adjustments Ratio		-5.00%		-5.00%	
Total Adjustment Amount		-SAR 77.5		-SAR 65.0	
Net After Adjustment		SAR 1,472.5		SAR 1,235.0	
SAR / Sqm		SAR 1,354			
Rounded Value		SAR 1,350			



PROPERTY VALUE	SENSITIVITY ANALYSIS					
		-10%	-5%	0%	5%	10%
SAR 73,001,250	Land Area	54,075	54,075	54,075	54,075	54,075
	SAR / Sqm	SAR 1,215.0	SAR 1,282.5	SAR 1,350.0	SAR 1,417.5	SAR 1,485.0
	Property Value	SAR 65,701,125	SAR 69,351,188	SAR 73,001,250	SAR 76,651,313	SAR 80,301,375
PROPERTY VALUE						



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 1,000 - 1,500 SAR / Sqm with an average of 1,250 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.

1.166 COST APPROACH (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
Skeleton - Concrete Cost	SAR 600	SAR 800	SAR 700
MEP	SAR 80	SAR 120	SAR 100
Finishing Materials	SAR 180	SAR 220	SAR 200
Site Improvements	SAR 60	SAR 100	SAR 80
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	
54,075.00		SAR 1,350		SAR 73,001,250	
Building					
Upper Floors		Unit		Total BUA	
		Sqm		46,158.00	
Total (SQM)		46,158.00			
Development Cost					
Hard Cost - Upper Floors					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	46,158.00	SAR 700	SAR 32,310,600	100%	SAR 32,310,600
Electro Mechanic	46,158.00	SAR 100	SAR 4,615,800	100%	SAR 4,615,800
Finishing	46,158.00	SAR 200	SAR 9,231,600	100%	SAR 9,231,600
Fit outs & Appliances	46,158.00	SAR 0	SAR 0	100%	SAR 0
Furniture	46,158.00	SAR 0	SAR 0	100%	SAR 0
Site Improvement	54,075.00	SAR 80	SAR 4,326,000	100%	SAR 4,326,000
Total			SAR 50,484,000	100.00%	SAR 50,484,000



Overall Soft Cost				
		Total Hard Cost	Ratio	Soft Cost
Initial Project Pre Cost		SAR 50,484,000	0.10%	SAR 50,484
Design		SAR 50,484,000	0.25%	SAR 126,210
Eng. Consultant		SAR 50,484,000	1.00%	SAR 504,840
Management		SAR 50,484,000	3.00%	SAR 1,514,520
Contingency		SAR 50,484,000	3.00%	SAR 1,514,520
Others		SAR 50,484,000	0.00%	SAR 0
TOTAL			7.35%	SAR 3,710,574.00
Total Hard Cost		SAR 50,484,000	BUA	46,158.00
Total Soft Cost		SAR 3,710,574.00	SAR / Sqm	SAR 1,174
Total Construction Cost		SAR 54,194,574.00	Overall Completion	100.0%

After knowing the total construction costs at a rate of 1,174 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 market value of the building

DEVELOPMENT VALUE			
Total Dev Cost	SAR 54,194,574	Net Dep Rate	100.00%
		Dev Cost After Depreciation	SAR 0
Economic Age	20	Total Completion Rate	100.00%
Annual Dep Rate	5.00%	Developer Profit Rate	20.0%
Actual Age	20	Dev. Profit Amount	SAR 0
Total Dep Rate	100.00%	Development Value	SAR 0
Add Appr Rate	0.00%		
Net Dep Rate	100.00%		

The total value of the building is 0 SAR as it is fully depreciated, which will be added to the value of the land in order to get the full value of the property as follows:

Total Dev. Value	Land Value	Total Property Value	Rounded Value
SAR 0	SAR 73,001,250	SAR 73,001,250	SAR 73,000,000



1.167 INCOME APPROACH- ACTUAL RATES

The client informed us that the annual rent related to the subject property is 3,719,040 SAR and total OPEX of 214,707.25 SAR on which we will base our valuation analysis.

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

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.

Minimum capitalization rate		7.00%
Maximum capitalization rate		8.00%
Average		7.50%
The effect of the property specifications on the property		
Item	Influence	Notes
Ease of access to the property	0.00%	several major methods
General condition of the property	0.50%	Fully Depreciated
The general location of the property	0.00%	The area is served excellently
Quality and finishes	0.00%	Average quality finishes
Project Management Team	0.00%	Average management and operational team level
Services and public facilities	0.00%	level and availability of services is average
Total	0.50%	
<i>Note: When the effect is negative (-), this reduces the capitalization rate, which increases the value of the property. And when the effect is positive (+), this increases the capitalization rate, which reduces the value of the property</i>		
Total adjustments on capitalization rate	0.50%	
Capitalization rate, according to market averages	7.5%	
Estimated capitalization rate of the property valuation	8.00%	

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%, 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					
	Quantity		Revenues		
Unit Type	Total GLA	No of Units	SAR / Sqm	SAR / Unit	Total Revenues
Warehouses		The subject properties are leased to Several tenants			SAR 3,719,040
-----	0	0	SAR 0	SAR 0	SAR 0
-----	0	0	SAR 0	SAR 0	SAR 0
Total Revenues					SAR 3,719,040
EXPENSES					
Unit Type	Management	Utilities	Maintenance	Others	Total Expenses
Warehouses					SAR 214,707
-----	0.00%	0.00%	0.00%	0.00%	0.00%
-----	0.00%	0.00%	0.00%	0.00%	0.00%
NET OPERATING INCOME					
Unit Type	Total Revenues		Total Expenses		NOI
Warehouses	SAR 3,719,040		SAR 214,707		SAR 3,504,333
-----	SAR 0		0.00%		SAR 0
-----	SAR 0		0.00%		SAR 0
Total					SAR 3,504,333
Total Property Revenues			3.00%		SAR 3,719,040
Total Property Expenses			3.00%		-SAR 214,707
Net Operating Income			0.00%		SAR 3,504,332.75
Net Operating Income		Cap Rate	Property Value		Rounded Value
SAR 3,504,332.75		8.00%	43,804,159.38 SAR		43,800,000.00 SAR



1.168 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 warehouse units range from 100 to 150 SAR / Sqm. The following is a table that shows some of the comparisons that were used in analysing the market rental rates for similar properties:

Warehouse Units	
Comparable	Rental Rate/ Sqm
Comparable 1	150 SAR/ Sqm
Comparable 2	110 SAR/ Sqm
Comparable 3	130 SAR/ Sqm
Comparable 4	150 SAR/ Sqm
Average	135 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 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

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.

Minimum capitalization rate		7.00%	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
Maximum capitalization rate		8.00%	
Average		7.50%	
The effect of the property specifications on the property			
Item	Influence	Notes	
Ease of access to the property	0.00%	several major methods	
General condition of the property	0.50%	Fully Depreciated	
The general location of the property	0.00%	The area is served excellently	
Quality and finishes	0.00%	Average quality finishes	
Project Management Team	0.00%	Average management and operational team level	
Services and public facilities	0.00%	level and availability of services is average	
Total	0.50%		
Note: When the effect is negative (-), this reduces the capitalization rate, which increases the value of the property. And when the effect is positive (+), this increases the capitalization rate, which reduces the value of the property			
Total adjustments on capitalization rate	0.50%		The estimated capitalization rate for the property, which will be based on the valuation process, is 8%, which will be applied subsequently to the net operating income of the property.
Capitalization rate, according to market averages	7.5%		
Estimated capitalization rate of the property valuation	8.00%		

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

Unit Type	REVENUES				
	Quantity		Revenues		
	Total GLA	No of Units	SAR / Sqm	SAR / Unit	Total Revenues
Warehouses	38,348	0	SAR 135	SAR 0	SAR 5,176,980
-----	0	0	SAR 0	SAR 0	SAR 0
-----	0	0	SAR 0	SAR 0	SAR 0



					Total Revenues	SAR 5,176,980
EXPENSES						
Unit Type	Management	Utilities	Maintenance	Vacancy	Total Expenses	
Warehouses	2.50%	0.00%	0.00%	10.00%	12.50%	
-----	0.00%	0.00%	0.00%	0.00%	0.00%	
-----	0.00%	0.00%	0.00%	0.00%	0.00%	
NET OPERATING INCOME						
Unit Type	Total Revenues	Total Expenses			NOI	
Warehouses	SAR 5,176,980	12.50%			SAR 4,529,858	
-----	SAR 0	0.00%			SAR 0	
-----	SAR 0	0.00%			SAR 0	
					Total	SAR 4,529,858
Total Property Revenues					SAR 5,176,980	
Total Property Expenses					-SAR 647,123	
Net Operating Income					SAR 4,529,857.50	
Net Operating Income		Cap Rate	Property Value		Rounded Value	
SAR 4,529,857.50		8.00%	56,623,218.75 SAR		56,600,000.00 SAR	

1.169 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

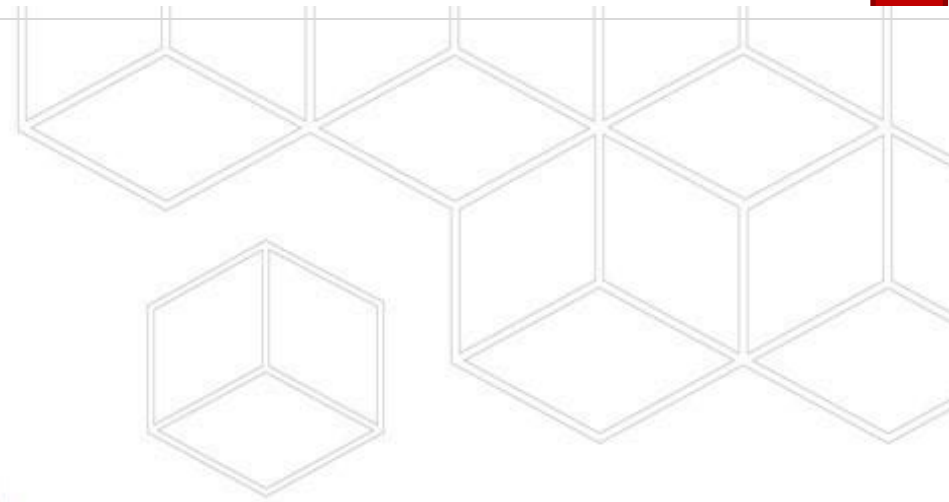
Methodology	Subject of Valuation	Value in Numbers	Value in Letters
DRC Approach	Property	SAR 73,000,000	Seventy-Three Million Saudi Riyals
Income- Actual	Land + Building	SAR 43,800,000	Forty-Three Million and Eight Hundred Thousand Saudi Riyals
Income- Market	Land	SAR 56,600,000	Fifty-Six Million and Six Hundred Thousand Saudi Riyals

1.170 SUBJECT PROPERTY VALUE

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

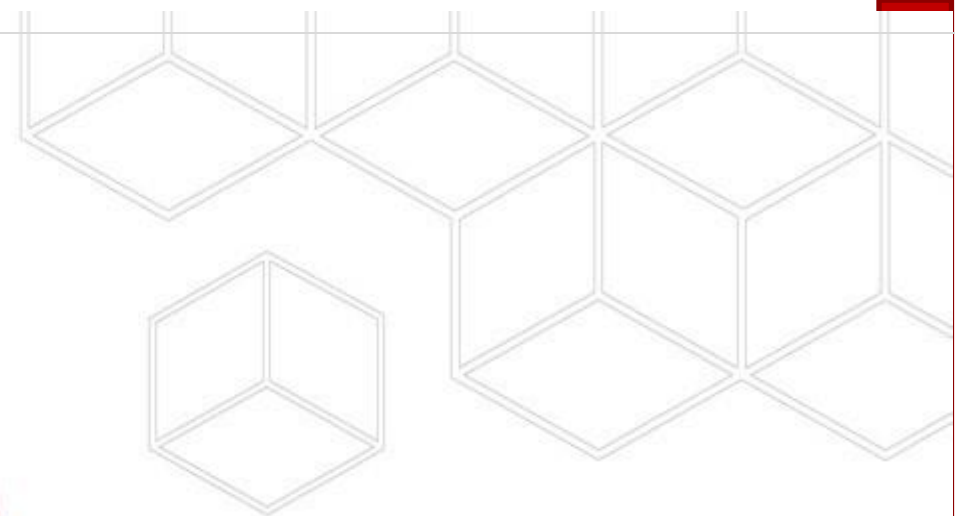
Property Value: **43,800,000 SAR**
 Forty-Three Million and Eight Hundred Thousand Saudi Riyals

Manfaat AI Quds



PROPERTY DETAILS

Manfaat Al Quds





1.171 PROPERTY & LOCATION DESCRIPTION

Property Description	The subject property is a mix-use building located in Al Quds district, Riyadh city. Based on the data provided by the client, the building has total land area of 895.5 Sqm and total BUA of 1,257.84 Sqm. According to the site inspection done by our team for the purpose of valuation, the project is open from 2 sides with a direct view on King Abdullah Road where it is surrounded by residential and mix-use buildings where all infrastructural facilities such as water, electricity, sewage, and telecommunication are available in the surroundings and connected to the subject property.
Location Description	The property subject of valuation is a mix-use building located in Al Quds district, Riyadh city. The property is bordered from the north by a 60 meters Street The property is bordered from the south by a private property The Property is bordered from the east by a private property The property is bordered to the west by a 15 meters Street
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
Area Surrounding the Property	The subject property is mostly surrounded by residential and mix-use buildings

Land		Building	
Land Use	Commercial	Building Type	Mix-use building
No. of Streets	2	Building Structural Conditions	Fully Constructed
Land Shape	Regular	External Elevation Conditions	Good
Direct View on the Main Road	King Abdullah Road	Building Finishing Conditions	Good
Direct View on an Internal Street	Taj Al Nisa Al Baghdadi Street	Overall Building Conditions	Good
Land Condition	Constructed land		

1.172 INFRASTRUCTURE FACILITIES

	Available in the surrounding	Connected to the property	
Water	✓	✓	All the infrastructural facilities are available in the surroundings and connected to the subject property.
Electricity	✓	✓	
Tele-Communication	✓	✓	
Sewage	✓	✓	



1.173 LOCATION

The subject property is located in Al Quds district, Riyadh city .

Property Location on a City Scale



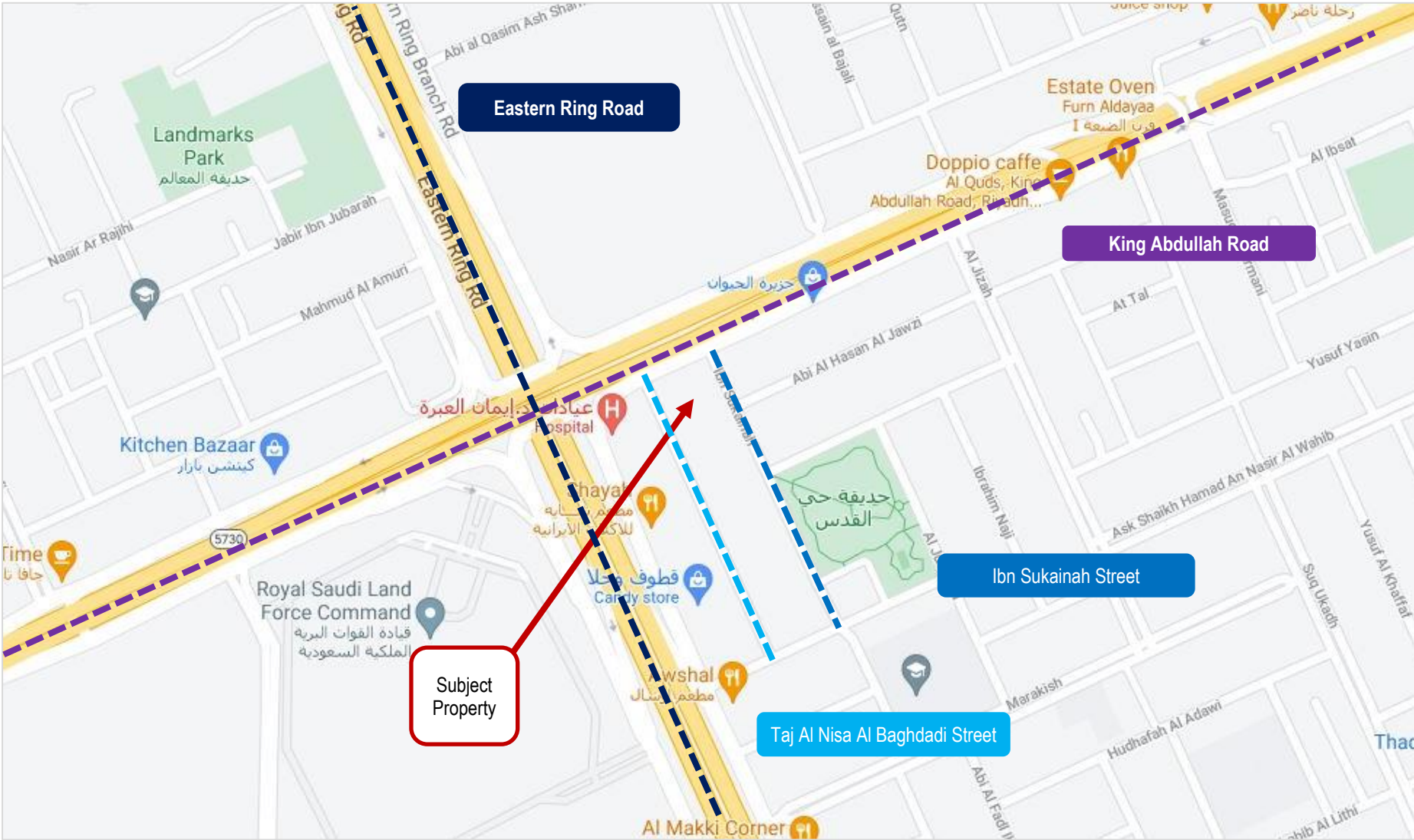
Property Location on a District Scale





1.174 PROPERTY ACCESS

The subject property can be accessed as shown in the map below:





1.175 TITLE DEED & OWNERSHIP

We were not provided with copy of the title deed related to the subject property, yet the client informed us with the construction permit with the below details:

City	Riyadh	Land Area	895.5 Sqm
District	Al Quds	Plot No.	1473
T.D Type	-	Block No.	-
T.D Number	16/868	Layout No.	2304
T.D Date	30/03/1404	Owner	-
T.D Value	-	Ownership Type	-
Date of Last Transaction	-	Limitation of Document	-
Issued From	-		
North Side	60 meters Street	East Side	Private property
South Side	Private property	West Side	15 meters Street

Notes	The client owns the usufruct of the property under the contracts signed with the owner.
-------	---

1.176 CONSTRUCTION & 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, if the customer did not provide us with a copy of the approved plans, the valuation will be done based on the building permit provided by the customer. In the event that the customer does not provide us with a copy of the legal documents that show the total building surfaces, we will value them using the skills of our team along with the municipality’s laws and regulations, and therefore the building surfaces will be estimated only roughly.

Source of BUA		Actual Age of the Property		Status of the property	
Construction Permit	✓	Construction Permit	✓	New	-----
As Built Drawings	-----	As Built Drawings	-----	Fully Constructed	✓
Other Documents	-----	Other Documents	-----	Under Construction	-----
Verbal Information	-----	Verbal Information	-----		
Estimation	-----	Estimation	-----		



The client provided us with a building permit for the subject property, which contains the following data:

Subject Property			
Construction Permit Type		New permit	
Property Type		Commercial Offices	
Construction Permit No.		1433/5390	
Construction Permit Date		15/03/1433	
Permit Expiry Date		15/03/1436	
Description	No. of Units	Area (sqm)	Use
Mezzanine	0	446.84	Commercial
ground Floor	4	535	Commercial
Annexes	3	276	Offices
Fences	1	60	Fences
Total BAU (sqm)		1,257.84	



1.177 PHOTO RECORD



MARKET INDICATORS

Manfaat AI Quds





1.178 SAUDI ARABIA ECONOMIC INDICATORS

Economic Indicator	2021 Budget	2022 Expectations	2023 Estimated
Nominal GDP (Billion Riyals)	2,866	3,042	3,232
Real GDP Growth	3.2%	3.4%	3.5%
Inflation Rate	2.9%	2.0%	2.0%
Total Revenue (Billion Riyals)	849	864	928
Total Expenses (Billion Riyals)	990	955	941
Budget Deficit	-141	-91	-13
Public Debt	937	1,013	1,026
Government Reserves at the Saudi Central Bank	280	265	265

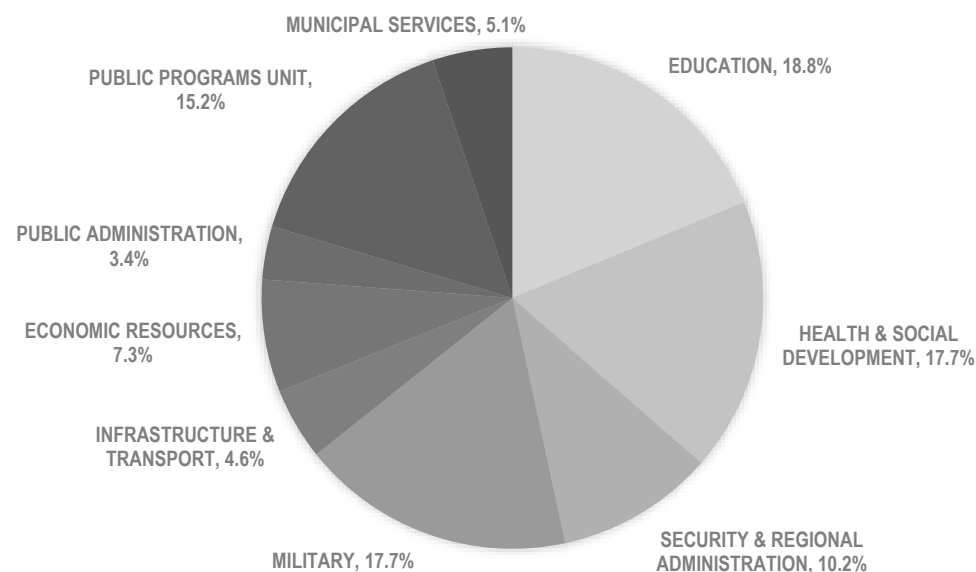
1.179 BUDGET ALLOCATION FOR 2021

Public Administration	34 SAR bn
Military	175 SAR bn
Security & Regional Adm.	101 SAR bn

Municipal Services	51 SAR bn
Education	186 SAR bn
Health & Social Dev.	175 SAR bn

Economic Resources	72 SAR bn
Infrastructure & Transport	46 SAR bn
General Items	151 SAR bn

Source: Ministry of Economy








1.180 SWOT ANALYSIS

<p>Strength</p> <ul style="list-style-type: none">- The property has direct view on a vital main Road (King Abdullah Road) and located near the eastern ring Road- The property located near city center	<p>Weakness</p> <ul style="list-style-type: none">- High traffic area
<p>Opportunities</p> <ul style="list-style-type: none">- High demand on the property due to its location and ease of access	<p>Threats</p> <ul style="list-style-type: none">- Existing and potential similar project in the area

The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

1.181 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

	HELPFUL	HARMFUL
INTERNAL	<p>S</p> <p>STRENGHTS</p>	<p>W</p> <p>WEAKNESSES</p>
EXTERNAL	<p>O</p> <p>OPPORTUNITIES</p>	<p>T</p> <p>THREATS</p>



White Cubes Team's Analysis



1.182 RISK ANALYSIS

Risk Factor	Very Low Risk (1) 1-10	Minimal Risk (2) 11-20	Medium Risk (3) 21-30	Elevated Risk (4) 31-40	Very High Risk (5) 41-50
Overall Economy			✓		
Sector Current Performance			✓		
Sector Future Performance		✓			
Occupancy Rates			✓		
Supply Rate			✓		
Demand Rate			✓		
Access		✓			
Location		✓			
Land Shape		✓			
Surrounding Area facilities			✓		
Total Risk	0	8	18	0	0
Risk Category 26 Risk Points – Medium Risk					

Sector Analysis

Risk Category- 26 Risk

Points - Medium Risk

PROPERTY VALUATION

Manfaat Al Quds



1.183 GENERAL ASSUMPTIONS

- The subject property is valued under the assumption of leasing right contract status.
- All the written and verbal information provided to us by the Client assumed to be up to date, complete and correct in relation to elements such as title deed, construction permits, land area, and any other relevant matters that are set out in the report.
- This report is a valuation report and not structural / building survey. Therefore, we did not carry out any structural due diligence, utilities check, services check, soil test, etc.
- All the inputs used in the valuation methodologies are based on the collected market data using our best know how and experience in the related market.
- The output of this report (Final Value), is based on the used assumptions, received documents from the client and available market data. Yet, the output estimates show an indicative value of the subject property / properties.

1.184 VALUATION APPROACH

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 market value of the subject property:

	DRC	Comparable	Income Cap	DCF	RLV
Land	_____	_____	_____	_____	_____
Building	_____	_____	_____	_____	_____
Overall Property	_____	_____	_____	✓	_____

DISCOUNTED CASH FLOW (DCF)

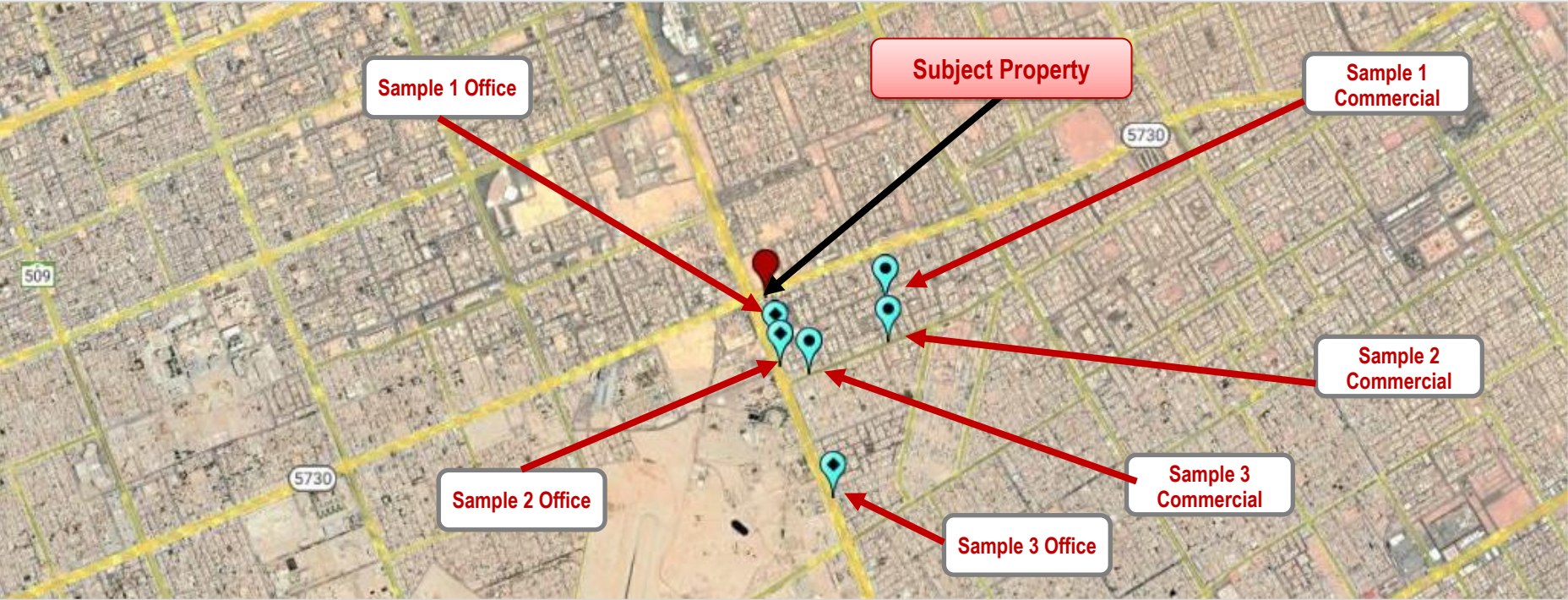
The Discounted Cash Flow Method involves estimating net cash flows of an income generating property over specific period of time, and then calculating the present value of that series of cash flows by discounting those net cash flows using a selected “discount rate.” A discounted cash flow method (DCF)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

1.185 DISCOUNTED CASH FLOW APPROACH

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 offices units range from 1,000 to 1,200 SAR / Sqm. As for commercial units, the rental rates range from 500 to 600 SAR / Sqm. The following is a table that shows some of the comparisons that were used in analysing the market rental rates for similar properties:

	Office Units	Commercial Showroom Units
Comparable	Rental Rate/ Sqm	Rental Rate/ Sqm
Comparable 1	350 SAR/ Sqm	550 SAR/ Sqm
Comparable 2	350 SAR/ Sqm	500 SAR/ Sqm
Comparable 3	425 SAR/ Sqm	600 SAR/ Sqm
Average	375 SAR/ Sqm	550 SAR/ Sqm



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	4% to 7%
Operating and maintenance expenses	5% to 6%
General service bills expenses	2% to 4%
Other incidental expenses	1% 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 9% 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.



