

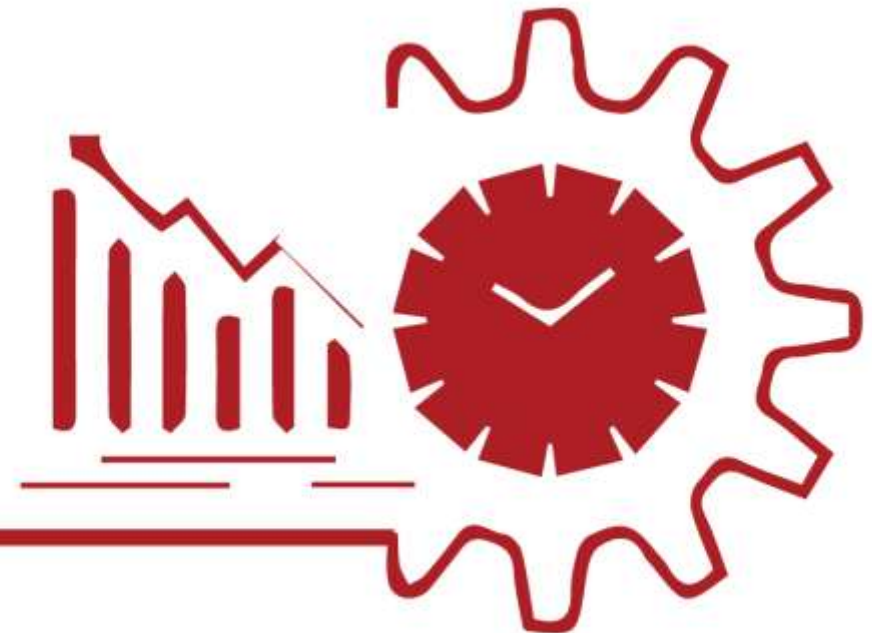
AL FARABI TRAINING CENTER
AL KHABEER CAPITAL

RIYADH CITY

DECEMBER 2020



Valuation Report





REF: 2010834-1
Date: 30/12/2020
M/S AL KHABEER CAPITAL

Subject: Valuation Report for an Under Construction Educational Facility (AlFarabi Training Center) in Riyadh City, Saudi Arabia.

Dear Sir,

With reference to your request and approval dated on November 29, 2020 for valuation service of an educational facility (AlFarabi Training Center), located in Riyadh city, 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)





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WHITE CUBES REAL ESTATE is the exclusive real estate advisory agent for TAHA CORP CONSULTING in the Kingdom of SAUDI ARABIA





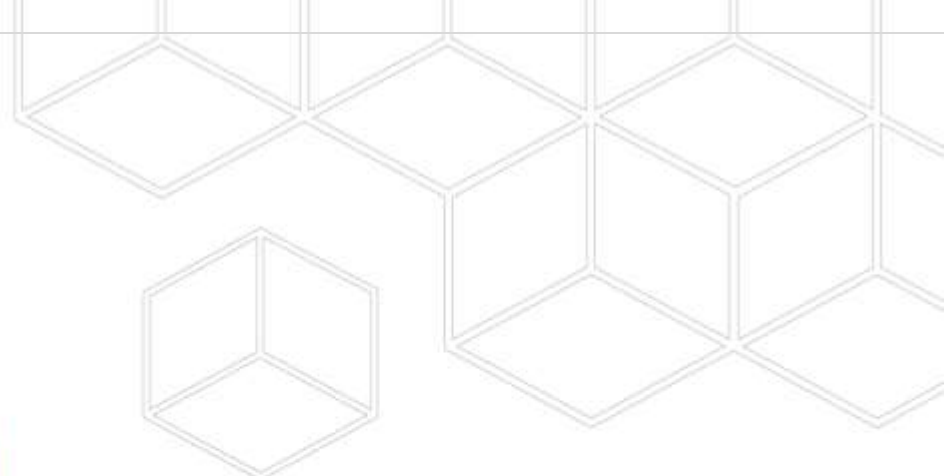
Table of Contents
(Please Click on the Title for Direct Access)

1.1	EXECUTIVE SUMMARY	7
1.2	VALUATION REFERENCE	9
1.3	BASIS OF VALUATION	9
1.4	CLIENT APPROVAL DATE	11
1.5	INSPECTION DATE	11
1.6	VALUATION DATE	11
1.7	REPORT DATE	11
1.8	OPINION OF VALUE	11
1.9	PURPOSE OF VALUATION	11
1.10	INSPECTION ROLE	11
1.11	MARKET SURVEY	12
1.12	PROPERTY & LOCATION DESCRIPTION	14
1.13	INFRASTRUCTURE FACILITIES	14
1.14	LOCATION	15
1.15	PROPERTY ACCESS	16
1.16	TITLE DEED & OWNERSHIP	17
1.17	CONSTRUCTION & BUILDINGS	17
1.18	INSURANCE	18
1.19	PHOTO RECORD	19
1.20	SAUDI ARABIA ECONOMIC INDICATORS	21
1.21	BUDGET ALLOCATION FOR 2019	21
1.22	SWOT ANALYSIS	22
1.23	SECTOR BRIEF	22
1.24	RISK ANALYSIS	24
1.25	DOCUMENTS RECIEVED	26
1.26	GENERAL ASSUMPTIONS	26
1.27	LEGAL NOTICES	26
1.28	INFORMATION SOURCE	27
1.29	STRUCTURAL EXAMINATION OF BUILDINGS (IF ANY)	27
1.30	VALUATION APPROACH	27
1.31	INPUT VALUATION PROCESS	28
1.32	COMPARABLE APPROACH	29



1.33	COST APPROACH (DRC)	30
1.34	LEASING CONTRACT	32
1.35	SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES	32
1.36	SUBJECT PROPERTY VALUE	32
1.37	VALUATION NOTES	32
1.38	REPORT USE	33
1.39	DISCLAIMER	33
1.40	CONCLUSION	33
1.41	CONSULTANT STATUS	35
1.42	DISCLOSING CONFLICT OF INTEREST	35
1.43	CONFIDENTIALITY	35
1.44	ENVIRONMENTAL MATTERS	35

EXECUTIVE SUMMARY

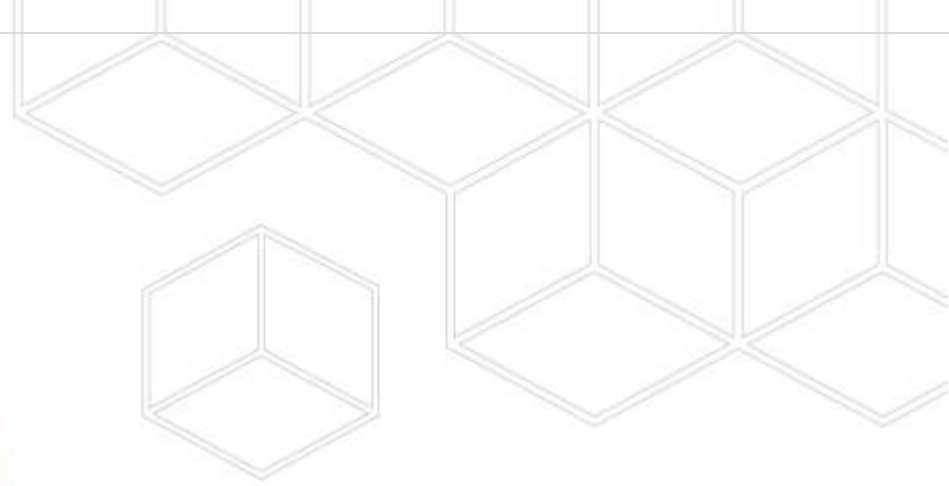




1.1 EXECUTIVE SUMMARY

Introduction	We received instructions from Mr. Tarek Aql on 2/11/2020 to implement a real estate valuation service in Riyadh city.
Client	For whom this report is being prepared is Al Khabeer Capital, a valuation for AlFarabi Training Center in Riyadh city.
Reference No.	2010834- 1
Purpose of Valuation	Acquisition Purpose
Subject Property	Educational Facility
Property Location	The property is located in Ishbiliya district, Riyadh City.
Title Deed Information	Title Deed No: 493225000301, Title Deed Date: 6/01/1442, Issued from Riyadh Notary
Ownership Type	Freehold
Owner	شركة اول الملقا العقارية
Land Use	Educational
Land Area (Sqm)	Based on the title deed, the land has an area size of 11,340 Sqm
BUA (Sqm)	The building is composed of 4 floors
Vacancy Rate	Based on the leasing contract provided by the client, the subject property is fully leased to one tenant, although the property is still under development
Valuation Approach	The Depreciated Replacement Cost (DRC) and the Comparable Approach
Final Property Value	69,480,000 SAR
Valuation Date	30/12/2020
Inspection Date	05/12/2020

TERMS OF REFERENCE & VALUATION





1.2 VALUATION REFERENCE

This report was prepared based on the instructions issued to us by Al Khabeer Capital to estimate the market value of the real estate that is the subject of this report for the mentioned purpose only. This report may not be used for other purposes. The evaluation was prepared in accordance with the International Evaluation Standards of the Council of International Assessment Standards (IVSC) issued in 2017 by the Saudi Authority for Accredited Residents in the Kingdom of Saudi Arabia.

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, eg 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 use by the client to start the inspection procedures of the property / properties subject to the valuation process.

November 29, 2020.

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.

December 05, 2020.

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 were the value/s of the subject property / properties is reflected. The valuation date is at

December 30, 2020.

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.

December 30, 2020.

1.8 OPINION OF VALUE

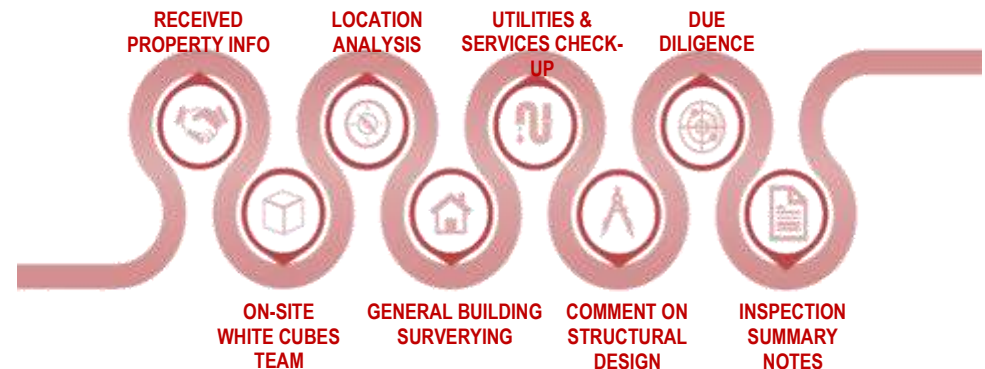
All the outputs will be shown in this report (Values) are based on our best knowledge of the market, documents received from the client (assumed to be correct), market findings and inspection inputs. Yet, the estimated values of the subject property / properties express our opinion of values based on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

1.9 PURPOSE OF VALUATION

The client requested to know the current market value of the subject property for Acquisition Purposes. Therefore, and according to the valuation purpose, and as requested by the client, we will adapt the valuation methodologies of The Income Approach, The Depreciated Replacement Cost (DRC), The Comparable and the Discounted Cash Flow Approach (DCF)

1.10 INSPECTION ROLE

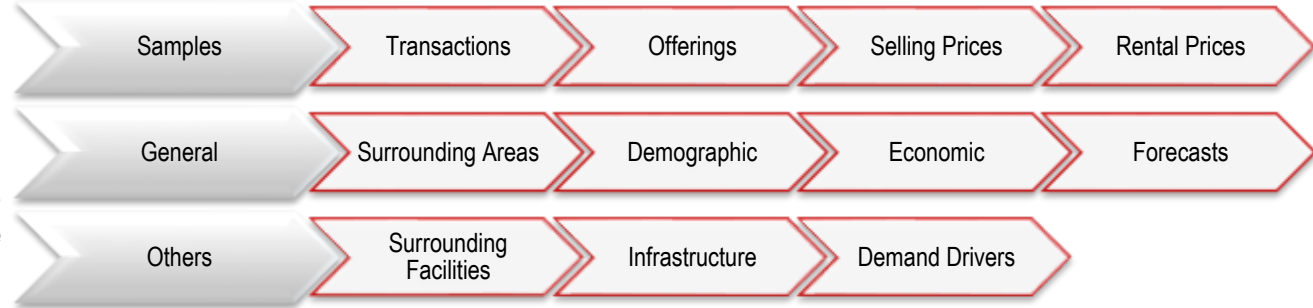
A visit to a property or inspection of an asset, to examine it and obtain relevant information, in order to express a professional opinion of its value. We hereby confirm that we have inspected the subject property / Asset at the date of inspection. Our inspection procedure covers only the surface / 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.



PROPERTY DETAILS





1.12 PROPERTY & LOCATION DESCRIPTION

- Property Description** AlFarabi Training Center is an under construction educational facility with a land area of 11,340 square meters. As per the provided information by construction permit, the subject property has a total BUA of 48,770.66 square meters, overlooking 4 streets, where the main façade is the western side, which overlooks Al Bahar Al Arabi Street.
- Location Description** The property being valuated is AlFarabi Training Center in Ishbilila District in the northeast of Riyadh.
 The property is bordered from the north by a vacant land
 The property is bordered from the south by AL Farabi College of Medicine
 The Property is bordered from the east by residential buildings
 The property is bordered to the west by the main road, Al Bahar Al Arabi Rd.
- Ease of Access** The ease of access to the property is high, based on its current location as it is located on Al Bahar Al Arabi Street.
- Area Surrounding the Property** Mostly of residential and commercial uses.
- The Main Landmarks** The property subject of valuation is surrounded by several major landmarks such as Ishbilila Residential Compound.

Land		Building	
Land Use	Commercial	Building Type	Educational Building still under development
No. of Streets	4	Building Structural Conditions	Under Development
Land Shape	Graded	External Elevation Conditions	Under Development
Direct View on the Main Road	Al Bahar Al Arabi Street	Building Finishing Conditions	Under Development
Direct View on an Internal Street	Yes, Al Naham Street	Overall Building Conditions	Under Development
Land Condition	Under Development		

1.13 INFRASTRUCTURE FACILITIES

	Available in the surrounding	Connected to the property	
Water	✓	N/A	All the infrastructural facilities are available in the surroundings, but they are not connected to the subject property.
Electricity	✓	N/A	
Tele-Communication	✓	N/A	
Sewage	✓	N/A	



1.14 LOCATION

The subject property is in Ishbiliah district, Riyadh city and surrounded by several landmarks as follows:



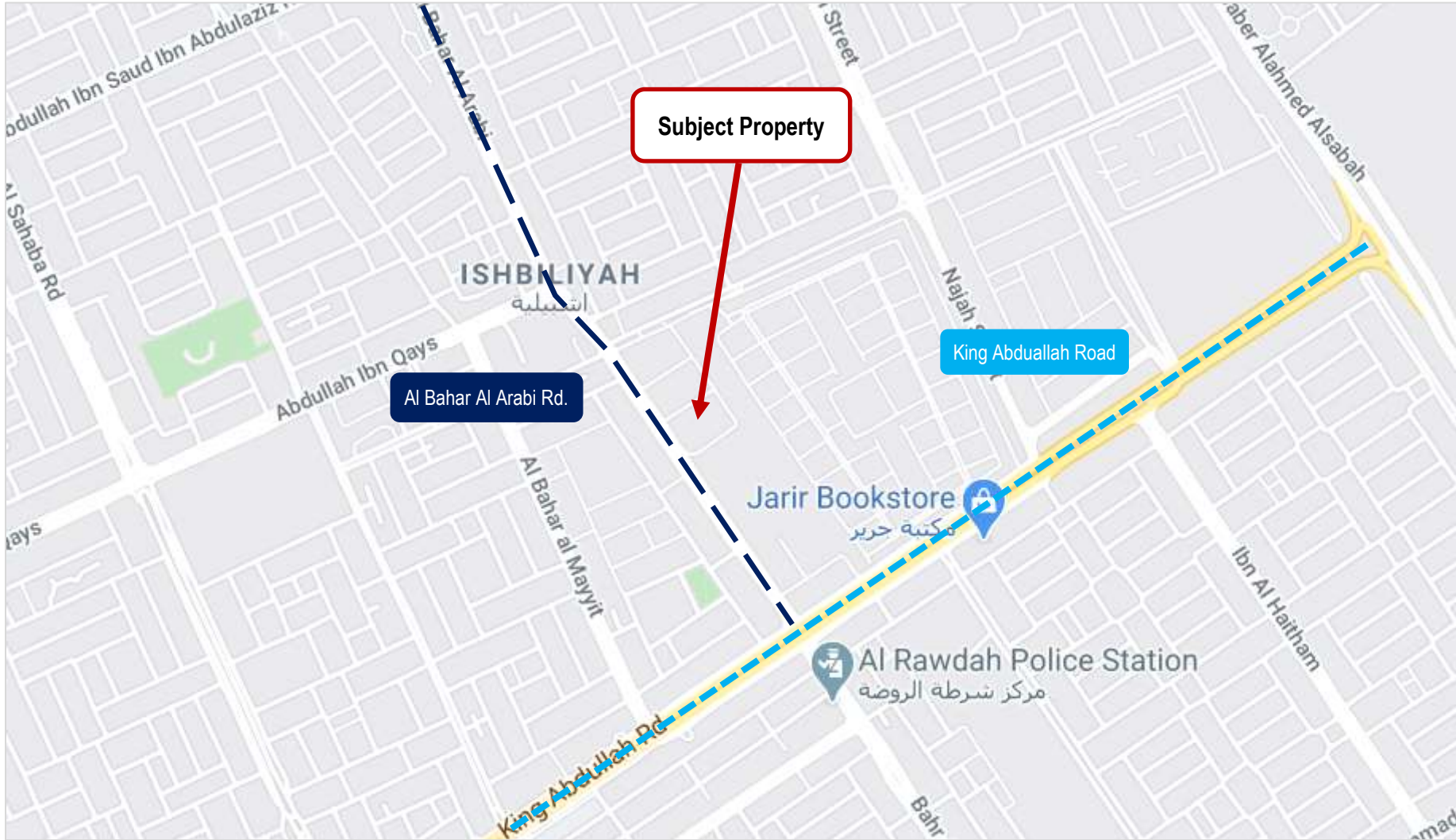
Surrounding Landmarks

- | | |
|---|--|
| <ul style="list-style-type: none"> 1- Ishbiliah Residential Compound (0.25 Kilometers) 2- Sevilla School for the memorization of the Koran girl (0.20 Kilometers) 3- Kids Saray International School (0.33 Kilometers) 4- Beam Crossfit (0.40 Kilometers) 5- Al Itisaliyat Company (0.30 Kilometers) | <ul style="list-style-type: none"> 6- Oasis Day Care Center (0.30 Kilometers) 7- Bgirdl Albayan High Institute for Training Co (0.50 Kilometers) 8- Al Rawdah Police Station (0.60 Kilometers) 9- Al Rowad Schools - Ishbiliah (0.45 Kilometers) 10- Ishbiliah Kindergarten (0.45 Kilometers) |
|---|--|



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 of the subject property which is owned by one title deed. The details of the subject property:

City	Riyadh	Land Area	11,340 Sqm
District	Ishbilila	Plot No.	From Plot No.9 to No.16
T.D Type	Electronic	Block No.	N/A
T.D Number	493225000301	Layout No.	2932
T.D Date	26/01/1442	Owner	شركة اول الملقا العقارية
T.D Value	25,025,000 SAR	Ownership Type	Freehold
Date of Last Transaction Issued From	26/01/1442 Riyadh Notary	Limitation of Document	N/A
North Side	15 m Wide street	East Side	15 m Wide street
South Side	15 m Wide street	West Side	40 m Wide 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 client provided us with a construction permit to the subject property with a total BUA of 48,770.66 Sqm distributed on 3 underground floors and 2 upper floors. 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 does not provide us with a copy of the approved plans, the evaluation 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 evaluate 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 customer provided us with a building permit for the property under evaluation, which contains the following data:
The subject property is an under development commercial building consisting of 4 floors.

Subject Property

Construction Permit Type	New Permit
Property Type	Educational Facility
Construction Permit No.	1434/20267
Construction Permit Date	15/09/2013
Permit Expiry Date	14/08/2016

Description	No. of Units	Area (sqm)	Use
Ground Floor	1	5946.95	Educational
Basement 3	0	11,322	
Basement 2	0	11,322	Parking Area
Basement 1	0	11,322	Parking Area
First Floor	0	6060.61	Educational
Electricity Chamber	0	20.00	Electricity Chamber
Upper Annexes	0	2777.10	Educational
Fences	1	430.96	Services
Total BAU (sqm)		48770.66	

The Total BUA as per the construction permit is 48770.66 Sqm, yet, only 2 basement floors have been executed although the permit allows 3 floors. So, the current BUA of the building excluding Basement 3 is 37448.66 Sqm and we will use this number in our valuation process.

1.18 INSURANCE

We have not been provided with any insurance policy for the underlying asset.



1.19 PHOTO RECORD



MARKET INDICATORS





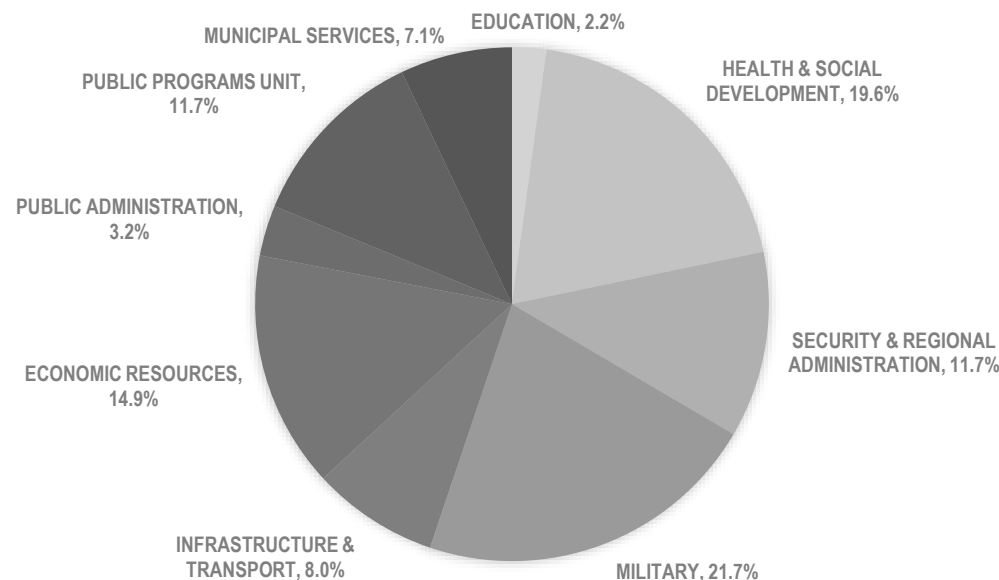
1.20 SAUDI ARABIA ECONOMIC INDICATORS

Economic Indicator	2018	2019	2020
GDP (Source: General Authority for Statistics)	(Q2) 732,747 Bn	642.8 Bn (E)	657.58 Bn (E)
GDP Growth (Source: Ministry of Finance)	%2.3	0.5%	2% (E)
Inflation Rate (Source: SAMA)	2.45%	-1.22%	-1.5% (E)
Interest Rates (Source: Trading Economics)	2.75%	3%	2.5% (E)
Government Revenues (Source: General Authority for Statistics)	895 Bn	978 Bn	833 Bn (E)
Government Spending (Source: General Authority for Statistics)	1,079 Bn	1,050 Bn (E)	1,020 Bn (E)
Unemployment Rate (Source: General Authority for Statistics)	6%	5.6%	5.2% (E)
Population (Source: General Authority for Statistics)	33,413,660	34,413,660	34,218,169

1.21 BUDGET ALLOCATION FOR 2019

Public Administration	28 SAR bn
Military	191 SAR bn
Security & Regional Adm.	103 SAR bn
Municipal Services	62 SAR bn
Education	193 SAR bn
Health & Social Dev.	172 SAR bn
Economic Resources	131 SAR bn
Infrastructure & Transport	70 SAR bn
Public Programs Unit	103 SAR bn

Source: Ministry of Economy





1.22 SWOT ANALYSIS

Strength <ul style="list-style-type: none"> - Direct view on the main road, Al Bahar Al Arabi Rd. - Surrounded by several landmarks 	Weakness <ul style="list-style-type: none"> - The property is located far from city center
Opportunities <ul style="list-style-type: none"> - Increase in the demand for such properties in the surrounding area due to the high concentration of residential units 	Threats <ul style="list-style-type: none"> - Existing and upcoming similar projects

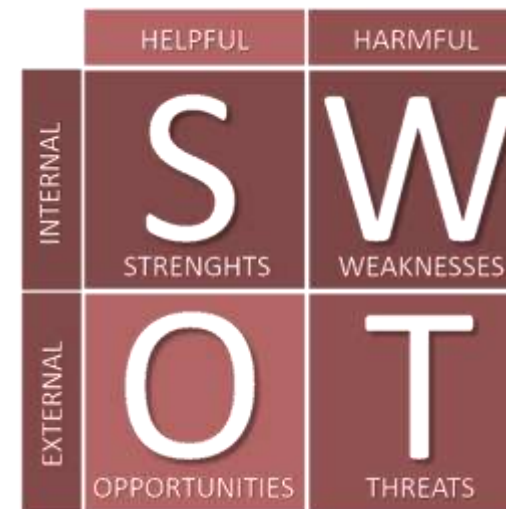
The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

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





Overall Sector Performance

From 2019 to 2020



Future Expectations



Overall Sector Stability

From 2019 to 2020



Future Expectations



Values of Lands Related to The Sector

From 2019 to 2020



Future Expectations



Sector rental Income

From 2019 to 2020



Future Expectations



Sector Demand

From 2019 to 2020

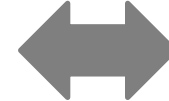


Future Expectations



Investors' Appetite

From 2019 to 2020

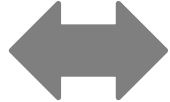


Future Expectations



Sector's occupancy ratios

From 2019 to 2020

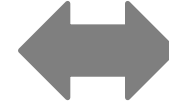


Future Expectations



Sectors Positive Changes

From 2019 to 2020



Future Expectations



White Cubes Team's Analysis



1.24 RISK ANALYSIS

Risk Factor	Very Low Risk (1) 1-6	Minimal Risk (2) 8-12	Medium Risk (3) 13-18	Elevated Risk (4) 19-24	Very High Risk (5) 25-30
Overall Economy	-----	-----	✓	-----	-----
Sector Current Performance	-----	-----	✓	-----	-----
Sector Future Performance	-----	✓	-----	-----	-----
Occupancy Rates	-----	-----	✓	-----	-----
Supply Rate	-----	-----	✓	-----	-----
Demand Rate	-----	✓	-----	-----	-----
Total Risk	0	4	12	0	0

Risk Category 16 Risk Points - Medium Risk

Sector Analysis

Risk Category- 16 Risk Points - Medium Risk

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

Risk Category 10 Risk Points – Minimal Risk

Land Analysis

Risk Category- 10 Risk Points - Minimal Risk

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

Risk Category 7 Risk Points - Medium Risk

Property Analysis

Risk Category- 7 Risk Points - Medium Risk

PROPERTY VALUATION





1.25 DOCUMENTS RECIEVED

The client has provided us by clear copy of the following documents.

Title Deed Copy ✓	Construction Permit ✓	Krooki
Master Plan	Layouts	3D Design & Perspectives
Pictures ✓	Presentation of the subject property	Location Map ✓
Location Link ✓	Contact Details ✓	Costing & Budget
Leasing Contract ✓	Income & Revenues ✓	Operational Cost - OPEX

1.26 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.

1.27 LEGAL NOTICES

We are not aware of and have not been notified of any legal notices on the property, whether they are ongoing or pending in the courts.



1.28 INFORMATION SOURCE

Referring to the purpose of this report, it has been assumed that all information received from the customer, whether verbal or written, is up-to-date and correct. Our team conducted a field research in order to ensure the validity of some market information for the purpose of valuation, which included the values of assets in the region, occupancy rates and market information related to the asset being valued in order to reach the market value of the asset being valued. During the field research process, some sources were relied on as follows:

- The field survey prepared by us
- Site inspection done by our team
- Our historical database for the similar assets of the property being valued
- Sales agents specialized with the same type of assets subject to valuation

1.29 STRUCTURAL EXAMINATION OF BUILDINGS (IF ANY)

Our service scope does not include any technical testing of buildings or construction structures, and this does not include any quality assurance of these constructions. However, in the event of any visible and observed deficiencies in the structural structure, we will write it down in our report and reverse the effect on the value estimate.

1.30 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.

1.31 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.

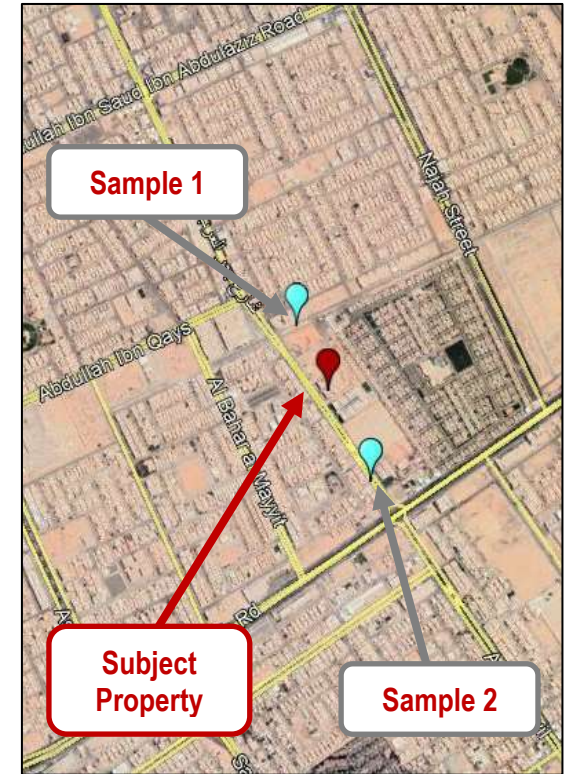


1.32 COMPARABLE APPROACH

This method aims to collect data and information on actual sales or current offers of real estate similar to the original subject matter being evaluated, 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 evaluation process in the style of comparisons and the amendments made to the available comparisons

Characteristics of Samples			
Feature	Subject Property	Sample 1	Sample 2
Quoting	-----	Offering	Offering
District	Ishbilila	Ishbilila	Ishbilila
Sale Price	-----	SAR 7,300,000	SAR 1,980,000
Data Source	Title Deed	Market Survey	Market Survey
Area Size	11,340.00	3,000.00	900.00
SAR / Sqm	-----	SAR 2,433	SAR 2,200
Sides Open	4	2	1

Adjustment Analysis					
		SAMPLE 1		SAMPLE 2	
Area size	11,340.00	3,000.00	-10.00%	900.00	-10.00%
Location Desirability	Average	Average	0.00%	Average	0.00%
Accessibility	Excellent	Excellent	0.00%	Excellent	0.00%
Street Width (m)	40	35	0.00%	40	0.00%
Sides Open	4	2	10.00%	1	15.00%
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			0.00%		5.00%
Total Adjustment Amount			SAR 0.0		SAR 110.0
Net After Adjustment			SAR 2,433.3		SAR 2,310.0
SAR / Sqm			SAR 2,372		
Rounded Value			SAR 2,400		



SENSITIVITY ANALYSIS					
	-10%	-5%	0%	5%	10%
Land Area	17,046	17,046	11,340	17,046	17,046
SAR / Sqm	SAR 1,912.5	SAR 2,018.8	SAR 2,400.0	SAR 2,231.3	SAR 2,337.5
Property Value	SAR 32,600,475	SAR 34,411,613	SAR 27,216,000	SAR 38,033,888	SAR 39,845,025
			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 2,000 - 3,000 SAR / Sqm with an average of 2,500 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.

1.33 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 the real estate similar to the property being evaluated, and at the same level of finishes, services, utilities, and others. The opinion of some engineering experts was used in this regard, and in the following table the scope of the expected costs for replacing the building under evaluation.

	Min Cost (SAR / Sqm)	Max Cost (SAR / Sqm)	Average Cost
Skeleton - Concrete Cost	SAR 1,100	SAR 1,200	SAR 1,150
MEP	SAR 350	SAR 450	SAR 400
Finishing Materials	SAR 650	SAR 750	SAR 700
Site Improvements	SAR 80	SAR 120	SAR 100
Owner Profit	18%	22%	20%

In the following table, we will calculate an estimate of the direct costs of the building in the new condition, according to the main components of the building, such as the concrete structure, electromechanical work, finishes, site improvements, etc. Then we will estimate the value of the indirect costs as a percentage of the total direct costs to estimate the total construction costs of the project

LAND					
	Land Area		SAR / Sqm		Total Value
	11,340.00		SAR 2,400		SAR 27,216,000
Building					
			Unit		Total BUA
Upper and Underground Floors			Sqm		37,448.66
Total (SQM)			37,448.66		
Development Cost					
Hard Cost					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	37,448.66	SAR 1,150	SAR 43,065,959	80%	SAR 34,452,767
Electro Mechanic	37,448.66	SAR 400	SAR 14,979,464	0%	SAR 0
Finishing	37,448.66	SAR 700	SAR 26,214,062	0%	SAR 0
Fit outs & Appliances	37,448.66	SAR 200	SAR 7,489,732	0%	SAR 0
Site Improvement	11,340.00	SAR 100	SAR 1,134,000	100%	SAR 1,134,000
Total			SAR 92,883,217	38.31%	SAR 35,586,767



Overall Soft Cost				
		Total Hard Cost	Ratio	Soft Cost
Initial Project Pre Cost		SAR 35,586,767	1.00%	SAR 355,868
Design		SAR 35,586,767	1.00%	SAR 355,868
Eng Consultant		SAR 35,586,767	2.00%	SAR 711,735
Management		SAR 35,586,767	2.00%	SAR 711,735
Contingency		SAR 35,586,767	5.00%	SAR 1,779,338
Others		SAR 35,586,767	0.00%	SAR 0
TOTAL			11.00%	SAR 3,914,544.39
Total Hard Cost	SAR 35,586,767		BUA	37,448.66
Total Soft Cost	SAR 3,914,544.39		SAR / Sqm	SAR 1,055
Total Construction Cost	SAR 39,501,311.59		Overall Completion	38.3%

After knowing the total building construction costs at a rate of 1,055 SAR per square meter, we will estimate the life span of the property according to the type of construction and its general condition, and then apply the depreciation rates based on the actual age of the property. Then, the developer's profitability will be added to the property's value after depreciation to see the estimated market value of the building

DEVELOPMENT VALUE			
Total Dev Cost	SAR 39,501,312	Net Dep Rate	0.00%
		Dev Cost After Depreciation	SAR 39,501,312
Economic Age	40	Total Completion Rate	38.31%
Annual Dep Rate	2.50%	Developer Profit Rate	7.0%
Actual Age	0		
Total Dep Rate	0.00%	Dev. Profit Amount	SAR 2,765,092
Add Appr Rate	0.00%	Development Value	SAR 42,266,403
Net Dep Rate	0.00%		

The total market value of the building is 42,266,403 SAR, which will be added to the market 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 42,266,403	SAR 27,216,000	SAR 69,482,403	SAR 69,480,000

The client informed us that there are no changes in the completion rates of the project since June 2020.



1.34 LEASING CONTRACT

The client provided us with a leasing contract with the below details:

1st Party: شركة المقصد العقارية

2nd Party: شركة كليبات الفارابي للتعليم

Duration: 25 Years

Starting Date: 2021

Ending Date: 2045

As per the leasing contract, there are promissory notes for the contracts full period.

1.35 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

Methodology	Subject of Valuation	Value in Numbers	Value in Letters
Comparable Approach	Land	SAR 26,649,000	Twenty-Six Million and Six Hundred Forty-Nine Thousand Saudi Riyals
DRC Approach	Land + Building	SAR 69,480,000	Sixty-Nine Million and Four Hundred Eighty Thousand Saudi Riyals

It is true that the subject property considered as a special property (educational facility), but since the subject property is being leased on a long term bases with the availability of the promissory notes (provided by the tenant) and taking into consideration the purpose of valuation, we will indicate the final value of the subject property based on the Cost Approach.

1.36 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 DRC Approach is:

Property Value: 69,480,000 SAR

Sixty-Nine Million and Four Hundred Eighty Thousand Saudi Riyals

1.37 VALUATION NOTES

We did not apply the income approach while valuating the subject property for the following 2 reasons:

- The subject property considered as a special property due to its nature of use, where no active market transactions for such property types. Therefore, we have applied the DRC approach.
- The subject property still in the construction phase and expected to be finished in 2 years' time.



1.38 REPORT USE

This valuation is for the sole use of the named Client. This report is confidential to the Client, and that of their advisors, and we accept no responsibility whatsoever to any third party. No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorized.

1.39 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 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.

1.40 CONCLUSION

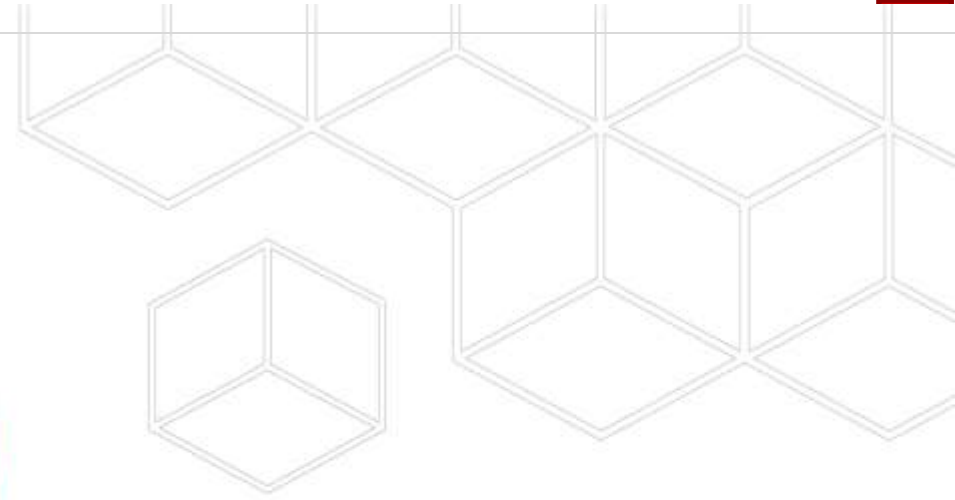
We trust that this report and valuation fulfills the requirement of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright. This report is compiled based on the information received to the best of our belief, knowledge and understanding. The information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

Essam Hussaini
Site Inspection Check

Member of (Taqeem)
License No. 121000474



GENERAL NOTES





1.41 CONSULTANT STATUS

We confirm that the consultant / 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 evaluator is competent to carry out the valuation task and has sufficient skills and market knowledge concerned to conduct the valuation.

1.42 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 valued 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
	Client	Date	
✓	Al Khabeer Cap	Sep 2020	-----
✓	-----	-----	-----
✓	-----	-----	-----

1.43 CONFIDENTIALITY

This document and / or any other documents received from the client are confidential between White Cubes Est. and the client. Except as may be required by any court or authority, the subject service shall not disclose or use or cause to be disclosed or used, at any time during the Term.

Any of the Client's secrets and/or confidential information, any other non-public information relating to the client business, financial or other affairs acquired by the subject service during the process remain confidential.



1.44 ENVIRONMENTAL MATTERS

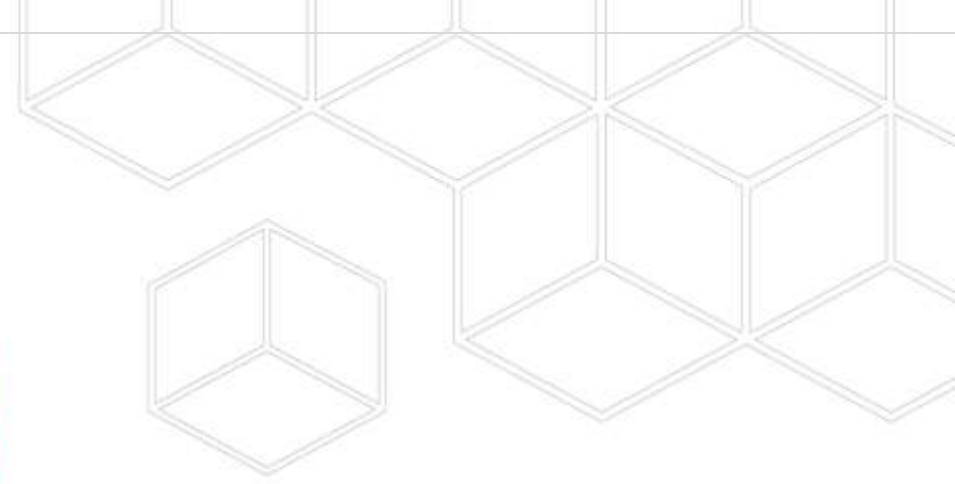
We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination.

In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative use has ever been carried out on the property.

We have not carried out any investigation into past or present uses, either of the properties or of any neighboring land, to establish whether there is any contamination or potential for contamination to the subject properties from the use or site and have therefore assumed that none exists.

However, should it be established subsequently that contamination exists at the properties or on any neighboring land, or that the premises has been or is being put to any contaminative use, this might reduce the value now reported.

DOCUMENTS COPIES





TITLE DEED

بسم الله الرحمن الرحيم
 وزارة العدل
 رقم الصك: ٢٦٦/١٤٤٢ هـ
 تاريخ الصك: ٠٣/٠١/١٤٣٢ هـ

صك

الحمد لله وحده والصلاة والسلام على من لا نبي بعده. وبعد: فإن قطعة الأرض رقم 1/9 و قطعة الأرض رقم 1/10 و قطعة الأرض رقم 1/11 و قطعة الأرض رقم 1/12 و قطعة الأرض رقم 1/13 و قطعة الأرض رقم 1/14 و قطعة الأرض رقم 1/15 و قطعة الأرض رقم 1/16 من المخطط رقم 2932 بحي اشبيلية بمدينة الرياض وحدودها واطوالها: شمالاً: شارع عرض 15م بطول 135 مائة وخمسة و ثلاثون متر جنوباً: شارع عرض 15م بطول 135 مائة وخمسة و ثلاثون متر شرقاً: شارع عرض 15م بطول 84 أربعة و ثمانون متر ومساحتها 11340 أحد عشر الفا و ثلاثمائة و أربعين متر مربعاً بموجب الصك الصادر من كتابة العدل الاولى بالرياض برقم 810125029659 في 23 / 06 / 1441 قد أصبحت في ملك شركة أول الملقا العقارية بموجب سجل تجاري رقم 1010893802 بضمن قدره: 25025000 فقط خمسة و عشرون مليوناً وخمسة و عشرون ألف ريال سعودي لا غير. وعليه جرى التصديق تحريراً في 26 / 01 / 1442 لا عتماده. يوصلي الله على نبينا محمد وآله وصحبه وسلم.

صدرت هذه الوثيقة من وزارة العدل. ويجب التحقق من بياناتها وسرياتها عبر الخدمات الإلكترونية لوزارة العدل.
 نسخة طبق الصك: ٢٠٢١
 هذا النموذج مطبوع بالاستخدام الخاص ولا يصح نسخه
 نسخة رقم 1 من 1

CONSTRUCTION PERMIT

وزارة الشؤون البلدية
 أمانة منطقة
 رقم الترخيص: ١٤٣٤/١٩٣٦٣
 رقم المشروع: ٢١
 رقم الإيصال: ٢٤٠٢٧١٤٧٣
 تاريخ: ١٤٣٤-١١-٠٦ هـ

اسم المالك: شركة كليه الفرابيا
 رقم الإسكان: ١٠١٠٢٥٥٠١١
 رقم الصك: ٩١٠١٣٥٠١٥٥٠٧
 رقم القطعة: ١٩/١١
 الشارع: /
 الحي: حي اشبيلية
 مساحة الأرض: ٢م ١١٢٢٢
 محيط الأسوار: م / ٢
 النطاق العمراني: م ٢

الجهة	الحدود	الأبعاد	الإرتداد
شمال	شارع عرض ١٥ م	١٢٩	٤
شرق	شارع عرض ١٥ م	٧٨	٣١,٩
جنوب	شارع عرض ١٥ م	١٢٩	٤
غرب	شارع عرض ٤٠ م	٧٨	١١,٤

مكونات البناء	عدد الوحدات	المساحة	الاستخدام
نور أرضي	١	٥٩٤٦,٩٤	تعلمي
قبو ثلثي	٠	١١٢٢٢,٠٠	مواقف
قبو أول	٠	١١٢٢٢,٠٠	مواقف
قبو ثلث	٠	١١٢٢٢,٠٠	مواقف
نور أول	٠	٦٠٦٠,٦٧	تعلمي
غرفة كهرباء	٠	٢٠٠٠	غرفة كهرباء
ملاحق علوية	٠	٢٧٧٧,٩٤	تعلمي
أسوار	١	٤٣٠,٩٦	خدمات

المساحة الكلي: ٥٩٤٦,٩٤ م^٢

تم لظ تعهد خطي من المالك بانه ان توصل له الخدمة الكهربائية في حال عدم تنفيذ الترحال الحراري طبقاً لكود البناء السعودي

المكتب المصمم: شركة الفطر للاستشارات الهندسية

رقم الترخيص: ٢٠٢٢
 رقم المشروع: ٢١
 رمز النظام: مناسيب الشوارع المحيطة
 مستوى: مناسيب الشوارع المحيطة
 سداد الرسوم مبلغ وقدره: ١٧٧٠٠٠ ريال بموجب الإيصال رقم: ٢٤٠٢٧١٤٧٣ وتاريخ: ١٤٣٤-١١-٠٦ هـ

ملاحظات:
 ١- نوع الرخصة إصدار رخصة فورية بموجب نظام الرخص للوزارة للصدار.
 ٢- نوع البناء: مسلح.
 ٣- بموجب التقرير الفني رقم ١٤٣٤/٣٧٧٩٩ تاريخ ١٤٣٤-٧-١٢ هـ الصادر من بلدية الروضة للترعية.
 ٤- منقحة التقييم: ١١١٦
 ٥- ارتداد الملاحق العلوية عن حد الدور الأول لا يقل عن ٢م جهة الشوارع.
 ٦- التلوي مواقف سيارات ويبدأ المنحدر بعد ٣م ويكون عرض ٤م.
 ٧- بموجب خطاب بلدية الروضة رقم ١٤٣٤/١٩٣٦٣ تاريخ ١٤٣٤-٨-٢٩ هـ والتقرير الفني المراد بالمعاملة رقم ١٣٣٨٨ تاريخ ١٤٣٤-٨-١٣ هـ بموجب

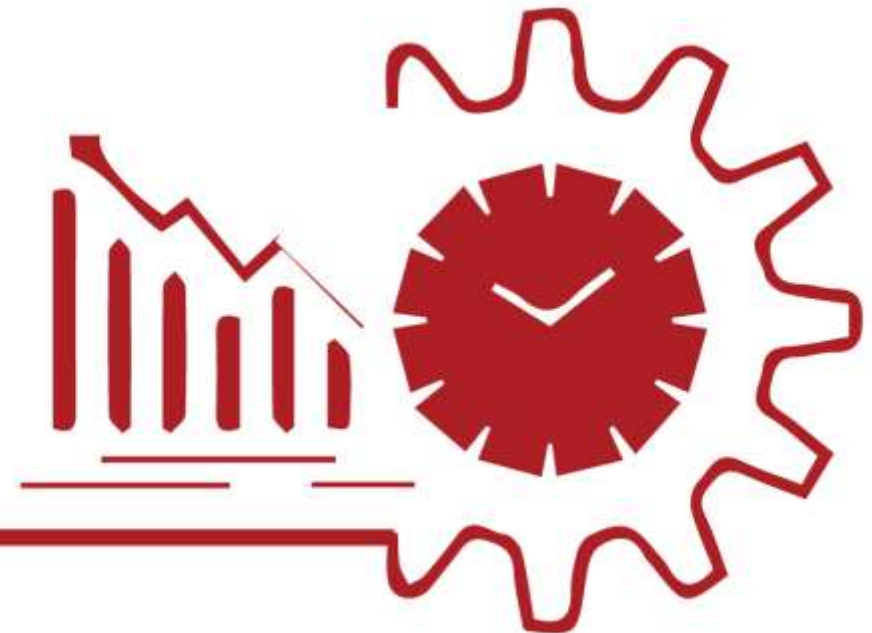
AL FARABI COLLEGE
AL KHABEER CAPITAL

RIYADH CITY

DECEMBER 2020



Valuation Report





REF: 2010834- 2
Date: 30/12/2020
M/S AL KHABEER CAPITAL

Subject: Valuation Report for Al Farabi Educational Facility in Riyadh City, Saudi Arabia.

Dear Sir,

With reference to your request and approval dated on November 29, 2020 for valuation service of an educational facility (Al Farabi medical college), located in Riyadh city, 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)





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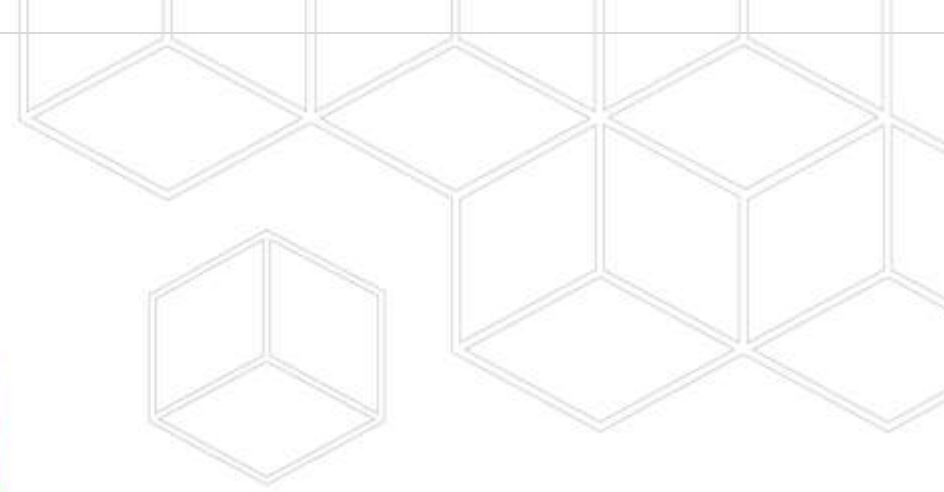
Table of Contents
(Please Click on the Title for Direct Access)

1.1	EXECUTIVE SUMMARY	7
1.2	VALUATION REFERENCE	9
1.3	BASIS OF VALUATION	9
1.4	CLIENT APPROVAL DATE	11
1.5	INSPECTION DATE	11
1.6	VALUATION DATE	11
1.7	REPORT DATE	11
1.8	OPINION OF VALUE	11
1.9	PURPOSE OF VALUATION	11
1.10	INSPECTION ROLE	11
1.11	MARKET SURVEY	12
1.12	PROPERTY & LOCATION DESCRIPTION	14
1.13	INFRASTRUCTURE FACILITIES	14
1.14	LOCATION	15
1.15	PROPERTY ACCESS	16
1.16	TITLE DEED & OWNERSHIP	17
1.17	CONSTRUCTION & BUILDINGS	17
1.18	ESTIMATING THE OVERALL PROPERTY CONDITION	19
1.19	MAINTENANCE & OPERATIONAL EXPENSES	19
1.20	INSURANCE	19
1.21	PHOTO RECORD	20
1.22	SAUDI ARABIA ECONOMIC INDICATORS	22
1.23	BUDGET ALLOCATION FOR 2019	22
1.24	SWOT ANALYSIS	23
1.25	SECTOR BRIEF	23
1.26	RISK ANALYSIS	25
1.27	DOCUMENTS RECIEVED	27
1.28	GENERAL ASSUMPTIONS	27
1.29	LEGAL NOTICES	27
1.30	INFORMATION SOURCE	28
1.31	STRUCTURAL EXAMINATION OF BUILDINGS (IF ANY)	28
1.32	VALUATION APPROACH	28



1.33	INPUT VALUATION PROCESS	29
1.34	COMPARABLE APPROACH	30
1.35	COST APPROACH (DRC)	31
1.36	INCOME APPROACH	33
1.37	SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES	35
1.38	SUBJECT PROPERTY VALUE	35
1.39	REPORT USE	35
1.40	DISCLAIMER	35
1.41	CONCLUSION	36
1.42	CONSULTANT STATUS	38
1.43	DISCLOSING CONFLICT OF INTEREST	38
1.44	CONFIDENTIALITY	38
1.45	ENVIRONMENTAL MATTERS	38

EXECUTIVE SUMMARY

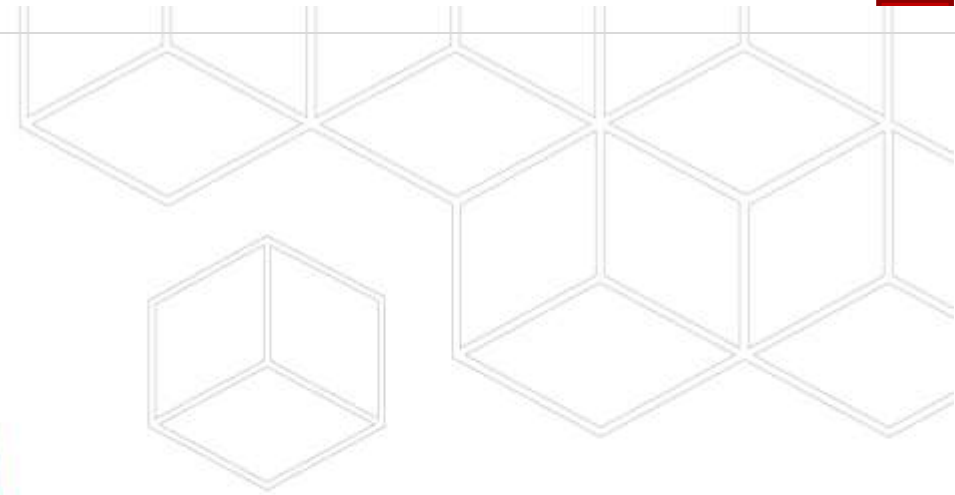




1.1 EXECUTIVE SUMMARY

Introduction	We received instructions from Mrs. Rana Al Shaibi on 29/11/2020 to implement a real estate valuation service in Riyadh city.
Client	For whom this report is being prepared is Al Khabeer Capital, a valuation for an educational facility in Riyadh city.
Reference No.	2010834- 2
Purpose of Valuation	Acquisition Purpose
Subject Property	Educational Facility
Property Location	The property is in Ishbiliya district, Riyadh City.
Title Deed Information	Title Deed No: 493225000302, Title Deed Date: 26/01/1442, Issued from Riyadh Notary
Ownership Type	Freehold
Owner	شركة اول الملقا العقارية
Land Use	Educational
Land Area (Sqm)	Based on the title deed, the land has an area size of 17,046 Sqm
BUA (Sqm)	The building is composed of 5 floors, yet and based on the provided construction permit, the total BUA is 44,656.92 Sqm. We will use the BUA shown in the construction permit in our valuation analysis.
Parking No. (Approx.)	352 Parking
Vacancy Rate	Based on the leasing contract provided by the client, the subject property is fully leased to one tenant.
Valuation Approach	DRC, Income Cap and Comparable Approach
Final Property Value	213,330,000 SAR
Valuation Date	30/12/2020
Inspection Date	05/12/2020

TERMS OF REFERENCE & VALUATION





1.2 VALUATION REFERENCE

This report was prepared based on the instructions issued to us by Al Khabeer Capital 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 evaluation was prepared in accordance with the International Evaluation Standards of the Council of International Assessment Standards (IVSC) issued in 2017 by the Saudi Authority for Accredited Residents in the Kingdom of Saudi Arabia.

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, eg 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 use by the client to start the inspection procedures of the property / properties subject to the valuation process.

November 29, 2020.

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.

December 05, 2020.

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 were the value/s of the subject property / properties is reflected. The valuation date is at

December 30, 2020.

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.

December 30, 2020.

1.8 OPINION OF VALUE

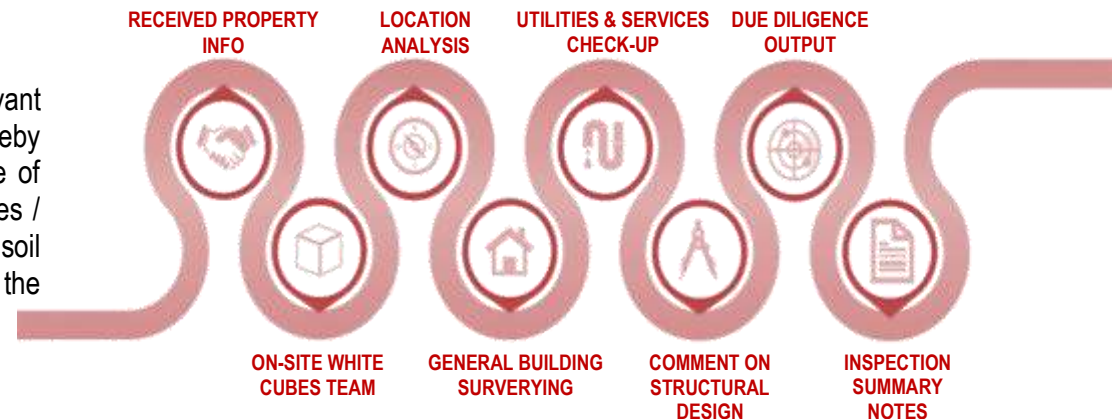
All the outputs will be shown in this report (Values) are based on our best knowledge of the market, documents received from the client (assumed to be correct), market findings and inspection inputs. Yet, the estimated values of the subject property / properties express our opinion of values based on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

1.9 PURPOSE OF VALUATION

The client requested to know the current market value of the subject property for Acquisition Purposes. Therefore, and according to the valuation purpose, and as requested by the client, we will adapt the valuation methodologies of The Income Approach, The Depreciated Replacement Cost (DRC), The Comparable and the Discounted Cash Flow Approach (DCF)

1.10 INSPECTION ROLE

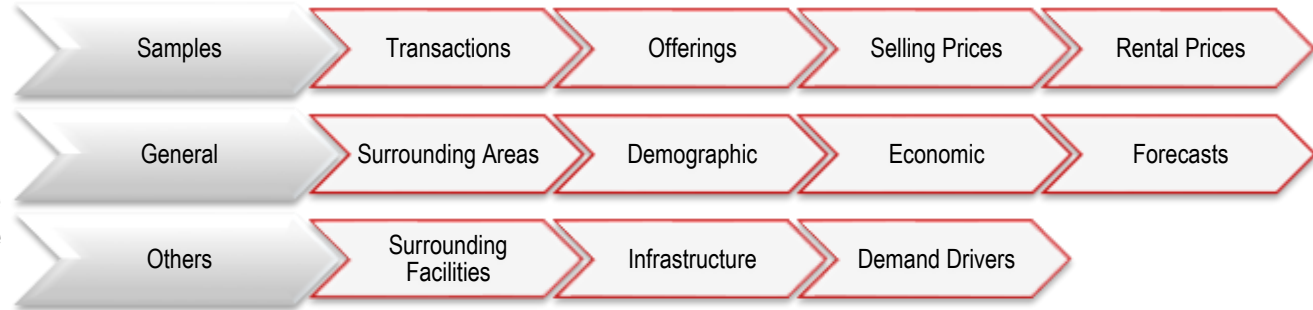
A visit to a property or inspection of an asset, to examine it and obtain relevant information, in order to express a professional opinion of its value. We hereby confirm that we have inspected the subject property / Asset at the date of inspection. Our inspection procedure covers only the surface / 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.



PROPERTY DETAILS





1.12 PROPERTY & LOCATION DESCRIPTION

- Property Description** The subject property is an educational facility with a land area of 17,046 square meters and as per the provided construction permit, it has a total BUA of 44,656.92 square meters, overlooking 2 streets, where the main façade is the western side, which overlooks Al Bahar Al Arabi Street.
- Location Description** The property being valued is an educational facility in Ishbilila Street in the in the northeast of Riyadh.
 The property is bordered from the north by a commercial building
 The property is bordered from the south by a vacant land
 The Property is bordered from the east by residential buildings
 The property is bordered to the west by the main road, Al Bahar Al Arabi Rd.
- Ease of Access** The ease of access to the property is high, based on its current location as it is located on Al Bahar Al Arabi Street.
- Area Surrounding the Property** The real estate surrounding the property subject of valuation are mostly of residential and commercial uses.
- The Main Landmarks** The property subject of valuation is surrounded by several major landmarks such as Ishbilila Residential Compound.

Land		Building	
Land Use	Commercial	Building Type	Educational Building
No. of Streets	2	Building Structural Conditions	Fully Constructed.
Land Shape	Graded	External Elevation Conditions	Good
Direct View on the Main Road	Al Bahar Al Arabi Street	Building Finishing Conditions	Good
Direct View on an Internal Street	None	Overall Building Conditions	Good
Land Condition	Constructed		

1.13 INFRASTRUCTURE FACILITIES

	Available in the surrounding	Connected to the property
Water	✓	✓
Electricity	✓	✓
Tele-Communication	✓	✓
Sewage	✓	✓

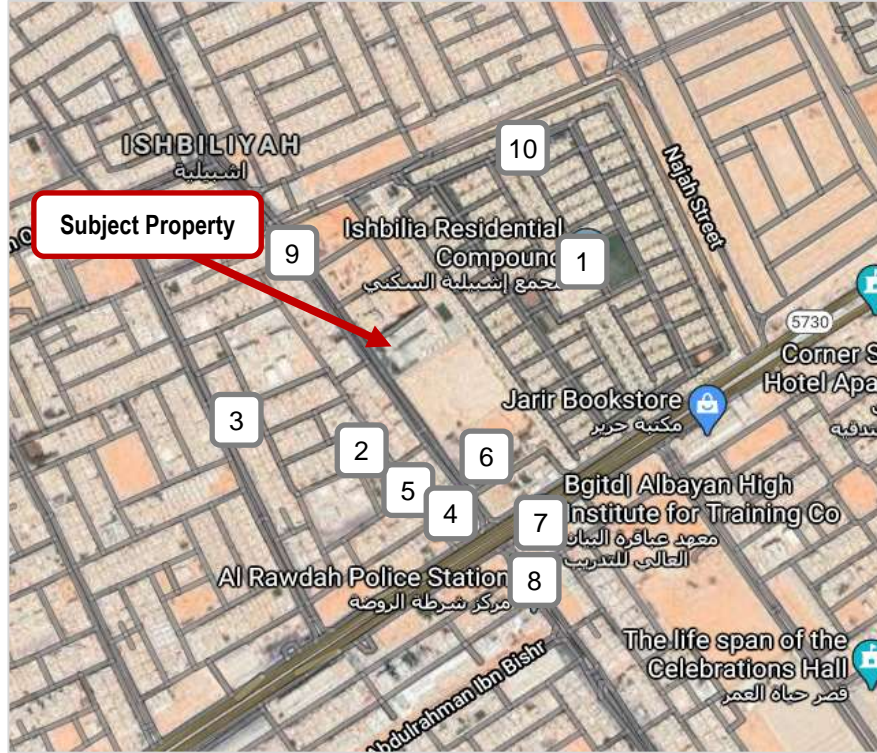
All the infrastructural facilities are available in the surroundings and connected to the subject property.



1.14 LOCATION

The subject property is in Ishbiliah district, Riyadh city and surrounded by several landmarks as follows:

Property Location on a City Scale



Property Location on a District Scale



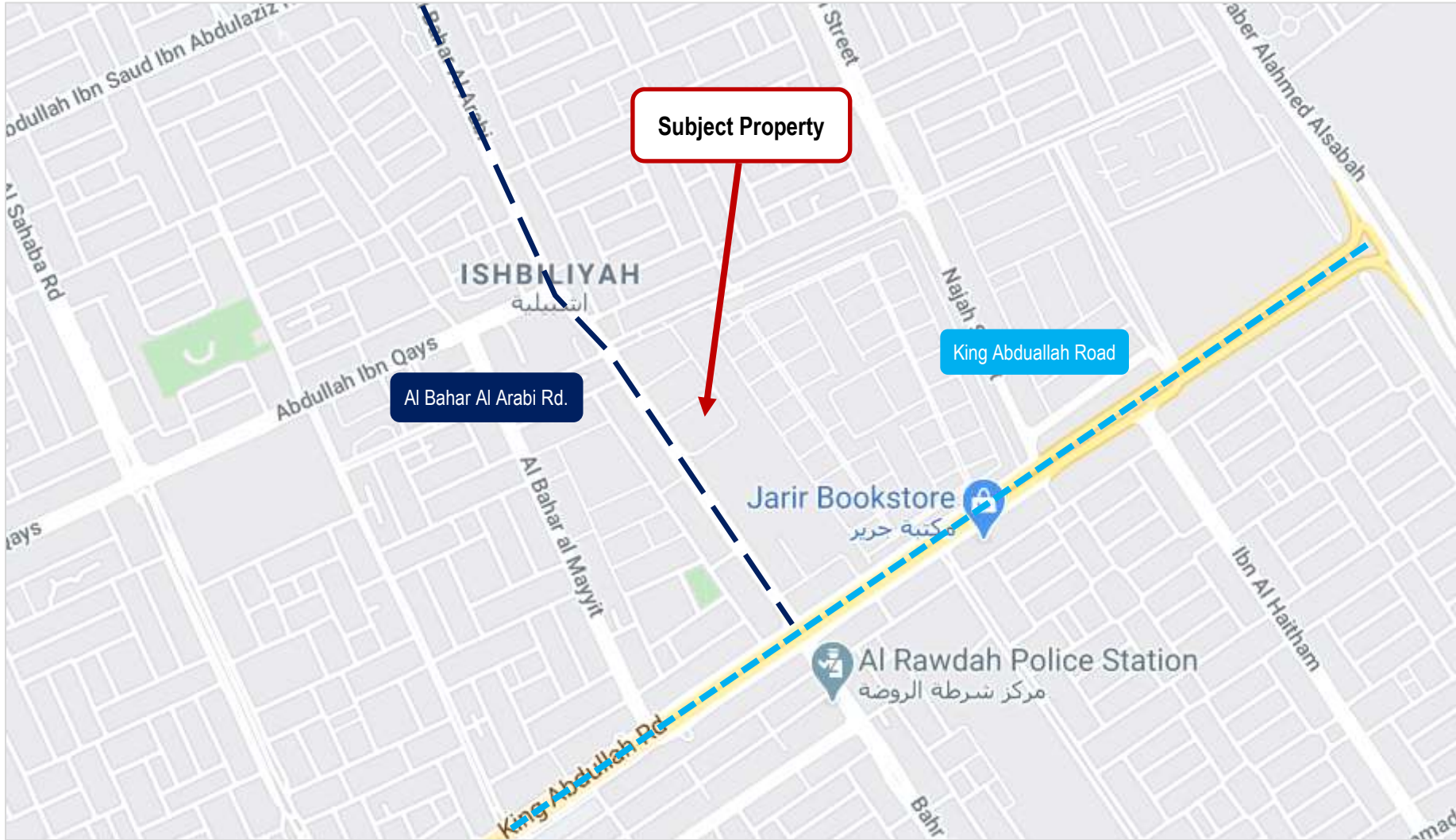
Surrounding Landmarks

- | | |
|---|--|
| <ul style="list-style-type: none"> 1- Ishbiliah Residential Compound (0.25 Kilometers) 2- Sevilla School for the memorization of the Koran girl (0.20 Kilometers) 3- Kids Saray International School (0.33 Kilometers) 4- Beam Crossfit (0.40 Kilometers) 5- Al Itisaliyat Company (0.30 Kilometers) | <ul style="list-style-type: none"> 6- Oasis Day Care Center (0.30 Kilometers) 7- Bgitd Albayan High Institute for Training Co (0.50 Kilometers) 8- Al Rawdah Police Station (0.60 Kilometers) 9- Al Rowad Schools - Ishbiliah (0.45 Kilometers) 10- Ishbiliah Kindergarten (0.45 Kilometers) |
|---|--|



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 of the subject property which is owned by one title deed. The details of the subject property:

City	Riyadh	Land Area	17,046 Sqm
District	Ishbilia	Plot No.	4
T.D Type	Electronic	Block No.	N/A
T.D Number	493225000302	Layout No.	N/A
T.D Date	26/01/1442	Owner	شركة اول الملقا العقارية
T.D Value	95,800,000 SAR	Ownership Type	Freehold
Date of Last Transaction Issued From	26/01/1442 Riyadh Notary	Limitation of Document	N/A
North Side	15 m Wide street	East Side	Private Property
South Side	Plot# 5	West Side	40 m Wide 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 does not provide us with a copy of the approved plans, the evaluation 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 evaluate 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 customer provided us with a building permit for the property under evaluation, which contains the following data:

The subject property is a fully constructed educational facility consisting of 5 floors and used as Administrative Offices, Classrooms, Labs, Prayer Room, Open sitting area, Canteen, parkings, and others.

