



Real Estate Appraisal Report  
Presented to:  
Riyad REIT Fund  
(RIYADH REAL ESTATE INCOME CO.)  
H2 2023



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## M/s Riyad REIT Fund (RIYADH REAL ESTATE INCOME CO.)

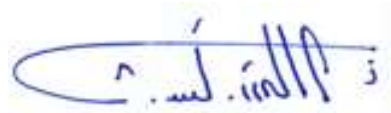
As you approved MUMTALKATI APPRAISAL COMPANY for valuation of the real estate properties within Saudi Arabia in Riyadh, Jeddah, Dammam and Al Khobar, our team has completed the task after inspection of the assets and taking into account all elements affecting value. Based on the International Standards adopted and the professional assets of the valuation process, we seek to identify the real estate value which is fit for the purpose for which the Appraisal Report was developed. This Report is a reliable testimony of the purpose for which this appraisal task was carried out, noting that this Report is an integral unit that should not be divided.

### Reference data:

Applicant (Client)	RIYADH REAL ESTATE INCOME CO.	
Beneficiary (Report User)	RIYADH REAL ESTATE INCOME CO.	
Appraisal Purpose:	The Client (RIYADH REAL ESTATE INCOME CO.) commissioned MUMTALKATI APPRAISAL COMPANY to value assets subject matter of the Report to estimate the value of properties pursuant to International Valuation Standards for the year 2022 for the purpose of periodic Report for the Riyad REIT Fund.	
Inspection Date	Value Effective Date	Reports Issuance Dates:
10/12/2023 G	31/12/2023 G	12/03/2024 G

CEO

Eng. Abdullah bin Ali Al-Showair  
Membership No.: 1210000540



Chairman

Eng. Ahmed bin Mohammed Ababatain  
Membership No.: 1210000305



# General Outlines and Conditions

- **Final estimate** of the values mentioned in these reports is based on considerations for use at the specific time in which valuation was made. Any change in the current use of the property or on the valuation date may affect the final conclusion of the values mentioned in this Report.
- No legal document has been verified for the property under valuation, which includes planning, ownership, mortgage and legal matters on which all or part of these reports were based and were deemed to be reliable. It was also assumed that the properties are free from any legal obligations, mortgage rights or any other impediments. In the event that any future information that is not mentioned in the reports is found to be inadvertently and unintentionally incorrect, then values set out in these reports may change.
- **Legal uses available for real estate** based on municipal regulations: As inspected by the appraiser, and compared to properties located in the same streets of the appraised properties, there are no special negative conditions or regulations specific to use.
- While completing real estate appraisals, **field information was obtained from primary sources** such as (Real estate offices, real estate owners, and individuals in the vicinity of the properties under appraisal. This information is assumed to be correct and reliable. MUMTALKATI APPRAISAL COMPANY bears no responsibility for any errors in this data.)

**According to the definition of the International Valuation Standards, “Assumptions are logical matters that can be accepted as fact in the context of appraisals without checking or scrutinizing them in a specific way. They are also matters that are accepted once they are mentioned. These assumptions are necessary to understand appraisal or advice provided. Special assumptions are assumptions that differ from the actual existing facts on the appraisal date.**

- The descriptions and analyzes of improvements to the properties in this Report are based on a **Visual Inspection of the properties**. The property has not been structurally inspected or any hidden defects have been examined. Therefore, it must be understood that this is an appraisal report and not a structural inspection. The appraiser shall not be liable for any hidden defects that may be present in any structure or any part of the building.
- The appraiser did not notice any hazardous substances in the property or its surroundings that may have a negative impact on the property. In addition, the appraiser is not aware of the existence of such material and is not authorized to disclose such material. Valuation is based on the assumption that no such material is found in the properties. We bear no responsibility for any such hazards and we have no expertise or engineering knowledge required to detect them.
- The appraiser confirms that it verified the property data and studied the market to reach his opinion on the value of the property under study.
- **These reports** have been prepared for **the sole** and exclusive use of the client mentioned in this report. Moreover, third parties may not rely on this report without the express written consent of MUMTALKATI APPRAISAL COMPANY.
- When values of properties not under study or improvements are presented separately, they are used only as an aid to better estimate the value of the property under study. This does not mean that it is an appraisal of the properties used for comparison per se.
- **Projections of income and expenses in these reports are based on information provided by the landlord as well as data from the local real estate market and are based on the present.** The appraiser believes that this information is accurate and based on the best available data at the time of writing this report. However, these data and projections are based on assumptions about the circumstances and events surrounding the property, as they are subject to changes that may arise in the future with changes surrounding the property. Accordingly, the appraiser cannot provide assurance that the expected results will be correct in the future..



- There will be no obligation to testify or appear in court for the appraiser or appraisal company because of these appraisals. Disclosure of the contents of these appraisals is subject to the regulations and requirements of the Saudi Authority for Accredited Valuers (TAQEEM).
- The appraiser did not carry out any analysis and study of the soil or the geological and seismic characteristics of the property. Therefore, the appraiser does not bear any responsibility for the geological or seismic matters of the real estate land. This appraisal should not be relied upon if there is a seismic problem, if it actually exists.
- The estimated values in these reports are for the property under study only and according to the narrative of the report. This Report should not be used for other purposes.
- Changing the purpose of the appraisal or use of the property for which the Report was developed may affect the values set out in this Report and may be incorrect.
- Not all or some of this Report may be included in or referred to in any document, publication, or statement published or re-issued electronically or the like without reference to and prior approval of MUMTALKATI APPRAISAL COMPANY.
- This Appraisal Report is correct only if it is approved by the Company's seal in addition to the signature of the accredited appraisers.
- The ability to value the property: MUMTALKATI APPRAISAL COMPANY has the ability to value this type of real estate assets and has the necessary competence to carry out the appraisal. Thus, it has accepted the appraisal assignment.
- The property was valued based on the International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) for the year 2022 G, in accordance with the professional procedures and rules issued by the Saudi Authority for Accredited Valuers (TAQEEM). They are based on analysis, comparison and direct inspection of each property, as well as searching as much as possible for the positive and negative influences and characteristics of the property under appraisal.

- MUMTALKATI APPRAISAL COMPANY is committed to the confidentiality of the information contained in the Report.
- This valuation is linked to the market value estimate under the current circumstances.
- The Report is prepared for the purpose of the client and the users of the report. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof in any document, statement, circular, or any means of communication except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY. We authorize the fund manager to publish this Report on its website, Tadawul's website and CMA website. In addition, we do not accept any responsibility whatsoever to any other party.
- The property was inspected outwardly, and it was not structurally inspected. Besides, no apparent defects were noticed, unless they were mentioned in the Report.
- All documents submitted by the client are at the responsibility of the client. MUMTALKATI APPRAISAL COMPANY bears no responsibility for the documents related to this property. The documents were assumed to be valid and free from any legal obligations or any obstacles, unless they were mentioned in the documents or authorized by the appraisal applicant. Furthermore, the company also does not acknowledge the accuracy or completeness of the available data. Sometimes assumptions are made, according to the market situation in the event of lack of information. It therefore does not express its opinion and has not made any kind of assurance of the accuracy or completeness of the data except as clearly indicated in this Report.
- Appraisal was made pursuant to the International Standards issued by the Saudi Authority for Accredited Valuers (TAQEEM) in 2022 G.
- Duration of this appraisal is three months from the date on which this Report is developed.





## Confidentiality and Retention of Information Limitation of Liability and Independence Ownership Documents

This Report has been developed upon a special request and for an advisory purpose. Therefore, we realize that the applicant attaches the utmost importance to preservation and confidentiality of data and outputs in this Report and we are committed to doing so. Besides, client information will not be used "explicitly" other than in this Report. Moreover, information contained therein shall be fully owned by its owner and the users identified in the Report. No other party may have access thereto.

This appraisal task and the accompanying Report are an advisory task in which we preserve the principles of impartiality, transparency and professionalism without any external influence whatsoever.

### • Sources and Nature of Information

In preparing the valuation report, we relied on a range of sources, information and office data that we believe are equivalent to the purpose and time of the valuation.

A photocopy of the title deed has been reviewed. Accordingly, we assume the integrity of the title deed and the absence of anything that contradicts or opposes it. The Report was issued accordingly and we disclaim our responsibility for everything that contradicts it.

## • Intellectual Property and Reuse

This Report is a form and content of intellectual property ownership of MUMTALKATI APPRAISAL COMPANY. A party, including the applicant and the beneficiary of the Report, may not republish all or parts of the Report without obtaining the Company's written consent.



## • Legislation and regulatory risks

The regulatory, legal, or legislative environment may witness some changes that may affect the value of the property, such as the emergence of some municipal legislation limiting some activities in specific places, or reducing the number of floors allowed in other places, which affects the final value of the property.

## • Sources of competition

The large supply of any commodity leads to competition in the prices offered to consumers. Likewise, in the real estate market, the increase in the supply of real estate units and the entry of new competitors into the market will lead to lower prices and thus lower revenues and thus the final value of the property.

## • Risks of not having long-term contracts:

The absence of long-term contracts greatly affects the value of the property, as the presence of long contracts such as these gives stability to the income on the property and thus to its value, while the absence of their presence can lead to fluctuation in the value of the property

## • Risks of achieving targeted revenues

Since generating revenues is considered the main factor in determining the value of the property, any change or decrease in revenues as a result of changing market conditions may affect the value of the property..

## • Future data

The evaluation of some properties, especially modern ones that have no operating history, depends on the evaluator's expectations and his future reading of the market in general and the real estate market in particular. Future operating conditions may differ from the assumptions used in the evaluation process, which inevitably leads to a change in the value of the property.

## • Economic risks

Economic factors and macroeconomic conditions of the country can affect the value of any property in general, such as inflation rates, liquidity, interest rates, financing costs, taxes, and general movement in the local and global stock markets, as a change in these indicators or one of them may negatively affect the value of the property.

The members of the work team have previous experience in such work and have accreditations in valuation from the competent authorities with sufficient experience in the regions and real estate categories for the properties that have been appraised. They shall further acknowledge that they have the ability to develop the Report without any difficulties in accordance with the requirements of International Valuation Standards (IVS), and their names are listed as follows:

Name	Membership Category	Membership number - Real Estate Branch
Eng. Ahmed bin Mohammed Ababatain	Primary - Fellow	1210000305
Eng. Abdullah bin Ali Al-Showair	Primary - Fellow	1210000540

# Executive summary of the Entire Properties:

Sr.	City	District	Property Name	Property Type	Area of Land (m2)	Valuation Method	Market Value (SAR)
1	Riyadh	Al-Sahafa	Olaya Tower	Office Building	2,555	Income Method (Investment Method)	84,000,000
2	Riyadh	Al Olaya	Fursan Towers	Tower	1,740	Income Method (DCF Method)	136,370,000
3	Riyadh	Al Rabie	Saudi Electronic University	Office Commercial Building	14,210	Income Method (Investment Method)	150,000,000
4	Riyadh	Al-Sahafa	JW Marriott Hotel Riyadh & STC Academy	Tower	10,694.23	Income Method (DCF Method)	851,950,000
5	Riyadh	Hittin	The Residence	Commercial Office	15,000	Income Method (Investment Method)	85,255,000
6	Riyadh	Hittin	Braira Villa Hotel	Residential		Income Method (DCF Method)	115,140,000
7	Riyadh	Al-Maather	Vivienda Hotel Villas – Mousa bin Nusair	Villas Compound	2,800	Income Method (Investment Method)	48,750,000
8	Riyadh	Ghirnatah	Altamyouz Center	Office Commercial Building	4,630	Income Method (DCF Method)	53,879,000
9	Riyadh	Al Izdihar	Alizdihar Center	Office Commercial Building	2,515	Income Method (Investment Method)	42,300,000
10	Riyadh	Al Raed	Al Raed Building	Office Commercial Building	5,000	Income Method (Investment Method)	196,700,000

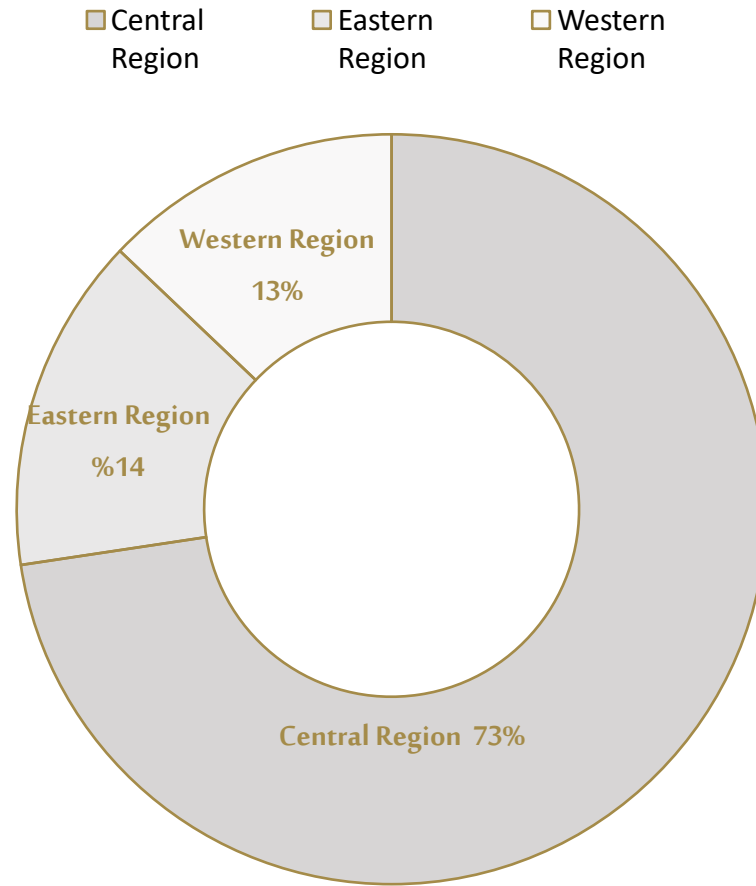


# Executive summary of the Entire Properties:

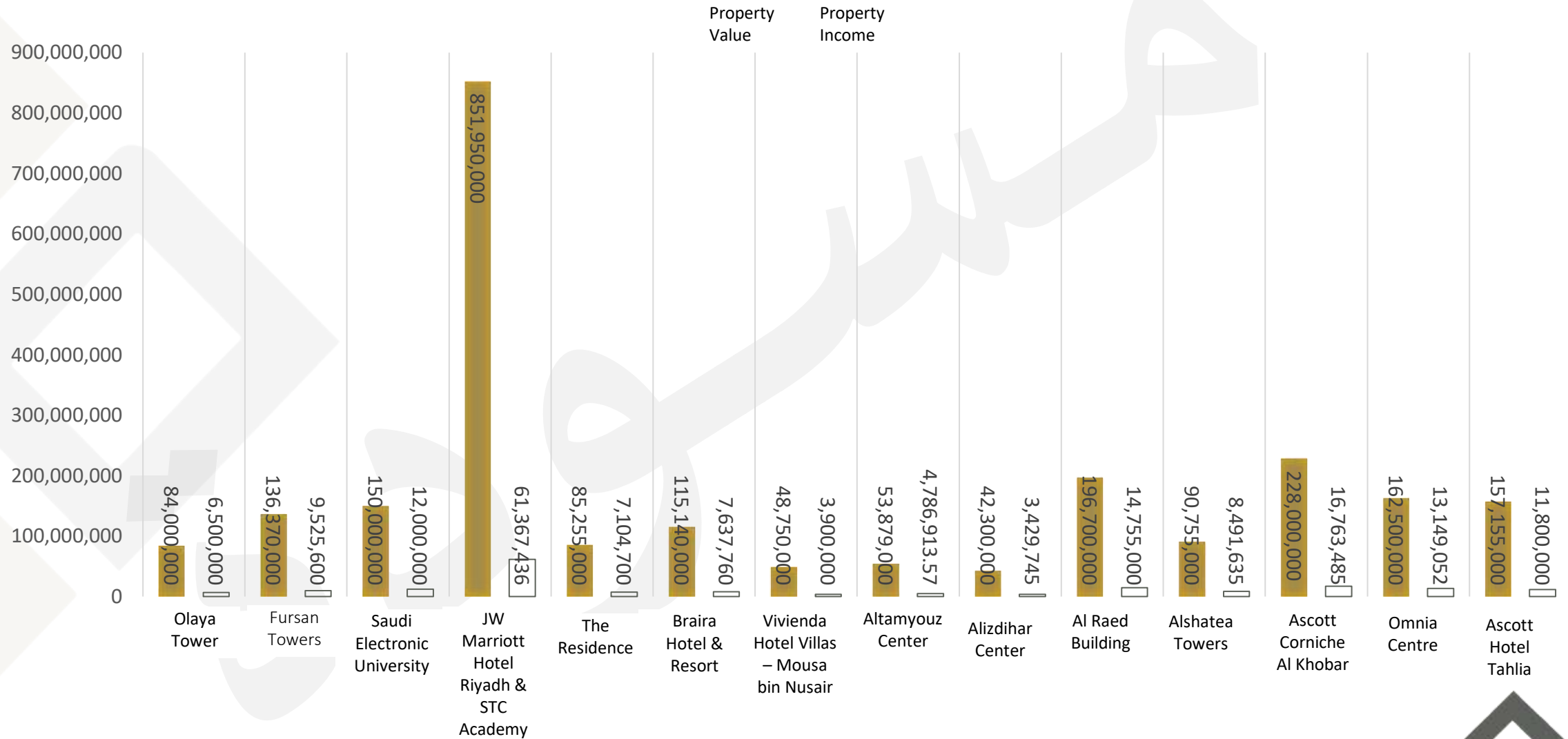
Sr.	City	District	Property Name	Property Type	Area of Land (m2)	Valuation Method	Market Value (SAR)
11	Dammam	Al Shati	Alshatea Towers	Office, Commercial, and Residential	6,300	Income Method (Investment Method)	90,755,000
12	Dammam	Al Yarmouk	Ascott Corniche Al Khobar	Tower (Hotel)	2,784	Income Method (DCF Method)	228,000,000
13	Jeddah	Al Rawdah	Omnia Centre	Commercial Office	10,000	Income Method (DCF Method)	161,115,000
14	Jeddah	Al Andalus	Ascott Hotel Tahlia	Hotel	2,025	Income Method (DCF Method)	157,155,000
			<b>Total</b>		<b>80,253</b>		<b>2,401,369,000</b>



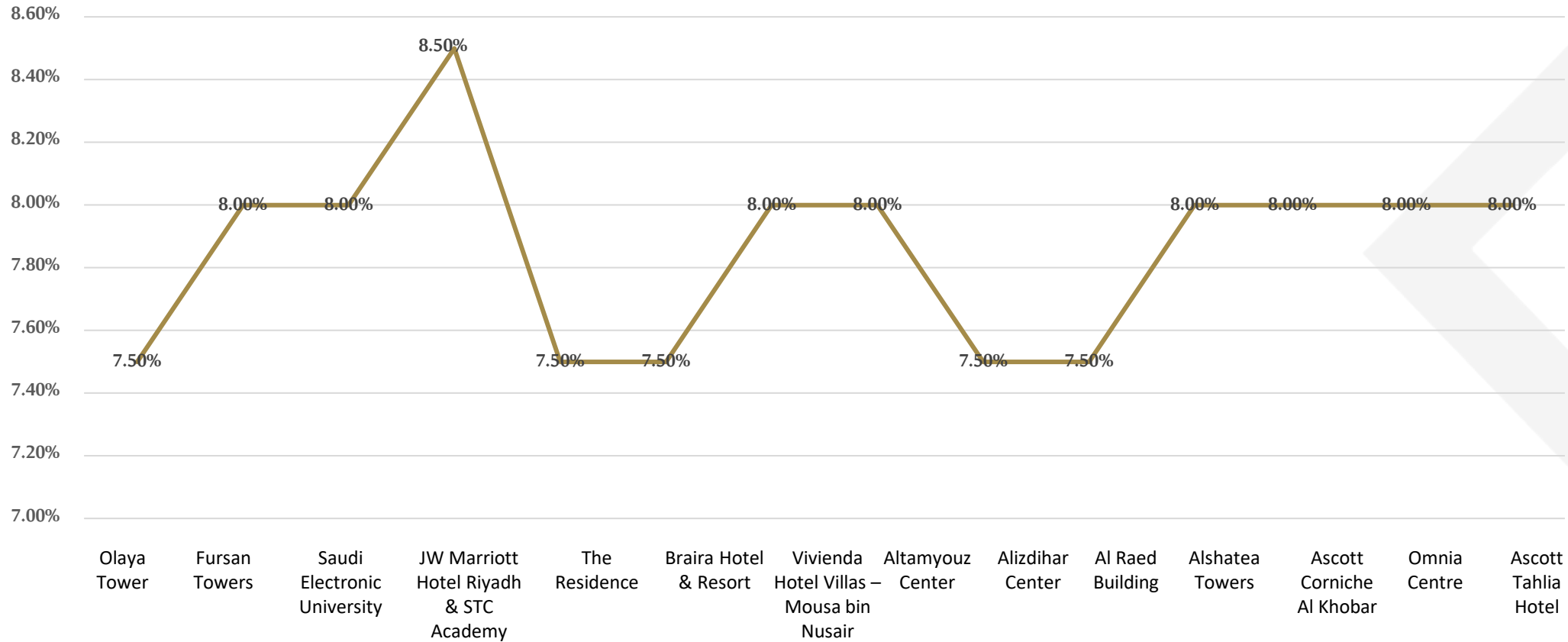
## Property Value by value



# Real Estate Property Income and Value Index



## ROI Ratio







## Properties located in Riyadh



## M/s Riyadh REIT Fund (RIYADH REAL ESTATE INCOME CO.)

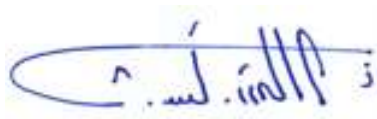
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Appraisal Purpose:	The Client (RIYADH REAL ESTATE INCOME CO.) commissioned MUMTALKATI APPRAISAL COMPANY to value assets subject matter of the Report to estimate the value of properties pursuant to International Valuation Standards for the year 2022 for the purpose of periodic Report for the Riyadh REIT Fund	
Inspection Date	Value Effective Date	Reports Issuance Dates:
10/12/2023 G	31/12/2023 G	12/03/2024 G


CEO

Eng. Abdullah bin Ali Al-Showair  
Membership No.: 1210000540



Chairman

Eng. Ahmed bin Mohammed Ababatain  
Membership No.: 1210000305



# Executive summary of the Entire Properties:

Sr.	City	District	Property Name	Property Type	Area of Land (m2)
1	Riyadh	Al-Sahafa	Olaya Tower	Office Building	2,555
2	Riyadh	Al Olaya	Fursan Towers	Tower	1,740
3	Riyadh	Al Rabie	Saudi Electronic University	Office Commercial Building	14,210
4	Riyadh	Al-Sahafa	JW Marriott Hotel Riyadh and STC Academy	Tower	10,694.23
5	Riyadh	Hittin	The Residence	Commercial	15,000
6	Riyadh	Hittin	Braira Villa Hotel	Residential	
7	Riyadh	Al-Maather	Vivienda Hotel Villas – Mousa bin Nusair	Villas Compound	2,800
8	Riyadh	Ghirnatah	Altamyouz Center	Office Commercial Building	4,630
9	Riyadh	Al Izdihar	Alizdihar Center	Office Commercial Building	2,515
10	Riyadh	Al Raed	Al Raed Building	Office Commercial Building	5,000





# Office Commercial Building Appraisal Report

Riyadh - Al Sahafa District

(Olaya Tower)



## M/s Riyad REIT Fund (RIYADH REAL ESTATE INCOME CO.)

Thank you for choosing MUMTALKATI APPRAISAL COMPANY and upon your request to appraise an office commercial building (Olaya Tower) located in Riyadh - Al-Sahafa District, we have physically inspected the property and reviewed necessary documents and maps. After conducting a study of the surrounding and adjacent area of the property, we enclose the following report, which provides the necessary data and explains the reasons for reaching the market value of the property.