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

Cash Flow		0	1	2	3	4	5
Increase Revision		0%	0%	0%	3%	0%	0%
Expected Revenues							
Showrooms	Sqm	820	820	820	820	820	820
Rate (SAR)	SAR	550	550	550	567	567	567
Total	SAR	451,000	451,000	451,000	464,530	464,530	464,530
Offices	Sqm	276	276	276	276	276	276
Rate (SAR)	SAR	375	375	375	386	386	386
Total	SAR	103,500	103,500	103,500	106,605	106,605	106,605
Overall Revenues		554,500	554,500	554,500	571,135	571,135	571,135
Vacancy Rates							
Actual Rates	0.0%	0	0	0	0	0	0
Showrooms	5.0%	22,550	22,550	22,550	23,227	23,227	23,227
Offices	10.0%	10,350	10,350	10,350	10,661	10,661	10,661
Total		32,900	32,900	32,900	33,887	33,887	33,887
Expenses							
OPEX	9.0%	46,944	46,944	46,944	48,352	48,352	48,352
Rent	SAR	275,000	275,000	275,000	275,000	275,000	275,000
Overall Expenses		321,944	321,944	321,944	323,352	323,352	323,352
NOI		199,656	199,656	199,656	213,896	213,896	213,896
Terminal Value @ -----→		0.0%					0
Discount Rate	10.00%	1.00	0.91	0.83	0.75	0.68	0.62
Present Value		199,656	181,505	165,005	160,703	146,094	132,812
Market Rate / Net Present Value							985,775

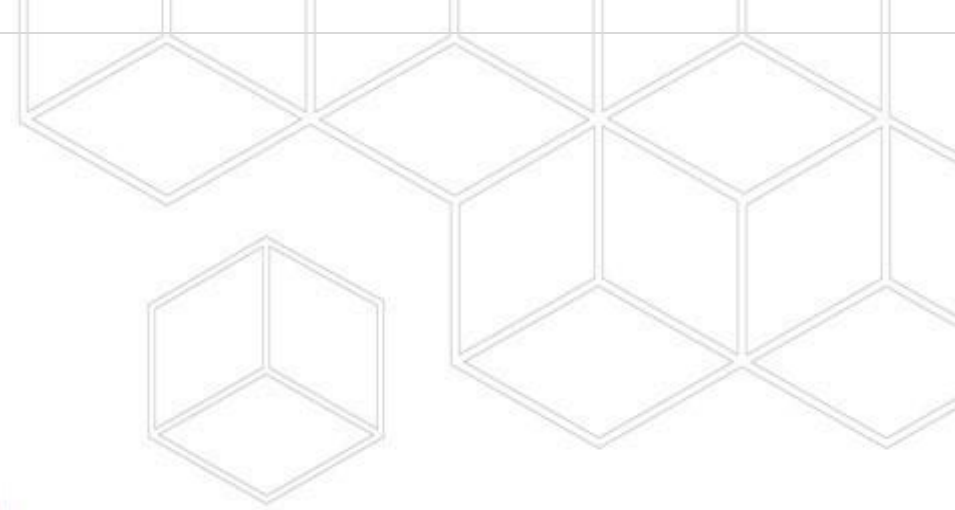
SENSITIVITY ANALYSIS					
Discount Rate	8.00%	9.00%	10.00%	11.0%	12.0%
Market Value	1,028,286	1,006,586	985,775	965,807	946,636

1.186 SUBJECT PROPERTY VALUE

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

Property Value: **985,000 SAR**
Nine Hundred Eighty-Five Thousand Saudi Riyals

Manfaat Wadi Laban



PROPERTY DETAILS

Manfaat Wadi Laban





1.187 PROPERTY & LOCATION DESCRIPTION

Property Description	The subject property is a mix-use building located in Dhahrat Laban district, Riyadh city. Based on the data provided by the client, the building has total land area of 895.5 Sqm and total BUA of 1,645.1 Sqm. According to the site inspection done by our team for the purpose of valuation, the project is open from 2 sides with a direct view on Najd Street Road where it is surrounded by residential and mix-use buildings where all infrastructural facilities such as water, electricity, sewage, and telecommunication are available in the surroundings and connected to the subject property.
Location Description	The property subject of valuation is a mix-use building located in Dhahrat Laban district, Riyadh city. The property is bordered from the north by a private property The property is bordered from the south by a 60 meters Street The Property is bordered from the east by a 20 meters Street The property is bordered to the west by a private property
Ease of Access	Based on the current location of the subject property, the access level is high, since it is located on Al Najd Street
Area Surrounding the Property	The subject property is mostly surrounded by residential and mix-use buildings

Land		Building	
Land Use	Commercial	Building Type	Mix-use building
No. of Streets	2	Building Structural Conditions	Fully Constructed
Land Shape	Regular	External Elevation Conditions	Good
Direct View on the Main Road	Najd Street	Building Finishing Conditions	Good
Direct View on an Internal Street	Unnamed Street	Overall Building Conditions	Good
Land Condition	Constructed land		

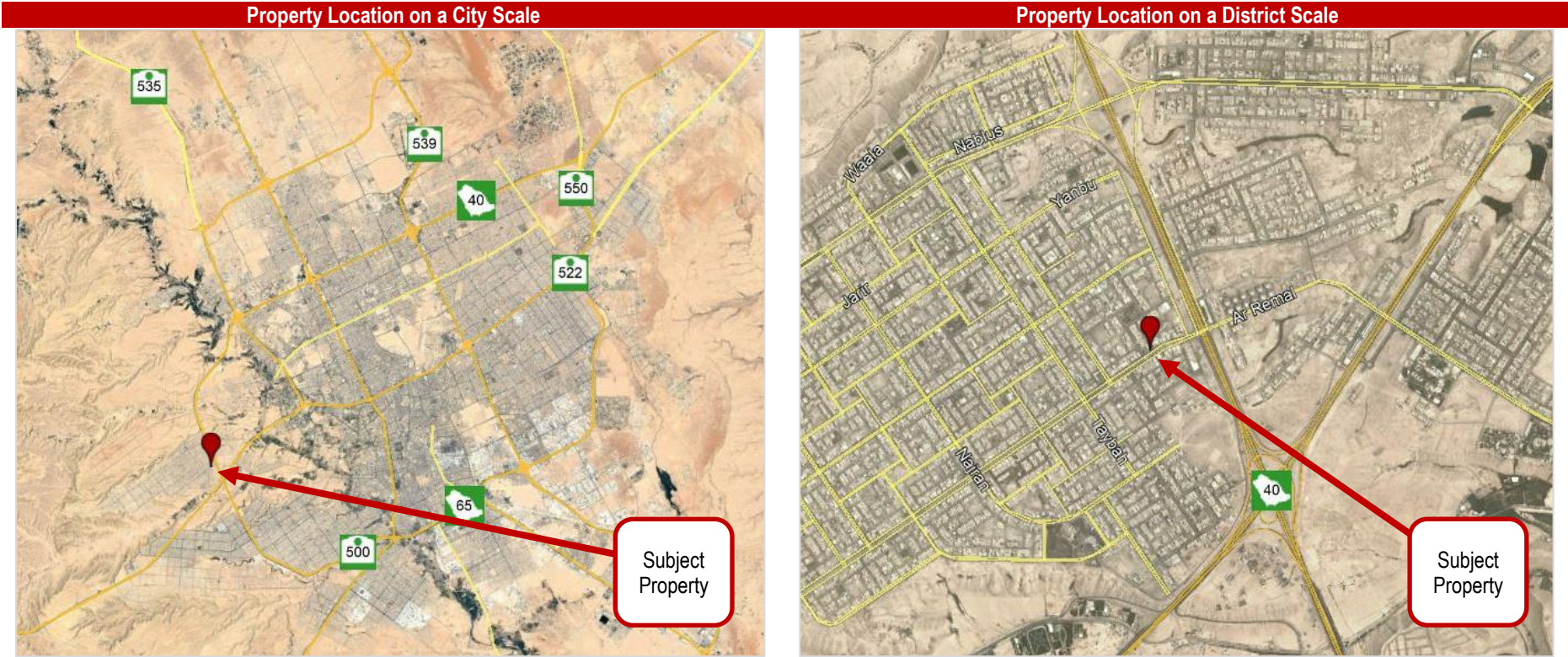
1.188 INFRASTRUCTURE FACILITIES

	Available in the surrounding	Connected to the property	
Water	✓	✓	All the infrastructural facilities are available in the surroundings and connected to the subject property.
Electricity	✓	✓	
Tele-Communication	✓	✓	
Sewage	✓	✓	



1.189 LOCATION

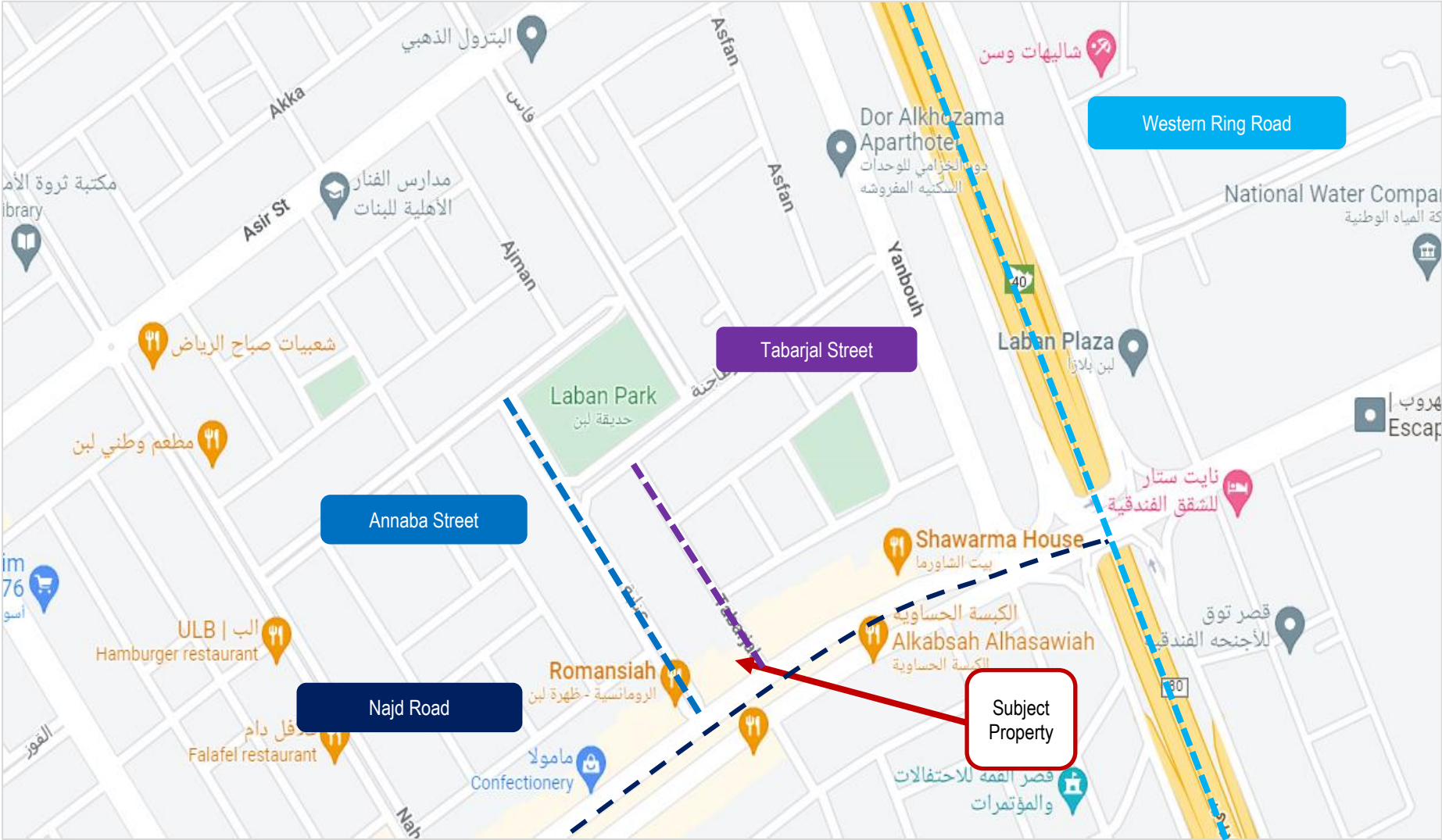
The subject property is located in Dhahrat Laban district, Riyadh city.





1.190 PROPERTY ACCESS

The subject property can be accessed as shown in the map below:





1.191 TITLE DEED & OWNERSHIP

We were not provided with copy of the title deed related to the subject property, yet the client informed us with the construction permit with the below details:

City	Riyadh	Land Area	895.5 Sqm
District	Dhahrat Laban	Plot No.	7948
T.D Type	-	Block No.	-
T.D Number	17/91	Layout No.	2351
T.D Date	10/02/1404	Owner	-
T.D Value	-	Ownership Type	-
Date of Last Transaction	-	Limitation of Document	-
Issued From	-		
North Side	Plot# 7946	East Side	20 meters Street
South Side	60 meters Street	West Side	Plot# 7949

Notes	The client owns the usufruct under the contracts signed with the owner.
-------	---

1.192 CONSTRUCTION & 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, if the customer did not provide us with a copy of the approved plans, the valuation will be done based on the building permit provided by the customer. In the event that the customer does not provide us with a copy of the legal documents that show the total building surfaces, we will value them using the skills of our team along with the municipality's laws and regulations, and therefore the building surfaces will be estimated only roughly.

Source of BUA		Actual Age of the Property		Status of the property	
Construction Permit	✓	Construction Permit	✓	New	-----
As Built Drawings	-----	As Built Drawings	-----	Fully Constructed	✓
Other Documents	-----	Other Documents	-----	Under Construction	-----
Verbal Information	-----	Verbal Information	-----		
Estimation	-----	Estimation	-----		



The client provided us with a building permit for the subject property, which contains the following data:

Subject Property			
Construction Permit Type	New Permit		
Property Type	Residential Commercial		
Construction Permit No.	1433/11244		
Construction Permit Date	14/06/1433		
Permit Expiry Date	14/06/1436		

Description	No. of Units	Area (sqm)	Use
Mezzanine	0	261.99	Commercial
ground Floor	4	524.94	Commercial
First Floor	4	573.28	Residential
Annexes	2	284.89	Residential
Fences	1	50	Fences
Total BAU (sqm)		1,645.1	

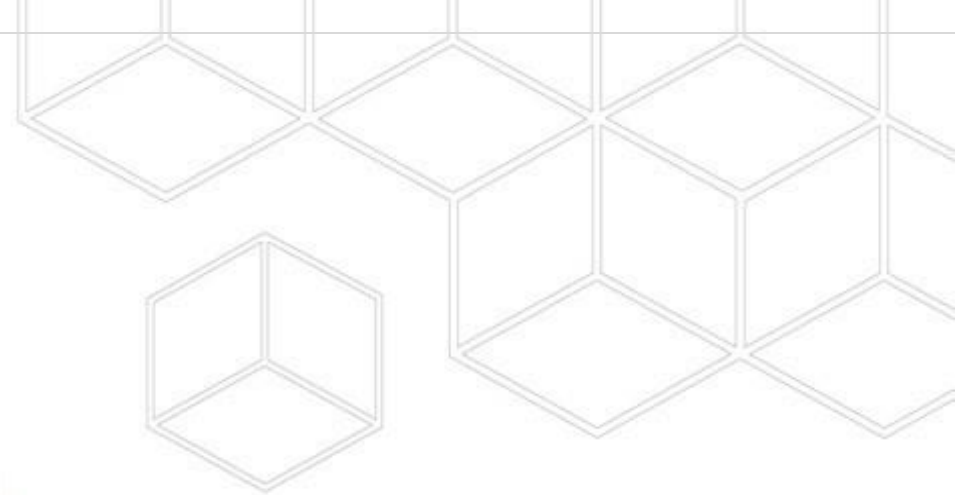


1.193 PHOTO RECORD



MARKET INDICATORS

Manfaat Wadi Laban





1.194 SAUDI ARABIA ECONOMIC INDICATORS

Economic Indicator	2021 Budget	2022 Expectations	2023 Estimated
Nominal GDP (Billion Riyals)	2,866	3,042	3,232
Real GDP Growth	3.2%	3.4%	3.5%
Inflation Rate	2.9%	2.0%	2.0%
Total Revenue (Billion Riyals)	849	864	928
Total Expenses (Billion Riyals)	990	955	941
Budget Deficit	-141	-91	-13
Public Debt	937	1,013	1,026
Government Reserves at the Saudi Central Bank	280	265	265

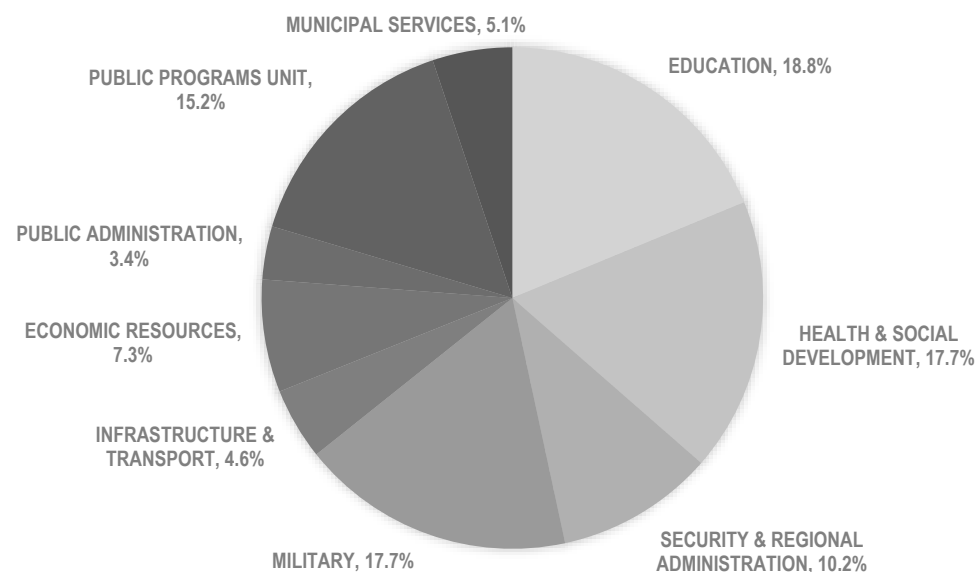
1.195 BUDGET ALLOCATION FOR 2021

Public Administration	34 SAR bn
Military	175 SAR bn
Security & Regional Adm.	101 SAR bn

Municipal Services	51 SAR bn
Education	186 SAR bn
Health & Social Dev.	175 SAR bn

Economic Resources	72 SAR bn
Infrastructure & Transport	46 SAR bn
General Items	151 SAR bn

Source: Ministry of Economy






1.196 SWOT ANALYSIS


<p>Strength</p> <ul style="list-style-type: none">- The property is located near the intersection of The Western Ring Road and Najd Road- The property located near a train station	<p>Weakness</p> <ul style="list-style-type: none">- Far from city center
<p>Opportunities</p> <ul style="list-style-type: none">- None	<p>Threats</p> <ul style="list-style-type: none">- Existing and potential similar project in the area


The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

1.197 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

	HELPFUL	HARMFUL
INTERNAL	<p>S</p> <p>STRENGTHS</p>	<p>W</p> <p>WEAKNESSES</p>
EXTERNAL	<p>O</p> <p>OPPORTUNITIES</p>	<p>T</p> <p>THREATS</p>



White Cubes Team's Analysis



1.198 RISK ANALYSIS

Risk Factor	Very Low Risk (1) 1-10	Minimal Risk (2) 11-20	Medium Risk (3) 21-30	Elevated Risk (4) 31-40	Very High Risk (5) 41-50
Overall Economy			✓		
Sector Current Performance			✓		
Sector Future Performance		✓			
Occupancy Rates			✓		
Supply Rate			✓		
Demand Rate			✓		
Access			✓		
Location			✓		
Land Shape		✓			
Surrounding Area facilities			✓		
Total Risk	0	4	24	0	0
Risk Category	27 Risk Points – Medium Risk				

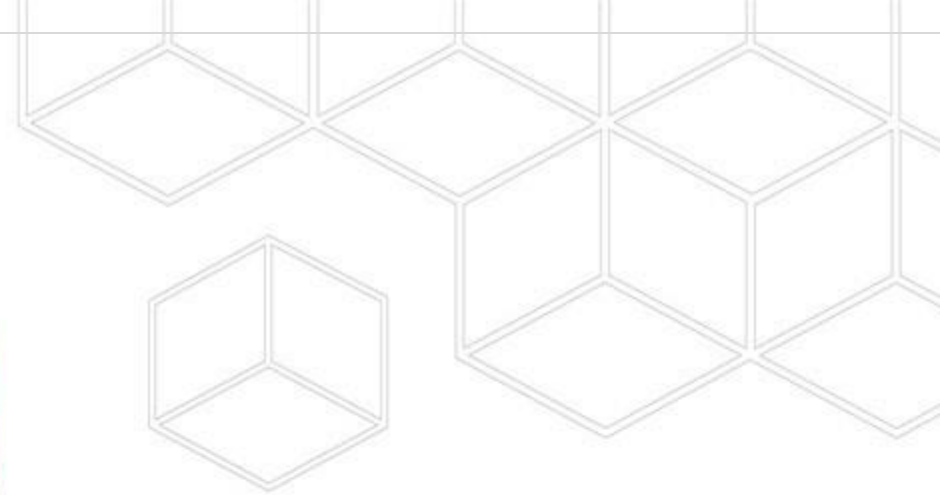
Sector Analysis

Risk Category- 28 Risk

Points - Medium Risk

PROPERTY VALUATION

Manfaat Wadi Laban





1.199 GENERAL ASSUMPTIONS

- The subject property is valued under the assumption of leasing right contract status.
- All the written and verbal information provided to us by the Client assumed to be up to date, complete and correct in relation to elements such as title deed, construction permits, land area, and any other relevant matters that are set out in the report.
- This report is a valuation report and not structural / building survey. Therefore, we did not carry out any structural due diligence, utilities check, services check, soil test, etc.
- All the inputs used in the valuation methodologies are based on the collected market data using our best know how and experience in the related market.
- The output of this report (Final Value), is based on the used assumptions, received documents from the client and available market data. Yet, the output estimates show an indicative value of the subject property / properties.