Subject Property

Construction Permit Type	Renewed permit
Property Type	Educational
Construction Permit No.	1433/1470
Construction Permit Date	05/03/1439 AH
Permit Expiry Date	05/03/1440 AH

Description	No. of Units	Area (sqm)	Use
Ground Floor	1	9440.25	Educational
Basement 2	0	10414.60	Parking Area
Basement 1	0	10357.19	Parking Area
First Floor	1	9254.32	Educational
Electricity Room	0	20.00	Electricity Room
Annexes	1	4627.16	Educational
Fences	1	543.4	Services
Total BAU (sqm)		44,656.92	

The provided construction permit shows a total BUA of 44,656.92 Sqm. We will base our valuation analysis on the BUA provided by the construction permit.



1.18 ESTIMATING THE OVERALL PROPERTY CONDITION

Item	Status & Condition					Notes
	1	2	3	4	5	
Location					●	Good Location
Building Structure					●	No Issues Found
Crack & Damages					●	No Issues Found
Major Deficiency					●	No Issues Found
External Elevation				●		Slight maintenance needed
External Ramp				●		Some areas need to be cleaned
External Lighting				●		The lighting bulbs needs simple maintenance
Common Area Lighting				●		The lighting bulbs needs simple maintenance
External Back Yard				●		Some areas need to be cleaned
A/C Room (Ground Floor)					●	No Issues Found
Internal walls				●		Some minor pain job might be required in some areas
Ceilings					●	No Issues Found
Floor Tiles					●	No Issues Found
Surveillance System and Cameras				●		Average Quality
Elevators				●		No Issues Found
Emergency Staircase				●		No Issues Found
Emergency Exit Doors				●		No Issues Found
Fire Alarm System					●	No Issues Found
Fire Fighting System					●	No Issues Found
Power Generators					●	No Issues Found
Building Cleanliness				●		Some areas need to be cleaned
	0	0	0	44	50	

Out of 105 points and based on a field survey by our team, the property achieved 94 points. That is, the general condition of the building is good with a rate of 90%.

1.19 MAINTENANCE & OPERATIONAL EXPENSES

As per the client, and since the subject property is fully rented by one tenant, all the operational expenses are being held by the tenant himself.

1.20 INSURANCE

We have not been provided with any insurance policy for the underlying asset.



1.21 PHOTO RECORD



MARKET INDICATORS





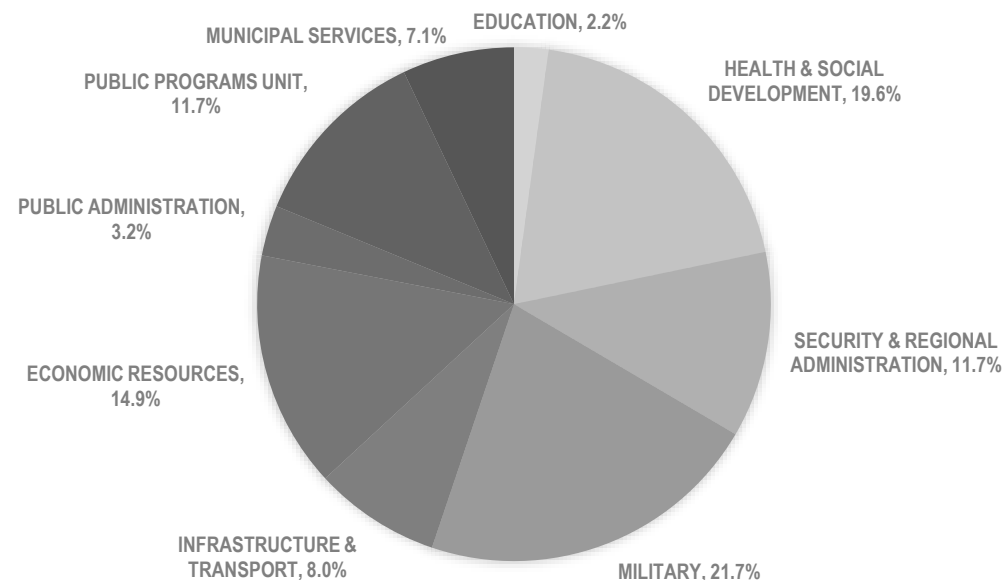
1.22 SAUDI ARABIA ECONOMIC INDICATORS

Economic Indicator	2018	2019	2020
GDP (Source: General Authority for Statistics)	(Q2) 732,747 Bn	642.8 Bn (E)	657.58 Bn (E)
GDP Growth (Source: Ministry of Finance)	%2.3	0.5%	2% (E)
Inflation Rate (Source: SAMA)	2.45%	-1.22%	-1.5% (E)
Interest Rates (Source: Trading Economics)	2.75%	3%	2.5% (E)
Government Revenues (Source: General Authority for Statistics)	895 Bn	978 Bn	833 Bn (E)
Government Spending (Source: General Authority for Statistics)	1,079 Bn	1,050 Bn (E)	1,020 Bn (E)
Unemployment Rate (Source: General Authority for Statistics)	6%	5.6%	5.2% (E)
Population (Source: General Authority for Statistics)	33,413,660	34,413,660	34,218,169

1.23 BUDGET ALLOCATION FOR 2019

Public Administration	28 SAR bn
Military	191 SAR bn
Security & Regional Adm.	103 SAR bn
Municipal Services	62 SAR bn
Education	193 SAR bn
Health & Social Dev.	172 SAR bn
Economic Resources	131 SAR bn
Infrastructure & Transport	70 SAR bn
Public Programs Unit	103 SAR bn

Source: Ministry of Economy





1.24 SWOT ANALYSIS

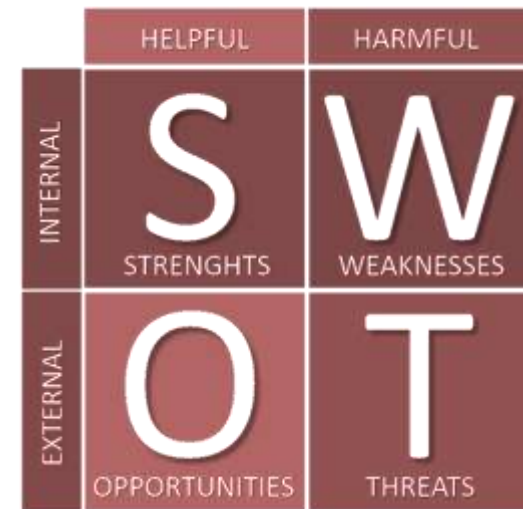
Strength <ul style="list-style-type: none"> - Direct view on the main road, Al Bahar Al Arabi Rd. - Surrounded by several landmarks 	Weakness <ul style="list-style-type: none"> - The property is located far from city center
Opportunities <ul style="list-style-type: none"> - Increase in the demand for such properties in the surrounding area due to the high concentration of residential units 	Threats <ul style="list-style-type: none"> - Existing and upcoming 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.

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





Overall Sector Performance

From 2019 to 2020



Future Expectations



Overall Sector Stability

From 2019 to 2020



Future Expectations



Values of Lands Related to The Sector

From 2019 to 2020



Future Expectations



Sector rental Income

From 2019 to 2020



Future Expectations



Sector Demand

From 2019 to 2020

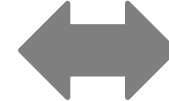


Future Expectations

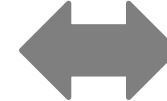


Investors' Appetite

From 2019 to 2020



Future Expectations



Sector's occupancy ratios

From 2019 to 2020

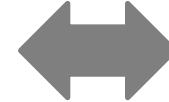


Future Expectations



Sectors Positive Changes

From 2019 to 2020



Future Expectations



White Cubes Team's Analysis



1.26 RISK ANALYSIS

Risk Factor	Very Low Risk (1) 1-6	Minimal Risk (2) 8-12	Medium Risk (3) 13-18	Elevated Risk (4) 19-24	Very High Risk (5) 25-30
Overall Economy	-----	-----	✓	-----	-----
Sector Current Performance	-----	-----	✓	-----	-----
Sector Future Performance	-----	✓	-----	-----	-----
Occupancy Rates	-----	-----	✓	-----	-----
Supply Rate	-----	-----	✓	-----	-----
Demand Rate	-----	✓	-----	-----	-----
Total Risk	0	4	12	0	0

Risk Category 16 Risk Points - Medium Risk

Sector Analysis

Risk Category- 16 Risk Points - Medium Risk

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

Risk Category 10 Risk Points – Minimal Risk

Land Analysis

Risk Category- 10 Risk Points - Minimal Risk

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

Risk Category 7 Risk Points - Medium Risk

Property Analysis

Risk Category- 7 Risk Points - Medium Risk

PROPERTY VALUATION





1.27 DOCUMENTS RECEIVED

The client has provided us by clear copy of the following documents.

Title Deed Copy ✓	Construction Permit ✓	Krooki ✓
Master Plan ✓	Layouts ✓	3D Design & Perspectives ✓
Pictures ✓	Presentation of the subject property ✓	Location Map ✓
Location Link ✓	Contact Details ✓	Costing & Budget ✓
Leasing Contract ✓	Income & Revenues ✓	Operational Cost - OPEX ✓

1.28 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.

1.29 LEGAL NOTICES

We are not aware of and have not been notified of any legal notices on the property, whether they are ongoing or pending in the courts.



1.30 INFORMATION SOURCE

Referring to the purpose of this report, it has been assumed that all information received from the customer, whether verbal or written, is up-to-date and correct. Our team conducted a field research in order to ensure the validity of some market information for the purpose of valuation, which included the values of assets in the region, occupancy rates and market information related to the asset being valued in order to reach the market value of the asset being valued. During the field research process, some sources were relied on as follows:

- The field survey prepared by us
- Site inspection done by our team
- Our historical database for the similar assets of the property being valued
- Sales agents specialized with the same type of assets subject to valuation

1.31 STRUCTURAL EXAMINATION OF BUILDINGS (IF ANY)

Our service scope does not include any technical testing of buildings or construction structures, and this does not include any quality assurance of these constructions. However, in the event of any visible and observed deficiencies in the structural structure, we will write it down in our report and reverse the effect on the value estimate.

1.32 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.

1.33 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.

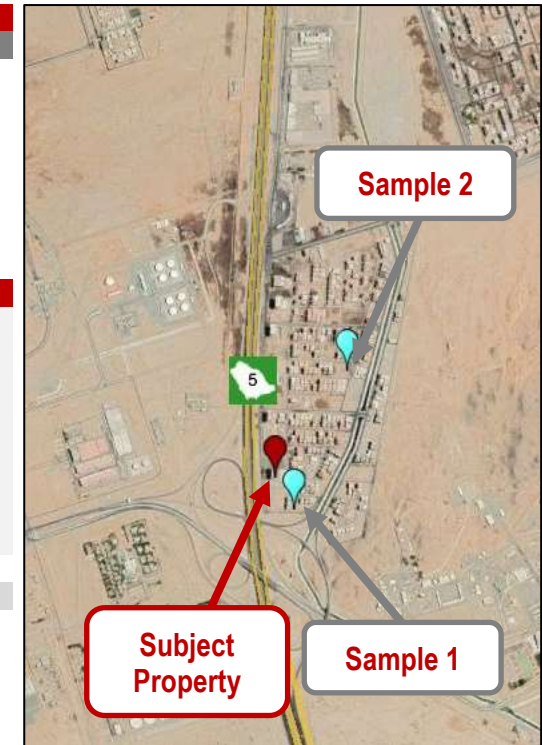


1.34 COMPARABLE APPROACH

This method aims to collect data and information on actual sales or current offers of real estate similar to the original subject matter being evaluated, 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 evaluation process in the style of comparisons and the amendments made to the available comparisons

Characteristics of Samples			
Feature	Subject Property	Sample 1	Sample 2
Quoting	-----	Offering	Offering
District	Ishbilia	Ishbilia	Ishbilia
Sale Price	-----	SAR 1,300,000	SAR 1,550,000
Data Source	Title Deed	Market Survey	Market Survey
Area Size	17,046.00	600.00	680.00
SAR / Sqm	-----	SAR 2,167	SAR 2,279
Sides Open	2	1	3

Adjustment Analysis					
		SAMPLE 1		SAMPLE 2	
Area size	17,046.00	600.00	-10.00%	680.00	-10.00%
Location Desirability	Average	Average	0.00%	Average	0.00%
Accessibility	Excellent	Average	5.00%	Average	5.00%
Sides Open	2	1	5.00%	3	-5.00%
Land Shape	Regular	Regular	0.00%	Regular	0.00%
Close to main street	Yes	Yes	0.00%	No	5.00%
Negotiable	-----	No	0.00%	Yes	-10.00%
Other Factor	-----	-----	0.00%	-----	0.00%
Total Adjustments Ratio			0.00%		-15.00%
Total Adjustment Amount			SAR 0.0		-SAR 341.9
Net After Adjustment			SAR 2,166.7		SAR 1,937.5
SAR / Sqm			SAR 2,052		
Rounded Value			SAR 2,050		



SENSITIVITY ANALYSIS					
	-10%	-5%	0%	5%	10%
Land Area	17,046	17,046	17,046	17,046	17,046
SAR / Sqm	SAR 1,912.5	SAR 2,018.8	SAR 2,050.0	SAR 2,231.3	SAR 2,337.5
Property Value	SAR 32,600,475	SAR 34,411,613	SAR 34,944,300	SAR 38,033,888	SAR 39,845,025
			PROPERTY VALUE		



Based on the field samples obtained with the assistance of some real estate experts in the region, the average prices for similar properties range from 1,800 to 2,200 SAR per square meter. The general average is 2,000 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 general average.

1.35 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 the real estate similar to the property being evaluated, and at the same level of finishes, services, utilities, and others. The opinion of some engineering experts was used in this regard, and in the following table the scope of the expected costs for replacing the building under evaluation

	Min Cost (SAR / Sqm)	Max Cost (SAR / Sqm)	Average Cost
Skeleton - Concrete Cost	SAR 700	SAR 900	SAR 800
MEP	SAR 350	SAR 450	SAR 400
Finishing Materials	SAR 650	SAR 750	SAR 700
Site Improvements	SAR 80	SAR 120	SAR 100
Owner Profit	18%	22%	20%

In the following table, we will calculate an estimate of the direct costs of the building in the new condition, according to the main components of the building, such as the concrete structure, electromechanical work, finishes, site improvements, etc. Then we will estimate the value of the indirect costs as a percentage of the total direct costs to estimate the total construction costs of the project

LAND					
Land Area	SAR / Sqm	Total Value			
17,046.00	SAR 2,050	SAR 34,944,300			
Building					
	Unit	Total BUA			
Underground	Sqm	20,771.79			
Upper Floors	Sqm	23,885.13			
Total (SQM)	44,656.92				
Development Cost					
Hard Cost - Upper Floors					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	23,885.13	SAR 900	SAR 21,496,617	100%	SAR 21,496,617
Electro Mechanic	23,885.13	SAR 500	SAR 11,942,565	100%	SAR 11,942,565
Finishing	23,885.13	SAR 1,200	SAR 28,662,156	100%	SAR 28,662,156
Fit outs & Appliances	23,885.13	SAR 0	SAR 0	100%	SAR 0
Furniture	23,885.13	SAR 0	SAR 0	100%	SAR 0
Site Improvement	17,046.00	SAR 100	SAR 1,704,600	100%	SAR 1,704,600
Total			SAR 63,805,938	100.00%	SAR 63,805,938



Hard Cost - (Underground)					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	20,771.79	SAR 1,200	SAR 24,926,148	100%	SAR 24,926,148
Electro Mechanic	20,771.79	SAR 500	SAR 10,385,895	100%	SAR 10,385,895
Finishing	20,771.79	SAR 200	SAR 4,154,358	100%	SAR 4,154,358
Total			SAR 39,466,401	100.00%	SAR 39,466,401
Overall Soft Cost					
			Total Hard Cost	Ratio	Soft Cost
Initial Project Pre Cost			SAR 103,272,339	1.00%	SAR 1,032,723
Design			SAR 103,272,339	1.00%	SAR 1,032,723
Eng Consultant			SAR 103,272,339	2.00%	SAR 2,065,447
Management			SAR 103,272,339	2.00%	SAR 2,065,447
Contingency			SAR 103,272,339	5.00%	SAR 5,163,617
Others			SAR 103,272,339	0.00%	SAR 0
TOTAL				11.00%	SAR 11,359,957.29
Total Hard Cost	SAR 103,272,339		BUA	44,656.92	
Total Soft Cost	SAR 11,359,957.29		SAR / Sqm	SAR 2,567	
Total Construction Cost	SAR 114,632,296.29		Overall Completion	100.0%	

After knowing the total building construction costs at a rate of 2,567 SAR per square meter, we will estimate the life span of the property according to the type of construction and its general condition, and then apply the depreciation rates based on the actual age of the property. Then, the developer's profitability will be added to the property's value after depreciation to see the estimated market value of the building

DEVELOPMENT VALUE			
Total Dev Cost	SAR 114,632,296	Net Dep Rate	22.50%
		Dev Cost After Depreciation	SAR 88,840,030
Economic Age	40	Total Completion Rate	100.00%
Annual Dep Rate	2.50%	Developer Profit Rate	20.0%
Actual Age	9	Dev. Profit Amount	SAR 17,768,006
Total Dep Rate	22.50%	Development Value	SAR 106,608,036
Add Appr Rate	0.00%		
Net Dep Rate	22.50%		

The total market value of the building is 106,608,036 SAR, which will be added to the market 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 106,608,036	SAR 34,944,300	SAR 141,552,336	SAR 141,550,000



1.36 INCOME APPROACH

Market Capitalization Rate Analysis

Based on recent deals from the sale of similar real estate and real estate funds, we found that the operating rate of return, or the so-called capitalization rate, on the basis of which the commercial exchange for similar real estate ranges from 7% to 8%. Where this average is affected by rise and fall due to several factors, including the quality of the building's finishing, the general location, the ease of access to the property, the actual age of the property, the size of the project, and the extent of income stability in it. In addition to the above, the capitalization rates are also affected directly by the supply and demand rates for the same type of real estate

The Capitalization Rate Used for the Valuation

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

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%	1 Side Open
General condition of the property	0.00%	The actual age of the property is 8 years
The general location of the property	-0.25%	The area is well served
Quality and finishes	0.00%	Average quality finishes
Facilities of tenant payment	-0.50%	The tenant provided promissory note for the contract period
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 evaluation, 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 evaluation process, is 7.50%, which will be applied subsequently to the net operating income of the property.

As per the client, and as per the signed leasing contract, promissory notes have been signed by the tenant for the contract duration which guarantees more stability of the project's revenue stream. Based on that, this will affect the used cap rate to be lower than the market average (cap rate used at 7.5%)

Occupancy Rates in the Project

The subject property is fully rented to one tenant (Al Farabi College). The details of the leasing contract is as follows:

Owner (1 st Party)	شركة المقصد العقارية
Tenant (2 nd Party)	شركة كليات الفرابي للتعليم
Contract Starting Date	01/01/2020
Contract Duration	25 Years
Rent Increase Role	5% every 5 years



As for the annual rent of the subject property, the following tables shows the rent escalation on yearly bases:

Year	Annual Rent	Year	Annual Rent	Year	Annual Rent
2020	SAR 16,000,000	2029	SAR 16,800,000	2037	SAR 18,522,000
2021	SAR 16,000,000	2030	SAR 17,640,000	2038	SAR 18,522,000
2022	SAR 16,000,000	2031	SAR 17,640,000	2039	SAR 18,522,000
2023	SAR 16,000,000	2032	SAR 17,640,000	2040	SAR 19,448,100
2024	SAR 16,000,000	2033	SAR 17,640,000	2041	SAR 19,448,100
2025	SAR 16,800,000	2034	SAR 17,640,000	2042	SAR 19,448,100
2026	SAR 16,800,000	2035	SAR 18,522,000	2043	SAR 19,448,100
2027	SAR 16,800,000	2036	SAR 18,522,000	2044	SAR 19,448,100
2028	SAR 16,800,000				

REVENUES					
Unit Type	Quantity	No of Units	SAR / Sqm	SAR / Unit	Total Revenues
Educational Facility		The subject property is Fully leased to 1 tenant			SAR 16,000,000
	0	0	SAR 0	SAR 0	SAR 0
	0	0	SAR 0	SAR 0	SAR 0
Total Revenues					SAR 16,000,000

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 16,000,000	0.00%	SAR 16,000,000
	SAR 0	0.00%	SAR 0
	SAR 0	0.00%	SAR 0
Total			SAR 16,000,000

Total Property Revenues	SAR 16,000,000
Total Property Expenses	SAR 0
Net Operating Income	SAR 16,000,000.00

Net Operating Income	Cap Rate	Property Value	Rounded Value
SAR 16,000,000.00	7.50%	213,333,333.33 SAR	213,330,000.00 SAR



1.37 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

Methodology	Subject of Valuation	Value in Numbers	Value in Letters
Income Approach	Property	SAR 213,330,000	Two Hundred Thirteen Million and Three Hundred Thirty Thousand Saudi Riyals
DRC Approach	Land + Building	SAR 141,550,000	One Hundred Forty-One Million and Five Hundred Fifty Thousand Saudi Riyals

It is true that the subject property considered as a special property (educational facility), but since the subject property is being leased on a long term bases with the availability of the promissory notes (provided by the tenant) and taking into consideration the purpose of valuation, we will indicate the final value of the subject property based on the income approach.

1.38 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: 213,330,000 SAR
Two Hundred Thirteen Million and Three Hundred Thirty Thousand Saudi Riyals

1.39 REPORT USE

This valuation is for the sole use of the named Client. This report is confidential to the Client, and that of their advisors, and we accept no responsibility whatsoever to any third party. No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorized.

1.40 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.



1.41 CONCLUSION

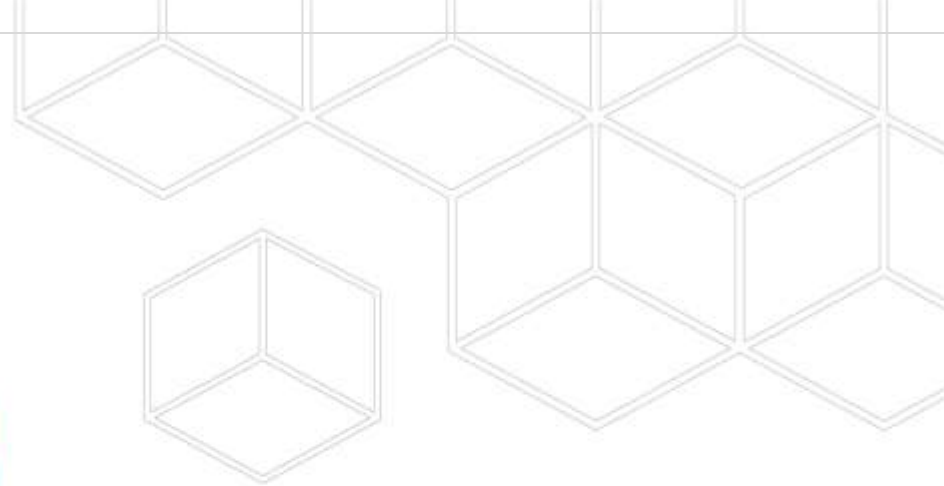
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Essam Hussaini
Site Inspection Check

Member of (Taqeem)
License No. 1210000474



GENERAL NOTES





1.42 CONSULTANT STATUS

We confirm that the consultant / 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 evaluator is competent to carry out the valuation task and has sufficient skills and market knowledge concerned to conduct the valuation.

1.43 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 valued 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
	Client	Date	
✓	Al Khabeer Cap	Sep 2020	-----
✓	-----	-----	-----
✓	-----	-----	-----

1.44 CONFIDENTIALITY

This document and / or any other documents received from the client are confidential between White Cubes Est. and the client. Except as may be required by any court or authority, the subject service shall not disclose or use or cause to be disclosed or used, at any time during the Term.

Any of the Client's secrets and/or confidential information, any other non-public information relating to the client business, financial or other affairs acquired by the subject service during the process remain confidential.



1.45 ENVIRONMENTAL MATTERS

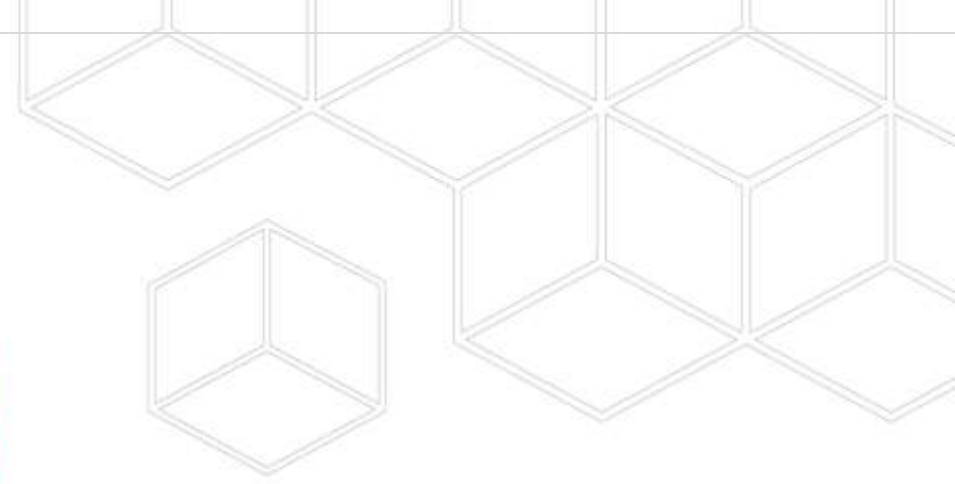
We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination.

In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative use has ever been carried out on the property.

We have not carried out any investigation into past or present uses, either of the properties or of any neighboring land, to establish whether there is any contamination or potential for contamination to the subject properties from the use or site and have therefore assumed that none exists.

However, should it be established subsequently that contamination exists at the properties or on any neighboring land, or that the premises has been or is being put to any contaminative use, this might reduce the value now reported.

DOCUMENTS COPIES





TITLE DEED

رقم الرخصة: ١٤٣٢/٢٠٢٢
تاريخ الرخصة: ١٤٤٣/١٢/١٧
تاريخ الانتهاء: ١٤٤٥/٠٣/٠٥
نوع الرخصة: توريد و تعديل مخططات البناء

رقم المخطط التنظيمي: ١٤٣٢/٠٠/١٤
رقم القرار: ١٤٣٢/٠٠/١٤
نوع البناء: ٢
محيطة الأسوار: ٢

مساحة الأرض: ٢٠١٧٠٠٠ م^٢
الجهة: شمال
شمال: شارع عرض ١٠ م
شرق: شارع عرض ١٠ م
جنوب: قنطرة عرض ٥ م
غرب: شارع عرض ١٠ م

مكونات البناء:

الجهة	الحدود	الابعاد	الارتفاع
شمال	شارع عرض ١٠ م	١٧	٢,٩٥
شرق	شارع عرض ١٠ م	٩٤,٧	٢٧,٩
جنوب	قنطرة عرض ٥ م	١٨٠	٧,٢٥
غرب	شارع عرض ١٠ م	٩١,٧	١٣,٥

ملاحظات:

- رقم المخطط التنظيمي: ١٤٣٢/٠٠/١٤
- رقم القرار: ١٤٣٢/٠٠/١٤
- نوع البناء: ٢
- محيطة الأسوار: ٢

صدرت هذه الرخصة من وزارة العدل. ويجب التحقق من بياناتها وسريتها عبر الخدمات الإلكترونية لوزارة العدل.
 نسخة مطبوعة المكونة: ١٠٠١٠ (هذا النموذج يخص الاستفسار والفحص التام وبمسئولية الناشر)
 الصفحة رقم 1 من 1

CONSTRUCTION PERMIT

رقم الرخصة: ١٤٣٢/٠٠/١٤
تاريخ الرخصة: ١٤٤٢/٠٤/٢٤
تاريخ الانتهاء: ١٤٤٥/٠٣/٠٥
نوع الرخصة: توريد و تعديل مخططات البناء

رقم المخطط التنظيمي: ١٤٣٢/٠٠/١٤
رقم القرار: ١٤٣٢/٠٠/١٤
نوع البناء: ٢
محيطة الأسوار: ٢

مساحة الأرض: ٢٠١٧٠٠٠ م^٢
الجهة: شمال
شمال: شارع عرض ١٠ م
شرق: شارع عرض ١٠ م
جنوب: قنطرة عرض ٥ م
غرب: شارع عرض ١٠ م

مكونات البناء:

الجهة	الحدود	الابعاد	الارتفاع
شمال	شارع عرض ١٠ م	١٧	٢,٩٥
شرق	شارع عرض ١٠ م	٩٤,٧	٢٧,٩
جنوب	قنطرة عرض ٥ م	١٨٠	٧,٢٥
غرب	شارع عرض ١٠ م	٩١,٧	١٣,٥

ملاحظات:

- رقم المخطط التنظيمي: ١٤٣٢/٠٠/١٤
- رقم القرار: ١٤٣٢/٠٠/١٤
- نوع البناء: ٢
- محيطة الأسوار: ٢

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 نسخة مطبوعة المكونة: ١٠٠١٠ (هذا النموذج يخص الاستفسار والفحص التام وبمسئولية الناشر)
 الصفحة رقم 1 من 1

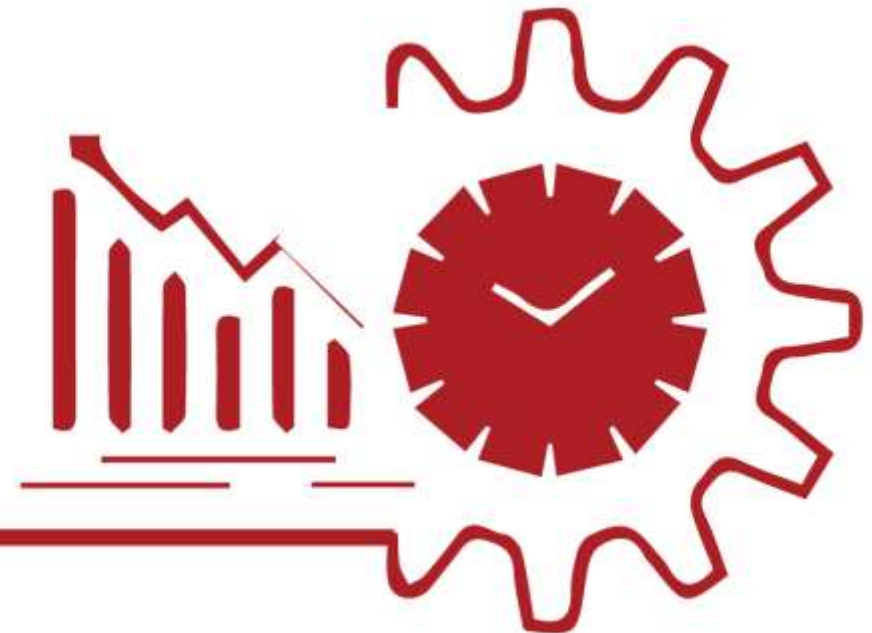
ELEGANCE TOWER AL KHABEER CAPITAL

RIYADH CITY

DECEMBER 2020



Valuation Report





REF: 2010833
Date: 30/12/2020
M/S Al Khabeer Capital

Subject: Valuation Report for Report for an office tower (Elegance Tower) in Riyadh City, Saudi Arabia

Dear Sir,

With reference to your request and approval dated on November 29, 2020 for valuation service of the office Tower (Elegance Tower) located in Riyadh city, 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)



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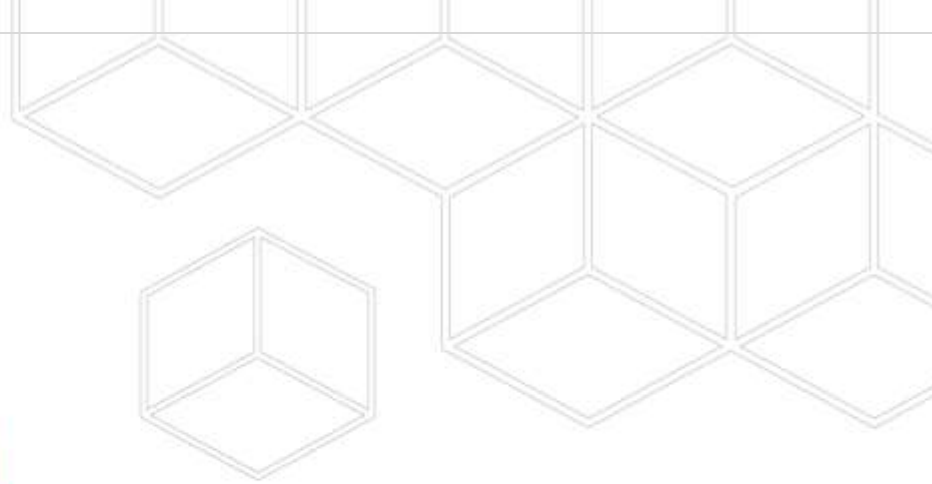
Table of Contents
(Please Click on the Title for Direct Access)

1.1	EXECUTIVE SUMMARY	7
1.2	VALUATION REFERENCE	9
1.3	BASIS OF VALUATION	9
1.4	CLIENT APPROVAL DATE	11
1.5	INSPECTION DATE	11
1.6	VALUATION DATE	11
1.7	REPORT DATE	11
1.8	OPINION OF VALUE	11
1.9	PURPOSE OF VALUATION	11
1.10	INSPECTION ROLE	11
1.11	MARKET SURVEY	12
1.12	PROPERTY & LOCATION DESCRIPTION	14
1.13	INFRASTRUCTURE FACILITIES	14
1.14	LOCATION	15
1.15	PROPERTY ACCESS	16
1.16	TITLE DEED & OWNERSHIP	17
1.17	CONSTRUCTION & BUILDINGS	17
1.18	INSURANCE	18
1.19	PROPERTY ACTUAL RENTAL RATES	18
1.20	GROSS LEASABLE AREAS	19
1.21	LAYOUTS	20
1.22	PHOTO RECORD	26
1.23	SAUDI ARABIA ECONOMIC INDICATORS	28
1.24	BUDGET ALLOCATION FOR 2019	28
1.25	SWOT ANALYSIS	29
1.26	SECTOR BRIEF	29
1.27	RISK ANALYSIS	31
1.28	DOCUMENTS RECIEVED	33
1.29	GENERAL ASSUMPTIONS	33
1.30	LEGAL NOTICES	33
1.31	INFORMATION SOURCE	34
1.32	STRUCTURAL EXAMINATION OF BUILDINGS (IF ANY)	34



1.33	VALUATION APPROACH	34
1.34	INPUT VALUATION PROCESS	35
1.35	COMPARABLE APPROACH	36
1.36	COST APPROACH (DRC)	37
1.37	DISCOUNTED CASH FLOW- MARKET RATES	39
1.38	SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES	42
1.39	SUBJECT PROPERTY VALUE	43
1.40	REPORT USE	43
1.41	DISCLAIMER	43
1.42	CONCLUSION	43
1.43	CONSULTANT STATUS	46
1.44	DISCLOSING CONFLICT OF INTEREST	46
1.45	CONFIDENTIALITY	46
1.46	ENVIRONMENTAL MATTERS	46

EXECUTIVE SUMMARY

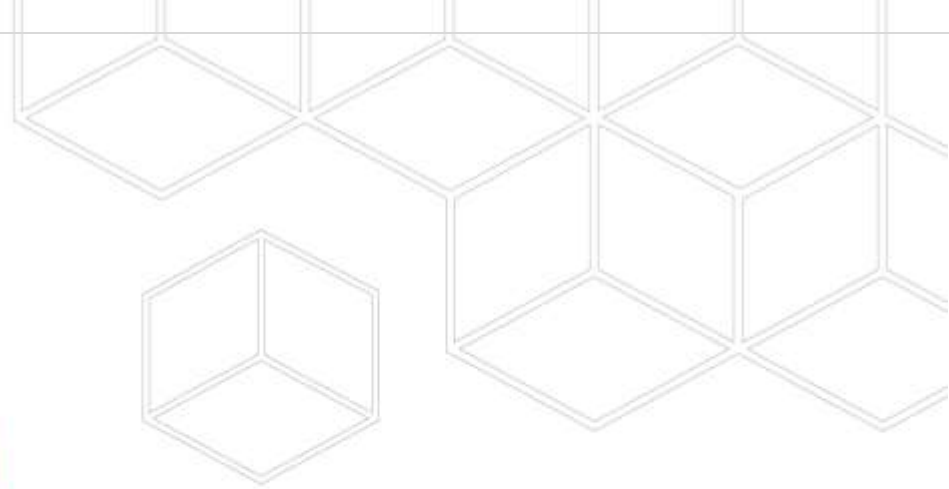




1.1 EXECUTIVE SUMMARY

Introduction	We received instructions from the client on 29/11/2020 to implement valuation service for an office tower in Riyadh city.
Client Reference No.	For whom this report is being prepared is Al Khabeer Capital, a Saudi company registered under the Saudi law. 2010833
Purpose of Valuation	Internal Decision-Making Purposes
Subject Property	Office Tower
Property Location	The property is located in Al Morouj district, Riyadh City.
Title Deed Information	Title Deed No: 393318001500, Title Deed Date: 02/03/1442, Issued from Riyadh Notary
Ownership Type	Freehold (Mortgaged)
Owner	شركة أول الملقى العقارية
Land Use	Commercial Use
Land Area (Sqm)	Based on the title deed, the land has an area size of 5,695 Sqm
BUA (Sqm)	Based on the construction permit, the building has a total BUA of 58,163 Sqm
GLA (Sqm)	The total gross leasable area is 24,322 Sqm composed of office.
Vacancy Rate	Based on the client, the occupancy rate of the project is 100%
Valuation Approach	Comparable Approach & Depreciated Replacement Cost Approach (DRC) & Discounted Cash Flow Approach (DCF)
Final Property Value	471,270,000 SAR
Valuation Date	30/12/2020
Inspection Date	05/12/2020

TERMS OF REFERENCE & VALUATION





1.2 VALUATION REFERENCE

This report was prepared based on the instructions issued to us by Al Khabeer Capital (the customer) 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 (IVSC).

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, eg 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.

November 29, 2020.

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.

December 05, 2020.

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 were the value/s of the subject property / properties is reflected. The valuation date is at

December 30, 2020.

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.

December 30, 2020.

1.8 OPINION OF VALUE

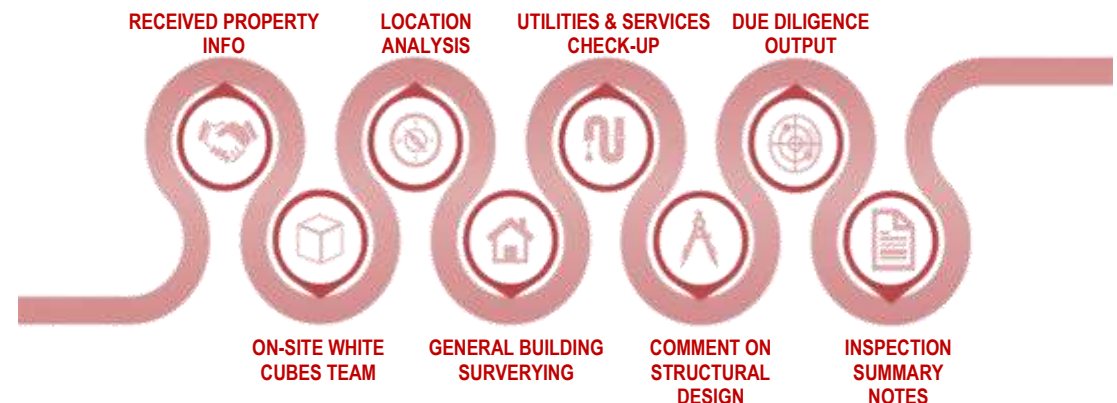
All the outputs will be shown in this report (Values) are based on our best knowledge of the market, documents received from the client (assumed to be correct), market findings and inspection inputs. Yet, the estimated values of the subject property / properties express our opinion of values based on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

1.9 PURPOSE OF VALUATION

The client requested to know the current market value of the subject property for Acquisition 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) & The Discounted Cash Flow Approach (DCF)

1.10 INSPECTION ROLE

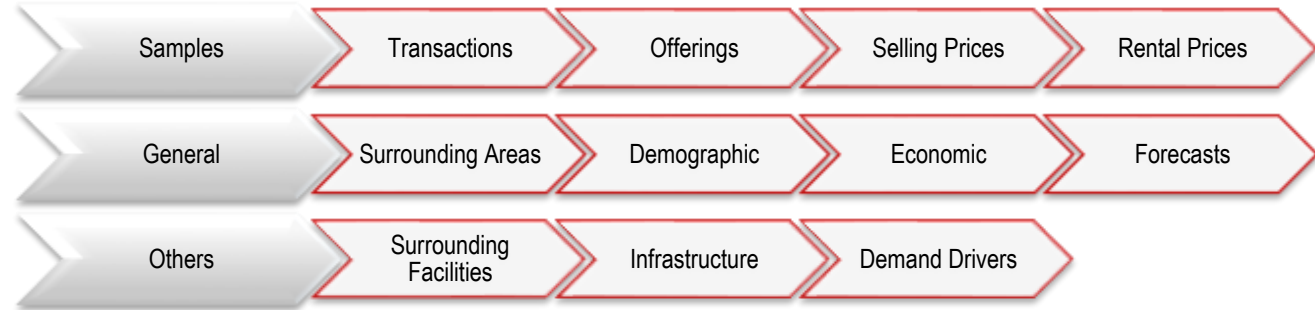
A visit to a property or inspection of an asset, to examine it and obtain relevant information, in order to express a professional opinion of its value. We hereby confirm that we have inspected the subject property / Asset at the date of inspection. Our inspection procedure covers only the surface / 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.



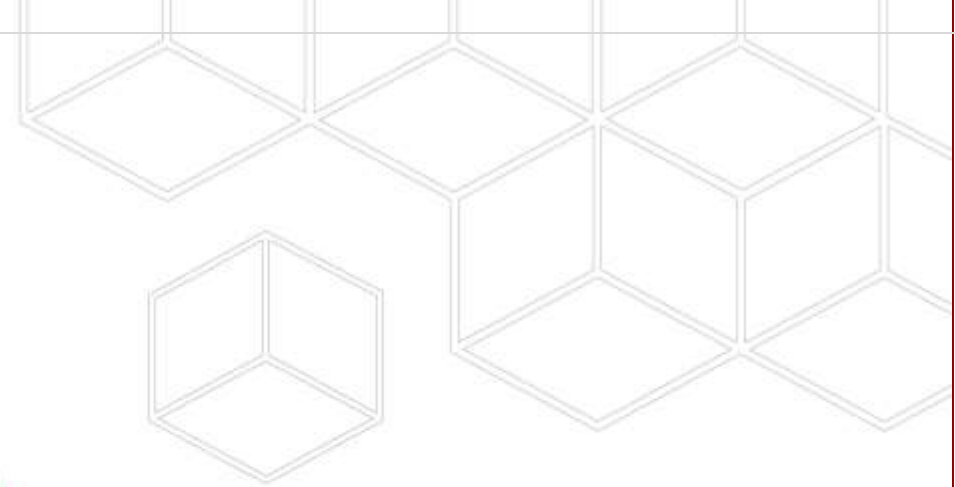


1.11 MARKET SURVEY

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.



PROPERTY DETAILS





1.12 PROPERTY & LOCATION DESCRIPTION

Property Description

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

Ease of Access

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

The Main Landmarks

The subject property is surrounded by a number of major landmarks such as the General Authority for Zakat & Income Tax, Administrative Courte of Appeal, etc.

Land		Building	
Land Use	Commercial	Building Type	Office Tower
No. of Streets	3	Building Structural Conditions	Fully Constructed
Land Shape	Graded	External Elevation Conditions	Good
Direct View on the Main Road	King Fahed Road	Building Finishing Conditions	Good
Direct View on an Internal Street	Unnamed Streets	Overall Building Conditions	Good

1.13 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	✓	✓	



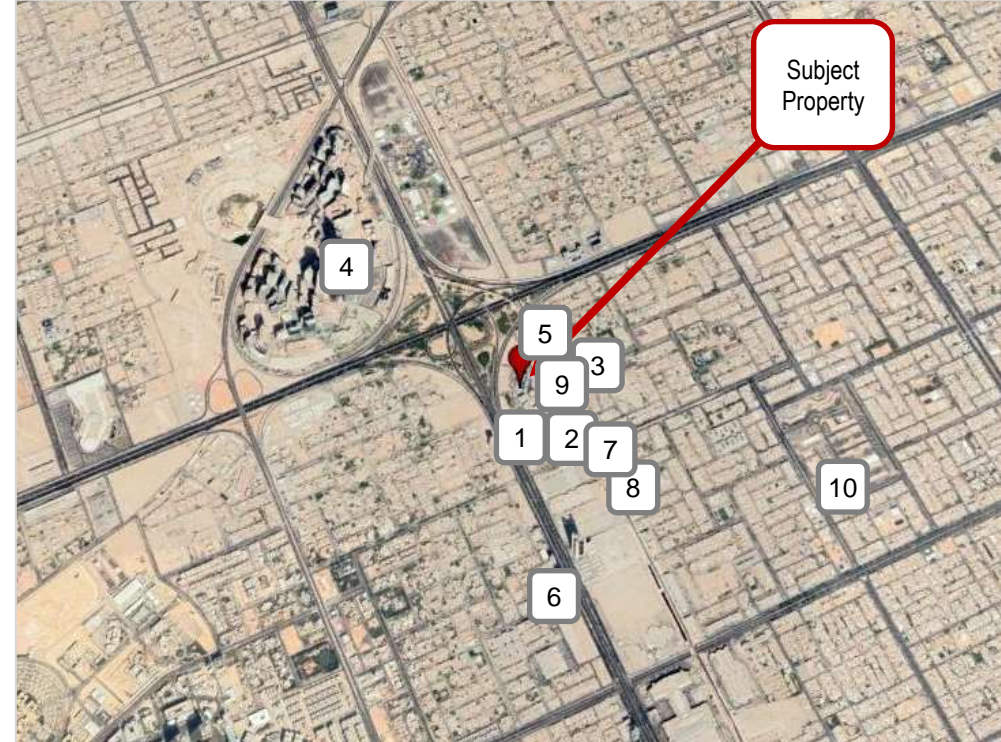
1.14 LOCATION

The subject property is located in Al Morouj district, Riyadh city and surrounded by several landmarks as follows:

Property Location on a City Scale



Property Location on a District Scale



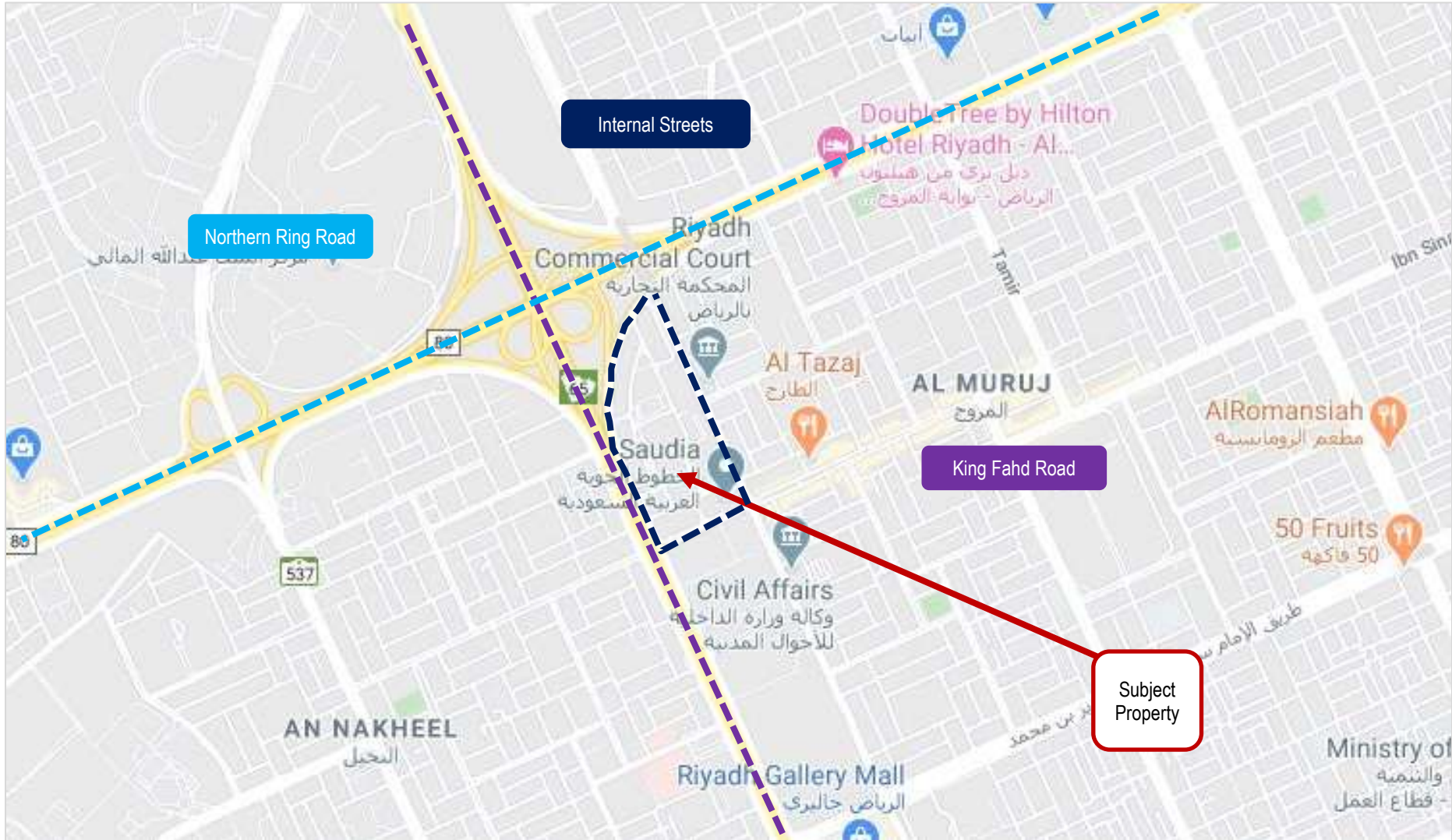
Surrounding Landmarks

- | | |
|--|--|
| 1- General Authority for Zakat & Tax Income (0.2 Kilometers) | 6- Dallah Hospitals (1.3 Kilometers) |
| 2- First Notary Public of North Riyadh (0.2 Kilometers) | 7- Court of Appeal (0.8 Kilometers) |
| 3- Al Sumoo National School (0.4 Kilometers) | 8- Administrative Court of Appeal (1.3 Kilometers) |
| 4- King Abdullah Financial District (1.2 Kilometers) | 9- General Directorate for Security Petrol (0.1 Kilometers) |
| 5- Supreme Courte (0.3 Kilometers) | 10- General Directorate of Environmental Health (1.6 Kilometers) |



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	5,695 Sqm
District	Al Morouj	Plot No.	25, 26, 27, 28
T.D Type	Electronic	Block No.	N/A
T.D Number	393318001500	Layout No.	2,593
T.D Date	02/03/1442	Owner	شركة اول الملقا العقارية
T.D Value	420,000,000 SAR	Ownership Type	Freehold
Date of Last Transaction Issued From	02/03/1442 Riyadh Notary	Limitation of Document	Mortgaged
North Side	Pathway	East Side	Parking & 20 Meters Street
South Side	Sidewalk	West Side	Parking & 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.

1.17 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	Missing Allowance
Property Type	Office Tower
Construction Permit No.	1432/16564
Construction Permit Date	09/03/1438
Permit Expiry Date	09/03/1441

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

1.18 INSURANCE

We have not been provided with any insurance policy for the underlying asset.

1.19 PROPERTY ACTUAL RENTAL RATES

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



1.20 GROSS LEASABLE AREAS

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

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

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

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

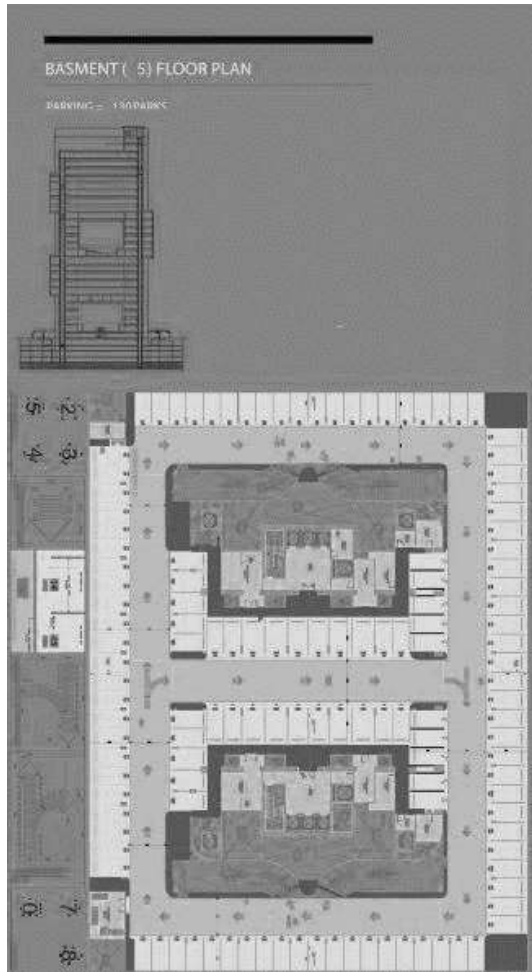




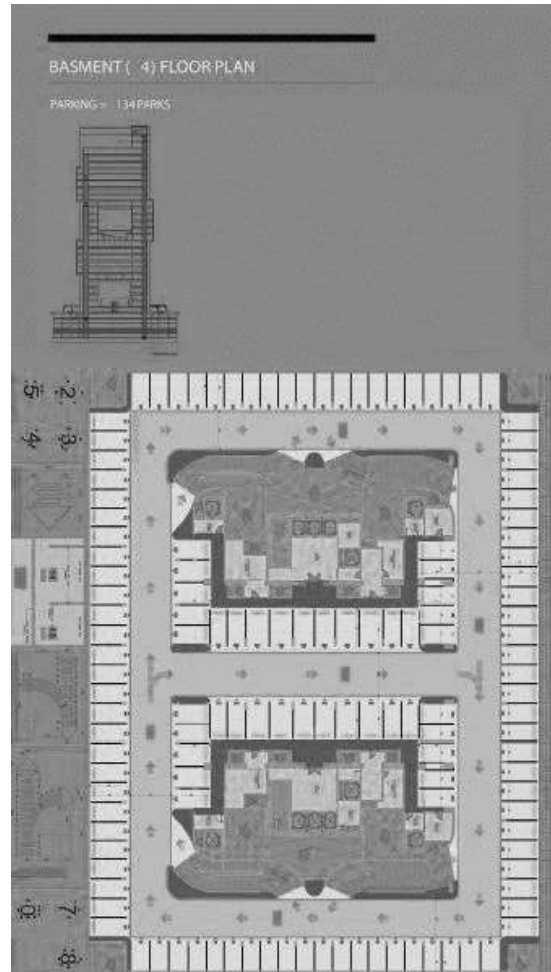
1.21 LAYOUTS

The client provided us with a document showing the layouts of the project as follows:

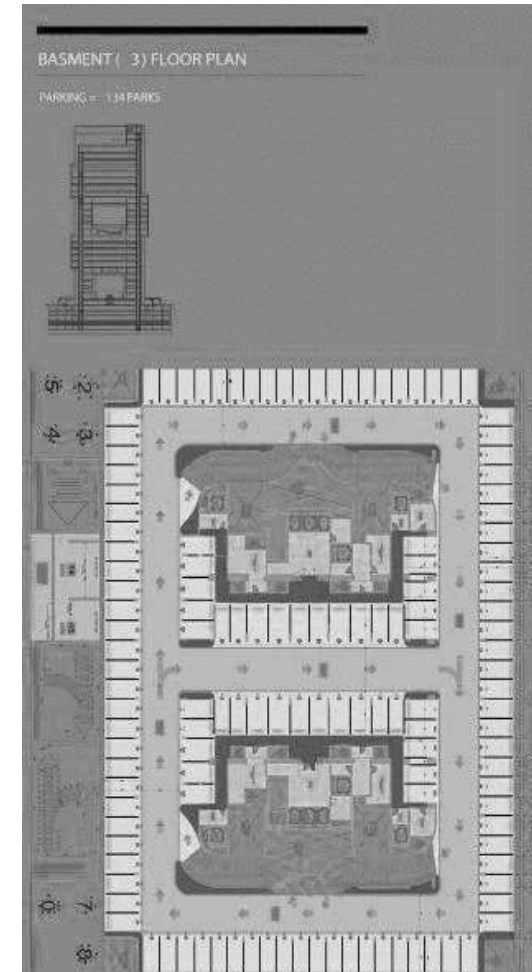
Basement (5)



Basement (4)

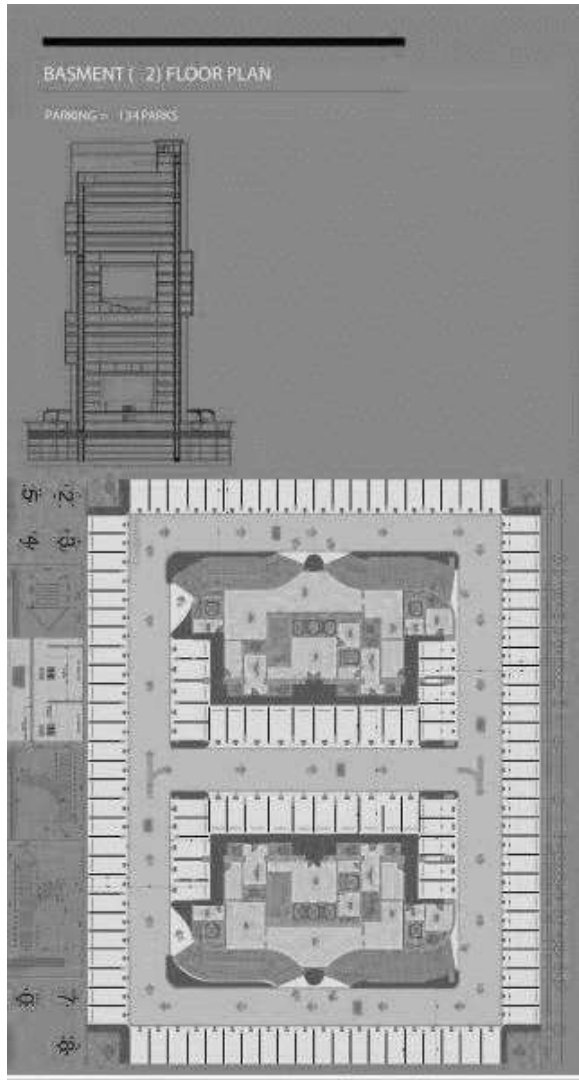


Basement (3)

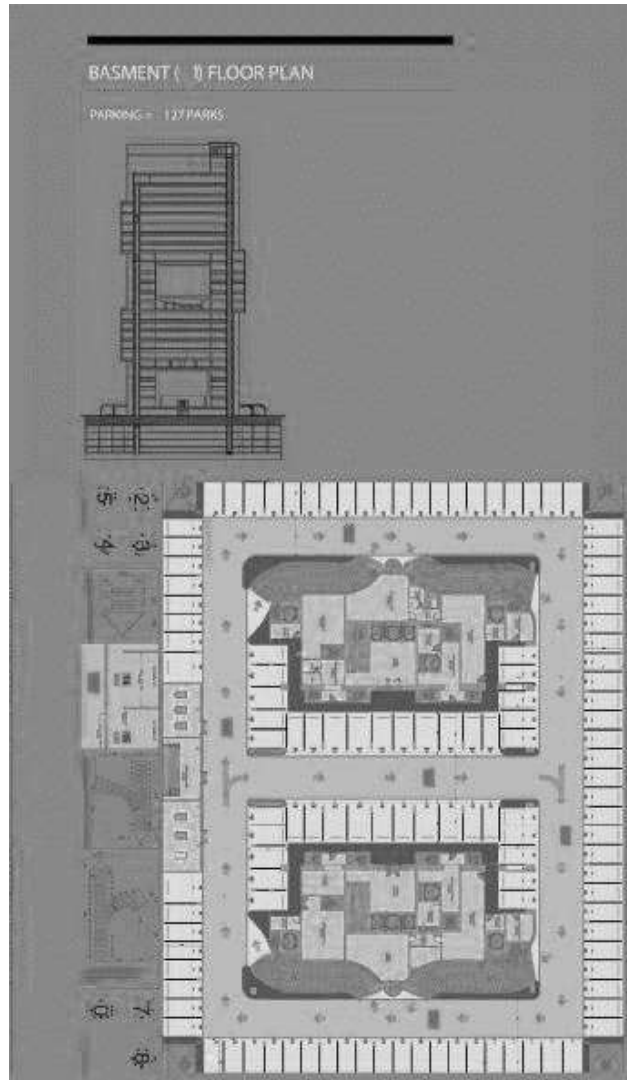




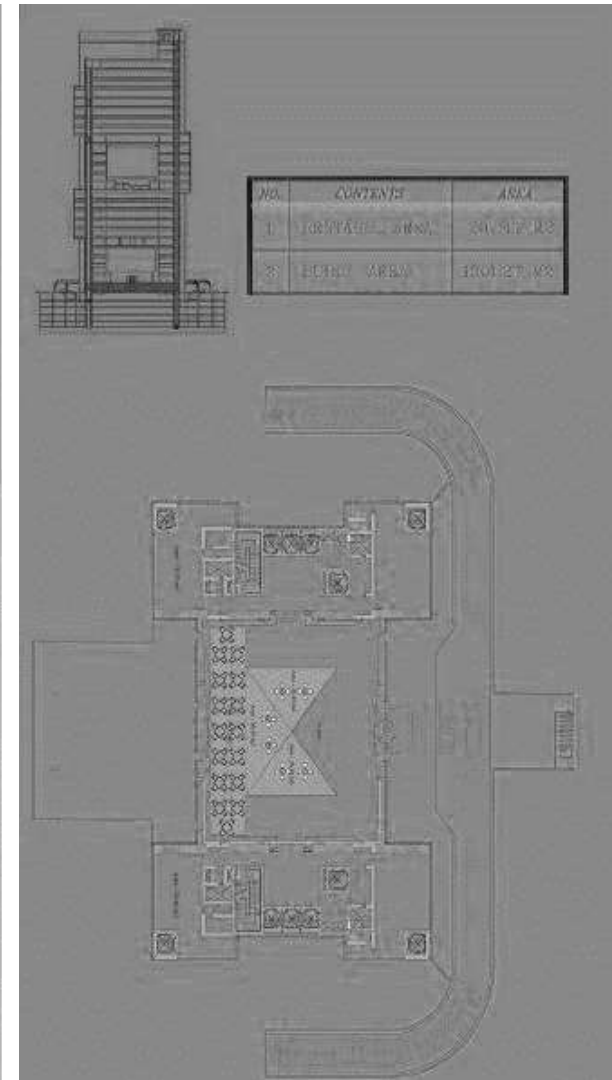
Basement (2)



Basement (1)