We studied the documents received from the client (the title deed and the building permit) and they were presumed valid and there were no burdens on them or could affect the valuation process.

In this summary, we have also tried hard to present our opinion about the market value of the property according to the available information provided by the client.

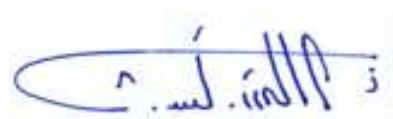
The estimated property is a commercial office building with a total land area of 2,555.00 square meters according to the title deed and with a total building area of 12,602.99 square meters.

Based on the completed study, we estimate the market value of the property under appraisal and its current status on the date of the appraisal and as documented in this Report on 31/12/2023 G.

For an amount of SAR (84,000,000), only eighty-four million Saudi riyals.

**CEO**

Eng. Abdullah bin Ali Al-Showair  
Membership No.: 1210000540



**Chairman**

Eng. Ahmed bin Mohammed Ababatain  
Membership No.: 1210000305



Content
Executive Summary
Scope of Work
Appraisal Requirements
Property Data
Appraisal
Calculating the market value
A photographic survey showing the location of the property and its location in the city
Image showing field survey offers
Staff



Appraiser	Report Prepared by: MUMTALKATI APPRAISAL COMPANY holding License No. 808/18/323, dated 11/07/1439 H
Client (Report Author)	RIYADH REAL ESTATE INCOME CO.
Beneficiary (Report User)	RIYADH REAL ESTATE INCOME CO.
Purpose of Appraisal	periodic Report for the Riyad REIT Fund.
Property under appraisal	It is a piece of land on which a commercial office building (Olaya Tower) is constructed.
Property Address	Riyadh - Al-Sahafa District - Plan No. (1863/ab), Plot No. (1925)
Plot area	2,555.00 square meters according to the title deed
Building Surfaces	12,602.99 square meters according to the building permit
Owner Name	RIYADH REAL ESTATE INCOME CO.
Title Deed No.	317806001502
Title Deed Date	28/04/1442 H
Ownership Type	Absolute ownership
Value Basis	Market value
Valuation Standards	International Valuation Standards (IVS) issued in 2022 G
Valuation Method	Income Method (Investment Method)
Inspection Date	10/12/2023 G
Value Effective Date	31/12/2023 G
Valuation Issuance Date	12/03/2024 G



### **3.1 Terms of Reference:**

The Appraisal Report was prepared based on the instructions received from the client (RIYADH REAL ESTATE INCOME CO.) to estimate the market value of the property under appraisal periodic Report for the Riyadh REIT Fund. Accordingly, this Report may not be used for any other purposes. The Appraisal Report has been prepared by MUMTALKATI APPRAISAL COMPANY which is approved by the Saudi Authority for Accredited Valuers (TAQEEM) after examining the property subject of the Report, collecting data and information and analyzing it to form and develop a neutral opinion about the market value of the aforementioned property to fit the purpose that was previously determined and in line with the International Valuation Standards (IVS) issued in 2022 G. The appraiser acknowledges his independence and that there is no conflict of interest with any important parties in the appraisal or assets under appraisal.

### **4.1 Determination of the Property under Appraisal:**

The property is a land on which a commercial office building is constructed in Riyadh region, Olaya Road. According to the title deed, the area of the land is 2,555.00 square meters.

### **5.1 Purpose of the Appraisal:**

Estimating the absolute ownership value of the building (Olaya Tower) periodic Report for the Riyadh REIT Fund.

### **6.1 Value Basis Used:**

The appraisal basis depends on the estimate of the property's market value at the appraisal date, on the basis that the property is free of all considerations, restrictive conditions and legal obligations. Accordingly, the concept used in this Report on market value is the concept that was introduced in Standard 104, Paragraph (103) of the International Valuation Standards (IVS): "The market value is the estimated amount for which an asset or liability should be exchanged on the appraisal date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein each of the parties had acted knowledgeably and prudently without coercion."



### **7.1 Appraisal Date:**

The opinion on the value was developed on December 31, 2023 G, while the date of the search and survey (inspection) is December 10, 2023 G, and the Report Issuance Date is March 12, 2024 G. The appraisal reflects our opinion of the value at the appraisal date, but property values are subject to fluctuations over time as market conditions may change.

### **8.1 Scope of Appraisal:**

The Scope of Appraisal included research and analysis to develop the Report according to the intended purpose in line with the International Valuation Standards (IVS). The property was examined and inspected from the inside and outside on the property inspection date. In addition, all the necessary data for developing the Report was obtained.

### **9.1 Nature and Source of Information:**

The information contained in the title deeds attached to the property has been relied upon. The municipal, market and economic data provided in this Report is based on various approved sources. We did not review the leases of the property. We only relied on the property information and compared it with market prices, assuming this information is true.

### **10.1 Assumptions and Exceptional Circumstances:**

The appraiser could not environmentally examine the site. Accordingly, it was assumed that the property under appraisal does not contain any hazardous or environmentally polluted materials. Besides, it was assumed that maintenance and operation of offices account for 40%, based on prevailing conditions in the area where your property is located.

- MUMTALKATI APPRAISAL COMPANY is committed to the confidentiality of the information contained in the Report.
- This valuation is linked to the market value estimate under the current circumstances.
- The Report is prepared for the purpose of the client and the users of the report. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof in any document, statement, circular, or any means of communication except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY. We authorize the fund manager to publish this Report on its website, Tadawul's website and CMA website. In addition, we do not accept any responsibility whatsoever to any other party.
- The property was inspected outwardly, and it was not structurally inspected. Besides, no apparent defects were noticed, unless they were mentioned in the Report.
- All documents submitted by the client are at the responsibility of the client. MUMTALKATI APPRAISAL COMPANY bears no responsibility for the documents related to this property. The documents were assumed to be valid and free from any legal obligations or any obstacles, unless they were mentioned in the documents or authorized by the appraisal applicant. Furthermore, the company also does not acknowledge the accuracy or completeness of the available data. Sometimes assumptions are made, according to the market situation in the event of lack of information. It therefore does not express its opinion and has not made any kind of assurance of the accuracy or completeness of the data except as clearly indicated in this Report.
- Appraisal was made pursuant to the International Standards issued by the Saudi Authority for Accredited Valuers (TAQEEM) in 2022 G.
- Duration of this appraisal is three months from the date on which this Report is developed.



Scope of Work Items	Explanation
Scope of Research	Field survey of the area of the properties under appraisal and similar properties, and we sought as much as possible to collect and analyze data To produce results that serve this Report and its intended purpose
Nature and Sources of Information	In developing this Report, we relied on the information provided to us by the client, assuming that it is true. We relied on it to produce the outputs of this report. We also relied on a package of information and data of MUMTALKATI APPRAISAL COMPANY, previous appraisal works, the continuous field survey, and management of studies and research in the Company. As far as we know, we think that they are correct.
Report Type	The Report is integrated and contains an integrated explanation of all appraisal works, including steps, data, information, accounts, etc.
Report Usage Limitations	The Report is prepared for the purpose of the client. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY.
Used Standards	International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) for the year 2022 G
Significant Assumptions and Special Assumptions	Our Company does not assume any responsibility for any information received from the customer, which is supposed to be safe and reliable. In addition, our Company does not acknowledge the accuracy or completeness of the available data. Neither did it express its opinion, nor did it offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this Report.



## 1 Scope of Work:



Meeting with the client and determining the scope of work, including the purpose of the appraisal, the value basis, the concerned parties, the appraisal date, and any special or important assumptions, including the clear mandate and the expected outputs.

## 2 Site Inspection and Analysis



Inspecting the property, identifying its characteristics and specifications, and matching documents with reality. Analyzing the location of the property and the uses surrounding the property, while determining the scope of the geographical search and the appropriate activities and projects

## 3 Data Collection and Analysis



Collecting market data (rents, returns, occupancy ratios, maintenance and operating expenses) for income-generating properties. Searching for similar land prices and contractors' costs and analyzing that data to gain knowledge of past and current market trends and future indicators that will be relied upon when applying the appraisal mechanism.

## 4 Application of Appraisal

### Methods:



Based on the scope of work and market analysis, appropriate appraisal methods are determined and all assumptions and inputs are set to carry out financial calculations to identify the market value according to the selected methods.

## 5 Valuation:



The valuation methods used to identify the final market value of the property are reconciled at our final discretion.

## 6 Report Development:



We develop the Appraisal Report according to the scope of work, which includes the data, results and outputs that were produced through the previous work stages

## • Supply and Demand

The higher the demand for real estate and the lower the supply for real estate, the higher the real estate prices, and vice versa. The lower the demand and the higher the supply, the lower the real estate prices. Demand and supply are also influenced by many economic and political factors.

## • Availability of Services

Availability of services such as schools, universities, shopping malls, entertainment facilities and other services in an area, significantly affecting property prices and the demand is increasing, and evidently affecting the increase in property prices in the region.

## • Economic Situation

Undoubtedly low economic conditions affect the real estate market and real estate prices, causing a recession and lower prices. In the case of a recovery in the economic situation of the country and stability of per capita income, in this case prices will increase as there will be stability in the material condition of individuals, making them able to purchase or lease properties.

## • Condition of the Property

The better the condition of the property, the more it affects the increase in the price of the property. For example, if you compare a property in good condition with another property with similar characteristics, the latter may be distinguished by a larger area with poor condition, you will find preference, of course, for the first property with the best condition.

## • Political Situation

The political situation directly affects the country's economic conditions, which obviously affects real estate prices. Therefore, the deterioration of the country's political conditions causes instability in the real estate market. Some areas have inflated real estate prices, while prices decrease in other places.

Land Data					
City	District	Ground Level	Property Type	Area	Ownership Type
Riyadh	Al-Sahafa	Level	Commercial Office	2,555.00 square meters	Absolute ownership
Title Deed No.	Title Deed Date	Notary Public	Overall Site	Plot No.	Organization Chart No.
317806001502	28/04/1442 H	Riyadh	Within the range	1925	1863/ab

Borders and Lengths		
Direction	Length (m)	Border:
North	70	Plot No. 1926
South	70	Plot No. 1924
East	36.5	15-m street
West	36.5	40-m street



Property Data			
Building Type	Building Condition and Finishes	Building Vacancy	Building Use
Concrete	Excellent	Not vacant	Commercial Office
Property Age	Building Completeness	AC Type	Number of Floors
3 Years	Complete	Central Split Unit	8 floors
Basement	Ground Floor	Mezzanine	Identical Floors
2	1	0	7
Services in Building			
Elevators	Alarm and Fire Systems	Safety and Security	Electric Generators
Available	Available	Available	Available
Services and Facilities available in the property area			
Electricity	Water	Telephone	Sewage
Available	Available	Available	Available

To estimate the market value based on the valuation purpose and the nature of the property, the Income Method (Investment Method) (Income Capitalization) will be relied upon as the main method of valuation of the property under appraisal. The main purpose of constructing a commercial building is to generate income from renting offices.

## 4.1 Income Method

The Income Method provides an indication of value by converting future cash flows into a single present value

### Investment Method

The Investment Method is directly related to the operating income of the property. It applies to investment properties, where the net present value of the property is estimated based on the income generated after deducting operating and maintenance expenses and other expenses.

## 4.2 Field Survey and Income Analysis

The prices of lands, offices, and showrooms greatly affect the development of real estate and the different uses of lands. They are one of the main factors in determining the percentage of annual financial return for various uses. They further affect many other urban planning aspects, such as building regulations, including building heights and setbacks. In addition, it is very difficult to collect data based on the market reality as it is difficult to gather information accurately in the Saudi market.

Some comparisons have been taken and analyzed as a reflection of the market and comparisons are:



# Graphic Survey Offers

Sr.	District	City	Property Type	Area in Square Meters	Rental Price Per Meter (SAR)	Total Price (SAR)	Offer Type / Bidding/ Minimum	Coordinates
1	Al-Sahafa	Riyadh	Office	119.00	800.00	95,200.00	Rental Offer / Minimum	24.8087 46.62744
2	Al-Sahafa	Riyadh	Office	933.50	840.00	784140.00	Rental Offer / Minimum	24.819068 46.622432
3	Al-Sahafa	Riyadh	Office	899.85	840.00	755874.00	Rental Offer / Minimum	24.819068 46.622432
4	Al-Sahafa	Riyadh	Office	110.00	550.00	60500.00	Rental Offer / Minimum	24.798383 46.632648
5	Al Ghadeer	Riyadh	Strip Mall	6,750.00	-	143,577,400.00	Net Income 12,921,966.00 with a return of 9%	24.767090 46.659630



# Assumptions and Special Assumptions:

## Property Revenue

The property revenues were estimated according to the total income provided by the client. It was assumed to be correct and with an vacancy rate of 0% according to the attached data from the client and the market data analysis. The estimated total income according to the contract is SAR 6,500,000.00.

## Vacancy Rate

Through survey and inspection works, the average occupancy in this area is about 95% (i.e. vacancy rate is 5%), assuming that the contract is leased under one contract for the entire property. Vacancies are assumed to be 0%.

## Operational and capital expenditures

Operational expenses are the expenses related to renting and maintaining the property, and capital expenses are the expenses incurred by the owner for the restoration and development of the property in order to maintain it in an appropriate condition to generate the appropriate annual income.

The percentage of operating expenses is 10% - 20% for similar projects in the surrounding area, including

Costs of expenses for common services, cleaning and maintenance of the building and expenses for managing and monitoring security. With regard to appraisal of the property, the operating and capital expenses are estimated at 3% of the actual rental income, since all expenses are charged to the tenant, and the property is under one contract.

## Capitalization Rate

The capitalization rate is a rate used to convert income into value and it is used in estimating the redemption value of the property. There is more than one way to derive the capitalization rate. Each of these methods depends on using the recent past as a means of predicting the future.

In this Report, the capitalization rate was estimated by the market extraction method, according to REIT funds that are similar to the property under appraisal, in the property area at the time of appraisal. It is 7.5%.

# Calculation of value by Investment Method (Income Capitalization)

Income Method (Investment Method)		
Item	Amount in SAR	Unit
Total Gross Income	6,500,000.00	SAR/ per Annum
Vacancy Rate	0%	Percentage
Total income after deducting the vacancy rate	0	SAR/ per Annum
Total Effective Income	6,500,000.00	SAR/ per Annum
Percentage of operating and maintenance expenses	3%	Percentage
Operating and maintenance expenses	195,000.00	SAR/ per Annum
Net income after deducting operating expenses	6,305,000.00	SAR/ per Annum
Capitalization Rate	7.50%	Percentage
Final Market Value of the Property	84,066,666.67	SAR
Final Market Value of the Property after Rounding	<b>84,000,000</b>	SAR

Based on the Income Method (Investment Method) (Income Capitalization) to get to the value, then the final value of the property can be determined as follows:

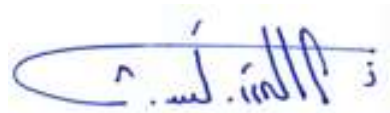
<b>Final Value in Numbers</b>	SAR 84,000,000
<b>Final Value in Writing</b>	Only eighty-four million Saudi riyals

Report Approval

CEO

Eng. Abdullah bin Ali Al-Showair

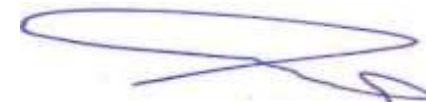
Membership No.: 1210000540



Chairman

Eng. Ahmed bin Mohammed Ababatain

Membership No.: 1210000305



Description	Name	Membership Category	Membership No.
Chairman	Eng. Ahmed Mohammed Ababatain	Primary - Fellow	1210000305
CEO	Eng. Abdullah Ali Al-Showair	Primary - Fellow	1210000540



# Photographic survey showing the property



# Photographic survey showing the property



# Photographic survey showing the property





# Photographic survey showing the property



# Image showing similar comparison site



# Image showing the location of the property in the city of Riyadh





# Commercial Hotel Appraisal Report

Riyadh - Al Olaya District

(Fursan Towers)



## M/s Riyadh REIT Fund (RIYADH REAL ESTATE INCOME CO.)

Thank you for choosing MUMTALKATI APPRAISAL COMPANY and upon your request to appraise a commercial, residential office building (Fursan Towers) located in Riyadh - Al Olaya District, we have physically inspected the property and reviewed necessary documents and maps. After conducting a study of the surrounding and adjacent area of the property, we enclose the following report, which provides the necessary data and explains the reasons for reaching the market value of the property.

We studied the documents received from the client (the title deed and the building permit) and they were presumed valid and there were no burdens on them or could affect the valuation process

In this summary, we have also tried hard to present our opinion about the market value of the property according to the available information provided by the client.

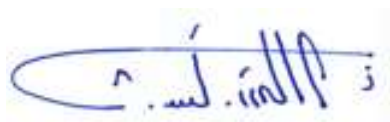
The estimated property is a commercial, residential, office building with a total land area of 1,740.00 square meters according to the title deed and with a total building area of 14,060 square meters (according to the permit).

Based on the completed study, we estimate the market value of the property under appraisal and its current status on the date of the appraisal and as documented in this Report on 31/12/2023 G.

For an amount of SAR (136,370,000 ), only one hundred thirty-six million three hundred seventy thousand

CEO

Eng. Abdullah bin Ali Al-Showair  
Membership No.: 1210000540



Chairman

Eng. Ahmed bin Mohammed Ababatain  
Membership No.: 1210000305



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Executive Summary
Scope of Work
Appraisal Requirements
Property Data
Appraisal
Calculating the market value
A photographic survey showing the location of the property and its location in the city
Image showing field survey offers
Staff



Appraiser	Report Prepared by: MUMTALKATI APPRAISAL COMPANY holding License No. 808/18/323, dated 11/07/1439 H.
Client (Report Author)	RIYADH REAL ESTATE INCOME CO.
Beneficiary (Report User)	RIYADH REAL ESTATE INCOME CO.
Purpose of Appraisal	periodic Report for the Riyad REIT Fund..
Property under appraisal	It is a piece of land on which a commercial, residential office building (Fursan Towers) is constructed.
Property Address	Riyadh - Al Olaya District - Plan No. (1184), Plot No. (51- 50).
Plot area	1,740.00 square meters according to the title deed.
Building Surfaces	14,060 square meters according to the building permit.
Owner Name	RIYADH REAL ESTATE INCOME CO.
Title Deed No.	317815004214
Title Deed Date	11/03/1443 H
Ownership Type	Absolute ownership
Value Basis	Market value
Valuation Standards	International Valuation Standards (IVS) issued in 2022 G.
Valuation Method	Income Method (DCF Method).
Inspection Date	10/12/2023 G
Value Effective Date	31/12/2023 G
Valuation Issuance Date	12/03/2024 G

### 3.1 Terms of Reference:

The Appraisal Report was prepared based on the instructions received from the client (RIYADH REAL ESTATE INCOME CO.) to estimate the market value of the property under appraisal periodic Report for the Riyadh REIT Fund. Accordingly, this Report may not be used for any other purposes. The Appraisal Report has been prepared by MUMTALKATI APPRAISAL COMPANY which is approved by the Saudi Authority for Accredited Valuers (TAQEEM) after examining the property subject of the Report, collecting data and information and analyzing it to form and develop a neutral opinion about the market value of the aforementioned property to fit the purpose that was previously determined and in line with the International Valuation Standards (IVS) issued in 2022 G. The appraiser acknowledges his independence and that there is no conflict of interest with any important parties in the appraisal or assets under appraisal.

### 4.1 Determination of the Property under Appraisal:

The property is a land on which a commercial, residential office building is constructed in Riyadh region, King Fahd Road. According to the title deed, the area of the land is 1,740.00 square meters.

### 5.1 Purpose of the Appraisal:

Estimating the absolute ownership value of the building (Fursan Towers) periodic Report for the Riyadh REIT Fund.

### 6.1 Value Basis Used:

The appraisal basis depends on the estimate of the property's market value at the appraisal date, on the basis that the property is free of all considerations, restrictive conditions and legal obligations. Accordingly, the concept used in this Report on market value is the concept that was introduced in Standard 104, Paragraph (103) of the International Valuation Standards (IVS): "The market value is the estimated amount for which an asset or liability should be exchanged on the appraisal date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein each of the parties had acted knowledgeably and prudently without coercion."



### **7.1 Appraisal Date:**

The opinion on the value was developed on December 31, 2023 G, while the date of the search and survey (inspection) is December 10, 2023 G, and the Report Issuance Date is March 12, 2024 G. The appraisal reflects our opinion of the value at the appraisal date but property values are subject to fluctuations over time as market conditions may change.

### **8.1 Scope of Appraisal:**

The Scope of Appraisal included research and analysis to develop the Report according to the intended purpose in line with the International Valuation Standards (IVS). The property was examined and inspected from the inside and outside on the property inspection date. In addition, all the necessary data for developing the Report was obtained.

### **9.1 Nature and Source of Information:**

The information contained in the title deeds attached to the property has been relied upon. The municipal, market and economic data provided in this Report is based on various approved sources. We did not review the leases of the property. We only relied on the property information and compared it with market prices, assuming this information is true.

### **10.1 Assumptions and Exceptional Circumstances:**

The appraiser could not environmentally examine the site. Accordingly, it was assumed that the property under appraisal does not contain any hazardous or environmentally polluted materials. Besides, it was assumed that maintenance and operation of offices and showrooms account for 2% of the expenses, and 38% of hotels based on prevailing conditions in the area where your property is located.

- MUMTALKATI APPRAISAL COMPANY is committed to the confidentiality of the information contained in the Report.
- This valuation is linked to the market value estimate under the current circumstances.
- The Report is prepared for the purpose of the client and the users of the report. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof in any document, statement, circular, or any means of communication except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY. We authorize the fund manager to publish this Report on its website, Tadawul's website and CMA website. In addition, we do not accept any responsibility whatsoever to any other party.
- The property was inspected outwardly, and it was not structurally inspected. Besides, no apparent defects were noticed, unless they were mentioned in the Report.
- All documents submitted by the client are at the responsibility of the client. MUMTALKATI APPRAISAL COMPANY bears no responsibility for the documents related to this property. The documents were assumed to be valid and free from any legal obligations or any obstacles, unless they were mentioned in the documents or authorized by the appraisal applicant. Furthermore, the company also does not acknowledge the accuracy or completeness of the available data. Sometimes assumptions are made, according to the market situation in the event of lack of information. It therefore does not express its opinion and has not made any kind of assurance of the accuracy or completeness of the data except as clearly indicated in this Report.
- Appraisal was made pursuant to the International Standards issued by the Saudi Authority for Accredited Valuers (TAQEEM) in 2022 G.
- Duration of this appraisal is three months from the date on which this Report is developed.