1.200 VALUATION APPROACH

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 market value of the subject property:

	DRC	Comparable	Income Cap	DCF	RLV
Land	_____	_____	_____	_____	_____
Building	_____	_____	_____	_____	_____
Overall Property	_____	_____	_____	✓	_____

DISCOUNTED CASH FLOW (DCF)

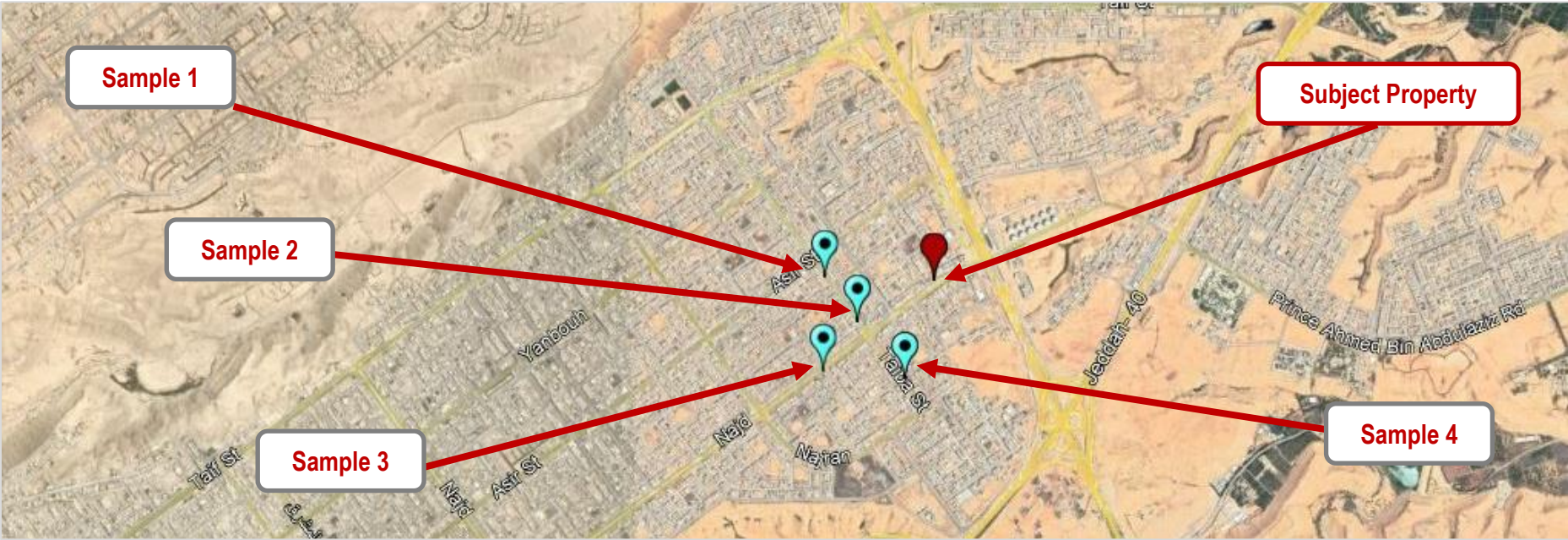
The Discounted Cash Flow Method involves estimating net cash flows of an income generating property over specific period of time, and then calculating the present value of that series of cash flows by discounting those net cash flows using a selected "discount rate." A discounted cash flow method (DCF)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

1.201 DISCOUNTED CASH FLOW APPROACH

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 650 to 750 SAR / Sqm. The following is a table that shows some of the comparisons that were used in analysing the market rental rates for similar properties:

Comparable	Commercial Showroom Units	
	Rental Rate/ Sqm	
Comparable 1	700 SAR/ Sqm	
Comparable 2	600 SAR/ Sqm	
Comparable 3	800 SAR/ Sqm	
Comparable 4	650 SAR/ Sqm	
Average	700 SAR/ Sqm	



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



Cash Flow		1443	1444	1445	1446	1447	1448
		0	1	2	3	4	5
Increase Revision		0%	0%	0%	3%	0%	0%
Expected Revenues							
Actual Rates	SAR	0	0	0	0	0	0
Total	SAR	0	0	0	0	0	0
Showrooms	Sqm	1,420	1,420	1,420	1,420	1,420	1,420
Rate (SAR)	SAR	700	700	700	721	721	721
Total	SAR	993,986	993,986	993,986	1,023,806	1,023,806	1,023,806
Overall Revenues		993,986	993,986	993,986	1,023,806	1,023,806	1,023,806
Vacancy Rates							
Showrooms	10.0%	99,399	99,399	99,399	102,381	102,381	102,381
Total		99,399	99,399	99,399	102,381	102,381	102,381
Expenses							
OPEX	9.0%	80,513	80,513	80,513	82,928	82,928	82,928
Rent	SAR	200,000	200,000	200,000	200,000	200,000	200,000
Overall Expenses		280,513	280,513	280,513	282,928	282,928	282,928
NOI		614,075	614,075	614,075	638,497	638,497	638,497
Terminal Value @ ----->		0.0%					0
Discount Rate	10.00%	1.00	0.91	0.83	0.75	0.68	0.62
Present Value		614,075	558,250	507,500	479,712	436,102	396,456
Market Rate / Net Present Value							2,992,094

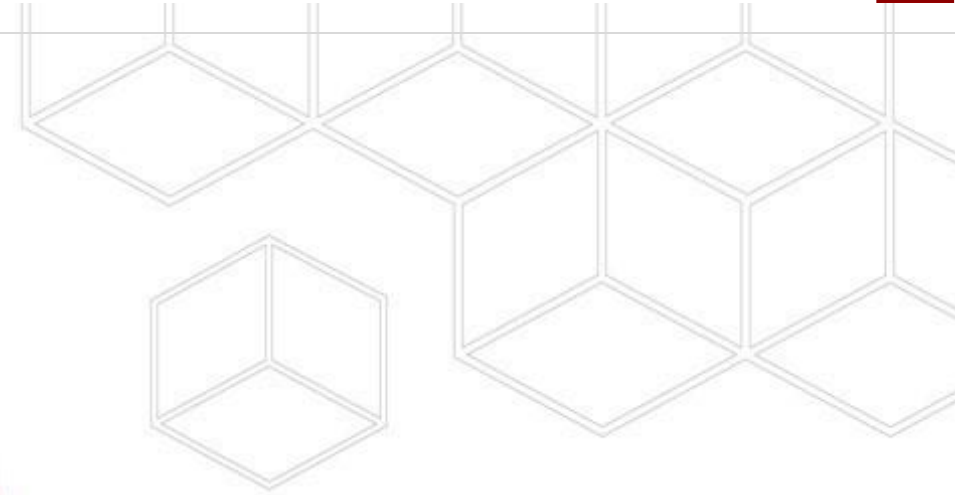
SENSITIVITY ANALYSIS					
Discount Rate	8.00%	9.00%	10.00%	11.0%	12.0%
Market Value	3,119,856	3,054,643	2,992,094	2,932,069	2,874,438

1.202 SUBJECT PROPERTY VALUE

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

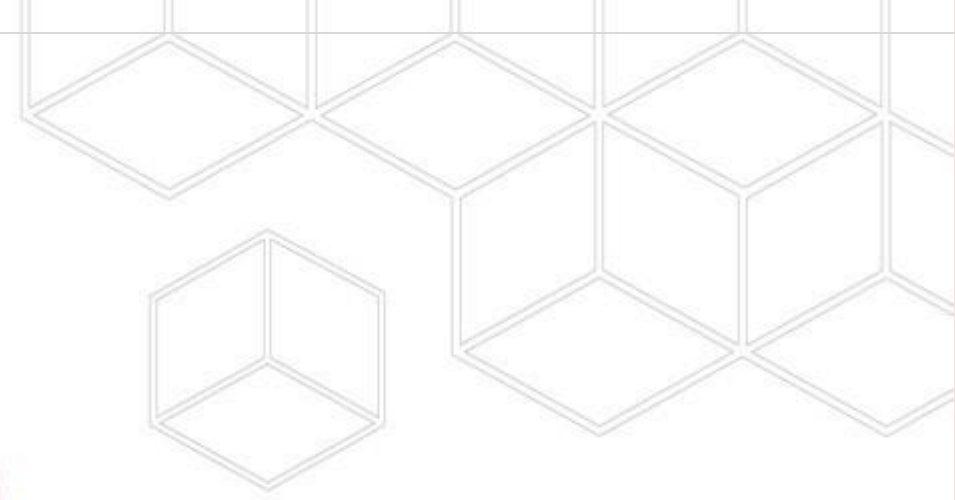
Property Value: **SAR 2,990,000**
Two Million and Nine Hundred Ninety Thousand Saudi Riyals

Manfaat Al Dhabab



PROPERTY DETAILS

Manfaat Al Dhabab





1.203 PROPERTY & LOCATION DESCRIPTION

Property Description	The subject property is a mix-use building located in Al Murabba district, Riyadh city. Based on the data provided by the client, the building has total land area of 781.94 Sqm and total BUA of 3,080.48 Sqm. According to the site inspection done by our team for the purpose of valuation, the project is open from 2 sides with a direct view on Prince Abdulaziz Bin Musaid Bin Jalawi Street where it is surrounded by residential and mix-use buildings where all infrastructural facilities such as water, electricity, sewage, and telecommunication are available in the surroundings and connected to the subject property.
Location Description	The property subject of valuation is a mix-use building located in Al Murabba district, Riyadh city. The property is bordered from the north by a 30 meters Street The property is bordered from the south by a private property The Property is bordered from the east by a 30 meters Street The property is bordered to the west by a private property
Ease of Access	Based on the current location of the subject property, the access level is high since it is located on Prince Abdulaziz Bin Musaid Bin Jalawi Street.
Area Surrounding the Property	The subject property is mostly surrounded by residential and mix-use buildings

Land		Building	
Land Use	Residential- Commercial	Building Type	Mix-use building
No. of Streets	2	Building Structural Conditions	Fully Constructed
Land Shape	Regular	External Elevation Conditions	Good
Direct View on the Main Road	Prince Abdulaziz Bin Musaid Bin Jalawi	Building Finishing Conditions	Good
Direct View on an Internal Street	Al Imam Abdullah Bin Faisal Bin Turki	Overall Building Conditions	Good
Land Condition	Constructed land		

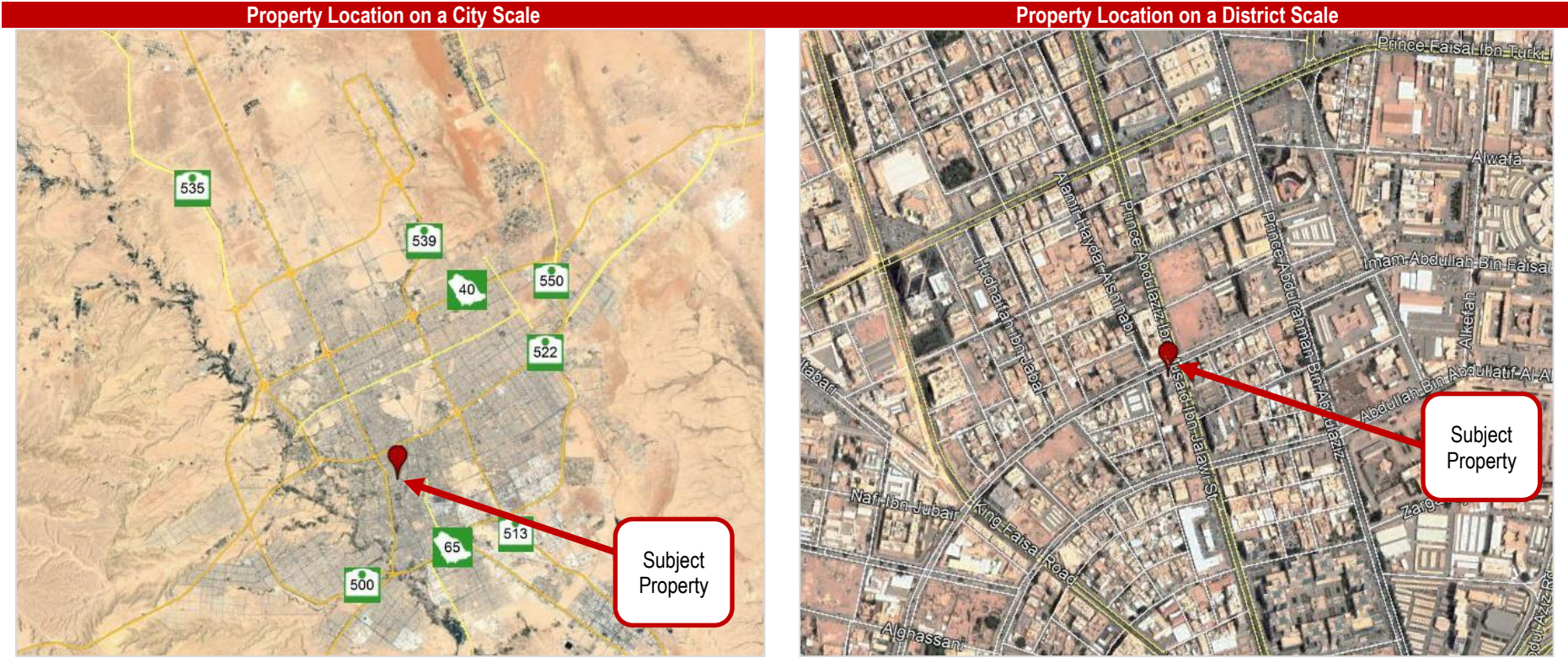
1.204 INFRASTRUCTURE FACILITIES

	Available in the surrounding	Connected to the property	
Water	✓	✓	All the infrastructural facilities are available in the surroundings and connected to the subject property.
Electricity	✓	✓	
Tele-Communication	✓	✓	
Sewage	✓	✓	



1.205 LOCATION

The subject property is located in Al Murabah district, Riyadh city .





1.206 PROPERTY ACCESS

The subject property can be accessed as shown in the map below:





1.207 TITLE DEED & OWNERSHIP

We were not provided with copy of the title deed related to the subject property, yet the client informed us with the construction permit with the below details:

City	Riyadh	Land Area	781.94 Sqm
District	Al Murabba	Plot No.	-
T.D Type	-	Block No.	-
T.D Number	1/512	Layout No.	-
T.D Date	01/05/1393	Owner	-
T.D Value	-	Ownership Type	-
Date of Last Transaction	-	Limitation of Document	-
Issued From	-		
North Side	30 meters Street	East Side	30 meters Street
South Side	Private property	West Side	Private property

Notes	The client owns the usufruct under the contract signed with owner
-------	---

1.208 CONSTRUCTION & 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, if the customer did not provide us with a copy of the approved plans, the valuation will be done based on the building permit provided by the customer. In the event that the customer does not provide us with a copy of the legal documents that show the total building surfaces, we will value them using the skills of our team along with the municipality’s laws and regulations, and therefore the building surfaces will be estimated only roughly.

Source of BUA		Actual Age of the Property		Status of the property	
Construction Permit	✓	Construction Permit	✓	New	-----
As Built Drawings	-----	As Built Drawings	-----	Fully Constructed	✓
Other Documents	-----	Other Documents	-----	Under Construction	-----
Verbal Information	-----	Verbal Information	-----		
Estimation	-----	Estimation	-----		



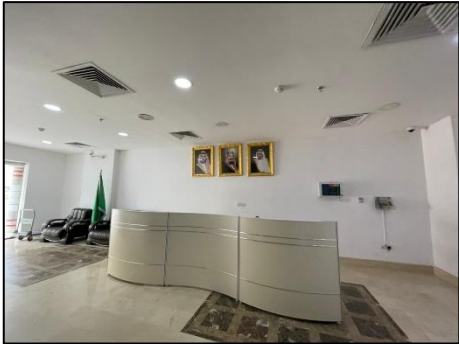
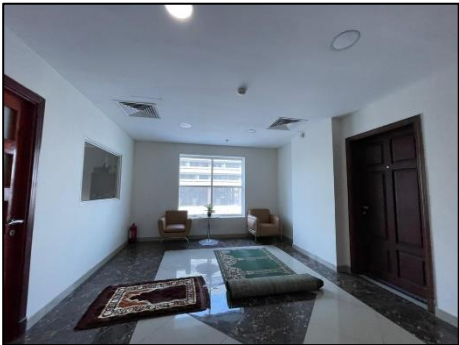
The client provided us with a building permit for the subject property, which contains the following data:

Subject Property	
Construction Permit Type	Layout modification
Property Type	Commercial Offices
Construction Permit No.	1432/13056
Construction Permit Date	11/07/1432
Permit Expiry Date	11/07/1435

Description	No. of Units	Area (sqm)	Use
Basement	0	781.94	Parking
ground Floor	4	318.7	Commercial
First Floor	3	326.64	Offices
Second Floor	3	326.64	Offices
Third Floor	3	326.64	Offices
Electricity Room	0	20	Electricity Room
Fourth Floor	3	326.64	Offices
Fifth Floor	3	326.64	Offices
Sixth Floor	3	326.64	Offices
Fences	1	54.40	Fences
Total BAU (sqm)		3,080.48	

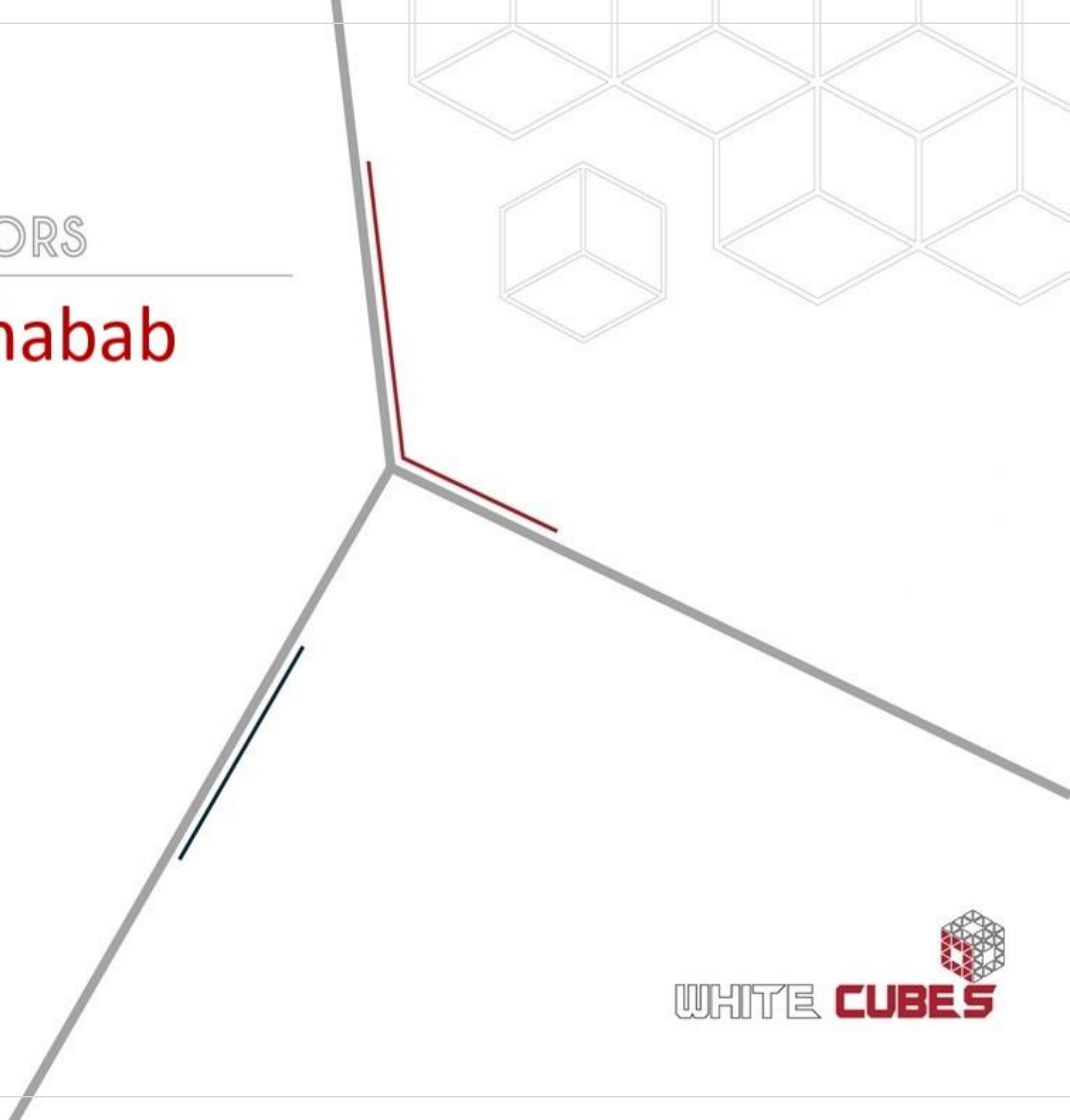
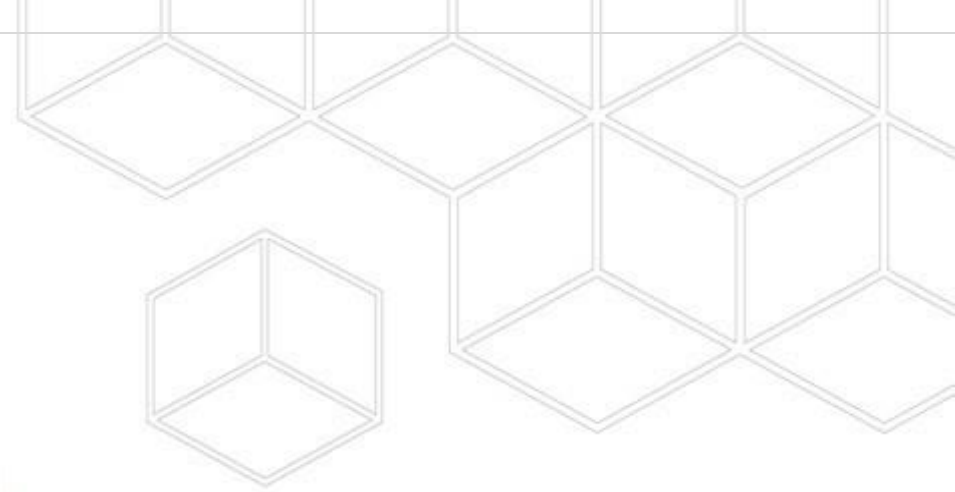


1.209 PHOTO RECORD



MARKET INDICATORS

Manfaat Al Dhabab





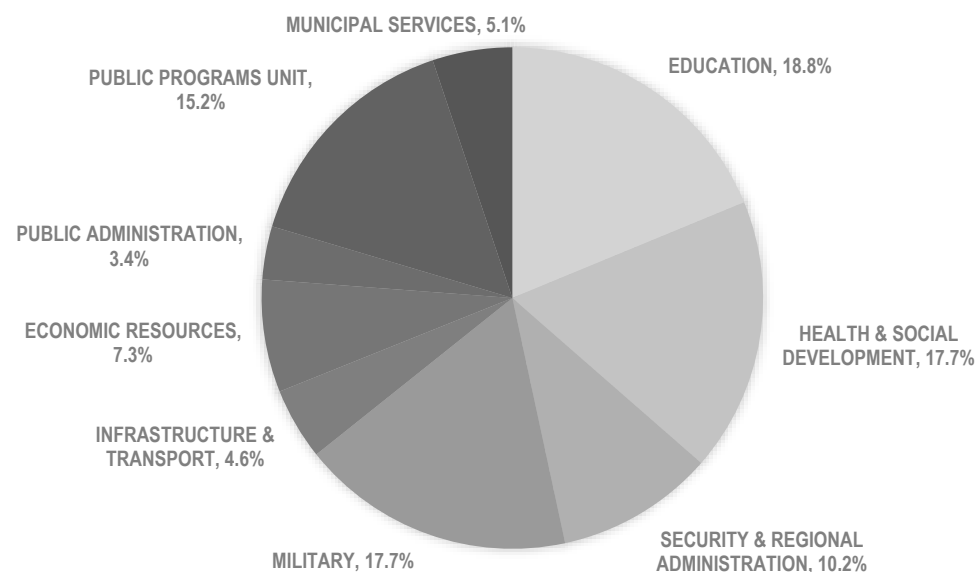
1.210 SAUDI ARABIA ECONOMIC INDICATORS

Economic Indicator	2021 Budget	2022 Expectations	2023 Estimated
Nominal GDP (Billion Riyals)	2,866	3,042	3,232
Real GDP Growth	3.2%	3.4%	3.5%
Inflation Rate	2.9%	2.0%	2.0%
Total Revenue (Billion Riyals)	849	864	928
Total Expenses (Billion Riyals)	990	955	941
Budget Deficit	-141	-91	-13
Public Debt	937	1,013	1,026
Government Reserves at the Saudi Central Bank	280	265	265

1.211 BUDGET ALLOCATION FOR 2021

Public Administration	34 SAR bn
Military	175 SAR bn
Security & Regional Adm.	101 SAR bn
Municipal Services	51 SAR bn
Education	186 SAR bn
Health & Social Dev.	175 SAR bn
Economic Resources	72 SAR bn
Infrastructure & Transport	46 SAR bn
General Items	151 SAR bn

Source: Ministry of Economy








1.212 SWOT ANALYSIS

<p>Strength</p> <ul style="list-style-type: none">- Ease of access as the property is located on the intersection between Prince Abdulaziz Bin Musaid Bin Jalawi Street and Imam Abdullah Bin Faisal Bin Turki Street	<p>Weakness</p> <ul style="list-style-type: none">- High traffic area
<p>Opportunities</p> <ul style="list-style-type: none">- High demand on the property due to its location and ease of access.- Expected growth in rental rates.	<p>Threats</p> <ul style="list-style-type: none">- Existing and potential similar project in the area

The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

1.213 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

	HELPFUL	HARMFUL
INTERNAL	<p>S</p> <p>STRENGTHS</p>	<p>W</p> <p>WEAKNESSES</p>
EXTERNAL	<p>O</p> <p>OPPORTUNITIES</p>	<p>T</p> <p>THREATS</p>



White Cubes Team's Analysis



1.214 RISK ANALYSIS

Risk Factor	Very Low Risk (1) 1-10	Minimal Risk (2) 11-20	Medium Risk (3) 21-30	Elevated Risk (4) 31-40	Very High Risk (5) 41-50
Overall Economy			✓		
Sector Current Performance			✓		
Sector Future Performance		✓			
Occupancy Rates			✓		
Supply Rate			✓		
Demand Rate			✓		
Access			✓		
Location			✓		
Land Shape		✓			
Surrounding Area facilities			✓		
Total Risk	0	4	24	0	0
Risk Category	26 Risk Points – Medium Risk				

Sector Analysis

Risk Category- 28 Risk

Points - Medium Risk

PROPERTY VALUATION

Manfaat Al Dhabab



1.215 GENERAL ASSUMPTIONS

- The subject property is valued under the assumption of leasing right contract status.
- All the written and verbal information provided to us by the Client assumed to be up to date, complete and correct in relation to elements such as title deed, construction permits, land area, and any other relevant matters that are set out in the report.
- This report is a valuation report and not structural / building survey. Therefore, we did not carry out any structural due diligence, utilities check, services check, soil test, etc.

1.216 VALUATION APPROACH

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 market value of the subject property:

	DRC	Comparable	Income Cap	DCF	RLV
Land	-----	-----	-----	-----	-----
Building	-----	-----	-----	-----	-----
Overall Property	-----	-----	-----	✓	-----

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

1.217 DISCOUNTED CASH FLOW APPROACH

As per the market survey done by our team for the purpose of valuation, we couldn’t find samples similar to the subject properties in terms of area size, quality, location, etc. Therefore, we have executed trade interviews with several real estate agents and find that the average rate for commercial units falls between 750 & 850 SAR/ Sqm and for offices falls between 500 & 550 SAR/ Sqm. We will base our valuation analysis on the average rates 750 SAR/ Sqm for commercial units and 500 SAR/ Sqm for offices.

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	4% to 6%
Operating and maintenance expenses	4% to 5%
General service bills expenses	2% to 3%
Other incidental expenses	1% to 2%

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 9% 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.