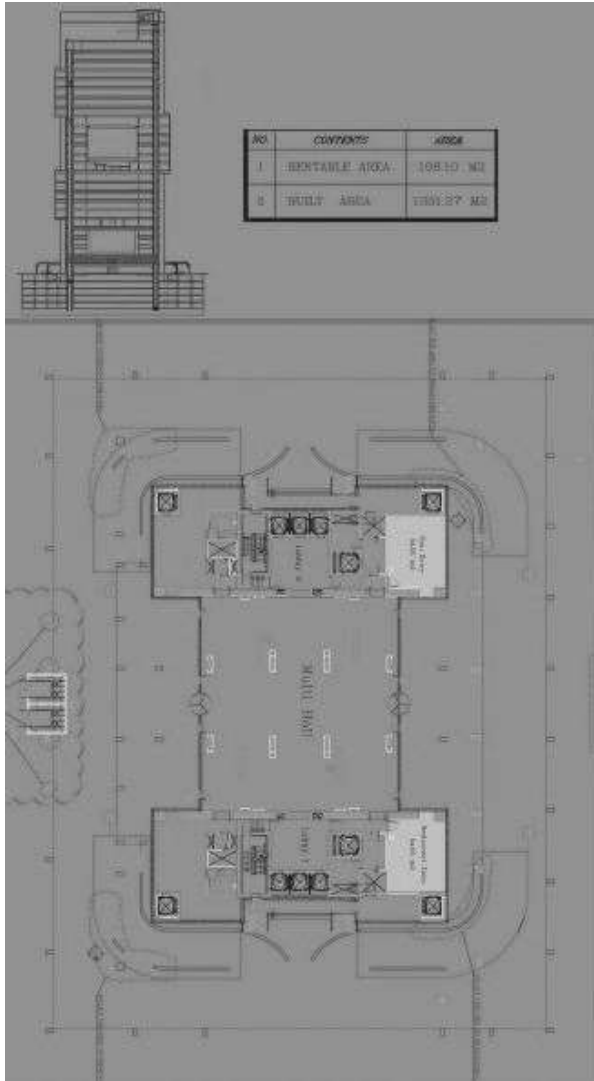


Lower Ground Plan

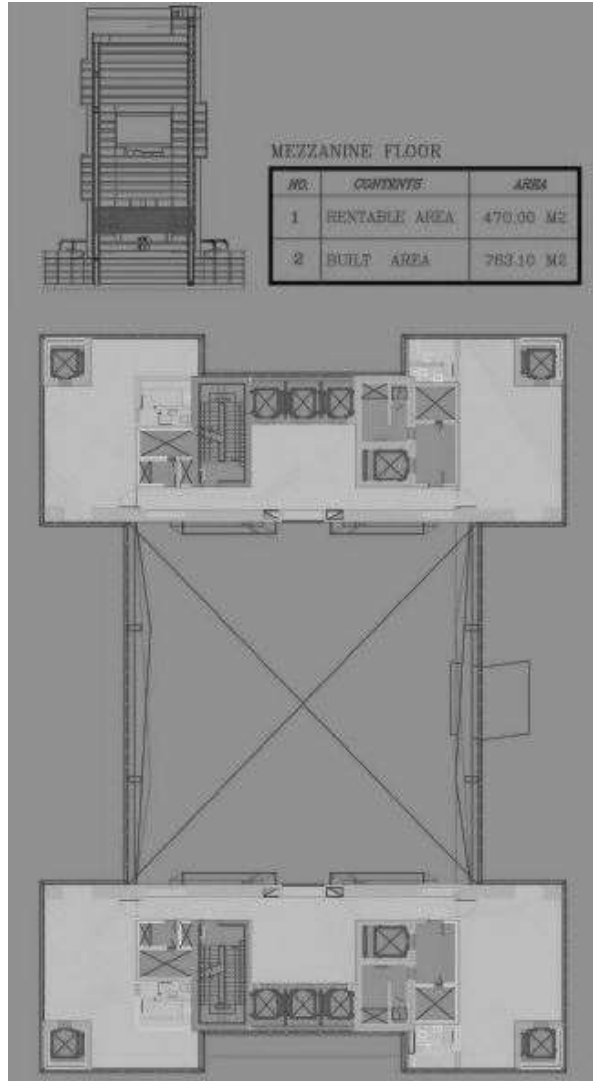




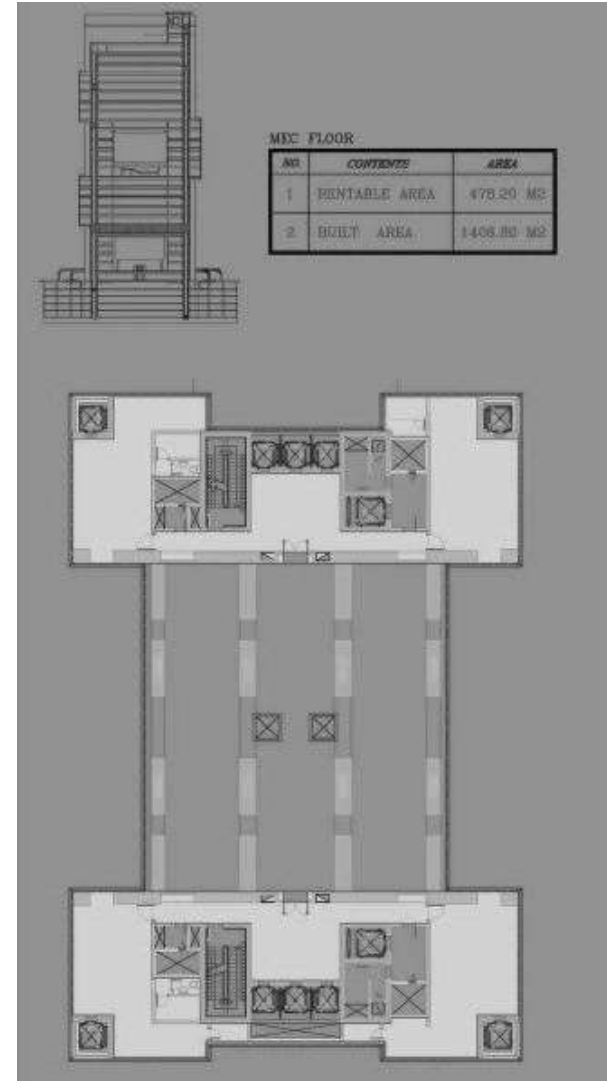
Upper Ground Floor Plan



Mezzanine Floor

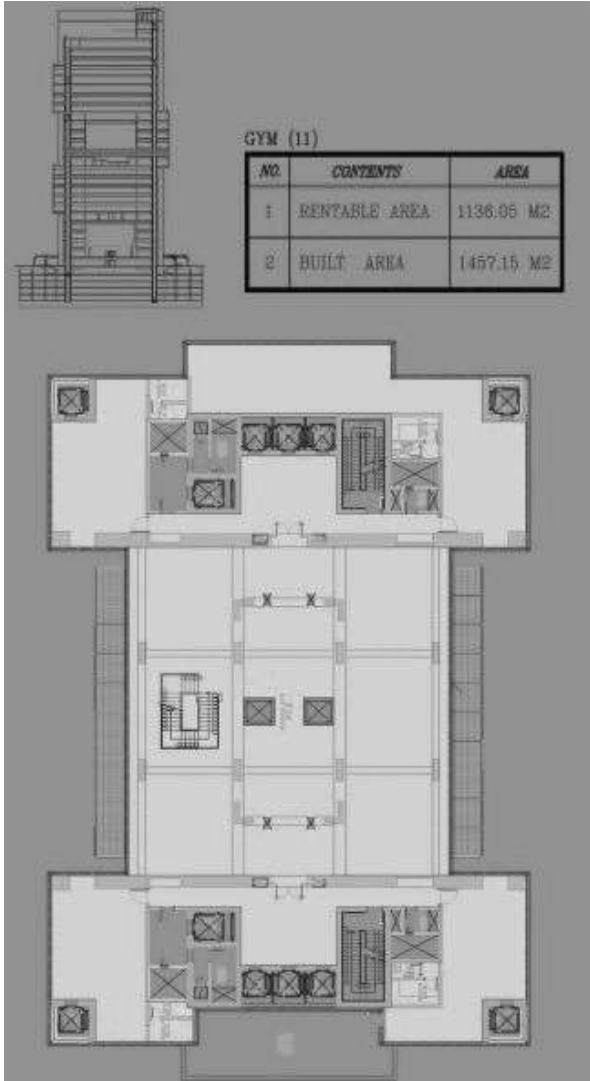
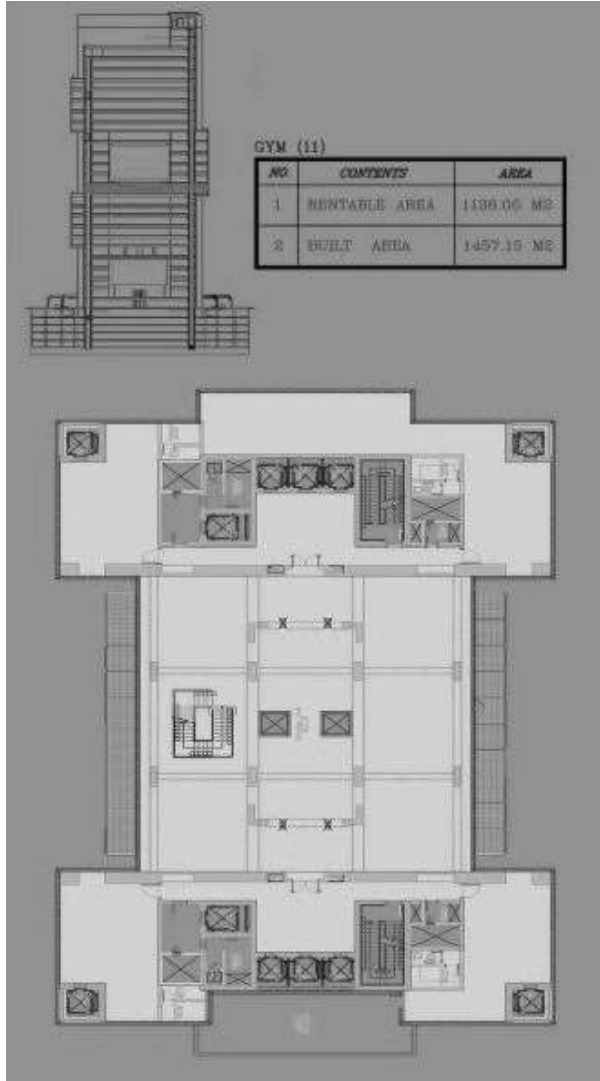
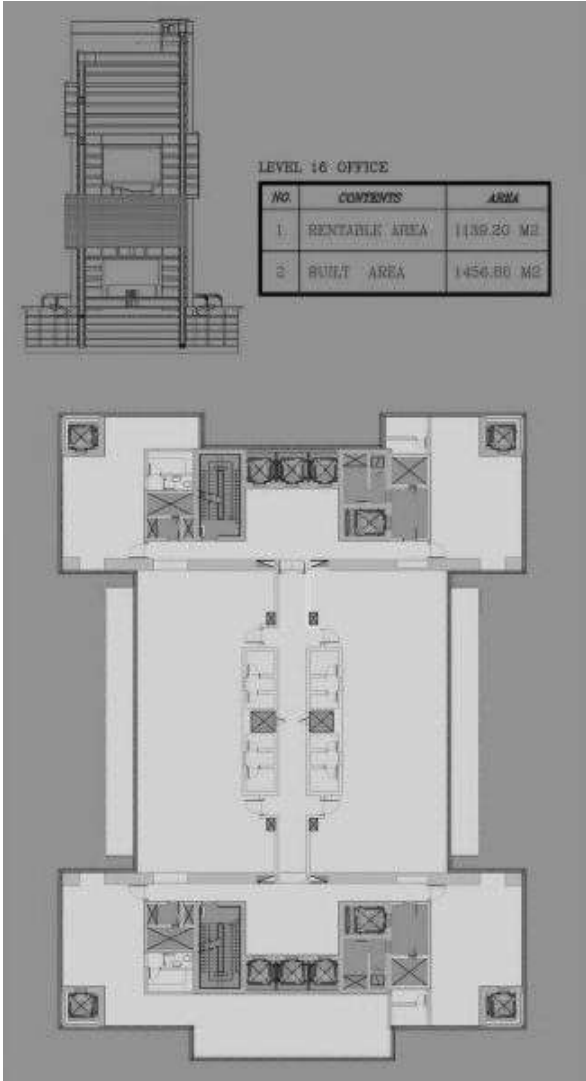


MEC. Floor Plan





Floor Plan for Typical (6-10) Gym Gym

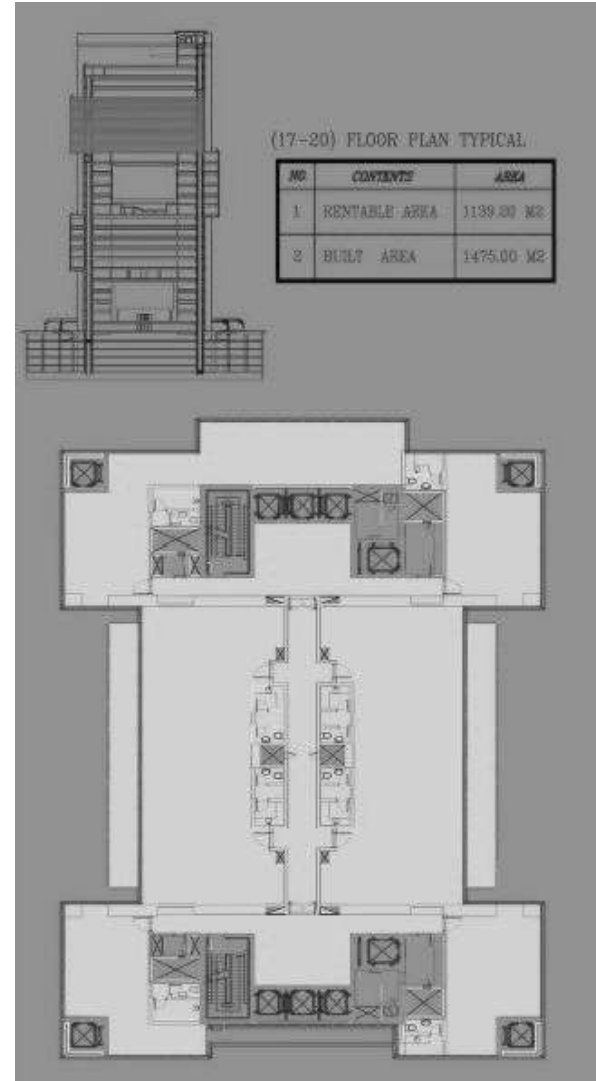
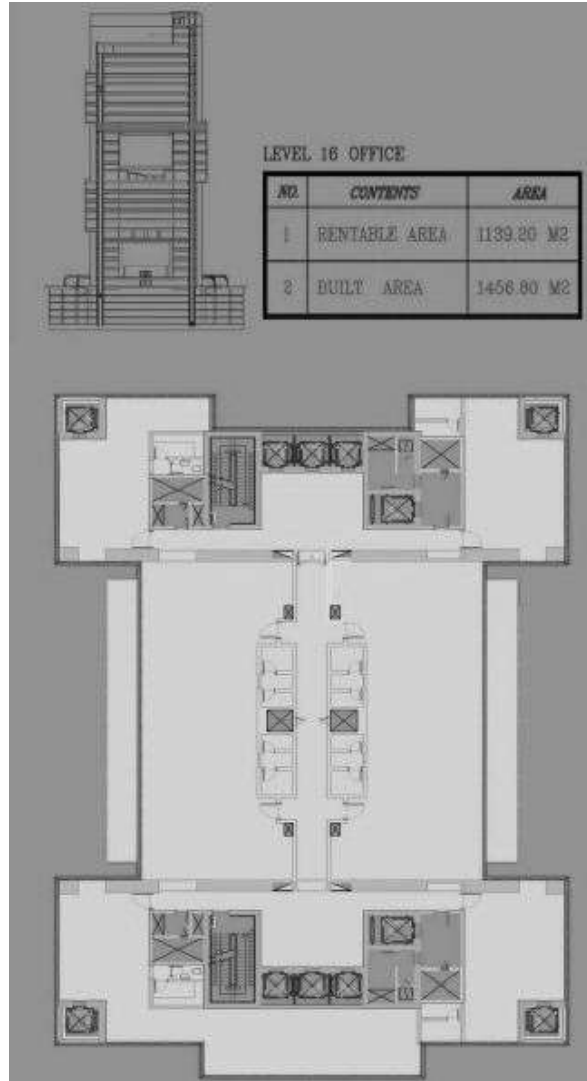
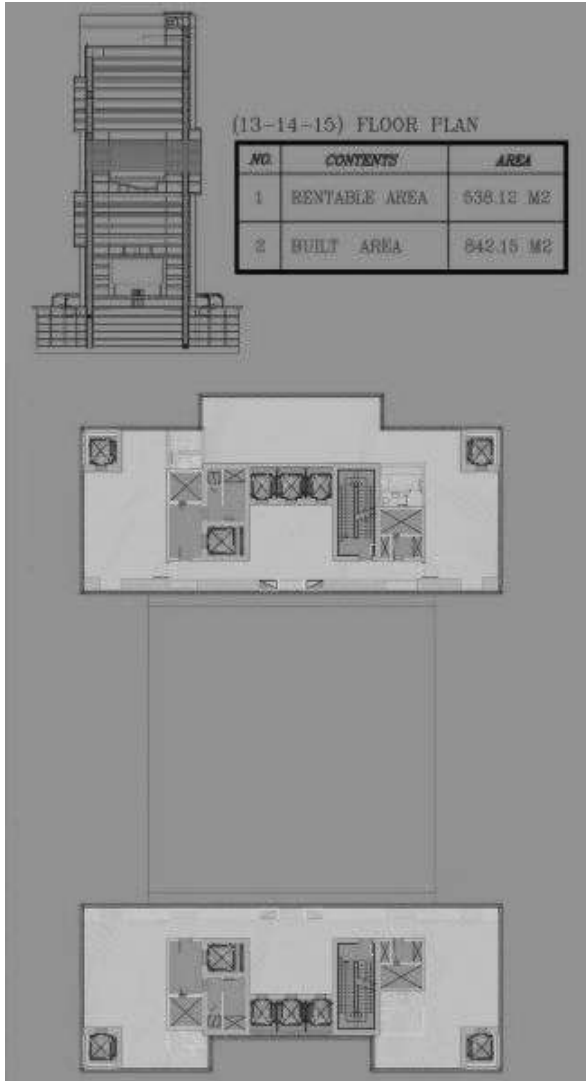




(13-14-15) Floor Plan

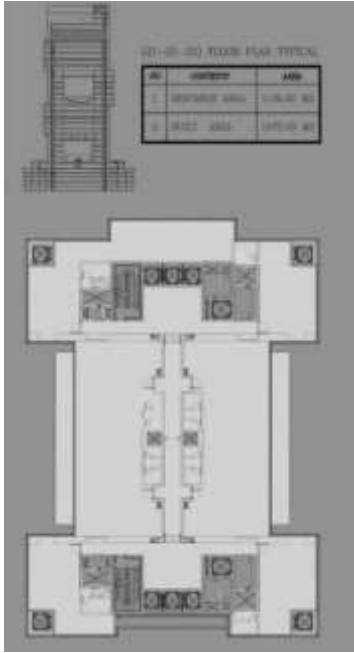
Level 16 Office

(17-20) Floor Plan Typical

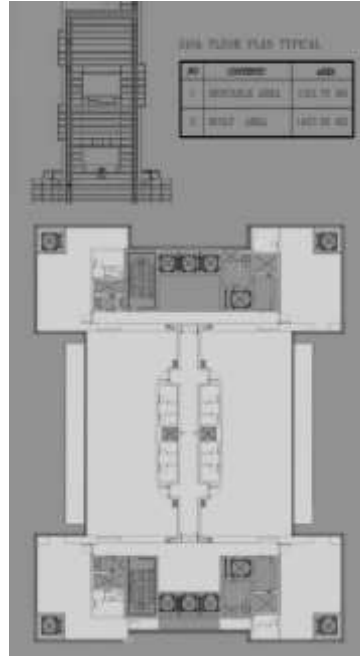




(21-22-23) Floor Plan Typical



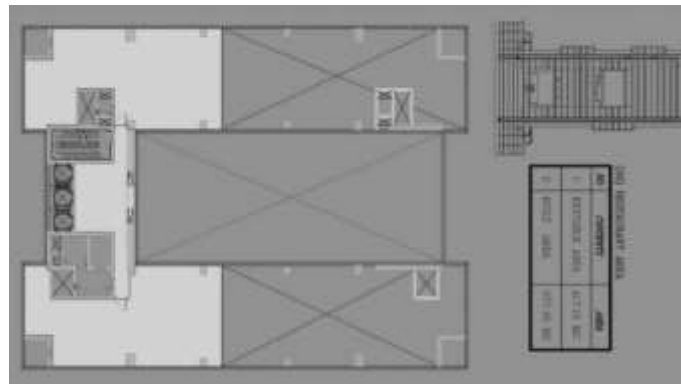
(24) Floor Plan Typical



Restaurant Area (25)



Reastaurant Area 2 (26)





1.22 PHOTO RECORD



MARKET INDICATORS





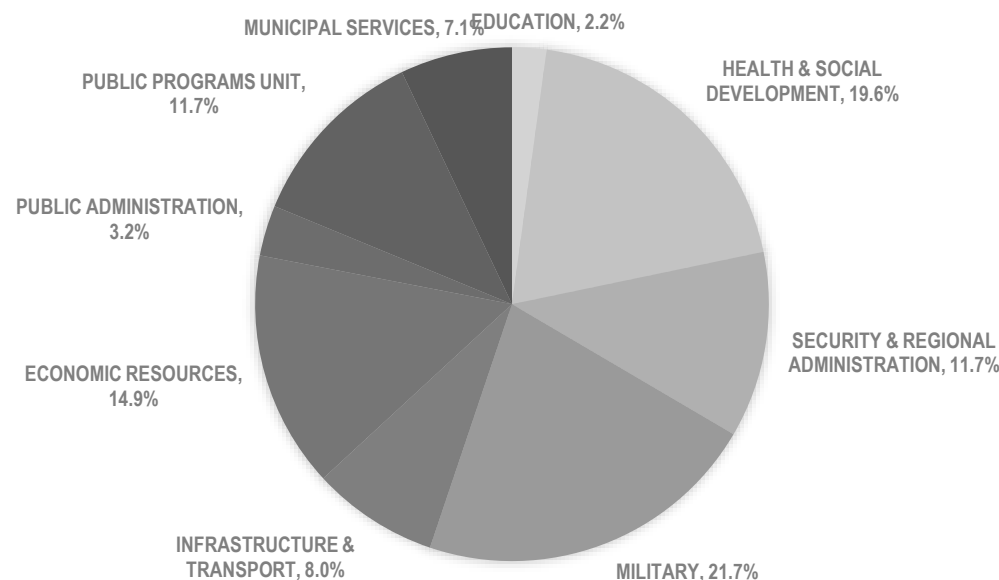
1.23 SAUDI ARABIA ECONOMIC INDICATORS

Economic Indicator	2018	2019	2020
GDP (Source: General Authority for Statistics)	(Q2) 732,747 Bn	642.8 Bn (E)	657.58 Bn (E)
GDP Growth (Source: Ministry of Finance)	%2.3	0.5%	2% (E)
Inflation Rate (Source: SAMA)	2.45%	-1.22%	-1.5% (E)
Interest Rates (Source: Trading Economics)	2.75%	3%	2.5% (E)
Government Revenues (Source: General Authority for Statistics)	895 Bn	978 Bn	833 Bn (E)
Government Spending (Source: General Authority for Statistics)	1,079 Bn	1,050 Bn (E)	1,020 Bn (E)
Unemployment Rate (Source: General Authority for Statistics)	6%	5.6%	5.2% (E)
Population (Source: General Authority for Statistics)	33,413,660	34,413,660	34,218,169

1.24 BUDGET ALLOCATION FOR 2019

Public Administration	28 SAR bn
Military	191 SAR bn
Security & Regional Adm.	103 SAR bn
Municipal Services	62 SAR bn
Education	193 SAR bn
Health & Social Dev.	172 SAR bn
Economic Resources	131 SAR bn
Infrastructure & Transport	70 SAR bn
Public Programs Unit	103 SAR bn

Source: Ministry of Economy





1.25 SWOT ANALYSIS

Strength <ul style="list-style-type: none"> - Located on the intersection of the northern ring road and King Fahed Road - The tower is open on 3 sides - Good finishing and unique design - Direct view on King Fahed Financial District - Ease of Access - Availability of several amenities in the near area of the subject property 	Weakness <ul style="list-style-type: none"> - Still in vacant condition
Opportunities <ul style="list-style-type: none"> - High demand on the property type in the area due to the proximity of several public services and facilities - Leasable to class A tenants 	Threats <ul style="list-style-type: none"> - Existing and upcoming similar projects

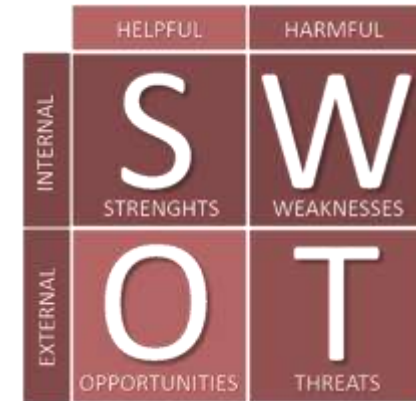
The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

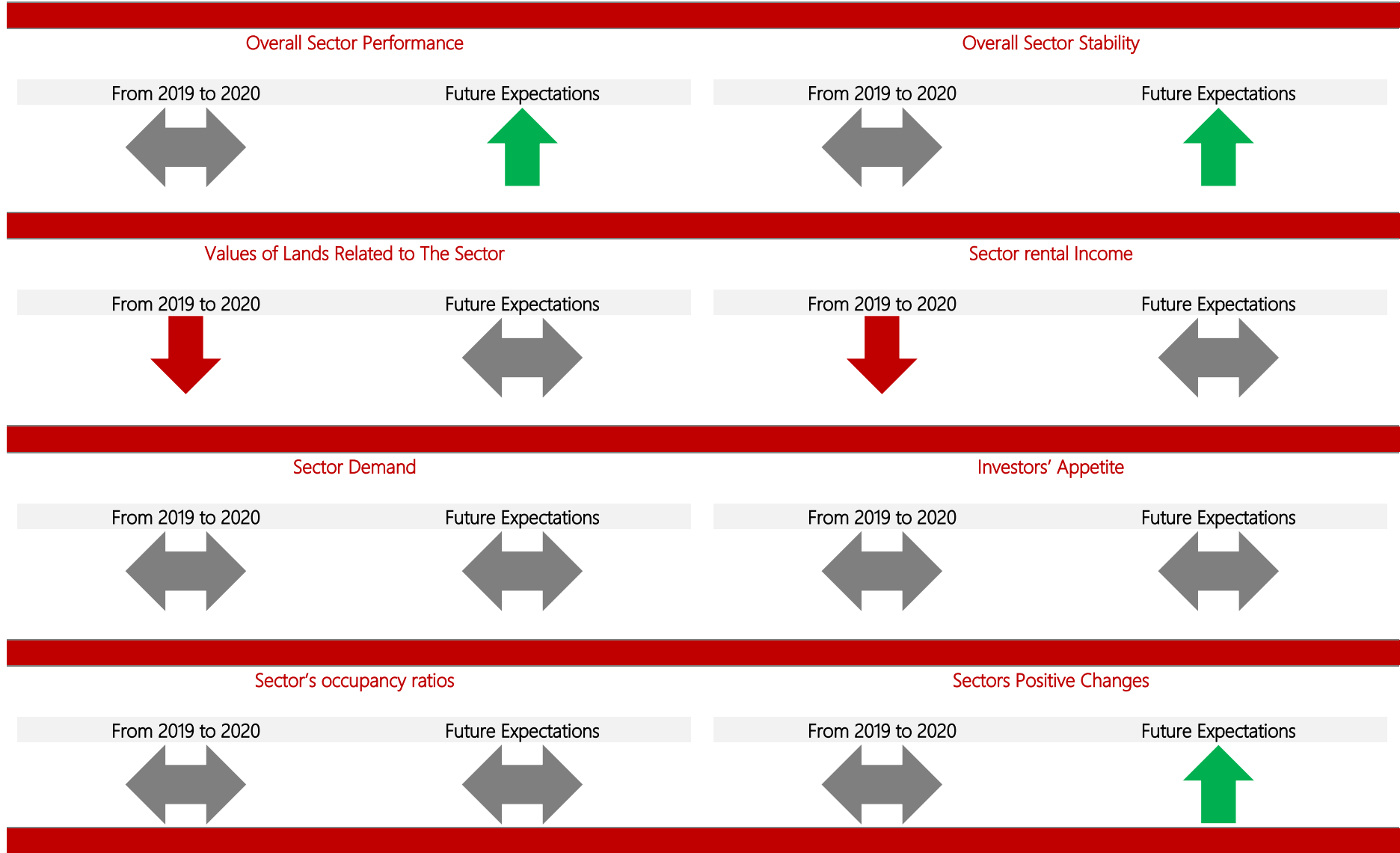
1.26 SECTOR BRIEF

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





White Cubes Team's Analysis



1.27 RISK ANALYSIS

Risk Factor	Very Low Risk (1) 1-6	Minimal Risk (2) 8-12	Medium Risk (3) 13-18	Elevated Risk (4) 19-24	Very High Risk (5) 25-30
Overall Economy	-----	-----	✓	-----	-----
Sector Current Performance	-----	-----	✓	-----	-----
Sector Future Performance	-----	✓	-----	-----	-----
Occupancy Rates	-----	-----	✓	-----	-----
Supply Rate	-----	-----	✓	-----	-----
Demand Rate	-----	-----	✓	-----	-----
Total Risk	0	2	15	0	0
Risk Category	17 Risk Points - Medium Risk				

Sector Analysis

Risk Category- 17 Risk Points - Medium Risk

Risk Factor	Very Low Risk (1) 1-5	Minimal Risk (2) 6-10	Medium Risk (3) 11-15	Elevated Risk (4) 16-20	Very High Risk (5) 21-25
Access	-----	✓	-----	-----	-----
Location	-----	✓	-----	-----	-----
Land Shape	-----	✓	-----	-----	-----
Surrounding Area facilities	-----	-----	✓	-----	-----
Total Risk	0	6	3	0	0
Risk Category	9 Risk Points – Minimal Risk				

Land Analysis

Risk Category- 9 Risk Points - Minimal Risk

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

Property Analysis

Risk Category- 7 Risk Points - Medium Risk

PROPERTY VALUATION





1.28 DOCUMENTS RECIEVED

The client has provided us by clear copy of the following documents.

Title Deed Copy ✓	Construction Permit ✓	Krooki
Master Plan	Layouts ✓	3D Design & Perspectives
Leasing Contract ✓	Presentation of the subject property	Project Presentation ✓
Location Link	Contact Details ✓	Costing & Budget
Tenant List	Income & Revenues	Operational Cost - OPEX

1.29 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.

1.30 LEGAL NOTICES

We are not aware of and have not been notified of any legal notices on the property, whether they are ongoing or pending in the courts.



1.31 INFORMATION SOURCE

Referring to the purpose of this report, it has been assumed that all information received from the client, whether verbal or written, is up-to-date and correct. Our team conducted a field research in order to ensure the validity of some market information for the purpose of valuation, which included the values of assets in the region, occupancy rates and market information related to the asset being valued in order to reach the market value of the asset being valued. During the field research process, some sources were relied on as follows:

- The field survey prepared by us
- Site inspection done by our team
- Our historical database for the similar assets of the property being valued
- Sales agents specialized with the same type of assets subject to valuation

1.32 STRUCTURAL EXAMINATION OF BUILDINGS (IF ANY)

Our service’s scope does not include any technical testing of buildings and / or structural examinations, and does not include any quality assurance of these constructions. However, in the event of any visible and observed deficiencies in the structural structure, we will write it down in our report and reflect such effect on the value.

1.33 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.

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

1.34 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.

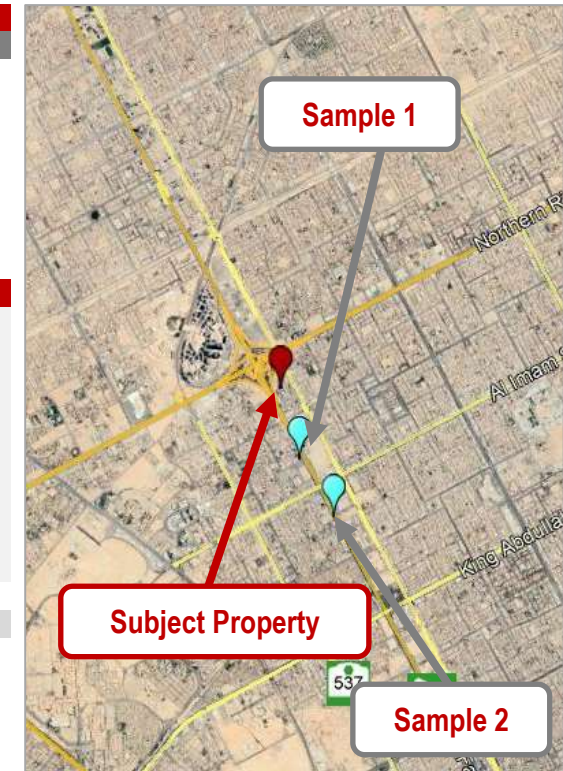


1.35 COMPARABLE APPROACH

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 Moruj	Al Moruj	Al Moruj
Sale Price	-----	SAR 72,000,000	SAR 74,000,000
Data Source	Title Deed	Market Survey	Market Survey
Area Size	5,695.00	4,500.00	4,800.00
SAR / Sqm	-----	SAR 16,000	SAR 15,417
Sides Open	3	3	2

Adjustment Analysis					
		SAMPLE 1		SAMPLE 2	
Area size	5,695.00	4,500.00	0.00%	4,800.00	0.00%
Location Desirability	High	High	0.00%	High	0.00%
Accessibility	Excellent	Excellent	0.00%	Excellent	0.00%
Main Street Width (m)	80	80	0.00%	80	0.00%
Sides Open	3	3	0.00%	2	10.00%
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			0.00%		10.00%
Total Adjustment Amount			SAR 0.0		SAR 1,541.7
Net After Adjustment			SAR 16,000.0		SAR 16,958.3
SAR / Sqm			SAR 16,479		
Rounded Value			SAR 16,500		



SENSITIVITY ANALYSIS						
	-10%	-5%	0%	5%	10%	
Land Area	5,695	5,695	5,695	5,695	5,695	
SAR / Sqm	SAR 14,850.0	SAR 15,675.0	SAR 16,500.0	SAR 17,325.0	SAR 18,150.0	
Property Value	SAR 84,570,750	SAR 89,269,125	SAR 93,967,500	SAR 98,665,875	SAR 103,364,250	
	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 16,000 - 17,000 SAR / Sqm with an average of 16,500 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.

1.36 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 1,200	SAR 1,400	SAR 1,300
Fitouts &Appliance	SAR 80	SAR 120	SAR 100
Site Improvements	SAR 100	SAR 140	SAR 120
Owner Profit	20%	30%	25%

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

LAND					
Land Area	SAR / Sqm			Total Value	
5,695.00	SAR 16,500			SAR 93,967,500	
Building					
	Unit	No of Floors	Total BUA		
Underground	Sqm	5	28,475.00		
Upper Floors	Sqm	1	29,688.00		
Total (SQM)	58,163.00				
Development Cost					
Hard Cost - Upper Floors					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	29,688.00	SAR 1,200	SAR 35,625,600	100%	SAR 35,625,600
Electro Mechanic	29,688.00	SAR 600	SAR 17,812,800	100%	SAR 17,812,800
Finishing	29,688.00	SAR 1,300	SAR 38,594,400	100%	SAR 38,594,400
Fit outs & Appliances	29,688.00	SAR 100	SAR 2,968,800	100%	SAR 2,968,800
Furniture	29,688.00	SAR 0	SAR 0	100%	SAR 0
Site Improvement	5,695.00	SAR 120	SAR 683,400	100%	SAR 683,400
Total			SAR 95,685,000	100.00%	SAR 95,685,000



Hard Cost - Underground					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	28,475.00	SAR 1,800	SAR 51,255,000	100%	SAR 51,255,000
Electro Mechanic	28,475.00	SAR 500	SAR 14,237,500	100%	SAR 14,237,500
Finishing	28,475.00	SAR 600	SAR 17,085,000	100%	SAR 17,085,000
Total			SAR 82,577,500	100.00%	SAR 82,577,500
Overall Soft Cost					
			Total Hard Cost	Ratio	Soft Cost
Initial Project Pre Cost			SAR 178,262,500	0.10%	SAR 178,263
Design			SAR 178,262,500	0.50%	SAR 891,313
Eng Consultant			SAR 178,262,500	1.00%	SAR 1,782,625
Management			SAR 178,262,500	5.00%	SAR 8,913,125
Contingency			SAR 178,262,500	5.00%	SAR 8,913,125
Others			SAR 178,262,500	0.00%	SAR 0
TOTAL				11.60%	SAR 20,678,450.00
Total Hard Cost	SAR 178,262,500			BUA	58,163.00
Total Soft Cost	SAR 20,678,450.00			SAR / Sqm	SAR 3,420
Total Construction Cost	SAR 198,940,950.00			Overall Completion	100.0%

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

DEVELOPMENT VALUE			
Total Dev Cost	SAR 198,940,950	Net Dep Rate	0.00%
		Dev Cost After Depreciation	SAR 198,940,950
Economic Age	35	Total Completion Rate	100.00%
Annual Dep Rate	2.86%	Developer Profit Rate	25.0%
Actual Age	0	Dev. Profit Amount	SAR 49,735,238
Total Dep Rate	0.00%	Development Value	SAR 248,676,188
Add Appr Rate	0.00%		
Net Dep Rate	0.00%		

The total value of the building is 248,676,188 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 248,676,188	SAR 93,967,500	SAR 342,643,688	SAR 342,600,000



1.37 DISCOUNTED CASH FLOW- MARKET RATES

Market Rental Analysis

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

Comparable No.	Office Units
Comparable 1	Rental Rate/ Unit 1,100 SAR/ Sqm
Comparable 2	1,300 SAR/ Sqm
Comparable 3	1,300 SAR/ Sqm
Comparable 4	1,150 SAR/ Sqm
Average	1,200 SAR/ Sqm





Analysis of comparison of market rents with actual rents

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

Analysis of Operating and Maintenance Expenses

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

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

Property Operation and Maintenance Expenses

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

Market Capitalization Rate Analysis

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



The Capitalization Rate Used for the Valuation

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

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 Property is still new
The general location of the property	-0.25%	The area is served excellently
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	-1.00%	
<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	-1.00%	
Capitalization rate, according to market averages	8%	
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.

Estimated the Discount Rate of Cash Flows

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

CAPM (Cost of Equity) Calculation	
Risk Free Rate	2.20%
Beta	1.12
Country Risk Premium	2.50%
Equity Risk Premium	4.02%
Indigenous Risk Premium	1.50%
Cost of Equity	11.00%



Cash Flow		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
		0	1	2	3	4	5	6	7	8	9	10
Increase Revision		0%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Expected Revenues												
Leasing Contract	SAR	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	0	0	0	0	0	0
Total	SAR	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	0	0	0	0	0	0
Offices	Sqm	24,322	24,322	24,322	24,322	24,322	24,322	24,322	24,322	24,322	24,322	24,322
Rate	SAR	1,200	1,236	1,273	1,311	1,351	1,391	1,433	1,476	1,520	1,566	1,613
Total	SAR	0	0	0	0	0	33,835,037	34,850,088	35,895,591	36,972,458	38,081,632	39,224,081
Service Charge @ 10%	SAR	0	0	0	0	0	3,383,504	3,485,009	3,589,559	3,697,246	3,808,163	3,922,408
Overall Revenues		30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	37,218,541	38,335,097	39,485,150	40,669,704	41,889,795	43,146,489
Vacancy Rates												
Leasing Contract	0.0%	0	0	0	0	0	0	0	0	0	0	0
Offices	5.0%	0	0	0	0	0	1,860,927	1,916,755	1,974,257	2,033,485	2,094,490	2,157,324
Total		0	0	0	0	0	1,860,927	1,916,755	1,974,257	2,033,485	2,094,490	2,157,324
Expenses												
OPEX	10.0%	0	0	0	0	0	3,721,854	3,833,510	3,948,515	4,066,970	4,188,980	4,314,649
Overall Expenses		0	0	0	0	0	3,721,854	3,833,510	3,948,515	4,066,970	4,188,980	4,314,649
NOI		30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	31,635,759	32,584,832	33,562,377	34,569,249	35,606,326	36,674,516
Terminal Value @ ----->	7.0%											523,921,654
Discount Rate	8.50%	1.00	0.92	0.85	0.78	0.72	0.67	0.61	0.56	0.52	0.48	0.44
Present Value		30,000,000	27,649,770	25,483,659	23,487,243	21,647,229	21,039,217	19,972,713	18,960,271	17,999,152	17,086,752	247,943,509
Market Rate / Net Present Value												471,269,514

	Discount Rate				
	6.50%	7.50%	8.50%	9.5%	10.5%
Discount Rate					
Market Value	539,526,745	503,812,138	471,269,514	441,580,761	414,462,661

1.38 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

Methodology	Subject of Valuation	Value in Numbers	Value in Letters
DCF Approach	Property	SAR 471,270,000	Four Hundred Seventy-One Million and Two Hundred Seventy Thousand Saudi Riyals
DRC Approach	Land + Building	SAR 342,600,000	Three Hundred Forty-Two Million and Six Hundred Thousand Saudi Riyals



1.39 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 is:

Property Value: 471,270,000 SAR
Four Hundred Seventy-One Million and Two Hundred Seventy Thousand Saudi Riyals

1.40 REPORT USE

This valuation is for the sole use of the named Client. This report is confidential to the Client, and that of their advisors, and we accept no responsibility whatsoever to any third party. No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorized.

1.41 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.

1.42 CONCLUSION

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



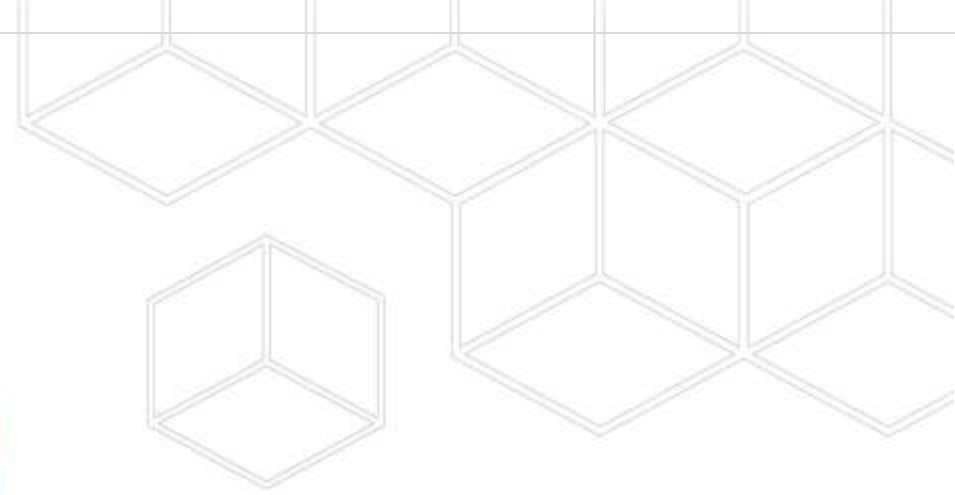
Essam Hussaini
Site Inspection Check

A handwritten signature in blue ink, appearing to read 'Essam Hussaini', written over a light blue grid background.

Member of (Taqeem)
License No. 121000474



GENERAL NOTES





1.43 CONSULTANT STATUS

We confirm that the consultant / 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.

1.44 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 Whitecubes 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 valued 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
	Client	Date	
✓	Al Khabeer Cap	Sep 2020	-----
✓	-----	-----	-----
✓	-----	-----	-----

1.45 CONFIDENTIALITY

This document and / or any other documents received from the client are confidential between White Cubes Est. and the client. Except as may be required by any court or authority, the subject service shall not disclose or use or cause to be disclosed or used, at any time during the Term.

Any of the Client's secrets and/or confidential information, any other non-public information relating to the client business, financial or other affairs acquired by the subject service during the process remain confidential.



1.46 ENVIRONMENTAL MATTERS

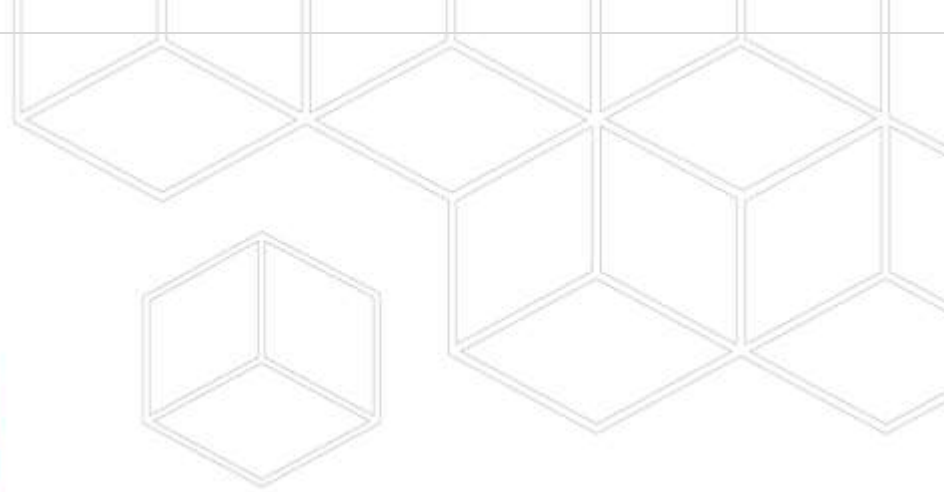
We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination.

In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative use has ever been carried out on the property.

We have not carried out any investigation into past or present uses, either of the properties or of any neighboring land, to establish whether there is any contamination or potential for contamination to the subject properties from the use or site and have therefore assumed that none exists.

However, should it be established subsequently that contamination exists at the properties or on any neighboring land, or that the premises has been or is being put to any contaminative use, this might reduce the value now reported.

DOCUMENTS COPIES





Title Deed **Construction Permit**

وزارة العدل
مشعل سعود هادي الوديعي
الرياض
ترخيص رقم 39/968
صك رحمن

رقم الصك: 393318001500
 التاريخ: 1442/03/02 هـ

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد:
 فإن قطعة الأرض رقم 25 و قطعة الأرض رقم 26 و قطعة الأرض رقم 27 و قطعة الأرض رقم 28 من المخطط رقم 2593 بحي المروج بمدينة الرياض وحدودها وأطولها:
 شمالاً: ممر مشاة عرض 10م بطول 85 خمسة وثمانون متراً
 جنوباً: رصيف ممر مشاة بطول 85 خمسة وثمانون متراً
 شرقاً: مواقف يولها شارع عرض 20م بطول 67 سبعة وستون متراً
 غرباً: مواقف يولها شارع عرض 20م بطول 67 سبعة وستون متراً
 ومساحتها 5695 خمسة آلاف وخمسة وتسعون متراً مربعاً
 رقم 1010893802 بموجب الصك الصادر من الموثقين بالرياض رقم 393194000103 في رقم 01 / 1442 قد تم رهنها وما أقيم أو سيقيم عليها من بناء لصالح / شركة الراجحي للتطوير المحدودة بموجب سجل تجاري رقم 1010158249 شخناً للوفاء بـ 18000000 فقط لتمتية عشر مليوناً وعشرون ألف ريال سعودي لا غير. تسند على أقساط شهرية عددها 6 قيمة كل قسط 1442/03/03 سبب الرهن : أداة ضمان وفي حالة عدم السداد للمؤمنين بيع العقار بالخفية التي تنتهي عليها الرهائن واستيفاء مالي ذمة الرهائن من مبلغ وما نقص يرجع فيه عليه بعد اكتمال ما يلزم شرعاً وعليه جرى التصديق تحريراً في 1442 / 03 / 02 لا صمده، وصلى الله على نبينا محمد وآله وصحبه وسلم.

الختم الرسمي
 المشعل سعود هادي الوديعي

وزارة البلدية والبيئة
إدارة ترخيص البناء
رقم الترخيص: 393318001500
الموقع: الرياض
الرقم الموحّد: 9950000000000000000

ترخيص
بناء مبنى تجاري

رقم الترخيص: 393318001500
 تاريخ الترخيص: 1442/03/02
 تاريخ الانتهاء: 1443/03/02
 نوع الترخيص: بناء

الجهة	الحدود	الأبعاد	الإرتداد	ملاحظات البناء
شمال	ممر مشاة عرض 10م	85	0	
شرق	ممر مشاة عرض 10م	85	0	
جنوب	رصيف ممر مشاة 10م	85	0	
غرب	موقف يولها شارع 20م	67	0	
الجهة	الحدود	الأبعاد	الإرتداد	ملاحظات البناء
شمال	ممر مشاة عرض 10م	85	0	
شرق	ممر مشاة عرض 10م	85	0	
جنوب	رصيف ممر مشاة 10م	85	0	
غرب	موقف يولها شارع 20م	67	0	

المكتب المصمم: فريق استشارات الهندسة المدنية
 رقم الترخيص: 393318001500
 رقم المشروع: 393318001500
 سند الرسوم مبلغ وقدره: 393318001500 ريال بموجب الإيصال رقم: 393318001500 وتاريخ: 1442/03/02 هـ

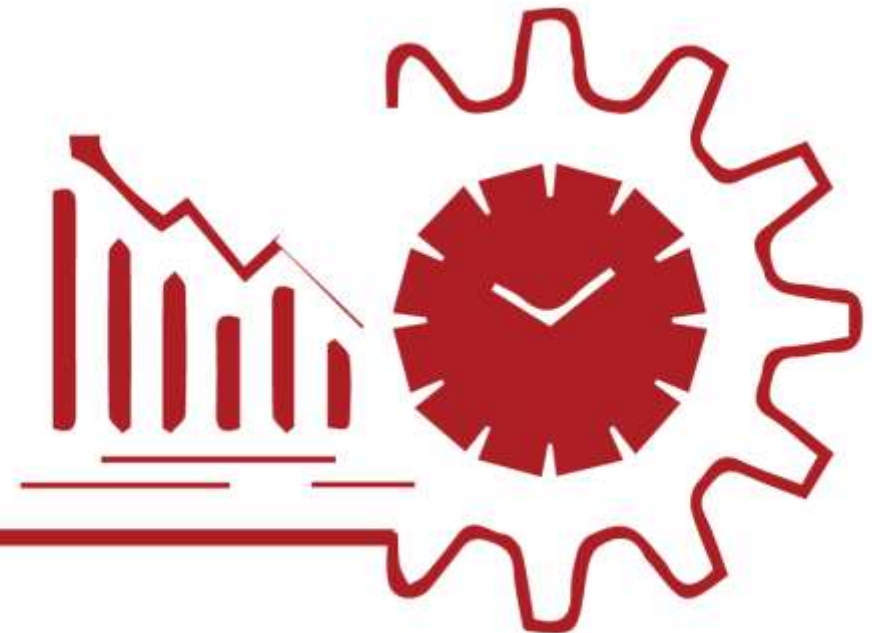
الختم الرسمي
 المشعل سعود هادي الوديعي

**GALLERY MALL
AL KHABEER CAPITAL**

TABUK CITY
DECEMBER 2020



Valuation Report





REF: 2010830-4
Date: 30/12/2020
M/S Al Khabeer Capital

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

Dear Sir,

With reference to your request and approval dated on November 29, 2020 for valuation service of the Retail project (Gallery Mall) located in Tabouk city, 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)





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WHITE CUBES REAL ESTATE is the exclusive real estate advisory agent for TAHA CORP CONSULTING in the Kingdom of SAUDI ARABIA





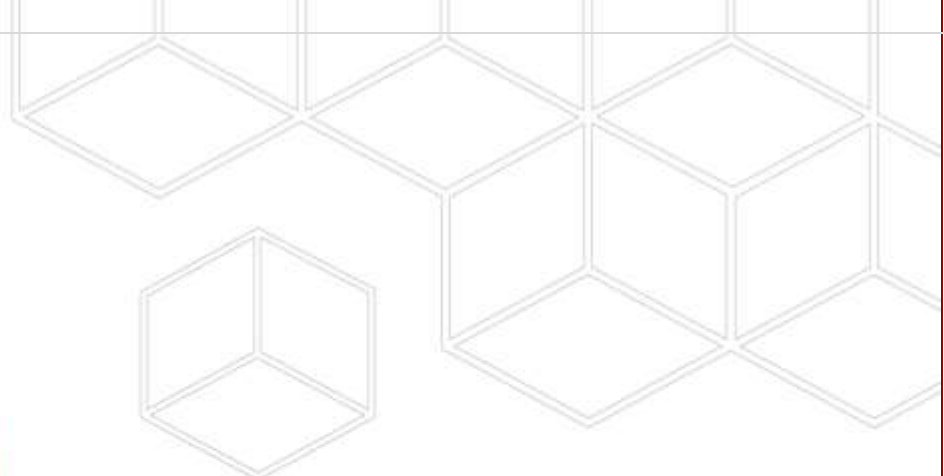
Table of Contents
(Please Click on the Title for Direct Access)

1.1	EXECUTIVE SUMMARY	7
1.2	VALUATION REFERENCE	9
1.3	BASIS OF VALUATION	9
1.1	CLIENT APPROVAL DATE	11
1.2	INSPECTION DATE	11
1.3	VALUATION DATE	11
1.4	REPORT DATE	11
1.5	OPINION OF VALUE	11
1.6	PURPOSE OF VALUATION	11
1.7	INSPECTION ROLE	11
1.8	MARKET SURVEY	12
1.9	PROPERTY & LOCATION DESCRIPTION	14
1.10	INFRASTRUCTURE FACILITIES	14
1.11	LOCATION	15
1.12	PROPERTY ACCESS	16
1.13	TITLE DEED & OWNERSHIP	17
1.14	CONSTRUCTION & BUILDINGS	17
1.15	PROPERTY LAYOUTS	18
1.16	PHOTO RECORD	20
1.17	MAINTENANCE & OPERATIONAL EXPENSES	21
1.18	PROPERTY ACTUAL RENTAL RATES	21
1.19	INSURANCE	21
1.20	SAUDI ARABIA ECONOMIC INDICATORS	23
1.21	BUDGET ALLOCATION FOR 2019	23
1.22	SWOT ANALYSIS	24
1.23	SECTOR BRIEF	24
1.24	RISK ANALYSIS	26
1.25	DOCUMENTS RECIEVED	28
1.26	GENERAL ASSUMPTIONS	28
1.27	LEGAL NOTICES	28
1.28	INFORMATION SOURCE	29
1.29	STRUCTURAL EXAMINATION OF BUILDINGS (IF ANY)	29



1.30	VALUATION APPROACH	29
1.31	INPUT VALUATION PROCESS	29
1.32	DISCOUNTED CASH FLOW	30
1.33	VALUATION NOTES	33
1.34	SUBJECT PROPERTY VALUE	33
1.35	REPORT USE	33
1.36	DISCLAIMER	33
1.37	CONCLUSION	34
1.38	CONSULTANT STATUS	36
1.39	DISCLOSING CONFLICT OF INTEREST	36
1.40	CONFIDENTIALITY	36
1.41	ENVIRONMENTAL MATTERS	36

EXECUTIVE SUMMARY

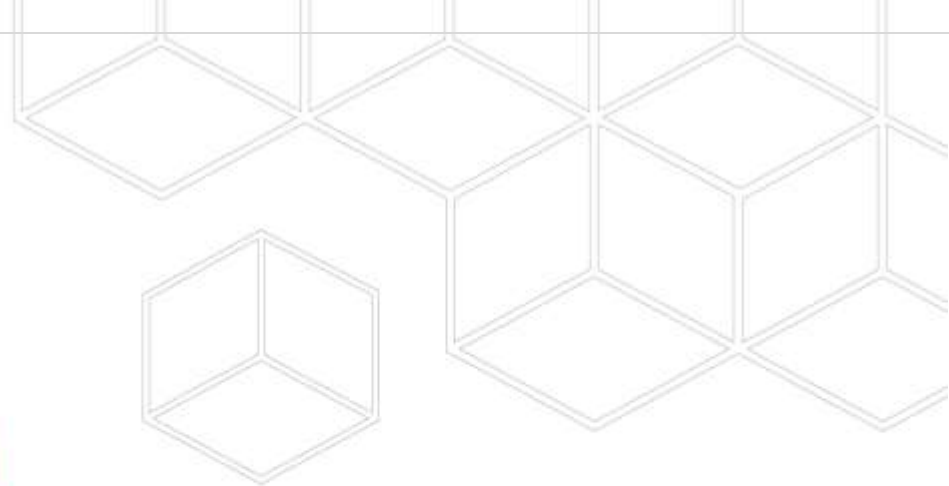




1.1 EXECUTIVE SUMMARY

Introduction	We received instructions from the client on 29/11/2020 to implement valuation service for a leasing right of Gallery Mall in Tabuk city.
Client Reference No.	For whom this report is being prepared is Al Khabeer Capital, a Saudi company registered under the Saudi law. 2010830-4
Purpose of Valuation	Real Estate Investment Trust (REIT)
Subject Property	Retail Project
Property Location	The property is located in Tabuk City.
Title Deed Information	We were not provided by a copy of the title deed related to the subject property.
Ownership Type	The client informed us that the property is a leasehold
Owner	According to the client the owner of the property is شركة أول الملقى العقارية
Land Use	Commercial
Land Area (Sqm)	Based on the client, the property has a total land area of 41,630 Sqm
BUA (Sqm)	As per the site inspection done by our team, the project is still under-construction with a total BUA of 31,381 Sqm
GLA (Sqm)	The total gross leasable area is 35,718 Sqm
Valuation Approach	Discounted Cash Flow Approach (DCF)
Final Property Value	154,689,000 SAR
Valuation Date	30/12/2020
Inspection Date	05/12/2020

TERMS OF REFERENCE & VALUATION





1.2 VALUATION REFERENCE

This report was prepared based on the instructions issued to us by Al Khabeer Capital (the customer) 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 (IVSC).

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, eg 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.



1.1 CLIENT APPROVAL DATE

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

November 29, 2020.

1.2 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.

December 05, 2020.

1.3 VALUATION DATE

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

December 30, 2020.

1.4 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.

December 30, 2020.

1.5 OPINION OF VALUE

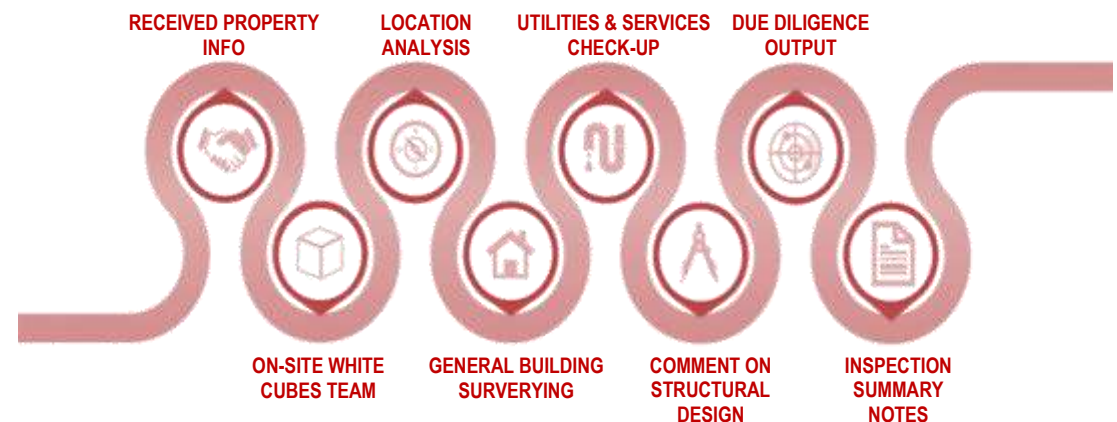
All the outputs will be shown in this report (Values) are based on our best knowledge of the market, documents received from the client (assumed to be correct), market findings and inspection inputs. Yet, the estimated values of the subject property / properties express our opinion of values based on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

1.6 PURPOSE OF VALUATION

The client requested to know the current market value of the subject property for Real Estate Investment trust (REIT) Purposes. Therefore, and according to the valuation purpose, and as requested by the client, we will adapt the valuation methodologies of The discounted Cash Flow Approach (DCF)

1.7 INSPECTION ROLE

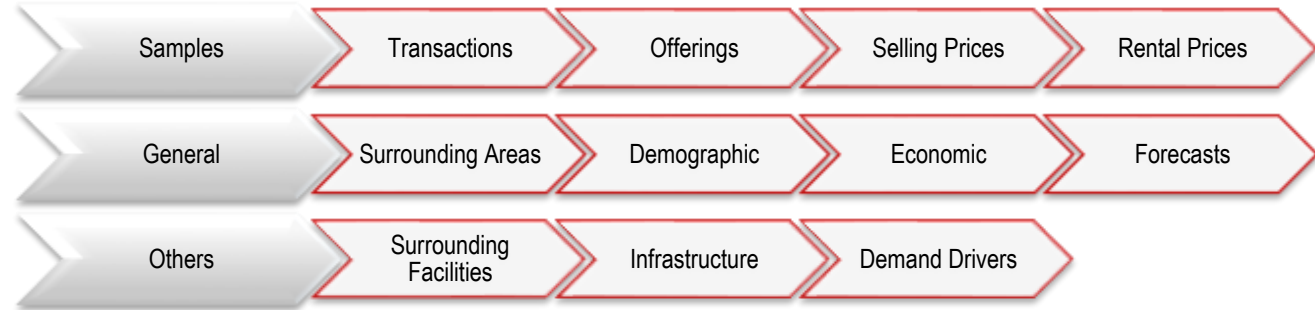
A visit to a property or inspection of an asset, to examine it and obtain relevant information, in order to express a professional opinion of its value. We hereby confirm that we have inspected the subject property / Asset at the date of inspection. Our inspection procedure covers only the surface / 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.



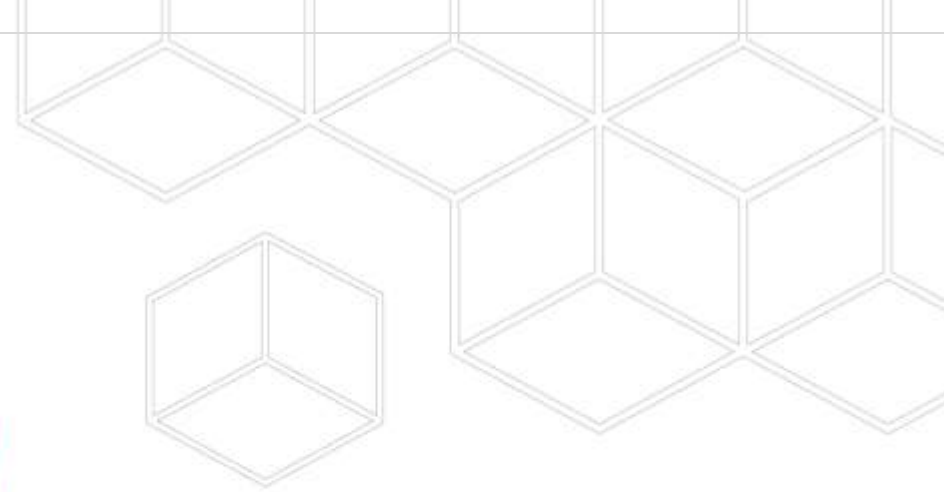


1.8 MARKET SURVEY

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.