Scope of Work Items	Explanation
Scope of Research	Field survey of the area of the properties under appraisal and similar properties, and we sought as much as possible to collect and analyze data To produce results that serve this Report and its intended purpose
Nature and Sources of Information	In developing this Report, we relied on the information provided to us by the client, assuming that it is true. We relied on it to produce the outputs of this report. We also relied on a package of information and data of MUMTALKATI APPRAISAL COMPANY, previous appraisal works, the continuous field survey, and management of studies and research in the Company. As far as we know, we think that they are correct.
Report Type	The Report is integrated and contains an integrated explanation of all appraisal works, including steps, data, information, accounts, etc.
Report Usage Limitations	The Report is prepared for the purpose of the client. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY.
Used Standards	International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) for the year 2022 G
Significant Assumptions and Special Assumptions	Our Company does not assume any responsibility for any information received from the customer, which is supposed to be safe and reliable. In addition, our Company does not acknowledge the accuracy or completeness of the available data. Neither did it express its opinion, nor did it offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this Report.



## 1 Scope of Work:



Meeting with the client and determining the scope of work, including the purpose of the appraisal, the value basis, the concerned parties, the appraisal date, and any special or important assumptions, including the clear mandate and the expected outputs.

## 2 Site Inspection and Analysis



Inspecting the property, identifying its characteristics and specifications, and matching documents with reality. Analyzing the location of the property and the uses surrounding the property, while determining the scope of the geographical search and the appropriate activities and projects

## 3 Data Collection and Analysis



Collecting market data (rents, returns, occupancy ratios, maintenance and operating expenses) for income-generating properties. Searching for similar land prices and contractors' costs and analyzing that data to gain knowledge of past and current market trends and future indicators that will be relied upon when applying the appraisal mechanism.

## 4 Application of Appraisal



### Methods:

Based on the scope of work and market analysis, appropriate appraisal methods are determined and all assumptions and inputs are set to carry out financial calculations to identify the market value according to the selected methods.

## 5 Valuation:



The valuation methods used to identify the final market value of the property are reconciled at our final discretion.

## 6 Report Development:



We develop the Appraisal Report according to the scope of work, which includes the data, results and outputs that were produced through the previous work stages



## • Supply and Demand

The higher the demand for real estate and the lower the supply for real estate, the higher the real estate prices, and vice versa. The lower the demand and the higher the supply, the lower the real estate prices. Demand and supply are also influenced by many economic and political factors.

## • Availability of Services

Availability of services such as schools, universities, shopping malls, entertainment facilities and other services in an area, significantly affecting property prices and the demand is increasing, and evidently affecting the increase in property prices in the region.

## • Economic Situation

Undoubtedly low economic conditions affect the real estate market and real estate prices, causing a recession and lower prices. In the case of a recovery in the economic situation of the country and stability of per capita income, in this case prices will increase as there will be stability in the material condition of individuals, making them able to purchase or lease properties.

## • Condition of the Property

The better the condition of the property, the more it affects the increase in the price of the property. For example, if you compare a property in good condition with another property with similar characteristics, the latter may be distinguished by a larger area with poor condition, you will find preference, of course, for the first property with the best condition.

## • Political Situation

The political situation directly affects the country's economic conditions, which obviously affects real estate prices. Therefore, the deterioration of the country's political conditions causes instability in the real estate market. Some areas have inflated real estate prices, while prices decrease in other places.



## Land Data

City	District	Ground Level	Property Type	Area	Ownership Type
Riyadh	Al Olaya	Level	Office, Commercial, and Residential	1,740.00 square meters	Absolute ownership
Title Deed No.	Title Deed Date	Notary Public	Overall Site	Plot No.	Organization Chart No.
317815004214	11/03/1443 H	Riyadh	Within the range	51-50	1184

## Borders and Lengths

Direction	Length (m)	Border:
North	60	20-m street
South	60	Plot No. 53-52
East	29	20-m street
West	29	20-m street



Property Data			
Building Type	Building Condition and Finishes	Building Vacancy	Building Use
Concrete	Good	Vacant (Under Finishing)	Commercial and Residential Office
Property Age	Building Completeness	AC Type	Number of Floors
25 Years	Under Finishing	Central	10 Floors
Basement	Ground Floor	Mezzanine	Identical Floors
2	1	1	8

Services in Building			
Elevators	Alarm and Fire Systems	Safety and Security	Electric Generators
Available	Available	Available	Available

Services and Facilities available in the property area			
Electricity	Water	Telephone	Sewage
Available	Available	Available	Available



To estimate the market value based on the valuation purpose and the nature of the property, the Income Method (DCF Method) will be relied upon as the main method of valuation of the property under appraisal. The main purpose of constructing a commercial building is to generate income from renting offices, showrooms and hotel rooms.

## 4.1 Income Method

The Income Method provides an indication of value by converting future cash flows into a single present value

### Discounted cash flow (DCF) method

It is a property appraisal method that is dependent on knowing the future income that is due for a property.

## 4.2 Field Survey and Income Analysis

The prices of lands, offices, and showrooms greatly affect the development of real estate and the different uses of lands. They are one of the main factors in determining the percentage of annual financial return for various uses. They further affect many other urban planning aspects, such as building regulations, including building heights and setbacks. In addition, it is very difficult to collect data based on the market reality as it is difficult to gather information accurately in the Saudi market.

Some comparisons have been taken and analyzed as a reflection of the market and comparisons are:



Sr.	District	City	Property Type	Area Square meter	Nightly Rate	Number of Stars	Offer Type	Coordinates	Notes
1	Al Olaya	Riyadh	Hotel	150	3,290	5	Rent	24.711304 46.711304	Superior Room
2	Al Olaya	Riyadh	Hotel	25	476	4	Rent	24.707874 46.676696	Junior Suite
3	Al Olaya	Riyadh	Hotel	35	782	5	Rent	24.707006 46.675507	Deluxe Room
4	Al Olaya	Riyadh	Hotel	150	900	4	Rent	24.702568 46.678632	Junior Suite
5	Al Olaya	Riyadh	Hotel	25	391	4	Rent	24.706076 46.676958	Deluxe Room
6	Al Olaya	Riyadh	Hotel	30	795	4	Rent	24.697969 46.682448	Deluxe Room



## Property Revenue

The property revenues were estimated according to the total income provided by the client. It was assumed that the property is working with estimated occupancy rate according to the market situation, and based on the attached data from the client and the market data analysis. The total amount of gross income is SAR 26,460,000.

## Vacancy Rate

Through survey and inspection works, the average occupancy in this area is about 60%, according to the market situation. The number of rooms is 147 rooms.

## Operational and capital expenditures

Operational expenses are the expenses related to renting and maintaining the property, and capital expenses are the expenses incurred by the owner for the restoration and development of the property in order to maintain it in an appropriate condition to generate the appropriate annual income.

Operating expenses account for 40% for similar projects in the surrounding area. They include costs for common services expenses, cleaning and maintenance of the building, and security management and monitoring expenses. In terms of property appraisal, operating and capital expenditures are estimated at 40% of actual rental income.

We estimate and assume that the property is working without regard to its current condition.

## Capitalization Rate

The capitalization rate is a rate used to convert income into value and it is used in estimating the redemption value of the property. There is more than one way to derive the capitalization rate. Each of these methods depends on using the recent past as a means of predicting the future. In this Report, the capitalization rate was estimated by the market extraction method, according to REIT funds that are similar to the property under appraisal, in the property area at the time of appraisal. It is 8%.

## Table showing DCF Method:

DCF Method Assumptions	
Hotel Expense Rate (Operational and Capital)	40%
40% vacancy rate from the first year to the third year and 30% from the fourth year to the fifth year	%30 - %40
Cash flow period	5 Years
Discount Rate	9%
Growth rate is variable in the second and fourth years, 3%.	%0 - %3
Capitalization Rate	8%

# Table showing DCF Method:

<u>Cash Inflows</u>		Years						Redemption Value
		2022	2023	2024	2025	2026	2027	
		0	1	2	3	4	5	
Growth Rate		0%	0%	3%	0%	3%	0%	
Number of Rooms	147	0	26,460,000	27,253,800	27,253,800	28,071,414	28,071,414	
Less Vacancy Rate			40%	40%	40%	30%	30%	
			10,584,000	10,901,520	10,901,520	8,421,424	8,421,424	
<b>Total Rental Income</b>		0	26,460,000	27,253,800	27,253,800	28,071,414	28,071,414	
		0	10,584,000	10,901,520	10,901,520	8,421,424	8,421,424	
<b>Actual Total Income</b>		0	15,876,000	16,352,280	16,352,280	19,649,990	19,649,990	
Less Expense Rate (Operational and Capital)	40.0%	0	6,350,400	6,540,912	6,540,912	7,859,996	7,859,996	
Building Net Operating Income (NOI)		0	9,525,600	9,811,368	9,811,368	11,789,994	11,789,994	
Building Redemption Value								147,374,924
Net Cash Flow (NCF)		0	9,525,600	9,811,368	9,811,368	11,789,994	11,789,994	147,374,924
Discount coefficient		1	0.9174	0.8417	0.7722	0.7084	0.6499	0.6499
Present Value of Cash Flows		0	8,739,083	8,258,032	7,576,176	8,352,329	7,662,687	95,783,588
<b>Building Net Present Value (NPV)</b>								<b>136,371,895</b>
<b>Final Value after Rounding</b>								<b>136,370,000</b>



Based on the Income Method (DCF Method) to get to the value, then the final value of the property can be determined as follows:

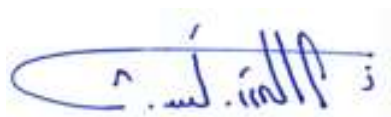
<b>Final Value in Numbers</b>	<b>SAR 136,370,000</b>
<b>Final Value in Writing</b>	one hundred thirty-six million three hundred seventy thousand

Report Approval

CEO

Eng. Abdullah bin Ali Al-Showair

Membership No.: 1210000540



Chairman

Eng. Ahmed bin Mohammed Ababatain

Membership No.: 1210000305



Description	Name	Membership Category	Membership No.
Chairman	Eng. Ahmed Mohammed Ababatain	Primary - Fellow	1210000305
CEO	Eng. Abdullah Ali Al-Showaier	Primary - Fellow	1210000540



# Photographic survey showing the property

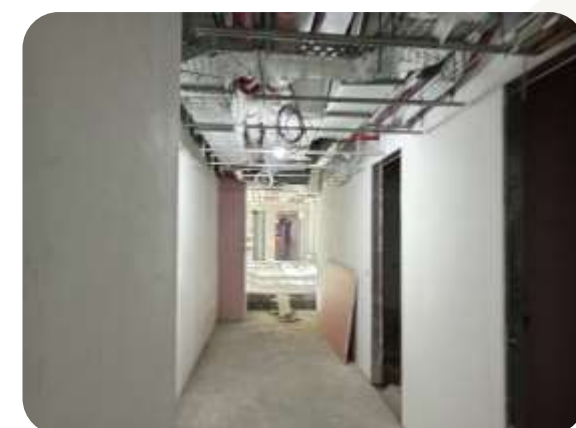


# Photographic survey showing the property

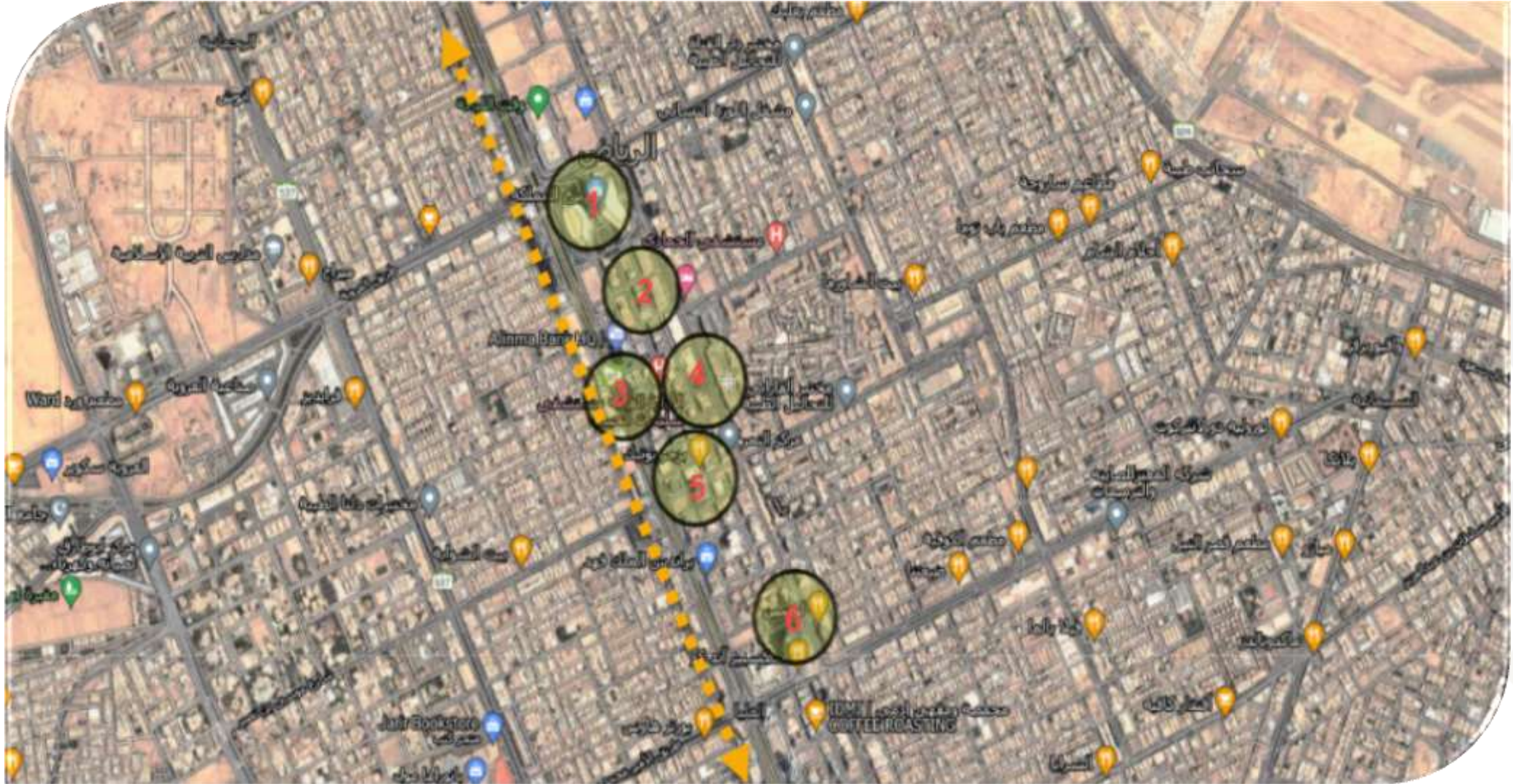




# Photographic survey showing the property



# Image showing similar comparison site

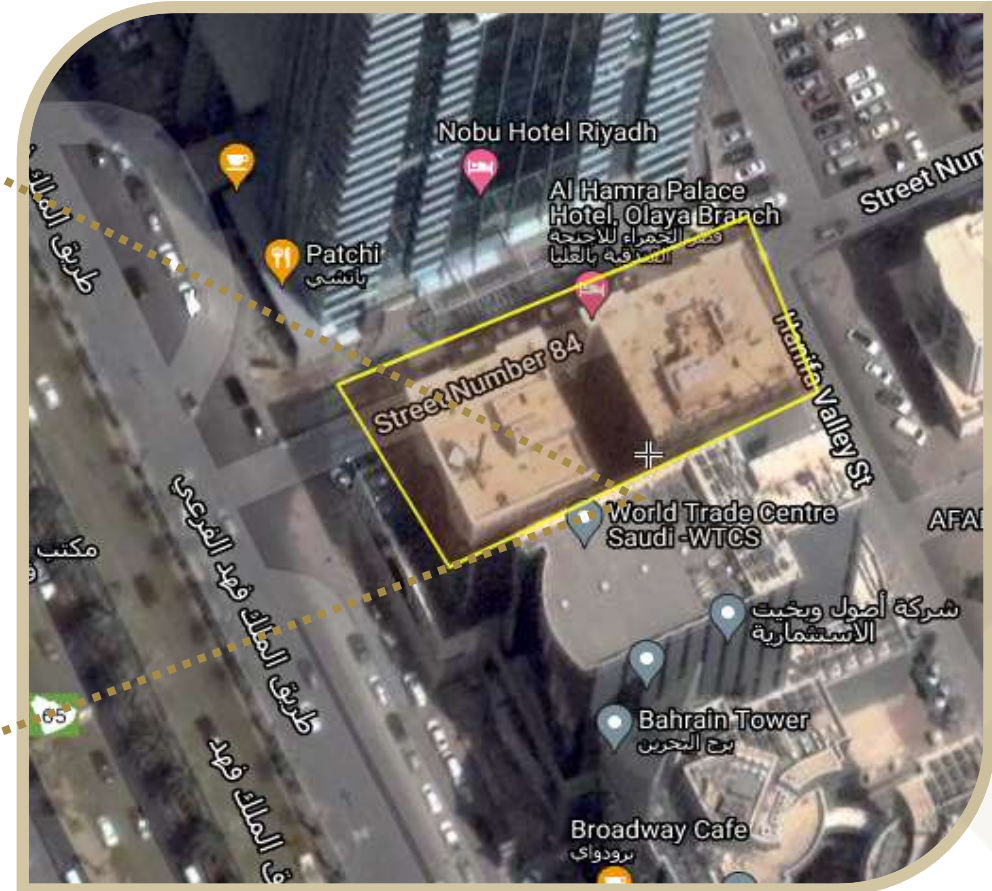


# Image showing the location of the property in the city of Riyadh

## Geographical Coordinates

N 24.70591

E46.67586





# Office Commercial Building Appraisal Report

Riyadh - Al Rabie District

(Saudi Electronic University)



## M/s Riyadh REIT Fund (RIYADH REAL ESTATE INCOME CO.)

Thank you for choosing MUMTALKATI APPRAISAL COMPANY and upon your request to appraise an office commercial building (Saudi Electronic University) located in Riyadh - Al Rabie District, we have physically inspected the property and reviewed necessary documents and maps. After conducting a study of the surrounding and adjacent area of the property, we enclose the following report, which provides the necessary data and explains the reasons for reaching the market value of the property.

We studied the documents received from the client (the title deed and the building permit) and they were presumed valid and there were no burdens on them or could affect the valuation process.

In this summary, we have also tried hard to present our opinion about the market value of the property according to the available information provided by the client.

The estimated property is a commercial building with a total land area of 14,210.00 square meters according to the title deed and with a total building area of 30,098.98

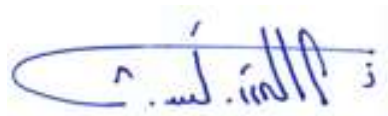
square meters according to the building permit

Based on the completed study, we estimate the market value of the property under appraisal and its current status on the date of the appraisal and as documented in this Report on 31/12/2023 G.

For an amount of SAR (150,000,000), only one hundred and fifty million Saudi riyals.

CEO

Eng. Abdullah bin Ali Al-Showair  
Membership No.: 1210000540



Chairman

Eng. Ahmed bin Mohammed Ababatain  
Membership No.: 1210000305



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Appraiser	Report Prepared by: MUMTALKATI APPRAISAL COMPANY holding License No. 808/18/323, dated 11/07/1439 H
Client (Report Author)	RIYADH REAL ESTATE INCOME CO.
Beneficiary (Report User)	RIYADH REAL ESTATE INCOME CO.
Purpose of Appraisal	periodic Report for the Riyad REIT Fund.
Property under appraisal	It is a piece of land on which a commercial office building (Saudi Electronic University) is constructed.
Property Address	Riyadh - Al Rabie District - Plan No. (1637/k), Plot No. (1859 to 1874).
Plot area	14,210.00 square meters according to the title deed.
Building Surfaces	30,098.98 square meters according to the building permit.
Owner Name	RIYADH REAL ESTATE INCOME CO.
Title Deed No.	810111058734
Title Deed Date	23/04/1442 H
Ownership Type	Absolute ownership
Value Basis	Market value
Valuation Standards	International Valuation Standards (IVS) issued in 2022 G
Valuation Method	Income Method (Investment Method)
Inspection Date	10/12/2023 G
Value Effective Date	31/12/2023 G
Valuation Issuance Date	12/03/2024 G

### **3.1 Terms of Reference:**

The Appraisal Report was prepared based on the instructions received from the client (RIYADH REAL ESTATE INCOME CO.) to estimate the market value of the property under appraisal periodic Report for the Riyadh REIT Fund. Accordingly, this Report may not be used for any other purposes. The Appraisal Report has been prepared by MUMTALKATI APPRAISAL COMPANY which is approved by the Saudi Authority for Accredited Valuers (TAQEEM) after examining the property subject of the Report, collecting data and information and analyzing it to form and develop a neutral opinion about the market value of the aforementioned property to fit the purpose that was previously determined and in line with the International Valuation Standards (IVS) issued in 2022 G. The appraiser acknowledges his independence and that there is no conflict of interest with any important parties in the appraisal or assets under appraisal.

### **4.1 Determination of the Property under Appraisal:**

The property is a land on which a commercial office building is constructed in Riyadh region, Prince Mohammed bin Salman Road. According to the title deed, the area of the land is 14,210.00 square meters.

### **5.1 Purpose of the Appraisal:**

Estimating the absolute ownership value of the building (Saudi Electronic University) periodic Report for the Riyadh REIT Fund.

### **6.1 Value Basis Used:**

The appraisal basis depends on the estimate of the property's market value at the appraisal date, on the basis that the property is free of all considerations, restrictive conditions and legal obligations. Accordingly, the concept used in this Report on market value is the concept that was introduced in Standard 104, Paragraph (103) of the International Valuation Standards (IVS): "The market value is the estimated amount for which an asset or liability should be exchanged on the appraisal date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein each of the parties had acted knowledgeably and prudently without coercion."



### **7.1 Appraisal Date:**

The opinion on the value was developed on December 31, 2023 G, while the date of the search and survey (inspection) is December 10, 2023 G, and the Report Issuance Date is March 12, 2024 G. The appraisal reflects our opinion of the value at the appraisal date but property values are subject to fluctuations over time as market conditions may change.

### **8.1 Scope of Appraisal:**

The Scope of Appraisal included research and analysis to develop the Report according to the intended purpose in line with the International Valuation Standards (IVS). The property was examined and inspected from the inside and outside on the property inspection date. In addition, all the necessary data for developing the Report was obtained.

### **9.1 Nature and Source of Information:**

The information contained in the title deeds attached to the property has been relied upon. The municipal, market and economic data provided in this Report is based on various approved sources. We did not review the leases of the property. We only relied on the property information and compared it with market prices, assuming this information is true.