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

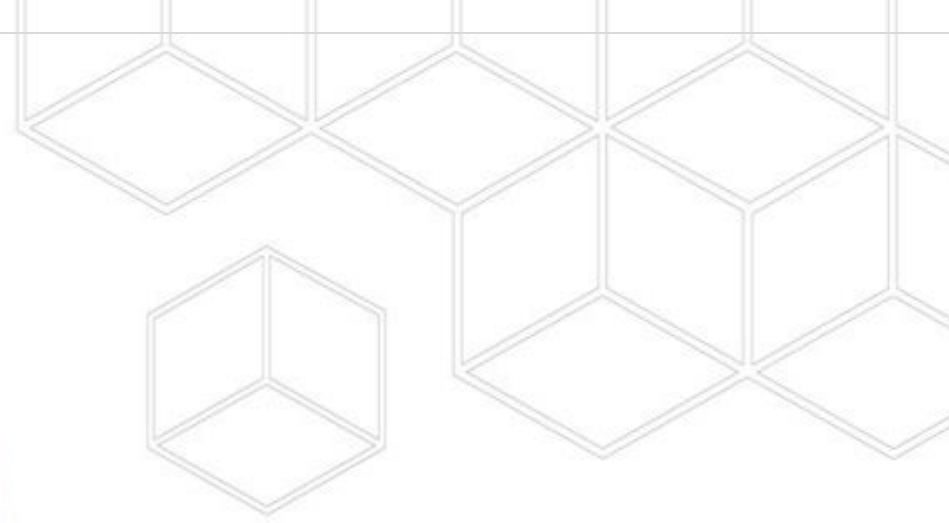
Cash Flow		0	1	2	3	4	5	6	7	8	9	10
Increase Revision		0%	0%	0%	3%	0%	0%	3%	0%	0%	3%	0%
Expected Revenues												
Commercial	Sqm	202	202	202	202	202	202	202	202	202	202	202
Rate (SAR)	SAR	800	800	800	824	824	824	849	849	849	874	874
Total	SAR	161,872	161,872	161,872	166,728	166,728	166,728	171,730	171,730	171,730	176,882	176,882
Offices	Sqm	1,208	1,208	1,208	1,208	1,208	1,208	1,208	1,208	1,208	1,208	1,208
Rate (SAR)	SAR	525	525	525	541	541	541	557	557	557	574	574
Total	SAR	634,221	634,221	634,221	653,248	653,248	653,248	672,845	672,845	672,845	693,030	693,030
Overall Revenues		796,093	796,093	796,093	819,976	819,976	819,976	844,575	844,575	844,575	869,912	869,912
Vacancy Rates												
Commercial	5.0%	8,094	8,094	8,094	8,336	8,336	8,336	8,587	8,587	8,587	8,844	8,844
Offices	5.0%	31,711	31,711	31,711	32,662	32,662	32,662	33,642	33,642	33,642	34,652	34,652
Total		39,805	39,805	39,805	40,999	40,999	40,999	42,229	42,229	42,229	43,496	43,496
Expenses												
OPEX	9.0%	68,066	68,066	68,066	70,108	70,108	70,108	72,211	72,211	72,211	74,378	74,378
Rent	SAR	200,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Overall Expenses		268,066	418,066	418,066	420,108	420,108	420,108	422,211	422,211	422,211	424,378	424,378
NOI		488,222	338,222	338,222	358,869	358,869	358,869	380,135	380,135	380,135	402,039	402,039
Terminal Value @ ----->	0.0%											
Discount Rate	10.00%	1.00	0.91	0.83	0.75	0.68	0.62	0.56	0.51	0.47	0.42	0.39
Present Value		488,222	307,475	279,523	269,624	245,112	222,829	214,576	195,069	177,336	170,504	155,004
Market Rate / Net Present Value												2,725,274
SENSITIVITY ANALYSIS												
Discount Rate		8.00%	9.00%	10.00%	11.0%	12.0%						
Market Value		2,938,336	2,828,100	2,725,274	2,629,248	2,539,469						

1.218 SUBJECT PROPERTY VALUE

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

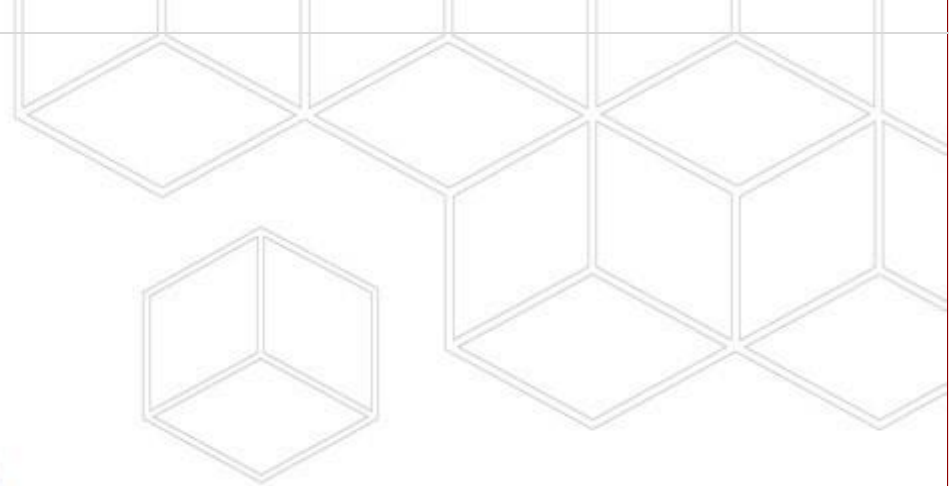
Property Value: **2,700,000 SAR**
Two Million and Seven Hundred Thousand Saudi Riyals

Towlan Suites Hotel



PROPERTY DETAILS

Towlan Suites Hotel



WHITE CUBES 



1.219 PROPERTY & LOCATION DESCRIPTION

Property Description	The subject property is a Hospitality project (Towlan Suites Hotel) located in Al Al-Aqrabiyah district, Al Khobar city. According to the copy of the construction permit and the title deed provided by the client, the property has a total land area of 1,750.00 Sqm, a total BUA of 6,526.51 Sqm and composed of 5 floors with 56 rooms. As per the site inspection done by our team, the subject property is open on 2 sides from the East and South with a direct view on Street# 21 where all the infrastructure facilities are available in the surrounding and connected to the subject property.
Location Description	The property subject of valuation is a hospitality project located in Al-Aqrabiyah district, Al Khobar city. The property is bordered from the north by a private property The property is bordered from the south by a 30 meters Street The Property is bordered from the east by a pathway The property is bordered to the west by a private property
Ease of Access	Based on the current location of the subject property, the access level is high, since it is located near King Saud Road and Zaid Bin Al Khattab Street.
Area Surrounding the Property	The subject property is mostly surrounded by residential and mix-use buildings

Land		Building	
Land Use	Commercial	Building Type	Hospitality project
No. of Streets	2	Building Structural Conditions	Fully Constructed
Land Shape	Regular	External Elevation Conditions	Good
Direct View on the Main Road	No direct view on the main Road	Building Finishing Conditions	Good
Direct View on an Internal Street	Street# 21	Overall Building Conditions	Good
Land Condition	Constructed land		

1.220 INFRASTRUCTURE FACILITIES

	Available in the surrounding	Connected to the property	
Water	✓	✓	All the infrastructural facilities are available in the surroundings and connected to the subject property.
Electricity	✓	✓	
Tele-Communication	✓	✓	
Sewage	✓	✓	



1.221 LOCATION

The subject property is located in Al Al-Aqrabiyah district, Al Khobar city .

Property Location on a City Scale



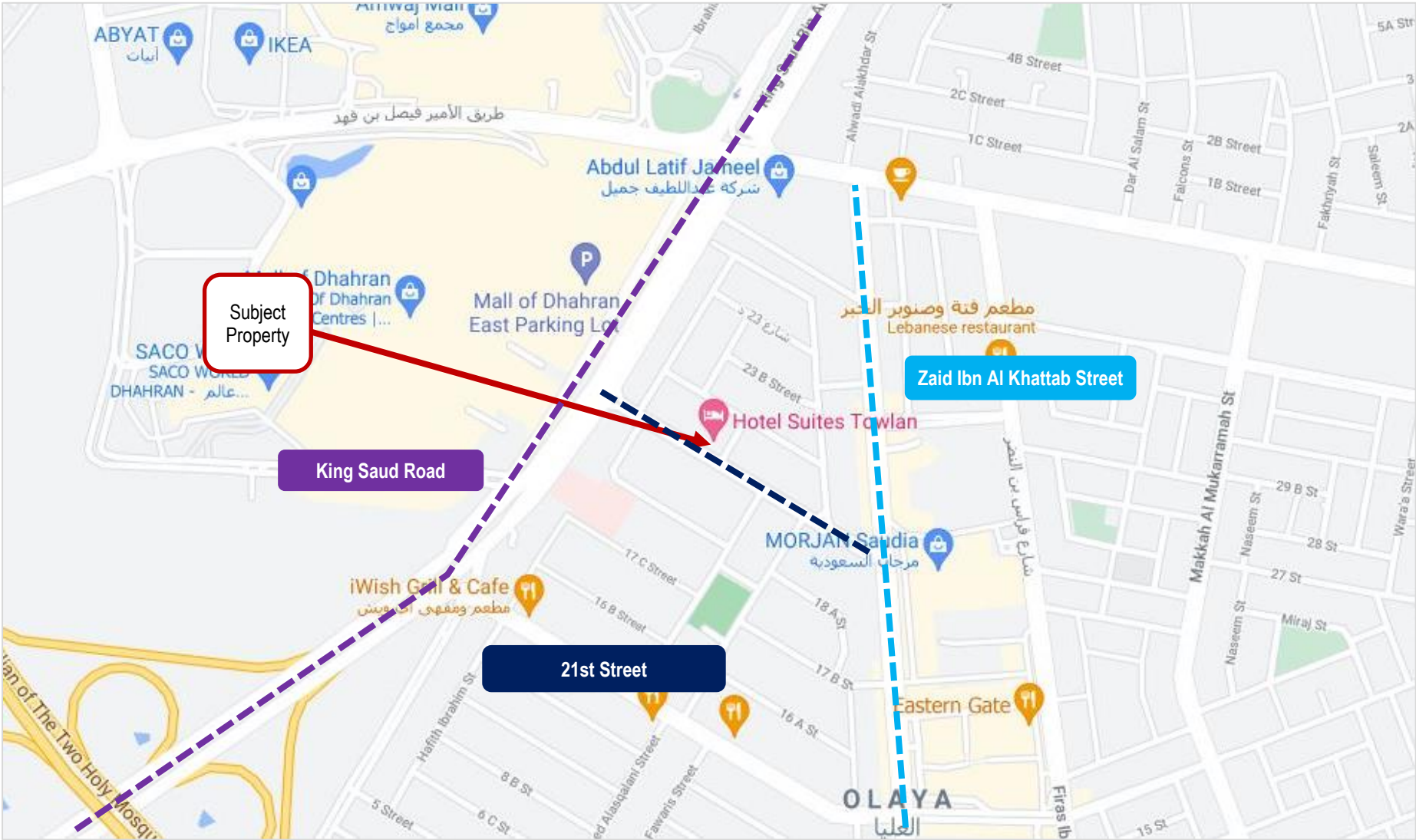
Property Location on a District Scale





1.222 PROPERTY ACCESS

The subject property can be accessed as shown in the map below:





1.223 TITLE DEED & OWNERSHIP

We were provided with copy of the title deed related to the subject property which is owned by one title deed. The details of the subject property:

City	Al Khobar	Land Area	1,750 Sqm
District	Al-Aqrabiyah	Plot No.	54, 56
T.D Type	Electronic	Block No.	N/A
T.D Number	314003007390	Layout No.	2/349
T.D Date	17/06/1443	Owner	Baitek Al Hefdh Real-estate Co.
T.D Value	23,100,000 SAR	Ownership Type	Freehold
Date of Last Transaction	06/01/1441	Limitation of Document	Mortgaged
Issued From	Ministry of Justice		
North Side	Plot# 53, 55	East Side	Pathway
South Side	30 meters Street	West Side	Plot# 58

Notes	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.
-------	--

1.224 CONSTRUCTION & 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, if the customer did not provide us with a copy of the approved plans, the valuation will be done based on the building permit provided by the customer. In the event that the customer does not provide us with a copy of the legal documents that show the total building surfaces, we will value them using the skills of our team along with the municipality's laws and regulations, and therefore the building surfaces will be estimated only roughly.

Source of BUA		Actual Age of the Property		Status of the property	
Construction Permit	✓	Construction Permit	✓	New	-----
As Built Drawings	-----	As Built Drawings	-----	Fully Constructed	✓
Other Documents	-----	Other Documents	-----	Under Construction	-----
Verbal Information	-----	Verbal Information	-----		
Estimation	-----	Estimation	-----		



The client provided us with a building permit for the subject property, which contains the following data:

Subject Property			
Construction Permit Type	New permit		
Property Type	Residential Building		
Construction Permit No.	Not Clear		
Construction Permit Date	18/04/1432		
Permit Expiry Date	18/04/1435		

Description	No. of Units	Area (sqm)	Use
Ground Floor	64	1,136.7	Parking Area
Ground Floor	-	27.50	Electricity Room
Ground Floor	14	1,136.07	Residential
First Floor	14	1,136.07	Residential
Second Floor	14	1,136.07	Residential
Third Floor	14	1,136.07	Residential
Fourth Floor	-	568.03	Addendum
Barrier	-	250.00	-
Fences	-	114.50	-
Total BAU (sqm)		6,526.51	



1.225 PHOTO RECORD



MARKET INDICATORS

Towlan Suites Hotel





1.226 SAUDI ARABIA ECONOMIC INDICATORS

Economic Indicator	2021 Budget	2022 Expectations	2023 Estimated
Nominal GDP (Billion Riyals)	2,866	3,042	3,232
Real GDP Growth	3.2%	3.4%	3.5%
Inflation Rate	2.9%	2.0%	2.0%
Total Revenue (Billion Riyals)	849	864	928
Total Expenses (Billion Riyals)	990	955	941
Budget Deficit	-141	-91	-13
Public Debt	937	1,013	1,026
Government Reserves at the Saudi Central Bank	280	265	265

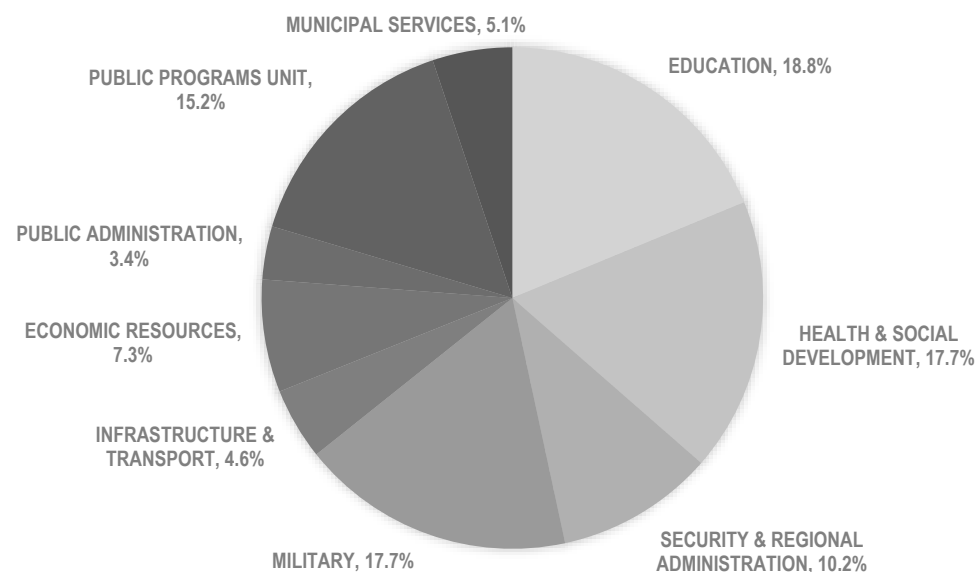
1.227 BUDGET ALLOCATION FOR 2021

Public Administration	34 SAR bn
Military	175 SAR bn
Security & Regional Adm.	101 SAR bn

Municipal Services	51 SAR bn
Education	186 SAR bn
Health & Social Dev.	175 SAR bn

Economic Resources	72 SAR bn
Infrastructure & Transport	46 SAR bn
General Items	151 SAR bn

Source: Ministry of Economy








1.228 SWOT ANALYSIS

Strength <ul style="list-style-type: none">- Ease of access to the property as it is located near King Saud Road and Zaid Bin Al Khattab Street	Weakness <ul style="list-style-type: none">- None
Opportunities <ul style="list-style-type: none">- High demand for hospitality properties in the hood	Threats <ul style="list-style-type: none">- Existing and potential similar project in the area

The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

1.229 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

	HELPFUL	HARMFUL
INTERNAL	S STRENGHTS	W WEAKNESSES
EXTERNAL	O OPPORTUNITIES	T THREATS



White Cubes Team's Analysis



1.230 RISK ANALYSIS

Risk Factor	Very Low Risk (1) 1-10	Minimal Risk (2) 11-20	Medium Risk (3) 21-30	Elevated Risk (4) 31-40	Very High Risk (5) 41-50
Overall Economy			✓		
Sector Current Performance			✓		
Sector Future Performance		✓			
Occupancy Rates			✓		
Supply Rate			✓		
Demand Rate			✓		
Access			✓		
Location			✓		
Land Shape		✓			
Surrounding Area facilities			✓		
Total Risk	0	4	24	0	0
Risk Category	27 Risk Points – Medium Risk				

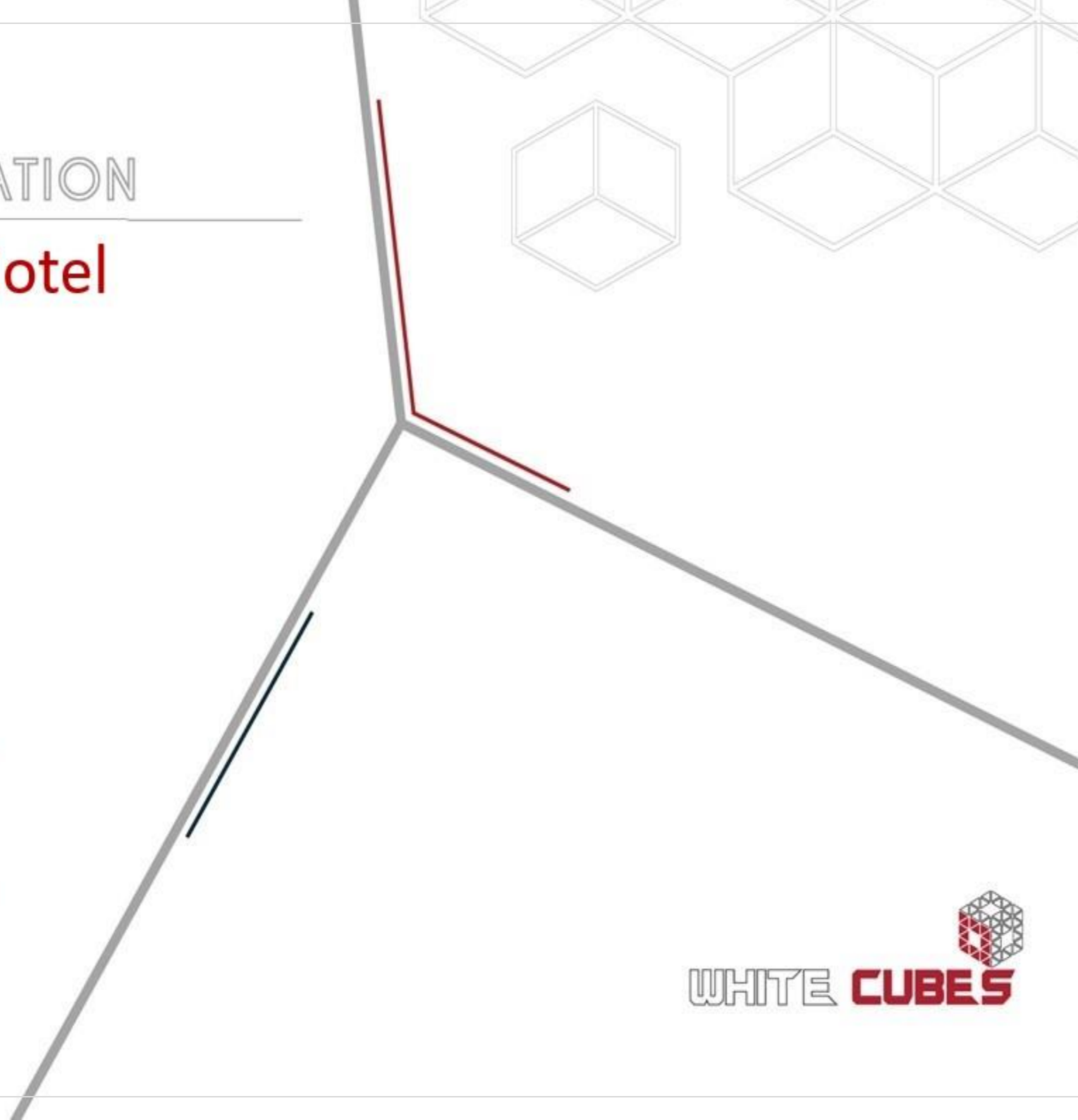
Sector Analysis

Risk Category- 28 Risk

Points - Medium Risk

PROPERTY VALUATION

Towlan Suites Hotel





1.231 GENERAL ASSUMPTIONS

- The subject property is valued under the assumption of freehold status unless otherwise stated in the report.
- All the written and verbal information provided to us by the Client assumed to be up to date, complete and correct in relation to elements such as title deed, construction permits, land area, and any other relevant matters that are set out in the report.
- This report is a valuation report and not structural / building survey. Therefore, we did not carry out any structural due diligence, utilities check, services check, soil test, etc.
- All the inputs used in the valuation methodologies are based on the collected market data using our best know how and experience in the related market.
- The output of this report (Final Value), is based on the used assumptions, received documents from the client and available market data. Yet, the output estimates show an indicative value of the subject property / properties.

1.232 VALUATION APPROACH

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 market value of the subject property:

	DRC	Comparable	Income Cap	DCF	RLV
Land		✓			
Building	✓				
Overall Property			✓		

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 market 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 churches, 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.

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.

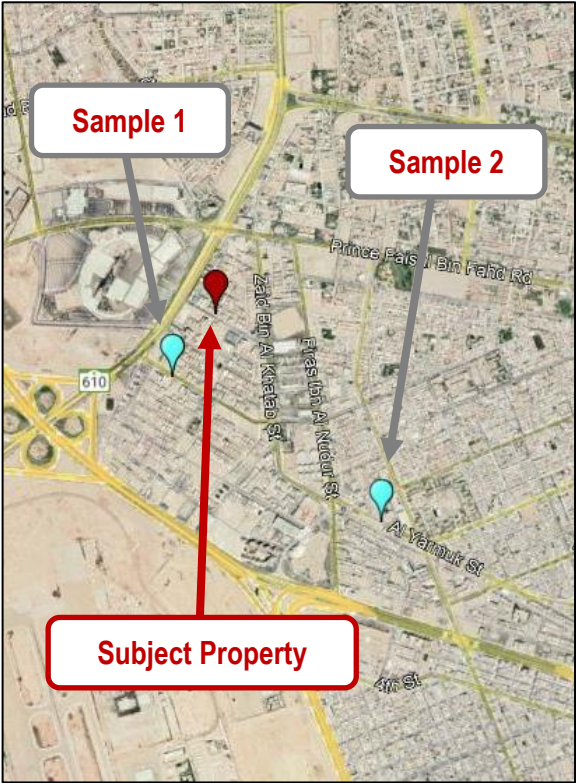


1.233 COMPARABLE APPROACH

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
Quoting	-----	Offering	Offering
District	Al-Aqrabiyah	Al-Aqrabiyah	Al-Aqrabiyah
Sale Price	-----	SAR 10,800,000	SAR 11,649,000
Data Source	Title Deed	Market Survey	Market Survey
Area Size	1,750.00	1,800.00	2,118.00
SAR / Sqm	-----	SAR 6,000	SAR 5,500
Sides Open	2	2	3

Adjustment Analysis					
		SAMPLE 1		SAMPLE 2	
Area size	1,750.00	1,800.00	0.00%	2,118.00	0.00%
Location Desirability	Average	Average	0.00%	Average	0.00%
Accessibility	Average	Average	0.00%	Average	0.00%
Main Street Width (m)	30	30	0.00%	30	0.00%
Sides Open	2	2	0.00%	3	-5.00%
Land Shape	Regular	Regular	0.00%	Regular	0.00%
Close to main Street	Yes	Yes	0.00%	Yes	0.00%
Negotiable	-----	Yes	-5.00%	Yes	0.00%
Other Factor	-----	-----	0.00%	-----	0.00%
Total Adjustments Ratio			-5.00%		-5.00%
Total Adjustment Amount			-SAR 300.0		-SAR 275.0
Net After Adjustment			SAR 5,700.0		SAR 5,225.0
SAR / Sqm			SAR 5,463		
Rounded Value			SAR 5,500		



PROPERTY VALUE	SENSITIVITY ANALYSIS					
		-10%	-5%	0%	5%	10%
SAR 9,625,000	Land Area	1,750	1,750	1,750	1,750	1,750
	SAR / Sqm	SAR 4,950.0	SAR 5,225.0	SAR 5,500.0	SAR 5,775.0	SAR 6,050.0
	Property Value	SAR 8,662,500	SAR 9,143,750	SAR 9,625,000	SAR 10,106,250	SAR 10,587,500
PROPERTY VALUE						



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 prices for similar properties falls in the range of 5,000 - 6,000 SAR / Sqm with an average of 5,500 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.

1.234 COST APPROACH (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 regards. The following table shows the expected replacement costs for such property.

	Min Cost (SAR / Sqm)	Max Cost (SAR / Sqm)	Average Cost
Skeleton - Concrete Cost	SAR 1,000	SAR 1,200	SAR 1,100
MEP	SAR 450	SAR 550	SAR 500
Finishing Materials	SAR 700	SAR 800	SAR 750
Site Improvements	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
1,750.00	SAR 5,500	SAR 9,625,000

Building		
	Unit	Total BUA
Upper Floors	Sqm	6,526.51
Total (SQM)	6,526.51	

Development Cost					
Hard Cost - Upper Floors					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	6,526.51	SAR 1,100	SAR 7,179,161	100%	SAR 7,179,161
Electro Mechanic	6,526.51	SAR 500	SAR 3,263,255	100%	SAR 3,263,255
Finishing	6,526.51	SAR 750	SAR 4,894,883	100%	SAR 4,894,883
Fit outs & Appliances	6,526.51	SAR 0	SAR 0	100%	SAR 0
Furniture	6,526.51	SAR 0	SAR 0	100%	SAR 0
Site Improvement	1,750.00	SAR 100	SAR 175,000	100%	SAR 175,000
Total			SAR 15,512,299	100.00%	SAR 15,512,299



Overall Soft Cost			
	Total Hard Cost	Ratio	Soft Cost
Initial Project Pre Cost	SAR 15,512,299	0.10%	SAR 15,512
Design	SAR 15,512,299	0.50%	SAR 77,561
Eng. Consultant	SAR 15,512,299	1.00%	SAR 155,123
Management	SAR 15,512,299	5.00%	SAR 775,615
Contingency	SAR 15,512,299	5.00%	SAR 775,615
Others	SAR 15,512,299	0.00%	SAR 0
TOTAL		11.60%	SAR 1,799,426.63
Total Hard Cost	SAR 15,512,299	BUA	6,526.51
Total Soft Cost	SAR 1,799,426.63	SAR / Sqm	SAR 2,653
Total Construction Cost	SAR 17,311,725.13	Overall Completion	100.0%

After knowing the total construction costs at a rate of 2,653 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 market value of the building

DEVELOPMENT VALUE			
Total Dev Cost	SAR 17,311,725	Net Dep Rate	20.00%
		Dev Cost After Depreciation	SAR 13,849,380
Economic Age	40	Total Completion Rate	100.00%
Annual Dep Rate	2.50%	Developer Profit Rate	20.0%
Actual Age	8		
Total Dep Rate	20.00%	Dev. Profit Amount	SAR 2,769,876
Add Appr Rate	0.00%	Development Value	SAR 16,619,256
Net Dep Rate	20.00%		

The total value of the building is 26,619,256 SAR, which will be added to the value of the land in order to get the full value of the property as follows:

Total Dev. Value	Land Value	Total Property Value	Rounded Value
SAR 16,619,256	SAR 9,625,000	SAR 26,244,256	SAR 26,240,000



1.235 INCOME APPROACH- ACTUAL RATES

The client informed us that the total annual net rent of the subject property is SAR 2,310,000 which will be used in the valuation analysis.