PROPERTY DETAILS





1.9 PROPERTY & LOCATION DESCRIPTION

Property Description	The subject property is a lease hold Retail Project (Gallery Mall) located in Tabuk city. The building has a total land area of 41,630 Sqm, a total BUA of 31,381 Sqm. The project is open on 4 sides with a direct view on King Khaled Road where all the infrastructure facilities such as water, electricity, telecommunication and sewage are available in the surrounding and connected to the subject property.
Location Description	The property subject of valuation is a retail project located in Tabuk City. The property is bordered from the north by King Khaled Road The property is bordered from the south by Jaber Ibn Hayyan Street The Property is bordered from the east by Muin Ibn Zaidah Street The property is bordered to the west by an Unnamed Street
Ease of Access	Based on the current location of the subject property, the access level is high, since it is located on King Khaled Road.
Area Surrounding the Property	The subject property is mostly surrounded by Residential & Commercial Buildings

Land		Building	
Land Use	Commercial	Building Type	Retail Project
No. of Streets	4	Building Structural Conditions	Under-Construction
Land Shape	Graded	External Elevation Conditions	Good
Direct View on the Main Road	King Khaled road	Building Finishing Conditions	Good
Direct View on an Internal Street	Jaber Ibn Zaidah Street	Overall Building Conditions	Good
Land Condition	Constructed		

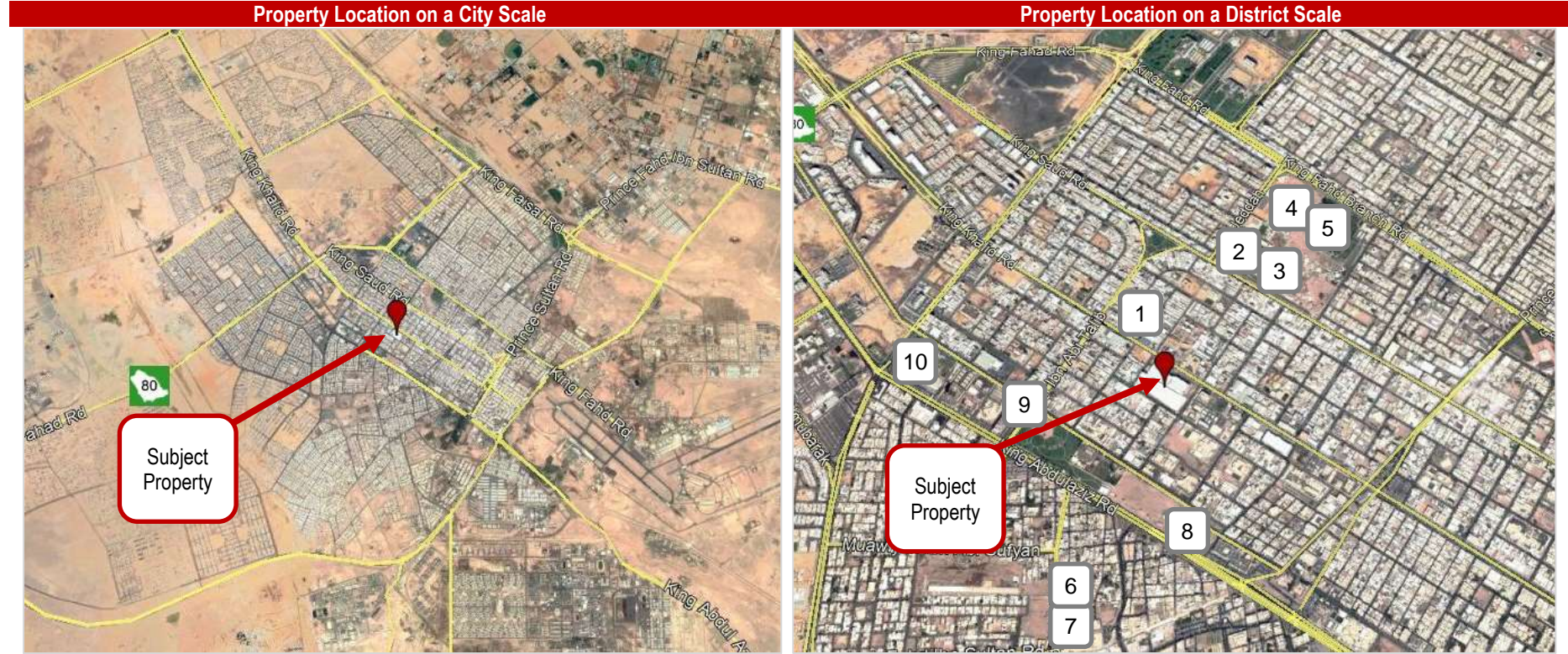
1.10 INFRASTRUCTURE FACILITIES

	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	✓	✓	



1.11 LOCATION

The subject property is located in Al Salihiyah, Tabuk city and surrounded by several landmarks as follows:



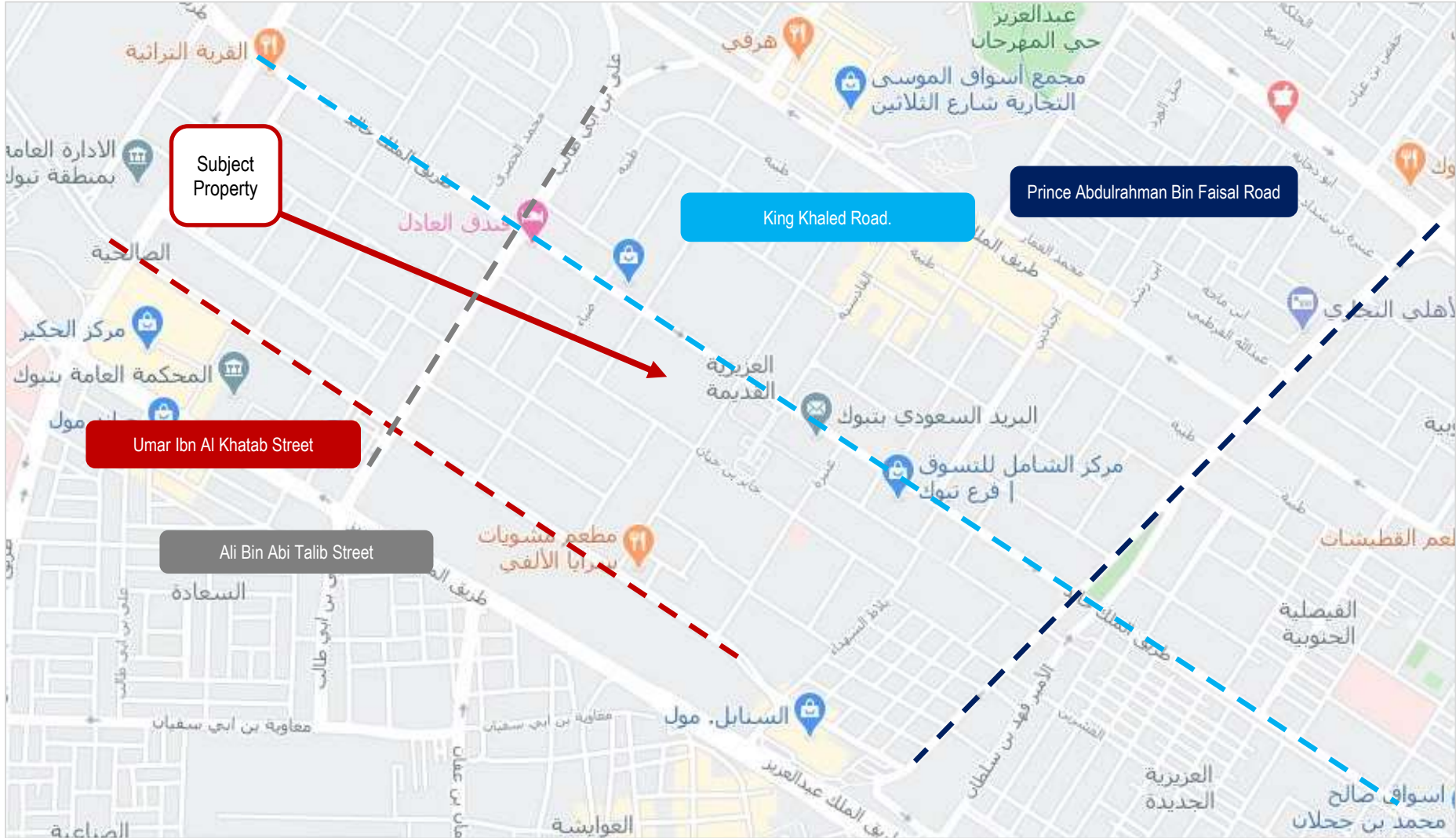
Surrounding Landmarks

- | | |
|--|---|
| <ul style="list-style-type: none"> 1- Tabuk Electricity Company (0.4 Kilometres) 2- Mousa Commercial Complex (0.9 Kilometres) 3- Green Land (0.8 Kilometres) 4- Fun Park (1.1 Kilometres) 5- King Abdulaziz Garden (1.3 Kilometres) | <ul style="list-style-type: none"> 6- Tabuk Castle (1.4 Kilometres) 7- Tabuk Ottoman Castle (1.6 Kilometres) 8- Ottoman Hijazi Railway Remains (1.4 Kilometres) 9- Al Haram Plaza (1 Kilometres) 10- Al Hukair Mall (1.5 Kilometres) |
|--|---|



1.12 PROPERTY ACCESS

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





1.13 TITLE DEED & OWNERSHIP

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

1.14 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 subject property is under-construction Retail project composed of 2 floors. The client provided us with a building permit for the subject property, which contains the following data:

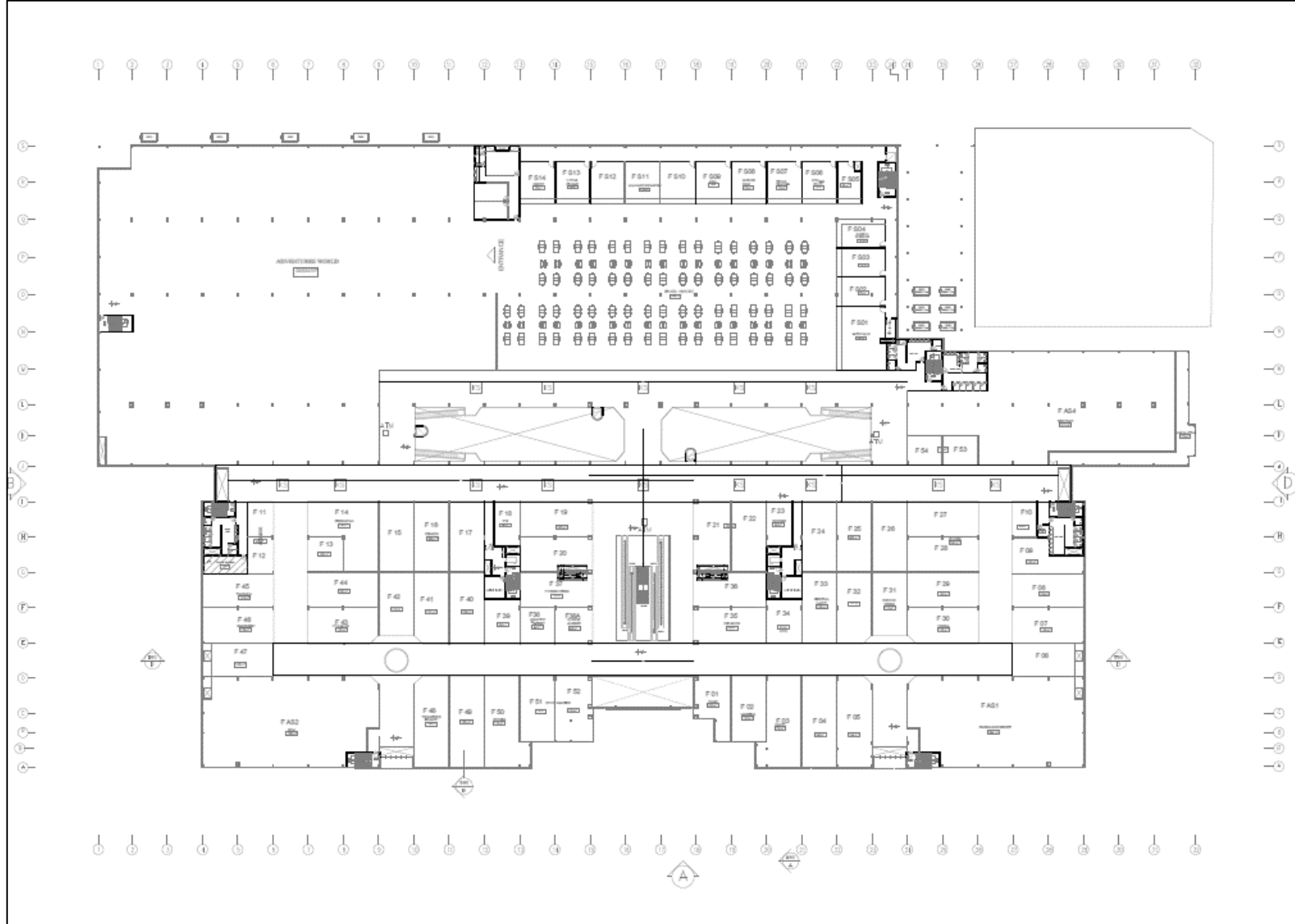
Subject Property	
Construction Permit Type	New Permit
Property Type	Retail
Construction Permit No.	58457
Construction Permit Date	01/07/1434 AH
Permit Expiry Date	01/07/1437 AH

Description	No. of Units	Area (sqm)	Use
Basement	---	---	---
Ground Floor	---	16,136	Commercial
Typical Floors	---	15,245	Commercial
Total BAU (sqm)		31,381	



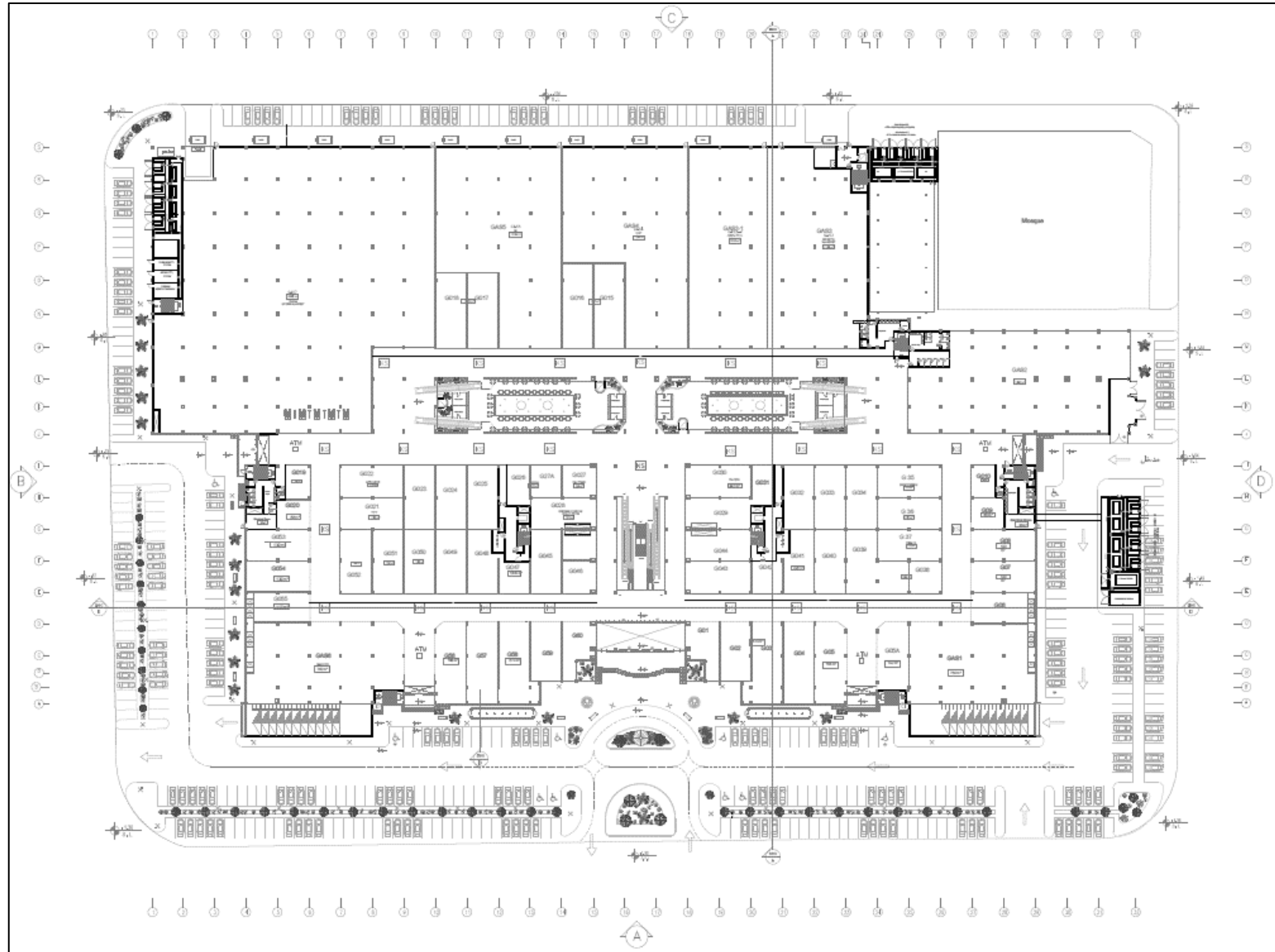
1.15 PROPERTY LAYOUTS

First Floor





Ground Floor





1.16 PHOTO RECORD





1.17 MAINTENANCE & OPERATIONAL EXPENSES

The client did not provide us with the total maintenance and operating costs of the subject property. Yet, we will be estimating these expenses based on market rates.

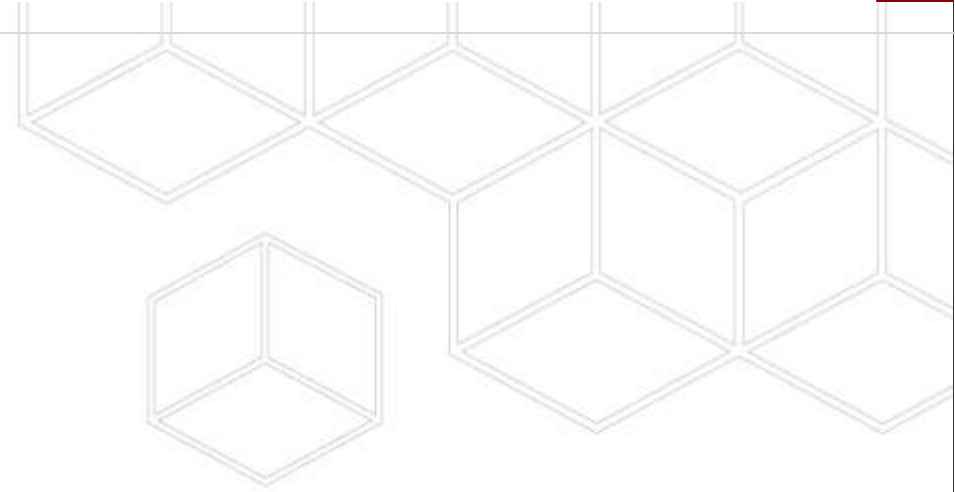
1.18 PROPERTY ACTUAL RENTAL RATES

The client will sign one tenant lease contract for an annual triple net lease of SAR 22,959,000 for 10 years of which 5 years are irrevocable. The land lease rent is SAR 1,579,000 which will be paid by the fund.

1.19 INSURANCE

Property	Insurance Type	Policy Number	Insurance Company	Policy Expiry Date
Gallery Mall	Erections-all-Risks	P0619-EAR-CCRO-000006/4	Al Rajhi Company for Cooperative Insurance	01/04/2021

MARKET INDICATORS





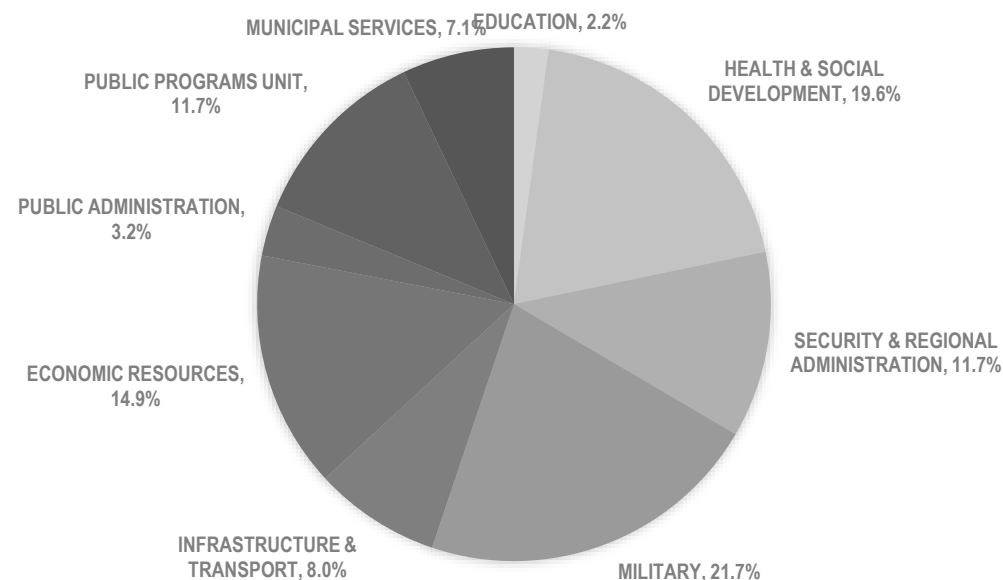
1.20 SAUDI ARABIA ECONOMIC INDICATORS

Economic Indicator	2018	2019	2020
GDP (Source: General Authority for Statistics)	(Q2) 732,747 Bn	642.8 Bn (E)	657.58 Bn (E)
GDP Growth (Source: Ministry of Finance)	%2.3	0.5%	2% (E)
Inflation Rate (Source: SAMA)	2.45%	-1.22%	-1.5% (E)
Interest Rates (Source: Trading Economics)	2.75%	3%	2.5% (E)
Government Revenues (Source: General Authority for Statistics)	895 Bn	978 Bn	833 Bn (E)
Government Spending (Source: General Authority for Statistics)	1,079 Bn	1,050 Bn (E)	1,020 Bn (E)
Unemployment Rate (Source: General Authority for Statistics)	6%	5.6%	5.2% (E)
Population (Source: General Authority for Statistics)	33,413,660	34,413,660	34,218,169

1.21 BUDGET ALLOCATION FOR 2019

Public Administration	28 SAR bn
Military	191 SAR bn
Security & Regional Adm.	103 SAR bn
Municipal Services	62 SAR bn
Education	193 SAR bn
Health & Social Dev.	172 SAR bn
Economic Resources	131 SAR bn
Infrastructure & Transport	70 SAR bn
Public Programs Unit	103 SAR bn

Source: Ministry of Economy





1.22 SWOT ANALYSIS

<p>Strength</p> <ul style="list-style-type: none"> - The subject property has a direct view on Muin Ibn Zaidah Street - The property has 4 sides open - Very Good Design - Good Quality of Exterior Finishing - Very Efficient Internal Circulation - Very Efficient Tenant Mix 	<p>Weakness</p> <ul style="list-style-type: none"> - High traffic Area (King Khaled Road)
<p>Opportunities</p> <ul style="list-style-type: none"> - Tabuk city is known as a tourism destination city within the kingdom. And since the existing shopping malls in the city are very few compared to high demand for such project (Tabuk city offers low GLA per capita compared to other cities), this can guarantee stability of revenues and support any increase provision in the future. 	<p>Threats</p> <ul style="list-style-type: none"> - Future similar development project - Any future and unexpected change in economy conditions

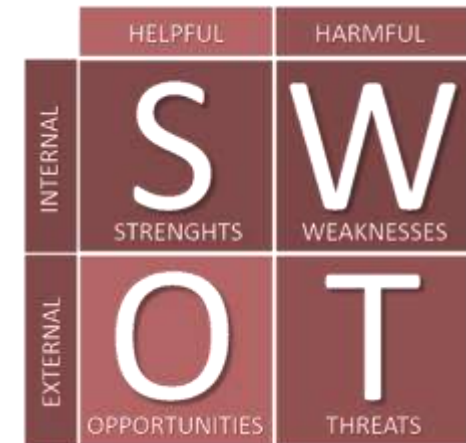
The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

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





Overall Sector Performance

From 2018 to 2019



Future Expectations



Overall Sector Stability

From 2018 to 2019



Future Expectations



Values of Lands Related to The Sector

From 2018 to 2019



Future Expectations



Sector rental Income

From 2018 to 2019



Future Expectations



Sector Demand

From 2018 to 2019

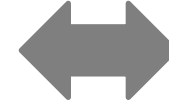


Future Expectations

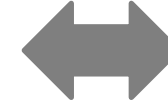


Investors' Appetite

From 2018 to 2019



Future Expectations



Sector's occupancy ratios

From 2018 to 2019

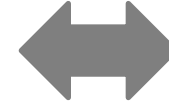


Future Expectations



Sectors Positive Changes

From 2018 to 2019



Future Expectations



White Cubes Team's Analysis



1.24 RISK ANALYSIS

Risk Factor	Very Low Risk (1) 1-6	Minimal Risk (2) 8-12	Medium Risk (3) 13-18	Elevated Risk (4) 19-24	Very High Risk (5) 25-30
Overall Economy	-----	-----	✓	-----	-----
Sector Current Performance	-----	-----	✓	-----	-----
Sector Future Performance	-----	✓	-----	-----	-----
Occupancy Rates	-----	-----	✓	-----	-----
Supply Rate	-----	-----	✓	-----	-----
Demand Rate	-----	-----	✓	-----	-----
Total Risk	0	2	15	0	0

Risk Category 17 Risk Points - Medium Risk

Sector Analysis

Risk Category- 17 Risk Points - Medium Risk

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

Risk Category 5 Risk Points – Very Low Risk

Land Analysis

Risk Category- 5 Risk Points – Very Low Risk

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

Risk Category 5 Risk Points - Minimal Risk

Property Analysis

Risk Category- 5 Risk Points – Minimal Risk

PROPERTY VALUATION





1.25 DOCUMENTS RECIEVED

The client has provided us by clear copy of the following documents.

Title Deed Copy	Construction Permit	Krooki
Master Plan	Layouts	3D Design & Perspectives
Pictures	Presentation of the subject property	Location Map
Location Link	Contact Details	Forecasts & Expectations
Tenant List	Income & Revenues	Operational Cost - OPEX

1.26 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.

1.27 LEGAL NOTICES

We are not aware of and have not been notified of any legal notices on the property, whether they are ongoing or pending in the courts.



1.28 INFORMATION SOURCE

Referring to the purpose of this report, it has been assumed that all information received from the client, whether verbal or written, is up-to-date and correct. Our team conducted a field research in order to ensure the validity of some market information for the purpose of valuation, which included the values of assets in the region, occupancy rates and market information related to the asset being valued in order to reach the market value of the asset being valued. During the field research process, some sources were relied on as follows:

- The field survey prepared by us
- Site inspection done by our team
- Our historical database for the similar assets of the property being valuated
- Sales agents specialized with the same type of assets subject to valuation

1.29 STRUCTURAL EXAMINATION OF BUILDINGS (IF ANY)

Our service’s scope does not include any technical testing of buildings and / or structural examinations and does not include any quality assurance of these constructions. However, in the event of any visible and observed deficiencies in the structural structure, we will write it down in our report and reflect such effect on the value.

1.30 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

1.31 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.



1.32 DISCOUNTED CASH FLOW

Analysis of Operating and Maintenance Expenses

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

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

Property Operation and Maintenance Expenses

We will apply the rate of 15% as the OPEX which will be calculated from the total revenues of the property in addition to 60,000 SAR insurance premium. This ratio is based on the condition and quality of the property and the type of services and public facilities available in the property itself.

Occupancy Rates in the Project

Based on the market survey done by our team, the occupancy rates for similar project is 85% on which we will base our valuation analysis.

Estimated the Discount Rate of Cash Flows

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

CAPM (Cost of Equity) Calculation	
Risk Free Rate	2.20%
Beta	1.12
Country Risk Premium	2.50%
Equity Risk Premium	4.00%
Indigenous Risk Premium	1.50%
Cost of Equity	11.00%

Contract- Market DCF

The land of the subject property is owned by Tabuk Municipality and rented for Al-Qudaibi and sons Company who transferred it to "شركة أول الملقى العقارية" with leasing right for 25 years starting 1434 HD with annual lease rate of SAR 1,579,000. The client intends to acquire this remaining period of the leasing right (21 years), as for the first 5 years the client will lease back the project for Qudaibi & Sons for SAR 22,959,000 annually. Then, and after the four years, the client will lease the project based on market rates starting year five by applying the same rates in Point 1.16



Cash Flow	0	1	2	3	4	5	6	7	8	9	10
Increase Revision	0.00%	0.00%	2.50%	0.00%	0.00%	0.00%	0.00%	2.50%	0.00%	0.00%	0.00%

Expected Revenues	0	1	2	3	4	5	6	7	8	9	10
Overall Revenues	22,959,000	22,959,000	22,959,000	32,587,359	32,587,359	32,587,359	32,587,359	33,402,043	33,402,043	33,402,043	33,402,043

Expenses	0	1	2	3	4	5	6	7	8	9	10
Vacancy Rates				15%	15%	15%	15%	15%	15%	15%	15%
Total				4,888,104	4,888,104	4,888,104	4,888,104	5,010,306	5,010,306	5,010,306	5,010,306
OPEX	15.0%			4,888,104	4,888,104	4,888,104	4,888,104	5,010,306	5,010,306	5,010,306	5,010,306
Land Rent				1,579,000	1,579,000	1,579,000	1,579,000	1,579,000	1,579,000	1,579,000	1,579,000
Insurance				60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Overall Expenses	1,579,000	1,579,000	1,579,000	11,415,208	11,415,208	11,415,208	11,415,208	11,659,613	11,659,613	11,659,613	11,659,613

NOI	21,380,000	21,380,000	21,380,000	21,172,151	21,172,151	21,172,151	21,172,151	21,742,430	21,742,430	21,742,430	21,742,430
Terminal Value @ ----->	0.0%										
Discount Rate	11.00%	1.00	0.90	0.81	0.73	0.66	0.59	0.53	0.48	0.43	0.39
Present Value	21,380,000	19,261,261	17,352,488	15,480,895	13,946,752	12,564,641	11,319,497	10,472,424	9,434,616	8,499,654	7,657,346
Market Rate / Net Present Value											

Cash Flow	11	12	13	14	15	16	17
Increase Revision	0.00%	2.50%	0.00%	0.00%	0.00%	0.00%	2.50%

Expected Revenues							
Overall Revenues	33,402,043	34,237,094	34,237,094	34,237,094	34,237,094	34,237,094	35,093,021

Expenses	11	12	13	14	15	16	17
Vacancy Rates	15%	15%	15%	15%	15%	15%	15%
Total	5,010,306	5,135,564	5,135,564	5,135,564	5,135,564	5,135,564	5,263,953
OPEX	15.0%	5,010,306	5,135,564	5,135,564	5,135,564	5,135,564	5,263,953
Land Rent		1,579,000	1,579,000	1,579,000	1,579,000	1,579,000	1,579,000
Insurance		60,000	60,000	60,000	60,000	60,000	60,000
Overall Expenses	11,659,613	11,910,128	11,910,128	11,910,128	11,910,128	11,910,128	12,166,906
NOI	21,742,430	22,326,966	22,326,966	22,326,966	22,326,966	22,326,966	22,926,115
Terminal Value @ ----->	0.0%						0
Discount Rate	11.00%	0.32	0.29	0.26	0.23	0.21	0.17
Present Value	6,898,510	6,381,958	5,749,512	5,179,741	4,666,433	4,203,994	3,889,017
Market Rate / Net Present Value							184,338,739

Discount Rate	9.00%	10.00%	11.00%	12.0%	13.0%
Market Value	204,946,712	193,665,078	184,338,739	174,184,694	165,753,828



Market DCF:

Cash Flow		0	1	2	3	4	5	6	7	8	9	10
Increase Revision		0.00%	0.00%	2.50%	0.00%	0.00%	0.00%	0.00%	2.50%	0.00%	0.00%	0.00%
Expected Revenues												
Total GLA	Sqm	35,718	35,718	35,718	35,718	35,718	35,718	35,718	35,718	35,718	35,718	35,718
Rate (SAR)	SAR	890	890	912	912	912	912	912	935	935	935	935
Total	SAR	31,792,545	31,792,545	32,587,359	32,587,359	32,587,359	32,587,359	32,587,359	33,402,043	33,402,043	33,402,043	33,402,043
Overall Revenues		31,792,545	31,792,545	32,587,359	32,587,359	32,587,359	32,587,359	32,587,359	33,402,043	33,402,043	33,402,043	33,402,043
Expenses												
Vacancy Rates		47%	40%	30%	20%	10%	10%	10%	10%	10%	10%	10%
Total		14,942,496	12,717,018	9,776,208	6,517,472	3,258,736	3,258,736	3,258,736	3,340,204	3,340,204	3,340,204	3,340,204
OPEX	20.0%	6,358,509	6,358,509	6,517,472	6,517,472	6,517,472	6,517,472	6,517,472	6,680,409	6,680,409	6,680,409	6,680,409
Land Rent		1,579,000	1,579,000	1,579,000	1,579,000	1,579,000	1,579,000	1,579,000	1,579,000	1,579,000	1,579,000	1,579,000
Insurance		60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Overall Expenses		22,940,005	20,714,527	17,932,679	14,673,944	11,415,208	11,415,208	11,415,208	11,659,613	11,659,613	11,659,613	11,659,613
NOI		8,852,540	11,078,018	14,654,679	17,913,415	21,172,151	21,172,151	21,172,151	21,742,430	21,742,430	21,742,430	21,742,430
Terminal Value @ ----->		0.0%										
Discount Rate	11.00%	1.00	0.90	0.81	0.73	0.66	0.59	0.53	0.48	0.43	0.39	0.35
Present Value		8,852,540	9,980,197	11,894,067	13,098,135	13,946,752	12,564,641	11,319,497	10,472,424	9,434,616	8,499,654	7,657,346
Market Rate / Net Present Value												

Cash Flow		11	12	13	14	15	16	17
Increase Revision		0.00%	2.50%	0.00%	0.00%	0.00%	0.00%	2.50%
Expected Revenues								
Total GLA	Sqm	35,718	35,718	35,718	35,718	35,718	35,718	35,718
Rate (SAR)	SAR	935	959	959	959	959	959	983
Total	SAR	33,402,043	34,237,094	34,237,094	34,237,094	34,237,094	34,237,094	35,093,021
Overall Revenues		33,402,043	34,237,094	34,237,094	34,237,094	34,237,094	34,237,094	35,093,021
Expenses								
Vacancy Rates		10%	10%	10%	10%	10%	10%	10%
Total		3,340,204	3,423,709	3,423,709	3,423,709	3,423,709	3,423,709	3,509,302
OPEX	20.0%	6,680,409	6,847,419	6,847,419	6,847,419	6,847,419	6,847,419	7,018,604
Land Rent		1,579,000	1,579,000	1,579,000	1,579,000	1,579,000	1,579,000	1,579,000
Insurance		60,000	60,000	60,000	60,000	60,000	60,000	60,000
Overall Expenses		11,659,613	11,910,128	11,910,128	11,910,128	11,910,128	11,910,128	12,166,906
NOI		21,742,430	22,326,966	22,326,966	22,326,966	22,326,966	22,326,966	22,926,115
Terminal Value @ ----->		0.0%						
Discount Rate	11.00%	0.32	0.29	0.26	0.23	0.21	0.19	0.17
Present Value		6,898,510	6,381,958	5,749,512	5,179,741	4,666,433	4,203,994	3,889,017
Market Rate / Net Present Value								



	Discount Rate				
Discount Rate	9.00%	10.00%	11.00%	12.0%	13.0%
Market Value	174,790,983	163,765,727	154,689,034	144,778,148	136,584,190

1.33 VALUATION NOTES

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

1.34 SUBJECT PROPERTY VALUE

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

Property Value: **154,689,034 SAR**
 Rounded Value: **154,689,000 SAR**
 One Hundred Fifty-Four Million and Six Hundred Eighty-Nine Thousand Riyals

1.35 REPORT USE

This valuation is for the sole use of the named Client. This report is confidential to the Client, and that of their advisors, and we accept no responsibility whatsoever to any third party. No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorized.

1.36 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.



1.37 CONCLUSION

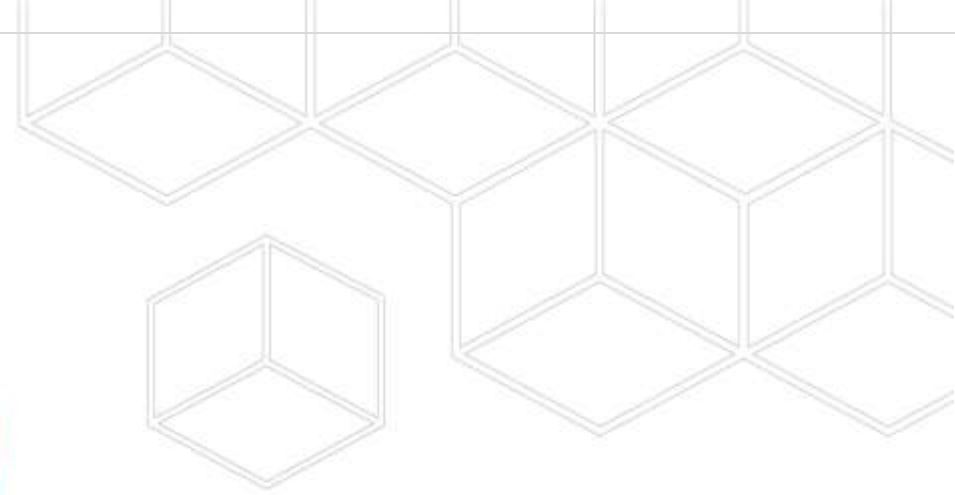
We trust that this report and valuation fulfills the requirement of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright. This report is compiled based on the information received to the best of our belief, knowledge and understanding. The information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

Essam Hussaini
Site Inspection Check

Member of (Taqeem)
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GENERAL NOTES





1.38 CONSULTANT STATUS

We confirm that the consultant / 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.

1.39 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 Whitecubes 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 valued 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
	Client	Date	
✓	Al Khabeer Capital	Sep 2020	-----
✓	-----	-----	-----
✓	-----	-----	-----

1.40 CONFIDENTIALITY

This document and / or any other documents received from the client are confidential between White Cubes Est. and the client. Except as may be required by any court or authority, the subject service shall not disclose or use or cause to be disclosed or used, at any time during the Term.

Any of the Client's secrets and/or confidential information, any other non-public information relating to the client business, financial or other affairs acquired by the subject service during the process remain confidential.



1.41 ENVIRONMENTAL MATTERS

We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination.

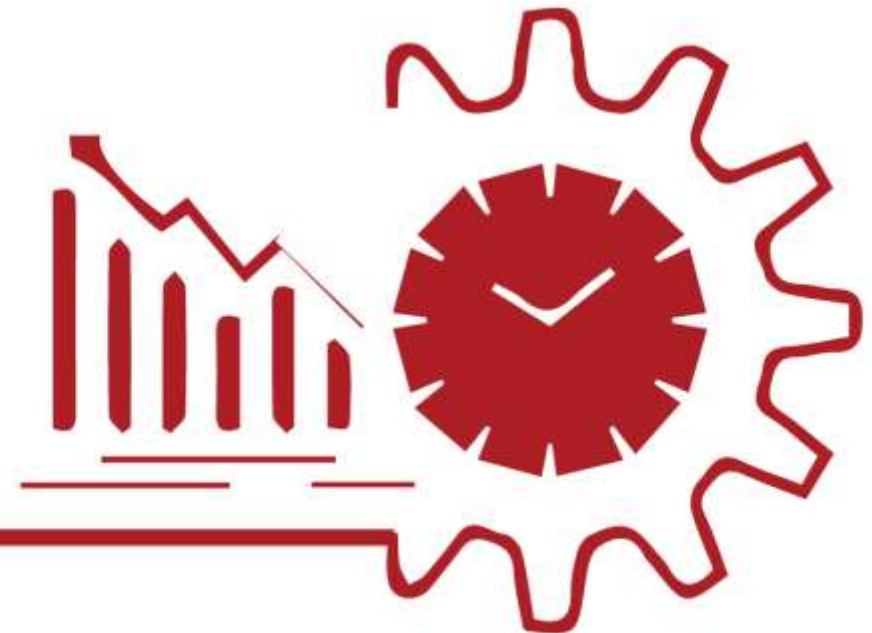
In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative use has ever been carried out on the property. We have not carried out any investigation into past or present uses, either of the properties or of any neighboring land, to establish whether there is any contamination or potential for contamination to the subject properties from the use or site and have therefore assumed that none exists. However, should it be established subsequently that contamination exists at the properties or on any neighboring land, or that the premises has been or is being put to any contaminative use, this might reduce the value now reported.

**PALLAZZO PLAZA
AL KHABEER CAPITAL**

RIYADH CITY
DECEMBER 2020



Valuation Report





REF: 2010830-5
Date: 30/12/2020
M/S Al Khabeer Capital

Subject: Valuation Report for Pallazzo Plaza in Riyadh City, Saudi Arabia.

Dear Sir,

With reference to your request and approval dated on November 29, 2020 for valuation service of the Commercial project (Pallazzo Plaza) located in Riyadh city, 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)





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WHITE CUBES REAL ESTATE is the exclusive real estate advisory agent for TAHA CORP CONSULTING in the Kingdom of SAUDI ARABIA





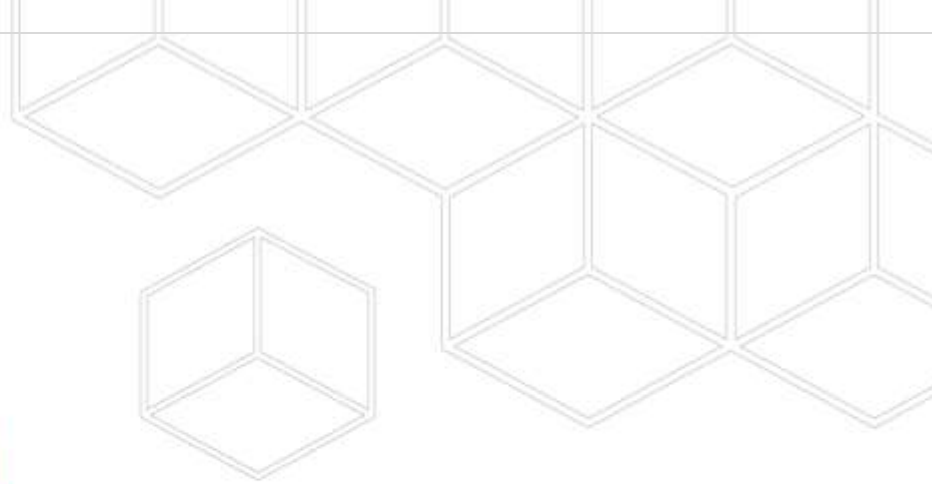
Table of Contents
(Please Click on the Title for Direct Access)

1.1	EXECUTIVE SUMMARY	7
1.2	VALUATION REFERENCE	9
1.3	BASIS OF VALUATION	9
1.4	CLIENT APPROVAL DATE	11
1.5	INSPECTION DATE	11
1.6	VALUATION DATE	11
1.7	REPORT DATE	11
1.8	OPINION OF VALUE	11
1.9	PURPOSE OF VALUATION	11
1.10	INSPECTION ROLE	11
1.11	MARKET SURVEY	12
1.12	PROPERTY & LOCATION DESCRIPTION	14
1.13	INFRASTRUCTURE FACILITIES	14
1.14	LOCATION	15
1.15	PROPERTY ACCESS	16
1.16	TITLE DEED & OWNERSHIP	17
1.17	CONSTRUCTION & BUILDINGS	17
1.18	MAINTENANCE & OPERATIONAL EXPENSES	18
1.19	INSURANCE	18
1.20	PHOTO RECORD	19
1.21	PROPERTY ACTUAL RENTAL RATES	20
1.22	SAUDI ARABIA ECONOMIC INDICATORS	22
1.23	BUDGET ALLOCATION FOR 2019	22
1.24	SWOT ANALYSIS	23
1.25	SECTOR BRIEF	23
1.26	RISK ANALYSIS	25
1.27	DOCUMENTS RECIEVED	27
1.28	GENERAL ASSUMPTIONS	27
1.29	LEGAL NOTICES	27
1.30	INFORMATION SOURCE	28
1.31	STRUCTURAL EXAMINATION OF BUILDINGS (IF ANY)	28
1.32	VALUATION APPROACH	28



1.33	INPUT VALUATION PROCESS	29
1.34	COMPARABLE APPROACH	30
1.35	COST APPROACH (DRC)	30
1.36	INCOME APPROACH- MARKET RATES	32
1.37	INCOME APPROACH- ACTUAL RATES	35
1.38	SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES	36
1.39	SUBJECT PROPERTY VALUE	36
1.40	REPORT USE	36
1.41	DISCLAIMER	36
1.42	CONCLUSION	36
1.43	CONSULTANT STATUS	39
1.44	DISCLOSING CONFLICT OF INTEREST	39
1.45	CONFIDENTIALITY	39
1.46	ENVIRONMENTAL MATTERS	39

EXECUTIVE SUMMARY





1.1 EXECUTIVE SUMMARY

Introduction	We received instructions from the client on 29/11/2020 to implement valuation service for a commercial project in Riyadh city.
Client	For whom this report is being prepared is Al Khabeer Capital, a Saudi company registered under the Saudi law.
Reference No.	2010830-5
Purpose of Valuation	Real Estate Investment Trust (REIT) Purpose
Subject Property	Commercial Project
Property Location	The property is located in Al Sulaymaniah district, Riyadh City.
Title Deed Information	Title Deed No: 214002002200, Title Deed Date: 14/09/1440, Issued from Riyadh Notary
Ownership Type	Freehold
Owner	شركة أول الملقا العقارية
Land Use	Commercial Use
Land Area (Sqm)	Based on the title deed, the land has an area size of 6,050 Sqm
BUA (Sqm)	Based on the provided copy of the construction permit, the building has a total BUA of 5,648.24 Sqm.
GLA (Sqm)	Based on the tenant list provided by the client, the total GLA is 5,941 Sqm due to uncovered terraces on the first floor which are not included in the BUA and leased to tenants.
Valuation Approach	Comparable Approach & Cost Approach & Income Approach
Final Property Value	79,420,000 SAR
Valuation Date	30/12/2020
Inspection Date	05/12/2020

TERMS OF REFERENCE & VALUATION





1.2 VALUATION REFERENCE

This report was prepared based on the instructions issued to us by Al Khabeer Capital (the customer) 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 (IVSC).

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, eg 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 use by the client to start the inspection procedures of the property / properties subject to the valuation process.

November 29, 2020.

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.

December 05, 2020.

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 were the value/s of the subject property / properties is reflected. The valuation date is at

December 30, 2020.

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.

December 30, 2020.

1.8 OPINION OF VALUE

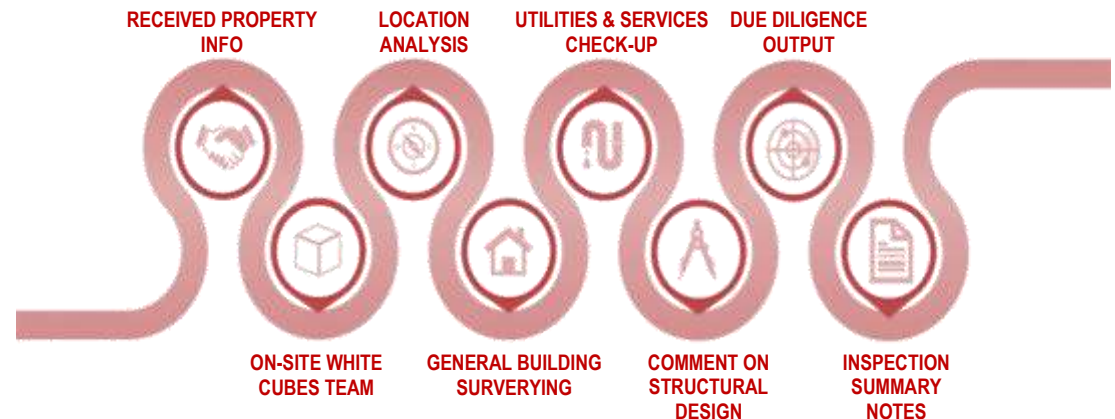
All the outputs will be shown in this report (Values) are based on our best knowledge of the market, documents received from the client (assumed to be correct), market findings and inspection inputs. Yet, the estimated values of the subject property / properties express our opinion of values based on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

1.9 PURPOSE OF VALUATION

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

1.10 INSPECTION ROLE

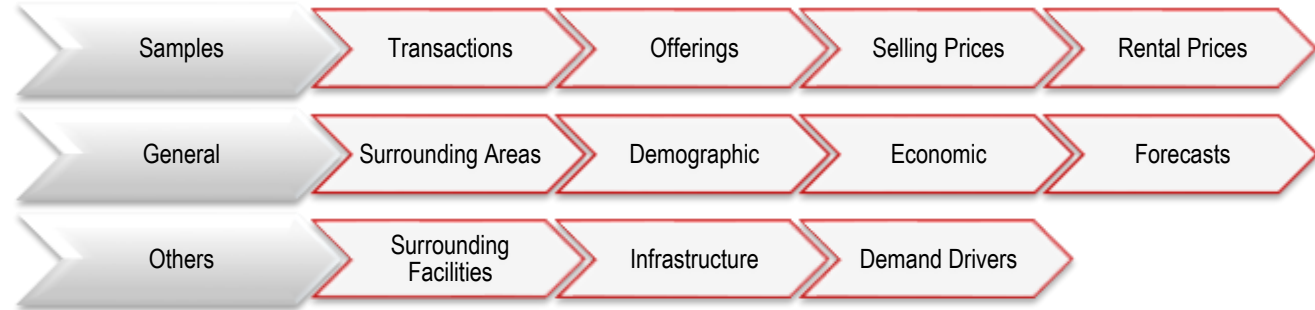
A visit to a property or inspection of an asset, to examine it and obtain relevant information, in order to express a professional opinion of its value. We hereby confirm that we have inspected the subject property / Asset at the date of inspection. Our inspection procedure covers only the surface / 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.



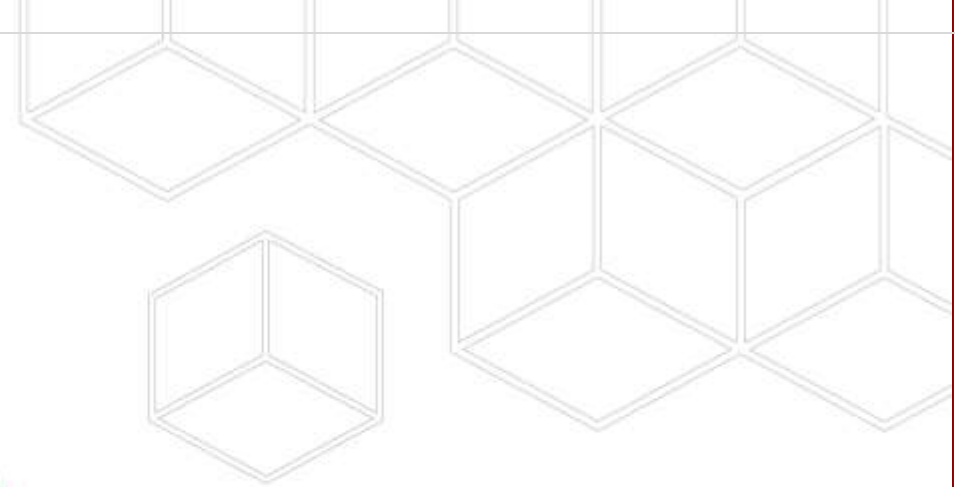


1.11 MARKET SURVEY

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.



PROPERTY DETAILS





1.12 PROPERTY & LOCATION DESCRIPTION

Property Description

The subject property is a Commercial Project (Pallazzo Plaza) located in Riyadh city. Based on the provided copies of the title deed and the construction permit, the project has a total land area of 6,050 Sqm, and a total BUA of 5,648.24 Sqm. as per the site inspection done by our team for the purpose of valuation, the property is open on 4 sides with a direct view on King Muhammad V Road where all the infrastructure facilities such as water, electricity, sewage and telecommunication are available in the surrounding and connected to the subject property.

Location Description

The property subject of valuation is a commercial project located in Al Sulaymaniah district, Riyadh City.
 The property is bordered from the north by Al Ayinah Street
 The property is bordered from the south by a Rawifa Ibn Thabit Street
 The Property is bordered from the east by King Muhammad Road
 The property is bordered to the west by Ibn Rayyan Street

Ease of Access

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

Area Surrounding the Property

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

Land		Building	
Land Use	Commercial	Building Type	Commercial Building
No. of Streets	4	Building Structural Conditions	Fully Constructed
Land Shape	Graded	External Elevation Conditions	Good
Direct View on the Main Road	King Mohammad Road	Building Finishing Conditions	Good
Direct View on an Internal Street	Ibn Rayyan Street	Overall Building Conditions	Good
Land Condition	Constructed		

1.13 INFRASTRUCTURE FACILITIES

	Available in the surrounding	Connected to the property
Water	✓	✓
Electricity	✓	✓
Tele-Communication	✓	✓
Sewage	✓	✓

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



1.14 LOCATION

The subject property is located in Al Sulaymaniah district, Riyadh city and surrounded by several landmarks as follows:

Property Location on a City Scale



Property Location on a District Scale



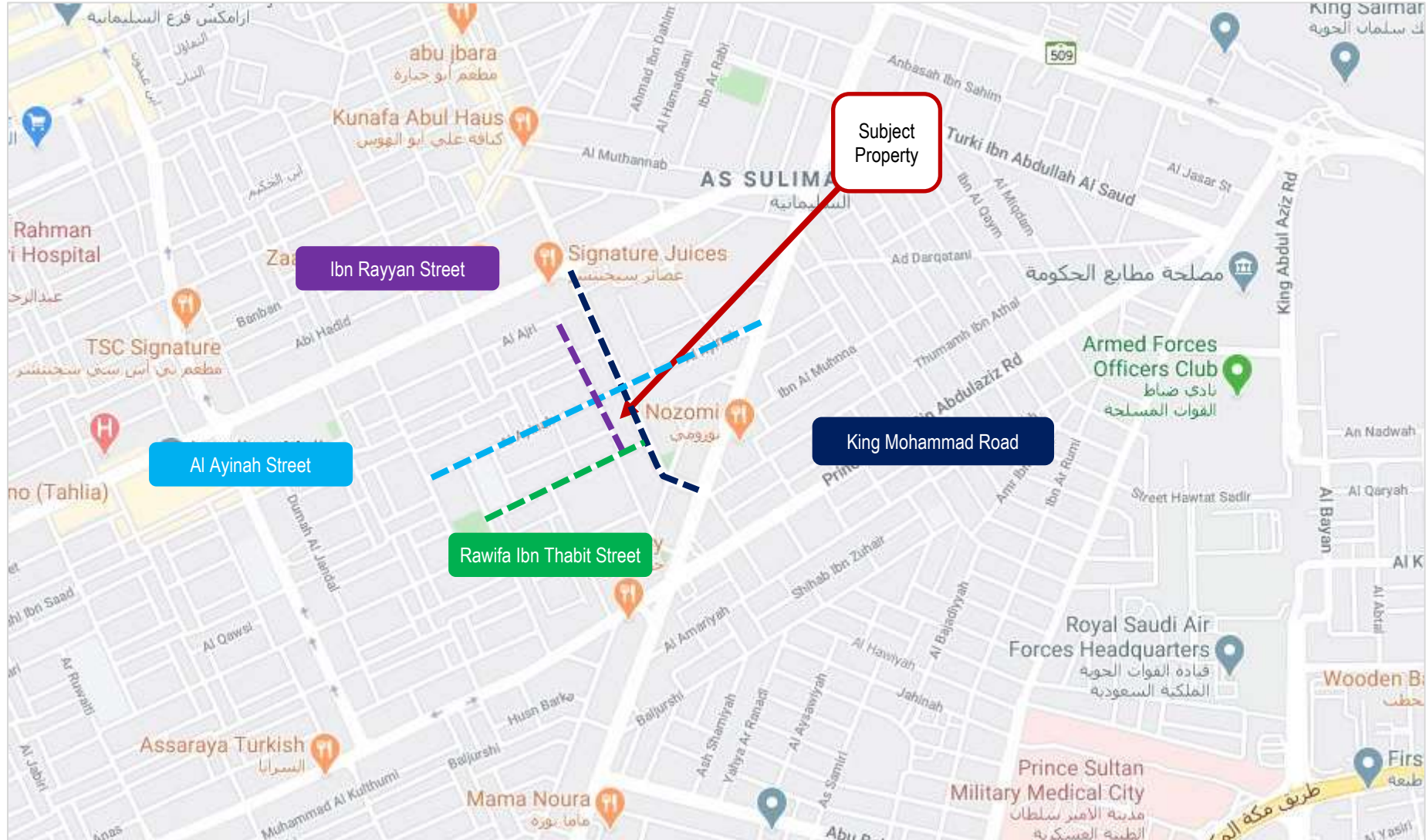
Surrounding Landmarks

- | | |
|--|---|
| 1- Golden Brown (0.3 Kilometres) | 6- Military Hospital (1.3 Kilometres) |
| 2- Elite Hospital (1.1 Kilometres) | 7- Al Mousa Center (1.9 Kilometres) |
| 3- Jarir Bookstore (2.4 Kilometres) | 8- King Fahed Garden (2.2 Kilometres) |
| 4- Centria Mal (1.9 Kilometres) | 9- Military Hospital (1.2 Kilometres) |
| 5- Al Jazeera Shopping Center (1.5 Kilometres) | 10- Royal Saudi Air Forces (1.2 Kilometers) |



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	6,050
District	Sulaymaniyah	Plot No.	333 to 342
T.D Type	Electronic	Block No.	35
T.D Number	214002002200	Layout No.	690
T.D Date	14/09/1440	Owner	شركة أول الملقا العقارية
T.D Value	38,181,818.19 SAR	Ownership Type	Freehold
Date of Last Transaction Issued From	14/09/1440 Riyadh Notary	Limitation of Document	Mortgaged
North Side	Al Ayyinah Street	East Side	King Mohammad Road
South Side	Rawifah Ibn Thabit Street	West Side	Ibn Rayyan 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 subject property is newly constructed Commercial project composed of Ground floor and Mezzanine floor. The client provided us with a building permit for the subject property, which contains the following data:

Subject Property	
Construction Permit Type	Add Building Components
Property Type	Commercial
Construction Permit No.	1437/2925
Construction Permit Date	17/02/1437 AH
Permit Expiry Date	17/02/1440 AH

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

1.18 MAINTENANCE & OPERATIONAL EXPENSES

Based on the information provided to us by the client, the total maintenance and operating costs of the subject property are 400,000 SAR per year, which includes all management and maintenance expenses in addition to 25,000 SAR insurance premium expenses.

1.19 INSURANCE

Property	Insurance Type	Policy Number	Insurance Company	Policy Expiry Date
Palazzo Center	Property All Risks	P0420-PAR-HCAB-12566901	Al Rajhi Company for Cooperative Insurance	30/03/2021
Palazzo Center	Third Party Liability	P0420-TPL-HCAB-12566828	Al Rajhi Company for Cooperative Insurance	03/04/2021



1.20 PHOTO RECORD



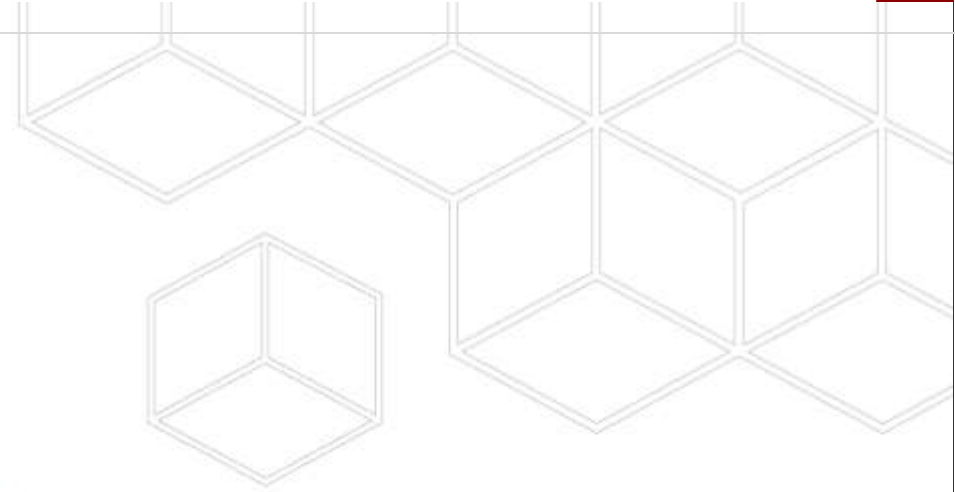


1.21 PROPERTY ACTUAL RENTAL RATES

As per the list of tenants received from the client, the subject property is occupied to Several tenants except for 1 unit. The overall occupancy rate of the subject property is 91.7%.

Tenant	Total Rent	Area Size (Sqm)	Starting Date	Ending Date	Duration	Remarks
شركة بازل لخدمات الإعاشة (تي بازل)	525,311	367	05/01/1439	04/01/1444	5 Hijri Years	10% increase for the 4th and 5th year
مؤسسة ركن كركست (ركن كركست)	523,637	366	23/04/1439	22/04/1444	6 Hijri Years	5% increase for 4th and 5th year
شركة راشد بن سعد الراشد وأولاده (درافت)	505,978	371	05/09/1438	04/09/1443	7 Hijri Years	-
شركة الأطعمة الحديثة (برو 92)	548,130	415	04/08/1439	03/08/1444	8 Hijri Years	-
مؤسسة أضواء الأحلام (بلو ساين)	548,130	415	19/07/1439	18/07/1444	9 Hijri Years	-
مؤسسة المغامر لخدمات الإعاشة (كيفاهان)	1,096,260	831	08/09/1439	07/09/1444	10 Hijri Years	-
مطعم الأضلاع الستة لتقديم الوجبات (ريبيز يارد)	538,164	415	19/07/1439	18/07/1449	11 Hijri Years	10% increase from 6th to 10th year
شركة زعانف للتطوير والاستثمار العقاري (لميس)	523,637	366	26/04/1438	25/04/1443	12 Hijri Years	10% increase for the 4th and 5th year
شركة شامل للأطعمة المحدودة (بايداييز)	548,130	415	01/07/2018	30/06/2021	3 Grigorian Years	-
Vacant	-	831				Vacant
شركة قصر النيل للتجارة والتسويق (أم علي)	1,071,542	749	01/02/2019	31/01/2024	5 Grigorian years	-
شركة نمو المحدودة	548,130	415	02/01/2019	01/01/2021	2 Grigorian Years	-
Total	6,977,050	5,957				

MARKET INDICATORS





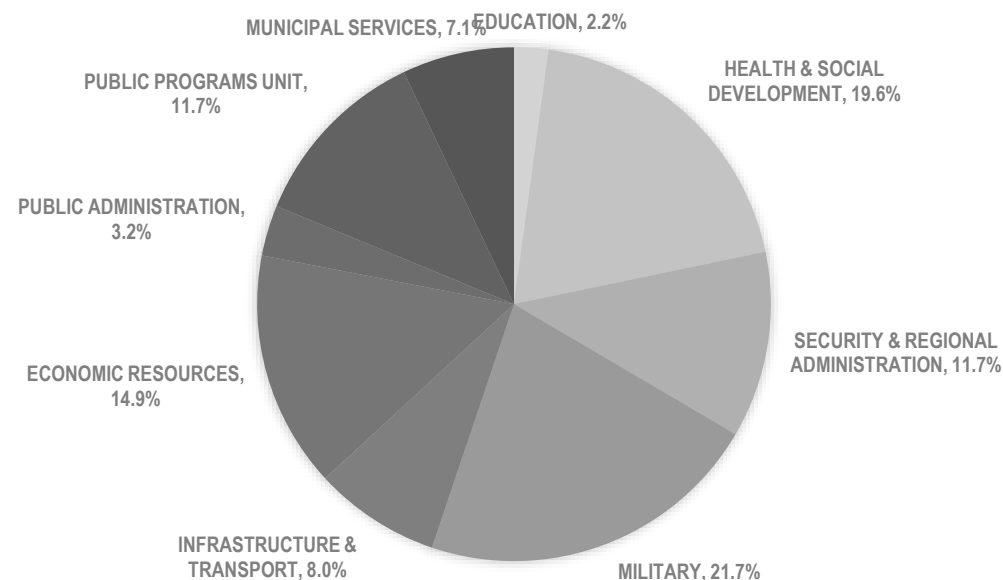
1.22 SAUDI ARABIA ECONOMIC INDICATORS

Economic Indicator	2018	2019	2020
GDP (Source: General Authority for Statistics)	(Q2) 732,747 Bn	642.8 Bn (E)	657.58 Bn (E)
GDP Growth (Source: Ministry of Finance)	%2.3	0.5%	2% (E)
Inflation Rate (Source: SAMA)	2.45%	-1.22%	-1.5% (E)
Interest Rates (Source: Trading Economics)	2.75%	3%	2.5% (E)
Government Revenues (Source: General Authority for Statistics)	895 Bn	978 Bn	833 Bn (E)
Government Spending (Source: General Authority for Statistics)	1,079 Bn	1,050 Bn (E)	1,020 Bn (E)
Unemployment Rate (Source: General Authority for Statistics)	6%	5.6%	5.2% (E)
Population (Source: General Authority for Statistics)	33,413,660	34,413,660	34,218,169

1.23 BUDGET ALLOCATION FOR 2019

Public Administration	28 SAR bn
Military	191 SAR bn
Security & Regional Adm.	103 SAR bn
Municipal Services	62 SAR bn
Education	193 SAR bn
Health & Social Dev.	172 SAR bn
Economic Resources	131 SAR bn
Infrastructure & Transport	70 SAR bn
Public Programs Unit	103 SAR bn

Source: Ministry of Economy





1.24 SWOT ANALYSIS

Strength <ul style="list-style-type: none"> - Newly constructed commercial project - Property open on 4 sides - Direct view on the main road 	Weakness <ul style="list-style-type: none"> - None
Opportunities <ul style="list-style-type: none"> - Good level of demand of the commercial projects in the surrounding area 	Threats <ul style="list-style-type: none"> - Existing and upcoming similar projects

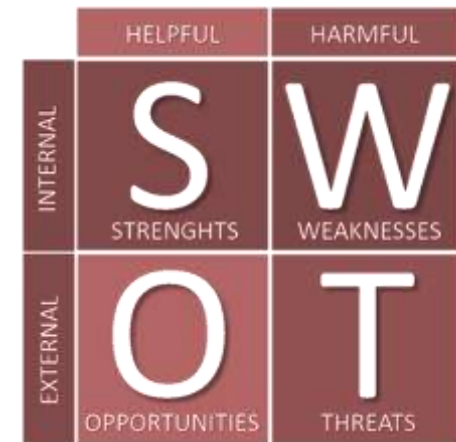
The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

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





Overall Sector Performance

From 2019 to 2020



Future Expectations



Overall Sector Stability

From 2019 to 2020



Future Expectations



Values of Lands Related to The Sector

From 2019 to 2020



Future Expectations

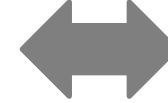


Sector rental Income

From 2019 to 2020



Future Expectations



Sector Demand

From 2019 to 2020

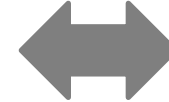


Future Expectations

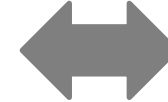


Investors' Appetite

From 2019 to 2020



Future Expectations

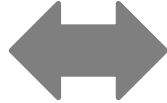


Sector's occupancy ratios

From 2019 to 2020

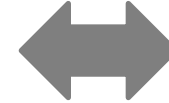


Future Expectations



Sectors Positive Changes

From 2019 to 2020



Future Expectations



White Cubes Team's Analysis



1.26 RISK ANALYSIS

Risk Factor	Very Low Risk (1) 1-6	Minimal Risk (2) 8-12	Medium Risk (3) 13-18	Elevated Risk (4) 19-24	Very High Risk (5) 25-30
Overall Economy	-----	-----	✓	-----	-----
Sector Current Performance	-----	-----	✓	-----	-----
Sector Future Performance	-----	✓	-----	-----	-----
Occupancy Rates	-----	✓	-----	-----	-----
Supply Rate	-----	-----	✓	-----	-----
Demand Rate	-----	-----	✓	-----	-----
Total Risk	0	4	12	0	0
Risk Category	16 Risk Points - Medium Risk				

Sector Analysis

Risk Category- 16 Risk Points - Medium Risk

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

Land Analysis

Risk Category- 6 Risk Points - Minimal Risk

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

Property Analysis

Risk Category- 7 Risk Points - Medium Risk

PROPERTY VALUATION





1.27 DOCUMENTS RECIEVED

The client has provided us by clear copy of the following documents.