### **10.1 Assumptions and Exceptional Circumstances:**

The appraiser could not environmentally examine the site. Accordingly, it was assumed that the property under appraisal does not contain any hazardous or environmentally polluted materials. Besides, it was assumed that maintenance and operation of offices and showrooms account for 2% of the expenses, and 38% of hotels based on prevailing conditions in the area where your property is located.

- MUMTALKATI APPRAISAL COMPANY is committed to the confidentiality of the information contained in the Report.
- This valuation is linked to the market value estimate under the current circumstances.
- The Report is prepared for the purpose of the client and the users of the report. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof in any document, statement, circular, or any means of communication except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY. We authorize the fund manager to publish this Report on its website, Tadawul's website and CMA website. In addition, we do not accept any responsibility whatsoever to any other party.
- The property was inspected outwardly, and it was not structurally inspected. Besides, no apparent defects were noticed, unless they were mentioned in the Report.
- All documents submitted by the client are at the responsibility of the client. MUMTALKATI APPRAISAL COMPANY bears no responsibility for the documents related to this property. The documents were assumed to be valid and free from any legal obligations or any obstacles, unless they were mentioned in the documents or authorized by the appraisal applicant. Furthermore, the company also does not acknowledge the accuracy or completeness of the available data. Sometimes assumptions are made, according to the market situation in the event of lack of information. It therefore does not express its opinion and has not made any kind of assurance of the accuracy or completeness of the data except as clearly indicated in this Report.
- Appraisal was made pursuant to the International Standards issued by the Saudi Authority for Accredited Valuers (TAQEEM) in 2022 G.
- Duration of this appraisal is three months from the date on which this Report is developed.

Scope of Work Items	Explanation
Scope of Research	Field survey of the area of the properties under appraisal and similar properties, and we sought as much as possible to collect and analyze data To produce results that serve this Report and its intended purpose.
Nature and Sources of Information	In developing this Report, we relied on the information provided to us by the client, assuming that it is true. We relied on it to produce the outputs of this report. We also relied on a package of information and data of MUMTALKATI APPRAISAL COMPANY, previous appraisal works, the continuous field survey, and management of studies and research in the Company. As far as we know, we think that they are correct..
Report Type	The Report is integrated and contains an integrated explanation of all appraisal works, including steps, data, information, accounts, etc.
Report Usage Limitations	The Report is prepared for the purpose of the client. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY..
Used Standards	International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) for the year 2022 G
Significant Assumptions and Special Assumptions	Our Company does not assume any responsibility for any information received from the customer, which is supposed to be safe and reliable. In addition, our Company does not acknowledge the accuracy or completeness of the available data. Neither did it express its opinion, nor did it offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this Report..

## 1 Scope of Work:



Meeting with the client and determining the scope of work, including the purpose of the appraisal, the value basis, the concerned parties, the appraisal date, and any special or important assumptions, including the clear mandate and the expected outputs.

## 2 Site Inspection and Analysis



Inspecting the property, identifying its characteristics and specifications, and matching documents with reality. Analyzing the location of the property and the uses surrounding the property, while determining the scope of the geographical search and the appropriate activities and projects

## 3 Data Collection and Analysis



Collecting market data (rents, returns, occupancy ratios, maintenance and operating expenses) for income-generating properties. Searching for similar land prices and contractors' costs and analyzing that data to gain knowledge of past and current market trends and future indicators that will be relied upon when applying the appraisal mechanism.

## 4 Application of Appraisal



### Methods:

Based on the scope of work and market analysis, appropriate appraisal methods are determined and all assumptions and inputs are set to carry out financial calculations to identify the market value according to the selected methods.

## 5 Valuation:



The valuation methods used to identify the final market value of the property are reconciled at our final discretion.

## 6 Report Development:



We develop the Appraisal Report according to the scope of work, which includes the data, results and outputs that were produced through the previous work stages

## • Supply and Demand

The higher the demand for real estate and the lower the supply for real estate, the higher the real estate prices, and vice versa. The lower the demand and the higher the supply, the lower the real estate prices. Demand and supply are also influenced by many economic and political factors.

## • Availability of Services

Availability of services such as schools, universities, shopping malls, entertainment facilities and other services in an area, significantly affecting property prices and the demand is increasing, and evidently affecting the increase in property prices in the region.

## • Economic Situation

Undoubtedly low economic conditions affect the real estate market and real estate prices, causing a recession and lower prices. In the case of a recovery in the economic situation of the country and stability of per capita income, in this case prices will increase as there will be stability in the material condition of individuals, making them able to purchase or lease properties.

## • Condition of the Property

The better the condition of the property, the more it affects the increase in the price of the property. For example, if you compare a property in good condition with another property with similar characteristics, the latter may be distinguished by a larger area with poor condition, you will find preference, of course, for the first property with the best condition.

## • Political Situation

The political situation directly affects the country's economic conditions, which obviously affects real estate prices. Therefore, the deterioration of the country's political conditions causes instability in the real estate market. Some areas have inflated real estate prices, while prices decrease in other places.

Land Data					
City	District	Ground Level	Property Type	Area	Ownership Type
Riyadh	Al Rabie	Level	Commercial Office	14,210.00 square meters	Absolute ownership
Title Deed No.	Title Deed Date	Notary Public	Overall Site	Plot No.	Organization Chart No.
810111058734	23/04/1442 H	Riyadh	Within the range	From 1859 to 1874	1637/k

Borders and Lengths		
Direction	Length (m)	Border:
North	203	15-m street
South	203	The line of the towers , 80-m
East	70	60-m street
West	70	8-m street



Property Data			
Building Type	Building Condition and Finishes	Building Vacancy	Building Use
Concrete	Very good	Not vacant	Commercial Office
Property Age	Building Completeness	AC Type	Number of Floors
7 Years	Complete	Central	2 Floors
Basement	Ground Floor	Mezzanine	Identical Floors
1	1	0	1
Services in Building			
Elevators	Alarm and Fire Systems	Safety and Security	Electric Generators
Available	Available	Available	Available
Services and Facilities available in the property area			
Electricity	Water	Telephone	Sewage
Available	Available	Available	Available

To estimate the market value based on the valuation purpose and the nature of the property, the Income Method (Investment Method) (Income Capitalization) will be relied upon as the main method of valuation of the property under appraisal. The main purpose of constructing a commercial building is to generate income from renting offices.

## 4.1 Income Method

The Income Method provides an indication of value by converting future cash flows into a single present value.

### Investment Method

The Investment Method is directly related to the operating income of the property. It applies to investment properties, where the net present value of the property is estimated based on the income generated after deducting operating and maintenance expenses and other expenses.

## 4.2 Field Survey and Income Analysis

The prices of lands, offices, and showrooms greatly affect the development of real estate and the different uses of lands. They are one of the main factors in determining the percentage of annual financial return for various uses. They further affect many other urban planning aspects, such as building regulations, including building heights and setbacks. In addition, it is very difficult to collect data based on the market reality as it is difficult to gather information accurately in the Saudi market.

Some comparisons have been taken and analyzed as a reflection of the market and comparisons are:



# Graphic Survey Offers

Sr.	District	City	Property Type	Area Square meter	Rental Price Per Meter (SAR)	Total price in SAR	Offer Type / Bidding/ Minimum	Coordinates	Notes
1	Al Rabie	Riyadh	Showrooms	211.00	1300.00	274,300.00	Rental Offer / Minimum	24.787418 - 46.659034	---
2	Al-Nafl	Riyadh	Showrooms	288.00	1400.00	403,200.00	Rental Offer / Minimum	-24.785374 46.661357	---
3	Al Rabie	Riyadh	Showrooms	300.00	1200.00	360,000.00	Rental Offer / Minimum	24.788360- 46.647976	---
4	Al-Nafl	Riyadh	Showrooms	358.00	1200.00	429,600.00	Rental Offer / Minimum	24.784130- 46.660758	---
5	Al Rabie	Riyadh	Showrooms and offices	3500.00	2000.00	7,000,000.00	Rental Offer for the Entire Property / Minimum	-24.795026 46.650919	---
6	Al Rabie	Riyadh	Office Commercial Building	3655.80	-	63,920,750.00	Sale offer / Bidding - Rate of Return (8%)	24.797831- 46.653553	Income / 5,113,660
7	Al Rabie	Riyadh	Offices	700	300	210,000	Rental Offer / Minimum	24.78659 - 46.65937	---
8	Al Rabie	Riyadh	Offices	95	550	52,250	Rental Offer / Minimum	24.791327- 46.679870	---
9	Al Rabie	Riyadh	Offices	120	550	66,000	Rental Offer / Minimum	-24.791088 46.679990	---

## Property Revenue

The property revenues were estimated according to the total income provided by the client. It was assumed to be correct and with a vacancy rate of 0% according to the attached data from the client and the market data analysis. The estimated total income according to the contract is SAR 12,000,000.

## Vacancy Rate

Through survey and inspection works, the average occupancy in this area is about 95% (i.e. vacancy rate is 5%), assuming that the contract is leased under one contract for the entire property. Vacancies are assumed to be 0%.

## Operational and capital expenditures

Operational expenses are the expenses related to renting and maintaining the property, and capital expenses are the expenses incurred by the owner for the restoration and development of the property in order to maintain it in an appropriate condition to generate the appropriate annual income.

Operating expenses account for 10- 20% for similar projects in the surrounding area. They include costs for common services expenses, cleaning and maintenance building, and security management and monitoring expenses. In terms of property appraisal, operating and capital expenditures are estimated at 0%.

of the actual rental income, since all expenses are charged to the tenant, and the property is under one contract.

## Capitalization Rate

The capitalization rate is a rate used to convert income into value and it is used in estimating the redemption value of the property. There is more than one way to derive the capitalization rate. Each of these methods depends on using the recent past as a means of predicting the future. In this Report, the capitalization rate was estimated by the market extraction method, according to REIT funds that are similar to the property under appraisal, in the property area at the time of appraisal. It is 8%

# Calculation of value by Investment Method (Income Capitalization)

Income Method (Investment Method)		
Item	Amount in SAR	Unit
Total Gross Income	12,000,000	SAR/ per Annum
Vacancy Rate	0%	Percentage
Total income after deducting the vacancy rate	0	SAR/ per Annum
Total Effective Income	12,000,000	SAR/ per Annum
Percentage of operating and maintenance expenses	0%	Percentage
Operating and maintenance expenses	0	SAR/ per Annum
Net income after deducting operating expenses	12,000,000	SAR/ per Annum
Capitalization Rate	8%	Percentage
Final Market Value of the Property	150,000,000	SAR
<b>Final Market Value of the Property after Rounding</b>	<b>150,000,000</b>	<b>SAR</b>



Based on the Income Method (Investment Method) (Income Capitalization) to get to the value, then the final value of the property can be determined as follows:

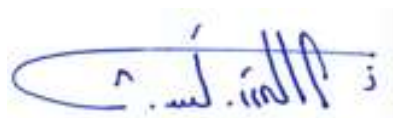
<b>Final Value in Numbers</b>	SAR 150,000,000
<b>Final Value in Writing</b>	Only one hundred and fifty million Saudi riyals

Report Approval

CEO

Eng. Abdullah bin Ali Al-Showair

Membership No.: 1210000540



Chairman

Eng. Ahmed bin Mohammed Ababatain

Membership No.: 1210000305



Description	Name	Membership Category	Membership No.
Chairman	Eng. Ahmed Mohammed Ababatain	Primary - Fellow	1210000305
CEO	Eng. Abdullah Ali Al-Showaier	Primary - Fellow	1210000540

# Photographic survey showing the property



# Photographic survey showing the property



# Photographic survey showing the property





# Image showing similar comparison site



# Image showing the location of the property in the city of Riyadh



Geographical Coordinates	
N 24.79384	E46.67625





# Hotel Building Appraisal Report

Riyadh - Al Sahafa District

(JW Marriott Hotel Riyadh and STC Academy)



## M/s Riyad REIT Fund (RIYADH REAL ESTATE INCOME CO.)

Thank you for choosing MUMTALKATI APPRAISAL COMPANY and upon your request to appraise a hotel building and showrooms (JW Marriott Hotel Riyadh and STC Academy) located in Riyadh - Al-Sahafa District, we have physically inspected the property and reviewed necessary documents and maps. After conducting a study of the surrounding and adjacent area of the property, we enclose the following report, which provides the necessary data and explains the reasons for reaching the market value of the property.

We studied the documents received from the client (the title deed and the building permit) and they were presumed valid and there were no burdens on them or could affect the valuation process.

In this summary, we have also tried hard to present our opinion about the market value of the property according to the available information provided by the client.

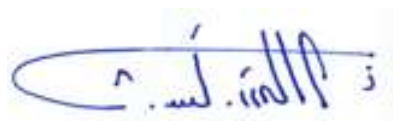
The estimated property is a hotel building and showrooms with a total co-owned land area of 10,694.23 square meters.

Based on the completed study, we estimate the market value of the property under appraisal and its current status on the date of the appraisal and as documented in this Report on 31/12/2023 G.

For an amount of SAR (851,950,000), only eight hundred and fifty one million nine hundred and fifty thousand Saudi riyals


**CEO**

Eng. Abdullah bin Ali Al-Showair  
Membership No.: 1210000540



**Chairman**

Eng. Ahmed bin Mohammed Ababtain  
Membership No.: 1210000305



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# Executive Summary

Appraiser	Report Prepared by: MUMTALKATI APPRAISAL COMPANY holding License No. 808/18/323, dated 11/07/1439 H
Client (Report Author)	RIYADH REAL ESTATE INCOME CO.
Beneficiary (Report User)	RIYADH REAL ESTATE INCOME CO.
Purpose of Appraisal	periodic Report for the Riyad REIT Fund.
Property under appraisal	It is a piece of land on which part of a hotel building (JW Marriott Hotel) is built from the ground floor to the twenty-second floor as well as STC Academy showrooms
Property Address	Riyadh - Al-Sahafa District - Plan No. (1863/ab), from Plot No. (2121/2466/2459/a)
Plot area	10,694.23 square meters as co-ownership
Building Surfaces for the Hotel	9,793.55 square meters
Rental Areas of Showrooms	4,428.27 according to the title deeds.
Owner Name	RIYADH REAL ESTATE INCOME CO.
Title Deed No.	710113075771
Title Deed Date	27/10/1439 H
Ownership Type	Absolute ownership
Value Basis	Market value
Valuation Standards	International Valuation Standards (IVS) issued in 2022 G
Valuation Method	Income Method (DCF Method)
Inspection Date	10/12/2023 G
Value Effective Date	31/12/2023 G
Valuation Issuance Date	12/03/2024 G

### **3.1 Terms of Reference:**

The Appraisal Report was prepared based on the instructions received from the client (RIYADH REAL ESTATE INCOME CO.) to estimate the market value of the property under appraisal periodic Report for the Riyad REIT Fund. Accordingly, this Report may not be used for any other purposes. The Appraisal Report has been prepared by MUMTALKATI APPRAISAL COMPANY which is approved by the Saudi Authority for Accredited Valuers (TAQEEM) after examining the property subject of the Report, collecting data and information and analyzing it to form and develop a neutral opinion about the market value of the aforementioned property to fit the purpose that was previously determined and in line with the International Valuation Standards (IVS) issued in 2022 G. The appraiser acknowledges his independence and that there is no conflict of interest with any important parties in the appraisal or assets under appraisal.

### **4.1 Determination of the Property under Appraisal:**

The property is a piece of land on which part of a hotel building (JW Marriott Hotel Riyadh ) is built from the ground floor to the twenty-second as well as (STC Academy) showrooms, in Riyadh, King Fahd Road. The land area is 10,694.23 square meters as co-ownership.

### **5.1 Purpose of the Appraisal:**

Estimating the absolute ownership value of the building (JW Marriott Hotel Riyadh) periodic Report for the Riyad REIT Fund.

### **6.1 Value Basis Used:**

The appraisal basis depends on the estimate of the property's market value at the appraisal date, on the basis that the property is free of all considerations, restrictive conditions and legal obligations. Accordingly, the concept used in this Report on market value is the concept that was introduced in Standard 104, Paragraph (103) of the International Valuation Standards (IVS): "The market value is the estimated amount for which an asset or liability should be exchanged on the appraisal date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein each of the parties had acted knowledgeably and prudently without coercion."

### 7.1 Appraisal Date:

The opinion on the value was developed on December 31, 2023 G, while the date of the search and survey (inspection) is December 10, 2023 G, and the Report Issuance Date is March 12, 2024 G. The appraisal reflects our opinion of the value at the appraisal date but property values are subject to fluctuations over time as market conditions may change.

### 8.1 Scope of Appraisal:

The Scope of Appraisal included research and analysis to develop the Report according to the intended purpose in line with the International Valuation Standards (IVS). The property was examined and inspected from the inside and outside on the property inspection date. In addition, all the necessary data for developing the Report was obtained.

### 9.1 Nature and Source of Information:

The information contained in the title deeds attached to the property has been relied upon. The municipal, market and economic data provided in this Report is based on various approved sources. We did not review the leases of the property. We only relied on the property information and compared it with market prices, assuming this information is true.

### 10.1 Assumptions and Exceptional Circumstances:

The appraiser could not environmentally examine the site. Accordingly, it was assumed that the property under appraisal does not contain any hazardous or environmentally polluted materials. Besides, it was assumed that maintenance and operation of hotels account for 40%, based on prevailing conditions in the area where your property is located.



- MUMTALKATI APPRAISAL COMPANY is committed to the confidentiality of the information contained in the Report.
- This valuation is linked to the market value estimate under the current circumstances.
- The Report is prepared for the purpose of the client and the users of the report. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof in any document, statement, circular, or any means of communication except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY. We authorize the fund manager to publish this Report on its website, Tadawul's website and CMA website. In addition, we do not accept any responsibility whatsoever to any other party.
- The property was inspected outwardly, and it was not structurally inspected. Besides, no apparent defects were noticed, unless they were mentioned in the Report.
- All documents submitted by the client are at the responsibility of the client. MUMTALKATI APPRAISAL COMPANY bears no responsibility for the documents related to this property. The documents were assumed to be valid and free from any legal obligations or any obstacles, unless they were mentioned in the documents or authorized by the appraisal applicant. Furthermore, the company also does not acknowledge the accuracy or completeness of the available data. Sometimes assumptions are made, according to the market situation in the event of lack of information. It therefore does not express its opinion and has not made any kind of assurance of the accuracy or completeness of the data except as clearly indicated in this Report.
- Appraisal was made pursuant to the International Standards issued by the Saudi Authority for Accredited Valuers (TAQEEM) in 2022 G.
- Duration of this appraisal is three months from the date on which this Report is developed.



Scope of Work Items	Explanation
Scope of Research	Field survey of the area of the properties under appraisal and similar properties, and we sought as much as possible to collect and analyze data To produce results that serve this Report and its intended purpose
Nature and Sources of Information	In developing this Report, we relied on the information provided to us by the client, assuming that it is true. We relied on it to produce the outputs of this report. We also relied on a package of information and data of MUMTALKATI APPRAISAL COMPANY, previous appraisal works, the continuous field survey, and management of studies and research in the Company. As far as we know, we think that they are correct.
Report Type	The Report is integrated and contains an integrated explanation of all appraisal works, including steps, data, information, accounts, etc.
Report Usage Limitations	The Report is prepared for the purpose of the client. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY.
Used Standards	International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) for the year 2022 G
Significant Assumptions and Special Assumptions	Our Company does not assume any responsibility for any information received from the customer, which is supposed to be safe and reliable. In addition, our Company does not acknowledge the accuracy or completeness of the available data. Neither did it express its opinion, nor did it offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this Report.



## 1 Scope of Work:



Meeting with the client and determining the scope of work, including the purpose of the appraisal, the value basis, the concerned parties, the appraisal date, and any special or important assumptions, including the clear mandate and the expected outputs.

## 2 Site Inspection and Analysis



Inspecting the property, identifying its characteristics and specifications, and matching documents with reality. Analyzing the location of the property and the uses surrounding the property, while determining the scope of the geographical search and the appropriate activities and projects

## 3 Data Collection and Analysis



Collecting market data (rents, returns, occupancy ratios, maintenance and operating expenses) for income-generating properties. Searching for similar land prices and contractors' costs and analyzing that data to gain knowledge of past and current market trends and future indicators that will be relied upon when applying the appraisal mechanism.

## 4 Application of Appraisal



### Methods:

Based on the scope of work and market analysis, appropriate appraisal methods are determined and all assumptions and inputs are set to carry out financial calculations to identify the market value according to the selected methods.

## 5 Valuation:



The valuation methods used to identify the final market value of the property are reconciled at our final discretion.

## 6 Report Development:



We develop the Appraisal Report according to the scope of work, which includes the data, results and outputs that were produced through the previous work stages

## • Supply and Demand

The higher the demand for real estate and the lower the supply for real estate, the higher the real estate prices, and vice versa. The lower the demand and the higher the supply, the lower the real estate prices. Demand and supply are also influenced by many economic and political factors.

## • Availability of Services

Availability of services such as schools, universities, shopping malls, entertainment facilities and other services in an area, significantly affecting property prices and the demand is increasing, and evidently affecting the increase in property prices in the region.

## • Economic Situation

Undoubtedly low economic conditions affect the real estate market and real estate prices, causing a recession and lower prices. In the case of a recovery in the economic situation of the country and stability of per capita income, in this case prices will increase as there will be stability in the material condition of individuals, making them able to purchase or lease properties.

## • Condition of the Property

The better the condition of the property, the more it affects the increase in the price of the property. For example, if you compare a property in good condition with another property with similar characteristics, the latter may be distinguished by a larger area with poor condition, you will find preference, of course, for the first property with the best condition.

## • Political Situation

The political situation directly affects the country's economic conditions, which obviously affects real estate prices. Therefore, the deterioration of the country's political conditions causes instability in the real estate market. Some areas have inflated real estate prices, while prices decrease in other places.



Land Data					
City	District	Ground Level	Property Type	Area of Land as co-ownership	Ownership Type
Riyadh	Al-Sahafa	Level	Hotel and Showrooms	10,694.23 square meters as co-ownership	Absolute ownership
Title Deed No.	Title Deed Date	Notary Public	Overall Site	Plot No.	Organization Chart No.
710113075771	27/10/1439 H	Riyadh	Within the range	2121/2466/2459/a	1863/ab
Multiple	14/10/1437 H				

Borders and Lengths of the Hotel		
Direction	Length (m)	Border:
<b>North</b>	114.86	20 m-Street, with setback of 6 m + Generator room and transformer room
<b>South</b>	51.37	Corridor and Garbage Store
<b>East</b>	60.37	Car Ramp (for services)
<b>West</b>	28.03	Shops and Transformer Rooms



Property Data			
Building Type	Building Condition and Finishes	Building Vacancy	Building Use
Concrete	Excellent	Not vacant	Hotel and Showrooms
Property Age	Building Completeness	AC Type	Number of Floors
9 Years	Complete	Central	22 Floors
Basement	Ground Floor	Mezzanine	Identical Floors
0	1	0	21
Services in Building			
Elevators	Alarm and Fire Systems	Safety and Security	Electric Generators
Available	Available	Available	Available
Services and Facilities available in the property area			
Electricity	Water	Telephone	Sewage
Available	Available	Available	Available



To estimate the market value based on the valuation purpose and the nature of the property, the Income Method (DCF Method) will be relied upon as the main method of valuation of the property under appraisal. The main purpose of constructing a building is to generate income from renting hotel rooms and showrooms.