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.

Minimum capitalization rate	7.00%
Maximum capitalization rate	9.00%
Average	8.00%
The effect of the property specifications on the property	
Item	Influence
Ease of access to the property	-0.25%
General condition of the property	0.00%
The general location of the property	0.00%
Quality and finishes	0.00%
Project Management Team	0.00%
Services and public facilities	0.00%
Total	-0.25%
Note: When the effect is negative (-), this reduces the capitalization rate, which increases the value of the property. And when the effect is positive (+), this increases the capitalization rate, which reduces the value of the property	
Total adjustments on capitalization rate	-0.25%
Capitalization rate, according to market averages	7.75%
Estimated capitalization rate of the property valuation	7.75%

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 7.75%, 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			
Unit Type	Total GLA	No of Units	SAR / Sqm	SAR / Unit	Total Revenues
Hospitality Project		The subject property is Fully leased to 1 tenant			SAR 2,310,000
				Total Revenues	SAR 2,310,000
EXPENSES					
Unit Type	Management	Utilities	Maintenance	Others	Total Expenses
Hospitality Project	0.00%	0.00%	0.00%	0.00%	0.00%
NET OPERATING INCOME					
Unit Type	Total Revenues	Total Expenses			NOI
Hospitality Project	SAR 2,310,000	0.00%			SAR 2,310,000
		Total			SAR 2,310,000
Total Property Revenues					SAR 2,310,000
Total Property Expenses					SAR 0
Net Operating Income					SAR 2,310,000.00
Net Operating Income	Cap Rate	Property Value			Rounded Value
SAR 2,310,000.00	7.75%	29,806,451.61 SAR			29,810,000.00 SAR

1.236 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 rates for studios units range from 300 to 350 SAR / Sqm. As for 2-bedroom apartments units, the rates range from 400 to 500 SAR / Sqm, while the 3 bedrooms suites falls in the range of 550 to 600 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:

	Studio Units	2-bedroom Units	3-bedroom Units
Comparable	Rental Rate	Rental Rate	Rental Rate
Lina Park 5	300 SAR	430 SAR	-
Valencia Hotel	330 SAR	470 SAR	530 SAR
Average	320 SAR/ Sqm	450 SAR/ Sqm	530 SAR/ Sqm



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%

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 7.75%, which will be applied subsequently to the net operating income of the property.

Minimum capitalization rate	7.00%
Maximum capitalization rate	9.00%
Average	8.00%

The effect of the property specifications on the property



Item	Influence	Notes
Ease of access to the property	-0.25%	several major methods
General condition of the property	0.00%	The actual age of the property is 7 years
The general location of the property	0.00%	The area is served excellently
Quality and finishes	0.00%	Average quality finishes
Project Management Team	0.00%	Average management and operational team level
Total	-0.25%	
<i>Note: When the effect is negative (-), this reduces the capitalization rate, which increases the value of the property. And when the effect is positive (+), this increases the capitalization rate, which reduces the value of the property</i>		
Total adjustments on capitalization rate	-0.25%	
Capitalization rate, according to market averages	8%	
Estimated capitalization rate of the property valuation	7.75%	

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	
Studios	0	28	SAR 0	SAR 320	SAR 3,270,400	
2 Bedrooms	0	24	SAR 0	SAR 450	SAR 3,942,000	
3 Bedroom Suite	0	4	SAR 0	SAR 530	SAR 773,800	
Total Revenues					SAR 7,986,200	
EXPENSES						
Unit Type	Management	Utilities	Maintenance	Others	Total Expenses	
Studios	5.00%	5.00%	5.00%	45.00%	60.00%	
2 Bedrooms	5.00%	5.00%	5.00%	45.00%	60.00%	
3 Bedroom Suite	5.00%	5.00%	5.00%	40.00%	55.00%	
NET OPERATING INCOME						
Unit Type	Total Revenues		Total Expenses		NOI	
Studios	SAR 3,270,400		60.00%		SAR 1,308,160	
2 Bedrooms	SAR 3,942,000		60.00%		SAR 1,576,800	
3 Bedroom Suite	SAR 773,800		55.00%		SAR 348,210	
Total					SAR 3,233,170	
Total Property Revenues					SAR 7,986,200	
Total Property Expenses					-SAR 4,753,030	
Net Operating Income					SAR 3,233,170.00	
Net Operating Income		Cap Rate	Property Value		Rounded Value	
SAR 3,233,170.00		7.75%	41,718,322.58 SAR		41,700,000.00 SAR	



1.237 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

Methodology	Subject of Valuation	Value in Numbers	Value in Letters
DRC Approach	Land + Building	SAR 26,240,000	Twenty-Six Million and Two Hundred Forty Thousand Saudi Riyals
Income- Actual	Property	SAR 29,810,000	Twenty-Nine Million and Eight Hundred Ten Thousand Saudi Riyals
Income- Market	Property	SAR 41,700,000	Forty-One Million and Seven Hundred Thousand Saudi Riyals

1.238 SUBJECT PROPERTY VALUE

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

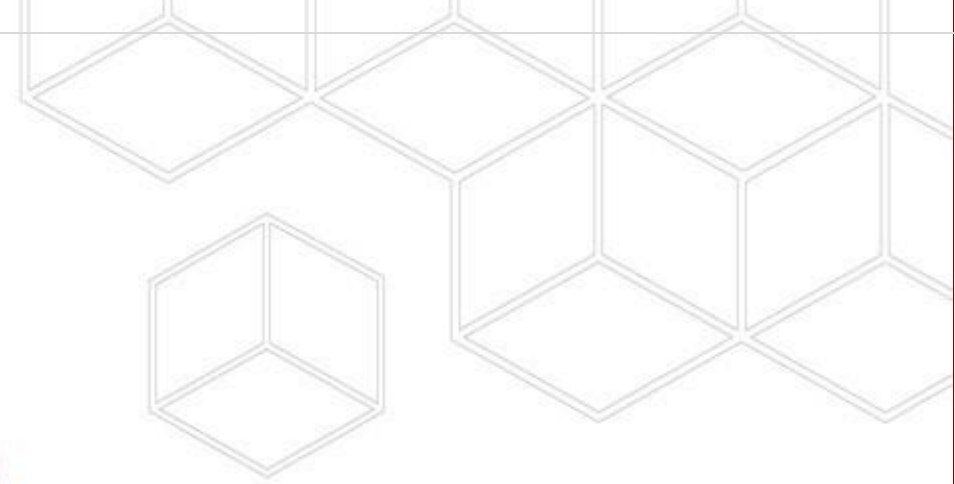
Property Value: **30,000,000 SAR**
 Thirty Million Saudi Riyals

Al Nokhba School



PROPERTY DETAILS

Al Nokhba School





1.239 PROPERTY & LOCATION DESCRIPTION

Property Description	The subject property is an educational facility located in Al Fahad district, Unayzah city. Based on the provided copy of the title deeds and the construction permit, the building has total land area of 6,694 Sqm and total BUA of 10,522.17 Sqm. According to the site inspection done by our team for the purpose of valuation, the project is open from 2 sides with a direct view on 2 internal Streets where it is surrounded by residential and mix-use buildings where all infrastructural facilities such as water, electricity, sewage, and telecommunication are available in the surroundings and connected to the subject property.
Location Description	The property subject of valuation is an educational facility located in Al Fahad district, Unayzah city. The property is bordered from the north by a private property The property is bordered from the south by a 20 meters Street The Property is bordered from the east by a private property The property is bordered to the west by a 20 meters Street
Ease of Access	Based on the current location of the subject property, the access level is medium since it is located near Sheikh Mohammad Bin Othaimin Road.
Area Surrounding the Property	The subject property is mostly surrounded by residential and mix-use buildings

Land		Building	
Land Use	Residential	Building Type	Educational facility
No. of Streets	2	Building Structural Conditions	Fully Constructed
Land Shape	Regular	External Elevation Conditions	Good
Direct View on the Main Road	No direct view on the main Road	Building Finishing Conditions	Good
Direct View on an Internal Street	Unnamed Streets	Overall Building Conditions	Good
Land Condition	Constructed land		

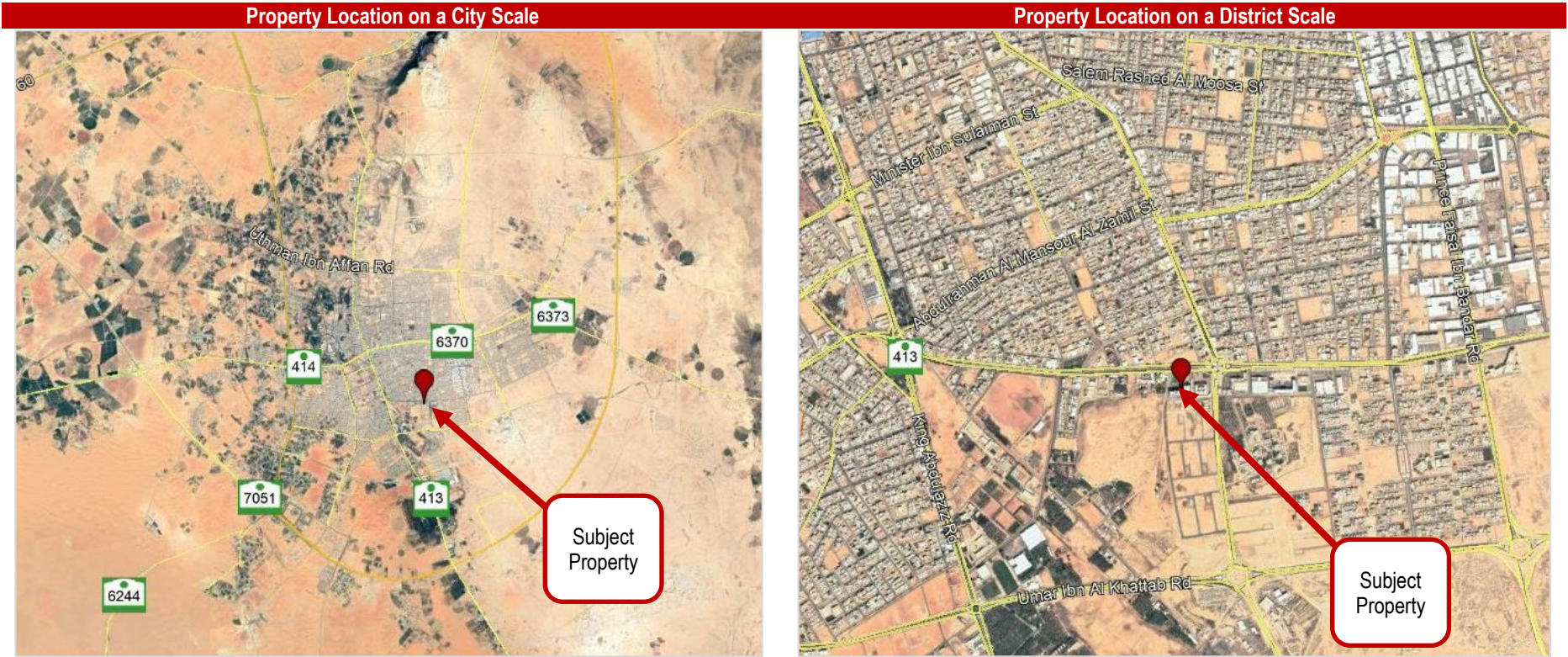
1.240 INFRASTRUCTURE FACILITIES

	Available in the surrounding	Connected to the property	
Water	✓	✓	All the infrastructural facilities are available in the surroundings and connected to the subject property.
Electricity	✓	✓	
Tele-Communication	✓	✓	
Sewage	✓	✓	



1.241 LOCATION

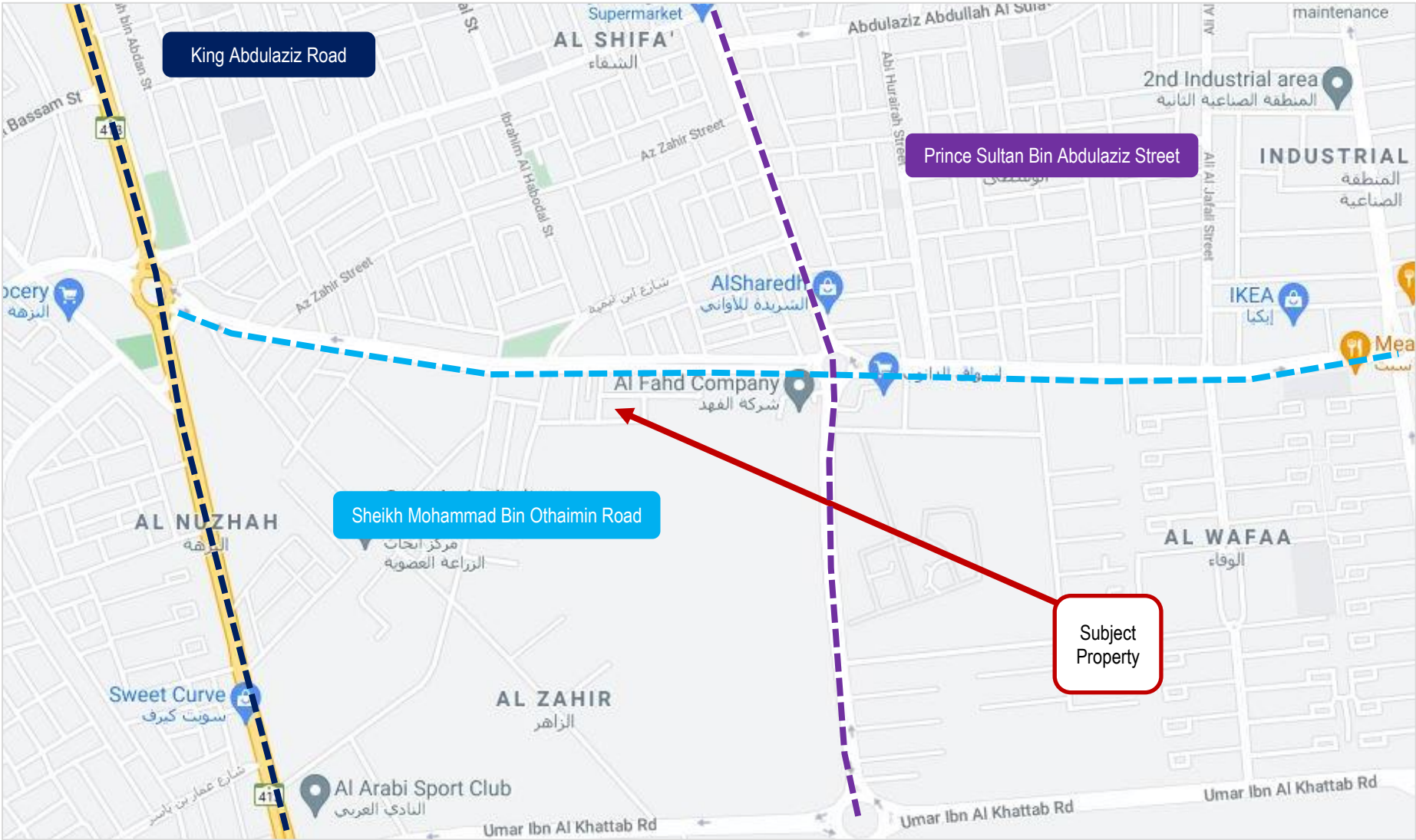
The subject property is located in Al Fahad district, Unayzah city .





1.242 PROPERTY ACCESS

The subject property can be accessed as shown in the map below:





1.243 TITLE DEED & OWNERSHIP

We were provided with copy of the title deed related to the subject property which is owned by one title deed. The details of the subject property:

City	Unayzah	Land Area	1,798 Sqm
District	Al Fahad	Plot No.	1029
T.D Type	Electronic	Block No.	N/A
T.D Number	914003007410	Layout No.	245/1/ق
T.D Date	23/06/1443	Owner	Baitek Al Hefdh Real-estate Co.
T.D Value	-----	Ownership Type	Freehold
Issued From	Ministry of Justice	Limitation of Document	Mortgaged
North Side	Plot# 1028	East Side	Private property
South Side	20 meters Street	West Side	Plot# 1031
City	Unayzah	Land Area	1,798 Sqm
District	Al Fahad	Plot No.	1031
T.D Type	Electronic	Block No.	N/A
T.D Number	514003007411	Layout No.	245/1/ق
T.D Date	23/06/1443	Owner	Baitek Al Hefdh Real-estate Co.
T.D Value	-----	Ownership Type	Freehold
Issued From	Ministry of Justice	Limitation of Document	Mortgaged
North Side	Plot# 1030	East Side	Plot# 1029
South Side	20 meters Street	West Side	Plot# 1034 & 1035
City	Unayzah	Land Area	1,373 Sqm
District	Al Fahad	Plot No.	1034
T.D Type	Electronic	Block No.	N/A
T.D Number	814003007412	Layout No.	245/1/ق
T.D Date	23/06/1443	Owner	Baitek Al Hefdh Real-estate Co.
T.D Value	-----	Ownership Type	Freehold
Issued From	Ministry of Justice	Limitation of Document	Mortgaged
North Side	Plot# 1033	East Side	Plot# 1031
South Side	Plot# 1035, 1036	West Side	20 meters Street



City	Unayzah	Land Area	800 Sqm
District	Al Fahad	Plot No.	1035
T.D Type	Electronic	Block No.	N/A
T.D Number	814003007409	Layout No.	245/1/ق
T.D Date	23/06/1443	Owner	Baitek Al Hefdh Real-estate Co.
T.D Value	-----	Ownership Type	Freehold
Issued From	Ministry of Justice	Limitation of Document	Mortgaged
North Side	Plot# 1034	East Side	Plot# 1031
South Side	20 meters Street	West Side	Plot# 1036
City	Unayzah	Land Area	925 Sqm
District	Al Fahad	Plot No.	1036
T.D Type	Electronic	Block No.	N/A
T.D Number	314003007389	Layout No.	245/1/ق
T.D Date	17/06/1443	Owner	Baitek Al Hefdh Real-estate Co.
T.D Value	-----	Ownership Type	Freehold
Issued From	Ministry of Justice	Limitation of Document	Mortgaged
North Side	Plot# 1034	East Side	Plot# 1035
South Side	20 meters Street	West Side	20 meters Street

Notes

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.

1.244 CONSTRUCTION & 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, if the customer did not provide us with a copy of the approved plans, the valuation will be done based on the building permit provided by the customer. In the event that the customer does not provide us with a copy of the legal documents that show the total building surfaces, we will value them using the skills of our team along with the municipality's laws and regulations, and therefore the building surfaces will be estimated only roughly.

Source of BUA	Actual Age of the Property	Status of the property
Construction Permit ✓	Construction Permit ✓	New -----



As Built Drawings	-----	As Built Drawings	-----	Fully Constructed	✓
Other Documents	-----	Other Documents	-----	Under Construction	-----
Verbal Information	-----	Verbal Information	-----		

The client provided us with a building permit for the subject property, which contains the following data:

Subject Property			
Construction Permit Type		New permit	
Property Type		Educational facility	
Construction Permit No.		150958	
Construction Permit Date		24/09/1433	
Permit Expiry Date		24/09/1436	
Description	No. of Units	Area (sqm)	Use
Basement	0	735.18	-
Ground Floor	0	3,320.49	-
First Floor	0	3,233.25	-
Second Floor	0	3,233.25	-
Total BAU (sqm)		10,522.17	



1.245 PHOTO RECORD



MARKET INDICATORS

Al Nokhba School





1.246 SAUDI ARABIA ECONOMIC INDICATORS

Economic Indicator	2021 Budget	2022 Expectations	2023 Estimated
Nominal GDP (Billion Riyals)	2,866	3,042	3,232
Real GDP Growth	3.2%	3.4%	3.5%
Inflation Rate	2.9%	2.0%	2.0%
Total Revenue (Billion Riyals)	849	864	928
Total Expenses (Billion Riyals)	990	955	941
Budget Deficit	-141	-91	-13
Public Debt	937	1,013	1,026
Government Reserves at the Saudi Central Bank	280	265	265

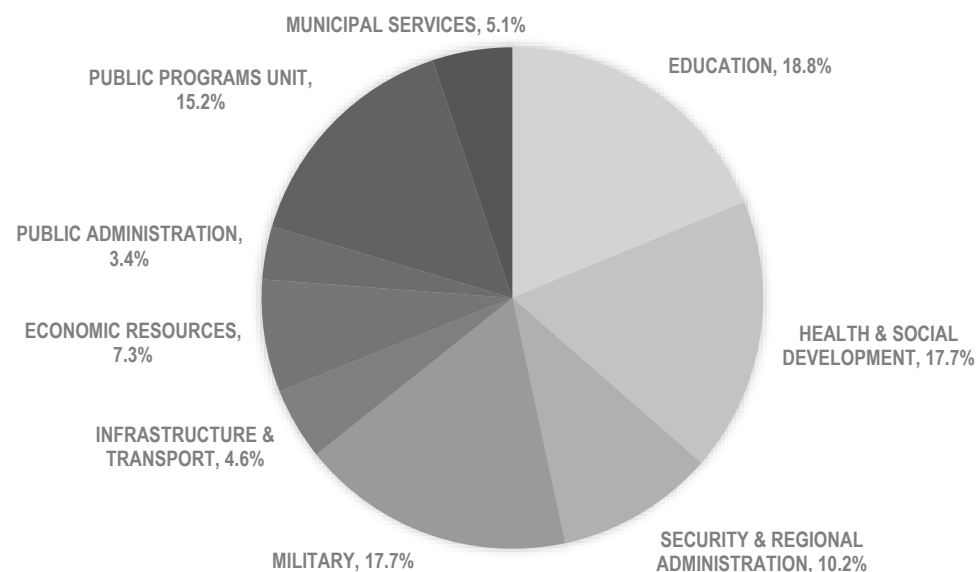
1.247 BUDGET ALLOCATION FOR 2021

Public Administration	34 SAR bn
Military	175 SAR bn
Security & Regional Adm.	101 SAR bn

Municipal Services	51 SAR bn
Education	186 SAR bn
Health & Social Dev.	175 SAR bn

Economic Resources	72 SAR bn
Infrastructure & Transport	46 SAR bn
General Items	151 SAR bn

Source: Ministry of Economy








1.248 SWOT ANALYSIS

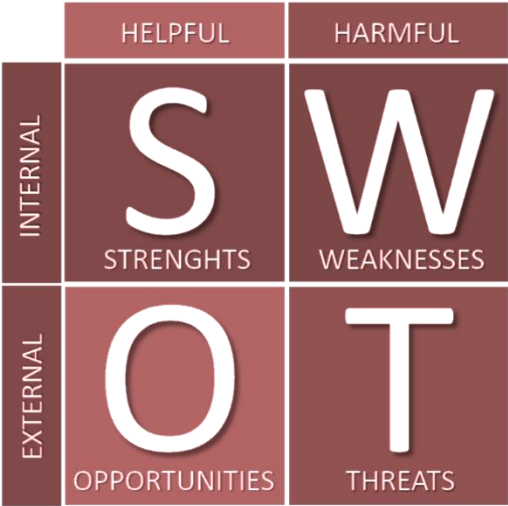
Strength <ul style="list-style-type: none">- The property is open from 2 sides with a direct view on two Streets and located near Sheikh Mohammad Bin Othaimin Road	Weakness <ul style="list-style-type: none">- The property far from residential areas.
Opportunities <ul style="list-style-type: none">- Located near main roads	Threats <ul style="list-style-type: none">- Existing and potential similar project in the area

The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

1.249 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



1.250 RISK ANALYSIS

Risk Factor	Very Low Risk (1) 1-10	Minimal Risk (2) 11-20	Medium Risk (3) 21-30	Elevated Risk (4) 31-40	Very High Risk (5) 41-50
Overall Economy			✓		
Sector Current Performance			✓		
Sector Future Performance		✓			
Occupancy Rates			✓		
Supply Rate			✓		
Demand Rate			✓		
Access		✓			
Location			✓		
Land Shape		✓			
Surrounding Area facilities			✓		
Total Risk	0	6	21	0	0
Risk Category	27 Risk Points – Medium Risk				

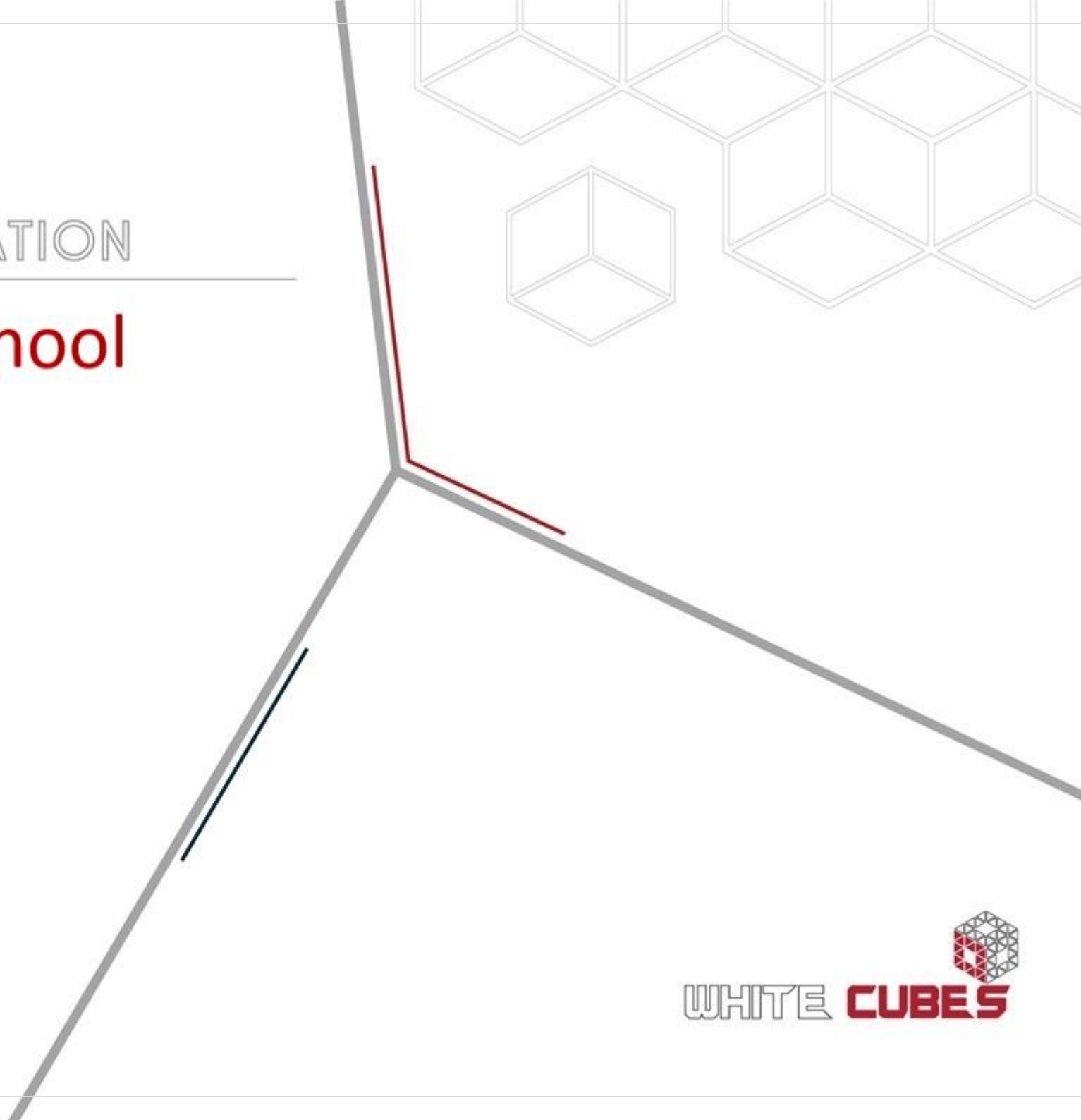
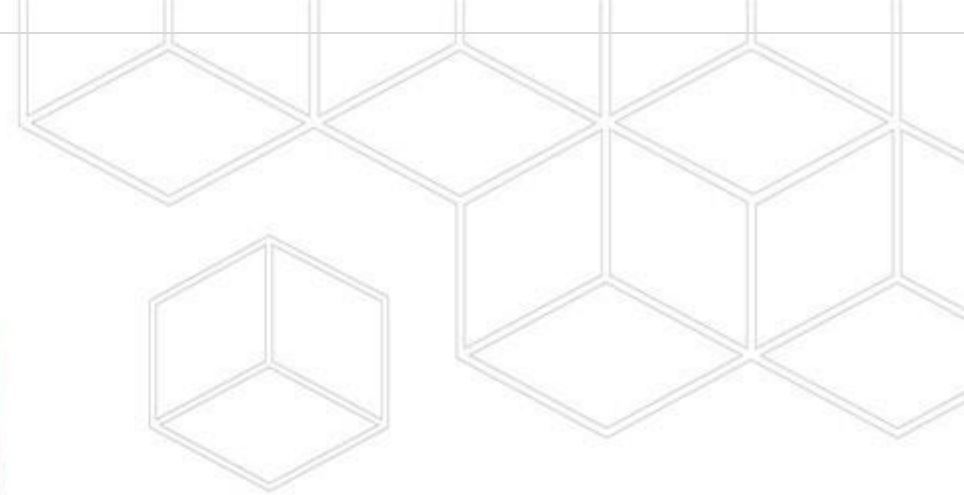
Sector Analysis

Risk Category- 27 Risk

Points - Medium Risk

PROPERTY VALUATION

Al Nokhba School





1.251 GENERAL ASSUMPTIONS

- The subject property is valued under the assumption of freehold status unless otherwise stated in the report.
- All the written and verbal information provided to us by the Client assumed to be up to date, complete and correct in relation to elements such as title deed, construction permits, land area, and any other relevant matters that are set out in the report.
- This report is a valuation report and not structural / building survey. Therefore, we did not carry out any structural due diligence, utilities check, services check, soil test, etc.
- All the inputs used in the valuation methodologies are based on the collected market data using our best know how and experience in the related market.
- The output of this report (Final Value), is based on the used assumptions, received documents from the client and available market data. Yet, the output estimates show an indicative value of the subject property / properties.