Title Deed Copy ✓	Construction Permit ✓	Krooki
Master Plan	Layouts	3D Design & Perspectives
Pictures	Presentation of the subject property	Location Map
Location Link	Contact Details	Costing & Budget
Tenant List ✓	Income & Revenues ✓	Operational Cost - OPEX

1.28 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.

1.29 LEGAL NOTICES

We are not aware of and have not been notified of any legal notices on the property, whether they are ongoing or pending in the courts.



1.30 INFORMATION SOURCE

Referring to the purpose of this report, it has been assumed that all information received from the client, whether verbal or written, is up-to-date and correct. Our team conducted a field research in order to ensure the validity of some market information for the purpose of valuation, which included the values of assets in the region, occupancy rates and market information related to the asset being valued in order to reach the market value of the asset being valued. During the field research process, some sources were relied on as follows:

- The field survey prepared by us
- Site inspection done by our team
- Our historical database for the similar assets of the property being valued
- Sales agents specialized with the same type of assets subject to valuation

1.31 STRUCTURAL EXAMINATION OF BUILDINGS (IF ANY)

Our service’s scope does not include any technical testing of buildings and / or structural examinations and does not include any quality assurance of these constructions. However, in the event of any visible and observed deficiencies in the structural structure, we will write it down in our report and reflect such effect on the value.

1.32 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.

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

1.33 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.



1.34 COMPARABLE APPROACH

According to the market survey done by our team for the purpose of valuation, we were not able to find samples similar to the subject property in terms of size, use, location. Yet, we have conducted trade interviews with several local real estate agents where they agreed that the average rental rate for such lands falls between 7,400 and 7,800 SAR/ Sqm, we will base our valuation on the average rate 7,600 SAR/ Sqm.

1.35 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 900	SAR 1,100	SAR 1,000
MEP	SAR 550	SAR 650	SAR 600
Finishing Materials	SAR 350	SAR 450	SAR 400
Site Improvements	SAR 100	SAR 140	SAR 120
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
6,050.00	SAR 7,600		SAR 45,980,000
Building			
	Unit	No of Floors	Total BUA
Ground Floor	Sqm	1	2,916.20
Mezzanine	Sqm	1	2,603.70
Electricity Room	Sqm	-	128.34
Fences	Lm	----	171.00
Total (SQM)	5,648.24		



Development Cost					
Hard Cost - Upper Floors					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	5,648.24	SAR 1,000	SAR 5,648,240	100%	SAR 5,648,240
Electro Mechanic	5,648.24	SAR 600	SAR 3,388,944	100%	SAR 3,388,944
Finishing	5,648.24	SAR 400	SAR 2,259,296	100%	SAR 2,259,296
Fit outs & Appliances	5,648.24	SAR 0	SAR 0	100%	SAR 0
Furniture	5,648.24	SAR 0	SAR 0	100%	SAR 0
Site Improvement	6,050.00	SAR 120	SAR 726,000	100%	SAR 726,000
Total			SAR 12,022,480	100.00%	SAR 12,022,480
Overall Soft Cost					
			Total Hard Cost	Ratio	Soft Cost
Initial Project Pre Cost			SAR 12,022,480	0.10%	SAR 12,022
Design			SAR 12,022,480	1.00%	SAR 120,225
Eng Consultant			SAR 12,022,480	1.00%	SAR 120,225
Management			SAR 12,022,480	5.00%	SAR 601,124
Contingency			SAR 12,022,480	5.00%	SAR 601,124
Others			SAR 12,022,480	0.00%	SAR 0
TOTAL				12.10%	SAR 1,454,720.08
Total Hard Cost	SAR 12,022,480		BUA	5,648.24	
Total Soft Cost	SAR 1,454,720.08		SAR / Sqm	SAR 2,386	
Total Construction Cost	SAR 13,477,200.08		Overall Completion	100.0%	

After knowing the total construction costs at a rate of 2,386 SAR per square meter, we will estimate the economic life of the property according to the type of construction and its general condition, then apply the depreciation rates based on the actual age of the property. The developer's profitability will be added to the property's value after depreciation to reflect the estimated market value of the building

DEVELOPMENT VALUE			
Total Dev Cost	SAR 13,477,200	Net Dep Rate	4.00%
		Dev Cost After Depreciation	SAR 12,938,112
Economic Age	50	Total Completion Rate	100.00%
Annual Dep Rate	2.00%	Developer Profit Rate	20.0%
Actual Age	2		
Total Dep Rate	4.00%	Dev. Profit Amount	SAR 2,587,622
Add Appr Rate	0.00%	Development Value	SAR 15,525,734
Net Dep Rate	4.00%		

The total value of the building is 15,525,734 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 15,525,734	SAR 45,980,000	SAR 61,505,734	SAR 61,510,000



1.36 INCOME APPROACH- MARKET RATES

Market Rental Analysis

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

Comparable	Commercial Showroom Units
	Rental Rate/ Sqm
Comparable 1	1,250 SAR/ Sqm
Comparable 2	1,200 SAR/ Sqm
Comparable 3	1,200 SAR/ Sqm
Average	1,200 SAR/ Sqm





Analysis of Operating and Maintenance Expenses

The operating expenses of similar properties reached between 8% to 12% of the total expected income for the property. These ratios depend on the condition and quality of the property and the type of services and public facilities available in the property itself. These ratios are divided into several main categories as follows:

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

Property Operation and Maintenance Expenses

The maintenance and operation costs of the project are assumed accordingly to market averages for similar projects. Therefore, we will apply the rate of 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.

Market Capitalization Rate Analysis

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

The Capitalization Rate Used for the Valuation

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

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

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

The estimated capitalization rate for the property, which will be based on the valuation process, is 8.25%, which will be applied subsequently to the net operating income of the property.



Minimum capitalization rate	8.00%
Maximum capitalization rate	9.00%
Average	8.50%

The effect of the property specifications on the property

Item	Status	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 1 years
The general location of the property	-----	-0.25%	The area is served excellently
Quality and finishes	-----	0.25%	Average quality finishes
Project Management Team	-----	0.00%	Average management and operational team level
Services and public facilities	-----	0.25%	level and availability of services is average
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	9%
Estimated capitalization rate of the property valuation	8.25%

REVENUES						
Unit Type	Quantity		Revenues			
	Total GLA	No of Units	SAR / Sqm	SAR / Unit	Total Revenues	
Show Rooms	5,941	0	SAR 1,200	SAR 0	SAR 8,073,309	
-----	0	0	SAR 0	SAR 0	SAR 0	
-----	0	0	SAR 0	SAR 0	SAR 0	
					Total Revenues	SAR 8,073,309

EXPENSES						
Unit Type	Management	Utilities	Maintenance	Vacancy		Total Expenses
	Show Rooms	3.00%	3.00%	3.00%	10.00%	
-----	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
Show Rooms	SAR 8,073,309	19.00%	SAR 6,539,380
-----	SAR 0	0.00%	SAR 0
-----	SAR 0	0.00%	SAR 0
		Total	SAR 6,539,380
Total Property Revenues			SAR 8,073,309
Total Property Expenses			-SAR 1,533,929
Net Operating Income			SAR 6,539,380.29

Net Operating Income	Cap Rate	Property Value	Rounded Value
SAR 6,539,380.29	8.25%	79,265,215.64 SAR	79,270,000.00 SAR

TAQEEM LICENCE NUMBER: 1210000474



1.37 INCOME APPROACH- ACTUAL RATES

Actual Rental Analysis

The client provided us with the list of tenants related to the subject property and which are shown in section 1.21.

REVENUES						
Unit Type	Quantity	No of Units	SAR / Sqm	SAR / Unit	Revenues	
Show Rooms	0	0	SAR 0	SAR 0	SAR 6,977,050	
-----	0	0	SAR 0	SAR 0	SAR 0	
-----	0	0	SAR 0	SAR 0	SAR 0	
					Total Revenues	SAR 6,977,050
EXPENSES						
Unit Type	Management	Utilities	Maintenance	Others	Total Expenses	
Show Rooms					SAR 425,000	
-----	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
Show Rooms	SAR 6,977,050				SAR 425,000	SAR 6,552,050
-----	SAR 0				0.00%	SAR 0
-----	SAR 0				0.00%	SAR 0
					Total	SAR 6,552,050
Total Property Revenues						SAR 6,977,050
Total Property Expenses						-SAR 425,000
Net Operating Income						SAR 6,552,049.50
Net Operating Income	Cap Rate	Property Value			Rounded Value	
SAR 6,552,049.50	8.25%	79,418,781.82 SAR			79,420,000.00 SAR	



1.38 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

Methodology	Subject of Valuation	Value in Numbers	Value in Letters
Income- Actual	Property	SAR 79,420,000	Seventy-Nine Million and Four Hundred Twenty Thousand Saudi Riyals
Income- Market	Property	SAR 79,270,000	Seventy-Nine Million and Two Hundred Seventy Thousand Saudi Riyals
DRC Approach	Land + Building	SAR 61,510,000	Sixty-One Million and Five Hundred Ten Thousand Saudi Riyals

1.39 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: 79,420,000 SAR
Seventy-Nine Million and Four Hundred Twenty Thousand Saudi Riyals

1.40 REPORT USE

This valuation is for the sole use of the named Client. This report is confidential to the Client, and that of their advisors, and we accept no responsibility whatsoever to any third party. No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorized.

1.41 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.

1.42 CONCLUSION

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



Essam Hussaini
Site Inspection Check

Member of (Taqeem)
License No. 121000474



GENERAL NOTES





1.43 CONSULTANT STATUS

We confirm that the consultant / 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.

1.44 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 Whitecubes 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 valued 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
	Client	Date	
✓	Al Khabeer	Sep 2020	-----
✓	-----	-----	-----
✓	-----	-----	-----

1.45 CONFIDENTIALITY

This document and / or any other documents received from the client are confidential between White Cubes Est. and the client. Except as may be required by any court or authority, the subject service shall not disclose or use or cause to be disclosed or used, at any time during the Term.

Any of the Client's secrets and/or confidential information, any other non-public information relating to the client business, financial or other affairs acquired by the subject service during the process remain confidential.



1.46 ENVIRONMENTAL MATTERS

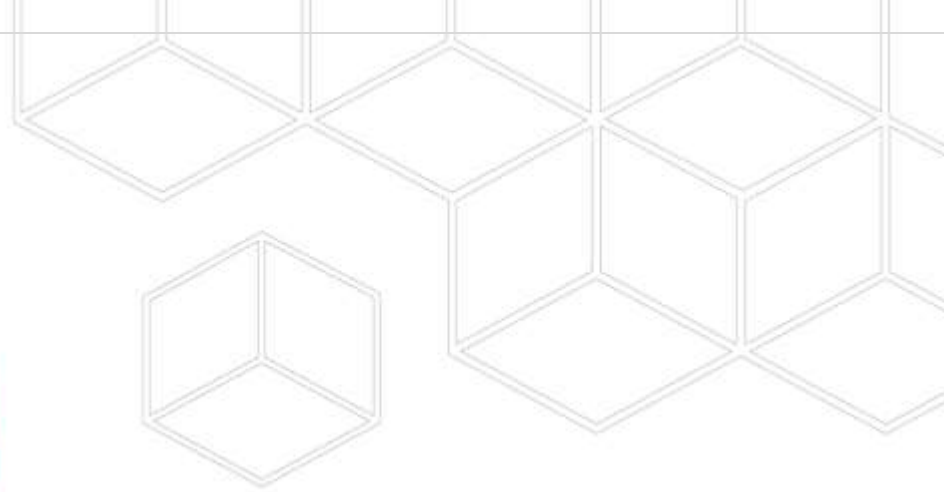
We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination.

In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative use has ever been carried out on the property.

We have not carried out any investigation into past or present uses, either of the properties or of any neighboring land, to establish whether there is any contamination or potential for contamination to the subject properties from the use or site and have therefore assumed that none exists.

However, should it be established subsequently that contamination exists at the properties or on any neighboring land, or that the premises has been or is being put to any contaminative use, this might reduce the value now reported.

DOCUMENTS COPIES





Title Deed

Construction Permit



 وزارة العدل
 [٢٧٧]
 كتابة العدل بوسط الرياض

صك رهن وتملك عقار

الحمد لله وحده والصلاة والسلام على من لا نبي بعده وبعد :
 فإن قطعة الأرض ٣٣٢ و قطعة الأرض ٣٣٤ و قطعة الأرض ٣٣٥ و قطعة الأرض ٣٣٦ و قطعة الأرض ٣٣٧ و قطعة الأرض ٣٣٨ و قطعة الأرض ٣٣٩ و قطعة الأرض ٣٤٠ و قطعة الأرض ٣٤١ و قطعة الأرض ٣٤٢ من البتلك رقم ٣٥ من المخطط رقم ٩٩٠ الواقع في حي السليمانية بمدينة الرياض . وجدودها وأصولها مخالفتها :
 شمالاً : شارع عرض ٢٠ متر بطول : (٥٠) خمسون متر
 جنوباً : شارع عرض ١٥ متر بطول : (٥٠) خمسون متر
 شرقاً : شارع عرض ٣٠ متر بطول : (١٢١) مائة و واحد و عشرون متر
 غرباً : ممر مشاة عرض ١٠ متر بطول : (١٢١) مائة و واحد و عشرون متر
 ومساحتها : (٦٠٥٠٠) ستة آلاف و خمسون متر مربعاً فقط .
 الملحوظة : لا شريطة أول اللقمة العقارية بموجب سجل تجاري رقم ١٠١٠٨٩٣٨٠٢ وتنتهي في ١٩ / ١٠ / ١٤٤٤ هـ ناصفاً الصادر من كتابية العدل الأول بالرياض برقم ٧١٠١١٦٠٤٥١٢٤ في ٢٧ / ٤ / ١٤٤٠ هـ قد تم رهنها وما أقيم أو سيقام عليها من بناء لصالح ا / شركة الجراجي المصرفية للاستثمار بموجب سجل تجاري رقم ٢٠١٠٠٠٠٠٩٦ في ٢٥ / ١٠ / ١٣٧٩ هـ ضماناً لوفائه بما عليه من مستحقات مالية لصالح مصرف الجراجي بموجب سجل تجاري رقم ١٠١٠٠٠٠٠٩٦ بمبلغ وقدره (٣٨١٨١٨١٨.١٩) ريال ثمانية و ثلاثون مليوناً و مائة و واحد و ثمانون ألفاً و ثمانمائة و ثمانية عشر ريال و تسعة عشر حيلة المجاز من الهيئة الشرعية برقم ١٨٠٧٢ في ٢٤ / ٧ / ١٤٢٩ هـ - على أن يتم سداد المبنوية على أقساط كل ستة أشهر من تاريخ صرف التمويل بقيمة كل قسط (١٠٠٠٠٠٠) ريال مليون ريال - تدفع اعتباراً من تاريخ ٣١ / ١٠ / ٢٠١٩ هـ و على حالة عدم السداد فلتعثر ببيع العقار بالقيمة التي تلتقي عندها الرغبات واستيفاء ما يذم الراهن من مبلغ وما يخص يربح فيه عليه بعد اكمال ما يتبرر شعراً وعليه جرى التصديق تحريماً في ١٩ / ١٠ / ١٤٤٠ هـ و صلى الله على نبينا محمد وآله وصحبه وسلّم .

رئيس كتابية العدل المساعد
 صالح بن حنيف الله بن أحمد العمري



 وزارة البلدية و تخطيط المدن
 مملكة العربية السعودية

رقم الصك : ١٤٤٠ / ١٠ / ١٤٤٠
 رقم الصك : ١٤٤٠ / ١٠ / ١٤٤٠
 رقم الصك : ١٤٤٠ / ١٠ / ١٤٤٠
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 رقم الصك : ١٤٤٠ / ١٠ / ١٤٤٠

الجهة	العرض	العمق	الارتفاع	مساحة الاستخدام
شمال	شارع عرض ٢٠ م	١٠	١	
شرق	شارع عرض ٣٠ م	١٠	١	
جنوب	شارع عرض ٢٠ م	١٠	١	
غرب	ممر مشاة عرض ١٠ م	١٠	١	
مساحة البناء	عدد الوحدات	مساحة الاستخدام		
مواقف				
إرضي نظري				
إرفقة كهرباء				
أخرى				

رقم الصك : ١٤٤٠ / ١٠ / ١٤٤٠
 رقم الصك : ١٤٤٠ / ١٠ / ١٤٤٠
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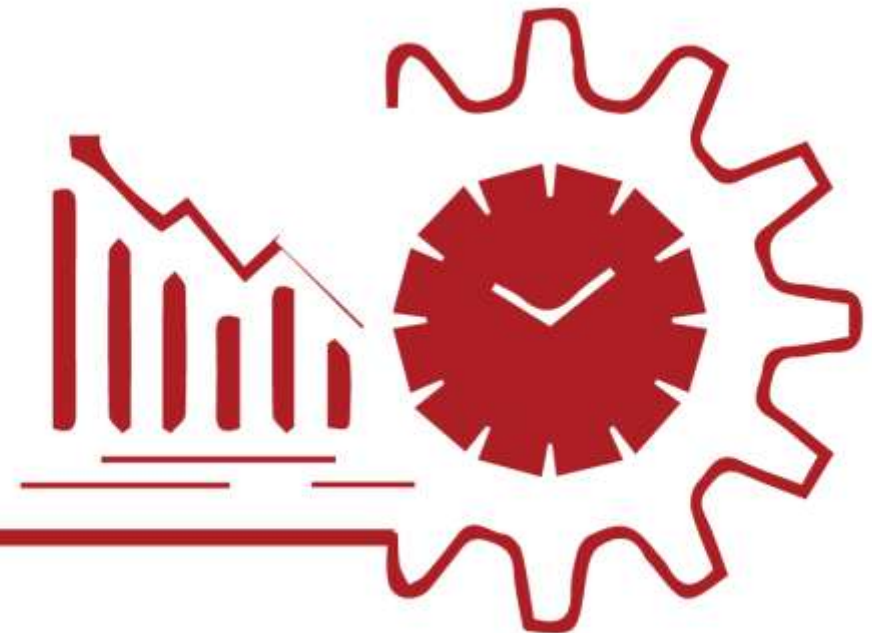
MALGA COMPOUND
AL KHABEER CAPITAL

RIYADH CITY

DECEMBER 2020



Valuation Report





REF: 2010830-7
Date: 30/12/2020
M/S Al Khabeer Capital

Subject: Valuation Report for residential compound (Malga Compound) in Riyadh City, Saudi Arabia.

Dear Sir,

With reference to your request and approval dated on November 29, 2020 for valuation service of the residential project (Malga Compound) located in Riyadh city, 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)





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WHITE CUBES REAL ESTATE is the exclusive real estate advisory agent for TAHA CORP CONSULTING in the Kingdom of SAUDI ARABIA





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

1.1	EXECUTIVE SUMMARY	7
1.2	VALUATION REFERENCE	9
1.3	BASIS OF VALUATION	9
1.4	CLIENT APPROVAL DATE	11
1.5	INSPECTION DATE	11
1.6	VALUATION DATE	11
1.7	REPORT DATE	11
1.8	OPINION OF VALUE	11
1.9	PURPOSE OF VALUATION	11
1.10	INSPECTION ROLE	11
1.11	MARKET SURVEY	12
1.12	PROPERTY & LOCATION DESCRIPTION	14
1.13	INFRASTRUCTURE FACILITIES	14
1.14	LOCATION	15
1.15	PROPERTY ACCESS	16
1.16	TITLE DEED & OWNERSHIP	17
1.17	CONSTRUCTION & BUILDINGS	18
1.18	PROJECT COMPONENTS & LAYOUTS	19
1.19	FACILITIES, AMENITIES AND SERVICES	21
1.20	PROXIMITY OF DISTANCE	21
1.21	PHOTO RECORD	22
1.22	MAINTENANCE & OPERATIONAL EXPENSES	23
1.23	BUILDING GROSS LEASABLE AREA (GLA)	23
1.24	INSURANCE	23
1.25	SAUDI ARABIA ECONOMIC INDICATORS	25
1.26	BUDGET ALLOCATION FOR 2019	25
1.27	SWOT ANALYSIS	26
1.28	SECTOR BRIEF	26
1.29	RISK ANALYSIS	28
1.30	DOCUMENTS RECIEVED	30
1.31	GENERAL ASSUMPTIONS	30
1.32	LEGAL NOTICES	30



1.33	INFORMATION SOURCE	31
1.34	STRUCTURAL EXAMINATION OF BUILDINGS (IF ANY)	31
1.35	VALUATION APPROACH	31
1.36	INPUT VALUATION PROCESS	33
1.37	COMPARABLE APPROACH	34
1.38	COST APPROACH (DRC)	35
1.39	INCOME APPROACH- MARKET RATES	37
1.40	SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES	40
1.41	VALUATION NOTES	40
1.42	SUBJECT PROPERTY VALUE	40
1.43	REPORT USE	40
1.44	DISCLAIMER	40
1.45	CONCLUSION	41
1.46	CONSULTANT STATUS	43
1.47	DISCLOSING CONFLICT OF INTEREST	43
1.48	CONFIDENTIALITY	43
1.49	ENVIRONMENTAL MATTERS	43

EXECUTIVE SUMMARY

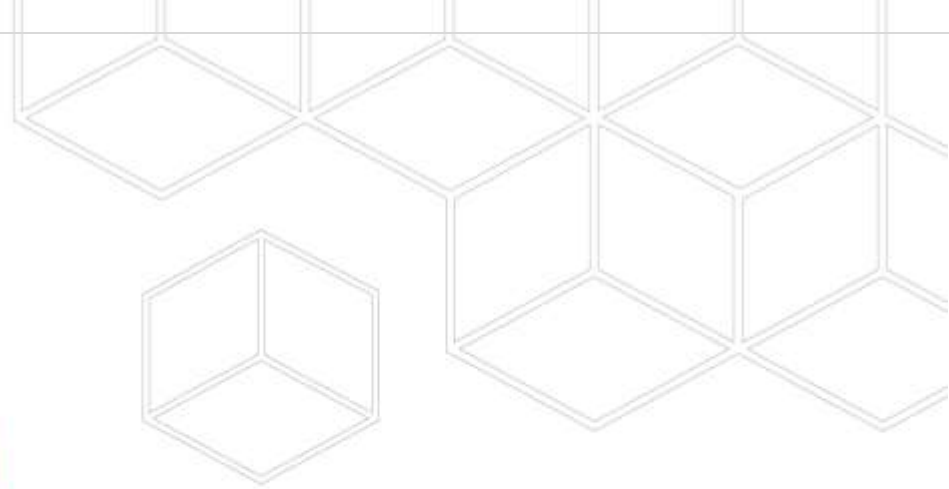




1.1 EXECUTIVE SUMMARY

Introduction	We received instructions from the client on 29/11/2020 to implement valuation service for a residential compound in Riyadh city.
Client	For whom this report is being prepared is Al Khabeer Capital, a Saudi company registered under the Saudi law.
Reference No.	2010830-7
Purpose of Valuation	Real Estate Investment Trust (REIT)
Subject Property	Residential Compound
Property Location	The property is located in Al Malga district, Riyadh City.
Title Deed No.	Title Deed No: 314002002198, 8104009006124, 814009006125, 614004005871
Ownership Type	Freehold
Owner	شركة أول الملقا العقارية
Land Use	Residential
Land Area (Sqm)	Based on the title deed, the land has an area size of 15,924.68 Sqm
BUA (Sqm)	The building is composed of 3 floors with a total BUA of 41,362 Sqm
GLA (Sqm)	The total gross leasable area is 21,436 Sqm composed of apartments.
Valuation Approach	Comparable Approach, Cost Approach & Income Approach
Final Property Value	275,500,000 SAR
Valuation Date	30/12/2020
Inspection Date	05/12/2020

TERMS OF REFERENCE & VALUATION





1.2 VALUATION REFERENCE

This report was prepared based on the instructions issued to us by Al Khabeer Capital (the customer) 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 (IVSC).

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, eg 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 use by the client to start the inspection procedures of the property / properties subject to the valuation process.

November 29, 2020.

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.

December 05, 2020.

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 were the value/s of the subject property / properties is reflected. The valuation date is at

December 30, 2020.

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.

December 30, 2020.

1.8 OPINION OF VALUE

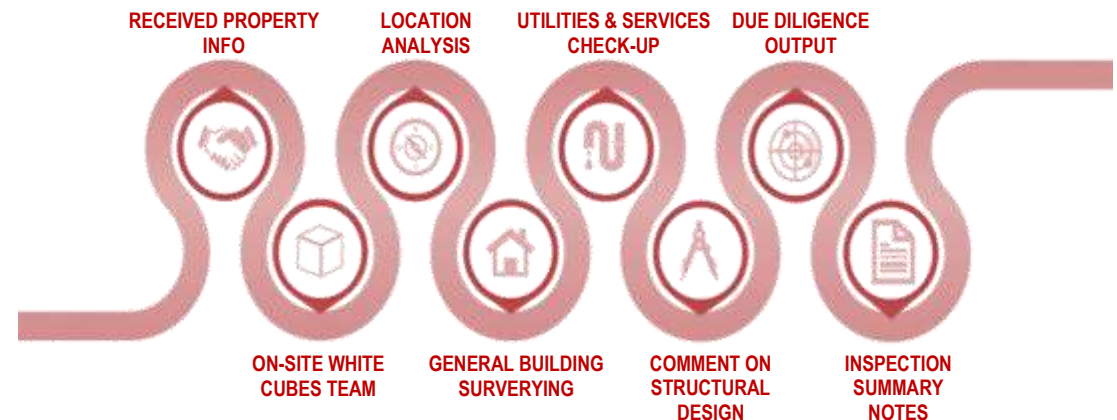
All the outputs will be shown in this report (Values) are based on our best knowledge of the market, documents received from the client (assumed to be correct), market findings and inspection inputs. Yet, the estimated values of the subject property / properties express our opinion of values based on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

1.9 PURPOSE OF VALUATION

The client requested to know the current market value of the subject property for Real Estate Investment Trust (REIT) Purposes. Therefore, and according to the valuation purpose, and as requested by the client, we will adapt the valuation methodologies of The comparable Approach, The Income Approach & Depreciated Replacement Cost (DRC)

1.10 INSPECTION ROLE

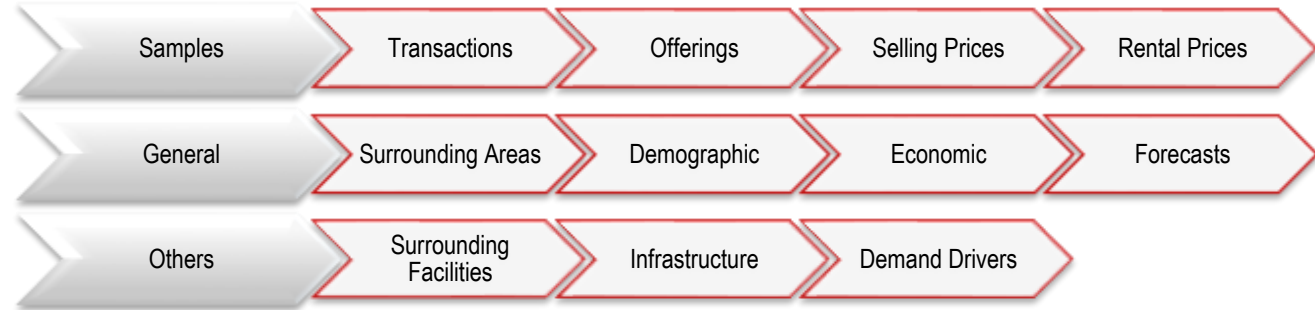
A visit to a property or inspection of an asset, to examine it and obtain relevant information, in order to express a professional opinion of its value. We hereby confirm that we have inspected the subject property / Asset at the date of inspection. Our inspection procedure covers only the surface / 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.



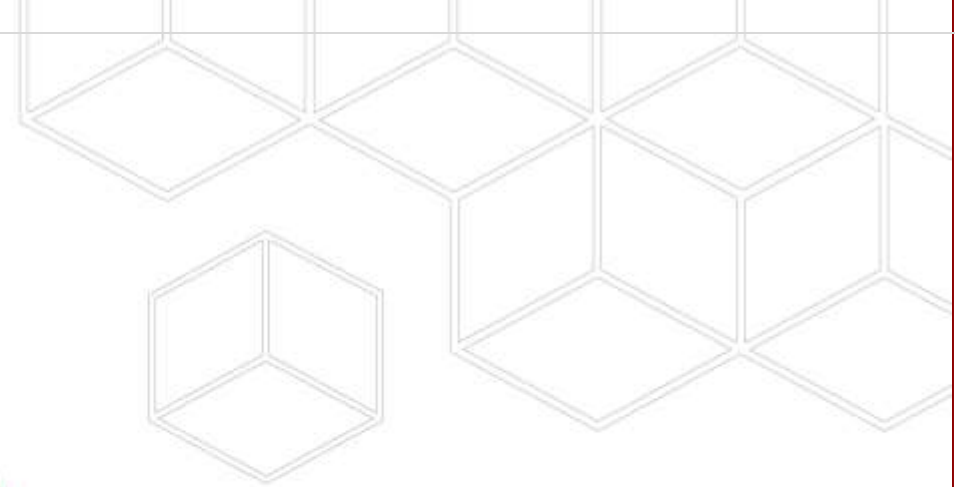


1.11 MARKET SURVEY

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.



PROPERTY DETAILS





1.12 PROPERTY & LOCATION DESCRIPTION

Property Description The subject property is a residential compound located in Al Malga district, Riyadh city. The Property has a total land area of 15,924.68 Sqm, a total BUA of 41,362 Sqm and composed of 252 residential apartment units and 38 studio units. As per the site inspection done by our team, the project is open on 4 sides with a direct view on Hajar Valley Road from the north side. All infrastructural facilities such as water, electricity, telecommunication and sewage are available in the surroundings and connected the subject property.

Location Description The property being valuated is a residential compound in Al Malga district, Riyadh City. The property is bordered from the north by Hajar Valley Street
The property is bordered from the south by an unnamed street.
The Property is bordered from the east by an unnamed street
The property is bordered to the west by an internal street

Ease of Access Based on the current location of the subject property, the access level is high since it is located near King Fahd Street and open from 4 sides.

The Main Landmarks The subject property is surrounded by a number of major landmarks such as Saudi German Hospital, etc.

Land		Building	
Land Use	Residential	Building Type	Residential Compound
No. of Streets	4	Building Structural Conditions	Fully Constructed
Land Shape	Graded	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	Hajar Valley Street	Overall Building Conditions	Good
Land Condition	Constructed		

1.13 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	✓	✓	



1.14 LOCATION

The subject property is located in Al malga district, Riyadh city and surrounded by several landmarks as follows:

Property Location on a City Scale



Property Location on a District Scale



Surrounding Landmarks

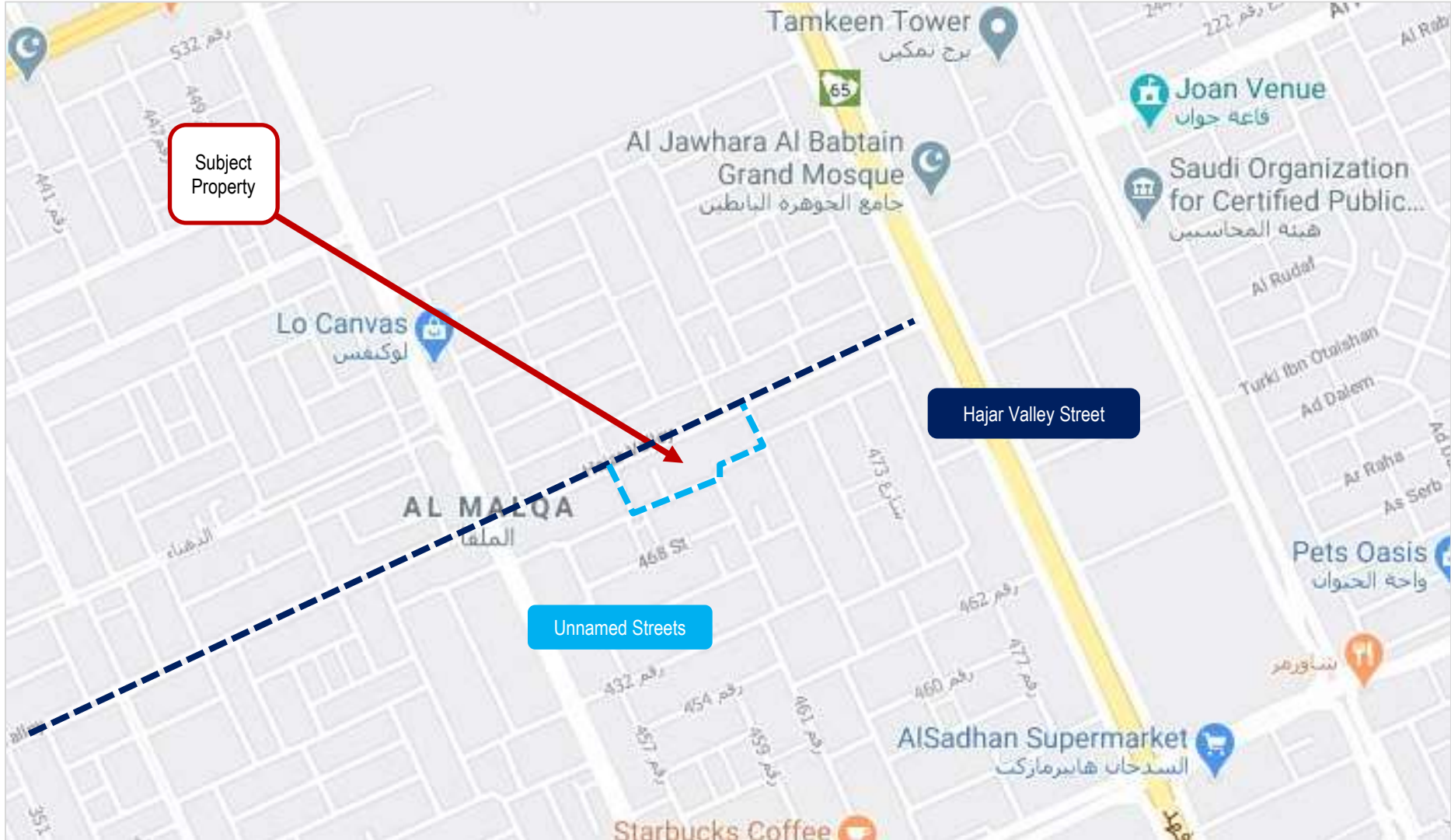
- 1- Al Shabab Saudi Club (1.8 Kilometers)
- 2- Saudi German Hospital (2 Kilometers)
- 3- Tamimi Markets (1 Kilometers)
- 4- Wafa Insurance (1.6 Kilometers)
- 5- Burj Rafal Hotel Kempinski Riyadh (2.2 Kilometers)

- 6- Farm Superstores (3.2 Kilometers)
- 7- Al Sadhan Hyper Market (1.4 Kilometers)
- 8- Tamkeen Tower (0.9 Kilometers)
- 9- The Council of Cooperative Health (0.7 Kilometers)
- 10- SAAB Tower (1 Kilometers)



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 copies of the title deeds of the subject property which is owned by four title deeds. The details of the subject property:

City District	Riyadh Al Malga	Riyadh Al Malga	Riyadh Al Malga	Riyadh Al Malga
Title deed Type	Electronic	Electronic	Electronic	Electronic
T.D No.	814009006124	814009006125	614004005871	314002002198
T.D Date	14/09/1440	14/09/1440	15/09/1440	14/09/1440
Title Deed Value	38,181,818.19	38,181,818.19	38,181,818.19	38,181,818.19
Date of Latest Transaction Issued by	14/09/1440 Riyadh Notary	14/09/1440 Riyadh Notary	15/09/1440 Riyadh Notary	14/09/1440 Riyadh Notary
Property Type	Residential	Residential	Residential	Residential
Land Area (Sqm)	5,481,45	3,481,1	3,481,9	3,480,23
Plot No.	2333/2334	1/2336	1/2337	1/2335
Block No.	N/A	N/A	N/A	N/A
Layout No.	3114	3114	3114	3114
Owners	شركة أول الملقا العقارية	شركة أول الملقا العقارية	شركة أول الملقا العقارية	شركة أول الملقا العقارية
Ownership	Freehold	Freehold	Freehold	Freehold
Limitations of Document	Mortgaged	Mortgaged	Mortgaged	Mortgaged
Notes	The client has provided us with copies of the Title Deeds 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 subject property is a fully constructed residential compound. The client provided us with a building permits for the subject property, which contains the following data:

Subject Property	CP 1	CP 2	CP 3	CP 4
Construction Permit Type	Modification of building plan	Separation	Separation	Separation
Property Type	Residential	Residential	Residential	Residential
Construction Permit No.	1432/5259	1433/15270	1433/15269	1433/15265
Construction Permit Date	26/03/1432	21/08/1433	21/08/1433	21/08/1433
Permit Expiry Date	26/03/1435	21/08/1436	21/08/1436	21/08/1436

	CP 1	CP 2	CP 3	CP 4
Description	Area (Sqm)	Area (sqm)	Area (Sqm)	Area (Sqm)
Basement	2,052.89	2,052.89	2,052.89	2,052.89
Residential Ground Floor	2,088.00	2,088.20	2,088.00	2,088.00
First Residential Floor	2,555.78	2,555.78	2,555.78	2,555.78
Second Residential Floor	2,380.22	2,380.22	2,380.22	2,380.22
Annex Floor	1,263.56	1,263.56	1,263.56	1,263.56
---	---	---	---	---
---	---	---	---	---
---	---	---	---	---
Total BAU (sqm)	10,340.45	10,340.65	10,340.45	10,340.45



1.18 PROJECT COMPONENTS & LAYOUTS

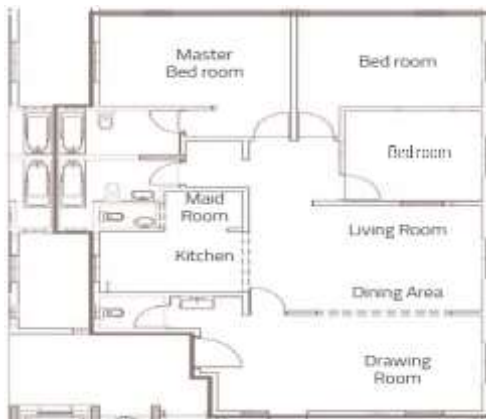
2 BEDROOM – 3 BATHS
AREA: 112 – 128 sqm



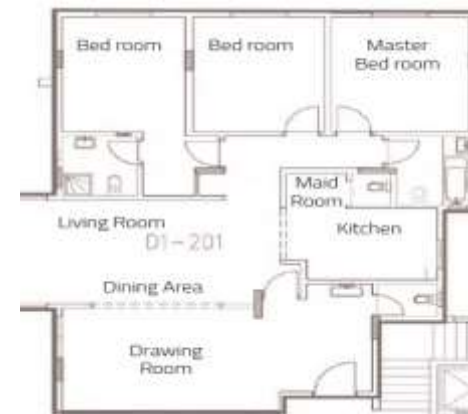
3 BEDROOM & 3 BATHS
Area: 112 – 172 sqm



3 BEDROOM – 4 BATH & Maid room
Area: 136 – 174 sqm



PENTHOUSE: 3 BEDROOM – 4 BATH & MAIDROOM
Area: 180 – 200 SQM





All the apartment units within the subject property are based on 4 main layouts as shown above. In addition, the subject property is composed of 252 apartments with the following details

Type	No. of Bedroom	No. of Bathroom	Size	Buildings 9-18	Buildings 1-8	Total
2-Bedroom	2	3	112	2	2	4
	2	3	118	3	2	5
	2	3	128	1	0	1
	3	3	112	2	2	4
	3	3	118	7	4	11
3-Bedroom	3	3	128	5	6	11
	3	3	150	0	0	0
	3	3	152	0	1	1
	3	3	158	0	0	0
	3	3	160	0	1	1
	3	3	172	0	0	0
	3	4	136	14	6	20
	3	4	146	6	10	16
	3	4	150	24	16	40
	3	4	152	8	3	11
3-Bedroom (With Maid Room)	3	4	158	26	18	44
	3	4	160	22	9	31
	3	4	170	0	2	2
	3	4	172	0	10	10
	3	4	174	0	8	8
	3	4	180	3	3	6
	3	4	184	2	0	2
3-Bedroom (Penthouse)	3	4	190	8	6	14
	3	4	194	2	0	2
	3	4	200	5	3	8
Total / Average			154	140	112	252

On the other hand, all the apartment units are offered for tenant as fully furnished units containing the following elements.

- Living area
- Dining Area
- Split air conditioning units
- Flat screen TV
- Washer and Dryer units
- Fully equipped kitchen including fridge, microwave, oven, and cabinets.
- Quality durable scratch proof and water-resistant furniture.
- Dish Cabinet



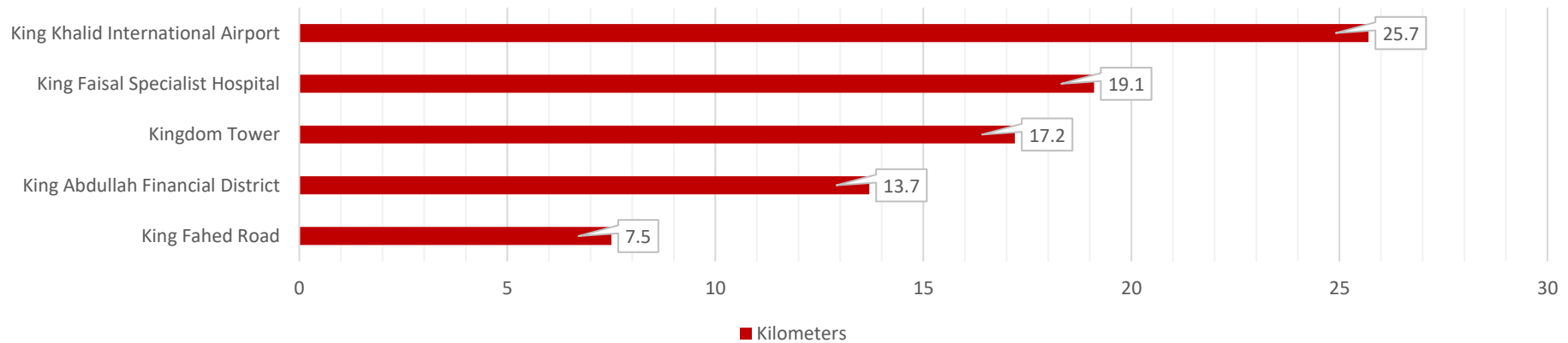
1.19 FACILITIES, AMENITIES AND SERVICES

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

1.20 PROXIMITY OF DISTANCE

The following shows the approximate distance from the Subject Property to several main roads and landmarks in the surrounding area:

Roads and Landmarks	Distance from Subject Property (Km)
King Fahd Road	7.5
King Abdullah Financial District	13.7
Kingdom Tower	17.2
King Faisal Specialist Hospital and Research Center	19.1
King Khalid International Airport	25.7





1.21 PHOTO RECORD





1.22 MAINTENANCE & OPERATIONAL EXPENSES

Based on the information provided to us by the client, the total maintenance and operating costs of the subject property are 1,100.51 SAR per year, which includes all administration, maintenance, operation and general service bills.

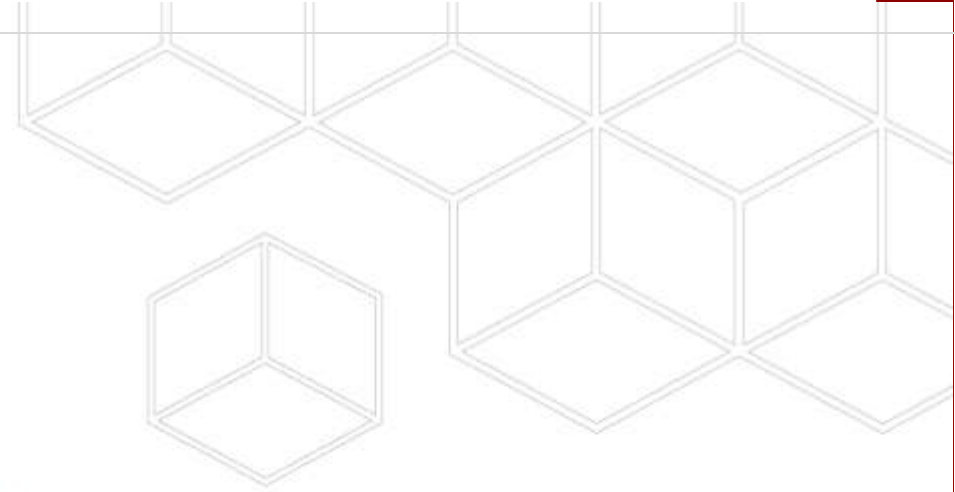
1.23 BUILDING GROSS LEASABLE AREA (GLA)

Floor No.	Use	No. of Units	BUA (Sqm)	GLA (Sqm)	Information Source
2 Bed Apt	Residential	----	----	856	Rental spaces are obtained from the client
3 Bed Apt	Residential	----	----	16,764	
4 Bed Apt	Residential	----	----	3,816	
-	----	----	----	----	
-	----	----	----	----	
-	----	----	----	----	
-	----	----	----	----	
Total					

1.24 INSURANCE

Property	Insurance Type	Policy Number	Insurance Company	Policy Expiry Date
AlMalga Complex	Property-all-Risks	P0420-PAR-HCAB-12566903	Al Rajhi Company for Cooperative Insurance	30/03/2021
AlMalga Complex	Third Party Liabilities	P0420-TPL-HCAB-12566830	Al Rajhi Company for Cooperative Insurance	03/04/2021

MARKET INDICATORS





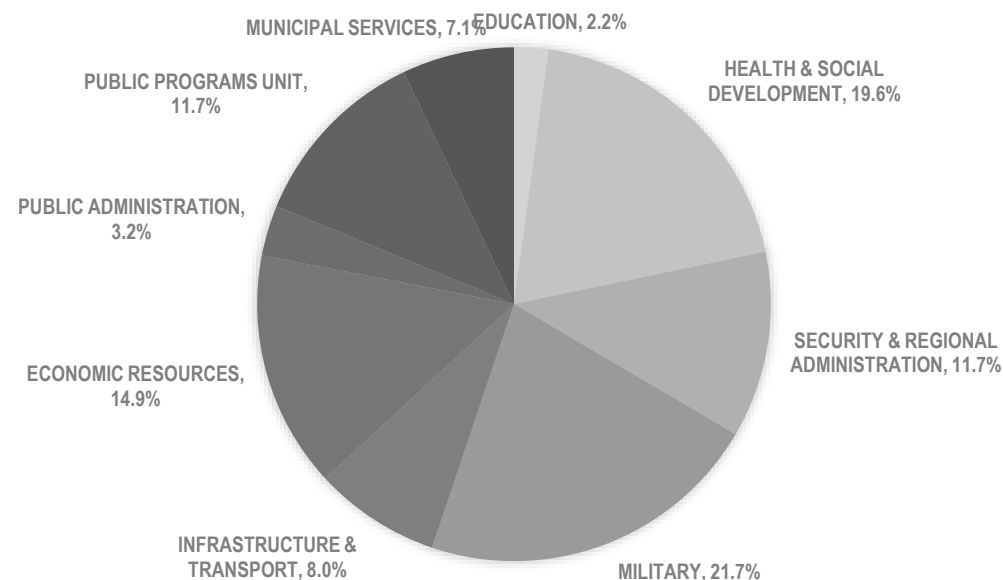
1.25 SAUDI ARABIA ECONOMIC INDICATORS

Economic Indicator	2018	2019	2020
GDP (Source: General Authority for Statistics)	(Q2) 732,747 Bn	642.8 Bn (E)	657.58 Bn (E)
GDP Growth (Source: Ministry of Finance)	%2.3	0.5%	2% (E)
Inflation Rate (Source: SAMA)	2.45%	-1.22%	-1.5% (E)
Interest Rates (Source: Trading Economics)	2.75%	3%	2.5% (E)
Government Revenues (Source: General Authority for Statistics)	895 Bn	978 Bn	833 Bn (E)
Government Spending (Source: General Authority for Statistics)	1,079 Bn	1,050 Bn (E)	1,020 Bn (E)
Unemployment Rate (Source: General Authority for Statistics)	6%	5.6%	5.2% (E)
Population (Source: General Authority for Statistics)	33,413,660	34,413,660	34,218,169

1.26 BUDGET ALLOCATION FOR 2019

Public Administration	28 SAR bn
Military	191 SAR bn
Security & Regional Adm.	103 SAR bn
Municipal Services	62 SAR bn
Education	193 SAR bn
Health & Social Dev.	172 SAR bn
Economic Resources	131 SAR bn
Infrastructure & Transport	70 SAR bn
Public Programs Unit	103 SAR bn

Source: Ministry of Economy





1.27 SWOT ANALYSIS

<p>Strength</p> <ul style="list-style-type: none"> - Premium Location - Surrounded by several main streets - High-end quality of residential complex - Close to the city airport 	<p>Weakness</p> <ul style="list-style-type: none"> - The subject property is far from the city downtown - The residential compound market is currently in slow progress and facing economic issues.
<p>Opportunities</p> <ul style="list-style-type: none"> - Skilled management, quality of facilities, proper maintenance, etc. are elements which the operator of the facility needs to maintain high quality level to guarantee the customer satisfaction over other competitors. 	<p>Threats</p> <ul style="list-style-type: none"> - Economic conditions for Expats - Existing and upcoming similar projects

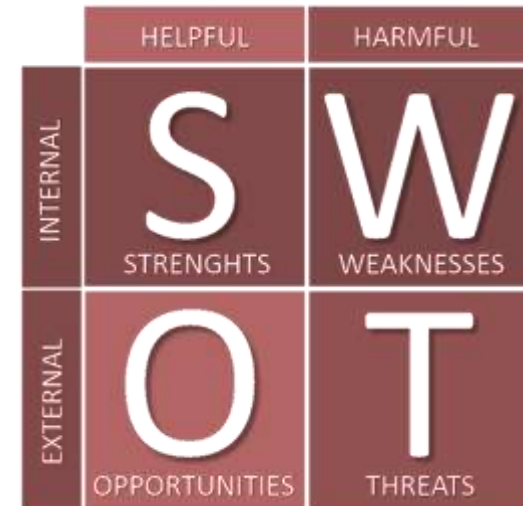
The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

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





Overall Sector Performance

From 2019 to 2020



Future Expectations



Overall Sector Stability

From 2019 to 2020



Future Expectations



Values of Lands Related to The Sector

From 2019 to 2020



Future Expectations



Sector rental Income

From 2019 to 2020



Future Expectations



Sector Demand

From 2019 to 2020

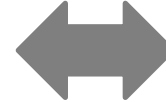


Future Expectations

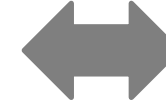


Investors' Appetite

From 2019 to 2020



Future Expectations



Sector's occupancy ratios

From 2019 to 2020

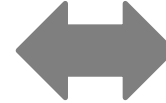


Future Expectations



Sectors Positive Changes

From 2019 to 2020



Future Expectations



White Cubes Team's Analysis



1.29 RISK ANALYSIS

Risk Factor	Very Low Risk (1) 1-6	Minimal Risk (2) 8-12	Medium Risk (3) 13-18	Elevated Risk (4) 19-24	Very High Risk (5) 25-30
Overall Economy	-----	-----	✓	-----	-----
Sector Current Performance	-----	-----	✓	-----	-----
Sector Future Performance	-----	✓	-----	-----	-----
Occupancy Rates	-----	-----	-----	✓	-----
Supply Rate	-----	-----	-----	-----	✓
Demand Rate	-----	-----	✓	-----	-----
Total Risk	0	2	9	4	5
Risk Category	20 Risk Points - Elevated Risk				

Sector Analysis

Risk Category- 20 Risk Points - Medium Risk

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

Land Analysis

Risk Category- 20 Risk Points - Elevated Risk

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

Property Analysis

Risk Category- 20 Risk Points - Elevated Risk

PROPERTY VALUATION





1.30 DOCUMENTS RECIEVED

The client has provided us by clear copy of the following documents.

Title Deed Copy ✓	Construction Permit ✓	Krooki
Master Plan	Layouts	3D Design & Perspectives
Pictures	Presentation of the subject property ✓	Location Map ✓
Location Link	Contact Details ✓	Costing & Budget
Tenant List	Income & Revenues	Operational Cost - OPEX

1.31 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.

1.32 LEGAL NOTICES

We are not aware of and have not been notified of any legal notices on the property, whether they are ongoing or pending in the courts.



1.33 INFORMATION SOURCE

Referring to the purpose of this report, it has been assumed that all information received from the client, whether verbal or written, is up-to-date and correct. Our team conducted a field research in order to ensure the validity of some market information for the purpose of valuation, which included the values of assets in the region, occupancy rates and market information related to the asset being valued in order to reach the market value of the asset being valued. During the field research process, some sources were relied on as follows:

- The field survey prepared by us
- Site inspection done by our team
- Our historical database for the similar assets of the property being valued
- Sales agents specialized with the same type of assets subject to valuation

1.34 STRUCTURAL EXAMINATION OF BUILDINGS (IF ANY)

Our service’s scope does not include any technical testing of buildings and / or structural examinations, and does not include any quality assurance of these constructions. However, in the event of any visible and observed deficiencies in the structural structure, we will write it down in our report and reflect such effect on the value.

1.35 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.



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

RESIDUAL LAND VALUE (RLV)

The residual land value is a method used to determine the value and potential profitability of a piece of property less any expenses related to the land. Residual land value is the value of the land that remains after any and all deductions associated with the cost of developing, maintaining or reselling the land. The application of the residual method of valuation is based on the principle that the price to be paid for a property that is suitable for development is equal to the difference between (i) the completed value of the highest and best form of permitted development and (ii) the total cost of carrying out that development. Thus, the net capital value of the completed development is assessed (after deducting any costs of sale) on the assumption that it has been developed for the most valuable form of development, and from that value is deducted the cost of all construction and building work required to carry out the development (including all ancillary costs, e.g. purchase costs, letting fees, finance, etc.), as well as an appropriate allowance for profit on the development

1.36 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.

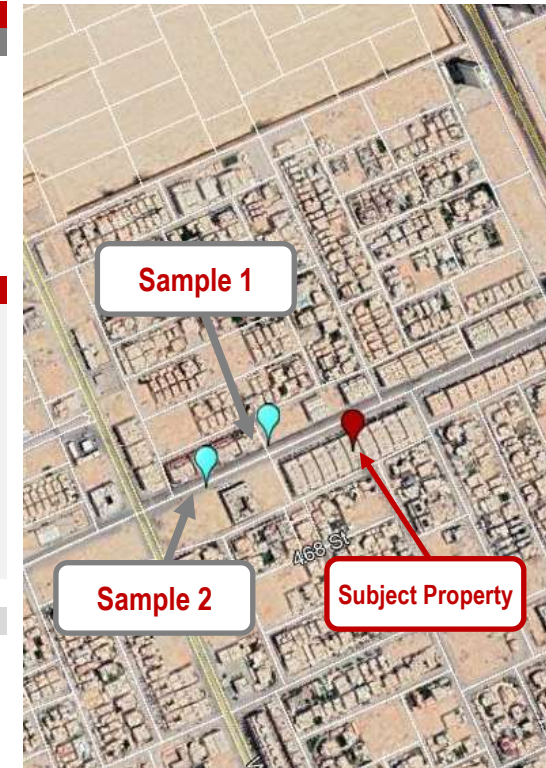


1.37 COMPARABLE APPROACH

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 Malga	Al Malga	Al Malga
Sale Price	-----	SAR 1,700,000	SAR 12,000,000
Data Source	Title Deed	Market Survey	Market Survey
Area Size	15,924.68	510.00	3,287.00
SAR / Sqm	-----	SAR 3,333	SAR 3,651
Sides Open	4	2	1

Adjustment Analysis					
		SAMPLE 1		SAMPLE 2	
Area size	15,924.68	510.00	-10.00%	3,287.00	-10.00%
Location Desirability	Average	Average	0.00%	Average	0.00%
Accessibility	Average	Average	0.00%	Average	0.00%
Main Street Width (m)	36	36	0.00%	36	0.00%
Sides Open	4	2	5.00%	1	10.00%
Land Shape	Regular	Regular	0.00%	Regular	0.00%
Close to main street	No	No	0.00%	No	0.00%
Negotiable	-----	Yes	-10.00%	Yes	-10.00%
Other Factor	-----	-----	0.00%	-----	0.00%
Total Adjustments Ratio			-15.00%		-10.00%
Total Adjustment Amount			-SAR 500.0		-SAR 365.1
Net After Adjustment			SAR 2,833.3		SAR 3,285.7
SAR / Sqm			SAR 3,060		
Rounded Value			SAR 3,000		



SENSITIVITY ANALYSIS						
	-10%	-5%	0%	5%	10%	
Land Area	15,925	15,925	15,925	15,925	15,925	
SAR / Sqm	SAR 2,700.0	SAR 2,850.0	SAR 3,000.0	SAR 3,150.0	SAR 3,300.0	
Property Value	SAR 42,996,636	SAR 45,385,338	SAR 47,774,040	SAR 50,162,742	SAR 52,551,444	
			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 fall in the range of 2,500 - 3,500 SAR / Sqm with an average of 3,000 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.

1.38 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 450	SAR 550	SAR 500
Finishing Materials	SAR 700	SAR 900	SAR 800
Fit outs &Appliance	SAR 900	SAR 1,100	SAR 1,000
Furniture	SAR 750	SAR 850	SAR 800
Site Improvements	SAR 180	SAR 220	SAR 200
Owner Profit	20%	30%	25%

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

LAND			
Land Area	SAR / Sqm	Total Value	
15,924.68	SAR 3,000	SAR 47,774,040	
Building			
	Unit	No of Floors	Total BUA
Underground	Sqm	----	8,211.56
Ground Floor	Sqm	----	8,352.20
Upper Floors	Sqm	----	19,744.00
Annex	Sqm	----	5,054.24
Fences	Sqm	----	477.7
Total (SQM)	41,362.00		



Development Cost					
Hard Cost - Upper Floors					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	33,150.44	SAR 900	SAR 29,835,396	100%	SAR 29,835,396
Electro Mechanic	33,150.44	SAR 500	SAR 16,575,220	100%	SAR 16,575,220
Finishing	33,150.44	SAR 800	SAR 26,520,352	100%	SAR 26,520,352
Fit outs & Appliances	33,150.44	SAR 1,000	SAR 33,150,440	100%	SAR 33,150,440
Furniture	33,150.44	SAR 800	SAR 26,520,352	100%	SAR 26,520,352
Site Improvement	15,924.68	SAR 200	SAR 3,184,936	100%	SAR 3,184,936
Total			SAR 135,786,696	100.00%	SAR 135,786,696
Hard Cost - Underground)					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	8,211.56	SAR 1,350	SAR 11,085,606	100%	SAR 11,085,606
Electro Mechanic	8,211.56	SAR 700	SAR 5,748,092	100%	SAR 5,748,092
Finishing	8,211.56	SAR 200	SAR 1,642,312	100%	SAR 1,642,312
Total			SAR 18,476,010	100.00%	SAR 18,476,010
Overall Soft Cost					
			Total Hard Cost	Ratio	Soft Cost
Initial Project Pre Cost			SAR 154,262,706	0.10%	SAR 154,263
Design			SAR 154,262,706	1.00%	SAR 1,542,627
Eng Consultant			SAR 154,262,706	1.00%	SAR 1,542,627
Management			SAR 154,262,706	5.00%	SAR 7,713,135
Contingency			SAR 154,262,706	5.00%	SAR 7,713,135
Others			SAR 154,262,706	0.00%	SAR 0
TOTAL				12.10%	SAR 18,665,787.43
Total Hard Cost	SAR 154,262,706		BUA	41,362.00	
Total Soft Cost	SAR 18,665,787.43		SAR / Sqm	SAR 4,181	
Total Construction Cost	SAR 172,928,493.43		Overall Completion	100.0%	

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

DEVELOPMENT VALUE			
Total Dev Cost	SAR 172,928,493	Net Dep Rate	14.00%
Economic Age	50	Dev Cost After Depreciation	SAR 148,718,504
Annual Dep Rate	2.00%	Total Completion Rate	100.00%
Actual Age	7	Developer Profit Rate	25.0%
Total Dep Rate	14.00%	Dev. Profit Amount	SAR 37,179,626
Add Appr Rate	0.00%	Development Value	SAR 185,898,130
Net Dep Rate	14.00%		



The total value of the building is 185,898,130 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 185,898,130	SAR 47,774,040	SAR 233,672,170	SAR 233,670,000

1.39 INCOME APPROACH- MARKET RATES

Market Rental Analysis

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

Sample Name	Rental Rates		Compound Classification	Adjustments			Rental Rates After Adjust.	
	2 Bedrooms	3 Bedrooms		Location	Facilities & Amenities	2 Bedrooms	3 Bedrooms	
Hamra Compound	1,400	1,200	-5%	-5%	-5%	1,190	1,020	
Arezona Compound	1,500	1,300	-5%	-5%	-5%	1,275	1,105	
Yamami Compound	1,000	900	-5%	5%	-5%	950	855	
Rimas Compound	1,100	1,000	-5%	5%	-5%	1,045	950	
Average						1,115	983	

We have classified the subject property compound as class B, yet and based on the above adjustments (compound classification, location and provided facilities and amenities), we have achieved an average rental rates of 1,250 SAR/ Sqm for 2 bedrooms apartment and 1,100 SAR/ Sqm for 3 bedrooms apartment. Based on the overall GLA for the residential units (provided to us by the client), and according to the site inspection and market knowledge, below are the rates corresponding to the type of the units:

Bedrooms	Total GLA (Sqm)	SAR/Sqm
2	856	SAR 1,250
3	16,764	SAR 1,100
4	3,816	SAR 1,050

Thus, the total estimated revenues for the units not included in the leasing contract will be SAR 23,517,200. As for the revenues for buildings 1 to 8, as stated in the contract, the revenues will be SAR 9,565,111.



OPEX

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

Analysis of Operating and Maintenance Expenses

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

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

Property Operation and Maintenance Expenses

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

Market Capitalization Rate Analysis

Based on recent transactions of real estate properties and funds, the average capitalization rate of acquiring such property falls in the range of 7% to 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	Status 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	----- 0.25% Average Location
Quality and finishes	----- 0.25% Average quality finishes
Project Management Team	----- 0.25% Average management and operational team level
Services and public facilities	----- 0.25% 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	8.50%

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 8.5%, 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	Total GLA	Quantity	No of Units	SAR / Sqm	Revenues	SAR / Unit	Total Revenues
2 Bed Apt	856		0	SAR 1,250		SAR 0	SAR 1,070,000
3 Bed Apt	16,764		0	SAR 1,100		SAR 0	SAR 18,440,400
4 Bed Apt	3,816		0	SAR 1,050		SAR 0	SAR 4,006,800
8 Buildings	0		0	SAR 0		SAR 0	SAR 9,565,111
Total Revenues							SAR 33,082,311
EXPENSES							
Unit Type	Management	Utilities	Maintenance	Vacancy	Total Expenses		
2 Bed Apt	5.00%	5.00%	5.00%	20.00%	35.00%		
3 Bed Apt	5.00%	5.00%	5.00%	20.00%	35.00%		
4 Bed Apt	5.00%	5.00%	5.00%	20.00%	35.00%		
8 Buildings	5.00%	5.00%	5.00%	0.00%	15.00%		
NET OPERATING INCOME							
Unit Type	Total Revenues	Total Expenses	NOI				
2 Bed Apt	SAR 1,070,000	35.00%	SAR 695,500				
3 Bed Apt	SAR 18,440,400	35.00%	SAR 11,986,260				
4 Bed Apt	SAR 4,006,800	35.00%	SAR 2,604,420				
8 Buildings	SAR 9,565,111	15.00%	SAR 8,130,344				
Total Property Revenues			SAR 32,981,635				
Total Property Expenses			-SAR 9,665,787				
Net Operating Income			SAR 23,416,524.35				
Net Operating Income	Cap Rate	Property Value	Rounded Value				
SAR 23,416,524.35	8.50%	275,488,521.76 SAR	275,500,000.00 SAR				



1.40 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

Methodology	Subject of Valuation	Value in Numbers	Value in Letters
Income Approach	Property	SAR 275,500,000	Two Hundred Seventy-Five Million and Five Hundred Thousand Saudi Riyals
DRC Approach	Land + Building	SAR 233,670,000	Two Hundred Thirty-Three Million and Six Hundred Seventy Thousand Saudi Riyals

1.41 VALUATION NOTES

As the purpose of valuation is for REIT, and as the REIT fund (acquire income generating properties), we believe that most appropriate approach to do the valuation for such properties should be based on income methodology.

1.42 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: 275,500,000 SAR
Two Hundred Seventy-Five Million and Five Hundred Thousand Saudi Riyals

1.43 REPORT USE

This valuation is for the sole use of the named Client. This report is confidential to the Client, and that of their advisors, and we accept no responsibility whatsoever to any third party. No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorized.

1.44 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.



1.45 CONCLUSION

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

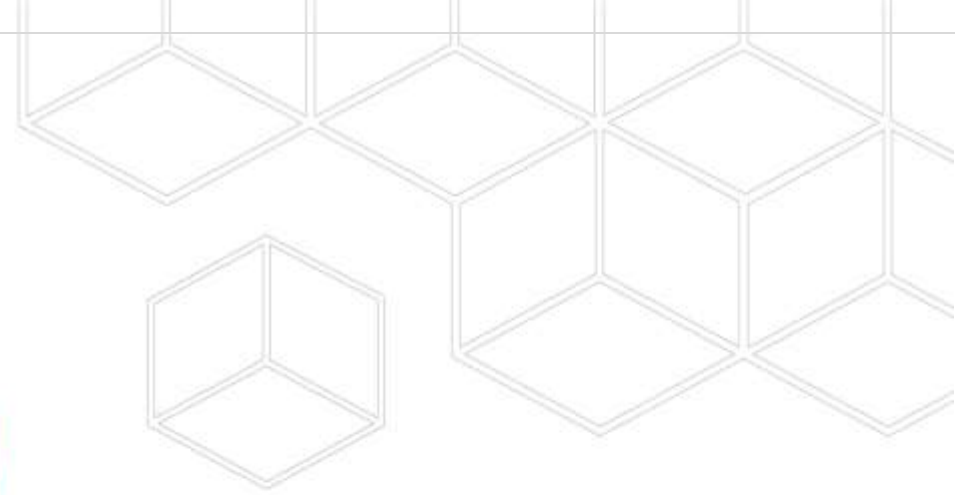
Essam Hussaini
Site Inspection Check

A handwritten signature in blue ink, appearing to read 'Essam Hussaini'.