## 4.1 Income Method

The Income Method provides an indication of value by converting future cash flows into a single present value

### Discounted cash flow (DCF) method

It is a property appraisal method that is dependent on knowing the future income that is due for a property.

## 4.2 Field Survey and Income Analysis

The prices of lands, offices, and showrooms greatly affect the development of real estate and the different uses of lands. They are one of the main factors in determining the percentage of annual financial return for various uses. They further affect many other urban planning aspects, such as building regulations, including building heights and setbacks. In addition, it is very difficult to collect data based on the market reality as it is difficult to gather information accurately in the Saudi market.

Some comparisons have been taken and analyzed as a reflection of the market and comparisons are:



Sr.	District	City	Name	Property Type	Area in Square Meters	Nightly Rate	Number of Stars	Offer Type	Coordinates	Notes
1	Al-Sahafa	Riyadh	Ascott Rafal Olaya	Hotel	45.00	638.00	4	Rent	24.711304 46.711304	Superior Room
2	Al-Sahafa	Riyadh	Rose Continental	Hotel	40.00	450.00	4	Rent	24.707874 46.676696	Junior Suite
3	Al-Sahafa	Riyadh	Swiss Spirit Metropolitan	Hotel	35.00	470.00	3	Rent	24.707006 46.675507	Deluxe Room
4	Al-Morouj	Riyadh	Centro By Rotana	Hotel	24.00	350.00	4	Rent	24.702568 46.678632	Junior Suite
5	Al-Aqiq	Riyadh	Executives Hotel	Hotel	45.00	465.00	4	Rent	24.706076 46.676958	Deluxe Room
6	Al-Aqiq	Riyadh	Grand Plaza	Hotel	35.00	400.00	4	Rent	24.697969 46.682448	Deluxe Room





# Table showing DCF Method:

DCF Method Assumptions (Hotel and Academy)	
Hotel Expense Rate (Operational and Capital)	40%
Hotel Vacancy Rate	%25
Showroom Vacancy Rate	10%
Cash flow period	5 years
Discount Rate	8%
Growth rate (0% from the first year to the second year, 3% from the third year to the fourth year, and 5% in the fifth year)	0% - 3% - 5%
Capitalization Rate	8.5%

## Property Revenue

Based on the client's statement, the real estate revenues were estimated, and it was assumed to be correct. The occupancy rate is 75% for the hotel in the first year, 75% in the second year, and 75% for the rest of the years, and 90% for showrooms, according to the client's statement and the market data analysis. The estimated total income for the hotel is 138,204,000 Saudi riyals. The estimated total income for the showrooms is 6,151,400 Saudi riyals.

## Vacancy Rate

Through survey and inspection works, the average hotel occupancy in this area is about 30%, (i.e. vacancy rate is 70%). The number of rooms is 349 rooms.

## Operational and capital expenditures

Operational expenses are the expenses related to renting and maintaining the property, and capital expenses are the expenses incurred by the owner for the restoration and development of the property in order to maintain it in an appropriate condition to generate the appropriate annual income.

Operating expenses for similar properties account for 40% for similar projects in the surrounding area. They include costs for common services expenses, cleaning and maintenance of the building, and security management and monitoring expenses. In terms of property appraisal, operating and capital expenditures of the hotel are estimated at 40% of actual rental income.

## Capitalization Rate

The capitalization rate is a rate used to convert income into value and it is used in estimating the redemption value of the property. There is more than one way to derive the capitalization rate. Each of these methods depends on using the recent past as a means of predicting the future. In this Report, the capitalization rate was estimated by the market extraction method, according to REIT funds that are similar to the property under appraisal, in the property area at the time of appraisal. It is 8.5%.

# Table showing DCF Method (for the Hotel and Academy):

Cash Inflows	Net Area for Rent	Total Rent (square meters)	Years					Redemption Value	
			2022	2023	2024	2025	2026		2027
			0	1	2	3	4	5	
Hotel Growth Rate			0%	0%	0%	3%	3%	5%	
Number of Rooms	349		0	138,204,000	138,204,000	142,350,120	146,620,624	153,951,655	
Hotel Vacancy Rate				25%	25%	25%	25%	25%	
Hotel Vacancy Value				34,551,000	34,551,000	35,587,530	36,655,156	38,487,914	
Growth Rate for Showrooms and Offices				0%	0%	0%	0%	0%	
Showrooms and Offices	4032	1,525.64	0	6,151,400	6,151,400	6,151,400	6,151,400	6,151,400	
Vacancy Rate for Showrooms and Offices				10%	10%	10%	10%	10%	
Vacancy Value for Showrooms and Offices				615,140	615,140	615,140	615,140	615,140	
Total Rental Income			0	144,355,400	144,355,400	148,501,520	152,772,024	160,103,055	
			0	35,166,140	35,166,140	36,202,670	37,270,296	39,103,054	
Actual Total Income			0	109,189,260	109,189,260	112,298,850	115,501,728	121,000,001	
Less Expense Rate (Operational and Capital)		40.0%	0	43,675,704	43,675,704	44,919,540	46,200,691	48,400,000	
Building Net Operating Income (NOI)			0	65,513,556	65,513,556	67,379,310	69,301,037	72,600,001	
Building Redemption Value									854,117,655
Net Cash Flow (NCF)			0	65,513,556	65,513,556	67,379,310	69,301,037	72,600,001	854,117,655
Discount coefficient			1	0.9259	0.8573	0.7938	0.7350	0.6806	0.6806
Present Value of Cash Flows			0	60,660,700	56,167,315	53,487,869	50,938,331	49,410,341	581,298,124
Building Net Present Value (NPV)									<b>851,962,679</b>
Final Value after Rounding									<b>851,950,000</b>

# Final Value of the Property (Hotel and Academy)

Based on the Income Method (DCF Method) to get to the value, then the final value of the property can be determined as follows:

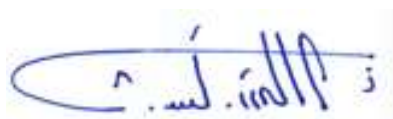
<b>Final Value in Numbers</b>	<b>SAR 851,950,000</b>
<b>Final Value in Writing</b>	Only eight hundred and fifty-one million nine hundred and fifty thousand Saudi riyals

Report Approval

CEO

Eng. Abdullah bin Ali Al-Showair

Membership No.: 1210000540



**Chairman**

Eng. Ahmed bin Mohammed Ababatain

Membership No.: 1210000305



Description	Name	Membership Category	Membership No.
Chairman	Eng. Ahmed Mohammed Ababatain	Primary - Fellow	1210000305
CEO	Eng. Abdullah Ali Al-Showaier	Primary - Fellow	1210000540



# Photographic survey showing the property



# Photographic survey showing the property



# Photographic survey showing the property







# Image showing the location of the property in the city of Riyadh



Geographical Coordinates	
N 24.79264	E46.63293





# Office Commercial Building Appraisal Report

Riyadh - Hittin District

(The Residence)



## M/s Riyadh REIT Fund (RIYADH REAL ESTATE INCOME CO.)

Thank you for choosing MUMTALKATI APPRAISAL COMPANY and upon your request to appraise a commercial building (The Residence) located in Riyadh– Hittin District, we have physically inspected the property and reviewed necessary documents and maps. After conducting a study of the surrounding and adjacent area of the property, we enclose the following report, which provides the necessary data and explains the reasons for reaching the market value of the property.

We studied the documents received from the client (the title deed and the building permit) and they were presumed valid and there were no burdens on them or could affect the valuation process.

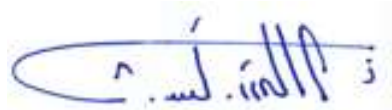
In this summary, we have also tried hard to present our opinion about the market value of the property according to the available information provided by the client. The estimated property is a commercial office building.

Based on the completed study, we estimate the market value of the property under appraisal and its current status on the date of the appraisal and as documented in this Report on 31/12/2023 G.

For an amount of SAR (85,255,000), only eighty-five million two hundred fifty-five thousand

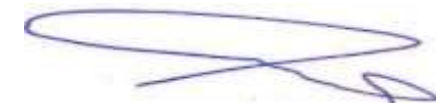
**CEO**

Eng. Abdullah bin Ali Al-Showair  
Membership No.: 1210000540



**Chairman**

Eng. Ahmed bin Mohammed Ababtain  
Membership No.: 1210000305



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Appraiser	Report Prepared by: MUMTALKATI APPRAISAL COMPANY holding License No. 808/18/323, dated 11/07/1439 H
Client (Report Author)	RIYADH REAL ESTATE INCOME CO.
Beneficiary (Report User)	RIYADH REAL ESTATE INCOME CO.
Purpose of Appraisal	periodic Report for the Riyad REIT Fund..
Property under appraisal	It is part of the land on which showrooms are constructed.
Property Address	Riyadh - Hittin District - Plan No. (Without), Plot No. (Without).
Building Surfaces	8,992.94 according to the building permit
Owner Name	RIYADH REAL ESTATE INCOME CO.
Title Deed No.	310108037885 – 2/12318
Title Deed Date	12/08/1422 H / 21/02/1435 H
Ownership Type	Absolute ownership
Value Basis	Market value
Valuation Standards	International Valuation Standards (IVS) issued in 2022 G
Valuation Method	Income Method (Investment Method)
Inspection Date	10/12/2023 G
Value Effective Date	31/12/2023 G
Valuation Issuance Date	12/03/2024 G

### **3.1 Terms of Reference:**

The Appraisal Report was prepared based on the instructions received from the client (RIYADH REAL ESTATE INCOME CO.) to estimate the market value of the property under appraisal periodic Report for the Riyadh REIT Fund. Accordingly, this Report may not be used for any other purposes. The Appraisal Report has been prepared by MUMTALKATI APPRAISAL COMPANY which is approved by the Saudi Authority for Accredited Valuers (TAQEEM) after examining the property subject of the Report, collecting data and information and analyzing it to form and develop a neutral opinion about the market value of the aforementioned property to fit the purpose that was previously determined and in line with the International Valuation Standards (IVS) issued in 2022 G. The appraiser acknowledges his independence and that there is no conflict of interest with any important parties in the appraisal or assets under appraisal.

### **4.1 Determination of the Property under Appraisal:**

The property is part of the land on which showrooms are constructed in Riyadh region, Prince Mohammed bin Salman Road.

### **5.1 Purpose of the Appraisal:**

Estimating the absolute ownership value of the building (The Residence) periodic Report for the Riyadh REIT Fund.

### **6.1 Value Basis Used:**

The appraisal basis depends on the estimate of the property's market value at the appraisal date, on the basis that the property is free of all considerations, restrictive conditions and legal obligations. Accordingly, the concept used in this Report on market value is the concept that was introduced in Standard 104, Paragraph (103) of the International Valuation Standards (IVS): "The market value is the estimated amount for which an asset or liability should be exchanged on the appraisal date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein each of the parties had acted knowledgeably and prudently without coercion."

## **7.1 Appraisal Date:**

The opinion on the value was developed on December 31, 2023 G, while the date of the search and survey (inspection) is December 10, 2023 G, and the Report Issuance Date is March 12, 2024 G. The appraisal reflects our opinion of the value at the appraisal date but property values are subject to fluctuations over time as market conditions may change.

## **8.1 Scope of Appraisal:**

The Scope of Appraisal included research and analysis to develop the Report according to the intended purpose in line with the International Valuation Standards (IVS). The property was examined and inspected from the inside and outside on the property inspection date. In addition, all the necessary data for developing the Report was obtained.

## **9.1 Nature and Source of Information:**

The information contained in the title deeds attached to the property has been relied upon. The municipal, market and economic data provided in this Report is based on various approved sources. We did not review the leases of the property. We only relied on the property information and compared it with market prices, assuming this information is true.

## **10.1 Assumptions and Exceptional Circumstances:**

The appraiser could not environmentally examine the site. Accordingly, it was assumed that the property under appraisal does not contain any hazardous or environmentally polluted materials. Besides, it was assumed that maintenance and operation of showrooms account for 2% of expenses, based on prevailing conditions in the area where your property is located.



- MUMTALKATI APPRAISAL COMPANY is committed to the confidentiality of the information contained in the Report.
- This valuation is linked to the market value estimate under the current circumstances.
- The Report is prepared for the purpose of the client and the users of the report. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof in any document, statement, circular, or any means of communication except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY. We authorize the fund manager to publish this Report on its website, Tadawul's website and CMA website. In addition, we do not accept any responsibility whatsoever to any other party.
- The property was inspected outwardly, and it was not structurally inspected. Besides, no apparent defects were noticed, unless they were mentioned in the Report.
- All documents submitted by the client are at the responsibility of the client. MUMTALKATI APPRAISAL COMPANY bears no responsibility for the documents related to this property. The documents were assumed to be valid and free from any legal obligations or any obstacles, unless they were mentioned in the documents or authorized by the appraisal applicant. Furthermore, the company also does not acknowledge the accuracy or completeness of the available data. Sometimes assumptions are made, according to the market situation in the event of lack of information. It therefore does not express its opinion and has not made any kind of assurance of the accuracy or completeness of the data except as clearly indicated in this Report.
- Appraisal was made pursuant to the International Standards issued by the Saudi Authority for Accredited Valuers (TAQEEM) in 2022 G.
- Duration of this appraisal is three months from the date on which this Report is developed.



Scope of Work Items	Explanation
Scope of Research	Field survey of the area of the properties under appraisal and similar properties, and we sought as much as possible to collect and analyze data To produce results that serve this Report and its intended purpose
Nature and Sources of Information	In developing this Report, we relied on the information provided to us by the client, assuming that it is true. We relied on it to produce the outputs of this report. We also relied on a package of information and data of MUMTALKATI APPRAISAL COMPANY, previous appraisal works, the continuous field survey, and management of studies and research in the Company. As far as we know, we think that they are correct.
Report Type	The Report is integrated and contains an integrated explanation of all appraisal works, including steps, data, information, accounts, etc.
Report Usage Limitations	The Report is prepared for the purpose of the client. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY.
Used Standards	International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) for the year 2022 G
Significant Assumptions and Special Assumptions	Our Company does not assume any responsibility for any information received from the customer, which is supposed to be safe and reliable. In addition, our Company does not acknowledge the accuracy or completeness of the available data. Neither did it express its opinion, nor did it offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this Report.



## 1 Scope of Work:



Meeting with the client and determining the scope of work, including the purpose of the appraisal, the value basis, the concerned parties, the appraisal date, and any special or important assumptions, including the clear mandate and the expected outputs.

## 2 Site Inspection and Analysis



Inspecting the property, identifying its characteristics and specifications, and matching documents with reality. Analyzing the location of the property and the uses surrounding the property, while determining the scope of the geographical search and the appropriate activities and projects

## 3 Data Collection and Analysis



Collecting market data (rents, returns, occupancy ratios, maintenance and operating expenses) for income-generating properties. Searching for similar land prices and contractors' costs and analyzing that data to gain knowledge of past and current market trends and future indicators that will be relied upon when applying the appraisal mechanism.

## 4 Application of Appraisal



### Methods:

Based on the scope of work and market analysis, appropriate appraisal methods are determined and all assumptions and inputs are set to carry out financial calculations to identify the market value according to the selected methods.

## 5 Valuation:



The valuation methods used to identify the final market value of the property are reconciled at our final discretion.

## 6 Report Development:



We develop the Appraisal Report according to the scope of work, which includes the data, results and outputs that were produced through the previous work stages

## • Supply and Demand

The higher the demand for real estate and the lower the supply for real estate, the higher the real estate prices, and vice versa. The lower the demand and the higher the supply, the lower the real estate prices. Demand and supply are also influenced by many economic and political factors.

## • Availability of Services

Availability of services such as schools, universities, shopping malls, entertainment facilities and other services in an area, significantly affecting property prices and the demand is increasing, and evidently affecting the increase in property prices in the region.

## • Economic Situation

Undoubtedly low economic conditions affect the real estate market and real estate prices, causing a recession and lower prices. In the case of a recovery in the economic situation of the country and stability of per capita income, in this case prices will increase as there will be stability in the material condition of individuals, making them able to purchase or lease properties.

## • Condition of the Property

The better the condition of the property, the more it affects the increase in the price of the property. For example, if you compare a property in good condition with another property with similar characteristics, the latter may be distinguished by a larger area with poor condition, you will find preference, of course, for the first property with the best condition.

## • Political Situation

The political situation directly affects the country's economic conditions, which obviously affects real estate prices. Therefore, the deterioration of the country's political conditions causes instability in the real estate market. Some areas have inflated real estate prices, while prices decrease in other places.



Land Data					
City	District	Ground Level	Property Type	Total Land Area for the two title deeds	Ownership Type
Riyadh	Hittin	Level	Commercial Office	15,000 square meters	Absolute ownership
Numbers of Title Deeds	Title Deed Date	Notary Public	Overall Site	Plot No.	Organization Chart No.
210107044732 917815004213	25/08/1438 H 11/03/1443 H	Riyadh	Within the range	N/A	N/A

Borders and Lengths		
Direction	Length (m)	Border:
North	50	80-m street
South	50	15-m street
East	100	15-m street
West	100	20-m street



Property Data			
Building Type	Building Condition and Finishes	Building Vacancy	Building Use
Concrete	Excellent	Not vacant	Commercial
Property Age	Building Completeness	AC Type	Number of Floors
7 Years	Complete	Central	2 Floors
Basement	Ground Floor	Mezzanine	Identical Floors
1	1	1	1

Services in Building			
Elevators	Alarm and Fire Systems	Safety and Security	Electric Generators
Available	Available	Available	Available

Services and Facilities available in the property area			
Electricity	Water	Telephone	Sewage
Available	Available	Available	Available

To estimate the market value based on the valuation purpose and the nature of the property, the Income Method (Investment Method) will be relied upon as the main method of valuation of the property under appraisal. The main purpose of constructing a commercial building is to generate income from renting offices and showrooms.

## 4.1 Income Method

The Income Method provides an indication of value by converting future cash flows into a single present value.

### Investment Method

The Investment Method is directly related to the operating income of the property. It applies to investment properties, where the net present value of the property is estimated based on the income generated after deducting operating and maintenance expenses and other expenses.

## 4.2 Field Survey and Income Analysis

The prices of lands, offices, and showrooms greatly affect the development of real estate and the different uses of lands. They are one of the main factors in determining the percentage of annual financial return for various uses. They further affect many other urban planning aspects, such as building regulations, including building heights and setbacks. In addition, it is very difficult to collect data based on the market reality as it is difficult to gather information accurately in the Saudi market.

Some comparisons have been taken and analyzed as a reflection of the market and comparisons are:

Sr.	District	City	Property Type	Area in Square Meters	Rental Price Per Meter (SAR)	Total Price (SAR)	Offer Type / Bidding/ Minimum	Coordinates
1	Hittin	Riyadh	Showroom	80	625	50,000	Rental Offer / Minimum	24.750967 46.572493
2	Hittin	Riyadh	GALLERY	150	567	85,000	Rental Offer / Minimum	24.752954 46.581501





## Property Revenue

The property revenues were estimated according to the total income provided by the client. It was assumed to be correct and with an vacancy rate of 0% according to the attached data from the client and the market data analysis. The estimated total income according to the contract is SAR 7,104,700.

## Vacancy Rate

Through survey and inspection works, the average occupancy in this area is about 95% (i.e. vacancy rate is 5%), assuming that the contract is leased under one contract for the entire property. Vacancies are assumed to be 5%.

## Operational and capital expenditures

Operational expenses are the expenses related to renting and maintaining the property, and capital expenses are the expenses incurred by the owner for the restoration and development of the property in order to maintain it in an appropriate condition to generate the appropriate annual income.

Operating expenses account for 10- 20% for similar projects in the surrounding area. They include costs for common services expenses, cleaning and maintenance building, and security management and monitoring expenses. In terms of property appraisal, operating and capital expenditures are estimated at 10%.

of the actual rental income, since all expenses are charged to the tenant, and the property is under one contract.

## Capitalization Rate

The capitalization rate is a rate used to convert income into value and it is used in estimating the redemption value of the property. There is more than one way to derive the capitalization rate. Each of these methods depends on using the recent past as a means of predicting the future.

In this Report, the capitalization rate was estimated by the market extraction method, according to REIT funds that are similar to the property under appraisal, in the property area at the time of appraisal. It is 7.5%



# Calculation of value by Investment Method (Income Capitalization)

Income Method (Investment Method)		
Item	Amount in SAR	Unit
Total Gross Income	7,104,700	SAR/ per Annum
Vacancy Rate	0%	Percentage
Total income after deducting the vacancy rate	0.00	SAR/ per Annum
Total Effective Income	7,104,700	SAR/ per Annum
Percentage of operating and maintenance expenses	10%	Percentage
Operating and maintenance expenses	710,470.00	SAR/ per Annum
Net income after deducting operating expenses	6,394,230	SAR/ per Annum
Capitalization Rate	<b>7.50%</b>	Percentage
Final Market Value of the Property	85,256,400	SAR
<b>Final Market Value of the Property after Rounding</b>	<b>85,255,000</b>	SAR



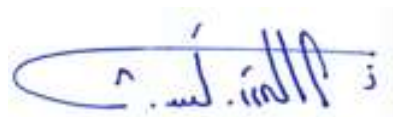
Based on the Income Method (Investment Method) (Income Capitalization) to get to the value, then the final value of the property can be determined as follows:

<b>Final Value in Numbers</b>	SAR 85,255,000
<b>Final Value in Writing</b>	eighty-five million two hundred fifty-five thousand

### Report Approval


CEO

Eng. Abdullah bin Ali Al-Showair  
Membership No.: 1210000540



### Chairman

Eng. Ahmed bin Mohammed Ababatain  
Membership No.: 1210000305



Description	Name	Membership Category	Membership No.
Chairman	Eng. Ahmed Mohammed Ababatain	Primary - Fellow	1210000305
CEO	Eng. Abdullah Ali Al-Showair	Primary - Fellow	1210000540

# Photographic survey showing the property



# Photographic survey showing the property



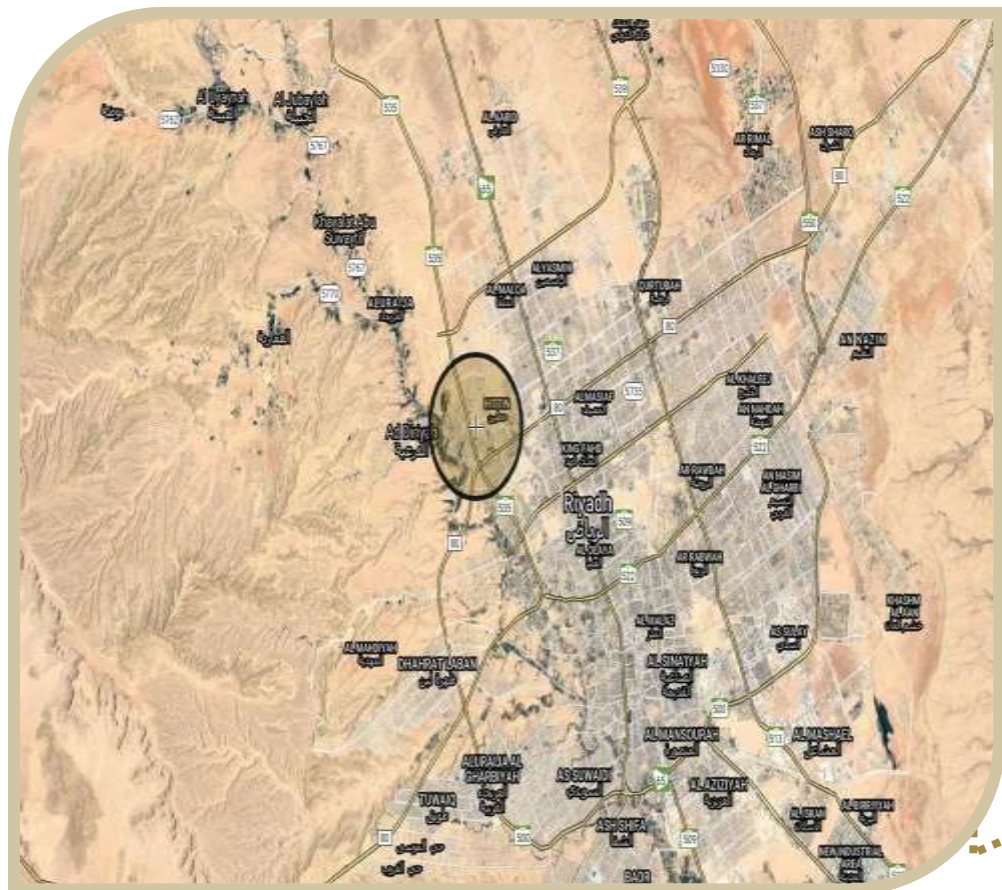
# Photographic survey showing the property







# Image showing the location of the property in the city of Riyadh



Geographical Coordinates	
N 24.75441	E46.58665





# Residential Building Appraisal Report

Riyadh - Hittin District

(Braira Villa Hotel)



## M/s Riyadh REIT Fund (RIYADH REAL ESTATE INCOME CO.)

Thank you for choosing MUMTALKATI APPRAISAL COMPANY and upon your request to appraise a commercial building (Braira Villa Hotel) located in Riyadh— Hittin District, we have physically inspected the property and reviewed necessary documents and maps. After conducting a study of the surrounding and adjacent area of the property, we enclose the following report, which provides the necessary data and explains the reasons for reaching the market value of the property.