1.252 VALUATION APPROACH

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 market value of the subject property:

	DRC	Comparable	Income Cap	DCF	RLV
Land	-----	✓	-----	-----	-----
Building	✓	-----	-----	-----	-----
Overall Property	-----	-----	✓	-----	-----

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 market 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 churches, 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.

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.



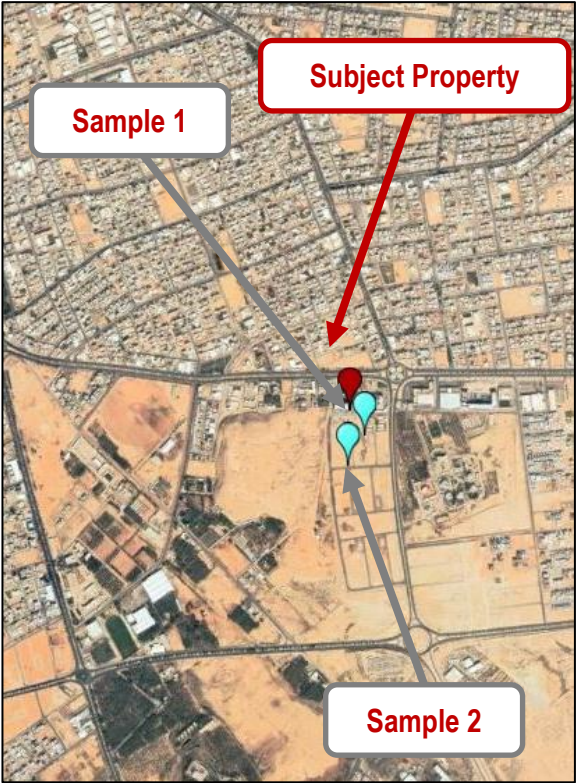
1.253 COMPARABLE APPROACH

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
Quoting	-----	Offering	Offering
District	Al Fahad	Al Fahad	Al Fahad
Sale Price	-----	SAR 330,000	SAR 345,000
Data Source	Title Deed	Market Survey	Market Survey
Area Size	1,798.00	517.00	530.00
SAR / Sqm	-----	SAR 638	SAR 651
Sides Open	1	1	1

Adjustment Analysis			
		SAMPLE 1	SAMPLE 2
Area size	1,798.00	517.00	-5.00%
Location Desirability	Average	Average	0.00%
Accessibility	Average	Average	0.00%
Main Street Width (m)	20	20	0.00%
Sides Open	1	1	0.00%
Land Shape	Regular	Regular	0.00%
Close to main Street	Yes	Yes	0.00%
Negotiable	-----	No	0.00%
Other Factor	-----	-----	0.00%
Total Adjustments Ratio		-5.00%	-5.00%
Total Adjustment Amount		-SAR 31.9	-SAR 32.5
Net After Adjustment		SAR 606.4	SAR 618.4

SAR / Sqm	SAR 612
Rounded Value	SAR 615



PROPERTY VALUE	SENSITIVITY ANALYSIS					
		-10%	-5%	0%	5%	10%
SAR 4,116,810	Land Area	6,694	6,694	6,694	6,694	6,694
	SAR / Sqm	SAR 553.5	SAR 584.3	SAR 615.0	SAR 645.8	SAR 676.5
	Property Value	SAR 3,705,129	SAR 3,910,970	SAR 4,116,810	SAR 4,322,651	SAR 4,528,491
PROPERTY VALUE						



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 prices for similar properties falls in the range of 550 – 650 SAR / Sqm with an average of 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.

Title Deed No.	Area Size (Sqm)	Sides Open	SAR/ Sqm	Side Adjustment	SAR/ Sqm After Adj.	Total Value
417821000829	1798	1	615	0%	615	SAR 1,105,770
517803000632	925	2	615	5%	645.75	SAR 597,319
810111057334	1373	1	615	0%	615	SAR 844,395
317816000400	800	1	615	0%	615	SAR 492,000
317816000399	1798	1	615	0%	615	SAR 1,105,770
Total	6,694					SAR 4,145,254

1.254 COST APPROACH (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 regards. The following table shows the expected replacement costs for such property.

	Min Cost (SAR / Sqm)	Max Cost (SAR / Sqm)	Average Cost
Skeleton - Concrete Cost	SAR 800	SAR 1,000	SAR 900
MEP	SAR 550	SAR 650	SAR 600
Finishing Materials	SAR 600	SAR 800	SAR 700
Site Improvements	SAR 60	SAR 100	SAR 80
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		Total Value
6,694.00		SAR 4,145,254
Building		
	Unit	Total BUA
Underground	Sqm	735.18
Upper Floors	Sqm	9,786.99
Total (SQM)	10,522.17	



Development Cost					
Hard Cost – Upper Floors					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	9,786.99	SAR 900	SAR 8,808,291	100%	SAR 8,808,291
Electro Mechanic	9,786.99	SAR 600	SAR 5,872,194	100%	SAR 5,872,194
Finishing	9,786.99	SAR 700	SAR 6,850,893	100%	SAR 6,850,893
Site Improvement	6,694.00	SAR 80	SAR 535,520	100%	SAR 535,520
Total			SAR 22,066,898	100.00%	SAR 22,066,898
Hard Cost – (Underground)					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	735.18	SAR 1,350	SAR 992,493	100%	SAR 992,493
Electro Mechanic	735.18	SAR 500	SAR 367,590	100%	SAR 367,590
Finishing	735.18	SAR 500	SAR 367,590	100%	SAR 367,590
Total			SAR 1,727,673	100.00%	SAR 1,727,673
Overall Soft Cost					
			Total Hard Cost	Ratio	Soft Cost
Initial Project Pre Cost			SAR 23,794,571	0.10%	SAR 23,795
Design			SAR 23,794,571	0.50%	SAR 118,973
Eng Consultant			SAR 23,794,571	1.00%	SAR 237,946
Management			SAR 23,794,571	3.00%	SAR 713,837
Contingency			SAR 23,794,571	3.00%	SAR 713,837
Others			SAR 23,794,571	0.00%	SAR 0
TOTAL				7.60%	SAR 1,808,387.40
Total Hard Cost	SAR 23,794,571		BUA	10,522.17	
Total Soft Cost	SAR 1,808,387.40		SAR / Sqm	SAR 2,433	
Total Construction Cost	SAR 25,602,958.40		Overall Completion	100.0%	

After knowing the total construction costs at a rate of 2,433 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 market value of the building

DEVELOPMENT VALUE			
Total Dev Cost	SAR 25,602,958	Net Dep Rate	20.00%
		Dev Cost After Depreciation	SAR 20,482,367
Economic Age	35		
Annual Dep Rate	2.86%	Total Completion Rate	100.00%
		Developer Profit Rate	20.0%
Actual Age	7		
Total Dep Rate	20.00%		
Add Appr Rate	0.00%	Dev. Profit Amount	SAR 4,096,473
Net Dep Rate	20.00%	Development Value	SAR 24,578,840

The total value of the building is 24,578,840 SAR, which will be added to the value of the land in order to get the full value of the property as follows:



Total Dev. Value	Land Value	Total Property Value	Rounded Value
SAR 24,578,840	SAR 4,145,254	SAR 28,724,094	SAR 28,720,000

1.255 INCOME APPROACH- ACTUAL RATES

The client informed us that the total annual net revenue of the subject property (Education facility) is SAR 2,635,000 which will be used in our valuation analysis.

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.

Minimum capitalization rate	7.00%
Maximum capitalization rate	8.00%
Average	7.50%
The effect of the property specifications on the property	
Item	Influence
Ease of access to the property	-0.25%
General condition of the property	0.00%
The general location of the property	0.00%
Quality and finishes	-0.25%
Project Management Team	0.00%
Total	-0.50%
Note: When the effect is negative (-), this reduces the capitalization rate, which increases the value of the property. And when the effect is positive (+), this increases the capitalization rate, which reduces the value of the property	
Total adjustments on capitalization rate	-0.50%
Capitalization rate, according to market averages	7.5%
Estimated capitalization rate of the property valuation	7.00%

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%, 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					
	Quantity		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 2,635,000
-----	0	0	SAR 0	SAR 0	SAR 0
-----	0	0	SAR 0	SAR 0	SAR 0
Total Revenues					SAR 2,635,000
EXPENSES					
Unit Type	Management	Utilities	Maintenance	Others	Total Expenses
Educational Facility	0.00%	0.00%	0.00%	0.00%	0.00%
-----	0.00%	0.00%	0.00%	0.00%	0.00%
-----	0.00%	0.00%	0.00%	0.00%	0.00%
NET OPERATING INCOME					
Unit Type	Total Revenues		Total Expenses		NOI
Educational Facility	SAR 2,635,000		0.00%		SAR 2,635,000
-----	SAR 0		0.00%		SAR 0
-----	SAR 0		0.00%		SAR 0
Total					SAR 2,635,000
Total Property Revenues					SAR 2,635,000
Total Property Expenses					SAR 0
Net Operating Income					SAR 2,635,000.00
Net Operating Income		Cap Rate	Property Value		Rounded Value
SAR 2,635,000.00		7.00%	37,642.857.14 SAR		37,640,000.00 SAR

1.256 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

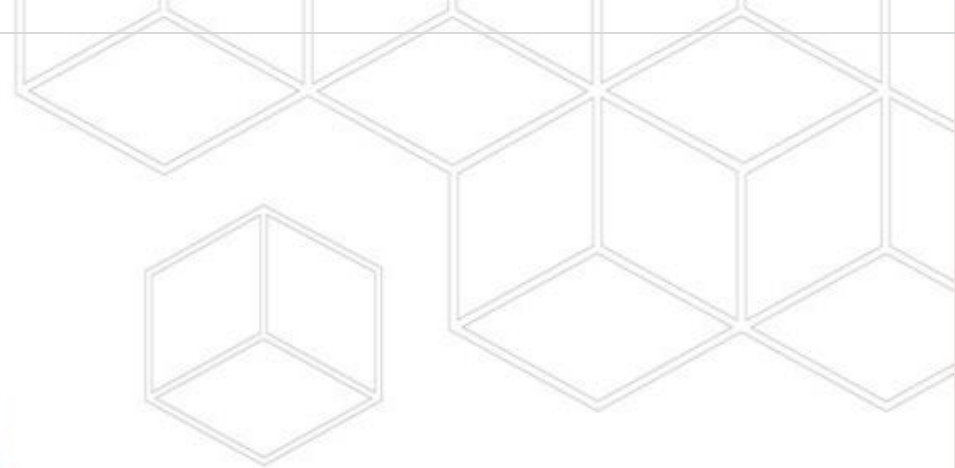
Methodology	Subject of Valuation	Value in Numbers	Value in Letters
DRC Approach	Land + Building	SAR 28,720,000	Twenty-Eight Million and Seven Hundred Twenty Thousand Saudi Riyals
Income- Actual	Property	SAR 37,640,000	Thirty-Seven Million and Six Hundred Forty Thousand Saudi Riyals

1.257 SUBJECT PROPERTY VALUE

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

Property Value: **37,600,000 SAR**
Thirty-Seven Million and Six Hundred Thousand Saudi Riyals

Al Salam School



PROPERTY DETAILS

Al Salam School





1.258 PROPERTY & LOCATION DESCRIPTION

Property Description	The subject property is an educational facility located in Al Salam district, Riyadh city. Based on the provided copy of the title deeds and the construction permit, the building has total land area of 10,000 Sqm and total BUA of 18,349.1 Sqm According to the site inspection done by our team for the purpose of valuation, the project is open from 3 sides with a direct view on Al Siraj Street where it is surrounded by residential and mix-use buildings where all infrastructural facilities such as water, electricity, sewage and telecommunication are available in the surroundings and connected to the subject property.
Location Description	The property subject of valuation is an educational facility located in Al Salam district, Riyadh city. The property is bordered from the north by a 20 meters Street The property is bordered from the south by a private property The Property is bordered from the east by a 15 meters Street The property is bordered to the west by a 15 meters Street
Ease of Access	Based on the current location of the subject property, the access level is high, since it is located near Abdulrahman Bin Awf Road
Area Surrounding the Property	The subject property is mostly surrounded by residential and mix-use buildings

Land		Building	
Land Use	Residential	Building Type	Educational facility
No. of Streets	3	Building Structural Conditions	Under- construction land
Land Shape	Regular	External Elevation Conditions	Good
Direct View on the Main Road	No direct view on the main Road	Building Finishing Conditions	Good
Direct View on an Internal Street	Al Siraj Street	Overall Building Conditions	Good
Land Condition	Under- construction land		

1.259 INFRASTRUCTURE FACILITIES

	Available in the surrounding	Connected to the property	
Water	✓	✓	All the infrastructural facilities are available in the surroundings and connected to the subject property.
Electricity	✓	✓	
Tele-Communication	✓	✓	
Sewage	✓	✓	



1.261 PROPERTY ACCESS

The subject property can be accessed as shown in the map below:





1.262 TITLE DEED & OWNERSHIP

We were provided with copy of the title deed related to the subject property which is owned by one title deed. The details of the subject property:

City	Riyadh	Land Area	10,000 Sqm
District	Al Salam	Plot No.	112, 113, 114
T.D Type	Electronic	Block No.	N/A
T.D Number	310146000228	Layout No.	2207
T.D Date	22/06/1443	Owner	Baitek Al Hefdh Real-estate Co.
T.D Value	-----	Ownership Type	Freehold
Date of Last Transaction	-----	Limitation of Document	Mortgaged
Issued From	Ministry of Justice		
North Side	20 meters Street	East Side	15 meters Street
South Side	Private property	West Side	15 meters Street

Notes	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.
-------	--

1.263 CONSTRUCTION & 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, if the customer did not provide us with a copy of the approved plans, the valuation will be done based on the building permit provided by the customer. In the event that the customer does not provide us with a copy of the legal documents that show the total building surfaces, we will value them using the skills of our team along with the municipality's laws and regulations, and therefore the building surfaces will be estimated only roughly.

Source of BUA		Actual Age of the Property		Status of the property	
Construction Permit	✓	Construction Permit	✓	New	-----
As Built Drawings	-----	As Built Drawings	-----	Fully Constructed	✓
Other Documents	-----	Other Documents	-----	Under Construction	-----
Verbal Information	-----	Verbal Information	-----		



The client provided us with a building permit for the subject property, which contains the following data:

Subject Property	
Construction Permit Type	Layout Modification
Property Type	Educational facility
Construction Permit No.	1441/3433
Construction Permit Date	26/01/1441
Permit Expiry Date	26/01/1444

Description	No. of Units	Area (sqm)	Use
Basement	0	5,139.16	Parking
Ground Floor	1	4,218.51	Educational
First Floor	1	4,471.51	Educational
Second Floor	1	4,407.75	Educational
Electricity Room	0	37.5	Electricity Room
Annexes	0	74.67	Services
Fences	1	285	Fences
Total BAU (sqm)		18,349.1	

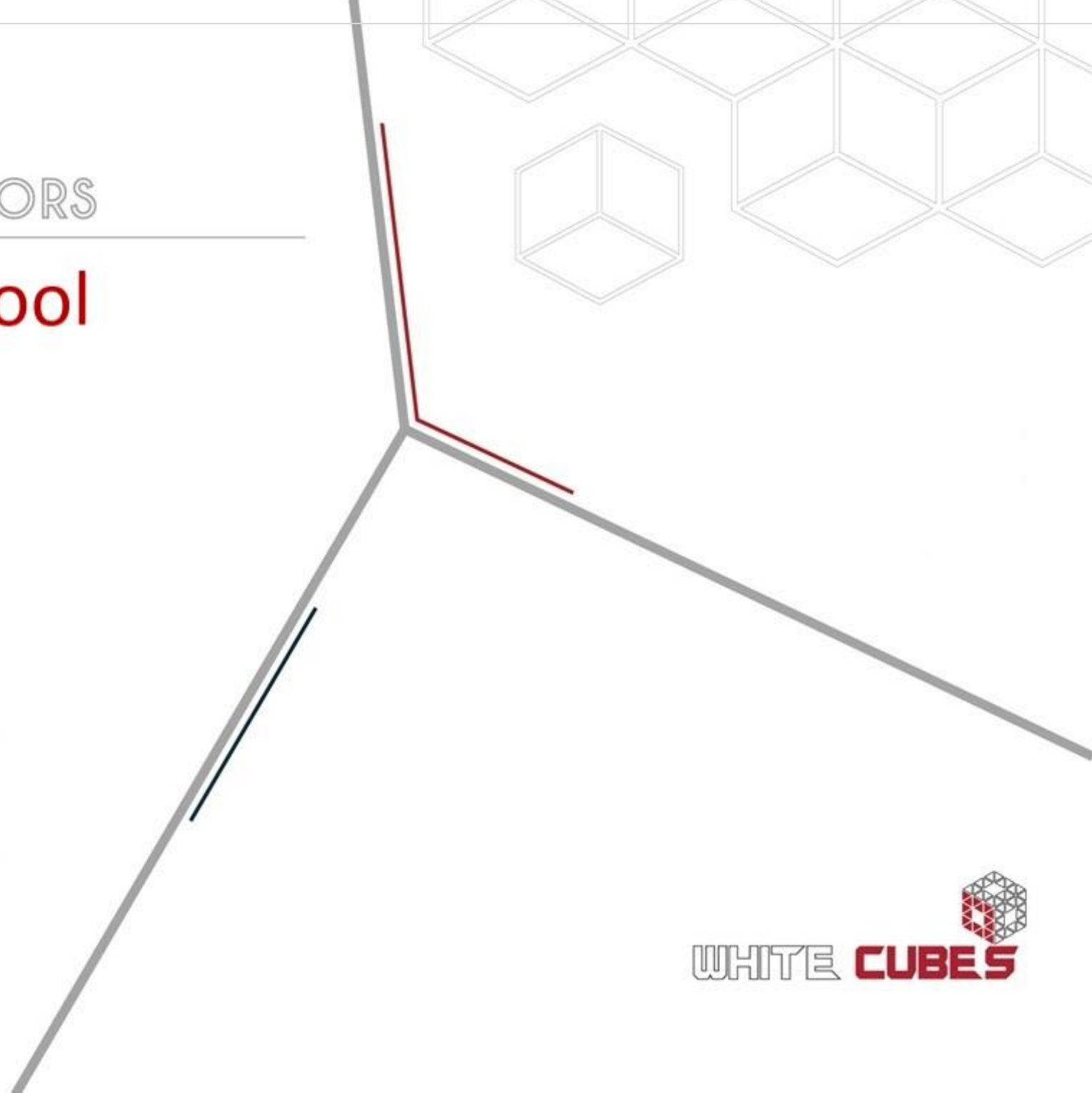


1.264 PHOTO RECORD



MARKET INDICATORS

Al Salam School





1.265 SAUDI ARABIA ECONOMIC INDICATORS

Economic Indicator	2021 Budget	2022 Expectations	2023 Estimated
Nominal GDP (Billion Riyals)	2,866	3,042	3,232
Real GDP Growth	3.2%	3.4%	3.5%
Inflation Rate	2.9%	2.0%	2.0%
Total Revenue (Billion Riyals)	849	864	928
Total Expenses (Billion Riyals)	990	955	941
Budget Deficit	-141	-91	-13
Public Debt	937	1,013	1,026
Government Reserves at the Saudi Central Bank	280	265	265

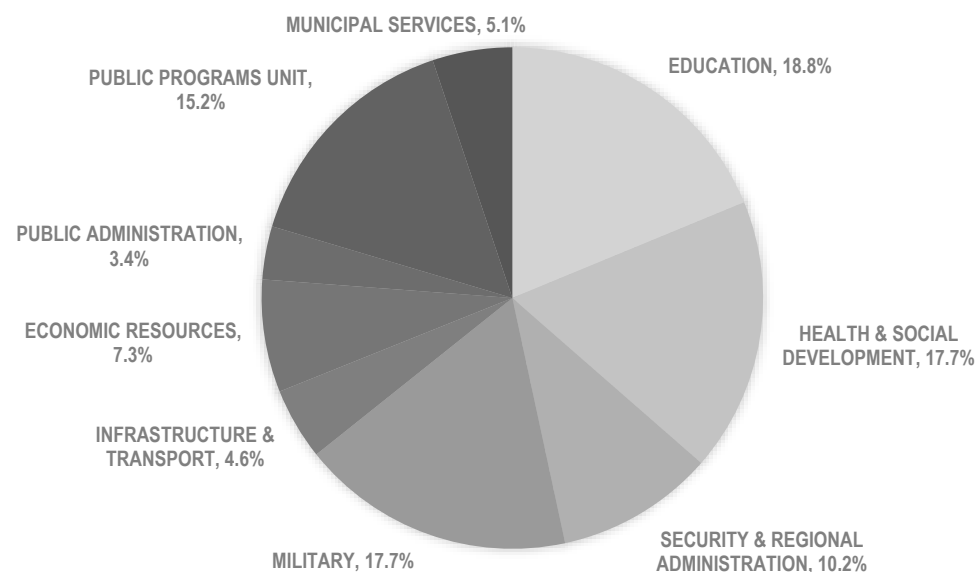
1.266 BUDGET ALLOCATION FOR 2021

Public Administration	34 SAR bn
Military	175 SAR bn
Security & Regional Adm.	101 SAR bn

Municipal Services	51 SAR bn
Education	186 SAR bn
Health & Social Dev.	175 SAR bn

Economic Resources	72 SAR bn
Infrastructure & Transport	46 SAR bn
General Items	151 SAR bn

Source: Ministry of Economy








1.267 SWOT ANALYSIS

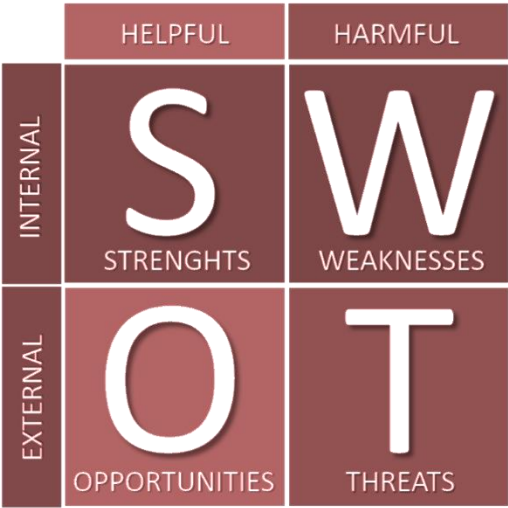
Strength <ul style="list-style-type: none">- The property is open from 3 sides- Ease of access	Weakness <ul style="list-style-type: none">- Non
Opportunities <ul style="list-style-type: none">- Located near residential buildings	Threats <ul style="list-style-type: none">- Existing and potential similar project in the area

The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

1.268 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



1.269 RISK ANALYSIS

Risk Factor	Very Low Risk (1) 1-10	Minimal Risk (2) 11-20	Medium Risk (3) 21-30	Elevated Risk (4) 31-40	Very High Risk (5) 41-50
Overall Economy			✓		
Sector Current Performance			✓		
Sector Future Performance		✓			
Occupancy Rates			✓		
Supply Rate			✓		
Demand Rate			✓		
Access		✓			
Location			✓		
Land Shape		✓			
Surrounding Area facilities			✓		
Total Risk	0	6	21	0	0
Risk Category	27 Risk Points – Medium Risk				

Sector Analysis

Risk Category- 27 Risk

Points - Medium Risk

PROPERTY VALUATION

Al Salam School





1.270 GENERAL ASSUMPTIONS

- The subject property is valued under the assumption of freehold status unless otherwise stated in the report.
- All the written and verbal information provided to us by the Client assumed to be up to date, complete and correct in relation to elements such as title deed, construction permits, land area, and any other relevant matters that are set out in the report.
- This report is a valuation report and not structural / building survey. Therefore, we did not carry out any structural due diligence, utilities check, services check, soil test, etc.
- All the inputs used in the valuation methodologies are based on the collected market data using our best know how and experience in the related market.
- The output of this report (Final Value), is based on the used assumptions, received documents from the client and available market data. Yet, the output estimates show an indicative value of the subject property / properties.