Member of (Taqeem)
License No. 1210000474



GENERAL NOTES





1.46 CONSULTANT STATUS

We confirm that the consultant / 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.

1.47 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 Whitecubes 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 valued 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*

	If Yes		Remarks
	No		
		Client Date	
✓		Al Khabeer Cap Sep 2020	-----
✓		-----	-----
		-----	-----

1.48 CONFIDENTIALITY

This document and / or any other documents received from the client are confidential between White Cubes Est. and the client. Except as may be required by any court or authority, the subject service shall not disclose or use or cause to be disclosed or used, at any time during the Term. Any of the Client's secrets and/or confidential information, any other non-public information relating to the client business, financial or other affairs acquired by the subject service during the process remain confidential.



1.49 ENVIRONMENTAL MATTERS

We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination. In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative use has ever been carried out on the property. We have not carried out any investigation into past or present uses, either of the properties or of any neighboring land, to establish whether there is any contamination or potential for contamination to the subject properties from the use or site and have therefore assumed that none exists. However, should it be established subsequently that contamination exists at the properties or on any neighboring land, or that the premises has been or is being put to any contaminative use, this might reduce the value now reported.

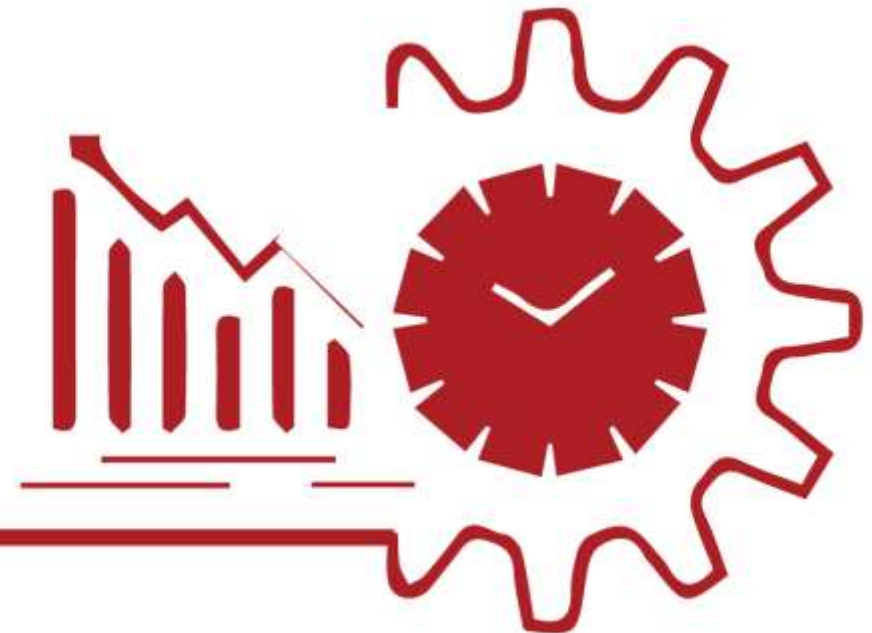
HOMWORKS AL KHABEER CAPITAL

RIYADH CITY

DECEMBER 2020



Valuation Report





REF: 2010830-6
Date: 30/12/2020
M/S Al Khabeer Capital

Subject: Valuation Report for HomeWorks (Retail Center) in Riyadh City, Saudi Arabia.

Dear Sir,

With reference to your request and approval dated on November 29, 2020 for valuation service of the Commercial project (HomeWorks) located in Riyadh city, 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)





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WHITE CUBES REAL ESTATE is the exclusive real estate advisory agent for TAHA CORP CONSULTING in the Kingdom of SAUDI ARABIA





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

1.1	EXECUTIVE SUMMARY	7
1.2	VALUATION REFERENCE	9
1.3	BASIS OF VALUATION	9
1.4	CLIENT APPROVAL DATE	11
1.5	INSPECTION DATE	11
1.6	VALUATION DATE	11
1.7	REPORT DATE	11
1.8	OPINION OF VALUE	11
1.9	PURPOSE OF VALUATION	11
1.10	INSPECTION ROLE	11
1.11	MARKET SURVEY	12
1.12	PROPERTY & LOCATION DESCRIPTION	14
1.13	INFRASTRUCTURE FACILITIES	14
1.14	LOCATION	15
1.15	PROPERTY ACCESS	16
1.16	TITLE DEED & OWNERSHIP	17
1.17	CONSTRUCTION & BUILDINGS	18
1.18	PHOTO RECORD	19
1.19	MAINTENANCE & OPERATIONAL EXPENSES	20
1.20	BUILDING GROSS LEASABLE AREA (GLA)	20
1.21	PROPERTY ACTUAL RENTAL RATES	20
1.22	INSURANCE	20
1.23	SAUDI ARABIA ECONOMIC INDICATORS	22
1.24	BUDGET ALLOCATION FOR 2019	22
1.25	SWOT ANALYSIS	23
1.26	SECTOR BRIEF	23
1.27	RISK ANALYSIS	25
1.28	DOCUMENTS RECIEVED	27
1.29	GENERAL ASSUMPTIONS	27
1.30	LEGAL NOTICES	27
1.31	INFORMATION SOURCE	28
1.32	STRUCTURAL EXAMINATION OF BUILDINGS (IF ANY)	28



1.33	VALUATION APPROACH	28
1.34	INPUT VALUATION PROCESS	29
1.35	COMPARABLE APPROACH	30
1.36	COST APPROACH (DRC)	31
1.37	DISCOUNTED CASH FLOW- MARKET RATES	33
1.38	DISCOUNTED CASH FLOW- LEASING CONTRACT	36
1.39	SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES	38
1.40	SUBJECT PROPERTY VALUE	38
1.41	REPORT USE	39
1.42	DISCLAIMER	39
1.43	CONCLUSION	39
1.44	CONSULTANT STATUS	41
1.45	DISCLOSING CONFLICT OF INTEREST	41
1.46	CONFIDENTIALITY	41
1.47	ENVIRONMENTAL MATTERS	41

EXECUTIVE SUMMARY

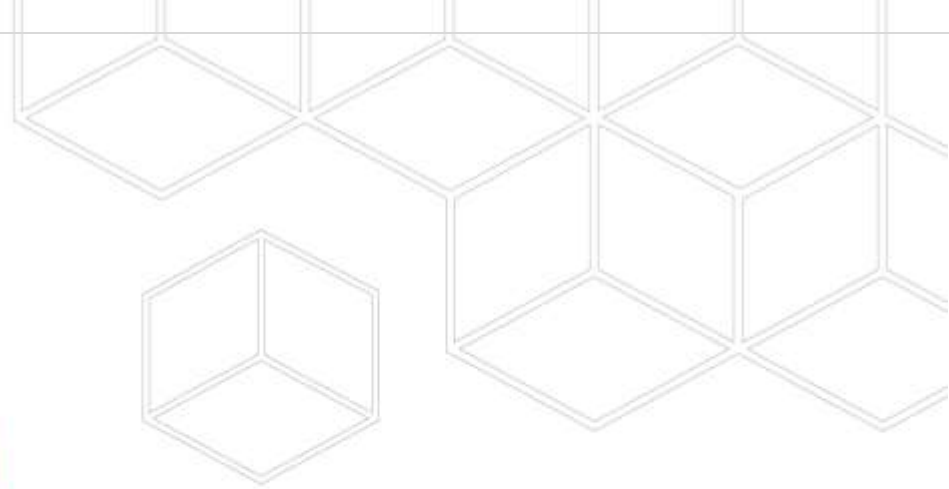




1.1 EXECUTIVE SUMMARY

Introduction	We received instructions from the client on 29/11/2020 to implement valuation service for a retail project in Riyadh city.
Client	For whom this report is being prepared is Al Khabeer Capital, a Saudi company registered under the Saudi law.
Reference No.	2010830-6
Purpose of Valuation	Real Estate Investment Trust (REIT) Purpose
Subject Property	Retail Project
Property Location	The property is located in King Fahed district, Riyadh City.
Title Deed Information	Title Deed No: 314004005870, 314009006126, 214002002199, Title Deed Date: 15/06/1440, 14/09/1440, 14/09/1440, Issued from Riyadh Notary
Ownership Type	Freehold
Owner	شركة أول الملقى العقارية
Land Use	Commercial
Land Area (Sqm)	Based on the title deed, the land has an area size of 7,000 Sqm
BUA (Sqm)	The building is composed of 3 floors with a total BUA of 9,181 Sqm
GLA (Sqm)	The total gross leasable area is 5,275 Sqm composed of showrooms.
Vacancy Rate	As per the client, the property is fully leased to 1 tenant
Valuation Approach	Comparable Approach & Cost Approach & Discounted Cash Flow Approach (DCF)
Final Property Value	84,500,000 SAR
Valuation Date	30/12/2020
Inspection Date	05/12/2020

TERMS OF REFERENCE & VALUATION





1.2 VALUATION REFERENCE

This report was prepared based on the instructions issued to us by Al Khabeer Capital (the customer) 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 (IVSC).

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, eg 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.

November 29, 2020.

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.

December 05, 2020.

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 were the value/s of the subject property / properties is reflected. The valuation date is at

December 30, 2020.

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.

December 30, 2020.

1.8 OPINION OF VALUE

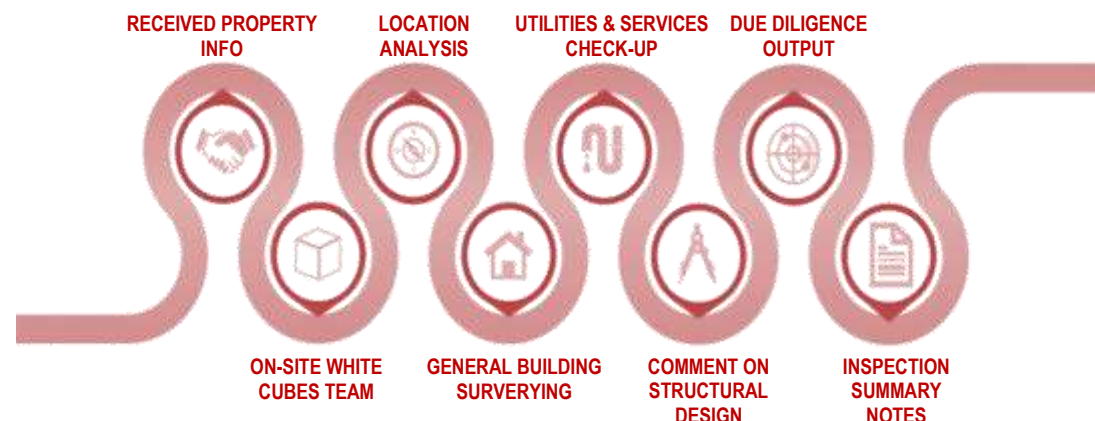
All the outputs will be shown in this report (Values) are based on our best knowledge of the market, documents received from the client (assumed to be correct), market findings and inspection inputs. Yet, the estimated values of the subject property / properties express our opinion of values based on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

1.9 PURPOSE OF VALUATION

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

1.10 INSPECTION ROLE

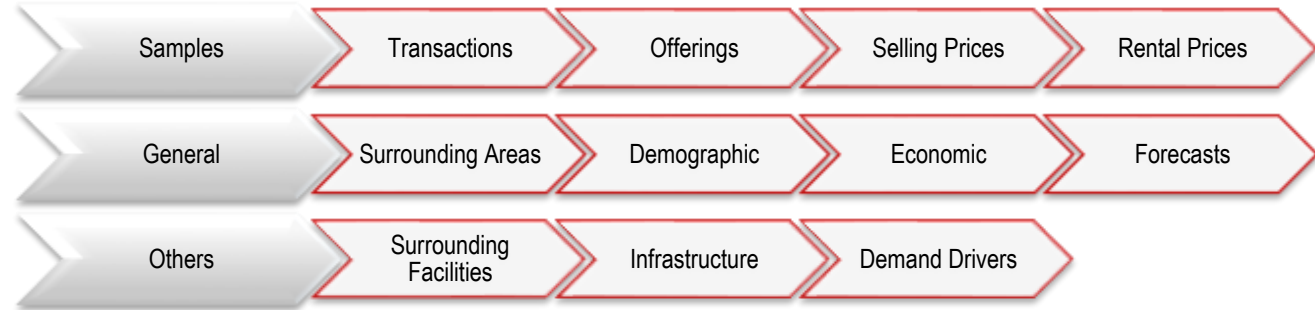
A visit to a property or inspection of an asset, to examine it and obtain relevant information, in order to express a professional opinion of its value. We hereby confirm that we have inspected the subject property / Asset at the date of inspection. Our inspection procedure covers only the surface / 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.



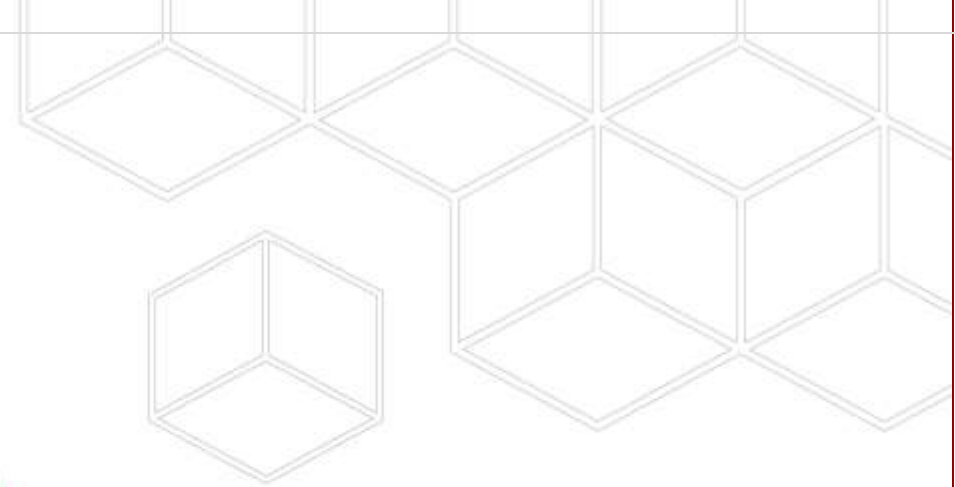


1.11 MARKET SURVEY

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.



PROPERTY DETAILS





1.12 PROPERTY & LOCATION DESCRIPTION

Property Description	The subject property is a Retail Project (HomeWorks) located in Riyadh city. The building has a total land area of 7,000 Sqm, and a total BUA of 9,181 Sqm and was constructed 18 years ago. The project is open on 3 sides from the north, south and east with a direct view on King Abdullah Road where all the infrastructure facilities such as water, telecommunication, sewage and electricity are available in the surrounding and connected to the subject property.
Location Description	The property subject of valuation is a retail project in King Fahed district in Riyadh city. The property is bordered from the north by Shaikh Uthman AlBarahim Street The property is bordered from the south by a King Abdullah Road The Property is bordered from the east by Abi Ishaq Al Harbi Street The property is bordered to the west by Plots No. 35+36
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 commercial buildings

Land		Building	
Land Use	Commercial	Building Type	Retail Building
No. of Streets	3	Building Structural Conditions	Fully Constructed
Land Shape	Graded	External Elevation Conditions	Good
Direct View on the Main Road	King Abudullah Road	Building Finishing Conditions	Good
Direct View on an Internal Street	Unnamed Street	Overall Building Conditions	Good
Land Condition	Shaikh Uthman AlBarahim Street		

1.13 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	✓	✓	



1.14 LOCATION

The subject property is located in King Fahed district, Riyadh city and surrounded by several landmarks as follows:

Property Location on a City Scale



Property Location on a District Scale



Surrounding Landmarks

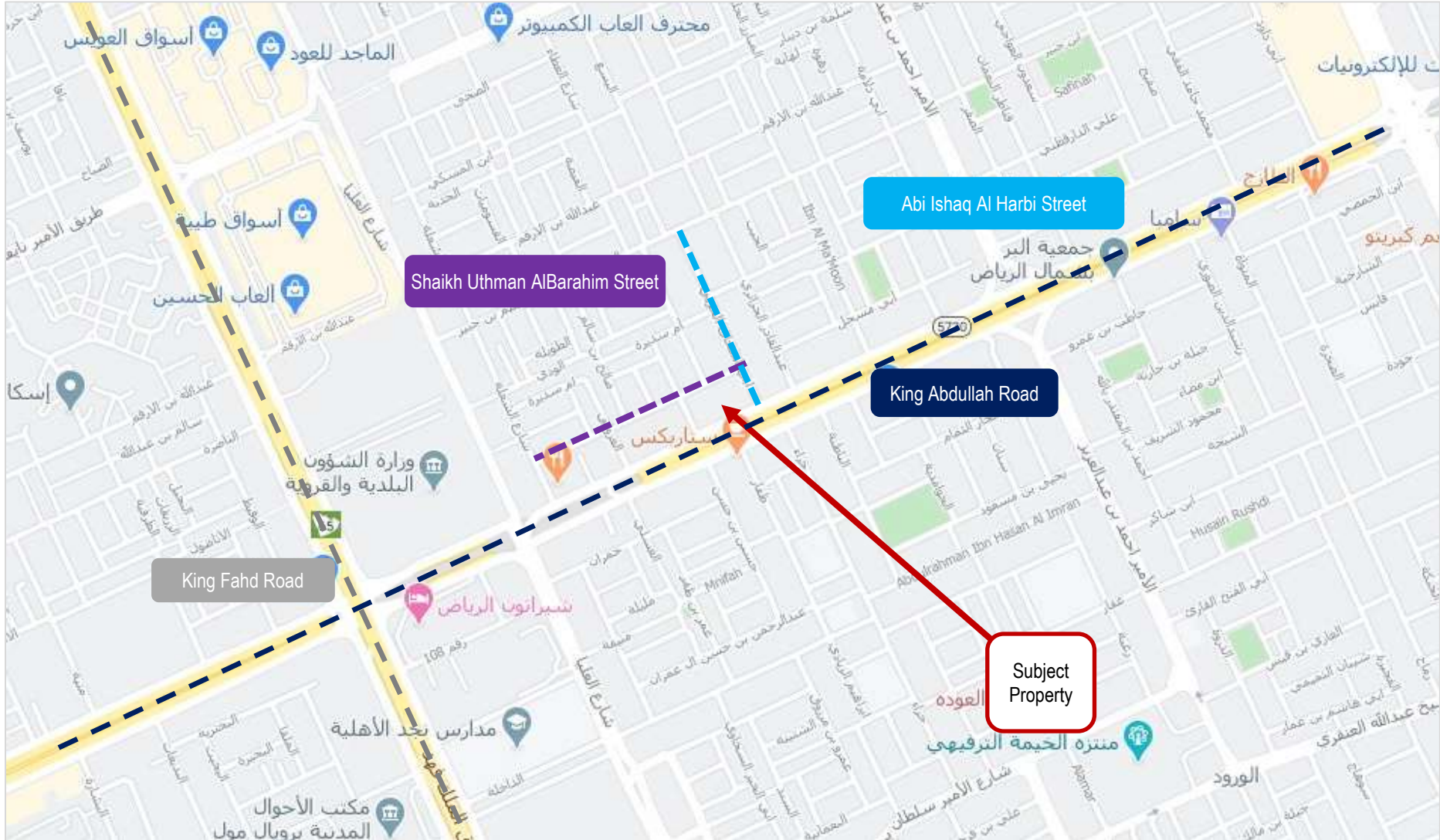
- 1- Sahara Plaza (1.4 Kilometers)
- 2- Riyadh Gallery (2.00 Kilometers)
- 3- Royal Mall (1.1 Kilometers)
- 4- Dallah Hospital (2.6 Kilometers)
- 5- Marina Mall (1.8 Kilometers)

- 6- Posts Compound (2.15 Kilometers)
- 7- Prince Sultan University (3.1 Kilometers)
- 8- Riyadh College of Technology (3.1 Kilometers)
- 9- Hayat Mall (2 Kilometers)
- 10- Ministry of Foreign Affairs Housing (1.1 Kilometers)



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 deeds related to the subject property which is owned by three title deeds. The details of the subject property:

City	Riyadh	Land Area	2,625
District	King Fahed	Plot No.	37 to 40
T.D Type	Electronic	Block No.	4
T.D Number	314004005870	Layout No.	1324
T.D Date	15/09/1440	Owner	شركة أول الملقى العقارية
T.D Value	38,181,818.19 SAR	Ownership Type	Freehold
Date of Last Transaction	15/09/1440	Limitation of Document	Mortgaged
Issued From	Riyadh Notary		
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.		
City	Riyadh	Land Area	1,750
District	King Fahed	Plot No.	33, 34
T.D Type	Electronic	Block No.	N/A
T.D Number	214009006126	Layout No.	1324
T.D Date	14/09/1440	Owner	شركة أول الملقى العقارية
T.D Value	38,181,818.19 SAR	Ownership Type	Freehold
Date of Last Transaction	14/09/1440	Limitation of Document	Mortgaged
Issued From	Riyadh Notary		
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.		
City	Riyadh	Land Area	2,625
District	King Fahed	Plot No.	39 to 42
T.D Type	Electronic	Block No.	4
T.D Number	214002002199	Layout No.	1324
T.D Date	27/04/1440	Owner	شركة أول الملقى العقارية
T.D Value	38,181,818.19 SAR	Ownership Type	Freehold
Date of Last Transaction	Electronic	Limitation of Document	Mortgaged
Issued From	Riyadh Notary		
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 subject property is a fully constructed retail building consisting of 3 floors including 1 basement, ground floor and first floor. 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
Construction Permit No.	9/1/7/27
Construction Permit Date	20/02/1419 AH
Permit Expiry Date	20/02/1422 AH

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



1.18 PHOTO RECORD





1.19 MAINTENANCE & OPERATIONAL EXPENSES

Based on the information provided to us by the client, the total maintenance and operating costs of the subject property are 1,100.51 SAR per year, which includes all administration, maintenance, operation and general service bills in addition to 25,000 SAR as insurance premium expenses.

1.20 BUILDING GROSS LEASABLE AREA (GLA)

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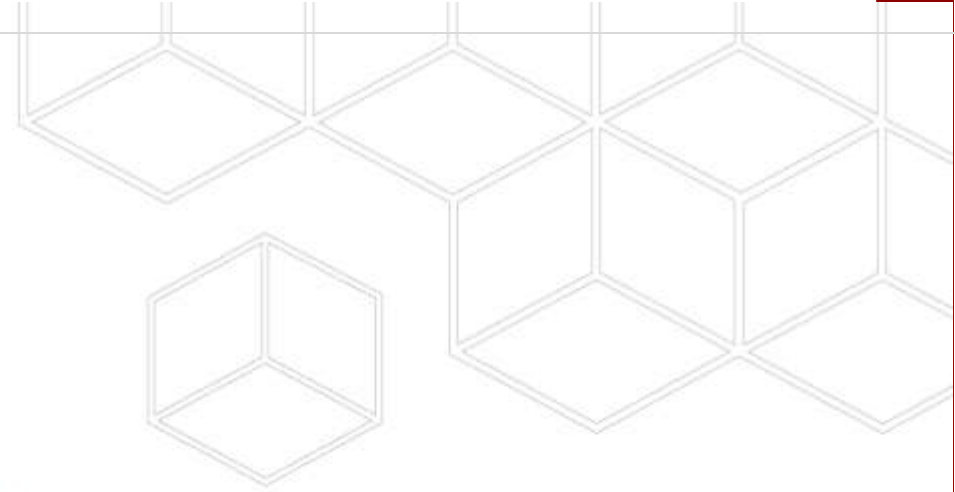
1.21 PROPERTY ACTUAL RENTAL RATES

The client provided us with the leasing contract related to the subject property which shows that the project is fully leased to 1 tenant for 15 year for 6,000,000 SAR annually with an increase by 4% every 5 years.

1.22 INSURANCE

Property	Insurance Type	Policy Number	Insurance Company	Policy Expiry Date
Homeworks	Property-all-Risks	P0420-PAR-HCAB-12566899	Al Rajhi Company for Cooperative Insurance	30/03/2021
Homeworks	Third Party Liability	P0420-TPL-HCAB-12566824	Al Rajhi Company for Cooperative Insurance	03/04/2021

MARKET INDICATORS





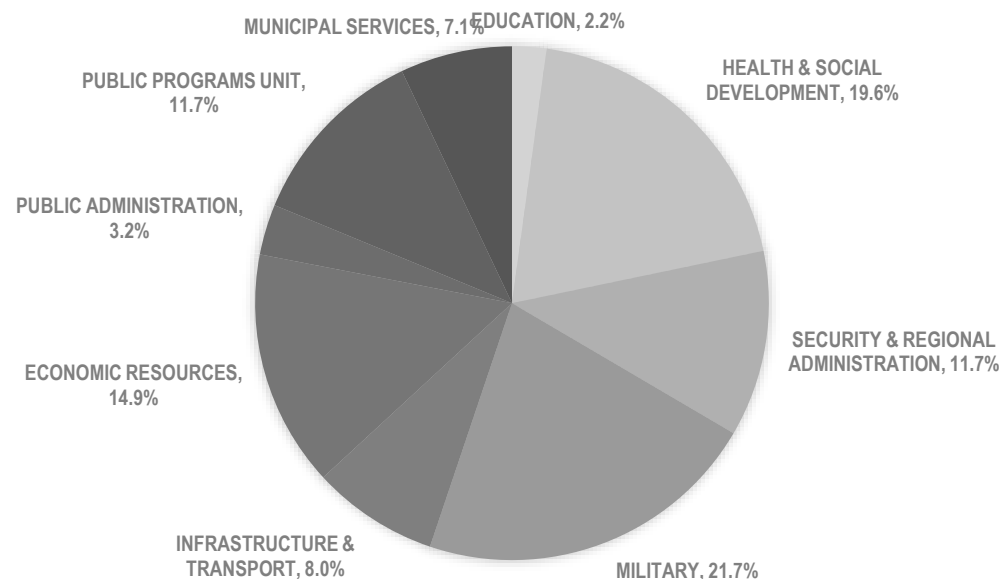
1.23 SAUDI ARABIA ECONOMIC INDICATORS

Economic Indicator	2018	2019	2020
GDP (Source: General Authority for Statistics)	(Q2) 732,747 Bn	642.8 Bn (E)	657.58 Bn (E)
GDP Growth (Source: Ministry of Finance)	%2.3	0.5%	2% (E)
Inflation Rate (Source: SAMA)	2.45%	-1.22%	-1.5% (E)
Interest Rates (Source: Trading Economics)	2.75%	3%	2.5% (E)
Government Revenues (Source: General Authority for Statistics)	895 Bn	978 Bn	833 Bn (E)
Government Spending (Source: General Authority for Statistics)	1,079 Bn	1,050 Bn (E)	1,020 Bn (E)
Unemployment Rate (Source: General Authority for Statistics)	6%	5.6%	5.2% (E)
Population (Source: General Authority for Statistics)	33,413,660	34,413,660	34,218,169

1.24 BUDGET ALLOCATION FOR 2019

Public Administration	28 SAR bn
Military	191 SAR bn
Security & Regional Adm.	103 SAR bn
Municipal Services	62 SAR bn
Education	193 SAR bn
Health & Social Dev.	172 SAR bn
Economic Resources	131 SAR bn
Infrastructure & Transport	70 SAR bn
Public Programs Unit	103 SAR bn

Source: Ministry of Economy





1.25 SWOT ANALYSIS

Strength <ul style="list-style-type: none"> - Direct view on King Abdullah Branch Road - The subject property has 3 sides open - The subject property is leased to one tenant and secured for 15 years 	Weakness <ul style="list-style-type: none"> - None
Opportunities <ul style="list-style-type: none"> - The retail sector in Riyadh city is very much stable compared to other real estate sectors. Which grant good level of demand for the subject property. 	Threats <ul style="list-style-type: none"> - Since the subject property is leased for 15 years to one tenant, this can be also considered as a threat once the tenant decides to terminate the leasing contract, especially when the property is customized for the tenant use.

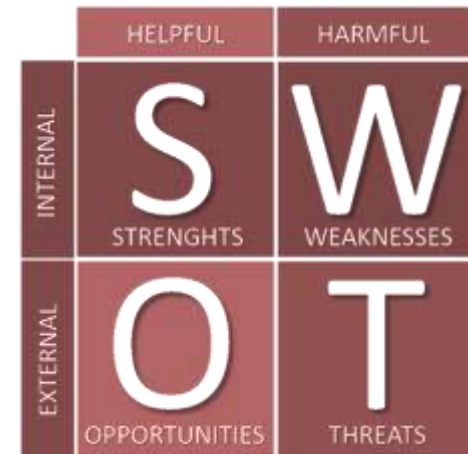
The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

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





Overall Sector Performance

From 2019 to 2020



Future Expectations



Overall Sector Stability

From 2019 to 2020



Future Expectations



Values of Lands Related to The Sector

From 2019 to 2020



Future Expectations

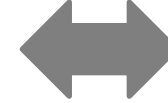


Sector rental Income

From 2019 to 2020



Future Expectations



Sector Demand

From 2019 to 2020

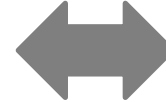


Future Expectations

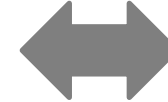


Investors' Appetite

From 2019 to 2020



Future Expectations



Sector's occupancy ratios

From 2019 to 2020

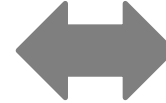


Future Expectations



Sectors Positive Changes

From 2019 to 2020



Future Expectations



White Cubes Team's Analysis



1.27 RISK ANALYSIS

Risk Factor	Very Low Risk (1) 1-6	Minimal Risk (2) 8-12	Medium Risk (3) 13-18	Elevated Risk (4) 19-24	Very High Risk (5) 25-30
Overall Economy	-----	-----	✓	-----	-----
Sector Current Performance	-----	-----	✓	-----	-----
Sector Future Performance	-----	✓	-----	-----	-----
Occupancy Rates	✓	-----	-----	-----	-----
Supply Rate	-----	-----	✓	-----	-----
Demand Rate	-----	-----	✓	-----	-----
Total Risk	1	2	12	0	0
Risk Category	15 Risk Points – Medium Risk				

Sector Analysis

Risk Category- 15 Risk Points - Medium Risk

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

Land Analysis

Risk Category- 6 Risk Points - Minimal Risk

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

Property Analysis

Risk Category- 6 Risk Points - Minimal Risk

PROPERTY VALUATION





1.28 DOCUMENTS RECIEVED

The client has provided us by clear copy of the following documents.

Title Deed Copy ✓	Construction Permit ✓	Krooki
Master Plan	Layouts	3D Design & Perspectives
Pictures	Presentation of the subject property	Location Map
Location Link	Contact Details	Forecasts & Expectations ✓
Tenant List ✓	Income & Revenues ✓	Operational Cost - OPEX

1.29 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.

1.30 LEGAL NOTICES

We are not aware of and have not been notified of any legal notices on the property, whether they are ongoing or pending in the courts.



1.31 INFORMATION SOURCE

Referring to the purpose of this report, it has been assumed that all information received from the client, whether verbal or written, is up-to-date and correct. Our team conducted a field research in order to ensure the validity of some market information for the purpose of valuation, which included the values of assets in the region, occupancy rates and market information related to the asset being valued in order to reach the market value of the asset being valued. During the field research process, some sources were relied on as follows:

- The field survey prepared by us
- Site inspection done by our team
- Our historical database for the similar assets of the property being valuated
- Sales agents specialized with the same type of assets subject to valuation

1.32 STRUCTURAL EXAMINATION OF BUILDINGS (IF ANY)

Our service’s scope does not include any technical testing of buildings and / or structural examinations and does not include any quality assurance of these constructions. However, in the event of any visible and observed deficiencies in the structural structure, we will write it down in our report and reflect such effect on the value.

1.33 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.

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

1.34 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.



1.35 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	-----	Offering
District	King Fahed	King Fahed
Sale Price	-----	SAR 45,050,000
Data Source	Title Deed	Market Survey
Area Size	7,000.00	5,300.00
SAR / Sqm	-----	SAR 8,500
Sides Open	3	3

Adjustment Analysis		SAMPLE 1	
Area size	7,000.00	5,300.00	0.00%
Location Desirability	High	High	0.00%
Accessibility	Excellent	Excellent	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 850.0	
Net After Adjustment		SAR 7,650.0	
SAR / Sqm		SAR 7,650	
Rounded Value		SAR 7,700	



SENSITIVITY ANALYSIS						
	-10%	-5%	0%	5%	10%	
Land Area	7,000	7,000	7,000	7,000	7,000	
SAR / Sqm	SAR 6,930.0	SAR 7,315.0	SAR 7,700.0	SAR 8,085.0	SAR 8,470.0	
Property Value	SAR 48,510,000	SAR 51,205,000	SAR 53,900,000	SAR 56,595,000	SAR 59,290,000	
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 7,200 - 7,800 SAR / Sqm with an average of 7,500 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.

1.36 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 900	SAR 1,100	SAR 1,000
MEP	SAR 550	SAR 650	SAR 600
Finishing Materials	SAR 450	SAR 550	SAR 500
Site Improvements	SAR 100	SAR 140	SAR 120
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		
7,000.00	SAR 7,700		SAR 53,900,000		
Building					
	Unit	No of Floors	Total BUA		
Basement	Sqm	1	3,906.00		
Ground Floor	Sqm	1	3,906.00		
Upper Floors	Sqm	1	1,369.00		
Fences	Lm	----	70.00		
Total (SQM)	9,181.00				
Development Cost					
Hard Cost - Upper Floors					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	5,275.00	SAR 1,000	SAR 5,275,000	100%	SAR 5,275,000
Electro Mechanic	5,275.00	SAR 600	SAR 3,165,000	100%	SAR 3,165,000
Finishing	5,275.00	SAR 500	SAR 2,637,500	100%	SAR 2,637,500
Fit outs & Appliances	5,275.00	SAR 0	SAR 0	100%	SAR 0
Furniture	5,275.00	SAR 0	SAR 0	100%	SAR 0
Site Improvement	7,000.00	SAR 120	SAR 840,000	100%	SAR 840,000
Total			SAR 11,917,500	100.00%	SAR 11,917,500



Hard Cost - Underground)					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	3,906.00	SAR 1,500	SAR 5,859,000	100%	SAR 5,859,000
Electro Mechanic	3,906.00	SAR 500	SAR 1,953,000	100%	SAR 1,953,000
Finishing	3,906.00	SAR 300	SAR 1,171,800	100%	SAR 1,171,800
Total			SAR 8,983,800	100.00%	SAR 8,983,800
Overall Soft Cost					
			Total Hard Cost	Ratio	Soft Cost
Initial Project Pre Cost			SAR 20,901,300	0.10%	SAR 20,901
Design			SAR 20,901,300	1.00%	SAR 209,013
Eng Consultant			SAR 20,901,300	1.00%	SAR 209,013
Management			SAR 20,901,300	5.00%	SAR 1,045,065
Contingency			SAR 20,901,300	5.00%	SAR 1,045,065
Others			SAR 20,901,300	0.00%	SAR 0
TOTAL				12.10%	SAR 2,529,057.30
Total Hard Cost	SAR 20,901,300		BUA	9,181.00	
Total Soft Cost	SAR 2,529,057.30		SAR / Sqm	SAR 2,552	
Total Construction Cost	SAR 23,430,357.30		Overall Completion	100.0%	

After knowing the total construction costs at a rate of 2,552 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 23,430,357	Net Dep Rate	40.00%
		Dev Cost After Depreciation	SAR 14,058,214
Economic Age	50	Total Completion Rate	100.00%
Annual Dep Rate	2.00%	Developer Profit Rate	20.0%
Actual Age	20	Dev. Profit Amount	SAR 2,811,643
Total Dep Rate	40.00%	Development Value	SAR 16,869,857
Add Appr Rate	0.00%		
Net Dep Rate	40.00%		

The total value of the building is 16,869,857 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 16,869,857	SAR 53,900,000	SAR 70,769,857	SAR 70,770,000



1.37 DISCOUNTED CASH FLOW- MARKET RATES

Market Rental Analysis

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

Comparable No.	Commercial Showroom Units
	Rental Rate/ Unit
Comparable 1	1,000 SAR/ Sqm
Comparable 2	1,350 SAR/ Sqm
Comparable 3	1,250 SAR/ Sqm
Average	1,200 SAR/ Sqm





Analysis of comparison of market rents with actual rents

Based on the actual income statement of the subject property, which was provided to us by the client, we will compare the average rental prices in the market with the actual rents of the property, and if the prices are close, then the actual rents of the property will be relied upon. In case of significant differences exceeding 15% without a clear justification for this difference, then the valuation will be relied on the average market rents to avoid any inflation in the value of the property.

	Average Rental Rate Based on the Market	Average Actual Rental Rate	Differences Rates
Commercial Showrooms	1,200 SAR	1,150 SAR	-4%

We note that the actual rents for commercial units are lower than the market averages by 15 which reflects a positive potential to increase the project revenues in the future. Based on the foregoing, the valuation will be based on the actual revenues of the project due to the convergence of the rental rates with the market.

Analysis of Operating and Maintenance Expenses

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

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

Property Operation and Maintenance Expenses

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

Market Capitalization Rate Analysis

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



The Capitalization Rate Used for the Valuation

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	Status	Influence	Notes	
Ease of access to the property	-----	-0.25%	several major methods	
General condition of the property	-----	0.50%	The actual age of the property is 19 years	
The general location of the property	-----	-0.25%	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		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.

Estimated the Discount Rate of Cash Flows

To estimate the discount rate used in the cash flow method, we will use the CAPM model, which includes a calculation of several risk factors related to the property, for the purpose of determining the value of future cash at the present time. The estimation of the existing risk rates has been based according to the developments in the current property market. As a result, the expected discount rate is 12.1%.

Cash Flow		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
		0	1	2	3	4	5	6	7	8	9
Increase Revision		0%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Expected Revenues											
Showrooms	Sqm	5,275	5,275	5,275	5,275	5,275	5,275	5,275	5,275	5,275	5,275
Rate (SAR)	SAR	1,200	1,260	1,323	1,389	1,459	1,532	1,608	1,689	1,773	1,862
Total	SAR	6,330,000	6,646,500	6,978,825	7,327,766	7,694,155	8,078,862	8,482,805	8,906,946	9,352,293	9,819,908
Overall Revenues		6,330,000	6,646,500	6,978,825	7,327,766	7,694,155	8,078,862	8,482,805	8,906,946	9,352,293	9,819,908



Cash Flow		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
		0	1	2	3	4	5	6	7	8	9
Increase Revision		0%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Vacancy Rates											
Showrooms	10.0%	633,000	664,650	697,883	732,777	769,415	807,886	848,281	890,695	935,229	981,991
Total		633,000	664,650	697,883	732,777	769,415	807,886	848,281	890,695	935,229	981,991
Expenses											
OPEX	15.0%	949,500	996,975	1,046,824	1,099,165	1,154,123	1,211,829	1,272,421	1,336,042	1,402,844	1,472,986
Others	5%	316,500	332,325	348,941	366,388	384,708	403,943	424,140	445,347	467,615	490,995
Overall Expenses		1,266,000	1,329,300	1,395,765	1,465,553	1,538,831	1,615,772	1,696,561	1,781,389	1,870,459	1,963,982
NOI		4,431,000	4,652,550	4,885,178	5,129,436	5,385,908	5,655,204	5,937,964	6,234,862	6,546,605	6,873,935
Terminal Value @ ----->	7.5%										91,652,471
Discount Rate	8.00%	1.00	0.93	0.86	0.79	0.74	0.68	0.63	0.58	0.54	0.50
Present Value		4,431,000	4,307,917	4,188,252	4,071,912	3,958,803	3,848,837	3,741,924	3,637,982	3,536,927	49,287,733
Market Rate / Net Present Value											85,011,287

	Discount Rate				
	6.00%	7.00%	8.00%	9.0%	10.0%
Discount Rate					
Market Value	96,724,422	90,615,690	85,011,287	79,864,136	75,131,983

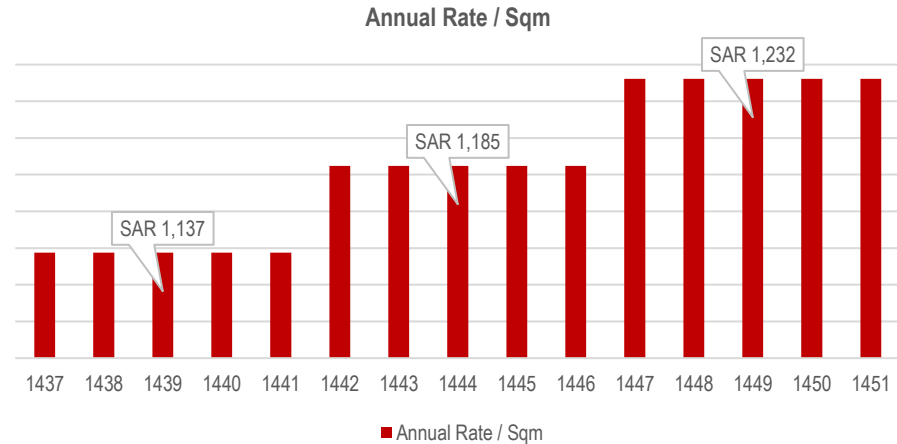
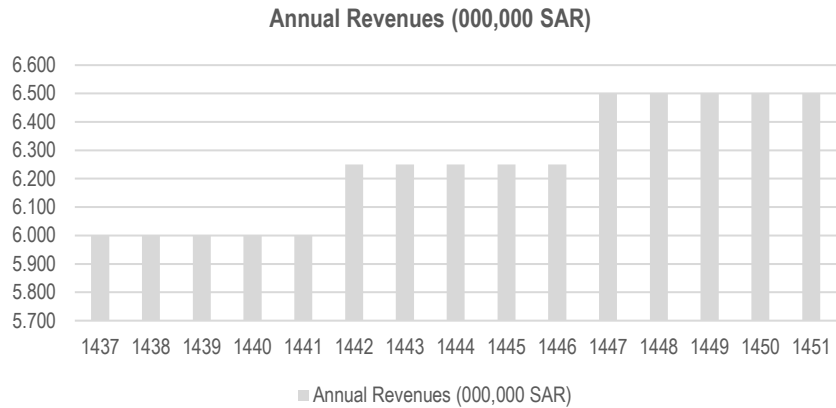
1.38 DISCOUNTED CASH FLOW- LEASING CONTRACT

As per the leasing contract received from the client, the subject property is fully leased to one tenant under the name of HOMEWORKS Retail Center (Department Store)

First Party	Abed El Kader Al Chaiba Al Hamad
Second Party	Al Futtaim International Trading Company
Contract Date	23/8/1436
Contract Duration	15 years
Contract Effective Date	23/8/1451
Contract Value	93,750,000
OPEX	Paid by The Tenant



SN	Year	Amount
1	1437	6,000,000
2	1438	6,000,000
3	1439	6,000,000
4	1440	6,000,000
5	1441	4,004,237
6	1442	4,500,000
7	1443	4,625,000
8	1444	4,750,000
9	1445	6,250,000
10	1446	6,250,000
11	1447	6,500,000
12	1448	6,500,000
13	1449	6,500,000
14	1450	6,500,000
15	1451	6,500,000
Total		93,750,000





Cash Flow		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
		0	1	2	3	4	5	6	7	8	9
Expected Revenues											
Overall Revenues		4,500,000	4,625,000	4,750,000	6,250,000	6,250,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000
Expenses											
OPEX	0.0%	0	0	0	0	0	0	0	0	0	0
Insurance	SAR	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Overall Expenses		25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
NOI		4,475,000	4,600,000	4,725,000	6,225,000	6,225,000	6,475,000	6,475,000	6,475,000	6,475,000	6,475,000
Terminal Value @ ----->	7.5%										86,333,333
Discount Rate	8.00%	1.00	0.93	0.86	0.79	0.74	0.68	0.63	0.58	0.54	0.50
Present Value		4,475,000	4,259,259	4,050,926	4,941,606	4,575,561	4,406,776	4,080,348	3,778,100	3,498,241	46,427,273
Market Rate / Net Present Value											84,493,090

	Discount Rate				
	6.00%	7.00%	8.00%	9.0%	10.0%
Discount Rate					
Market Value	95,882,235	89,945,089	84,493,090	79,481,213	74,869,032

1.39 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

Methodology	Subject of Valuation	Value in Numbers	Value in Letters
DRC Approach	Land + Building	SAR 70,770,000	Seventy Million and Seven Hundred Seventy Thousand Saudi Riyals
DCF- Market Rates	Property	SAR 85,000,000	Eighty-Five Million Saudi Riyals
DCF- Contract	Property	SAR 84,500,000	Eighty-Four Million and Five Hundred Thousand Saudi Riyals

1.40 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 leasing contract is:

Property Value: 84,500,000 SAR
Eighty-Four Million and Five Hundred Thousand Saudi Riyals



1.41 REPORT USE

This valuation is for the sole use of the named Client. This report is confidential to the Client, and that of their advisors, and we accept no responsibility whatsoever to any third party. No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorized.

1.42 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.

1.43 CONCLUSION

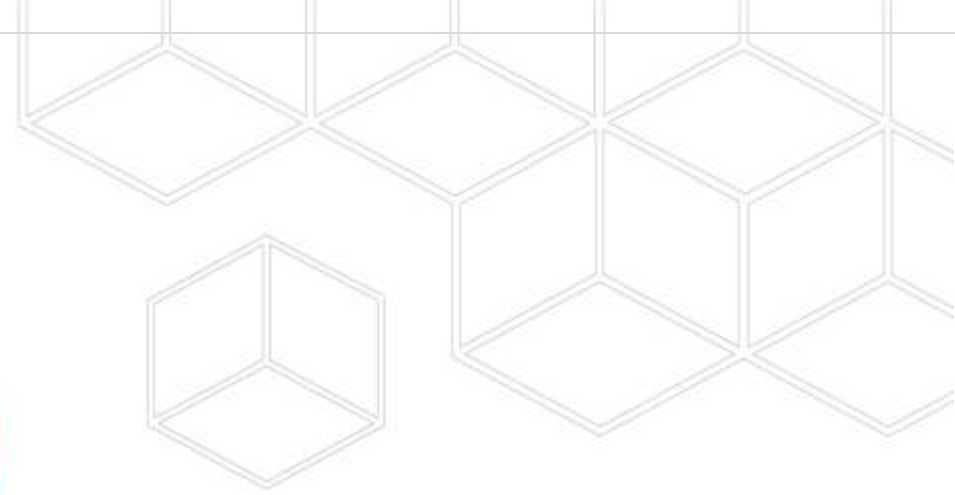
We trust that this report and valuation fulfills the requirement of your instruction. The contents, formats, methodology and criteria outlined in this report are pending copyright. This report is compiled based on the information received to the best of our belief, knowledge and understanding. The information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

Essam Hussaini
Site Inspection Check

Member of (Taqeem)
License No. 1210000474



GENERAL NOTES





1.44 CONSULTANT STATUS

We confirm that the consultant / 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.

1.45 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 Whitecubes 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 valued 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
	Client	Date	
✓	Al Khabeer Capital	Sep 2020	-----
✓	-----	-----	-----
✓	-----	-----	-----

1.46 CONFIDENTIALITY

This document and / or any other documents received from the client are confidential between White Cubes Est. and the client. Except as may be required by any court or authority, the subject service shall not disclose or use or cause to be disclosed or used, at any time during the Term.

Any of the Client's secrets and/or confidential information, any other non-public information relating to the client business, financial or other affairs acquired by the subject service during the process remain confidential.



1.47 ENVIRONMENTAL MATTERS

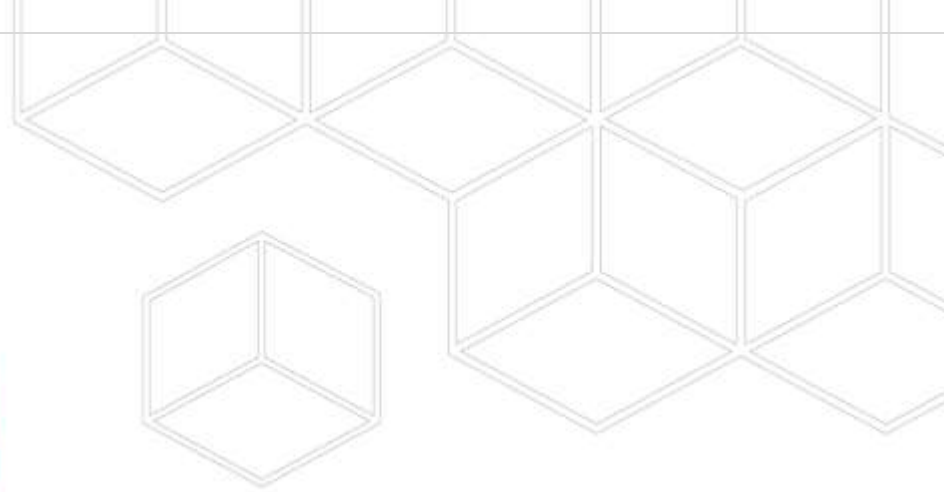
We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination.

In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative use has ever been carried out on the property.

We have not carried out any investigation into past or present uses, either of the properties or of any neighboring land, to establish whether there is any contamination or potential for contamination to the subject properties from the use or site and have therefore assumed that none exists.

However, should it be established subsequently that contamination exists at the properties or on any neighboring land, or that the premises has been or is being put to any contaminative use, this might reduce the value now reported.

DOCUMENTS COPIES





Title Deeds

رقم: ٢٧٧-١٠٠-١١٦٦
التاريخ: ١٤/٠٩/١٤٤٠ هـ

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

صك رهن وتملك عقار

الحمد لله وحده والسلامة والسلام على من لا نبي بعده، وبعد:
فإن قطعة الأرض ٤٢ وقطعة الأرض ٤٤ من المخطط رقم ١٢٢٤ الواقع في حي الملك فهد بمدينة الرياض - وحدودها وأطرافها كماالتالي:
شمالاً: شارع عرض ١٩ متر بطول (٢٤) خمسة وعشرون متر
جنوباً: شارع عرض ٨٠ متر بطول (٢٤) خمسة وعشرون متر
شرقاً: شارع عرض ٢٠ متر بطول (٧٠) سبعون متر
غرباً: قطعة رقم ٤١ وقطعة رقم ٤٢ بطول (٧٠) سبعون متر
ومساحتها: (١٧٥٠) ألفاً وسبعمائة وخمسون متر مربعاً فقط
المملوكة لـ شركة أول القفا العقارية بموجب سجل تجاري رقم ١٠١٠٨٢٨٠٢ وتنتهي في ١٩ / ١٠ / ١٤٤٤ هـ بالصك الصادر من كتابة العدل الأول بالرياض برقم ١٠١٠٩١٠٩٠٩٧ في ٢٧ / ٤ / ١٤٤٠ هـ قد تم رهنها وما أقيم أو سبقتم علوها من بناء لصالح / شركةالراجحي المصرفية للاستثمار بموجب سجل تجاري رقم ١٠١٠٠٠٠٠٩٦ في ٢٤ / ١٠ / ١٣٧٦ هـ ضماناً لوفائه بأدائها عليه من مستحقات مالية لصالح مصرف الراجحي بموجب سجل تجاري رقم ١٠١٠٠٠٠٠٩٦ بمبلغ قدره (٣٨١٨١٨١٨,١٩) ريالاً ثمانية وثلاثون مليوناً ومائة وأحد وثمانون ألفاً وثمانمائة وثمانية عشر ريالاً وتسعة عشر ألفاً من الهيئة الشرعية برقم ١٨٠٧٢ في ٧ / ٧ / ١٤٣٩ هـ على أن يتم سداد التوبة على القسط خلال ستة أشهر من تاريخ صرف التمويل بقيمة كل قسط (١٠٠٠٠٠٠) ريال مليون ريال ، تدفع اعتباراً من تاريخ ٣١ / ٣ / ٢٠١٩ م وفي حالة عدم السداد فلهذهن بيع العقار بالقيمة التي تنتهي عندها الرضيات واستيفاء ما له ذمة الراهن من مبلغ وما نقص فيه عليه بعد اكمال مايلزم شرعاً وعليه جرى التصديق تحريراً في ١٤ / ٩ / ١٤٤٠ هـ وصلى الله على نبينا محمد وآله وصحبه وسلم.

عبد الرحمن بن محمد بن رشيد الحريبي
عبد الرحمن بن محمد بن رشيد الحريبي

رقم: ٢٧٧-١٠٠-١١٦٦
التاريخ: ١٤/٠٩/١٤٤٠ هـ

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

صك رهن وتملك عقار

الحمد لله وحده والسلامة والسلام على من لا نبي بعده، وبعد:
فإن نصف القطعة قطعة الأرض ٣٩ ونصف القطعة قطعة الأرض ٤٠ وقطعة الأرض ٤١ وقطعة الأرض ٤٢ من الملك رقم ٤ من المخطط رقم ١٢٢٤ الواقع في حي الملك فهد بمدينة الرياض - وحدودها وأطرافها كماالتالي:
شمالاً: شارع عرض ١٢ متر بطول (٣٧,٥) سبعة وثلاثون متر وخمسون سنتيمتر
جنوباً: شارع عرض ٨٠ متر بطول (٣٧,٥) سبعة وثلاثون متر وخمسون سنتيمتر
شرقاً: قطعة رقم ٤١ و٤٣ بطول (٧٠) سبعون متر
غرباً: جزء من القطعتين رقم ٣٩ و٤٠ بطول (٧٠) سبعون متر
ومساحتها: (٦٦٢٥) ألفان وسبعمائة وخمسة وعشرون متر مربعاً فقط
المملوكة لـ شركة أول القفا العقارية بموجب سجل تجاري رقم ١٠١٠٨٢٨٠٢ وتنتهي في ١٩ / ١٠ / ١٤٤٤ هـ بالصك الصادر من كتابة العدل الأول بالرياض برقم ٥١٠١٠٠٨٤٥٠٧ في ٢٧ / ٤ / ١٤٤٠ هـ قد تم رهنها وما أقيم أو سبقتم علوها من بناء لصالح / شركةالراجحي المصرفية للاستثمار بموجب سجل تجاري رقم ١٠١٠٠٠٠٠٩٦ في ٢٥ / ١٠ / ١٣٧٦ هـ ضماناً لوفائه بأدائها عليه من مستحقات مالية لصالح مصرف الراجحي بموجب سجل تجاري رقم ١٠١٠٠٠٠٠٩٦ بمبلغ قدره (٣٨١٨١٨١٨,١٩) ريالاً ثمانية وثلاثون مليوناً ومائة وأحد وثمانون ألفاً وثمانمائة وثمانية عشر ريالاً وتسعة عشر ألفاً من الهيئة الشرعية برقم ١٨٠٧٢ في ٧ / ٧ / ١٤٣٩ هـ على أن يتم سداد التوبة على القسط خلال ستة أشهر من تاريخ صرف التمويل بقيمة كل قسط (١٠٠٠٠٠٠) ريال مليون ريال ، تدفع اعتباراً من تاريخ ٣١ / ٣ / ٢٠١٩ م وفي حالة عدم السداد فلهذهن بيع العقار بالقيمة التي تنتهي عندها الرضيات واستيفاء ما له ذمة الراهن من مبلغ وما نقص فيه عليه بعد اكمال مايلزم شرعاً وعليه جرى التصديق تحريراً في ١٤ / ٩ / ١٤٤٠ هـ وصلى الله على نبينا محمد وآله وصحبه وسلم.

صالح بن ضيف الله بن أحمد العنزي
صالح بن ضيف الله بن أحمد العنزي

رقم: ٢٧٧-١٠٠-١١٦٦
التاريخ: ١٤/٠٩/١٤٤٠ هـ

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

صك رهن وتملك عقار

الحمد لله وحده والسلامة والسلام على من لا نبي بعده، وبعد:
فإن قطعة الأرض ٣٧ وقطعة الأرض ٣٨ وجزء من قطعة الأرض ٣٩ وجزء من قطعة الأرض ٤٠ من الملك رقم ٤ من المخطط رقم ١٢٢٤ الواقع في حي الملك فهد بمدينة الرياض - وحدودها وأطرافها كماالتالي:
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شرقاً: قطعة رقم ٤١ وقطر ٤٢ بطول (٧٠) سبعون متر
غرباً: قطعة رقم ٣٥ و٣٦ و٣٨ بطول (٧٠) سبعون متر
ومساحتها: (٦٦٢٥) ألفان وسبعمائة وخمسة وعشرون متر مربعاً فقط
المملوكة لـ شركة أول القفا العقارية بموجب سجل تجاري رقم ١٠١٠٨٢٨٠٢ وتنتهي في ١٩ / ١٠ / ١٤٤٤ هـ بالصك الصادر من كتابة العدل الأول بالرياض برقم ٣١٠١١٠٥٢٩١٢ في ٢٧ / ٤ / ١٤٤٠ هـ قد تم رهنها وما أقيم أو سبقتم علوها من بناء لصالح / شركةالراجحي المصرفية للاستثمار بموجب سجل تجاري رقم ١٠١٠٠٠٠٠٩٦ في ٢٥ / ١٠ / ١٣٧٦ هـ ضماناً لوفائه بأدائها عليه من مستحقات مالية لصالح مصرف الراجحي بموجب سجل تجاري رقم ١٠١٠٠٠٠٠٩٦ بمبلغ قدره (٣٨١٨١٨١٨,١٩) ريالاً ثمانية وثلاثون مليوناً ومائة وأحد وثمانون ألفاً وثمانمائة وثمانية عشر ريالاً وتسعة عشر ألفاً من الهيئة الشرعية برقم ١٨٠٧٢ في ٧ / ٧ / ١٤٣٩ هـ على أن يتم سداد التوبة على القسط خلال ستة أشهر من تاريخ صرف التمويل بقيمة كل قسط (١٠٠٠٠٠٠) ريال مليون ريال ، تدفع اعتباراً من تاريخ ٣١ / ٣ / ٢٠١٩ م وفي حالة عدم السداد فلهذهن بيع العقار بالقيمة التي تنتهي عندها الرضيات واستيفاء ما له ذمة الراهن من مبلغ وما نقص فيه عليه بعد اكمال مايلزم شرعاً وعليه جرى التصديق تحريراً في ١٤ / ٩ / ١٤٤٠ هـ وصلى الله على نبينا محمد وآله وصحبه وسلم.

عبد العزيز بن محمد بن عبد العزيز آل طالب
عبد العزيز بن محمد بن عبد العزيز آل طالب



Construction Permit

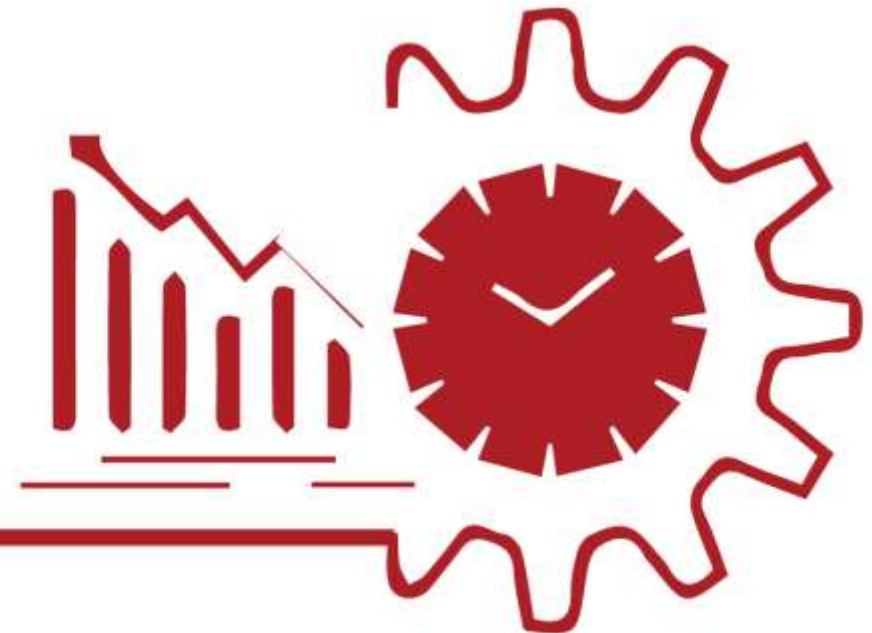


ELITE CENTRE AL KHABEER CAPITAL

JEDDAH CITY
DECEMBER 2020



Valuation Report





REF: 2010830-3
Date: 30/12/2020
M/S Al Khabeer Capital

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

Dear Sir,

With reference to your request and approval dated on November 29, 2020 for valuation service of the commercial project (Elite Centre) located in Jeddah city, 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)





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WHITE CUBES REAL ESTATE is the exclusive real estate advisory agent for TAHA CORP CONSULTING in the Kingdom of SAUDI ARABIA





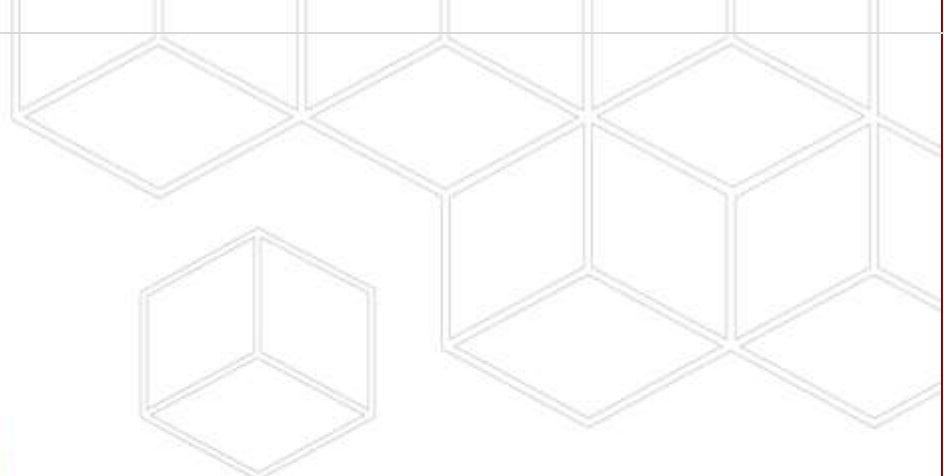
Table of Contents
(Please Click on the Title for Direct Access)

1.1	EXECUTIVE SUMMARY	7
1.2	VALUATION REFERENCE	9
1.3	BASIS OF VALUATION	9
1.4	CLIENT APPROVAL DATE	11
1.5	INSPECTION DATE	11
1.6	VALUATION DATE	11
1.7	REPORT DATE	11
1.8	OPINION OF VALUE	11
1.9	PURPOSE OF VALUATION	11
1.10	INSPECTION ROLE	11
1.11	MARKET SURVEY	12
1.12	PROPERTY & LOCATION DESCRIPTION	14
1.13	INFRASTRUCTURE FACILITIES	14
1.14	LOCATION	15
1.15	PROPERTY ACCESS	16
1.16	TITLE DEED & OWNERSHIP	17
1.17	CONSTRUCTION & BUILDINGS	17
1.18	MAINTENANCE & OPERATIONAL EXPENSES	18
1.19	BUILDING GROSS LEASABLE AREA (GLA)	18
1.20	PROPERTY ACTUAL RENTAL RATES	18
1.21	INSURANCE	18
1.22	PHOTO RECORD	18
1.23	SAUDI ARABIA ECONOMIC INDICATORS	21
1.24	BUDGET ALLOCATION FOR 2019	21
1.25	SWOT ANALYSIS	22
1.26	SECTOR BRIEF	22
1.27	RISK ANALYSIS	24
1.28	DOCUMENTS RECIEVED	26
1.29	GENERAL ASSUMPTIONS	26
1.30	LEGAL NOTICES	26
1.31	INFORMATION SOURCE	27
1.32	STRUCTURAL EXAMINATION OF BUILDINGS (IF ANY)	27



1.33	VALUATION APPROACH	27
1.34	INPUT VALUATION PROCESS	29
1.35	COMPARABLE APPROACH	30
1.36	COST APPROACH (DRC)	31
1.37	INCOME APPROACH	33
1.38	INCOME APPROACH BASED ON THE LEASING CONTRACT	36
1.39	SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES	36
1.40	VALUATION NOTES	37
1.41	SUBJECT PROPERTY VALUE	37
1.42	REPORT USE	37
1.43	DISCLAIMER	37
1.44	CONCLUSION	37
1.45	CONSULTANT STATUS	40
1.46	DISCLOSING CONFLICT OF INTEREST	40
1.47	CONFIDENTIALITY	40
1.48	ENVIRONMENTAL MATTERS	40

EXECUTIVE SUMMARY





1.1 EXECUTIVE SUMMARY

Introduction	We received instructions from the client on 29/11/2020 to implement valuation service for a commercial project in Jeddah city.
Client Reference No.	For whom this report is being prepared is Al Khabeer Capital Capital, a Saudi company registered under the Saudi law. 2010830-3
Purpose of Valuation	Real Estate Investment Fund (REIT)
Subject Property	Commercial Property
Property Location	The property is located in Al Andalos district, Jeddah City.
Title Deed Information	Title Deed No: 420221011608, Title Deed Date: 17/08/1440, Issued from Jeddah Notary
Ownership Type	Freehold
Owner	شركة أول الملقا العقارية
Land Use	Commercial
Land Area (Sqm)	Based on the title deed, the land has an area size of 4,319.75 Sqm
BUA (Sqm)	Based on the provided construction permit, the property is a fully constructed mix use center composed of 7 upper floors in addition to the ground floor with a total BUA of 15,712 Sqm
GLA (Sqm)	The total gross leasable area of the project is 13,766 Sqm
Vacancy Rate	Based on the client, the project is fully leased to 1 tenant
Valuation Approach	Income Approach & Cost Approach
Final Property Value	167,890,000 SAR
Valuation Date	30/12/2020
Inspection Date	05/12/2020

TERMS OF REFERENCE & VALUATION





1.2 VALUATION REFERENCE

This report was prepared based on the instructions issued to us by Al Khabeer Capital (the customer) 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 (IVSC).

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, eg 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.

November 29, 2020.

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.

December 05, 2020.

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 were the value/s of the subject property / properties is reflected. The valuation date is at

December 30, 2020.

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.

December 30, 2020.