We studied the documents received from the client (the title deed and the building permit) and they were presumed valid and there were no burdens on them or could affect the valuation process.

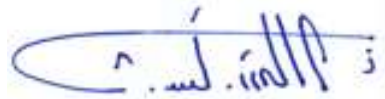
In this summary, we have also tried hard to present our opinion about the market value of the property according to the available information provided by the client.

Based on the completed study, we estimate the market value of the property under appraisal and its current status on the date of the appraisal and as documented in this Report on 31/12/2023 G.

For an amount of SAR (115,140,000), only one hundred fifteen million one hundred forty thousand

**CEO**

Eng. Abdullah bin Ali Al-Showair  
Membership No.: 1210000540



**Chairman**

Eng. Ahmed bin Mohammed Ababatain  
Membership No.: 1210000305



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Appraiser	Report Prepared by: MUMTALKATI APPRAISAL COMPANY holding License No. 808/18/323, dated 11/07/1439 H
Client (Report Author)	RIYADH REAL ESTATE INCOME CO.
Beneficiary (Report User)	RIYADH REAL ESTATE INCOME CO.
Purpose of Appraisal	periodic Report for the Riyad REIT Fund..
Property under appraisal	It is part of the land on which 32 villas and 3 administrative buildings (Braira Villa Hotel) are constructed.
Property Address	Riyadh - Hittin District - Plan No. (N/A), Plot No. (N/A).
Building Surfaces	6,378.00 square meters according to the building permit
Owner Name	RIYADH REAL ESTATE INCOME CO.
Title Deed No.	310108037885 – 2/12318
Title Deed Date	12/08/1422 - 21/02/1435
Ownership Type	Absolute ownership
Value Basis	Market value
Valuation Standards	International Valuation Standards (IVS) issued in 2022 G
Valuation Method	Income Method (DCF Method).
Inspection Date	10/12/2023 G
Value Effective Date	31/12/2023 G
Valuation Issuance Date	12/03/2024 G



### **3.1 Terms of Reference:**

The Appraisal Report was prepared based on the instructions received from the client (RIYADH REAL ESTATE INCOME CO.) to estimate the market value of the property under appraisal periodic Report for the Riyad REIT Fund. Accordingly, this Report may not be used for any other purposes. The Appraisal Report has been prepared by MUMTALKATI APPRAISAL COMPANY which is approved by the Saudi Authority for Accredited Valuers (TAQEEM) after examining the property subject of the Report, collecting data and information and analyzing it to form and develop a neutral opinion about the market value of the aforementioned property to fit the purpose that was previously determined and in line with the International Valuation Standards (IVS) issued in 2022 G. The appraiser acknowledges his independence and that there is no conflict of interest with any important parties in the appraisal or assets under appraisal.

### **4.1 Determination of the Property under Appraisal:**

The property is part of the land on which 32 villas (The Residence) and 3 administrative buildings re constructed in Riyadh region, Prince Mohammed bin Salman Road.

### **5.1 Purpose of the Appraisal:**

Estimating the absolute ownership value of the building (Braira Villa Hotel) periodic Report for the Riyad REIT Fund.

### **6.1 Value Basis Used:**

The appraisal basis depends on the estimate of the property's market value at the appraisal date, on the basis that the property is free of all considerations, restrictive conditions and legal obligations. Accordingly, the concept used in this Report on market value is the concept that was introduced in Standard 104, Paragraph (103) of the International Valuation Standards (IVS): "The market value is the estimated amount for which an asset or liability should be exchanged on the appraisal date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein each of the parties had acted knowledgeably and prudently without coercion."

## **7.1 Appraisal Date:**

The opinion on the value was developed on December 31, 2023 G, while the date of the search and survey (inspection) is December 10, 2023 G, and the Report Issuance Date is March 12, 2024 G. The appraisal reflects our opinion of the value at the appraisal date but property values are subject to fluctuations over time as market conditions may change.

## **8.1 Scope of Appraisal:**

The Scope of Appraisal included research and analysis to develop the Report according to the intended purpose in line with the International Valuation Standards (IVS). The property was examined and inspected from the inside and outside on the property inspection date. In addition, all the necessary data for developing the Report was obtained.

## **9.1 Nature and Source of Information:**

The information contained in the title deeds attached to the property has been relied upon. The municipal, market and economic data provided in this Report is based on various approved sources. We did not review the leases of the property. We only relied on the property information and compared it with market prices, assuming this information is true.

## **10.1 Assumptions and Exceptional Circumstances:**

The appraiser could not environmentally examine the site. Accordingly, it was assumed that the property under appraisal does not contain any hazardous or environmentally polluted materials. Besides, it was assumed that maintenance and operation of offices account for 2% of the expenses. With regard to villas, it is 25%, based on prevailing conditions in the area where your property is located.

- MUMTALKATI APPRAISAL COMPANY is committed to the confidentiality of the information contained in the Report.
- This valuation is linked to the market value estimate under the current circumstances.
- The Report is prepared for the purpose of the client and the users of the report. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof in any document, statement, circular, or any means of communication except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY. We authorize the fund manager to publish this Report on its website, Tadawul's website and CMA website. In addition, we do not accept any responsibility whatsoever to any other party.
- The property was inspected outwardly, and it was not structurally inspected. Besides, no apparent defects were noticed, unless they were mentioned in the Report.
- All documents submitted by the client are at the responsibility of the client. MUMTALKATI APPRAISAL COMPANY bears no responsibility for the documents related to this property. The documents were assumed to be valid and free from any legal obligations or any obstacles, unless they were mentioned in the documents or authorized by the appraisal applicant. Furthermore, the company also does not acknowledge the accuracy or completeness of the available data. Sometimes assumptions are made, according to the market situation in the event of lack of information. It therefore does not express its opinion and has not made any kind of assurance of the accuracy or completeness of the data except as clearly indicated in this Report.
- Appraisal was made pursuant to the International Standards issued by the Saudi Authority for Accredited Valuers (TAQEEM) in 2022 G.
- Duration of this appraisal is three months from the date on which this Report is developed.



Scope of Work Items	Explanation
Scope of Research	Field survey of the area of the properties under appraisal and similar properties, and we sought as much as possible to collect and analyze data To produce results that serve this Report and its intended purpose
Nature and Sources of Information	In developing this Report, we relied on the information provided to us by the client, assuming that it is true. We relied on it to produce the outputs of this report. We also relied on a package of information and data of MUMTALKATI APPRAISAL COMPANY, previous appraisal works, the continuous field survey, and management of studies and research in the Company. As far as we know, we think that they are correct.
Report Type	The Report is integrated and contains an integrated explanation of all appraisal works, including steps, data, information, accounts, etc.
Report Usage Limitations	The Report is prepared for the purpose of the client. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY.
Used Standards	International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) for the year 2022 G
Significant Assumptions and Special Assumptions	Our Company does not assume any responsibility for any information received from the customer, which is supposed to be safe and reliable. In addition, our Company does not acknowledge the accuracy or completeness of the available data. Neither did it express its opinion, nor did it offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this Report.

## 1 Scope of Work:



Meeting with the client and determining the scope of work, including the purpose of the appraisal, the value basis, the concerned parties, the appraisal date, and any special or important assumptions, including the clear mandate and the expected outputs.

## 2 Site Inspection and Analysis



Inspecting the property, identifying its characteristics and specifications, and matching documents with reality. Analyzing the location of the property and the uses surrounding the property, while determining the scope of the geographical search and the appropriate activities and projects

## 3 Data Collection and Analysis



Collecting market data (rents, returns, occupancy ratios, maintenance and operating expenses) for income-generating properties. Searching for similar land prices and contractors' costs and analyzing that data to gain knowledge of past and current market trends and future indicators that will be relied upon when applying the appraisal mechanism.

## 4 Application of Appraisal Methods:



Based on the scope of work and market analysis, appropriate appraisal methods are determined and all assumptions and inputs are set to carry out financial calculations to identify the market value according to the selected methods.

## 5 Valuation:



The valuation methods used to identify the final market value of the property are reconciled at our final discretion.

## 6 Report Development:



We develop the Appraisal Report according to the scope of work, which includes the data, results and outputs that were produced through the previous work stages

## • Supply and Demand

The higher the demand for real estate and the lower the supply for real estate, the higher the real estate prices, and vice versa. The lower the demand and the higher the supply, the lower the real estate prices. Demand and supply are also influenced by many economic and political factors.

## • Availability of Services

Availability of services such as schools, universities, shopping malls, entertainment facilities and other services in an area, significantly affecting property prices and the demand is increasing, and evidently affecting the increase in property prices in the region.

## • Economic Situation

Undoubtedly low economic conditions affect the real estate market and real estate prices, causing a recession and lower prices. In the case of a recovery in the economic situation of the country and stability of per capita income, in this case prices will increase as there will be stability in the material condition of individuals, making them able to purchase or lease properties.

## • Condition of the Property • Political Situation

The better the condition of the property, the more it affects the increase in the price of the property. For example, if you compare a property in good condition with another property with similar characteristics, the latter may be distinguished by a larger area with poor condition, you will find preference, of course, for the first property with the best condition.

The political situation directly affects the country's economic conditions, which obviously affects real estate prices. Therefore, the deterioration of the country's political conditions causes instability in the real estate market. Some areas have inflated real estate prices, while prices decrease in other places.



Land Data					
City	District	Ground Level	Property Type	Total Land Area for the two title deeds	Ownership Type
Riyadh	Hittin	Level	Residential	15,000 square meters	Absolute ownership
Title Deed No.	Title Deed Date	Notary Public	Overall Site	Plot No.	Organization Chart No.
210107044372	25/08/1438 H	Riyadh	Within the range	N/A	N/A

Borders and Lengths		
Direction	Length (m)	Border:
North	100	80-m street
South	100	15-m street
East	100	--
West	100	20-m street



Property Data			
Building Type	Building Condition and Finishes	Building Vacancy	Building Use
Concrete	Excellent	Not vacant	Residential
Property Age	Building Completeness	AC Type	Number of Floors
7 Years	Complete	Central	2 Floors
Basement	Ground Floor	Mezzanine	Identical Floors
0	1	0	1
Services in Building			
Elevators	Alarm and Fire Systems	Safety and Security	Electric Generators
Available	Available	Available	Available
Services and Facilities available in the property area			
Electricity	Water	Telephone	Sewage
Available	Available	Available	Available

To estimate the market value based on the valuation purpose and the nature of the property, the Income Method (DCF Method) will be relied upon as the main method of valuation of the property under appraisal. The main purpose of constructing a commercial and residential building is to generate income from hotel rooms, residential villas and administrative buildings.

## 4.1 Income Method

The Income Method provides an indication of value by converting future cash flows into a single present value

### Discounted cash flow (DCF) method

It is a property appraisal method that is dependent on knowing the future income that is due for a property.

## 4.2 Field Survey and Income Analysis

The prices of lands, offices, and showrooms greatly affect the development of real estate and the different uses of lands. They are one of the main factors in determining the percentage of annual financial return for various uses. They further affect many other urban planning aspects, such as building regulations, including building heights and setbacks. In addition, it is very difficult to collect data based on the market reality as it is difficult to gather information accurately in the Saudi market.

Some comparisons have been taken and analyzed as a reflection of the market and comparisons are:

Sr.	District	City	Property Type	Area in Square Meters	Rental Price Per Meter (SAR)	Total Price (SAR)	Offer Type / Bidding/ Minimum	Coordinates
3	Hittin	Riyadh	Office	115	330	38,000	Rental Offer / Minimum	24.776208 46.577458
4	Hittin	Riyadh	Office	175	500	87,500	Rental Offer / Minimum	24.760013 46.62650
5	Hittin	Riyadh	Residential villa	557	826	460,000	Rental Offer / Minimum	24.74702 46.597601
6	Hittin	Riyadh	Residential villa	558	806	450,000	Rental Offer / Minimum	24.744114 46.59390



## Property Revenue

The property revenues were estimated according to the total income provided by the client. It was assumed to be correct and with an vacancy rate of 5% according to the attached data from the client and the market data analysis. The estimated total income according to the contract is SAR 14,976,000.

## Vacancy Rate

Through survey and inspection works, the average occupancy in this area is about 95% (i.e. vacancy rate is 5%), assuming that the Braira Villa Hotel vacancies range from 10% to 15% (32 villas in total).

## Operational and capital expenditures

Operational expenses are the expenses related to renting and maintaining the property, and capital expenses are the expenses incurred by the owner for the restoration and development of the property in order to maintain it in an appropriate condition to generate the appropriate annual income.

Operating expenses account for 40% for similar projects in the surrounding area. They include costs for common services expenses, cleaning and maintenance building, and security management and monitoring expenses. In terms of property appraisal, operating and capital expenditures are estimated at 10%.

of the actual rental income.

## Capitalization Rate

The capitalization rate is a rate used to convert income into value and it is used in estimating the redemption value of the property. There is more than one way to derive the capitalization rate. Each of these methods depends on using the recent past as a means of predicting the future.

In this Report, the capitalization rate was estimated by the market extraction method, according to REIT funds that are similar to the property under appraisal, in the property area at the time of appraisal. It is 7.5%





DCF Method Assumptions	
Hotel Expense Rate (Operational and Capital)	40%
15% vacancy rate from the first year to the third year and 10% from the fourth year to the fifth year	10% - 15%
Cash flow period	5 Years
Discount Rate	9%
Growth rate (0% in the first year, 3% from the second year to the third year, and 5% from the fourth year to the fifth year)	0% - 3% - 5%
Capitalization Rate	7.5%

## Table showing DCF Method:

<u>Cash Inflows</u>		Years						Redemption Value
		2023	2024	2025	2026	2027	2028	
		0	1	2	3	4	5	
Growth Rate		0%	0%	3%	3%	5%	5%	
No. of Villas	32	0	14,976,000	15,425,280	15,888,038	16,682,440	17,516,562	
Less vacancy rate			15%	10%	10%	10%	10%	
			2,246,400	1,542,528	1,588,804	1,668,244	1,751,656	
<b>Total Rental Income</b>		0	14,976,000	15,425,280	15,888,038	16,682,440	17,516,562	
		0	2,246,400	1,542,528	1,588,804	1,668,244	1,751,656	
<b>Actual Total Income</b>		0	12,729,600	13,882,752	14,299,235	15,014,196	15,764,906	
Less Expense Rate (Operational and Capital)	40.0%	0	5,091,840	5,553,101	5,719,694	6,005,679	6,305,962	
Building Net Operating Income (NOI)		0	7,637,760	8,329,651	8,579,541	9,008,518	9,458,944	
Building Redemption Value								126,119,249
Net Cash Flow (NCF)		0	7,637,760	8,329,651	8,579,541	9,008,518	9,458,944	126,119,249
Discount coefficient		1	0.9174	0.8417	0.7722	0.7084	0.6499	0.6499
Present Value of Cash Flows		0	7,007,119	7,010,901	6,624,980	6,381,861	6,147,664	81,968,858
<b>Building Net Present Value (NPV)</b>								<b>115,141,383</b>
<b>Final Value after Rounding</b>								<b>115,140,000</b>

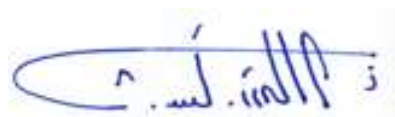
Based on the Income Method (Investment Method) (Income Capitalization) to get to the value, then the final value of the property can be determined as follows:

<b>Final Value in Numbers</b>	SAR 115,140,000
<b>Final Value in Writing</b>	Only one hundred fifteen million one hundred forty thousand

### Report Approval

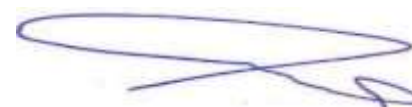
CEO

Eng. Abdullah bin Ali Al-Showair  
Membership No.:1210000540



### Chairman

Eng. Ahmed bin Mohammed Ababatain  
Membership No.: 1210000305



Description	Name	Membership Category	Membership No.
Chairman	Eng. Ahmed Mohammed Ababatain	Primary - Fellow	1210000305
CEO	Eng. Abdullah Ali Al-Showair	Primary - Fellow	1210000540



# Photographic survey showing the property



# Photographic survey showing the property



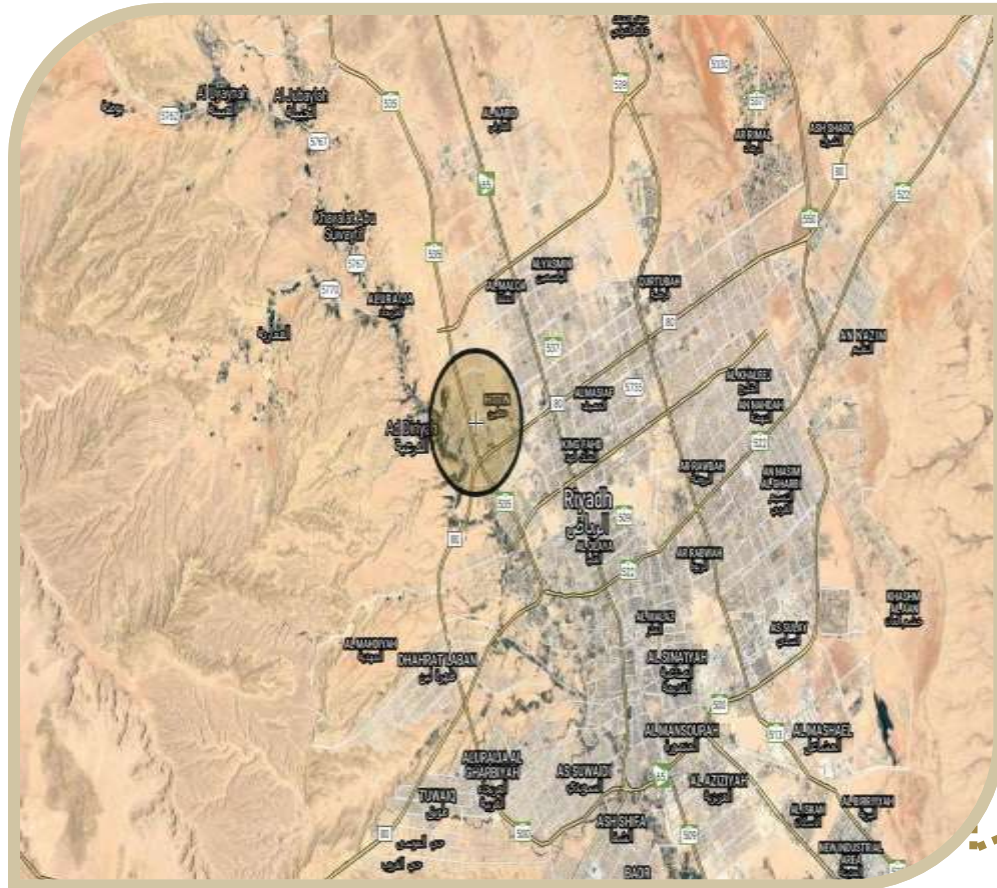
# Photographic survey showing the property







# Image showing the location of the property in the city of Riyadh



Geographical Coordinates	
N 24.75441	E46.58665





# Residential Building Appraisal Report

Riyadh - Al-Maather District

(Vivienda Hotel Villas – Mousa bin Nusair)



## M/s Riyad REIT Fund (RIYADH REAL ESTATE INCOME CO.)

Thank you for choosing MUMTALKATI APPRAISAL COMPANY and upon your request to appraise villas compound (Vivienda Hotel Villas – Mousa bin Nusair) located in Riyadh - Al-Maather District, we have physically inspected the property and reviewed necessary documents and maps. After conducting a study of the surrounding and adjacent area of the property, we enclose the following report, which provides the necessary data and explains the reasons for reaching the market value of the property.

We studied the documents received from the client (the title deed and the building permit) and they were presumed valid and there were no burdens on them or could affect the valuation process

In this summary, we have also tried hard to present our opinion about the market value of the property according to the available information provided by the client.

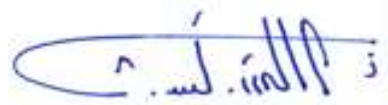
The estimated property is villas compound with a total land area of 2,800.00 square meters according to the title deed and with a total building area of 4,059 square meters according to the permit.

Based on the completed study, we estimate the market value of the property under appraisal and its current status on the date of the appraisal and as documented in this Report on 31/12/2023 G.