1.271 VALUATION APPROACH

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 market value of the subject property:

	DRC	Comparable	Income Cap	DCF	RLV
Land		✓			
Building	✓				
Overall Property			✓		

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 market 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 churches, 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.

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.

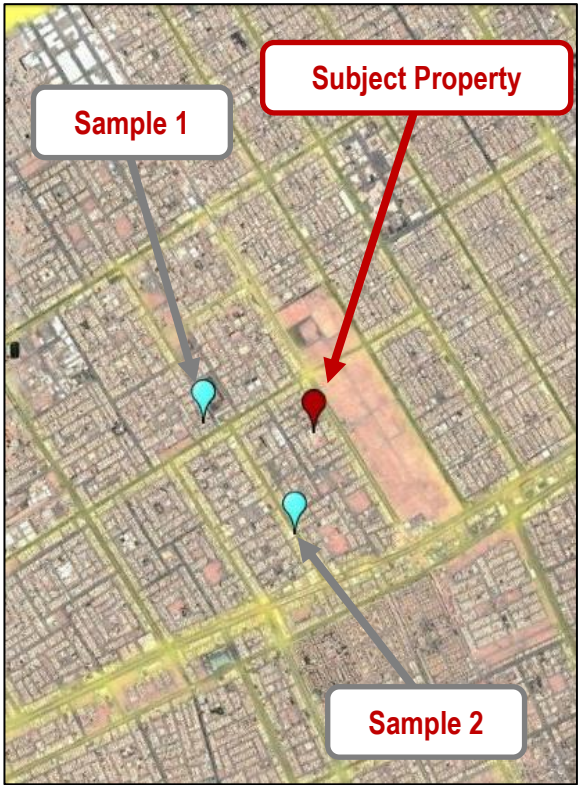


1.272COMPARABLE APPROACH

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
Quoting	-----	Offering	Offering
District	Al Salam	Al Salam	Al Salam
Sale Price	-----	SAR 1,560,000	SAR 8,864,800
Data Source	Title Deed	Market Survey	Market Survey
Area Size	10,000.00	600.00	3,166.00
SAR / Sqm	-----	SAR 2,600	SAR 2,800
Sides Open	3	1	2

Adjustment Analysis					
		SAMPLE 1		SAMPLE 2	
Area size	10,000.00	600.00	-10.00%	3,166.00	-5.00%
Location Desirability	Average	Average	0.00%	Average	0.00%
Accessibility	Average	Average	0.00%	Average	0.00%
Main Street Width (m)	20	20	0.00%	25	0.00%
Sides Open	3	1	5.00%	2	5.00%
Land Shape	Regular	Regular	0.00%	Regular	0.00%
Close to main Street	Yes	Yes	0.00%	Yes	0.00%
Negotiable	-----	No	0.00%	No	0.00%
Other Factor	-----	-----	0.00%	-----	0.00%
Total Adjustments Ratio		-5.00%		0.00%	
Total Adjustment Amount		-SAR 130.0		SAR 0.0	
Net After Adjustment		SAR 2,470.0		SAR 2,800.0	
SAR / Sqm		SAR 2,635			
Rounded Value		SAR 2,650			



PROPERTY VALUE	SENSITIVITY ANALYSIS					
		-10%	-5%	0%	5%	10%
	Land Area	10,000	10,000	10,000	10,000	10,000
SAR 26,500,000	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 23,850,000	SAR 25,175,000	SAR 26,500,000	SAR 27,825,000	SAR 29,150,000
		PROPERTY VALUE				



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 prices for similar properties falls in the range of 2,500 – 3,000 SAR / Sqm with an average of 2,750 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.

1.273 COST APPROACH (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 regards. The following table shows the expected replacement costs for such property.

	Min Cost (SAR / Sqm)	Max Cost (SAR / Sqm)	Average Cost
Skeleton - Concrete Cost	SAR 800	SAR 1,000	SAR 900
MEP	SAR 550	SAR 650	SAR 600
Finishing Materials	SAR 600	SAR 800	SAR 700
Site Improvements	SAR 60	SAR 100	SAR 80
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	
10,000.00		SAR 2,650		SAR 26,500,000	
Building					
		Unit		Total BUA	
Underground		Sqm		5,139.16	
Upper Floors		Sqm		13,209.94	
Total (SQM)		18,349.10			
Development Cost					
Hard Cost - Upper Floors					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	13,209.94	SAR 900	SAR 11,888,946	100%	SAR 11,888,946
Electro Mechanic	13,209.94	SAR 600	SAR 7,925,964	100%	SAR 7,925,964
Finishing	13,209.94	SAR 700	SAR 9,246,958	100%	SAR 9,246,958
Fit outs & Appliances	13,209.94	SAR 0	SAR 0	100%	SAR 0
Furniture	13,209.94	SAR 0	SAR 0	100%	SAR 0
Site Improvement	10,000.00	SAR 80	SAR 800,000	100%	SAR 800,000
Total			SAR 29,861,868	100.00%	SAR 29,861,868
Hard Cost - (Underground)					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	5,139.16	SAR 1,350	SAR 6,937,866	100%	SAR 6,937,866
Electro Mechanic	5,139.16	SAR 500	SAR 2,569,580	100%	SAR 2,569,580
Finishing	5,139.16	SAR 500	SAR 2,569,580	100%	SAR 2,569,580
Total			SAR 12,077,026	100.00%	SAR 12,077,026



Overall Soft Cost		Total Hard Cost	Ratio	Soft Cost
Initial Project Pre Cost		SAR 41,938,894	0.10%	SAR 41,939
Design		SAR 41,938,894	0.50%	SAR 209,694
Eng. Consultant		SAR 41,938,894	1.00%	SAR 419,389
Management		SAR 41,938,894	3.00%	SAR 1,258,167
Contingency		SAR 41,938,894	3.00%	SAR 1,258,167
Others		SAR 41,938,894	0.00%	SAR 0
TOTAL			7.60%	SAR 3,187,355.94
Total Hard Cost	SAR 41,938,894	BUA	18,349.10	
Total Soft Cost	SAR 3,187,355.94	SAR / Sqm	SAR 2,459	
Total Construction Cost	SAR 45,126,249.94	Overall Completion	100.0%	

After knowing the total construction costs at a rate of 2,459 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 market value of the building (assuming 100% completion rate)

DEVELOPMENT VALUE			
Total Dev Cost	SAR 45,126,250	Net Dep Rate	0.00%
		Dev Cost After Depreciation	SAR 45,126,250
Economic Age	35	Total Completion Rate	100.00%
Annual Dep Rate	2.86%	Developer Profit Rate	20.0%
Actual Age	0		
Total Dep Rate	0.00%		
Add Appr Rate	0.00%	Dev. Profit Amount	SAR 9,025,250
Net Dep Rate	0.00%	Development Value	SAR 54,151,500

The total value of the building is 54,151,500 SAR, which will be added to the value of the land in order to get the full value of the property as follows:

Total Dev. Value	Land Value	Total Property Value	Rounded Value
SAR 54,151,500	SAR 26,500,000	SAR 80,651,500	SAR 80,650,000

1.274 INCOME APPROACH- ACTUAL RATES

The client provided us with the total net annual rent related to the subject property SAR 3,600,000.

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

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.

Minimum capitalization rate		7.00%
Maximum capitalization rate		8.00%
Average		7.50%
The effect of the property specifications on the property		
Item	Influence	Notes
Ease of access to the property	-0.25%	several major methods
General condition of the property	-0.25%	The actual age of the property is 0 years
The general location of the property	0.00%	The area is served good
Quality and finishes	0.00%	Average quality finishes
Project Management Team	0.00%	Average management and operational team level
Services and public facilities	0.00%	Level and availability of services is average
Total	-0.50%	
Note: When the effect is negative (-), this reduces the capitalization rate, which increases the value of the property. And when the effect is positive (+), this increases the capitalization rate, which reduces the value of the property		
Total adjustments on capitalization rate	-0.50%	
Capitalization rate, according to market averages	7.5%	
Estimated capitalization rate of the property valuation	7.00%	

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%, which will be applied subsequently to the net operating income of the property.

We will use 6.5% cap rate as the client informed us that the property has a binding agreement for 10 years.

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
Educational Facility		The subject property is Fully leased to 1 tenant			SAR 3,600,000
-----	0	0	SAR 0	SAR 0	SAR 0
-----	0	0	SAR 0	SAR 0	SAR 0
				Total Revenues	SAR 3,600,000
EXPENSES					
Unit Type	Management	Utilities	Maintenance	Others	Total Expenses
Educational Facility	0.00%	0.00%	0.00%	0.00%	0.00%
-----	0.00%	0.00%	0.00%	0.00%	0.00%
-----	0.00%	0.00%	0.00%	0.00%	0.00%



NET OPERATING INCOME			
Unit Type	Total Revenues	Total Expenses	NOI
Educational Facility	SAR 3,600,000	0.00%	SAR 3,600,000
-----	SAR 0	0.00%	SAR 0
-----	SAR 0	0.00%	SAR 0
		Total	SAR 3,600,000
Total Property Revenues			SAR 3,600,000
Total Property Expenses			SAR 0
Net Operating Income			SAR 3,600,000.00
Net Operating Income	Cap Rate	Property Value	Rounded Value
SAR 3,600,000.00	6.50%	55,384,615.38 SAR	55,380,000.00 SAR

1.275 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

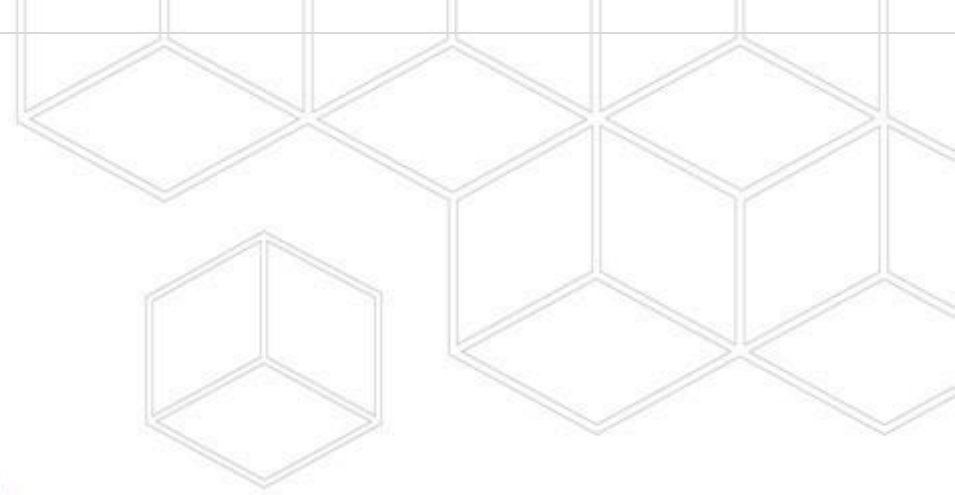
Methodology	Subject of Valuation	Value in Numbers	Value in Letters
DRC Approach	Land + Building	SAR 80,650,000	Eighty Million and Six Hundred Fifty Thousand Saudi Riyals
Income- Actual	Property	SAR 55,380,000	Fifty-Five Million and Three Hundred Eighty Thousand Saudi Riyals

1.276 SUBJECT PROPERTY VALUE

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

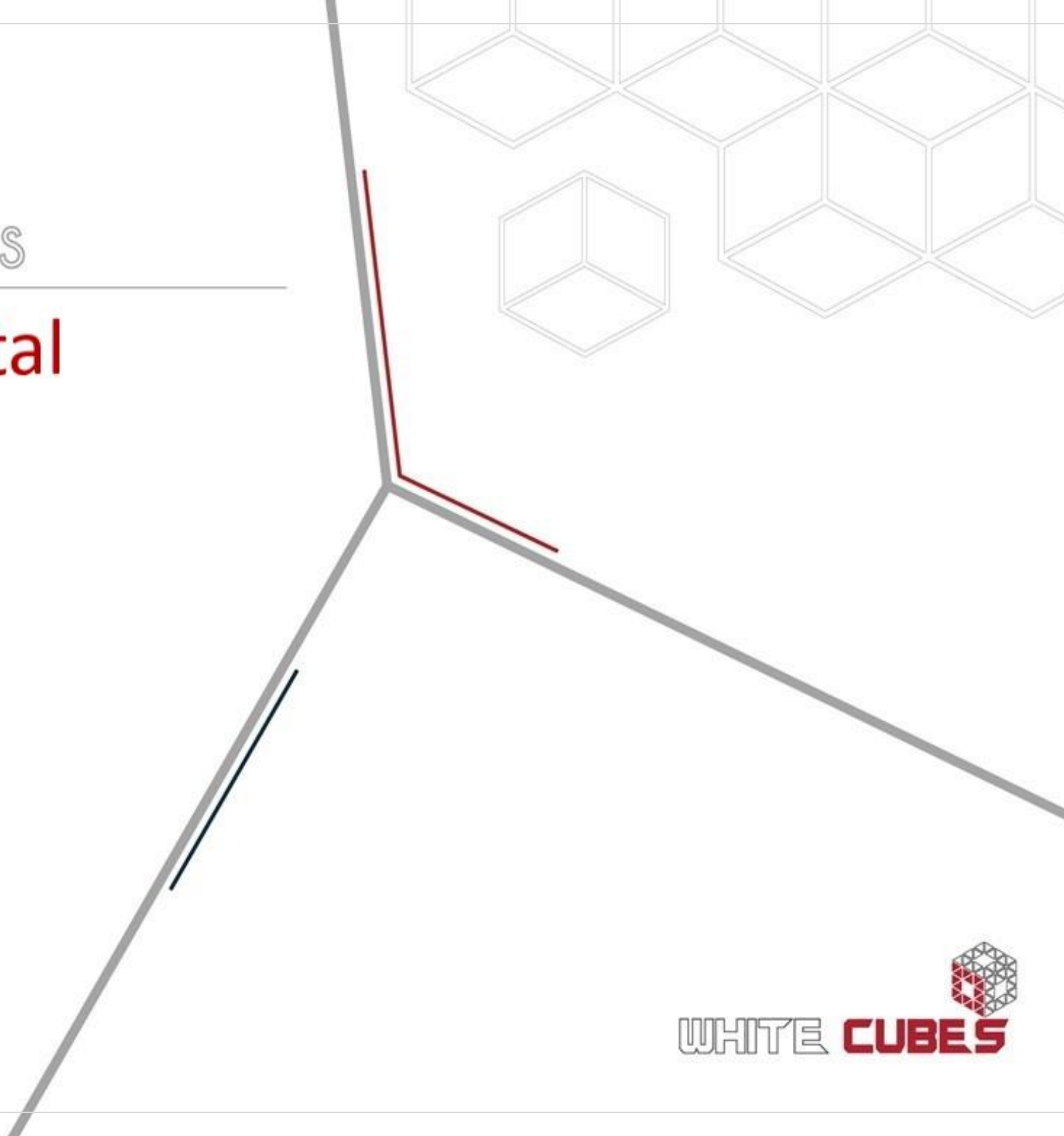
Property Value: **55,300,000 SAR**
 Fifty-Five Million and Three Hundred Thousand Saudi Riyals

Burjeel Hospital



PROPERTY DETAILS

Burjeel Hospital



WHITE CUBES



1.277 PROPERTY & LOCATION DESCRIPTION

Property Description	The subject property is a medical facility located in Al Fayha district, Sharjah city UAE. Based on the provided copy of the title deed and the layouts of the building, the facility has total land area of 6,033.2 Sqm and total BUA of 16,757.87 Sqm. As per the site inspection done by our team for the purpose of valuation, we have found that the property is open from 4 sides with a direct view on Al Kuwait Street and surrounded by residential and commercial buildings where all infrastructural facilities such as water, electricity, sewage and telecommunication are available in the surroundings and connected to the subject property.
Location Description	The property subject of valuation is a medical facility located in Al Fayha district, Sharjah city. The property is bordered from the north by a 12.2 meters Street The property is bordered from the south by a 12.2 meters Street The Property is bordered from the east by a 12.2 meters Street The property is bordered to the west by a 36.6 meters Street
Ease of Access	Based on the current location of the subject property, the access level is medium high, since it is located on the main Road
Area Surrounding the Property	The subject property is mostly surrounded by residential and commercial buildings

Land		Building	
Land Use	Commercial	Building Type	Medical Facility
No. of Streets	4	Building Structural Conditions	Fully Constructed
Land Shape	Graded	External Elevation Conditions	Good
Direct View on the Main Road	Al Kuwait Street	Building Finishing Conditions	Good
Direct View on an Internal Street	Osamah Bin Zaid Streets	Overall Building Conditions	Good
Land Condition	Constructed		

1.278 INFRASTRUCTURE FACILITIES

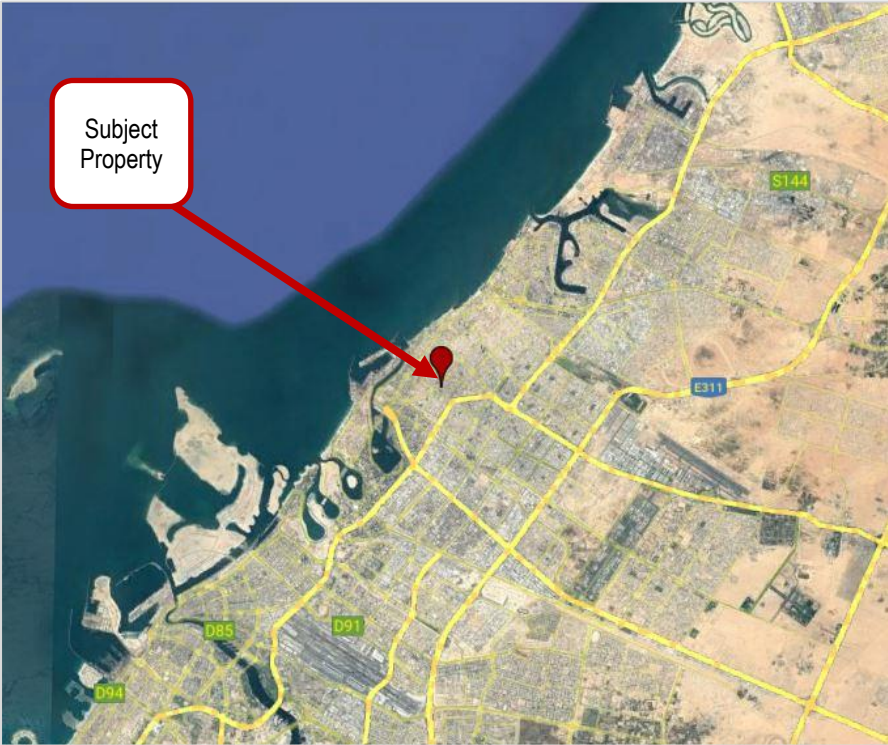
	Available in the surrounding	Connected to the property	
Water	✓	✓	All the infrastructural facilities are available in the surroundings and connected to the subject property.
Electricity	✓	✓	
Tele-Communication	✓	✓	
Sewage	✓	✓	



1.279 LOCATION

The subject property is located in Fayha district, Sharjah city .

Property Location on a City Scale



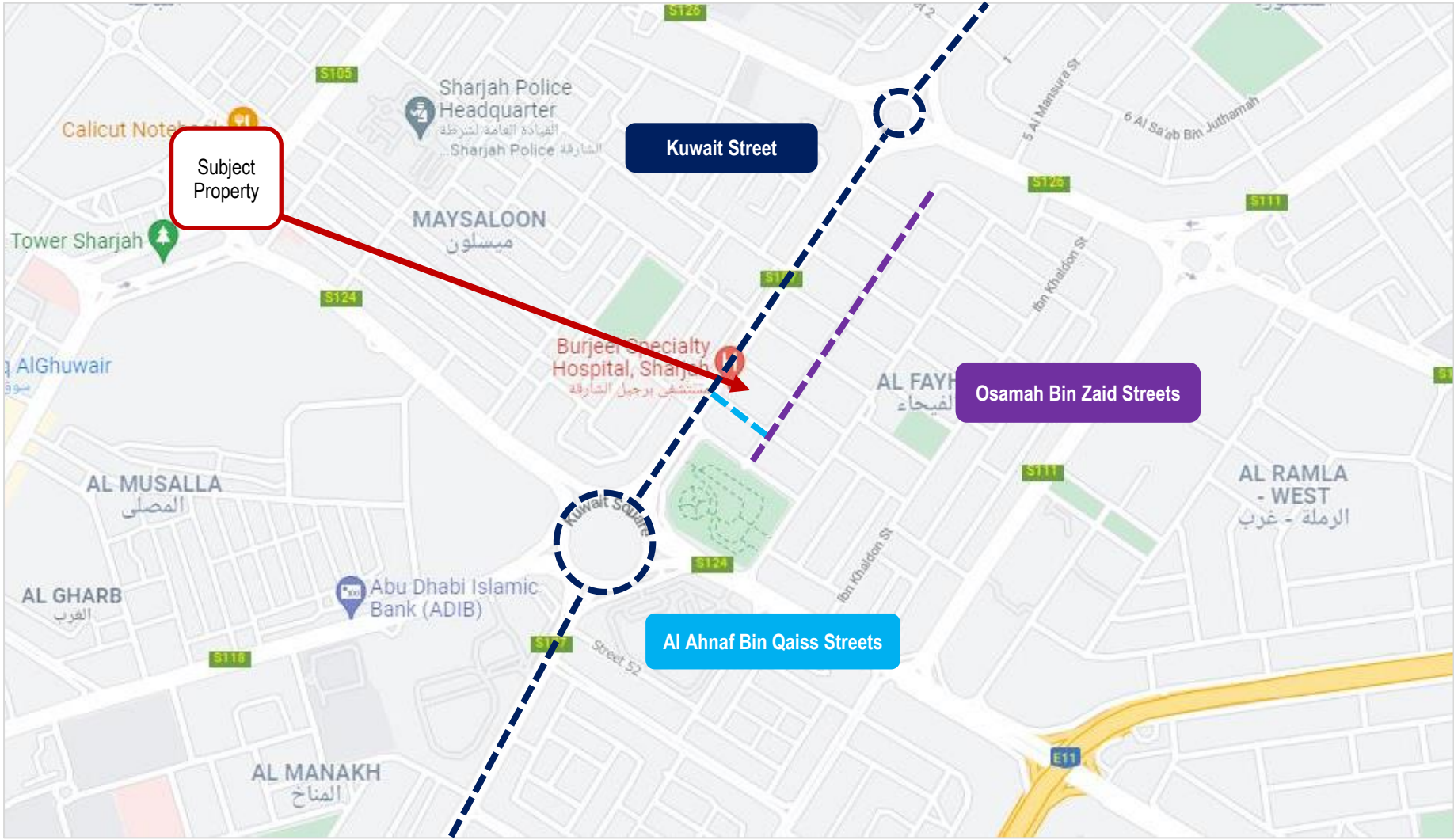
Property Location on a District Scale





1.280 PROPERTY ACCESS

The subject property can be accessed as shown in the map below:





1.281 TITLE DEED & OWNERSHIP

We were provided with copy of the title deed related to the subject property which is owned by one title deed. The details of the subject property:

City	Sharjah	Land Area	6,033.2 Sqm
District	Al Faihaa- Al Sharq	Ownership No.	853
T.D Type	Electronic	Government No.	5
T.D Number	2936	Layout No.	N/A
T.D Date	03/02/2022	Owner	Roken Al Maather Limited Co.
T.D Value	N/A	Ownership Type	Freehold
Date of Last Transaction	-----	Limitation of Document	N/A
Issued From	Real Estate Registration Directorate		
North Side	12.2 meters street	East Side	12.2 meters street
South Side	12.2 meters street	West Side	36.6 meters street

Notes	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.
-------	--

1.282 CONSTRUCTION & 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, if the customer did not provide us with a copy of the approved plans, the valuation will be done based on the building permit provided by the customer. In the event that the customer does not provide us with a copy of the legal documents that show the total building surfaces, we will value them using the skills of our team along with the municipality's laws and regulations, and therefore the building surfaces will be estimated only roughly.