1.8 OPINION OF VALUE

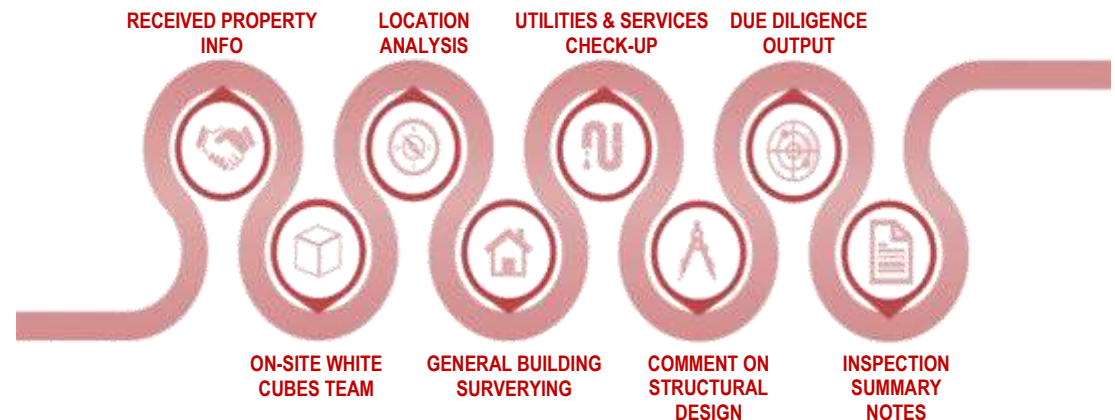
All the outputs will be shown in this report (Values) are based on our best knowledge of the market, documents received from the client (assumed to be correct), market findings and inspection inputs. Yet, the estimated values of the subject property / properties express our opinion of values based on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

1.9 PURPOSE OF VALUATION

The client requested to know the current market value of the subject property for Real Estate Investment Trust (REIT) Purposes. Therefore, and according to the valuation purpose, and as requested by the client, we will adapt the valuation methodologies of The Income Approach & Depreciated Replacement Cost (DRC)

1.10 INSPECTION ROLE

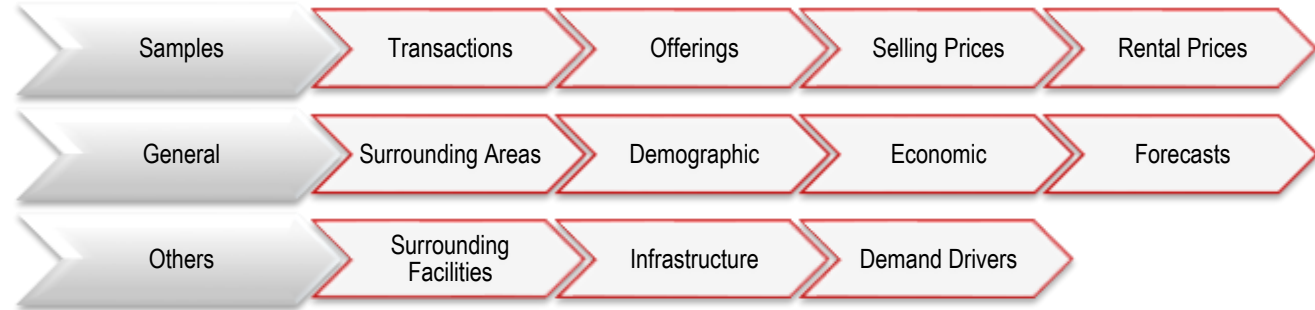
A visit to a property or inspection of an asset, to examine it and obtain relevant information, in order to express a professional opinion of its value. We hereby confirm that we have inspected the subject property / Asset at the date of inspection. Our inspection procedure covers only the surface / 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.



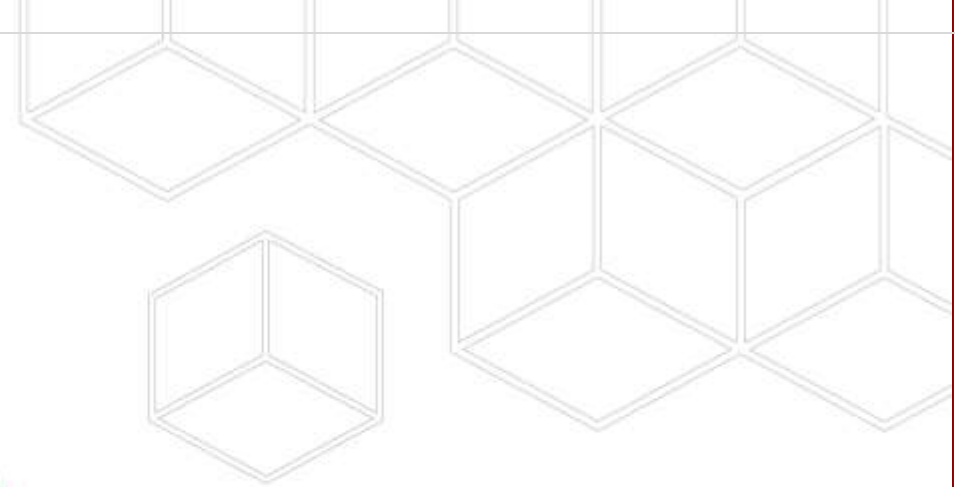


1.11 MARKET SURVEY

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.



PROPERTY DETAILS





1.12 PROPERTY & LOCATION DESCRIPTION

Property Description	The subject property is a commercial project located in Al Andalos district, Jeddah city. It has a total land area of 4,319.75 Sqm, a total BUA of 15,712 Sqm and composed of 7 offices floors and retail unit in the ground floor. As per the site inspection done by our team, the project is open on 3 sides with a direct view on Prince Mohammad Bin Abdulaziz Road from the north side. All infrastructural facilities such as water, electricity, telecommunication and sewage are available in the surroundings and connected the subject property.
Location Description	The property subject of valuation is a commercial project in Al Andalos district, Jeddah City. The property is bordered from the north by Prince Mohammad Bin Abdulaziz Road The property is bordered from the south by an unnamed street The Property is bordered from the east by a private property The property is bordered to the west by an unnamed street
Ease of Access	Based on the current location of the subject property, the access level is high, since it is located on Prince Mohammad Bin Abdulaziz Road.
Area Surrounding the Property	The subject property is mostly surrounded by residential and commercial buildings

Land		Building	
Land Use	Commercial	Building Type	Commercial Building
No. of Streets	4	Building Structural Conditions	Fully Constructed
Land Shape	Graded	External Elevation Conditions	Good
Direct View on the Main Road	Prince Mohammad Bin Abdulaziz Road	Building Finishing Conditions	Good
Direct View on an Internal Street	Unnamed Streets	Overall Building Conditions	Good
Land Condition	Constructed		

1.13 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	✓	✓	



1.14 LOCATION

The subject property is located in Al Andalos district, Jeddah city and surrounded by several landmarks as follows:

Property Location on a City Scale



Property Location on a District Scale



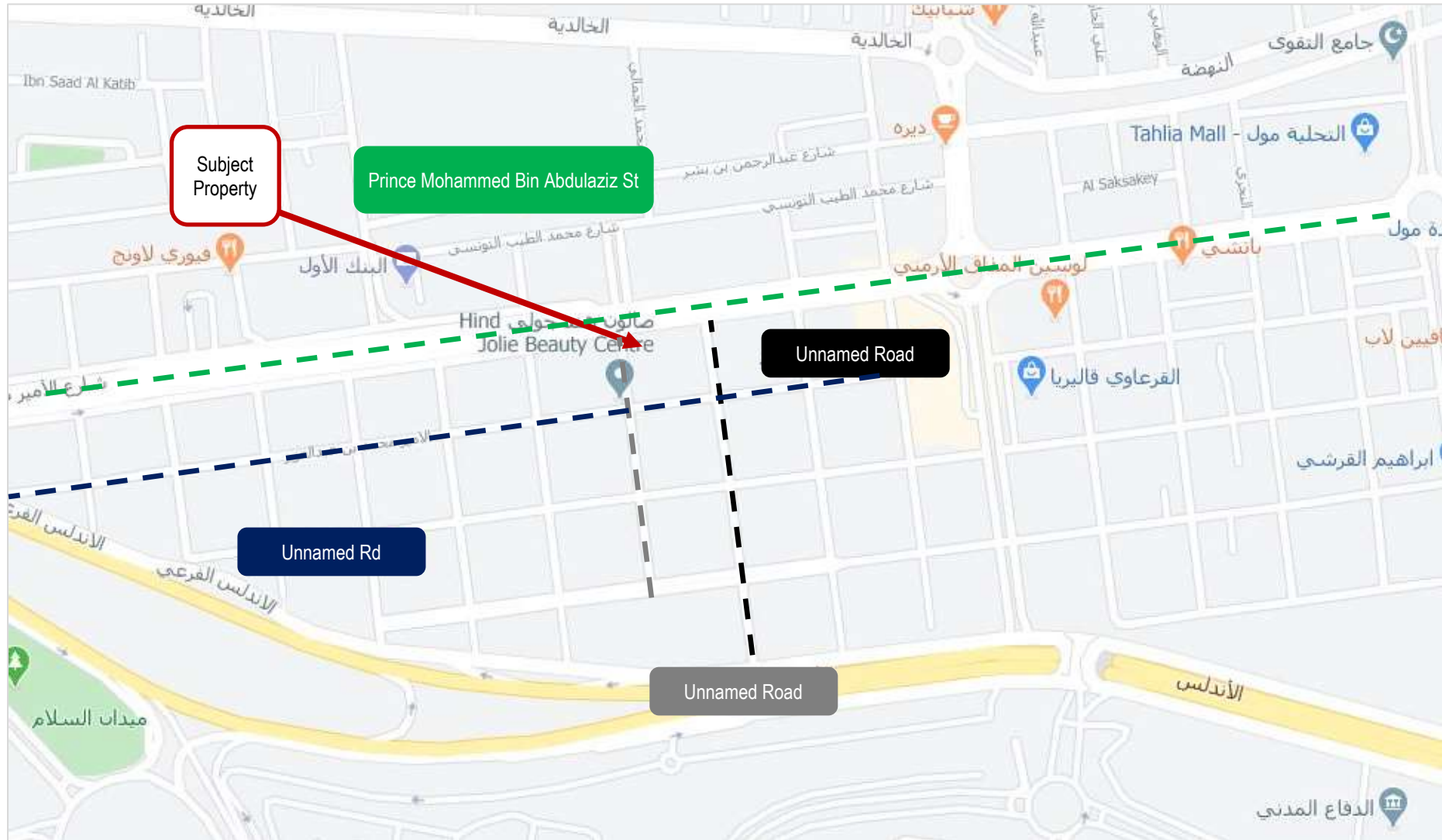
Surrounding Landmarks

- | | |
|---|---|
| 1- Ittihad Fc (0.05 Kilometers) | 6- Kaki Soccer Field Khalidya (0.45 Kilometres) |
| 2- Piatto Le Chateau (0.08 Kilometres) | 7- Alawwal Bank (0.4 Kilometres) |
| 3- Bank Al Jazira (0.1 Kilometers) | 8- Majid Society (0.2 Kilometres) |
| 4- Toni & Guy Jeddah (0.1 Kilometers) | 9- Teatro Mall (0.4 Kilometres) |
| 5- Tahlia Roshana Center (0.3 Kilometres) | 10- Deera Café (0.6 Kilometres) |



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	Jeddah	Land Area	4,319.75
District	Al Andalos	Plot No.	1/2
T.D Type	Electronic	Block No.	N/A
T.D Number	420221011608	Layout No.	860/ ت.س
T.D Date	17/08/1440	Owner	شركة أول الملقا العقارية
T.D Value	38,181,818.19 SAR	Ownership Type	Freehold
Date of Last Transaction Issued From	17/08/1440 Jeddah Notary	Limitation of Document	Mortgaged
North Side	Prince Mohammad Bin Abdulaziz Road	East Side	Private Property
South Side	Unnamed Street	West Side	Unnamed 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 subject property is a fully constructed mix use center composed of 7 upper floors in addition to the ground floor. 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				Mix use
Construction Permit No.				35218
Construction Permit Date				18/10/1430 AH
Permit Expiry Date				09/04/1438 AH
Description	No. of Units	Area (sqm)	Use	
Ground Floor	--	2,468	Showrooms	
First Floor	--	2,386	Offices	
Second Floor	--	2,468	Offices	
Third Floor	---	2,468	Offices	
Typical Floors	---	4,911	Offices	
Annex	---	1,011	Offices	
Total BAU (sqm)		15,712		

1.18 MAINTENANCE & OPERATIONAL EXPENSES

The client provide us with the insurance premium expenses related to the subject property.

1.19 BUILDING GROSS LEASABLE AREA (GLA)

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

1.20 PROPERTY ACTUAL RENTAL RATES

As per the site inspection done by our team, the subject property is semi occupied by several tenants. Yet, and as per the client, the client intends to acquire the subject property as an income generating property rented to the previous owner by triple net lease of SAR 16,000,000 annually which increases every 5 years

1.21 INSURANCE

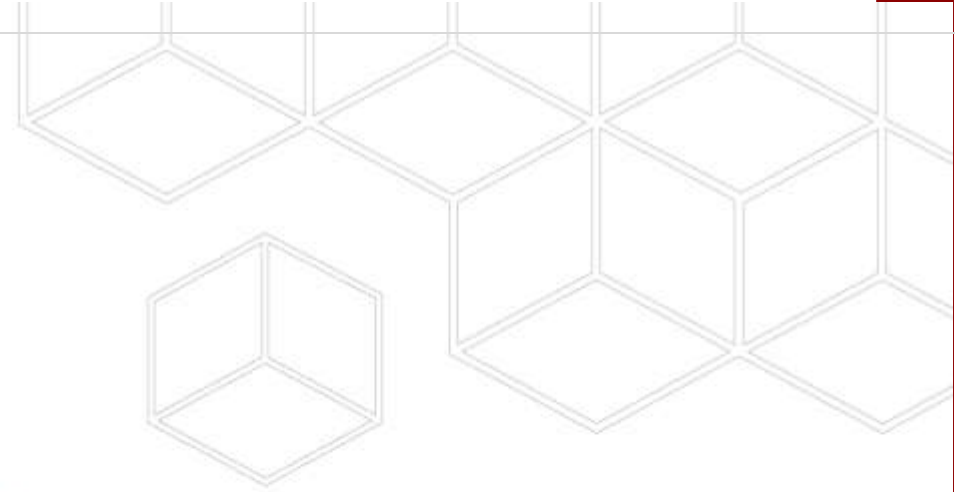
Property	Insurance Type	Policy Number	Insurance Company	Policy Expiry Date
Elite Center	Property All Risks	P0420-PAR-HCAB-12566893	Al Rajhi Company for Cooperative Insurance	30/03/2021
Elite Center	Covered	P0420-TPL-HCAB-12566820	Al Rajhi Company for Cooperative Insurance	03/04/2021



1.22 PHOTO RECORD



MARKET INDICATORS





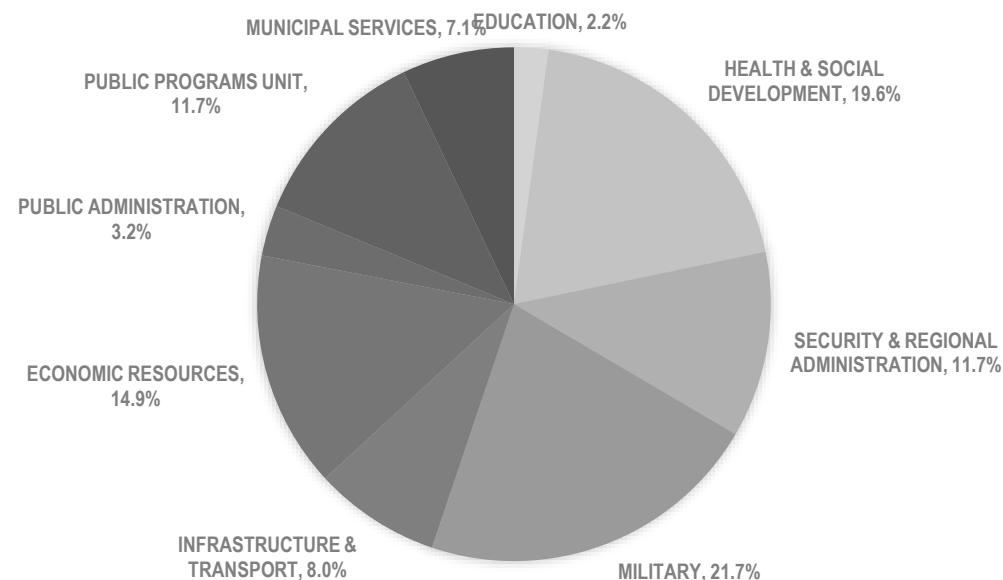
1.23 SAUDI ARABIA ECONOMIC INDICATORS

Economic Indicator	2018	2019	2020
GDP (Source: General Authority for Statistics)	(Q2) 732,747 Bn	642.8 Bn (E)	657.58 Bn (E)
GDP Growth (Source: Ministry of Finance)	%2.3	0.5%	2% (E)
Inflation Rate (Source: SAMA)	2.45%	-1.22%	-1.5% (E)
Interest Rates (Source: Trading Economics)	2.75%	3%	2.5% (E)
Government Revenues (Source: General Authority for Statistics)	895 Bn	978 Bn	833 Bn (E)
Government Spending (Source: General Authority for Statistics)	1,079 Bn	1,050 Bn (E)	1,020 Bn (E)
Unemployment Rate (Source: General Authority for Statistics)	6%	5.6%	5.2% (E)
Population (Source: General Authority for Statistics)	33,413,660	34,413,660	34,218,169

1.24 BUDGET ALLOCATION FOR 2019

Public Administration	28 SAR bn
Military	191 SAR bn
Security & Regional Adm.	103 SAR bn
Municipal Services	62 SAR bn
Education	193 SAR bn
Health & Social Dev.	172 SAR bn
Economic Resources	131 SAR bn
Infrastructure & Transport	70 SAR bn
Public Programs Unit	103 SAR bn

Source: Ministry of Economy





1.25 SWOT ANALYSIS

<p>Strength</p> <ul style="list-style-type: none"> - Open on 3 sides - Have a direct view on the main street - Near the seashores 	<p>Weakness</p> <ul style="list-style-type: none"> - None
<p>Opportunities</p> <ul style="list-style-type: none"> - Mostly surrounded by several residential units 	<p>Threats</p> <ul style="list-style-type: none"> - Existing and upcoming similar projects

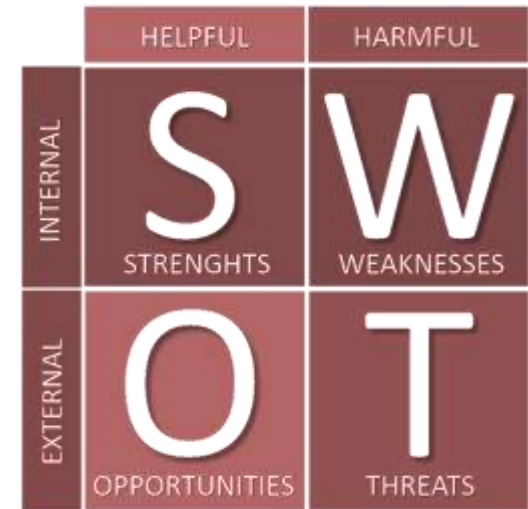
The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

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





Overall Sector Performance

From 2019 to 2020



Future Expectations



Overall Sector Stability

From 2019 to 2020



Future Expectations



Values of Lands Related to The Sector

From 2019 to 2020



Future Expectations

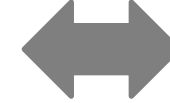


Sector rental Income

From 2019 to 2020



Future Expectations



Sector Demand

From 2019 to 2020

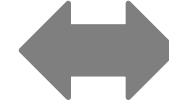


Future Expectations

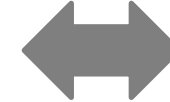


Investors' Appetite

From 2019 to 2020



Future Expectations



Sector's occupancy ratios

From 2019 to 2020

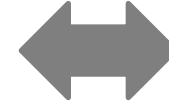


Future Expectations



Sectors Positive Changes

From 2019 to 2020



Future Expectations



White Cubes Team's Analysis



1.27 RISK ANALYSIS

Risk Factor	Very Low Risk (1) 1-6	Minimal Risk (2) 8-12	Medium Risk (3) 13-18	Elevated Risk (4) 19-24	Very High Risk (5) 25-30
Overall Economy	-----	-----	✓	-----	-----
Sector Current Performance	-----	-----	✓	-----	-----
Sector Future Performance	-----	✓	-----	-----	-----
Occupancy Rates	-----	-----	✓	-----	-----
Supply Rate	-----	-----	✓	-----	-----
Demand Rate	-----	-----	✓	-----	-----
Total Risk	0	2	15	0	0

Risk Category 17 Risk Points - Medium Risk

Sector Analysis

Risk Category- 17 Risk Points - Medium Risk

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

Risk Category 8 Risk Points – Minimal Risk

Land Analysis

Risk Category- 8 Risk Points – Minimal Risk

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

Risk Category 8 Risk Points - Medium Risk

Property Analysis

Risk Category- 8 Risk Points - Medium Risk

PROPERTY VALUATION





1.28 DOCUMENTS RECEIVED

The client has provided us by clear copy of the following documents.

Title Deed Copy ✓	Construction Permit ✓	Krooki ✓
Master Plan ✓	Fire & Safety Docs ✓	3D Design & Perspectives ✓
Pictures ✓	Presentation of the subject property ✓	Location Map ✓
Layouts ✓	Contact Details ✓	Costing & Budget ✓
Tenant List ✓	Income & Revenues ✓	Operational Cost - OPEX ✓

1.29 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.

1.30 LEGAL NOTICES

We are not aware of and have not been notified of any legal notices on the property, whether they are ongoing or pending in the courts.



1.31 INFORMATION SOURCE

Referring to the purpose of this report, it has been assumed that all information received from the client, whether verbal or written, is up-to-date and correct. Our team conducted a field research in order to ensure the validity of some market information for the purpose of valuation, which included the values of assets in the region, occupancy rates and market information related to the asset being valued in order to reach the market value of the asset being valued. During the field research process, some sources were relied on as follows:

- The field survey prepared by us
- Site inspection done by our team
- Our historical database for the similar assets of the property being valued
- Sales agents specialized with the same type of assets subject to valuation

1.32 STRUCTURAL EXAMINATION OF BUILDINGS (IF ANY)

Our service’s scope does not include any technical testing of buildings and / or structural examinations and does not include any quality assurance of these constructions. However, in the event of any visible and observed deficiencies in the structural structure, we will write it down in our report and reflect such effect on the value.

1.33 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.



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

RESIDUAL LAND VALUE (RLV)

The residual land value is a method used to determine the value and potential profitability of a piece of property less any expenses related to the land. Residual land value is the value of the land that remains after any and all deductions associated with the cost of developing, maintaining or reselling the land. The application of the residual method of valuation is based on the principle that the price to be paid for a property that is suitable for development is equal to the difference between (i) the completed value of the highest and best form of permitted development and (ii) the total cost of carrying out that development. Thus, the net capital value of the completed development is assessed (after deducting any costs of sale) on the assumption that it has been developed for the most valuable form of development, and from that value is deducted the cost of all construction and building work required to carry out the development (including all ancillary costs, e.g. purchase costs, letting fees, finance, etc.), as well as an appropriate allowance for profit on the development

1.34 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.

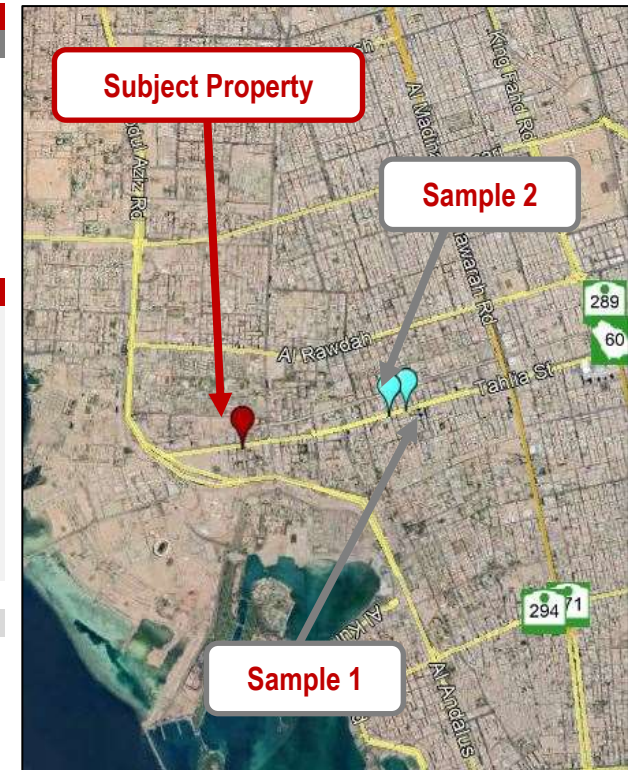


1.35 COMPARABLE APPROACH

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 Andalos	Al Andalos	Al Andalos
Sale Price	-----	SAR 32,000,000	SAR 60,000,000
Data Source	Title Deed	Market Survey	Market Survey
Area Size	4,319.75	2,800.00	3,806.00
SAR / Sqm	-----	SAR 11,429	SAR 15,765
Sides Open	3	1	3

Adjustment Analysis			
		SAMPLE 1	SAMPLE 2
Area size	4,319.75	2,800.00	-10.00%
Location Desirability	Average	Average	0.00%
Accessibility	Excellent	Excellent	0.00%
Main Street Width (m)	40	40	0.00%
Sides Open	3	1	5.00%
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			-15.00%
Total Adjustment Amount			-SAR 1,714.3
Net After Adjustment			SAR 9,714.3
SAR / Sqm			SAR 12,345
Rounded Value			SAR 12,500



SENSITIVITY ANALYSIS					
	-10%	-5%	0%	5%	10%
Land Area	4,320	4,320	4,320	4,320	4,320
SAR / Sqm	SAR 11,250.0	SAR 11,875.0	SAR 12,500.0	SAR 13,125.0	SAR 13,750.0
Property Value	SAR 48,597,188	SAR 51,297,031	SAR 53,996,875	SAR 56,696,719	SAR 59,396,563
	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.

1.36 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 900	SAR 1,100	SAR 1,000
MEP	SAR 350	SAR 450	SAR 400
Finishing Materials	SAR 1,200	SAR 1,400	SAR 1,300
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			
4,319.75	SAR 12,500	SAR 53,996,875			
Building					
	Unit	No of Floors	Total BUA		
Ground Floor	Sqm	----	2,468.00		
Upper Floors	Sqm	----	12,233.00		
Annex	Sqm	----	1,011.00		
Fences	Lm	----	69.00		
Total (SQM)	15,712.00				
Development Cost					
Hard Cost - Upper Floors					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	15,712.00	SAR 1,000	SAR 15,712,000	100%	SAR 15,712,000
Electro Mechanic	15,712.00	SAR 400	SAR 6,284,800	100%	SAR 6,284,800
Finishing	15,712.00	SAR 1,300	SAR 20,425,600	100%	SAR 20,425,600
Fit outs & Appliances	15,712.00	SAR 0	SAR 0	100%	SAR 0
Furniture	15,712.00	SAR 0	SAR 0	100%	SAR 0
Site Improvement	4,319.75	SAR 100	SAR 431,975	100%	SAR 431,975
Total			SAR 42,854,375	100.00%	SAR 42,854,375



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

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

DEVELOPMENT VALUE				
Total Dev Cost	SAR 47,825,483	Net Dep Rate	20.00%	
Economic Age	40	Dev Cost After Depreciation	SAR 38,260,386	
Annual Dep Rate	2.50%	Total Completion Rate	100.00%	
Actual Age	8	Developer Profit Rate	20.0%	
Total Dep Rate	20.00%	Dev. Profit Amount	SAR 7,652,077	
Add Appr Rate	0.00%	Development Value	SAR 45,912,463	
Net Dep Rate	20.00%			

The total value of the building is 45,912,463 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 45,912,463	SAR 53,996,875	SAR 99,909,338	SAR 99,900,000



1.37 INCOME APPROACH- MARKET RATES

Market Rental Analysis

We were not able to find similar samples within the property's area. Yet, we have executed some trade interviews with local real estate agents, in addition to the actual rental rates of the subject property, we have found that the rental rates fall between 2,000 to 3,000 SAR/ Sqm. We have also noted that some of the units are showrooms including internal mezzanine. Taking into consideration all the mentioned, we will base our valuation analysis on 2,550 SAR/ Sqm as a rental rate for showrooms. As for the offices rental rates, falls between:

Comparable No.	Office Units
Comparable 1	Rental Rate/ Unit 800 SAR/ Sqm
Comparable 2	700 SAR/ Sqm
Comparable 3	650 SAR/ Sqm
Average	730 SAR/ Sqm

As for the offices, we will base our valuation on 850 SAR/ Sqm to better quality, services, etc.





Analysis of Operating and Maintenance Expenses

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

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

Property Operation and Maintenance Expenses

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

Market Capitalization Rate Analysis

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

The Capitalization Rate Used for the Valuation

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	8.50%
Maximum capitalization rate	9.50%
Average	9.00%
The effect of the property specifications on the property	
Item	Status 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	----- -0.25% The area is served excellently
Quality and finishes	----- 0.25% Average quality finishes
Project Management Team	----- 0.25% Average management and operational team level
Services and public facilities	----- 0.50% 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	9%
Estimated capitalization rate of the property valuation	9.50%

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 9.5%, 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
Show Rooms	2,169	0	SAR 2,550	SAR 10		SAR 5,530,950
Offices	9,882	0	SAR 850	SAR 0		SAR 8,399,700
Mezzanine	1,715	0	SAR 1,350	SAR 0		SAR 2,315,250
					Total Revenues	SAR 16,245,900
EXPENSES						
Unit Type	Management	Utilities	Maintenance	Vacancy		Total Expenses
Show Rooms	3.00%	3.00%	5.00%	5.00%		16.00%
Offices	3.00%	3.00%	5.00%	5.00%		16.00%
Mezzanine	0.00%	0.00%	0.00%	0.00%		0.00%
NET OPERATING INCOME						
Unit Type	Total Revenues	Total Expenses				NOI
Show Rooms	SAR 5,530,950	16.00%				SAR 4,645,998
Offices	SAR 8,399,700	16.00%				SAR 7,055,748
Mezzanine	SAR 2,315,250	0.00%				SAR 2,315,250
		Total				SAR 14,016,996
Total Property Revenues						SAR 16,245,900
Total Property Expenses						-SAR 2,228,904
Net Operating Income						SAR 14,016,996.00
Net Operating Income	Cap Rate		Property Value			Rounded Value
SAR 14,016,996.00	9.50%		147,547,326.32 SAR			147,500,000.00 SAR



1.38 INCOME APPROACH BASED ON THE LEASING CONTRACT

As per the site inspection done by our team, the subject property is semi occupied by several tenants. Yet, and as per the client, the client intends to acquire the subject property as an income generating property rented to the previous owner by triple net lease of SAR 16,000,000 annually which increases every 5 years with an insurance premium of 50,000 SAR.

REVENUES						
Unit Type	Quantity		Revenues			
Unit Type	Total GLA	No of Units	SAR / Sqm	SAR / Unit	Total Revenues	
Commercial Building		The subject property is Fully leased to 1 tenant				SAR 16,000,000
-----	0	0	SAR 0	SAR 0		SAR 0
-----	0	0	SAR 0	SAR 0		SAR 0
					Total Revenues	SAR 16,000,000
EXPENSES						
Unit Type	Management	Utilities	Maintenance	Others	Total Expenses	
Commercial Building	0.00%	0.00%	0.00%	SAR 50,000	SAR 50,000	
-----	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			
Commercial Building	SAR 16,000,000	SAR 50,000	SAR 15,950,000			
-----	SAR 0	0.00%	SAR 0			
-----	SAR 0	0.00%	SAR 0			
					Total	SAR 15,950,000
Total Property Revenues					SAR 16,000,000	
Total Property Expenses					-SAR 50,000	
Net Operating Income					SAR 15,950,000.00	
Net Operating Income	Cap Rate	Property Value	Rounded Value			
SAR 15,950,000.00	9.50%	167,894,736.84 SAR	167,890,000.00 SAR			

1.39 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

Methodology	Subject of Valuation	Value in Numbers	Value in Letters
Income- Market	Property	SAR 147,500,000	One Hundred Seventy Million and Two Hundred Thousand Saudi Riyals
Income- Contract	Property	SAR 167,890,000	One Hundred Sixty-Seven Million and Eight Hundred Ninety Thousand Saudi Riyals
DRC Approach	Land + Building	SAR 99,900,000	Ninety-Nine Million and Nine Hundred Thousand Saudi Riyals



1.40 VALUATION NOTES

As the purpose of valuation is for REIT, and as the REIT fund (acquire income generating properties), we believe that most appropriate approach to do the valuation for such properties should be based on income methodology.

1.41 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 leasing contract is:

Property Value: 167,890,000 SAR
One Hundred Sixty-Seven Million and Eight Hundred Ninety Thousand Saudi Riyals

1.42 REPORT USE

This valuation is for the sole use of the named Client. This report is confidential to the Client, and that of their advisors, and we accept no responsibility whatsoever to any third party. No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorized.

1.43 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.

1.44 CONCLUSION

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



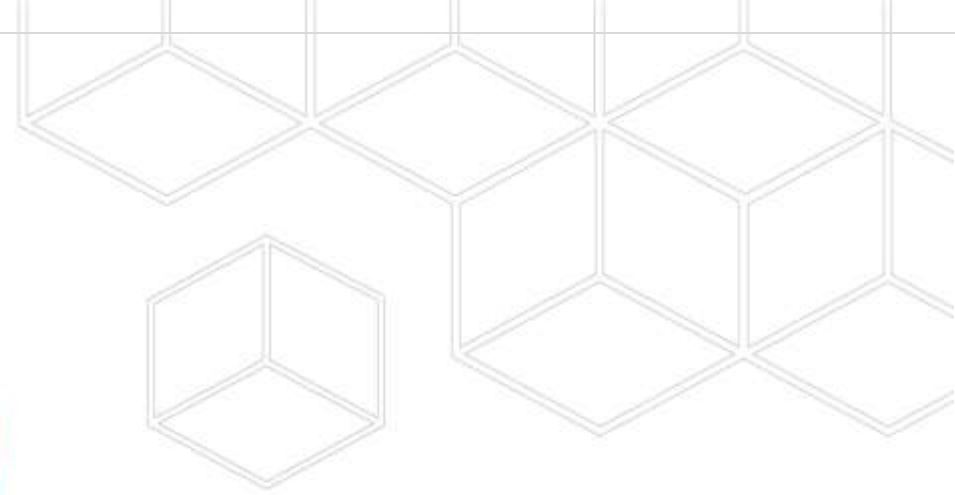
Essam Hussaini
Site Inspection Check

A handwritten signature in blue ink, appearing to read 'Essam Hussaini'.

Member of (Taqeem)
License No. 1210000474



GENERAL NOTES





1.45 CONSULTANT STATUS

We confirm that the consultant / 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.

1.46 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 Whitecubes 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 valued 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
	Client	Date	
✓	Al Khabeer Capital	Sep 2020	-----
✓	-----	-----	-----
✓	-----	-----	-----

1.47 CONFIDENTIALITY

This document and / or any other documents received from the client are confidential between White Cubes Est. and the client. Except as may be required by any court or authority, the subject service shall not disclose or use or cause to be disclosed or used, at any time during the Term.

Any of the Client's secrets and/or confidential information, any other non-public information relating to the client business, financial or other affairs acquired by the subject service during the process remain confidential.



1.48 ENVIRONMENTAL MATTERS

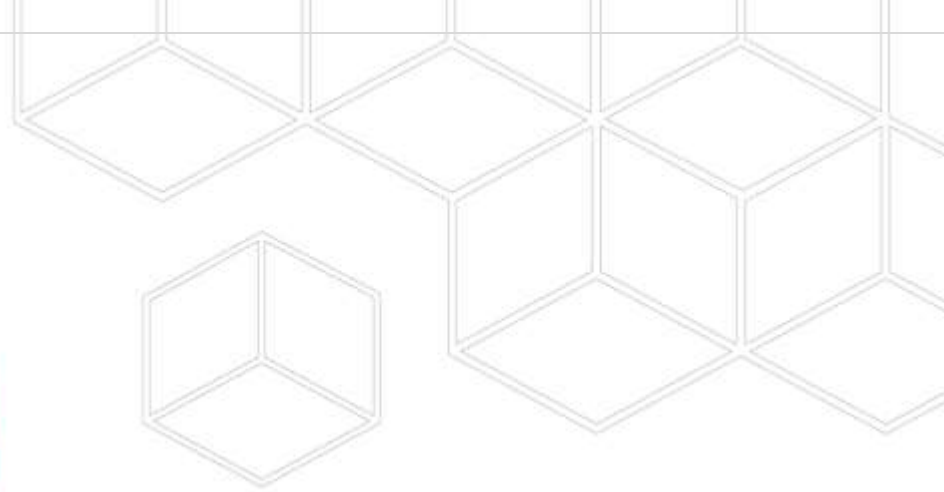
We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination.

In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative use has ever been carried out on the property.

We have not carried out any investigation into past or present uses, either of the properties or of any neighboring land, to establish whether there is any contamination or potential for contamination to the subject properties from the use or site and have therefore assumed that none exists.

However, should it be established subsequently that contamination exists at the properties or on any neighboring land, or that the premises has been or is being put to any contaminative use, this might reduce the value now reported.

DOCUMENTS COPIES

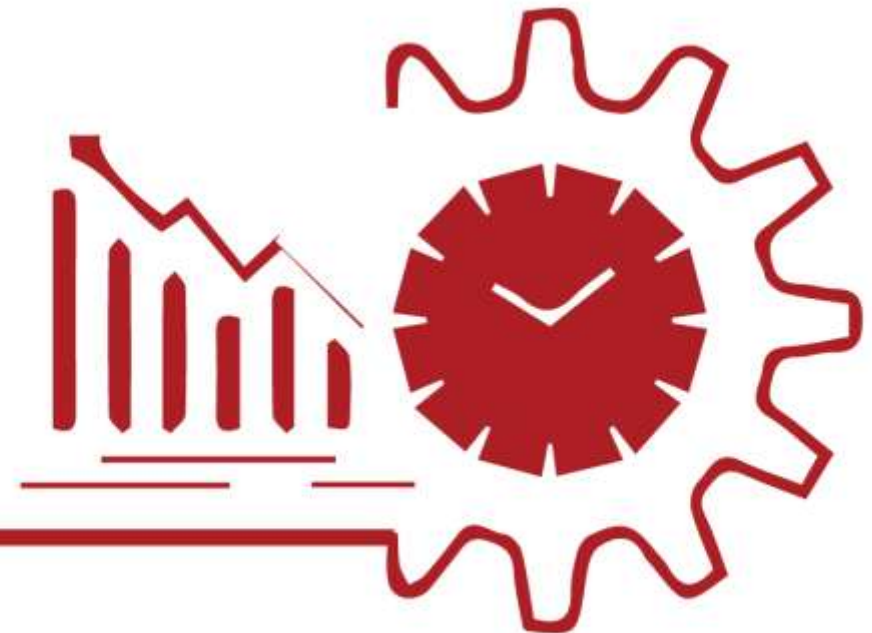


BIN 2 PLAZA AL KHABEER CAPITAL

JEDDAH CITY
DECEMBER 2020



Valuation Report





REF: 2010830-2
Date: 30/12/2020
M/S Al Khabeer Capital

Subject: Valuation Report for commercial center (Bin 2 Plaza) in Jeddah City, Saudi Arabia.

Dear Sir,

With reference to your request and approval dated on November 29, 2020 for valuation service of the commercial project (Bin 2 Plaza) located in Jeddah city, 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)





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WHITE CUBES REAL ESTATE is the exclusive real estate advisory agent for TAHA CORP CONSULTING in the Kingdom of SAUDI ARABIA





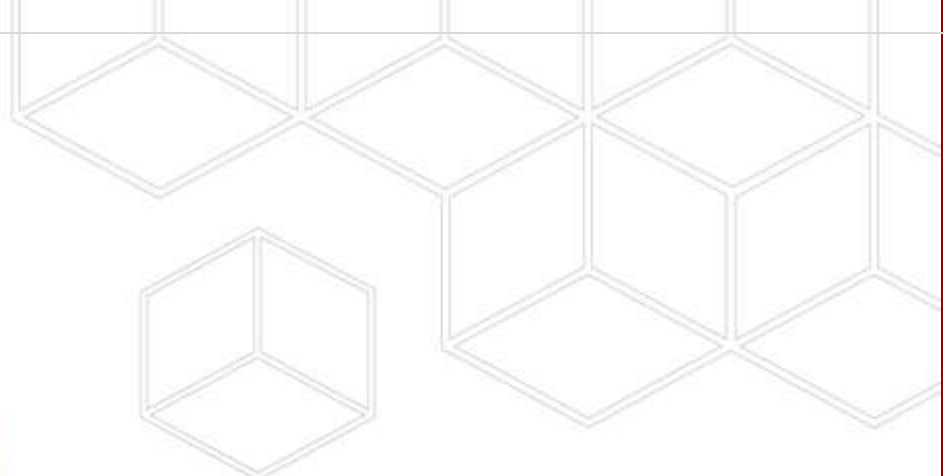
Table of Contents
(Please Click on the Title for Direct Access)

1.1	EXECUTIVE SUMMARY	7
1.2	VALUATION REFERENCE	9
1.3	BASIS OF VALUATION	9
1.4	CLIENT APPROVAL DATE	11
1.5	INSPECTION DATE	11
1.6	VALUATION DATE	11
1.7	REPORT DATE	11
1.8	OPINION OF VALUE	11
1.9	PURPOSE OF VALUATION	11
1.10	INSPECTION ROLE	11
1.11	MARKET SURVEY	12
1.12	PROPERTY & LOCATION DESCRIPTION	14
1.13	INFRASTRUCTURE FACILITIES	14
1.14	LOCATION	15
1.15	PROPERTY ACCESS	16
1.16	TITLE DEED & OWNERSHIP	17
1.17	INSURANCE	17
1.18	CONSTRUCTION & BUILDINGS	17
1.19	BUILDING GROSS LEASABLE AREA (GLA)	18
1.20	PHOTO RECORD	19
1.21	SAUDI ARABIA ECONOMIC INDICATORS	21
1.22	BUDGET ALLOCATION FOR 2019	21
1.23	SWOT ANALYSIS	22
1.24	SECTOR BRIEF	22
1.25	RISK ANALYSIS	24
1.26	DOCUMENTS RECIEVED	26
1.27	GENERAL ASSUMPTIONS	26
1.28	LEGAL NOTICES	26
1.29	INFORMATION SOURCE	27
1.30	STRUCTURAL EXAMINATION OF BUILDINGS (IF ANY)	27
1.31	VALUATION APPROACH	27
1.32	INPUT VALUATION PROCESS	28



1.33	COMPARABLE APPROACH	29
1.34	COST APPROACH (DRC)	30
1.35	INCOME APPROACH BASED ON MARKET RATES	32
1.36	INCOME APPROACH BASED ON LEASING CONTRACT	35
1.37	SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES	35
1.38	VALUATION NOTES	36
1.39	SUBJECT PROPERTY VALUE	36
1.40	REPORT USE	36
1.41	DISCLAIMER	36
1.42	CONCLUSION	36
1.43	CONSULTANT STATUS	39
1.44	DISCLOSING CONFLICT OF INTEREST	39
1.45	CONFIDENTIALITY	39
1.46	ENVIRONMENTAL MATTERS	39

EXECUTIVE SUMMARY

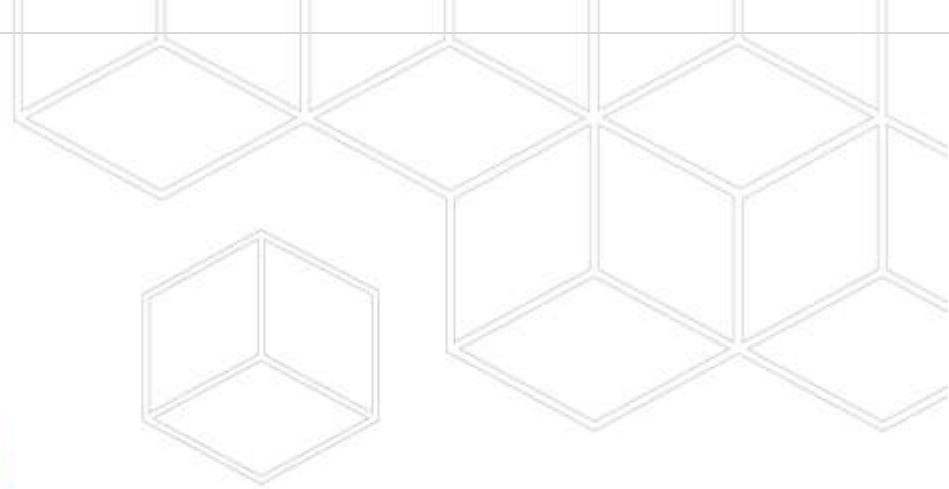




1.1 EXECUTIVE SUMMARY

Introduction	We received instructions from the client on 29/11/2020 to implement valuation service for a commercial center in Jeddah city.
Client Reference No.	For whom this report is being prepared is Al Khabeer Capital, a Saudi company registered under the Saudi law. 2010830-2
Purpose of Valuation	Real Estate Investment Trust (REIT)
Subject Property	Commercial Center
Property Location	The property is located in Al Amwaj district, Jeddah City.
Title Deed Information	Title Deed No: 420210027007, Title Deed Date: 17/08/1440, Issued from Jeddah Notary
Ownership Type	Freehold (Mortgaged)
Owner	شركة أول الملقا العقارية
Land Use	Commercial
Land Area (Sqm)	Based on the title deed, the land has an area size of 20,641.74 Sqm
BUA (Sqm)	Based on the provided construction permit, the building is composed of a ground floor, mezzanine and first floors with a total BUA of 21,305.3 Sqm
GLA (Sqm)	The total gross leasable area is 7,336 Sqm for Showrooms and 7,631 Sqm for Offices
Vacancy Rate	Based on the client, the project is fully leased to one tenant
Valuation Approach	Income Approach & Cost Approach
Final Property Value	94,370,000 SAR
Valuation Date	30/12/2020
Inspection Date	05/12/2020

TERMS OF REFERENCE & VALUATION





1.2 VALUATION REFERENCE

This report was prepared based on the instructions issued to us by Al Khabeer Capital (the customer) 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 (IVSC).

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, eg 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.

November 29, 2020.

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.

December 05, 2020.

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 were the value/s of the subject property / properties is reflected. The valuation date is at

December 30, 2020.

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.

December 30, 2020.

1.8 OPINION OF VALUE

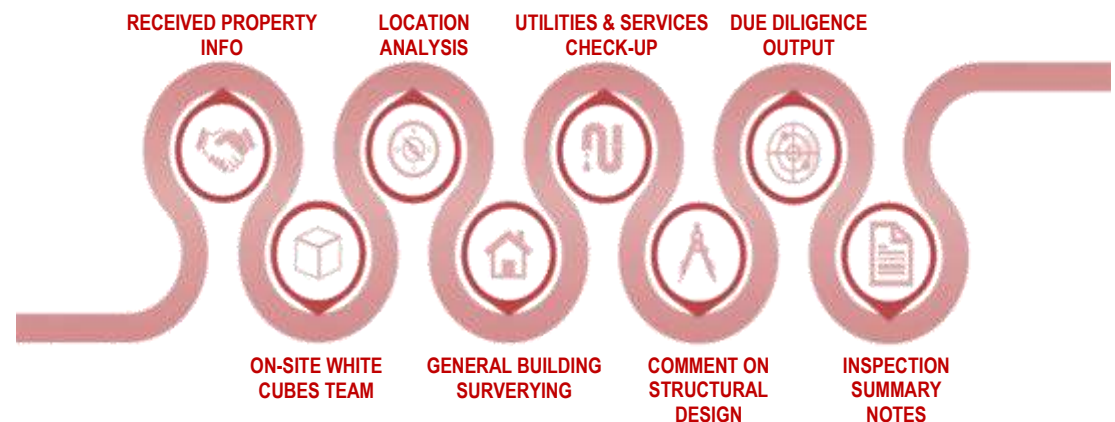
All the outputs will be shown in this report (Values) are based on our best knowledge of the market, documents received from the client (assumed to be correct), market findings and inspection inputs. Yet, the estimated values of the subject property / properties express our opinion of values based on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

1.9 PURPOSE OF VALUATION

The client requested to know the current market value of the subject property for Real Estate Investment Trust (REIT) Purposes. Therefore, and according to the valuation purpose, and as requested by the client, we will adapt the valuation methodologies of The Income Approach & Depreciated Replacement Cost (DRC)

1.10 INSPECTION ROLE

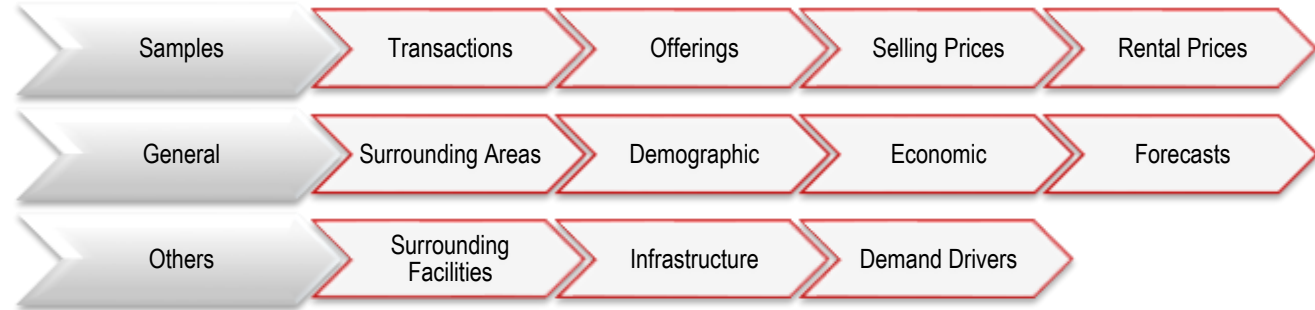
A visit to a property or inspection of an asset, to examine it and obtain relevant information, in order to express a professional opinion of its value. We hereby confirm that we have inspected the subject property / Asset at the date of inspection. Our inspection procedure covers only the surface / 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.



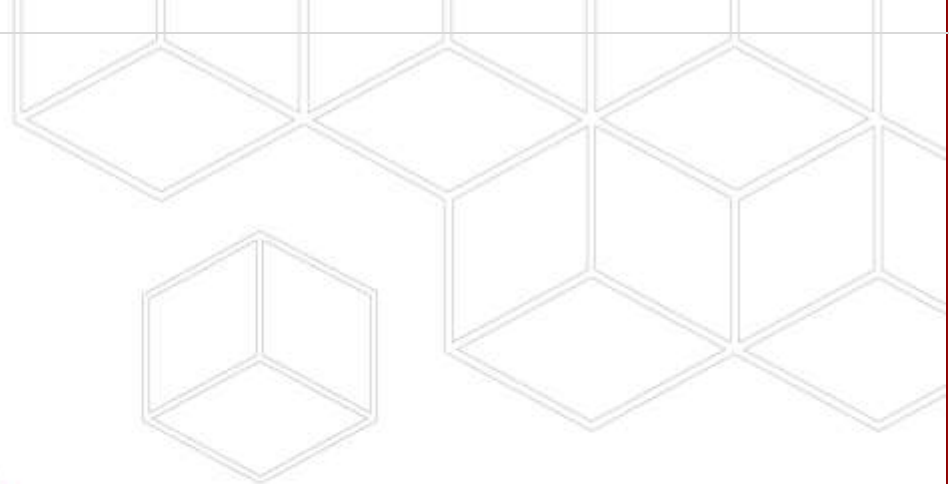


1.11 MARKET SURVEY

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.



PROPERTY DETAILS





1.12 PROPERTY & LOCATION DESCRIPTION

Property Description The subject property is a commercial project located in Al Amwaj district, Jeddah city. The Property has a total land area of 20,641.74 Sqm, a total BUA of 21,305.3 Sqm. As per the site inspection done by our team, the project is open on 4 sides with a direct view on an unnamed Road from the east side. All infrastructural facilities such as water, electricity, telecommunication and sewage are available in the surroundings and connected the subject property.

Location Description The property subject of valuation is a commercial center located in Al Amwaj district, Jeddah City.
 The property is bordered from the north by an unnamed street
 The property is bordered from the south by an unnamed street
 The Property is bordered from the east by an unnamed street
 The property is bordered to the west by an unnamed street

Ease of Access Based on the current location of the subject property, the access level is high since it is open on 4 streets and near 2 main street Prince Abdulmajed and Prince Nayef Roads.

Area Surrounding the Property The subject property is mostly surrounded by residential and commercial buildings

Land		Building	
Land Use	Commercial	Building Type	Commercial Center
No. of Streets	4	Building Structural Conditions	Fully constructed
Land Shape	Graded	External Elevation Conditions	Good
Direct View on the Main Road	No direct view on the main roads	Building Finishing Conditions	Good
Direct View on an Internal Street	Unnamed Streets	Overall Building Conditions	Good
Land Condition	Constructed		

1.13 INFRASTRUCTURE FACILITIES

	Available in the surrounding	Connected to the property
Water	✓	✓
Electricity	✓	✓
Tele-Communication	✓	✓
Sewage	✓	✓

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



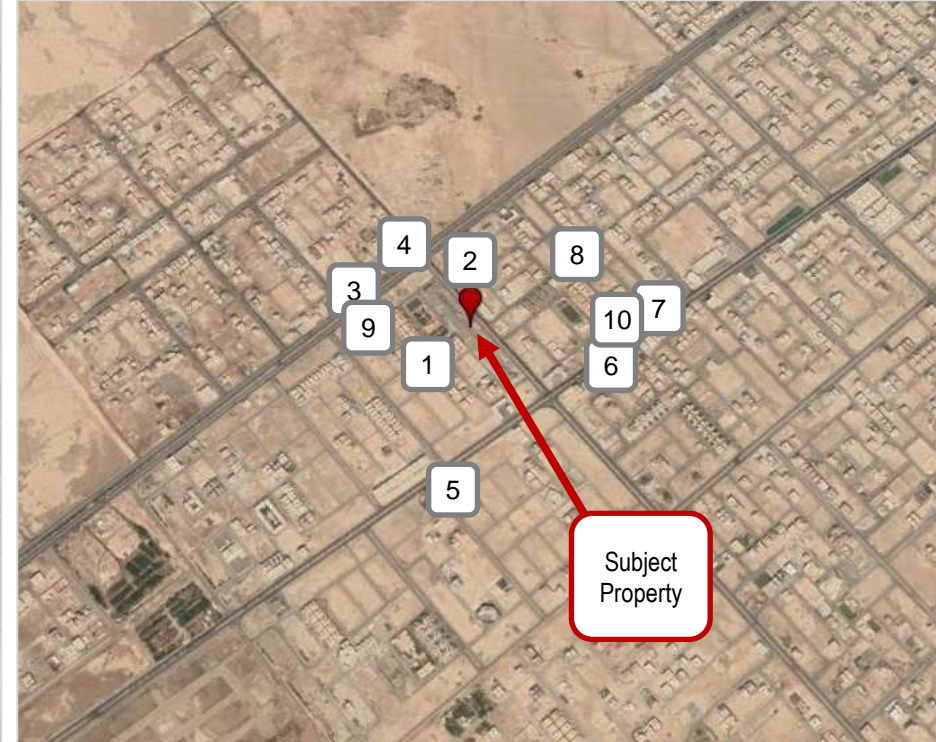
1.14 LOCATION

The subject property is located in Al Amwaj district, Jeddah city and surrounded by several landmarks as follows:

Property Location on a City Scale



Property Location on a District Scale



Surrounding Landmarks

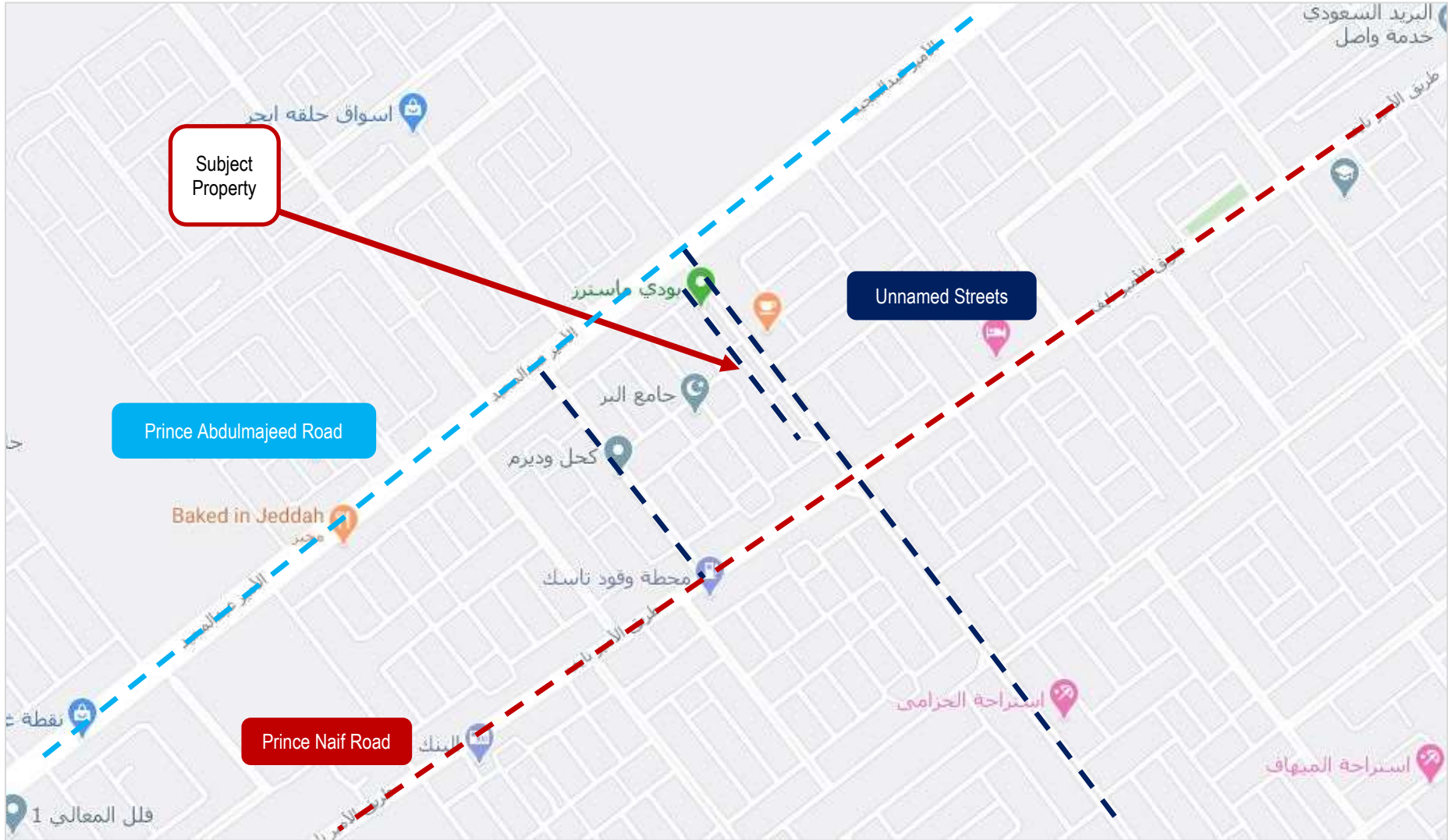
- 1- Mosque (0.2 Kilometers)
- 2- Helens Bakery Jeddah, Central Kitchen (0.2 Kilometres)
- 3- Grocery Store (0.4 Kilometres)
- 4- Cottage Café Northern (0.3 Kilometres)
- 5- TASK Gas Station (0.45 Kilometres)

- 6- BMB Chocolate (0.25 Kilometres)
- 7- Dar Lavina Residentials Units (0.45 Kilometres)
- 8- Mosque (0.3 Kilometres)
- 9- Ultra-Shine Auto Salon (0.4 Kilometres)
- 10- Technical Guide Engineering (0.4 Kilometers)



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	Jeddah	Land Area	20,641.74
District	Al Amwaj	Plot No.	35 to 63
T.D Type	Electronic	Block No.	N/A
T.D Number	920210026381	Layout No.	ج.س/420
T.D Date	19/06/1440	Owner	شركة أول الملقا العقارية
T.D Value	50,000,000	Ownership Type	Freehold
Date of Last Transaction Issued From	19/06/1440 Jeddah Notary	Limitation of Document	N/A
North Side	Unnamed Street	East Side	Unnamed Street
South Side	Unnamed Street	West Side	Unnamed 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 INSURANCE

Property	Insurance Type	Policy Number	Insurance Company	Policy Expiry Date
Bin II	Property All Risks	P0420-PAR-HCAB-12560165	Al Rajhi Company for Cooperative Insurance	30/03/2021
Bin II	Third Party Liability	P0420-TPL-HCAB-12560167	Al Rajhi Company for Cooperative Insurance	03/04/2021

1.18 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 -----



The subject property is a fully constructed commercial center composed of Ground Floor, Mezzanine and first floor. The Client has provided us with a copy of the Construction Permit issued by Jeddah Municipality with the below details:

Subject Property

Construction Permit Type	New Permit
Property Type	Mix use property
Construction Permit No.	505232
Construction Permit Date	29/02/1431 AH
Permit Expiry Date	29/02/1434 AH

Description	No. of Units	Area (sqm)	Use
Ground Floor	1	7928.6	Showrooms
Mezzanine	1	4727.9	Showrooms
Basement	---	---	---
First Floor	1	8,648.8	Offices
Service Floor	---	---	---
Service Floor	---	---	---
Total BAU (sqm)		21,305.30	

1.19 BUILDING GROSS LEASABLE AREA (GLA)

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

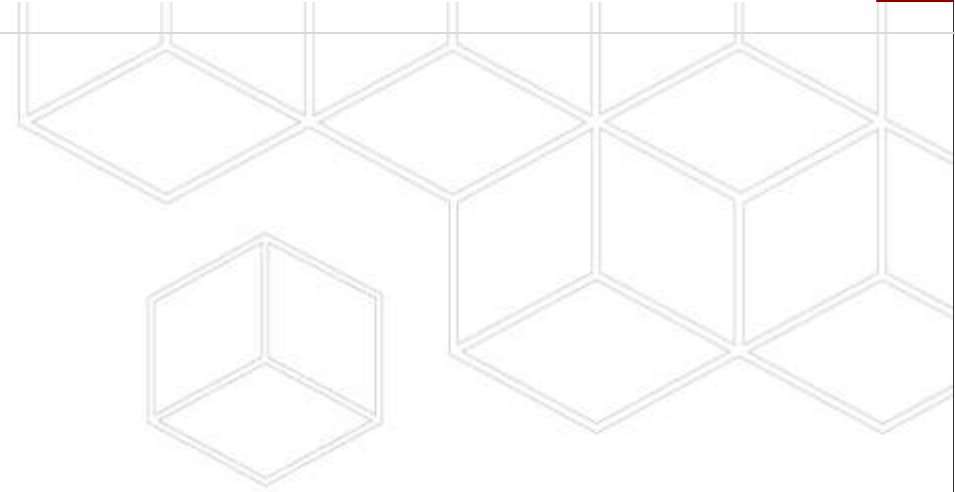
Unit No.	Type	Area (Sqm)	Unit No.	Type	Area (Sqm)
1	A-Office	374	3	B-Offices	378
2	A-Office	310	4	B-Offices	201
3	A-Office	310	5	B-Offices	378
4	A-Office	201	6	B-Offices	378
5	A-Office	274	7	B-Offices	374
6	A-Office	378	1-7	B-Showroom	2,428
7	A-Office	374	1-7	C-Offices	2,948
1-4	A-Showroom	1,323	1-2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



1.20 PHOTO RECORD



MARKET INDICATORS





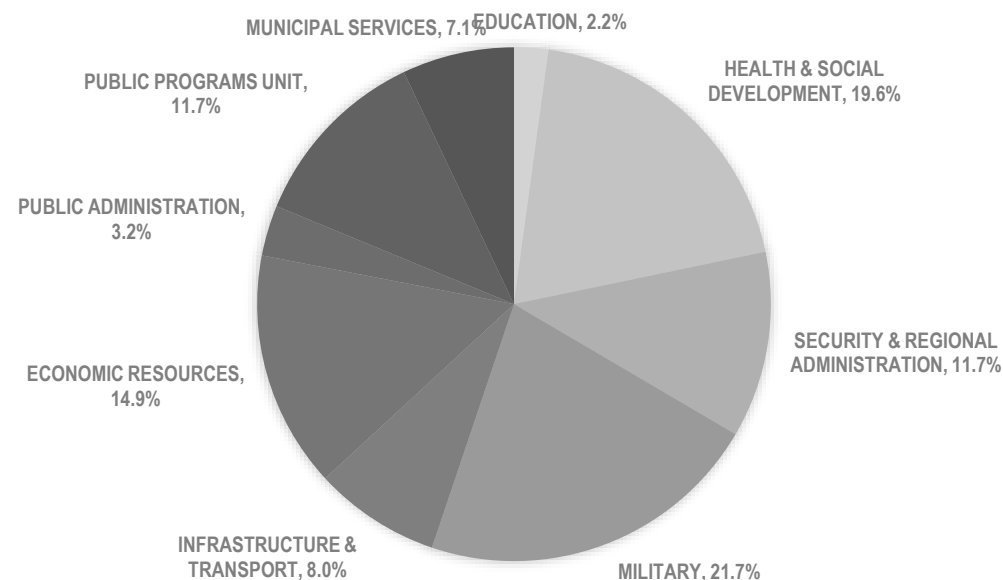
1.21 SAUDI ARABIA ECONOMIC INDICATORS

Economic Indicator	2018	2019	2020
GDP (Source: General Authority for Statistics)	(Q2) 732,747 Bn	642.8 Bn (E)	657.58 Bn (E)
GDP Growth (Source: Ministry of Finance)	%2.3	0.5%	2% (E)
Inflation Rate (Source: SAMA)	2.45%	-1.22%	-1.5% (E)
Interest Rates (Source: Trading Economics)	2.75%	3%	2.5% (E)
Government Revenues (Source: General Authority for Statistics)	895 Bn	978 Bn	833 Bn (E)
Government Spending (Source: General Authority for Statistics)	1,079 Bn	1,050 Bn (E)	1,020 Bn (E)
Unemployment Rate (Source: General Authority for Statistics)	6%	5.6%	5.2% (E)
Population (Source: General Authority for Statistics)	33,413,660	34,413,660	34,218,169

1.22 BUDGET ALLOCATION FOR 2019

Public Administration	28 SAR bn
Military	191 SAR bn
Security & Regional Adm.	103 SAR bn
Municipal Services	62 SAR bn
Education	193 SAR bn
Health & Social Dev.	172 SAR bn
Economic Resources	131 SAR bn
Infrastructure & Transport	70 SAR bn
Public Programs Unit	103 SAR bn

Source: Ministry of Economy





1.23 SWOT ANALYSIS

<p>Strength</p> <ul style="list-style-type: none"> - Open on 4 sides - Close to the main road (Prince Abdul Majeed) 	<p>Weakness</p> <ul style="list-style-type: none"> - None
<p>Opportunities</p> <ul style="list-style-type: none"> - Mostly surrounded by residential units 	<p>Threats</p> <ul style="list-style-type: none"> - Existing and upcoming similar projects

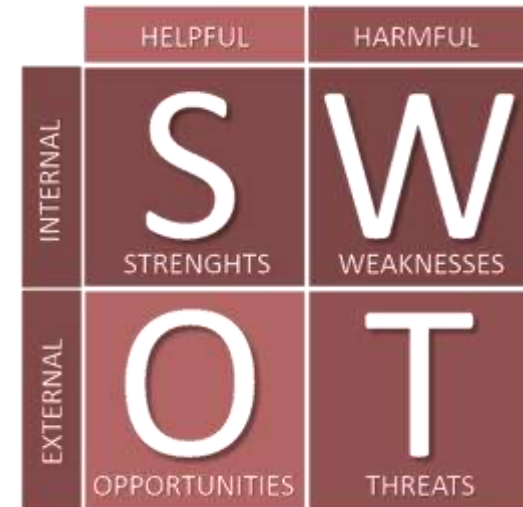
The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

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





Overall Sector Performance

From 2019 to 2020



Future Expectations



Overall Sector Stability

From 2019 to 2020



Future Expectations



Values of Lands Related to The Sector

From 2019 to 2020



Future Expectations



Sector rental Income

From 2019 to 2020



Future Expectations



Sector Demand

From 2019 to 2020

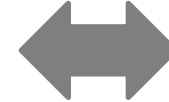


Future Expectations



Investors' Appetite

From 2019 to 2020



Future Expectations



Sector's occupancy ratios

From 2019 to 2020

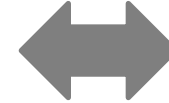


Future Expectations



Sectors Positive Changes

From 2019 to 2020



Future Expectations



White Cubes Team's Analysis



1.25 RISK ANALYSIS

Risk Factor	Very Low Risk (1) 1-6	Minimal Risk (2) 8-12	Medium Risk (3) 13-18	Elevated Risk (4) 19-24	Very High Risk (5) 25-30
Overall Economy	-----	-----	✓	-----	-----
Sector Current Performance	-----	-----	✓	-----	-----
Sector Future Performance	-----	✓	-----	-----	-----
Occupancy Rates	-----	-----	✓	-----	-----
Supply Rate	-----	-----	✓	-----	-----
Demand Rate	-----	-----	✓	-----	-----
Total Risk	0	2	15	0	0
Risk Category	17 Risk Points - Medium Risk				

Sector Analysis

Risk Category- 17 Risk Points - Medium Risk

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

Land Analysis

Risk Category- 10 Risk Points - Minimal Risk

Risk Factor	Very Low Risk (1) 1-3	Minimal Risk (2) 4-6	Medium Risk (3) 7-9	Elevated Risk (4) 10-12	Very High Risk (5) 13-15
Facilities & Amenities	-----	-----	✓	-----	-----
Management Skills	-----	-----	✓	-----	-----
Overall Condition	-----	✓	-----	-----	-----
Total Risk	0	2	6	0	0
Risk Category	8 Risk Points - Medium Risk				

Property Analysis

Risk Category- 8 Risk Points - Medium Risk

PROPERTY VALUATION





1.26 DOCUMENTS RECIEVED

The client has provided us by clear copy of the following documents.