For an amount of SAR (48,750,000), only forty-eight million seven hundred and fifty thousand Saudi riyals

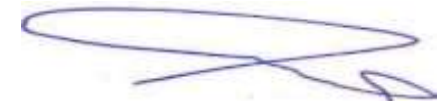
**CEO**

Eng. Abdullah bin Ali Al-Showair  
Membership No.: 1210000540



**Chairman**

Eng. Ahmed bin Mohammed Ababatain  
Membership No.: 1210000305



Content
Executive Summary
Scope of Work
Appraisal Requirements
Property Data
Appraisal
Calculating the market value
A photographic survey showing the location of the property and its location in the city
Image showing field survey offers
Staff

Appraiser	Report Prepared by: MUMTALKATI APPRAISAL COMPANY holding License No. 808/18/323, dated 11/07/1439 H
Client (Report Author)	RIYADH REAL ESTATE INCOME CO.
Beneficiary (Report User)	RIYADH REAL ESTATE INCOME CO.
Purpose of Appraisal	periodic Report for the Riyadh REIT Fund.
Property under appraisal	It is a land on which villas compound (Vivienda Hotel Villas – Mousa bin Nusair) is located.
Property Address	Riyadh - Al-Maather District - Plan No. (2219), Plot No. (167)
Plot area	2,800.00 square meters according to the title deed
Building Surfaces	4,059.00 square meters according to the building permit
Owner Name	RIYADH REAL ESTATE INCOME CO.
Title Deed No.	317807003670
Title Deed Date	11/03/1433 H
Ownership Type	Absolute ownership
Value Basis	Market value
Valuation Standards	International Valuation Standards (IVS) issued in 2022 G
Valuation Method	Income Method (Investment Method)
Inspection Date	10/12/2023 G
Value Effective Date	31/12/2023 G
Valuation Issuance Date	12/03/2024 G



### **3.1 Terms of Reference:**

The Appraisal Report was prepared based on the instructions received from the client (RIYADH REAL ESTATE INCOME CO.) to estimate the market value of the property under appraisal periodic Report for the Riyad REIT Fund. Accordingly, this Report may not be used for any other purposes. The Appraisal Report has been prepared by MUMTALKATI APPRAISAL COMPANY which is approved by the Saudi Authority for Accredited Valuers (TAQEEM) after examining the property subject of the Report, collecting data and information and analyzing it to form and develop a neutral opinion about the market value of the aforementioned property to fit the purpose that was previously determined and in line with the International Valuation Standards (IVS) issued in 2022 G. The appraiser acknowledges his independence and that there is no conflict of interest with any important parties in the appraisal or assets under appraisal.

### **4.1 Determination of the Property under Appraisal:**

The property is a land on which villas compound (Vivienda Hotel Villas – Mousa bin Nusair) is constructed in Riyadh region, Musa Ibn Nusair Road. According to the title deed, the area of the land is 2,800.00 square meters.

### **5.1 Purpose of the Appraisal:**

Estimating the absolute ownership value of the building (Vivienda Hotel Villas – Mousa bin Nusair) periodic Report for the Riyad REIT Fund.

### **6.1 Value Basis Used:**

The appraisal basis depends on the estimate of the property's market value at the appraisal date, on the basis that the property is free of all considerations, restrictive conditions and legal obligations. Accordingly, the concept used in this Report on market value is the concept that was introduced in Standard 104, Paragraph (103) of the International Valuation Standards (IVS): "The market value is the estimated amount for which an asset or liability should be exchanged on the appraisal date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein each of the parties had acted knowledgeably and prudently without coercion."

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The information contained in the title deeds attached to the property has been relied upon. The municipal, market and economic data provided in this Report is based on various approved sources. We did not review the leases of the property. We only relied on the property information and compared it with market prices, assuming this information is true.

### **10.1 Assumptions and Exceptional Circumstances:**

The appraiser could not environmentally examine the site. Accordingly, it was assumed that the property under appraisal does not contain any hazardous or environmentally polluted materials. Besides, it was assumed that maintenance and operation account for 25% as to the villas compound, based on prevailing conditions in the area where your property is located.

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Scope of Work Items	Explanation
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Meeting with the client and determining the scope of work, including the purpose of the appraisal, the value basis, the concerned parties, the appraisal date, and any special or important assumptions, including the clear mandate and the expected outputs.

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Inspecting the property, identifying its characteristics and specifications, and matching documents with reality. Analyzing the location of the property and the uses surrounding the property, while determining the scope of the geographical search and the appropriate activities and projects

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Land Data					
City	District	Ground Level	Property Type	Area	Ownership Type
Riyadh	Al-Maather	Level	Villas Compound	2,800,00 M	Absolute ownership
Title Deed No.	Title Deed Date	Notary Public	Overall Site	Plot No.	Organization Chart No.
317807003670	11/03/1443 H	Riyadh	Within the range	167	2219

Borders and Lengths		
Direction	Length (m)	Border:
North	40	15-m street
South	40	30-m street
East	70	Plot No. 166
West	70	Plot No. 168



Property Data			
Building Type	Building Condition and Finishes	Building Vacancy	Building Use
Concrete	Excellent	Not vacant	Residential
Property Age	Building Completeness	AC Type	Number of Floors
6 Years	Complete	Central Split Unit	2 Floors
Basement	Ground Floor	Mezzanine	Identical Floors
0	1	0	1
Services in Building			
Elevators	Alarm and Fire Systems	Safety and Security	Electric Generators
Available	Available	Available	Available
Services and Facilities available in the property area			
Electricity	Water	Telephone	Sewage
Available	Available	Available	Available

To estimate the market value based on the valuation purpose and the nature of the property, the Income Method (Investment Method) (Income Capitalization) will be relied upon as the main method of valuation of the property under appraisal. The main purpose of constructing a residential building is to generate income from hotel villas.

## 4.1 Income Method

The Income Method provides an indication of value by converting future cash flows into a single present value.

### **Investment Method**

The Investment Method is directly related to the operating income of the property. It applies to investment properties, where the net present value of the property is estimated based on the income generated after deducting operating and maintenance expenses and other expenses.

## 4.2 Field Survey and Income Analysis

The prices of lands, offices, and showrooms greatly affect the development of real estate and the different uses of lands. They are one of the main factors in determining the percentage of annual financial return for various uses. They further affect many other urban planning aspects, such as building regulations, including building heights and setbacks. In addition, it is very difficult to collect data based on the market reality as it is difficult to gather information accurately in the Saudi market.

Some comparisons have been taken and analyzed as a reflection of the market and comparisons are:

Sr.	District	City	Property Type	Area in Square Meters	Rental Price Per Meter (SAR)	Total Price (SAR)	Offer Type / Bidding/ Minimum	Coordinates
4	Al-Rafiah	Riyadh	Lacasa Hotel	250	2500	87,500	Rental Offer / Minimum	24,640777 46.656924
5	Al Mahdiyah	Riyadh	Luxury Villa	750	3000	460,000	Rental Offer / Minimum	24,697835 46.666122
6	Al Olaya	Riyadh	Fayrouz Villa	250	250	450,000	Rental Offer / Minimum	24.706685 46.685235



## Property Revenue

The property revenues were estimated according to the total income provided by the client. It was assumed to be correct and with an vacancy rate of 0% according to the attached data from the client and the market data analysis. The estimated total income according to the contract is SAR 3,900,000 in the first five years.

## Vacancy Rate

Through survey and inspection works, the average occupancy in this area is about 95% (i.e. vacancy rate is 5%), assuming that the contract is leased under one contract for the entire property. Vacancies are assumed to be 0%.

## Operational and capital expenditures

Operational expenses are the expenses related to renting and maintaining the property, and capital expenses are the expenses incurred by the owner for the restoration and development of the property in order to maintain it in an appropriate condition to generate the appropriate annual income.

Operating expenses account for 10- 20% for similar projects in the surrounding area. They include costs for common services expenses, cleaning and maintenance building, and security management and monitoring expenses. In terms of property appraisal, operating and capital expenditures are estimated at 0%.

of the actual rental income, since all expenses are charged to the tenant, and the property is under one contract.

## Capitalization Rate

The capitalization rate is a rate used to convert income into value and it is used in estimating the redemption value of the property. There is more than one way to derive the capitalization rate. Each of these methods depends on using the recent past as a means of predicting the future. In this Report, the capitalization rate was estimated by the market extraction method, according to REIT funds that are similar to the property under appraisal, in the property area at the time of appraisal. It is 8%





# Calculation of value by Investment Method (Income Capitalization)

Income Method (Investment Method)		
Item	Amount in SAR	Unit
Total Gross Income	3,900,000	SAR/ per Annum
Vacancy Rate	0%	Percentage
Total income after deducting the vacancy rate	0	SAR/ per Annum
Total Effective Income	3,900,000	SAR/ per Annum
Percentage of operating and maintenance expenses	0%	Percentage
Operating and maintenance expenses	0	SAR/ per Annum
Net income after deducting operating expenses	3,900,000	SAR/ per Annum
Capitalization Rate	8%	Percentage
Final Market Value of the Property	48,750,000	SAR
<b>Final Market Value of the Property after Rounding</b>	<b>48,750,000</b>	SAR



Based on the Income Method (Investment Method) (Income Capitalization) to get to the value, then the final value of the property can be determined as follows:

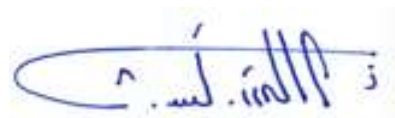
<b>Final Value in Numbers</b>	SAR 48,750,000
<b>Final Value in Writing</b>	Only forty-eight million seven hundred and fifty thousand Saudi riyals

### Report Approval

CEO

Eng. Abdullah bin Ali Al-Showair

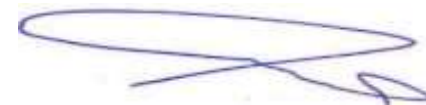
Membership No.:1210000540



### Chairman

Eng. Ahmed bin Mohammed Ababatain

Membership No.: 1210000305



Description	Name	Membership Category	Membership No.
Chairman	Eng. Ahmed Mohammed Ababatain	Primary - Fellow	1210000305
CEO	Eng. Abdullah Ali Al-Showair	Primary - Fellow	1210000540

# Photographic survey showing the property



# Photographic survey showing the property



# Photographic survey showing the property





# Image showing the location of the property in the city of Riyadh







# Office Commercial Building Appraisal Report

Riyadh - Ghirnatah District

(Altamyouz Center)



## M/s Riyadh REIT Fund (RIYADH REAL ESTATE INCOME CO.)

Thank you for choosing MUMTALKATI APPRAISAL COMPANY and upon your request to appraise an office commercial building (Altamyouz Center) located in Riyadh– Ghirnatah District, we have physically inspected the property and reviewed necessary documents and maps. After conducting a study of the surrounding and adjacent area of the property, we enclose the following report, which provides the necessary data and explains the reasons for reaching the market value of the property.

We studied the documents received from the client (the title deed and the building permit) and they were presumed valid and there were no burdens on them or could affect the valuation process.

In this summary, we have also tried hard to present our opinion about the market value of the property according to the available information provided by the client.

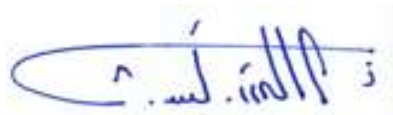
The estimated property is a commercial office building with a total land area of 4,630.00 square meters according to the title deed and with a total building area (multiple areas).

Based on the completed study, we estimate the market value of the property under appraisal and its current status on the date of the appraisal and as documented in this Report on 31/12/2023 G.

For an amount of SAR (53,879,000), only fifty-three million eight hundred seventy-nine thousand

**CEO**

Eng. Abdullah bin Ali Al-Showair  
Membership No.: 1210000540



**Chairman**

Eng. Ahmed bin Mohammed Ababatain  
Membership No.: 1210000305



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Appraiser	Report Prepared by: MUMTALKATI APPRAISAL COMPANY holding License No. 808/18/323, dated 11/07/1439 H
Client (Report Author)	RIYADH REAL ESTATE INCOME CO.
Beneficiary (Report User)	RIYADH REAL ESTATE INCOME CO.
Purpose of Appraisal	periodic Report for the Riyad REIT Fund.
Property under appraisal	It is a piece of land on which a commercial office building (Altamyouz Center) is constructed
Property Address	Riyadh - Ghirnatah District - Plan No. (2956), Plot No. (137- 138- 139- 140)
Plot area	4,630.00 square meters according to the title deed
Building Surfaces	7,106.25 square meters according to the building permit
Owner Name	RIYADH REAL ESTATE INCOME CO.
Title Deed No.	317821003612
Title Deed Date	11/03/1443 H
Ownership Type	Absolute ownership
Value Basis	Market value
Valuation Standards	International Valuation Standards (IVS) issued in 2022 G
Valuation Method	Income Method (DCF Method)
Inspection Date	10/12/2023 G
Value Effective Date	31/12/2023 G
Valuation Issuance Date	12/03/2024 G

### **3.1 Terms of Reference:**

The Appraisal Report was prepared based on the instructions received from the client (RIYADH REAL ESTATE INCOME CO.) to estimate the market value of the property under appraisal periodic Report for the Riyad REIT Fund. Accordingly, this Report may not be used for any other purposes. The Appraisal Report has been prepared by MUMTALKATI APPRAISAL COMPANY which is approved by the Saudi Authority for Accredited Valuers (TAQEEM) after examining the property subject of the Report, collecting data and information and analyzing it to form and develop a neutral opinion about the market value of the aforementioned property to fit the purpose that was previously determined and in line with the International Valuation Standards (IVS) issued in 2022 G. The appraiser acknowledges his independence and that there is no conflict of interest with any important parties in the appraisal or assets under appraisal.

### **4.1 Determination of the Property under Appraisal:**

The property is a land on which a commercial office building is constructed in Riyadh region, Khalid Bin Al Waleed Road intersect with Imam Saud Road. According to the title deed, the area of the land is 4,630 square meters.

### **5.1 Purpose of the Appraisal:**

Estimating the absolute ownership value of the building (Altamyouz Center) periodic Report for the Riyad REIT Fund.

### **6.1 Value Basis Used:**

The appraisal basis depends on the estimate of the property's market value at the appraisal date, on the basis that the property is free of all considerations, restrictive conditions and legal obligations. Accordingly, the concept used in this Report on market value is the concept that was introduced in Standard 104, Paragraph (103) of the International Valuation Standards (IVS): "The market value is the estimated amount for which an asset or liability should be exchanged on the appraisal date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein each of the parties had acted knowledgeably and prudently without coercion."

### **7.1 Appraisal Date:**

The opinion on the value was developed on December 31, 2023 G, while the date of the search and survey (inspection) is December 10, 2023 G, and the Report Issuance Date is March 12, 2024 G. The appraisal reflects our opinion of the value at the appraisal date but property values are subject to fluctuations over time as market conditions may change.

### **8.1 Scope of Appraisal:**

The Scope of Appraisal included research and analysis to develop the Report according to the intended purpose in line with the International Valuation Standards (IVS). The property was examined and inspected from the inside and outside on the property inspection date. In addition, all the necessary data for developing the Report was obtained.

### **9.1 Nature and Source of Information:**

The information contained in the title deeds attached to the property has been relied upon. The municipal, market and economic data provided in this Report is based on various approved sources. We did not review the leases of the property. We only relied on the property information and compared it with market prices, assuming this information is true.

### **10.1 Assumptions and Exceptional Circumstances:**

The appraiser could not environmentally examine the site. Accordingly, it was assumed that the property under appraisal does not contain any hazardous or environmentally polluted materials. Besides, it was assumed that maintenance and operation of offices and showrooms account for 2% of expenses, based on prevailing conditions in the area where your property is located.



- MUMTALKATI APPRAISAL COMPANY is committed to the confidentiality of the information contained in the Report.
- This valuation is linked to the market value estimate under the current circumstances.
- The Report is prepared for the purpose of the client and the users of the report. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof in any document, statement, circular, or any means of communication except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY. We authorize the fund manager to publish this Report on its website, Tadawul's website and CMA website. In addition, we do not accept any responsibility whatsoever to any other party.
- The property was inspected outwardly, and it was not structurally inspected. Besides, no apparent defects were noticed, unless they were mentioned in the Report.
- All documents submitted by the client are at the responsibility of the client. MUMTALKATI APPRAISAL COMPANY bears no responsibility for the documents related to this property. The documents were assumed to be valid and free from any legal obligations or any obstacles, unless they were mentioned in the documents or authorized by the appraisal applicant. Furthermore, the company also does not acknowledge the accuracy or completeness of the available data. Sometimes assumptions are made, according to the market situation in the event of lack of information. It therefore does not express its opinion and has not made any kind of assurance of the accuracy or completeness of the data except as clearly indicated in this Report.
- Appraisal was made pursuant to the International Standards issued by the Saudi Authority for Accredited Valuers (TAQEEM) in 2022 G.
- Duration of this appraisal is three months from the date on which this Report is developed.

Scope of Work Items	Explanation
Scope of Research	Field survey of the area of the properties under appraisal and similar properties, and we sought as much as possible to collect and analyze data To produce results that serve this Report and its intended purpose
Nature and Sources of Information	In developing this Report, we relied on the information provided to us by the client, assuming that it is true. We relied on it to produce the outputs of this report. We also relied on a package of information and data of MUMTALKATI APPRAISAL COMPANY, previous appraisal works, the continuous field survey, and management of studies and research in the Company. As far as we know, we think that they are correct.
Report Type	The Report is integrated and contains an integrated explanation of all appraisal works, including steps, data, information, accounts, etc.
Report Usage Limitations	The Report is prepared for the purpose of the client. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY.
Used Standards	International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) for the year 2022 G
Significant Assumptions and Special Assumptions	Our Company does not assume any responsibility for any information received from the customer, which is supposed to be safe and reliable. In addition, our Company does not acknowledge the accuracy or completeness of the available data. Neither did it express its opinion, nor did it offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this Report.



## 1 Scope of Work:



Meeting with the client and determining the scope of work, including the purpose of the appraisal, the value basis, the concerned parties, the appraisal date, and any special or important assumptions, including the clear mandate and the expected outputs.

## 2 Site Inspection and Analysis



Inspecting the property, identifying its characteristics and specifications, and matching documents with reality. Analyzing the location of the property and the uses surrounding the property, while determining the scope of the geographical search and the appropriate activities and projects

## 3 Data Collection and Analysis



Collecting market data (rents, returns, occupancy ratios, maintenance and operating expenses) for income-generating properties. Searching for similar land prices and contractors' costs and analyzing that data to gain knowledge of past and current market trends and future indicators that will be relied upon when applying the appraisal mechanism.

## 4 Application of Appraisal

### Methods:



Based on the scope of work and market analysis, appropriate appraisal methods are determined and all assumptions and inputs are set to carry out financial calculations to identify the market value according to the selected methods.

## 5 Valuation:



The valuation methods used to identify the final market value of the property are reconciled at our final discretion.

## 6 Report Development:



We develop the Appraisal Report according to the scope of work, which includes the data, results and outputs that were produced through the previous work stages

## • Supply and Demand

The higher the demand for real estate and the lower the supply for real estate, the higher the real estate prices, and vice versa. The lower the demand and the higher the supply, the lower the real estate prices. Demand and supply are also influenced by many economic and political factors.

## • Availability of Services

Availability of services such as schools, universities, shopping malls, entertainment facilities and other services in an area, significantly affecting property prices and the demand is increasing, and evidently affecting the increase in property prices in the region.

## • Economic Situation

Undoubtedly low economic conditions affect the real estate market and real estate prices, causing a recession and lower prices. In the case of a recovery in the economic situation of the country and stability of per capita income, in this case prices will increase as there will be stability in the material condition of individuals, making them able to purchase or lease properties.

## • Condition of the Property

The better the condition of the property, the more it affects the increase in the price of the property. For example, if you compare a property in good condition with another property with similar characteristics, the latter may be distinguished by a larger area with poor condition, you will find preference, of course, for the first property with the best condition.

## • Political Situation

The political situation directly affects the country's economic conditions, which obviously affects real estate prices. Therefore, the deterioration of the country's political conditions causes instability in the real estate market. Some areas have inflated real estate prices, while prices decrease in other places.

## Land Data

City	District	Ground Level	Property Type	Area	Ownership Type
Riyadh	Ghirnatah	Level	Commercial Office	4,630.00 square meters	Absolute ownership
Title Deed No.	Title Deed Date	Notary Public	Overall Site	Plot No.	Organization Chart No.
317821003612	11/03/1443 H	Riyadh	Within the range	137-138-139-140	N/A

## Borders and Lengths

Direction	Length (m)	Border:
<b>North</b>	70.07 - broken	15-m street
<b>South</b>	53	60-m street
<b>East</b>	70	Plots No. 135-136
<b>West</b>	71.21 - broken	60-m street



Property Data			
Building Type	Building Condition and Finishes	Building Vacancy	Building Use
Concrete	Excellent	There are vacancies	Commercial Office
Property Age	Building Completeness	AC Type	Number of Floors
7 Years	Complete	Central Split Unit	3 floors
Basement	Ground Floor	Mezzanine	Identical Floors
0	1	1	1

Services in Building			
Elevators	Alarm and Fire Systems	Safety and Security	Electric Generators
Available	Available	Available	Available

Services and Facilities available in the property area			
Electricity	Water	Telephone	Sewage
Available	Available	Available	Available

To estimate the market value based on the valuation purpose and the nature of the property, the Income Method (DCF Method) will be relied upon as the main method of valuation of the property under appraisal. The main purpose of constructing a commercial building is to generate income from renting offices and showrooms.

## 4.1 Income Method

The Income Method provides an indication of value by converting future cash flows into a single present value.

### Discounted cash flow (DCF) method

It is a property appraisal method that is dependent on knowing the future income that is due for a property.

## 4.2 Field Survey and Income Analysis

The prices of lands, offices, and showrooms greatly affect the development of real estate and the different uses of lands. They are one of the main factors in determining the percentage of annual financial return for various uses. They further affect many other urban planning aspects, such as building regulations, including building heights and setbacks. In addition, it is very difficult to collect data based on the market reality as it is difficult to gather information accurately in the Saudi market.

Some comparisons have been taken and analyzed as a reflection of the market and comparisons are:

Sr.	District	City	Property Type	Area in Square Meters	Nightly Rate	Number of Stars	Offer Type	Coordinates	Notes
1	Ghirnatah	Riyadh	Showroom	45.00	638.00	4	Rent	24.711304 46.711304	Superior Room
2	Ghirnatah	Riyadh	Showroom	40.00	450.00	4	Rent	24.707874 46.676696	Junior Suite
3	Al Hamra	Riyadh	Showroom	35.00	470.00	3	Rent	24.707006 46.675507	Deluxe Room
4	Ghirnatah	Riyadh	Office	24.00	350.00	4	Rent	24.702568 46.678632	Junior Suite
5	Al Hamra	Riyadh	Office	45.00	465.00	4	Rent	24.706076 46.676958	Deluxe Room
6	Al Hamra	Riyadh	Office	35.00	400.00	4	Rent	24.697969 46.682448	Deluxe Room



DCF Method Assumptions	
Expense Rate (Operational and Capital)	10%
Vacancy Rate for Showrooms	10%
Vacancy Rate for Offices	15%
Cash flow period	5 years
Discount Rate	8.5%
Growth rate (from the third year onwards)	5%
Capitalization Rate	8

## Property Revenue

The property revenues were estimated according to the total income provided by the client. It was assumed to be correct and with a vacancy rate of 10% for showrooms and with a vacancy rate of 15% for Offices all years, according to the attached data from the client and the market data analysis. The estimated total income according to the contract is SAR 4,786,914

## Vacancy Rate

Through survey and inspection works, the average occupancy in this area is about 95% (i.e. vacancy rate is 5%), assuming that the contract is leased under one contract for the entire property. Vacancies are assumed to be 9% of showrooms in all years and 10% for offices in all years.