Source of BUA		Actual Age of the Property		Status of the property	
Construction Permit	-----	Construction Permit	✓	New	-----
As Built Drawings	-----	As Built Drawings	-----	Fully Constructed	✓
Other Documents	✓	Other Documents	-----	Under Construction	-----
Verbal Information	-----	Verbal Information	-----		
Estimation	-----	Estimation	-----		



The client provided us with a building permit and the layouts of the subject property, which contains the following data:

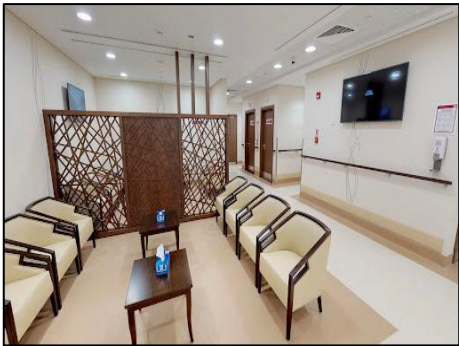
Subject Property	
Construction Permit Type	Addition
Property Type	Medical Facility
Construction Permit No.	381/2013
Construction Permit Date	17/11/2016
Permit Expiry Date	17/11/2019

The following table is based on the provided layouts of the project:

Description	No. of Units	Area (sqm)	Use
Basement	-	5,555.89	-
Ground Floor	-	5,517.02	-
First Floor	-	5,464.05	-
Annexes	-	220.91	-
Total BAU (sqm)		16,757.87	

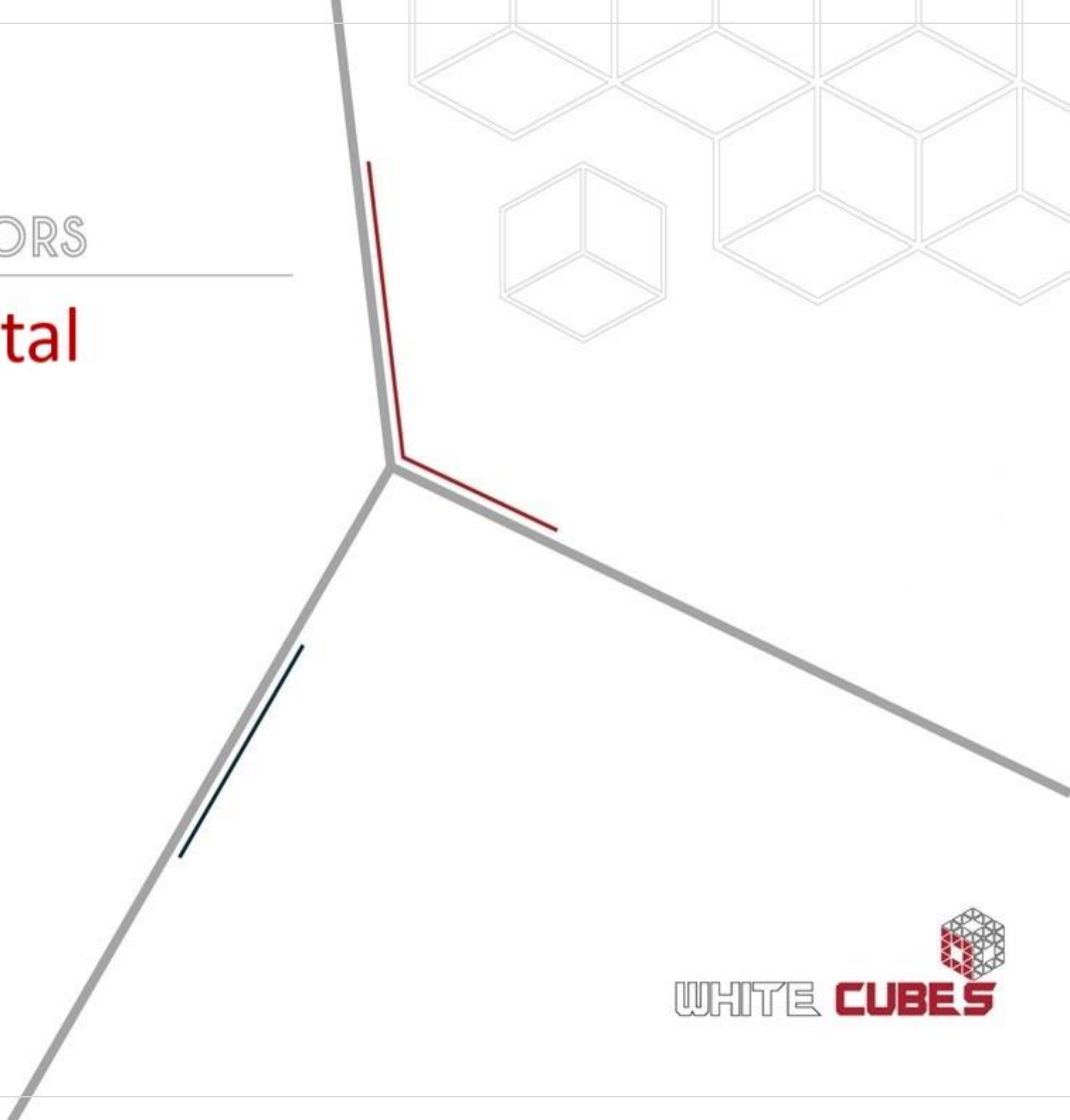
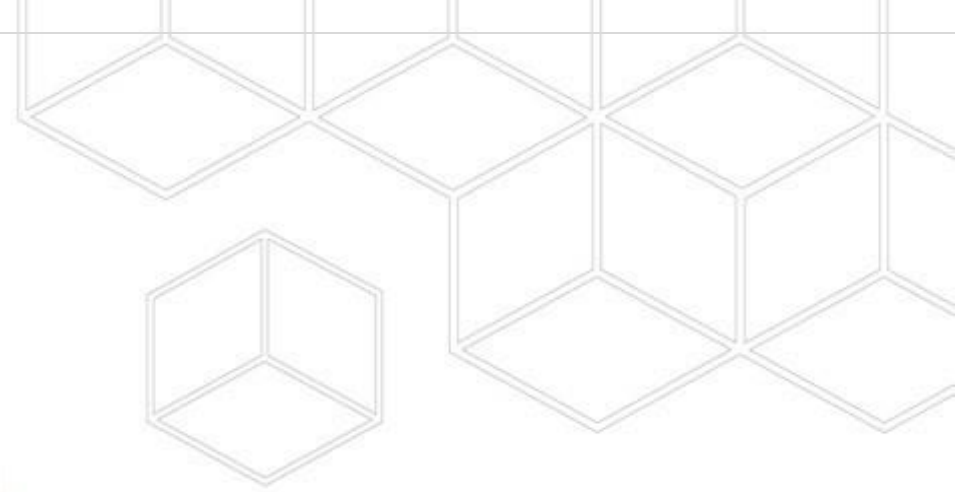


1.283 PHOTO RECORD



MARKET INDICATORS

Burjeel Hospital





1.284 UNITED ARAB EMIRATES ECONOMIC INDICATORS

ECONOMICS INDECATORS OF UAE	Actual 2021	2022 Q 1	2022 Q 2	2022 Q 3	2022 Q 4	Expected 2023
Gross Domestic Product (Source: Trading Economics)	358.87	400.00	425.00	425.00	425.00	425.00
Annual growth Rate of GDP (Source: Trading Economics)	3.80	5.40	5.40	6.00	6.00	6.00
Unemployment Rate (Source: Trading Economics)	5.00	3.50	3.50	3.50	3.50	3.00
Inflation Rate (Source: Trading Economics)	2.50	2.80	2.40	2.00	2.00	2.50
Interest Rate (Source: Trading Economics)	3.00	3.50	4.00	4.50	4.75	4.75
Trade Balance (Source: Trading Economics)	290,000	190,000	190,000	300,000	300,000	410,000
Government Budgets (Source: Trading Economics)	0.80-	2.60-	2.60-	2.60-	2.60-	2.60-
Consumer Confidence (Source: Trading Economics)	135	130	135	135	135	135






1.285 SWOT ANALYSIS

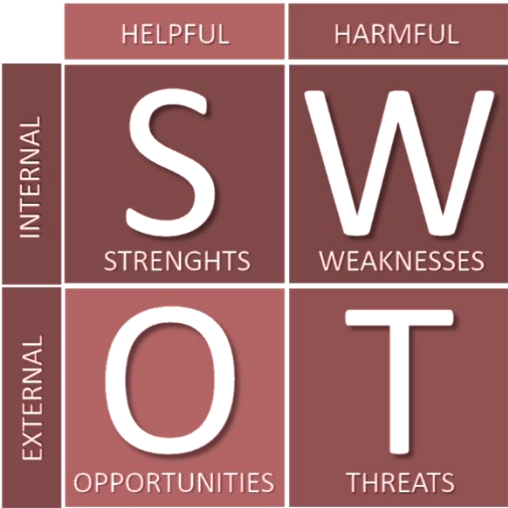
Strength <ul style="list-style-type: none">- Specific location- Ease of access to the property as it is located on the main street- The property is open from 4 sides- Good quality of finishing	Weakness <ul style="list-style-type: none">- High traffic area
Opportunities <ul style="list-style-type: none">- High demand on the property type	Threats <ul style="list-style-type: none">- Existing and potential similar projects

The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

1.286 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



1.287 RISK ANALYSIS

Risk Factor	Very Low Risk (1) 1-10	Minimal Risk (2) 11-20	Medium Risk (3) 21-30	Elevated Risk (4) 31-40	Very High Risk (5) 41-50
Overall Economy			✓		
Sector Current Performance			✓		
Sector Future Performance		✓			
Occupancy Rates			✓		
Supply Rate			✓		
Demand Rate			✓		
Access		✓			
Location		✓			
Land Shape		✓			
Surrounding Area facilities		✓			
Total Risk	0	10	15	0	0
Risk Category	25 Risk Points – Medium Risk				

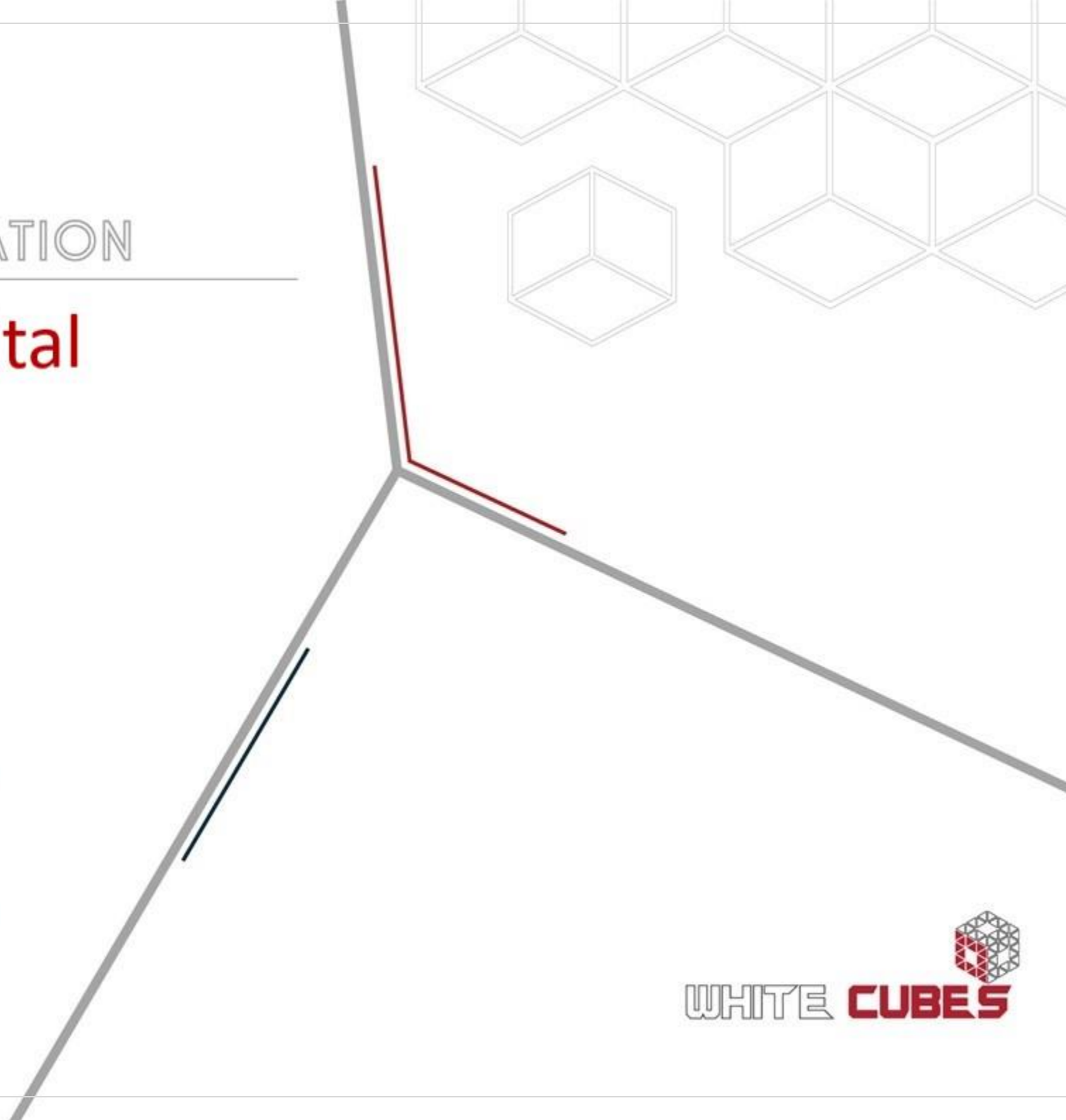
Sector Analysis

Risk Category- 25 Risk

Points - Medium Risk

PROPERTY VALUATION

Burjeel Hospital





1.288 GENERAL ASSUMPTIONS

- The subject property is valued under the assumption of freehold status unless otherwise stated in the report.
- All the written and verbal information provided to us by the Client assumed to be up to date, complete and correct in relation to elements such as title deed, construction permits, land area, and any other relevant matters that are set out in the report.

1.289 VALUATION APPROACH

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 market value of the subject property:

	DRC	Comparable	Income Cap	DCF	RLV
Land		✓			
Building	✓				
Overall Property			✓		

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 market 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 churches, 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.

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.



1.290 COST APPROACH (DRC)

As a first step and based on the market survey done by our team for the purpose of valuation. We could find land samples similar to the subject property in terms of location, area size, use, etc. Yet, we have executed several trade interviews with local real estate agents and found that the average rate for such lands falls between 1,800 & 2,200 AED/ Sqm. We will base our valuation analysis on the average rate 2,000 AED/ Sqm.

As a second 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 (AED / Sqm)	Max Cost (AED / Sqm)	Average Cost
Skeleton - Concrete Cost	AED 1,100	AED 1,300	AED 1,200
MEP	AED 1,800	AED 2,200	AED 2,000
Finishing Materials	AED 2,400	AED 2,600	AED 2,500
Site Improvements	80	AED 120	AED 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		AED / Sqm		Total Value	
6,033.20		AED 2,000.00		AED 12,066,400.00	
Building					
		Unit		Total BUA	
Underground		Sqm		5,555.89	
Upper Floors		Sqm		11,201.98	
Total (SQM)		16,757.87			
Development Cost					
Hard Cost - Upper Floors					
	Area	AED / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	11,201.98	AED 1,200.00	AED 13,442,376.00	100%	AED 13,442,376.00
Electro Mechanic	11,201.98	AED 2,000.00	AED 22,403,960.00	100%	AED 22,403,960.00
Finishing	11,201.98	AED 2,500.00	AED 28,004,950.00	100%	AED 28,004,950.00
Fit outs & Appliances	11,201.98	AED 0.00	AED 0.00	100%	AED 0.00
Furniture	11,201.98	AED 0.00	AED 0.00	100%	AED 0.00
Site Improvement	6,033.20	AED 100.00	AED 603,320.00	100%	AED 603,320.00
Total			AED 64,454,606.00	100.00%	AED 64,454,606.00
Hard Cost - (Underground)					
	Area	AED / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	5,555.89	AED 1,800.00	AED 10,000,602.00	100%	AED 10,000,602.00
Electro Mechanic	5,555.89	AED 1,200.00	AED 6,667,068.00	100%	AED 6,667,068.00
Finishing	5,555.89	AED 800.00	AED 4,444,712.00	100%	AED 4,444,712.00
Total			AED 21,112,382.00	100.00%	AED 21,112,382.00



Overall Soft Cost				
		Total Hard Cost	Ratio	Soft Cost
Initial Project Pre Cost		AED 85,566,988.00	0.10%	AED 85,566.99
Design		AED 85,566,988.00	0.50%	AED 427,834.94
Eng. Consultant		AED 85,566,988.00	1.00%	AED 855,669.88
Management		AED 85,566,988.00	5.00%	AED 4,278,349.40
Contingency		AED 85,566,988.00	5.00%	AED 4,278,349.40
Others		AED 85,566,988.00	0.00%	AED 0.00
TOTAL			11.60%	AED 9,925,770.61
Total Hard Cost		AED 85,566,988.00	BUA	16,757.87
Total Soft Cost		AED 9,925,770.61	AED / Sqm	AED 5,698.38
Total Construction Cost		AED 95,492,758.61	Overall Completion	100.0%

After knowing the total construction costs at a rate of 5,698 AED 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 market value of the building

DEVELOPMENT VALUE			
Total Dev Cost	AED 95,492,758.61	Net Dep Rate	5.00%
		Dev Cost After Depreciation	AED 90,718,120.68
Economic Age	40	Total Completion Rate	100.00%
Annual Dep Rate	2.50%	Developer Profit Rate	20.0%
Actual Age	2	Dev. Profit Amount	AED 18,143,624.14
Total Dep Rate	5.00%	Development Value	AED 108,861,744.81
Add Appr Rate	0.00%		
Net Dep Rate	5.00%		

The total value of the building is 108,861,745 AED, which will be added to the value of the land in order to get the full value of the property as follows:

Total Dev. Value	Land Value	Total Property Value	Rounded Value
AED 108,861,744.81	AED 12,066,400.00	AED 120,928,144.81	AED 120,930,000.00

1.291 INCOME APPROACH- LEASING CONTRACT

The client provided us with the leasing contract related to the subject property with a net value of 8,048,900 AED.

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 6.5% to 7.5%. 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.

Minimum capitalization rate		6.5%	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
Maximum capitalization rate		7.5%	
Average		7.00%	
The effect of the property specifications on the property			
Item	Influence	Notes	
Ease of access to the property	0.00%	Several major methods	
General condition of the property	0.00%	The actual age of the property is 2 years	
The general location of the property	0.00%	The area is served good	
Quality and finishes	0.00%	Average quality finishes	
Project Management Team	0.00%	Average management and operational team level	
Services and public facilities	0.00%	Level and availability of services is average	
Total	0.00%		
<i>Note: When the effect is negative (-), this reduces the capitalization rate, which increases the value of the property. And when the effect is positive (+), this increases the capitalization rate, which reduces the value of the property</i>			
Total adjustments on capitalization rate	0.00%		The estimated capitalization rate for the property, which will be based on the valuation process, is 7%, which will be applied subsequently to the net operating income of the property.
Capitalization rate, according to market averages	7.00%		
Estimated capitalization rate of the property valuation	7.00%		

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

REVENUES					
Unit Type	Quantity		Revenues		
	Total GLA	No of Units	AED / Sqm	AED / Unit	Total Revenues
Medical Facility		The subject property is Fully leased to 1 tenant			AED 8,000,000.00
-----	0	0	AED 0.00	AED 0.00	AED 0.00
-----	0	0	AED 0.00	AED 0.00	AED 0.00
Total Revenues					AED 8,000,000.00
EXPENSES					
Unit Type	Management	Utilities	Maintenance	Others	Total Expenses
Medical Facility	0.00%	0.00%	0.00%	0.00%	0.00%
-----	0.00%	0.00%	0.00%	0.00%	0.00%
-----	0.00%	0.00%	0.00%	0.00%	0.00%



NET OPERATING INCOME			
Unit Type	Total Revenues	Total Expenses	NOI
Medical Facility	AED 8,000,000.00	0.00%	AED 8,000,000.00
-----	AED 0.00	0.00%	AED 0.00
-----	AED 0.00	0.00%	AED 0.00
		Total	AED 8,000,000.00
Total Property Revenues			AED 8,000,000.00
Total Property Expenses			AED 0.00
Net Operating Income			AED 8,000,000.00
Net Operating Income	Cap Rate	Property Value	Rounded Value
AED 8,000,000.00	7.00%	AED 114,285,714.29	AED 114,290,000.00

1.292 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

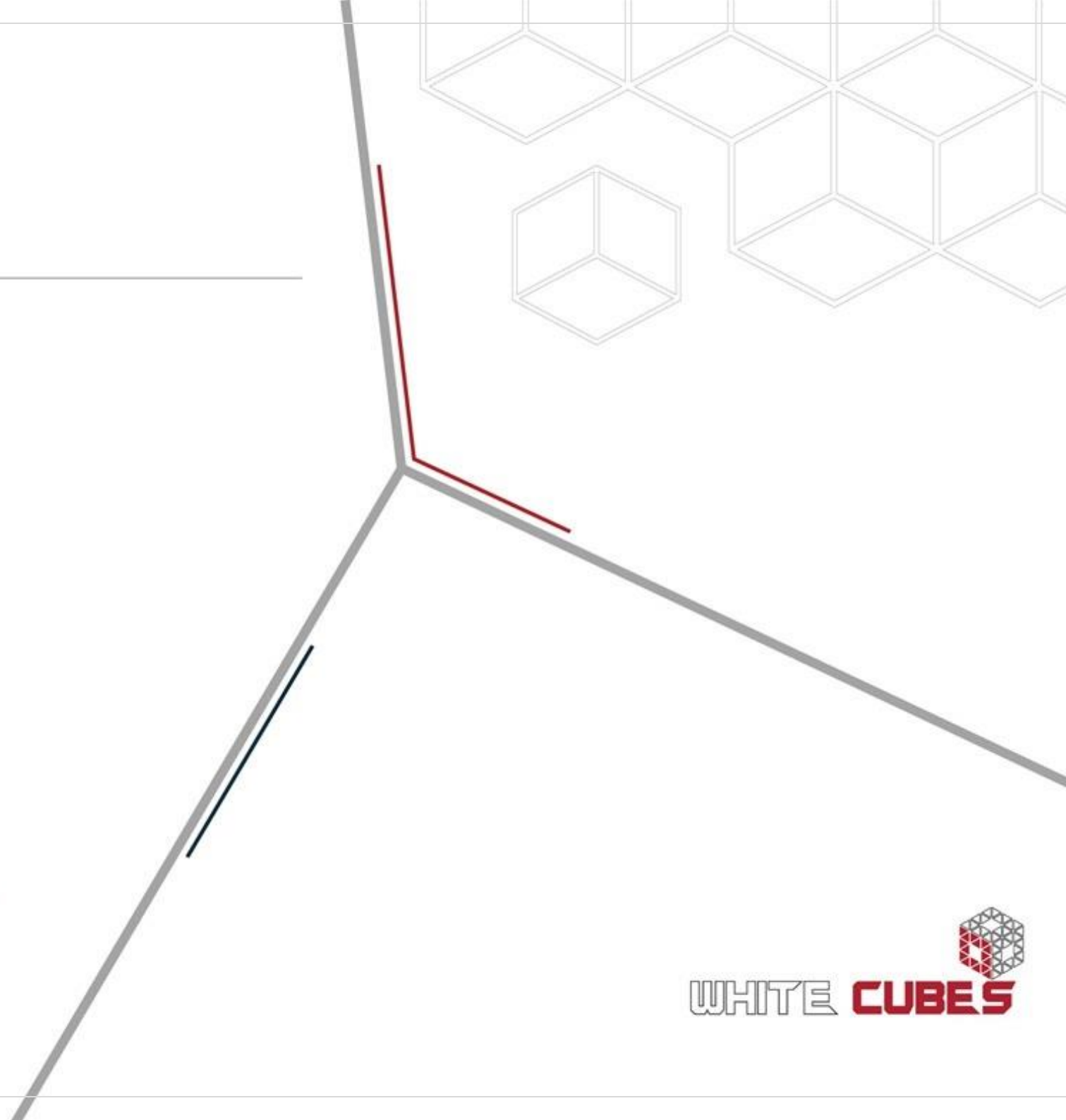
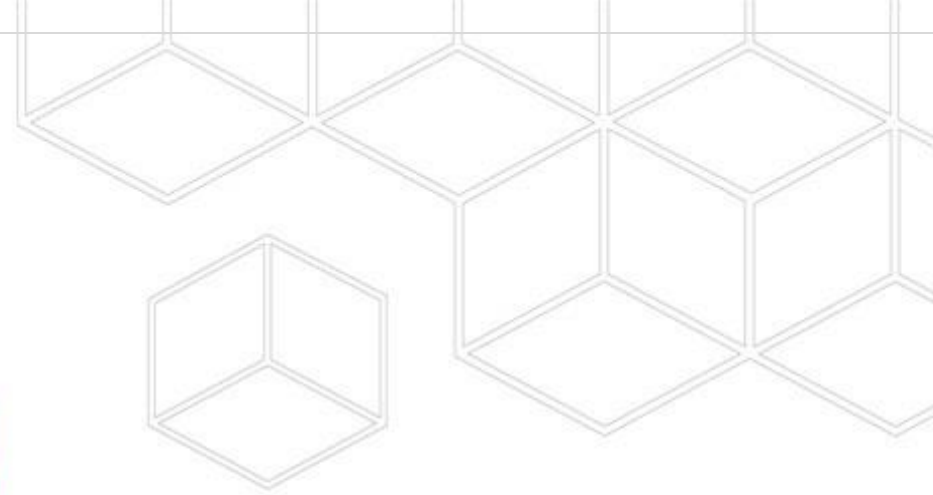
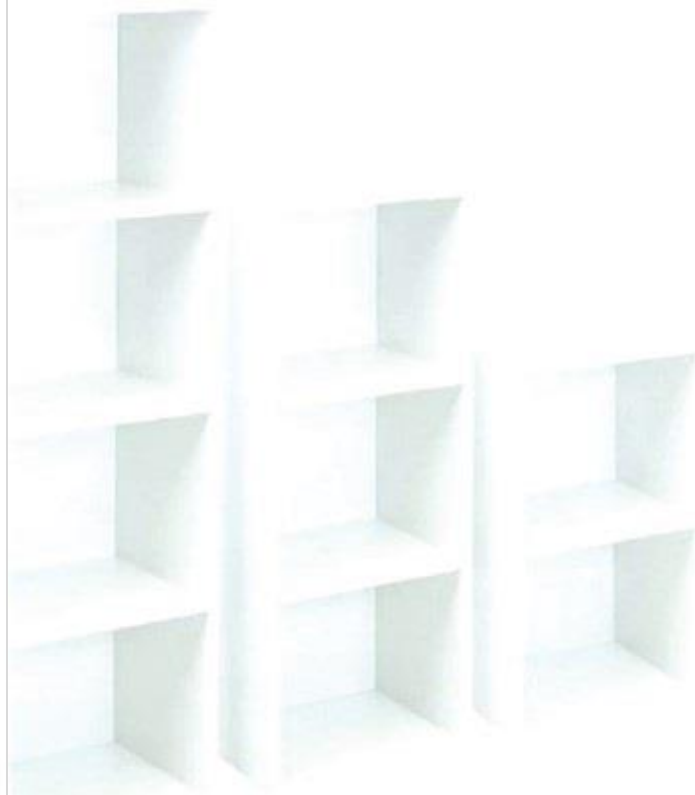
Methodology	Subject of Valuation	Value in Numbers	Value in Letters
DRC Approach	Land + Building	AED 120,930,000	One Hundred Twenty Million and Nine Hundred Thirty Thousand AED
Income Approach	Property	AED 114,290,000	One Hundred Fourteen Million and Two Hundred Ninety Thousand AED

1.293 SUBJECT PROPERTY VALUE

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

Property Value in AED:	AED 114,290,000 One Hundred Fourteen Million and Two Hundred Ninety Thousand Emirates Dirhams
Property Value in SAR:	SAR 116,701,837.99
Final Property Value (Rounded):	SAR 117,000,000 One Hundred Seventeen Million Saudi Riyals

GENERAL NOTES





1.294 **DISCLAIMER**

In undertaking and executing this assignment, extreme care and precaution has been exercised. This report is based on the information supplied by the bank and or the owner/s of the property. The values may differ or vary periodically due to various unforeseen factors beyond our control such as supply and demand, inflation, local policies and tariffs, poor maintenance, variation in costs of various inputs, etc. It is beyond the scope of our services to ensure the consistency in values due to changing scenarios.

Essam M. Al Husaini
Owner

Fellow Member of (Taqeem)
License No. 1210000474

Nabeel M. Al Husaini
CEO

Member of (Taqeem)
License No. 1210002782

Farah E. Al Husaini
Valuation Manager

Member of (Taqeem)
License No. 1210001964

Yahya A. Al Sharafi
Site inspector check

Member of (Taqeem)
License No. 1220001422

WHITECUBES Stamp





1.295 VALUATOR STATUS

We confirm that the valuator has no physical contact or affiliation with the original subject matter of valuation or with the client and can provide objective, unbiased valuation. We confirm that the valuator is competent to carry out the valuation task and has sufficient skills and market knowledge concerned to conduct the valuation.

1.296 DISCLOSING CONFLICT OF INTEREST

We affirm that we are completely independent of the customer and the subject of the valuation, and nothing contained in this agreement must be interpreted as constituting any relationship with the customer except for the normal official relationship of work, or that it aims to establish any business relationship whatsoever between the customer and White cubes employees. We also confirm that we do not have any conflicts of interest with the customer's property. We would like to draw your attention to the following:

The subject property was previously valuated by White Cubes
White Cubes was previously involved in selling activities related to the property
White Cubes was previously involved in advisory services related to the property

No	If Yes		Remarks
	O	Date	
	Osool & Bakheet	Dec. 2021	
✓			
✓			