Title Deed Copy ✓	Construction Permit ✓	Krooki ✓
Master Plan ✓	Layouts ✓	3D Design & Perspectives ✓
Pictures ✓	Presentation of the subject property ✓	Location Map ✓
Location Link ✓	Contact Details ✓	Costing & Budget ✓
Tenant List ✓	Income & Revenues ✓	Operational Cost - OPEX ✓

1.27 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.

1.28 LEGAL NOTICES

We are not aware of and have not been notified of any legal notices on the property, whether they are ongoing or pending in the courts.



1.29 INFORMATION SOURCE

Referring to the purpose of this report, it has been assumed that all information received from the client, whether verbal or written, is up-to-date and correct. Our team conducted a field research in order to ensure the validity of some market information for the purpose of valuation, which included the values of assets in the region, occupancy rates and market information related to the asset being valued in order to reach the market value of the asset being valued. During the field research process, some sources were relied on as follows:

- The field survey prepared by us
- Site inspection done by our team
- Our historical database for the similar assets of the property being valued
- Sales agents specialized with the same type of assets subject to valuation

1.30 STRUCTURAL EXAMINATION OF BUILDINGS (IF ANY)

Our service’s scope does not include any technical testing of buildings and / or structural examinations and does not include any quality assurance of these constructions. However, in the event of any visible and observed deficiencies in the structural structure, we will write it down in our report and reflect such effect on the value.

1.31 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.

1.32 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.



1.33 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	-----	Offering	
District	Al Amwaj	Al Amwaj	
Sale Price	-----	SAR 1,230,000	
Data Source	Title Deed	Market Survey	
Area Size	20,641.74	630.00	
SAR / Sqm	-----	SAR 1,952	
Sides Open	4	1	
Adjustment Analysis			
		SAMPLE 1	
Area size	20,641.74	630.00	-20.00%
Location Desirability	Average	Average	0.00%
Accessibility	Excellent	Excellent	0.00%
Main Street Width (m)	32	30	0.00%
Sides Open	4	1	10.00%
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			-20.00%
Total Adjustment Amount			-SAR 390.5
Net After Adjustment			SAR 1,561.9
SAR / Sqm		SAR 1,562	
Rounded Value		SAR 1,550	



SENSITIVITY ANALYSIS						
	-10%	-5%	0%	5%	10%	
Land Area	20,642	20,642	20,642	20,642	20,642	20,642
SAR / Sqm	SAR 1,395.0	SAR 1,472.5	SAR 1,550.0	SAR 1,627.5	SAR 1,705.0	SAR 1,705.0
Property Value	SAR 28,795,227	SAR 30,394,962	SAR 31,994,697	SAR 33,594,432	SAR 35,194,167	
			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 1,300 - 1,700 SAR / Sqm with an average of 1,500 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.

1.34 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 700	SAR 900	SAR 800
MEP	SAR 250	SAR 350	SAR 300
Finishing Materials	SAR 600	SAR 800	SAR 700
Site Improvements	SAR 130	SAR 170	SAR 150
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			
20,641.74	SAR 1,550	SAR 31,994,697			
Building					
	Unit	No of Floors	Total BUA		
Ground Floor	Sqm	1	7,928.60		
Mezzanine	Sqm	1	4,727.90		
Upper Floors	Sqm	1	8,648.80		
Total (SQM)	21,305.30				
Development Cost					
Hard Cost - Upper Floors					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	21,305.30	SAR 800	SAR 17,044,240	100%	SAR 17,044,240
Electro Mechanic	21,305.30	SAR 300	SAR 6,391,590	100%	SAR 6,391,590
Finishing	21,305.30	SAR 700	SAR 14,913,710	100%	SAR 14,913,710
Fit outs & Appliances	21,305.30	SAR 0	SAR 0	100%	SAR 0
Furniture	21,305.30	SAR 0	SAR 0	100%	SAR 0
Site Improvement	20,641.74	SAR 150	SAR 3,096,261	100%	SAR 3,096,261
Total			SAR 41,445,801	100.00%	SAR 41,445,801



Overall Soft Cost			
	Total Hard Cost	Ratio	Soft Cost
Initial Project Pre Cost	SAR 41,445,801	0.10%	SAR 41,446
Design	SAR 41,445,801	0.50%	SAR 207,229
Eng Consultant	SAR 41,445,801	1.00%	SAR 414,458
Management	SAR 41,445,801	5.00%	SAR 2,072,290
Contingency	SAR 41,445,801	5.00%	SAR 2,072,290
Others	SAR 41,445,801	0.00%	SAR 0
TOTAL		11.60%	SAR 4,807,712.92
Total Hard Cost	SAR 41,445,801	BUA	21,305.30
Total Soft Cost	SAR 4,807,712.92	SAR / Sqm	SAR 2,171
Total Construction Cost	SAR 46,253,513.92	Overall Completion	100.0%

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

DEVELOPMENT VALUE			
Total Dev Cost	SAR 46,253,514	Net Dep Rate	26.67%
Economic Age	30	Dev Cost After Depreciation	SAR 33,919,244
Annual Dep Rate	3.33%	Total Completion Rate	100.00%
Actual Age	8	Developer Profit Rate	20.0%
Total Dep Rate	26.67%	Dev. Profit Amount	SAR 6,783,849
Add Appr Rate	0.00%	Development Value	SAR 40,703,092
Net Dep Rate	26.67%		

The total value of the building is 40,703,092 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 40,703,092	SAR 31,994,697	SAR 72,697,789	SAR 72,700,000



1.35 INCOME APPROACH BASED ON MARKET RATES

Market Rental Analysis

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

Comparable	Commercial Units	Office Units
	Rental Rate/ Sqm	Rental Rate/ Sqm
Office 1	-	380 SAR/ Sqm
Obhur Mall	850 SAR/ Sqm	-
Average	850 SAR/ Sqm	380 SAR/ Sqm

As per the market survey done by our team, the market rental rates for Obhur mall range between 800 and 850 SAR/ Sqm for commercial units. Yet the property subject of valuation has better location, quality, etc which we will apply an adjustment 20% to achieve 1,000 SAR/ Sqm for commercial units and 450 SAR/ Sqm for offices.





Analysis of Operating and Maintenance Expenses

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

Management expenses	5% to 7%
Operating and maintenance expenses	5% to 6%
General service bills expenses	3% to 4%
Other incidental expenses	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 13% as the OPEX which will be calculated from the total revenues of the property. This ratio is based on the condition and quality of the property and the type of services and public facilities available in the property itself.

Market Capitalization Rate Analysis

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

The Capitalization Rate Used for the Valuation

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



Minimum capitalization rate	9.00%
Maximum capitalization rate	9.50%
Average	9.25%
The effect of the property specifications on the property	
Item	Status 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	----- -0.25% The area is served excellently
Quality and finishes	----- 0.25% Average quality finishes
Project Management Team	----- 0.00% Average management and operational team level
Services and public facilities	----- 0.25% 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	9%
Estimated capitalization rate of the property valuation	9.25%

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 9.25%, which will be applied subsequently to the net operating income of the property.

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

REVENUES						
Unit Type	Total GLA	Quantity	No of Units	SAR / Sqm	Revenues	Total Revenues
Show Rooms	7,336		0	SAR 1,000	SAR 0	SAR 7,336,000
Offices	7,631		0	SAR 450	SAR 0	SAR 3,433,950
Total Revenues						SAR 10,769,950
EXPENSES						
Unit Type	Management	Utilities	Maintenance	Vacancy	Total Expenses	
Show Rooms	5.00%	3.00%	5.00%	5.00%	18.00%	
Offices	5.00%	3.00%	5.00%	5.00%	18.00%	
-----	0.00%	0.00%	0.00%	0.00%	0.00%	
NET OPERATING INCOME						
Unit Type	Total Revenues	Total Expenses	NOI			
Show Rooms	SAR 7,336,000	18.00%	SAR 6,015,520			
Offices	SAR 3,433,950	18.00%	SAR 2,815,839			
-----	SAR 0	0.00%	SAR 0			
Total Property Revenues		Total	SAR 8,831,359			
Total Property Expenses			-SAR 1,938,591			
Net Operating Income			SAR 8,831,359.00			
Net Operating Income	Cap Rate	Property Value	Rounded Value			
SAR 8,831,359.00	9.50%	92,961,673.68 SAR	92,960,000.00 SAR			



1.36 INCOME APPROACH BASED ON LEASING CONTRACT

The client informed us that the subject property is fully lease to 1 tenant with a triple net revenues of 9,000,000 SAR annually with 35,000 SAR/ Annually as insurance premium.

REVENUES						
Unit Type	Quantity	Revenues				
Unit Type	Total GLA	No of Units	SAR / Sqm	SAR / Unit	Total Revenues	
Commercial Building		The subject property is Fully leased to 1 tenant			SAR 9,000,000	
-----	0	0	SAR 0	SAR 0	SAR 0	
-----	0	0	SAR 0	SAR 0	SAR 0	
					Total Revenues	SAR 9,000,000
EXPENSES						
Unit Type	Management	Utilities	Maintenance	Insurance	Total Expenses	
Commercial Building	0.00%	0.00%	0.00%	SAR 35,000	SAR 35,000	
-----	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 9,000,000	SAR 35,000	SAR 8,965,000			
-----	SAR 0	0.00%	SAR 0			
-----	SAR 0	0.00%	SAR 0			
					Total	SAR 8,965,000
Total Property Revenues						SAR 9,000,000
Total Property Expenses						-SAR 35,000
Net Operating Income						SAR 8,965,000.00
Net Operating Income	Cap Rate	Property Value	Rounded Value			
SAR 8,965,000.00	9.50%	94,368,421.05 SAR	94,370,000.00 SAR			

1.37 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

Methodology	Subject of Valuation	Value in Numbers	Value in Letters
Income- Market	Property	SAR 92,960,000	Ninety-Two Million and Nine Hundred Sixty Thousand Saudi Riyals
Income- Contract	Property	SAR 94,370,000	Ninety-Four Million and Three Hundred Seventy Thousand Saudi Riyals
DRC Approach	Land + Building	SAR 72,700,000	Seventy-Two Million and Seven Hundred Thousand Saudi Riyals



1.38 VALUATION NOTES

As the purpose of valuation is for REIT, and as the REIT fund (acquire income generating properties), we believe that most appropriate approach to do the valuation for such properties should be based on income methodology.

1.39 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 leasing contract is:

Property Value: 94,370,000 SAR
Ninety-Four Million and Three Hundred Seventy Thousand Saudi Riyals

1.40 REPORT USE

This valuation is for the sole use of the named Client. This report is confidential to the Client, and that of their advisors, and we accept no responsibility whatsoever to any third party. No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorized.

1.41 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.

1.42 CONCLUSION

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



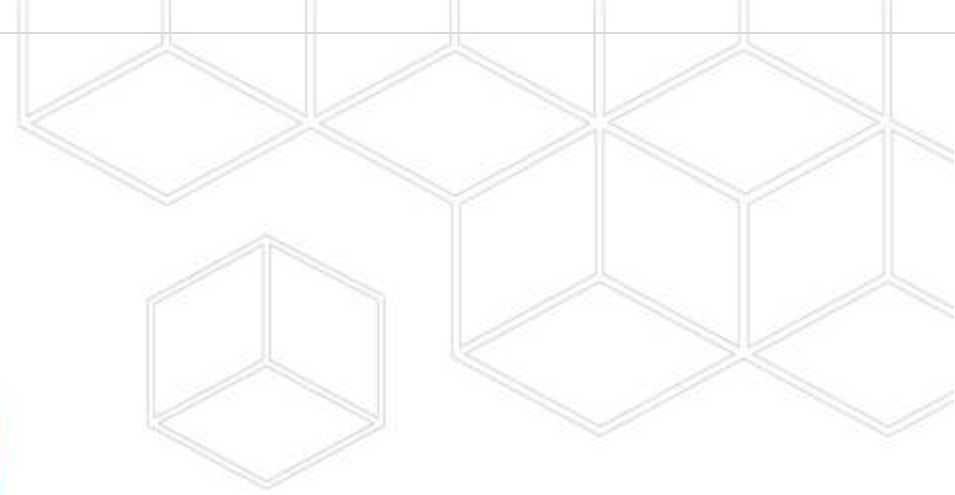
Essam Hussaini
Site Inspection Check

A handwritten signature in blue ink, appearing to read 'Essam Hussaini', written over a light blue grid background.

Member of (Taqeem)
License No. 1210000474



GENERAL NOTES





1.43 CONSULTANT STATUS

We confirm that the consultant / 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.

1.44 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 Whitecubes 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 valued 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
	Client	Date	
✓	Al Khabeer Capital	Sep 2020	-----
✓	-----	-----	-----
✓	-----	-----	-----

1.45 CONFIDENTIALITY

This document and / or any other documents received from the client are confidential between White Cubes Est. and the client. Except as may be required by any court or authority, the subject service shall not disclose or use or cause to be disclosed or used, at any time during the Term.

Any of the Client's secrets and/or confidential information, any other non-public information relating to the client business, financial or other affairs acquired by the subject service during the process remain confidential.



1.46 ENVIRONMENTAL MATTERS

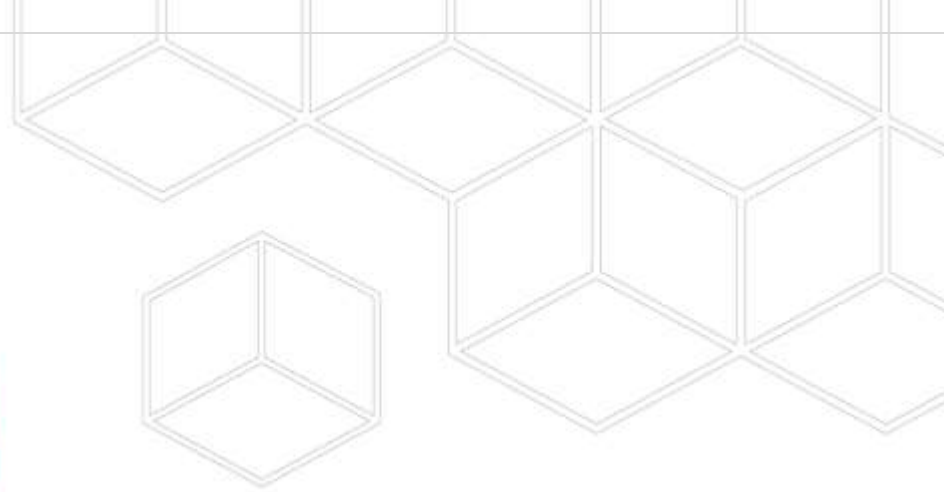
We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination.

In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative use has ever been carried out on the property.

We have not carried out any investigation into past or present uses, either of the properties or of any neighboring land, to establish whether there is any contamination or potential for contamination to the subject properties from the use or site and have therefore assumed that none exists.

However, should it be established subsequently that contamination exists at the properties or on any neighboring land, or that the premises has been or is being put to any contaminative use, this might reduce the value now reported.

DOCUMENTS COPIES

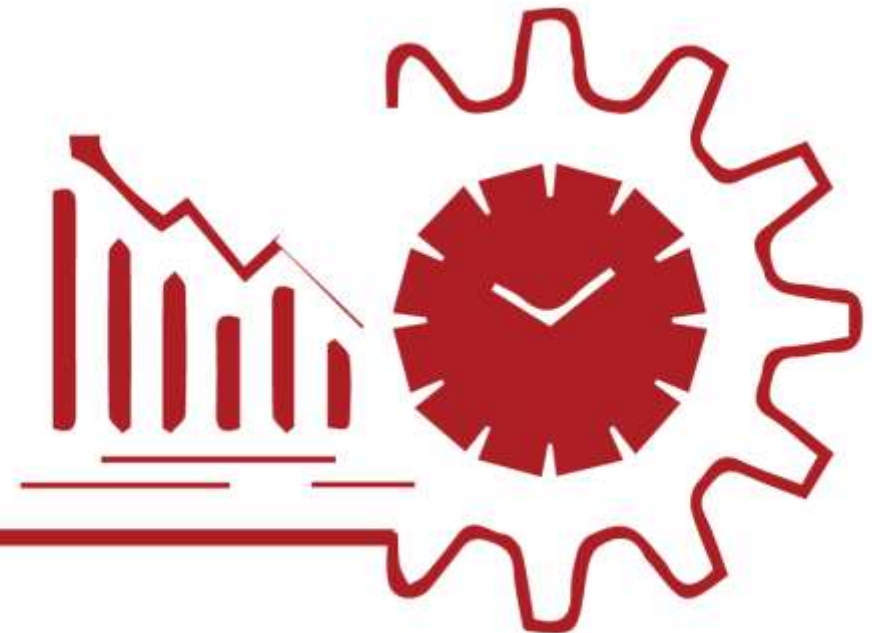


AHLAN COURT AL KHABEER CAPITAL

JEDDAH CITY
DECEMBER 2020



Valuation Report





REF: 2010830-1
Date: 30/12/2020
M/S Al Khabeer Capital

Subject: Valuation Report for retail project (Ahlan Court) in Jeddah City, Saudi Arabia.

Dear Sir,

With reference to your request and approval dated on November 29, 2020 for valuation service of the retail project (Ahlan Court) located in Jeddah city, 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)





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WHITE CUBES REAL ESTATE is the exclusive real estate advisory agent for TAHA CORP CONSULTING in the Kingdom of SAUDI ARABIA





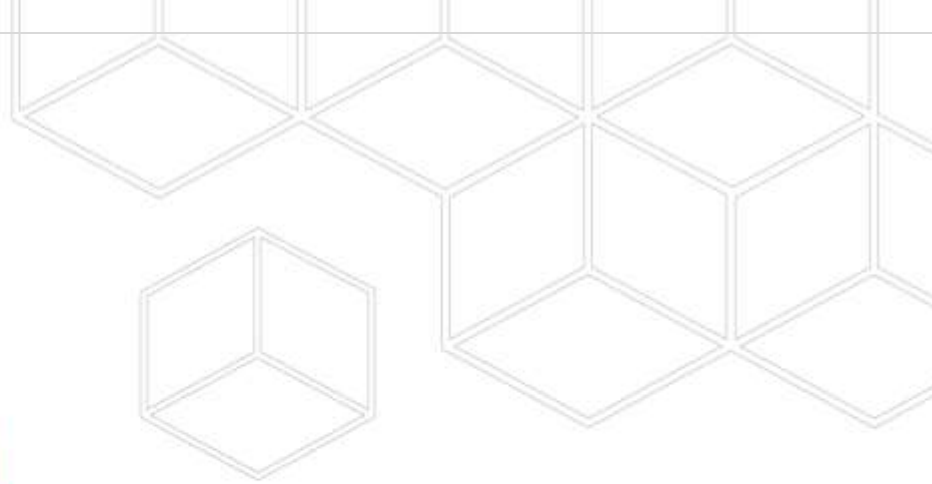
Table of Contents
(Please Click on the Title for Direct Access)

1.1	EXECUTIVE SUMMARY	7
1.2	VALUATION REFERENCE	9
1.3	BASIS OF VALUATION	9
1.4	CLIENT APPROVAL DATE	11
1.5	INSPECTION DATE	11
1.6	VALUATION DATE	11
1.7	REPORT DATE	11
1.8	OPINION OF VALUE	11
1.9	PURPOSE OF VALUATION	11
1.10	INSPECTION ROLE	11
1.11	MARKET SURVEY	12
1.12	PROPERTY & LOCATION DESCRIPTION	14
1.13	INFRASTRUCTURE FACILITIES	14
1.14	LOCATION	15
1.15	PROPERTY ACCESS	16
1.16	TITLE DEED & OWNERSHIP	17
1.17	CONSTRUCTION & BUILDINGS	17
1.18	BUILDING GROSS LEASABLE AREA (GLA)	18
1.19	PROPERTY ACTUAL RENTAL RATES	18
1.20	INSURANCE	18
1.21	PHOTO RECORD	19
1.22	SAUDI ARABIA ECONOMIC INDICATORS	21
1.23	BUDGET ALLOCATION FOR 2019	21
1.24	SWOT ANALYSIS	22
1.25	SECTOR BRIEF	22
1.26	RISK ANALYSIS	24
1.27	DOCUMENTS RECIEVED	26
1.28	GENERAL ASSUMPTIONS	26
1.29	LEGAL NOTICES	26
1.30	INFORMATION SOURCE	27
1.31	STRUCTURAL EXAMINATION OF BUILDINGS (IF ANY)	27
1.32	VALUATION APPROACH	27



1.33	INPUT VALUATION PROCESS	28
1.34	COMPARABLE APPROACH	29
1.35	COST APPROACH (DRC)	30
1.36	INCOME APPROACH BASED ON MARKET RATES	32
1.37	INCOME APPROACH BASED ON LEASING CONTRACT	35
1.38	SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES	36
1.39	SUBJECT PROPERTY VALUE	36
1.40	REPORT USE	36
1.41	DISCLAIMER	36
1.42	CONCLUSION	37
1.43	CONSULTANT STATUS	39
1.44	DISCLOSING CONFLICT OF INTEREST	39
1.45	CONFIDENTIALITY	39
1.46	ENVIRONMENTAL MATTERS	39

EXECUTIVE SUMMARY

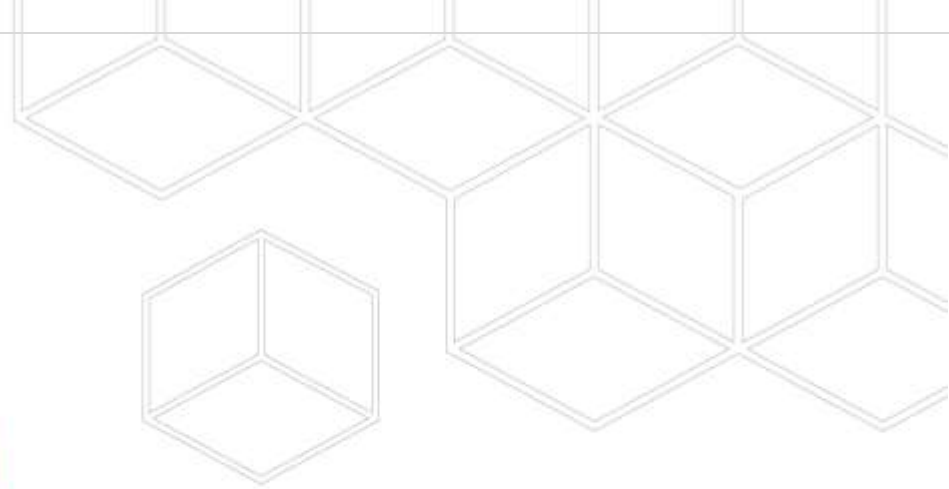




1.1 EXECUTIVE SUMMARY

Introduction	We received instructions from the client on 29/11/2020 to implement valuation service for a commercial project in Jeddah city.
Client Reference No.	For whom this report is being prepared is Al Khabeer Capital, a Saudi company registered under the Saudi law. 2010830-1
Purpose of Valuation Subject Property	Real Estate Investment Trust (REIT) Commercial Project
Property Location	The property is located in Al Andalos district, Jeddah City.
Title Deed Information	Title Deed No: 920210027006, Title Deed Date: 17/08/1440, Issued from Jeddah Notary
Ownership Type	Freehold (Mortgaged)
Owner	شركة أول الملقا العقارية
Land Use	Commercial
Land Area (Sqm)	Based on the title deed, the land has an area size of 4,342.25 Sqm
BUA (Sqm)	As per the provided construction permit, the building is composed of 2 floors with a total BUA of 2,758.3 Sqm
GLA (Sqm)	The total gross leasable area is 1,774 Sqm for showrooms and 984 Sqm for offices.
Vacancy Rate	Based on the client, the project is fully leased to 1 tenant
Valuation Approach	Income Approach & Cost Approach
Final Property Value	65,000,000 SAR
Valuation Date	30/12/2020
Inspection Date	05/12/2020

TERMS OF REFERENCE & VALUATION





1.2 VALUATION REFERENCE

This report was prepared based on the instructions issued to us by Al Khabeer Capital (the customer) 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 (IVSC).

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, eg 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.

November 29, 2020.

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.

December 05, 2020.

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 were the value/s of the subject property / properties is reflected. The valuation date is at

December 30, 2020.

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.

December 30, 2020.

1.8 OPINION OF VALUE

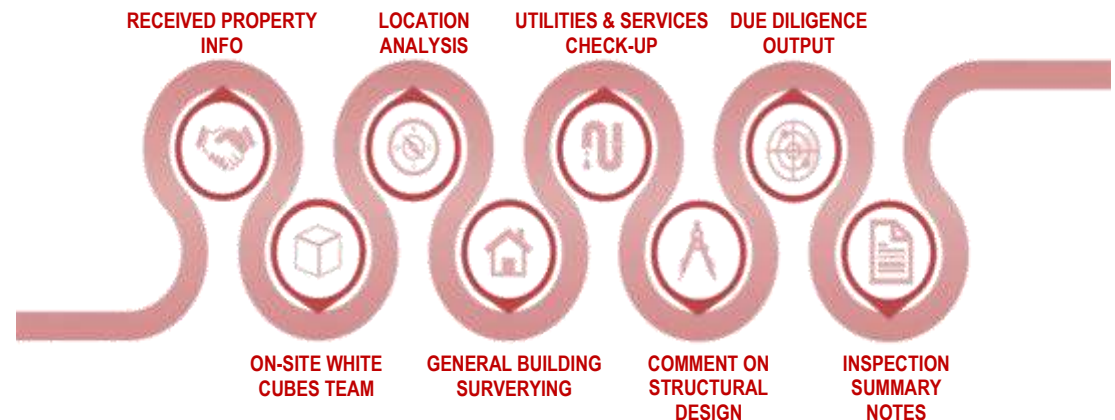
All the outputs will be shown in this report (Values) are based on our best knowledge of the market, documents received from the client (assumed to be correct), market findings and inspection inputs. Yet, the estimated values of the subject property / properties express our opinion of values based on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

1.9 PURPOSE OF VALUATION

The client requested to know the current market value of the subject property for Real Estate Investment Trust (REIT) Purposes. Therefore, and according to the valuation purpose, and as requested by the client, we will adapt the valuation methodologies of The Income Approach & Depreciated Replacement Cost (DRC)

1.10 INSPECTION ROLE

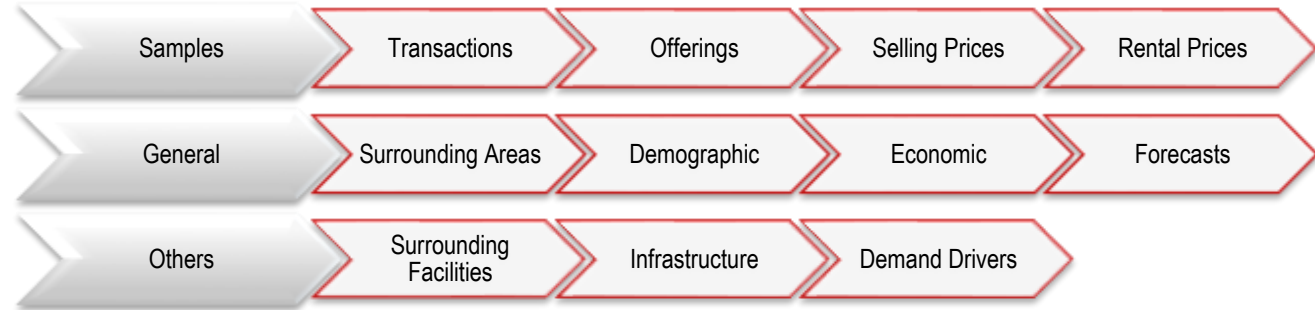
A visit to a property or inspection of an asset, to examine it and obtain relevant information, in order to express a professional opinion of its value. We hereby confirm that we have inspected the subject property / Asset at the date of inspection. Our inspection procedure covers only the surface / 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.



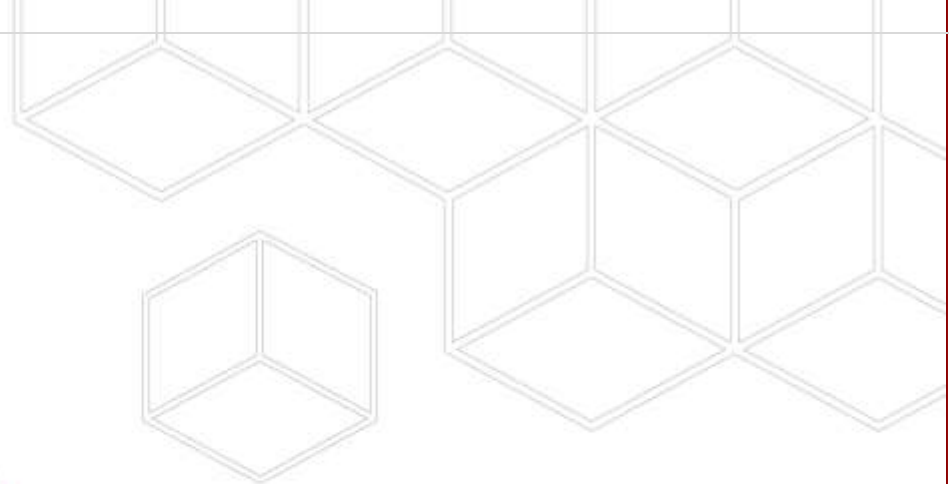


1.11 MARKET SURVEY

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.



PROPERTY DETAILS





1.12 PROPERTY & LOCATION DESCRIPTION

Property Description	The subject property is a constructed property located in Al Andalos district, Jeddah city. The Property has a total land area of 4,342.25 Sqm, and a total BUA of 2,758.3 Sqm. The subject property is a commercial retail building. As per the site inspection done by our team, the project is open on 3 sides from the north east and south with a direct view on Prince Mohammad Bin Abdulaziz Road. All infrastructural facilities such as water, electricity, telecommunication and sewage are available in the surroundings and connected the subject property.
Location Description	The property subject of valuation is a commercial project in Al Andalos district, Jeddah City. The property is bordered from the north by Prince Mohammad Bin Abdulaziz Road The property is bordered from the south by an Unnamed Street The Property is bordered from the east by an Unnamed 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 Abdulaziz Road and open from 3 sides.
Area Surrounding the Property	The subject property is mostly surrounded by residential and commercial buildings

Land		Building	
Land Use	Commercial	Building Type	Commercial Building
No. of Streets	3	Building Structural Conditions	Fully Constructed
Land Shape	Graded	External Elevation Conditions	Good
Direct View on the Main Road	Prince Mohammad Bin Abdulaziz Road	Building Finishing Conditions	Good
Direct View on an Internal Street	Unnamed Street	Overall Building Conditions	Good
Land Condition	Constructed		

1.13 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	✓	✓	



1.14 LOCATION

The subject property is located in Al Andalos district, Jeddah city and surrounded by several landmarks as follows:

Property Location on a City Scale



Property Location on a District Scale



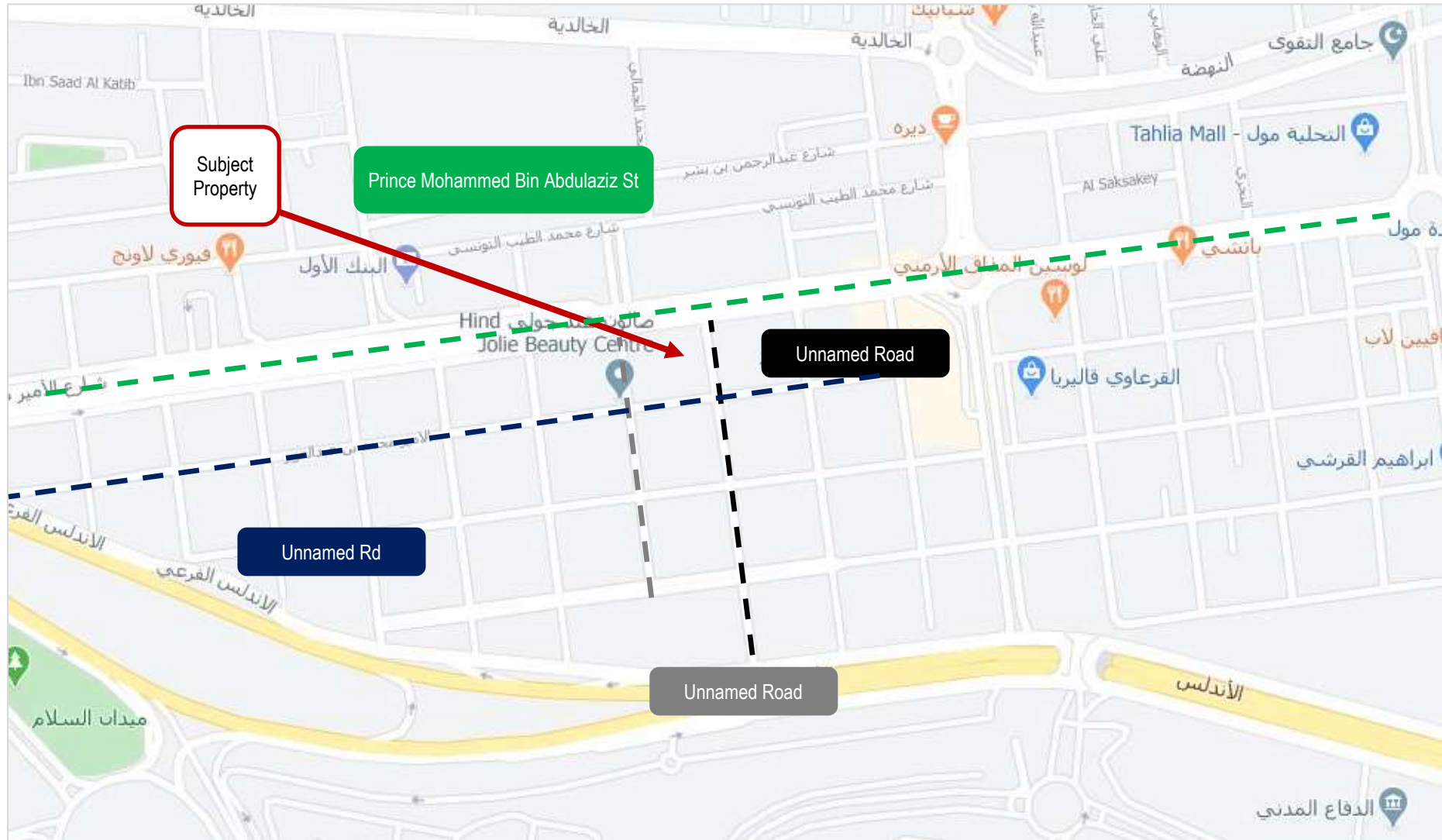
Surrounding Landmarks

- | | |
|---|---|
| 1- Ittihad Fc (0.05 Kilometers) | 6- Kaki Soccer Field Khalidya (0.45 Kilometres) |
| 2- Piatto Le Chateau (0.08 Kilometres) | 7- Alawwal Bank (0.4 Kilometres) |
| 3- Bank Al Jazira (0.1 Kilometers) | 8- Majid Society (0.2 Kilometres) |
| 4- Toni & Guy Jeddah (0.1 Kilometers) | 9- Teatro Mall (0.4 Kilometres) |
| 5- Tahlia Roshana Center (0.3 Kilometres) | 10- Deera Café (0.6 Kilometres) |



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	Jeddah	Land Area	4,342.25
District	Al Andalos	Plot No.	1
T.D Type	Electronic	Block No.	N/A
T.D Number	920210027006	Layout No.	ت.س/860
T.D Date	17/08/1440	Owner	شركة أول الملقا العقارية
T.D Value	38,181,818.19 SAR	Ownership Type	Freehold
Date of Last Transaction Issued From	17/08/1440 Jeddah Notary	Limitation of Document	Mortgaged
North Side	Private Property	East Side	Private Property
South Side	Al Khalil Street (10 Meters)	West Side	Al Khalil Street (10 Meters)
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 subject property is a fully constructed Commercial building composed of 2 floors which was constructed 12 years ago. The Client has provided us with a copy of the Construction Permit issued by Jeddah Municipality with the below details:

Subject Property	
Construction Permit Type	New Permit
Property Type	Commercial
Construction Permit No.	427000307
Construction Permit Date	1427
Permit Expiry Date	1430

Description	No. of Units	Area (sqm)	Use
Ground Floor	6	1,774.3	Restaurant
Mezzanine	---	---	---
Basement	---	---	---
First Floor	1	984	Restaurant
Total BAU (sqm)		2,758.3	

1.18 BUILDING GROSS LEASABLE AREA (GLA)

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

1.19 PROPERTY ACTUAL RENTAL RATES

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

1.20 INSURANCE

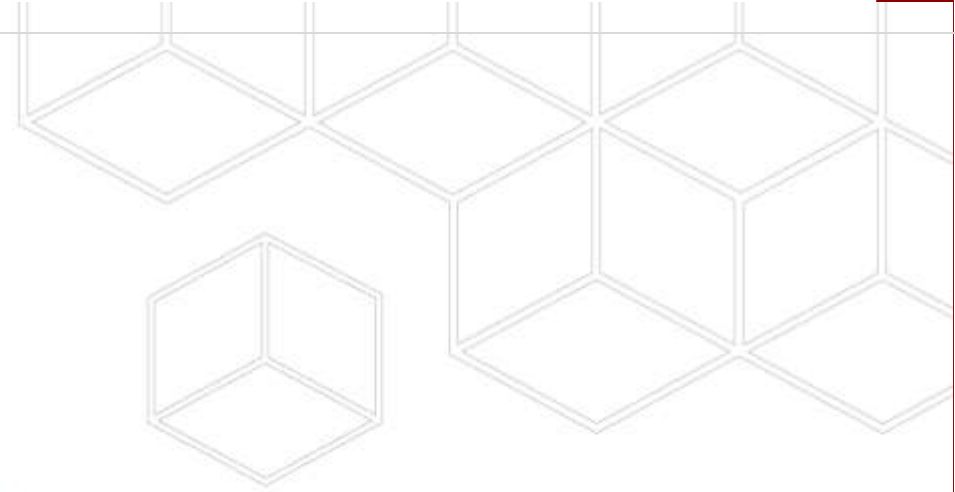
Property	Insurance Type	Policy Number	Insurance Company	Policy Expiry Date
Ahlan Court	Property all type risks	P0420-PAR-HCAB-12560163	Al Rajhi Company for Cooperative Insurance	30/03/2021
Ahlan Court	Third part liability	P0420-TPL-HCAB-12560162	Al Rajhi Company for Cooperative Insurance	03/04/2021



1.21 PHOTO RECORD



MARKET INDICATORS





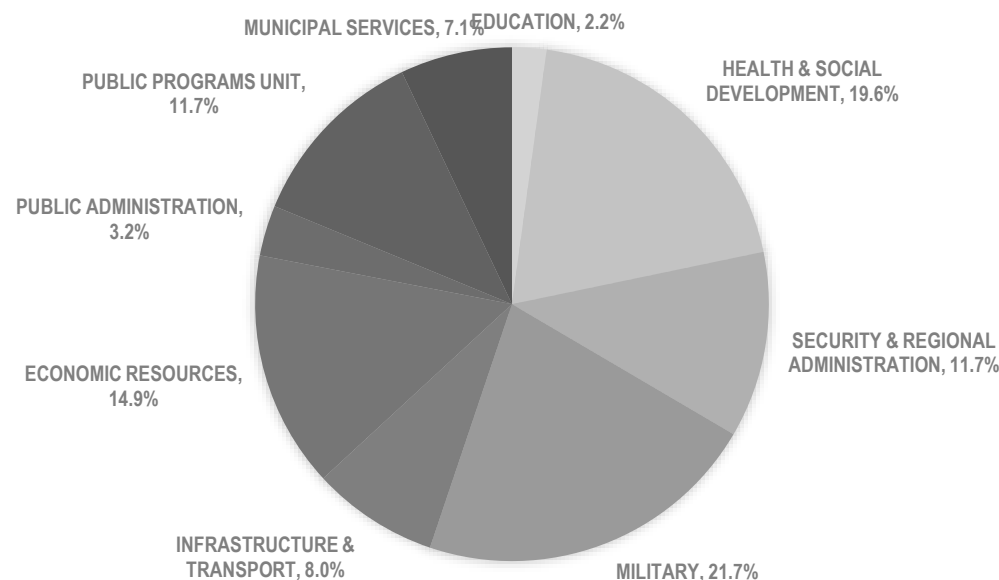
1.22 SAUDI ARABIA ECONOMIC INDICATORS

Economic Indicator	2018	2019	2020
GDP (Source: General Authority for Statistics)	(Q2) 732,747 Bn	642.8 Bn (E)	657.58 Bn (E)
GDP Growth (Source: Ministry of Finance)	%2.3	0.5%	2% (E)
Inflation Rate (Source: SAMA)	2.45%	-1.22%	-1.5% (E)
Interest Rates (Source: Trading Economics)	2.75%	3%	2.5% (E)
Government Revenues (Source: General Authority for Statistics)	895 Bn	978 Bn	833 Bn (E)
Government Spending (Source: General Authority for Statistics)	1,079 Bn	1,050 Bn (E)	1,020 Bn (E)
Unemployment Rate (Source: General Authority for Statistics)	6%	5.6%	5.2% (E)
Population (Source: General Authority for Statistics)	33,413,660	34,413,660	34,218,169

1.23 BUDGET ALLOCATION FOR 2019

Public Administration	28 SAR bn
Military	191 SAR bn
Security & Regional Adm.	103 SAR bn
Municipal Services	62 SAR bn
Education	193 SAR bn
Health & Social Dev.	172 SAR bn
Economic Resources	131 SAR bn
Infrastructure & Transport	70 SAR bn
Public Programs Unit	103 SAR bn

Source: Ministry of Economy





1.24 SWOT ANALYSIS

Strength <ul style="list-style-type: none"> - Open on 3 sides - Have a direct view on the main street - Near the seashores 	Weakness <ul style="list-style-type: none"> - None
Opportunities <ul style="list-style-type: none"> - Surrounded by several residential units 	Threats <ul style="list-style-type: none"> - Similar and upcoming projects

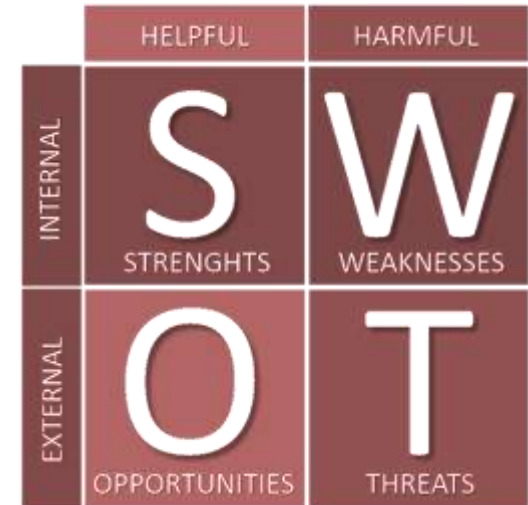
The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

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





Overall Sector Performance

From 2019 to 2020

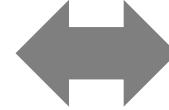


Future Expectations



Overall Sector Stability

From 2019 to 2020



Future Expectations



Values of Lands Related to The Sector

From 2019 to 2020



Future Expectations

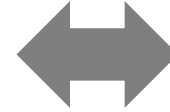


Sector rental Income

From 2019 to 2020



Future Expectations



Sector Demand

From 2019 to 2020

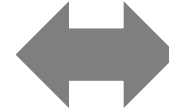


Future Expectations



Investors' Appetite

From 2019 to 2020

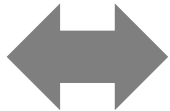


Future Expectations



Sector's occupancy ratios

From 2019 to 2020

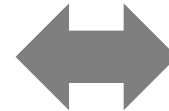


Future Expectations



Sectors Positive Changes

From 2019 to 2020



Future Expectations



White Cubes Team's Analysis



1.26 RISK ANALYSIS

Risk Factor	Very Low Risk (1) 1-6	Minimal Risk (2) 8-12	Medium Risk (3) 13-18	Elevated Risk (4) 19-24	Very High Risk (5) 25-30
Overall Economy	-----	-----	✓	-----	-----
Sector Current Performance	-----	-----	✓	-----	-----
Sector Future Performance	-----	✓	-----	-----	-----
Occupancy Rates	-----	-----	✓	-----	-----
Supply Rate	-----	-----	✓	-----	-----
Demand Rate	-----	✓	-----	-----	-----
Total Risk	0	4	12	0	0

Risk Category 16 Risk Points - Medium Risk

Sector Analysis

Risk Category- 16 Risk Points - Medium Risk

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

Risk Category 8 Risk Points – Minimal Risk

Land Analysis

Risk Category- 8 Risk Points - Minimal Risk

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

Risk Category 8 Risk Points - Medium Risk

Property Analysis

Risk Category- 8 Risk Points - Medium Risk

PROPERTY VALUATION





1.27 DOCUMENTS RECIEVED

The client has provided us by clear copy of the following documents.

Title Deed Copy ✓	Construction Permit ✓	Krooki ✓
Master Plan ✓	Layouts ✓	3D Design & Perspectives ✓
Pictures ✓	Presentation of the subject property ✓	Location Map ✓
Location Link ✓	Contact Details ✓	Costing & Budget ✓
Tenant List ✓	Income & Revenues ✓	Operational Cost - OPEX ✓

1.28 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.

1.29 LEGAL NOTICES

We are not aware of and have not been notified of any legal notices on the property, whether they are ongoing or pending in the courts.



1.30 INFORMATION SOURCE

Referring to the purpose of this report, it has been assumed that all information received from the client, whether verbal or written, is up-to-date and correct. Our team conducted a field research in order to ensure the validity of some market information for the purpose of valuation, which included the values of assets in the region, occupancy rates and market information related to the asset being valued in order to reach the market value of the asset being valued. During the field research process, some sources were relied on as follows:

- The field survey prepared by us
- Site inspection done by our team
- Our historical database for the similar assets of the property being valued
- Sales agents specialized with the same type of assets subject to valuation

1.31 STRUCTURAL EXAMINATION OF BUILDINGS (IF ANY)

Our service’s scope does not include any technical testing of buildings and / or structural examinations and does not include any quality assurance of these constructions. However, in the event of any visible and observed deficiencies in the structural structure, we will write it down in our report and reflect such effect on the value.

1.32 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.

1.33 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.

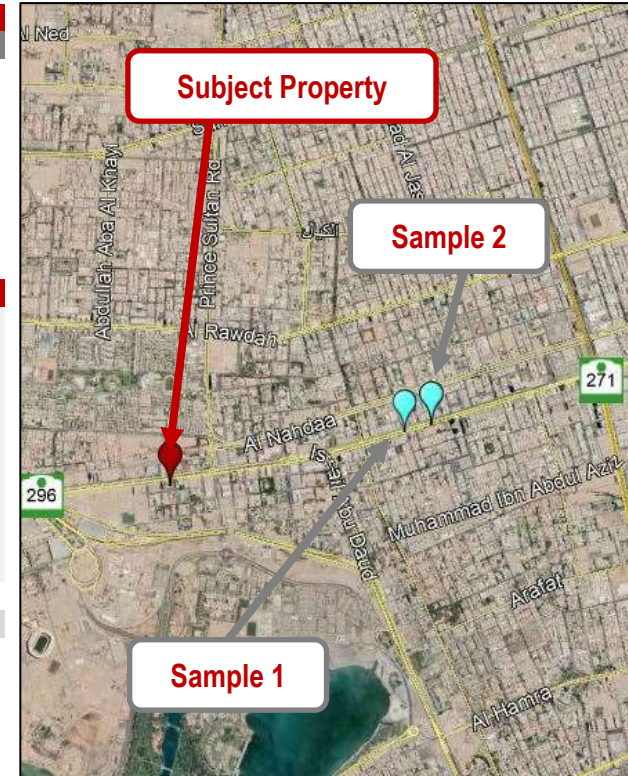


1.34 COMPARABLE APPROACH

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 Andalos	Al Andalos	Al Andalos
Sale Price	-----	SAR 59,000,000	SAR 32,000,000
Data Source	Title Deed	Market Survey	Market Survey
Area Size	4,342.25	3,806.00	2,800.00
SAR / Sqm	-----	SAR 15,502	SAR 11,429
Sides Open	3	3	1

Adjustment Analysis					
		SAMPLE 1		SAMPLE 2	
Area size	4,342.25	3,806.00	-5.00%	2,800.00	-5.00%
Location Desirability	Average	Average	0.00%	Average	0.00%
Accessibility	Excellent	Excellent	0.00%	Excellent	0.00%
Main Street Width (m)	40	40	0.00%	40	0.00%
Sides Open	3	3	0.00%	1	10.00%
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			-15.00%		5.00%
Total Adjustment Amount			-SAR 2,325.3		SAR 571.4
Net After Adjustment			SAR 13,176.6		SAR 12,000.0
SAR / Sqm			SAR 12,588		
Rounded Value			SAR 12,600		



SENSITIVITY ANALYSIS					
	-10%	-5%	0%	5%	10%
Land Area	4,342	4,342	4,342	4,342	4,342
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 49,241,115	SAR 51,976,733	SAR 54,712,350	SAR 57,447,968	SAR 60,183,585
			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 / m2. 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.

1.35 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 700	SAR 900	SAR 800
MEP	SAR 150	SAR 250	SAR 200
Finishing Materials	SAR 350	SAR 450	SAR 400
Site Improvements	SAR 180	SAR 220	SAR 200
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
4,342.25	SAR 12,600		SAR 54,712,350

Building			
	Unit	No of Floors	Total BUA
Ground Floor	Sqm	1	1,774.30
First Floor	Sqm	1	984.00
Total (SQM)	2,758.30		

Development Cost					
Hard Cost - Upper Floors					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	2,758.30	SAR 800	SAR 2,206,640	100%	SAR 2,206,640
Electro Mechanic	2,758.30	SAR 200	SAR 551,660	100%	SAR 551,660
Finishing	2,758.30	SAR 400	SAR 1,103,320	100%	SAR 1,103,320
Fit outs & Appliances	2,758.30	SAR 0	SAR 0	100%	SAR 0
Furniture	2,758.30	SAR 0	SAR 0	100%	SAR 0
Site Improvement	4,342.25	SAR 200	SAR 868,450	100%	SAR 868,450
Total			SAR 4,730,070	100.00%	SAR 4,730,070



Overall Soft Cost				
		Total Hard Cost	Ratio	Soft Cost
Initial Project Pre Cost		SAR 4,730,070	0.10%	SAR 4,730
Design		SAR 4,730,070	0.50%	SAR 23,650
Eng Consultant		SAR 4,730,070	1.00%	SAR 47,301
Management		SAR 4,730,070	5.00%	SAR 236,504
Contingency		SAR 4,730,070	5.00%	SAR 236,504
Others		SAR 4,730,070	0.00%	SAR 0
TOTAL			11.60%	SAR 548,688.12
Total Hard Cost	SAR 4,730,070		BUA	2,758.30
Total Soft Cost	SAR 548,688.12		SAR / Sqm	SAR 1,914
Total Construction Cost	SAR 5,278,758.12		Overall Completion	100.0%

After knowing the total construction costs at a rate 1,914 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 5,278,758	Net Dep Rate	40.00%
		Dev Cost After Depreciation	SAR 3,167,255
Economic Age	30	Total Completion Rate	100.00%
Annual Dep Rate	3.33%	Developer Profit Rate	20.0%
Actual Age	12	Dev. Profit Amount	SAR 633,451
Total Dep Rate	40.00%	Development Value	SAR 3,800,706
Add Appr Rate	0.00%		
Net Dep Rate	40.00%		

The total value of the building is 3,800,706 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 3,800,706	SAR 54,712,350	SAR 58,513,056	SAR 58,510,000

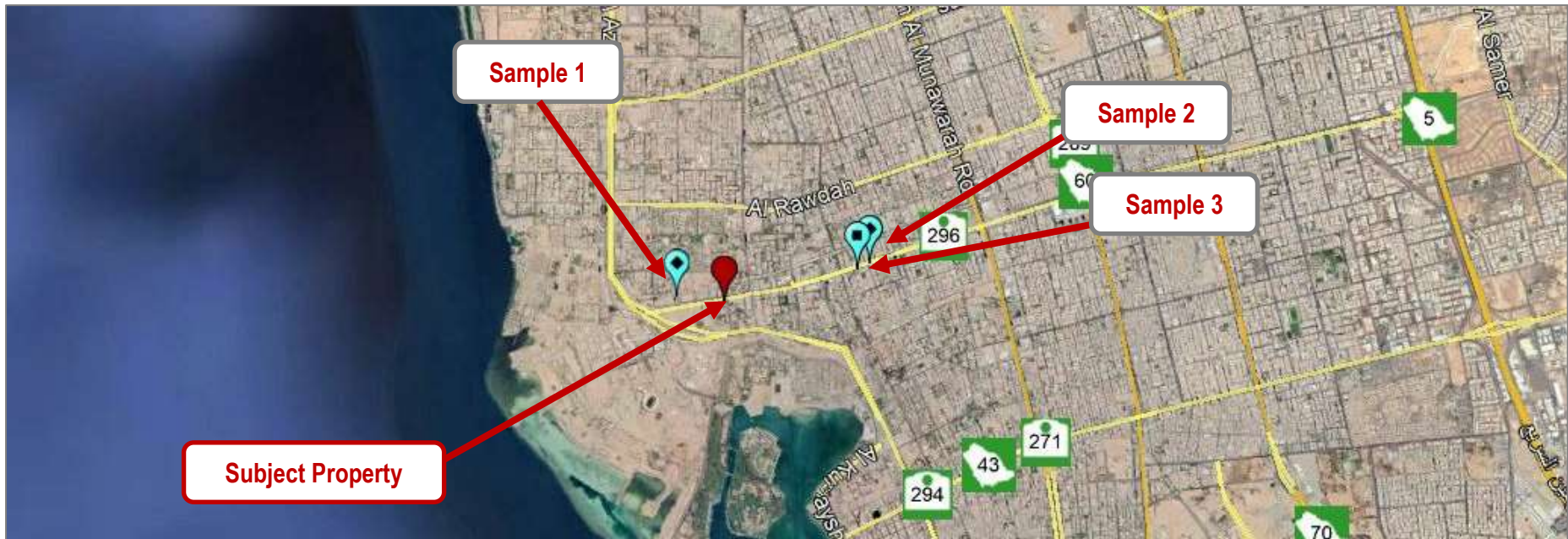


1.36 INCOME APPROACH BASED ON MARKET RATES

Market Rental Analysis

We were not able to find similar samples within the property area. Yet, we have executed some trade interviews with local real estate agents, in addition to the actual rental rates of the subject property, we have found that the rental rates fall between 2,500 to 3,500 SAR/ Sqm. We have also noted that some of the units are showrooms including internal mezzanine. Taking into consideration all the mentioned, we will base our valuation analysis on 3,100 SAR/ Sqm as a rental rate for showrooms. As for the offices rental rates, falls between

Comparable No.	Office Units
Comparable 1	Rental Rate/ Unit 800 SAR/ Sqm
Comparable 2	700 SAR/ Sqm
Comparable 3	650 SAR/ Sqm
Average	730 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	2% to 3%
Operating and maintenance expenses	2% to 4%
General service bills expenses	1% to 2%
Other incidental expenses	1% to 2%

Property Operation and Maintenance Expenses

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

Market Capitalization Rate Analysis

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

The Capitalization Rate Used for the Valuation

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

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

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

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



Minimum capitalization rate	8.00%
Maximum capitalization rate	9.00%
Average	8.50%
The effect of the property specifications on the property	
Item	Status 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 11 years
The general location of the property	----- -0.25% The area is served excellently
Quality and finishes	----- 0.25% Average quality finishes
Project Management Team	----- -0.25% Good management and operational team level
Services and public facilities	----- 0.25% 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	9%
Estimated capitalization rate of the property valuation	8.50%

Occupancy Rates in the Project

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

REVENUES						
Unit Type	Total GLA	No of Units	SAR / Sqm	SAR / Unit	Total Revenues	
Show Rooms	1,774	0	SAR 3,100	SAR 0	SAR 5,499,400	
Offices	984	0	SAR 720	SAR 0	SAR 708,480	
-----	0	0	SAR 0	SAR 0	SAR 0	
					Total Revenues	SAR 6,207,880
EXPENSES						
Unit Type	Management	Utilities	Maintenance	Vacancy	Total Expenses	
Show Rooms	2.00%	2.00%	2.00%	5.00%	11.00%	
Offices	2.00%	2.00%	2.00%	5.00%	11.00%	
-----	0.00%	0.00%	0.00%	0.00%	0.00%	
NET OPERATING INCOME						
Unit Type	Total Revenues	Total Expenses	NOI			
Show Rooms	SAR 5,499,400	11.00%	SAR 4,894,466			
Offices	SAR 708,480	11.00%	SAR 630,547			
-----	SAR 0	0.00%	SAR 0			
			Total	SAR 5,525,013		
Total Property Revenues				SAR 6,207,880		
Total Property Expenses				-SAR 682,867		
Net Operating Income				SAR 5,525,013.20		
Net Operating Income	Cap Rate	Property Value	Rounded Value			
SAR 5,525,013.20	8.50%	65,000,155.29 SAR	65,000,000.00 SAR			



1.37 INCOME APPROACH BASED ON LEASING CONTRACT

Analysis of Operating and Maintenance Expenses

The client informed us that the subject property expenses is only the insurance premium of 20,000 SAR.

Occupancy Rates in the Project

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

REVENUES						
Unit Type	Quantity	Revenues				
Unit Type	Total GLA	No of Units	SAR / Sqm	SAR / Unit	Total Revenues	
Retail Project		The subject property is Fully leased to 1 tenant			SAR 7,000,000	
-----	0	0	SAR 0	SAR 0	SAR 0	
-----	0	0	SAR 0	SAR 0	SAR 0	
					Total Revenues	SAR 7,000,000
EXPENSES						
Unit Type	Management	Utilities	Maintenance	Insurance	Total Expenses	
Retail Project	0.00%	0.00%	0.00%	SAR 20,000	SAR 20,000	
-----	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		
Retail Project	SAR 7,000,000	SAR 20,000		SAR 6,980,000		
-----	SAR 0	0.00%		SAR 0		
-----	SAR 0	0.00%		SAR 0		
					Total	SAR 6,980,000
Total Property Revenues					SAR 7,000,000	
Total Property Expenses					-SAR 20,000	
Net Operating Income					SAR 6,980,000.00	
Summary						
Net Operating Income		Cap Rate	Property Value		Rounded Value	
SAR 6,980,000.00		8.50%	82,117,647.06 SAR		82,120,000.00 SAR	



1.38 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

Methodology	Subject of Valuation	Value in Numbers	Value in Letters
Income- Market	Property	SAR 65,000,000	Sixty-Five Million Saudi Riyals
Income- Contract	Property	SAR 82,120,000	Eighty-Two Million and One Hundred Twenty Thousand Saudi Riyals
DRC Approach	Land + Building	SAR 58,510,000	Fifty-Eight Million and Five Hundred Ten Thousand Saudi Riyals

1.39 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 market rates is:

Property Value: 65,000,000 SAR
Sixty-Five Million Thousand Saudi Riyals

1.40 REPORT USE

This valuation is for the sole use of the named Client. This report is confidential to the Client, and that of their advisors, and we accept no responsibility whatsoever to any third party. No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorized.

1.41 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.



1.42 CONCLUSION

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

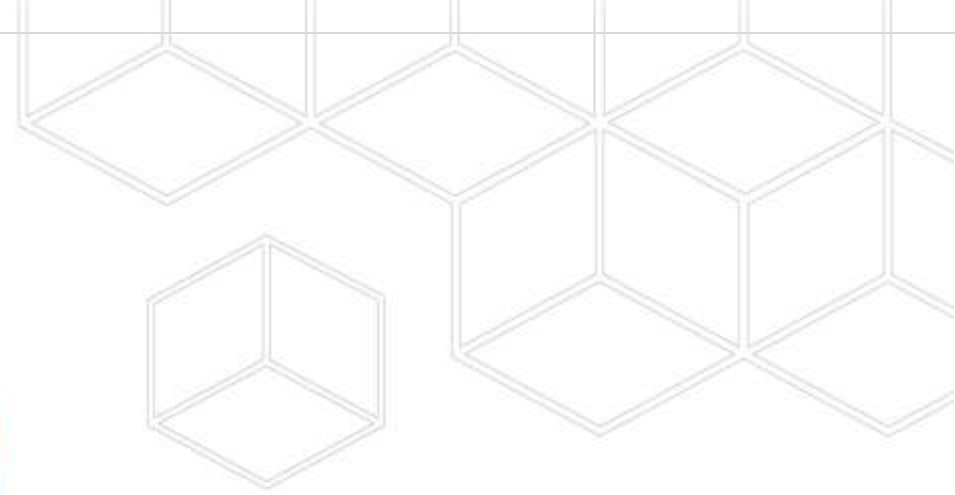
Essam Hussaini
Site Inspection Check

A handwritten signature in blue ink, appearing to read 'Essam Hussaini'.

Member of (Taqeem)
License No. 1210000474



GENERAL NOTES





1.43 CONSULTANT STATUS

We confirm that the consultant / 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.

1.44 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 Whitecubes 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 valued 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
	Client	Date	
✓	Al Khabeer Capital	Sep 2020	-----
✓	-----	-----	-----
✓	-----	-----	-----

1.45 CONFIDENTIALITY

This document and / or any other documents received from the client are confidential between White Cubes Est. and the client. Except as may be required by any court or authority, the subject service shall not disclose or use or cause to be disclosed or used, at any time during the Term.

Any of the Client's secrets and/or confidential information, any other non-public information relating to the client business, financial or other affairs acquired by the subject service during the process remain confidential.



1.46 ENVIRONMENTAL MATTERS

We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination.

In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative use has ever been carried out on the property.

We have not carried out any investigation into past or present uses, either of the properties or of any neighboring land, to establish whether there is any contamination or potential for contamination to the subject properties from the use or site and have therefore assumed that none exists.

However, should it be established subsequently that contamination exists at the properties or on any neighboring land, or that the premises has been or is being put to any contaminative use, this might reduce the value now reported.

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