## Operational and capital expenditures

Operational expenses are the expenses related to renting and maintaining the property, and capital expenses are the expenses incurred by the owner for the restoration and development of the property in order to maintain it in an appropriate condition to generate the appropriate annual income.

Operating expenses account for 10- 20% for similar projects in the surrounding area. They include costs for common services expenses, cleaning and maintenance building, and security management and monitoring expenses. In terms of property appraisal, operating and capital expenditures are estimated at 10%.

of the actual rental income, since they are separate contracts.

## Capitalization Rate

The capitalization rate is a rate used to convert income into value and it is used in estimating the redemption value of the property. There is more than one way to derive the capitalization rate. Each of these methods depends on using the recent past as a means of predicting the future. In this Report, the capitalization rate was estimated by the market extraction method, according to REIT funds that are similar to the property under appraisal, in the property area at the time of appraisal. It is 8%





# Table showing DCF Method:

Cash Inflows	Net Area for Rent	Total Rent (square meters)	Years						Redemption Value
			2022	2023	2024	2025	2026	2027	
			0	1	2	3	4	5	
Growth Rate			0%	0%	0%	5%	5%	5%	
Showrooms	816.38	3,496,891	0	3,485,551	3,485,551	3,659,828	3,842,820	4,034,961	
Less Vacancy Rate				9%	9%	9%	9%	9%	
				308,471	308,471	329,385	345,854	363,146	
Offices	2549.73	676	0	1,301,363	1,301,363	1,366,431	1,434,752	1,506,490	
Less Vacancy Rate				10%	10%	10%	10%	10%	
				130,136	130,136	136,643	143,475	150,649	
Total Rental Income			0	4,786,914	4,786,914	5,026,259	5,277,572	5,541,451	
			0	438,608	438,608	466,028	489,329	513,795	
Actual Total Income			0	4,348,306	4,348,306	4,560,232	4,788,243	5,027,655	
Less Expense Rate (Operating and capital)		10.0%	0	434,831	434,831	456,023	478,824	502,766	
Building Net Operating Income (NOI)			0	3,913,475	3,913,475	4,104,208	4,309,419	4,524,890	
Building Redemption Value									56,561,123
Net Cash Flow (NCF)			0	3,913,475	3,913,475	4,104,208	4,309,419	4,524,890	56,561,123
Discount coefficient			1	0.9217	0.8495	0.7829	0.7216	0.6650	0.6650
Present Value of Cash Flows			0	3,606,890	3,324,322	3,213,218	3,109,566	3,009,257	37,615,716
Building Net Present Value (NPV)									53,878,969
Final Value after Rounding									<b>53,879,000</b>

Based on the Income Method (DCF Method) to get to the value, then the final value of the property can be determined as follows:

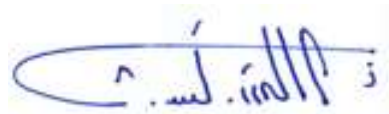
<b>Final Value in Numbers</b>	SAR 53,879,000
<b>Final Value in Writing</b>	Only fifty-three million eight hundred seventy-nine thousand

### Report Approval

CEO

Eng. Abdullah bin Ali Al-Showair

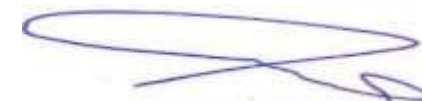
Membership No.:1210000540



### Chairman

Eng. Ahmed bin Mohammed Ababatain

Membership No.: 1210000305



Description	Name	Membership Category	Membership No.
Chairman	Eng. Ahmed Mohammed Ababatain	Primary - Fellow	1210000305
CEO	Eng. Abdullah Ali Al-Showaier	Primary - Fellow	1210000540

# Photographic survey showing the property



# Photographic survey showing the property



# Photographic survey showing the property



# Image showing similar comparison site

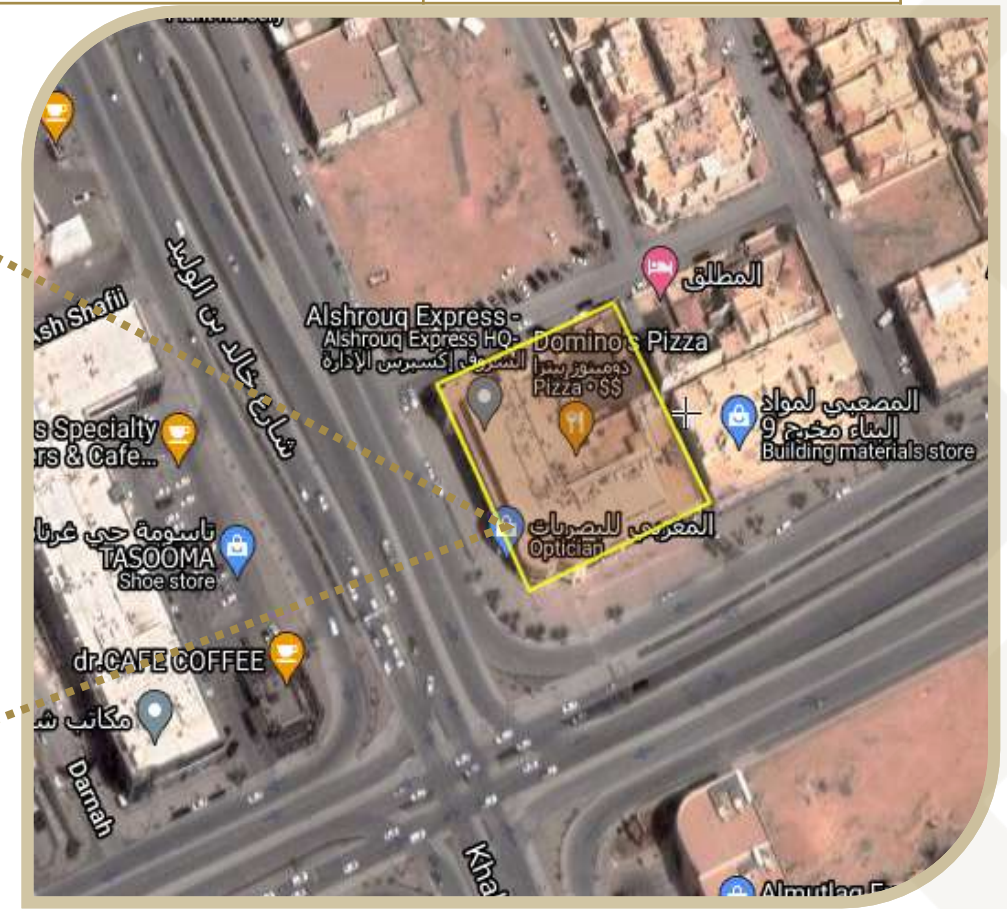


# Image showing the location of the property in the city of Riyadh

## Geographical Coordinates

N 24.78444

E46.74878







# Office Commercial Building Appraisal Report

Riyadh - Al Izdihar District

(Alizdihar Center)



## M/s Riyadh REIT Fund (RIYADH REAL ESTATE INCOME CO.)

Thank you for choosing MUMTALKATI APPRAISAL COMPANY and upon your request to appraise an office commercial building (Alizdihar Center) located in Riyadh– Al Izdihar District, we have physically inspected the property and reviewed necessary documents and maps. After conducting a study of the surrounding and adjacent area of the property, we enclose the following report, which provides the necessary data and explains the reasons for reaching the market value of the property.

We studied the documents received from the client (the title deed and the building permit) and they were presumed valid and there were no burdens on them or could affect the valuation process.

In this summary, we have also tried hard to present our opinion about the market value of the property according to the available information provided by the client.

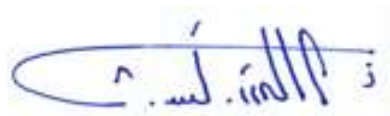
The estimated property is a commercial office building with a total land area of 2,515.00 square meters according to the title deed and with a total building area of 6,351 according to the building permit.

Based on the completed study, we estimate the market value of the property under appraisal and its current status on the date of the appraisal and as documented in this Report on 31/12/2023 G.

For an amount of SAR (42,300,000), only forty-two million three hundred thousand

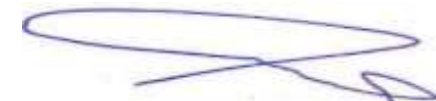
**CEO**

Eng. Abdullah bin Ali Al-Showair  
Membership No.: 1210000540



**Chairman**

Eng. Ahmed bin Mohammed Ababatain  
Membership No.: 1210000305



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Image showing field survey offers
Staff

Appraiser	Report Prepared by: MUMTALKATI APPRAISAL COMPANY holding License No. 808/18/323, dated 11/07/1439 H
Client (Report Author)	RIYADH REAL ESTATE INCOME CO.
Beneficiary (Report User)	RIYADH REAL ESTATE INCOME CO.
Purpose of Appraisal	periodic Report for the Riyadh REIT Fund.
Property under appraisal	It is a piece of land on which a commercial office building (Alizdihar Center) is constructed
Property Address	Riyadh - Al Izdihar District - Plan No. (1822), Plots No. (568-569-566)
Plot area	2,515.00 square meters according to the title deed
Building Surfaces	6,351 according to the building permit
Owner Name	RIYADH REAL ESTATE INCOME CO.
Title Deed No.	917821001724 – 217822001284
Title Deed Date	21/04/1442 H + 21/04/1442 H
Ownership Type	Absolute ownership
Value Basis	Market value
Valuation Standards	International Valuation Standards (IVS) issued in 2022 G
Valuation Method	Income Method (Investment Method)
Inspection Date	10/12/2023 G
Value Effective Date	31/12/2023 G
Valuation Issuance Date	12/03/2024 G

### **3.1 Terms of Reference:**

The Appraisal Report was prepared based on the instructions received from the client (RIYADH REAL ESTATE INCOME CO.) to estimate the market value of the property under appraisal periodic Report for the Riyadh REIT Fund. Accordingly, this Report may not be used for any other purposes. The Appraisal Report has been prepared by MUMTALKATI APPRAISAL COMPANY which is approved by the Saudi Authority for Accredited Valuers (TAQEEM) after examining the property subject of the Report, collecting data and information and analyzing it to form and develop a neutral opinion about the market value of the aforementioned property to fit the purpose that was previously determined and in line with the International Valuation Standards (IVS) issued in 2022 G. The appraiser acknowledges his independence and that there is no conflict of interest with any important parties in the appraisal or assets under appraisal.

### **4.1 Determination of the Property under Appraisal:**

The property is a land on which a commercial office building is constructed in Riyadh region, Othman Bin Affan Road. According to the two title deeds, the area of the land is 2,515.00 square meters.

### **5.1 Purpose of the Appraisal:**

Estimating the absolute ownership value of the building (Alizdihar Center) periodic Report for the Riyadh REIT Fund.

### **6.1 Value Basis Used:**

The appraisal basis depends on the estimate of the property's market value at the appraisal date, on the basis that the property is free of all considerations, restrictive conditions and legal obligations. Accordingly, the concept used in this Report on market value is the concept that was introduced in Standard 104, Paragraph (103) of the International Valuation Standards (IVS): "The market value is the estimated amount for which an asset or liability should be exchanged on the appraisal date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein each of the parties had acted knowledgeably and prudently without coercion."

### **7.1 Appraisal Date:**

The opinion on the value was developed on December 31, 2023 G, while the date of the search and survey (inspection) is December 10, 2023 G, and the Report Issuance Date is March 12, 2024 G. The appraisal reflects our opinion of the value at the appraisal date but property values are subject to fluctuations over time as market conditions may change.

### **8.1 Scope of Appraisal:**

The Scope of Appraisal included research and analysis to develop the Report according to the intended purpose in line with the International Valuation Standards (IVS). The property was examined and inspected from the inside and outside on the property inspection date. In addition, all the necessary data for developing the Report was obtained.

### **9.1 Nature and Source of Information:**

The information contained in the title deeds attached to the property has been relied upon. The municipal, market and economic data provided in this Report is based on various approved sources. We did not review the leases of the property. We only relied on the property information and compared it with market prices, assuming this information is true.

### **10.1 Assumptions and Exceptional Circumstances:**

The appraiser could not environmentally examine the site. Accordingly, it was assumed that the property under appraisal does not contain any hazardous or environmentally polluted materials. Besides, it was assumed that maintenance and operation of offices and showrooms account for 2% of expenses, based on prevailing conditions in the area where your property is located.



- MUMTALKATI APPRAISAL COMPANY is committed to the confidentiality of the information contained in the Report.
- This valuation is linked to the market value estimate under the current circumstances.
- The Report is prepared for the purpose of the client and the users of the report. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof in any document, statement, circular, or any means of communication except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY. We authorize the fund manager to publish this Report on its website, Tadawul's website and CMA website. In addition, we do not accept any responsibility whatsoever to any other party.
- The property was inspected outwardly, and it was not structurally inspected. Besides, no apparent defects were noticed, unless they were mentioned in the Report.
- All documents submitted by the client are at the responsibility of the client. MUMTALKATI APPRAISAL COMPANY bears no responsibility for the documents related to this property. The documents were assumed to be valid and free from any legal obligations or any obstacles, unless they were mentioned in the documents or authorized by the appraisal applicant. Furthermore, the company also does not acknowledge the accuracy or completeness of the available data. Sometimes assumptions are made, according to the market situation in the event of lack of information. It therefore does not express its opinion and has not made any kind of assurance of the accuracy or completeness of the data except as clearly indicated in this Report.
- Appraisal was made pursuant to the International Standards issued by the Saudi Authority for Accredited Valuers (TAQEEM) in 2022 G.
- Duration of this appraisal is three months from the date on which this Report is developed.

Scope of Work Items	Explanation
Scope of Research	Field survey of the area of the properties under appraisal and similar properties, and we sought as much as possible to collect and analyze data To produce results that serve this Report and its intended purpose
Nature and Sources of Information	In developing this Report, we relied on the information provided to us by the client, assuming that it is true. We relied on it to produce the outputs of this report. We also relied on a package of information and data of MUMTALKATI APPRAISAL COMPANY, previous appraisal works, the continuous field survey, and management of studies and research in the Company. As far as we know, we think that they are correct.
Report Type	The Report is integrated and contains an integrated explanation of all appraisal works, including steps, data, information, accounts, etc.
Report Usage Limitations	The Report is prepared for the purpose of the client. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY.
Used Standards	International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) for the year 2022 G
Significant Assumptions and Special Assumptions	Our Company does not assume any responsibility for any information received from the customer, which is supposed to be safe and reliable. In addition, our Company does not acknowledge the accuracy or completeness of the available data. Neither did it express its opinion, nor did it offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this Report.





## 1 Scope of Work:



Meeting with the client and determining the scope of work, including the purpose of the appraisal, the value basis, the concerned parties, the appraisal date, and any special or important assumptions, including the clear mandate and the expected outputs.

## 2 Site Inspection and Analysis



Inspecting the property, identifying its characteristics and specifications, and matching documents with reality. Analyzing the location of the property and the uses surrounding the property, while determining the scope of the geographical search and the appropriate activities and projects

## 3 Data Collection and Analysis



Collecting market data (rents, returns, occupancy ratios, maintenance and operating expenses) for income-generating properties. Searching for similar land prices and contractors' costs and analyzing that data to gain knowledge of past and current market trends and future indicators that will be relied upon when applying the appraisal mechanism.

## 4 Application of Appraisal

### Methods:



Based on the scope of work and market analysis, appropriate appraisal methods are determined and all assumptions and inputs are set to carry out financial calculations to identify the market value according to the selected methods.

## 5 Valuation:



The valuation methods used to identify the final market value of the property are reconciled at our final discretion.

## 6 Report Development:



We develop the Appraisal Report according to the scope of work, which includes the data, results and outputs that were produced through the previous work stages



## • Supply and Demand

The higher the demand for real estate and the lower the supply for real estate, the higher the real estate prices, and vice versa. The lower the demand and the higher the supply, the lower the real estate prices. Demand and supply are also influenced by many economic and political factors.

## • Availability of Services

Availability of services such as schools, universities, shopping malls, entertainment facilities and other services in an area, significantly affecting property prices and the demand is increasing, and evidently affecting the increase in property prices in the region.

## • Economic Situation

Undoubtedly low economic conditions affect the real estate market and real estate prices, causing a recession and lower prices. In the case of a recovery in the economic situation of the country and stability of per capita income, in this case prices will increase as there will be stability in the material condition of individuals, making them able to purchase or lease properties.

## • Condition of the Property

The better the condition of the property, the more it affects the increase in the price of the property. For example, if you compare a property in good condition with another property with similar characteristics, the latter may be distinguished by a larger area with poor condition, you will find preference, of course, for the first property with the best condition.

## • Political Situation

The political situation directly affects the country's economic conditions, which obviously affects real estate prices. Therefore, the deterioration of the country's political conditions causes instability in the real estate market. Some areas have inflated real estate prices, while prices decrease in other places.

Land Data					
City	District	Ground Level	Property Type	Area	Ownership Type
Riyadh	Al Izdihar	Level	Commercial Office	2,515.00 square meters	Absolute ownership
Title Deed No.	Title Deed Date	Notary Public	Overall Site	Plot No.	Organization Chart No.
917821001724 217822001284	21/04/1442 H + 21/04/1442 H	Riyadh	Within the range	568-569-566	1822

Borders and Lengths		
Direction	Length (m)	Border:
North	33	30-m street
South	33	15-m street
East	55	Plots No. 566-567
West	55	80-m street
<b>Title Deed No.</b>	217822001284	

Borders and Lengths		
Direction	Length (m)	Border:
North	25	30-m street
South	25	Plot No. 567
East	28	Plot No. 564
West	28	Plot No. 568
<b>Title Deed No.</b>	917821001724	



Property Data			
Building Type	Building Condition and Finishes	Building Vacancy	Building Use
Concrete	Excellent	Not vacant	Commercial Office
Property Age	Building Completeness	AC Type	Number of Floors
9 Years	Complete	Central Split Unit	3 floors
Basement	Ground Floor	Mezzanine	Identical Floors
1	1	1	1
Services in Building			
Elevators	Alarm and Fire Systems	Safety and Security	Electric Generators
Available	Available	Available	Available
Services and Facilities available in the property area			
Electricity	Water	Telephone	Sewage
Available	Available	Available	Available

To estimate the market value based on the valuation purpose and the nature of the property, the Income Method (Investment Method) (Income Capitalization) will be relied upon as the main method of valuation of the property under appraisal. The main purpose of constructing a commercial building is to generate income from renting offices and showrooms.

## 4.1 Income Method

The Income Method provides an indication of value by converting future cash flows into a single present value

### Investment Method

The Investment Method is directly related to the operating income of the property. It applies to investment properties, where the net present value of the property is estimated based on the income generated after deducting operating and maintenance expenses and other expenses.

## 4.2 Field Survey and Income Analysis

The prices of lands, offices, and showrooms greatly affect the development of real estate and the different uses of lands. They are one of the main factors in determining the percentage of annual financial return for various uses. They further affect many other urban planning aspects, such as building regulations, including building heights and setbacks. In addition, it is very difficult to collect data based on the market reality as it is difficult to gather information accurately in the Saudi market.

Some comparisons have been taken and analyzed as a reflection of the market and comparisons are:

# Graphic Survey Offers

Sr.	District	City	Property Type	Area in Square Meters	Rental Price Per Meter (SAR)	Total Price (SAR)	Offer Type / Bidding / Minimum	Coordinates
1	Al Izdihar	Riyadh	Showroom	305	1,098.36	335,000	Rental Offer / Minimum	24.760889 46.715946
2	Al-Taawun	Riyadh	Showroom	260	692.31	180,000	Rental Offer / Minimum	24.778447 46.707076
3	Al Izdihar	Riyadh	Showroom	188	1,094.15	205,700	Rental Offer / Minimum	24.781122 46.706984
4	Al Izdihar	Riyadh	Office	600	700.00	420,000	Rental Offer / Minimum	24.775886 46.7097598
5	Al Izdihar	Riyadh	Office	200	550	110,000	Rental Offer / Minimum	24.7708185 46.712274
6	Al-Taawun	Riyadh	Office	125.00	650.00	81,250.00	Rental Offer / Minimum	24.768656 46.710996



## Property Revenue

The property revenues were estimated according to the total income provided by the client. It was assumed to be correct and with a vacancy rate of 0% according to the attached data from the client and the market data analysis. The estimated total income according to the contract is SAR 3,429,745.

## Vacancy Rate

Through survey and inspection works, the average occupancy in this area is about 95% (i.e. vacancy rate is 5%), assuming that the contract is leased under one contract for the entire property. Vacancies are assumed to be 0%.

## Operational and capital expenditures

Operational expenses are the expenses related to renting and maintaining the property, and capital expenses are the expenses incurred by the owner for the restoration and development of the property in order to maintain it in an appropriate condition to generate the appropriate annual income.

Operating expenses account for 10- 20% for similar projects in the surrounding area. They include costs for common services expenses, cleaning and maintenance building, and security management and monitoring expenses. In terms of property appraisal, operating and capital expenditures are estimated at 7.50%.

of the actual rental income, since all expenses are charged to the tenant, and the property is under one contract.

## Capitalization Rate

The capitalization rate is a rate used to convert income into value and it is used in estimating the redemption value of the property. There is more than one way to derive the capitalization rate. Each of these methods depends on using the recent past as a means of predicting the future. In this Report, the capitalization rate was estimated by the market extraction method, according to REIT funds that are similar to the property under appraisal, in the property area at the time of appraisal. It is 8%



# Calculation of value by Investment Method (Income Capitalization)

Income Method (Investment Method)		
Item	Amount in SAR	Unit
Total Gross Income	3,429,745.00	SAR/ per Annum
Vacancy Rate	0%	Percentage
Total income after deducting the vacancy rate	0	SAR/ per Annum
Total Effective Income	3,429,745.00	SAR/ per Annum
Percentage of operating and maintenance expenses	7.50%	Percentage
Operating and maintenance expenses	257,230.88	SAR/ per Annum
Net income after deducting operating expenses	3,172,514.13	SAR/ per Annum
Capitalization Rate	<b>7.5%</b>	Percentage
Final Market Value of the Property	42,300,188.33	SAR
<b>Final Market Value of the Property after Rounding</b>	<b>42,300,000</b>	SAR





Based on the Income Method (Investment Method) (Income Capitalization) to get to the value, then the final value of the property can be determined as follows:

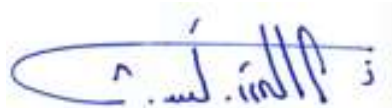
Final Value in Numbers	SAR 42,300,000
Final Value in Writing	Only forty-two million three hundred thousand

## Report Approval

CEO

Eng. Abdullah bin Ali Al-Showair

Membership No.:1210000540



## Chairman

Eng. Ahmed bin Mohammed Ababatain

Membership No.: 1210000305



Description	Name	Membership Category	Membership No.
Chairman	Eng. Ahmed Mohammed Ababatain	Primary - Fellow	1210000305
CEO	Eng. Abdullah Ali Al-Showair	Primary - Fellow	1210000540



# Photographic survey showing the property



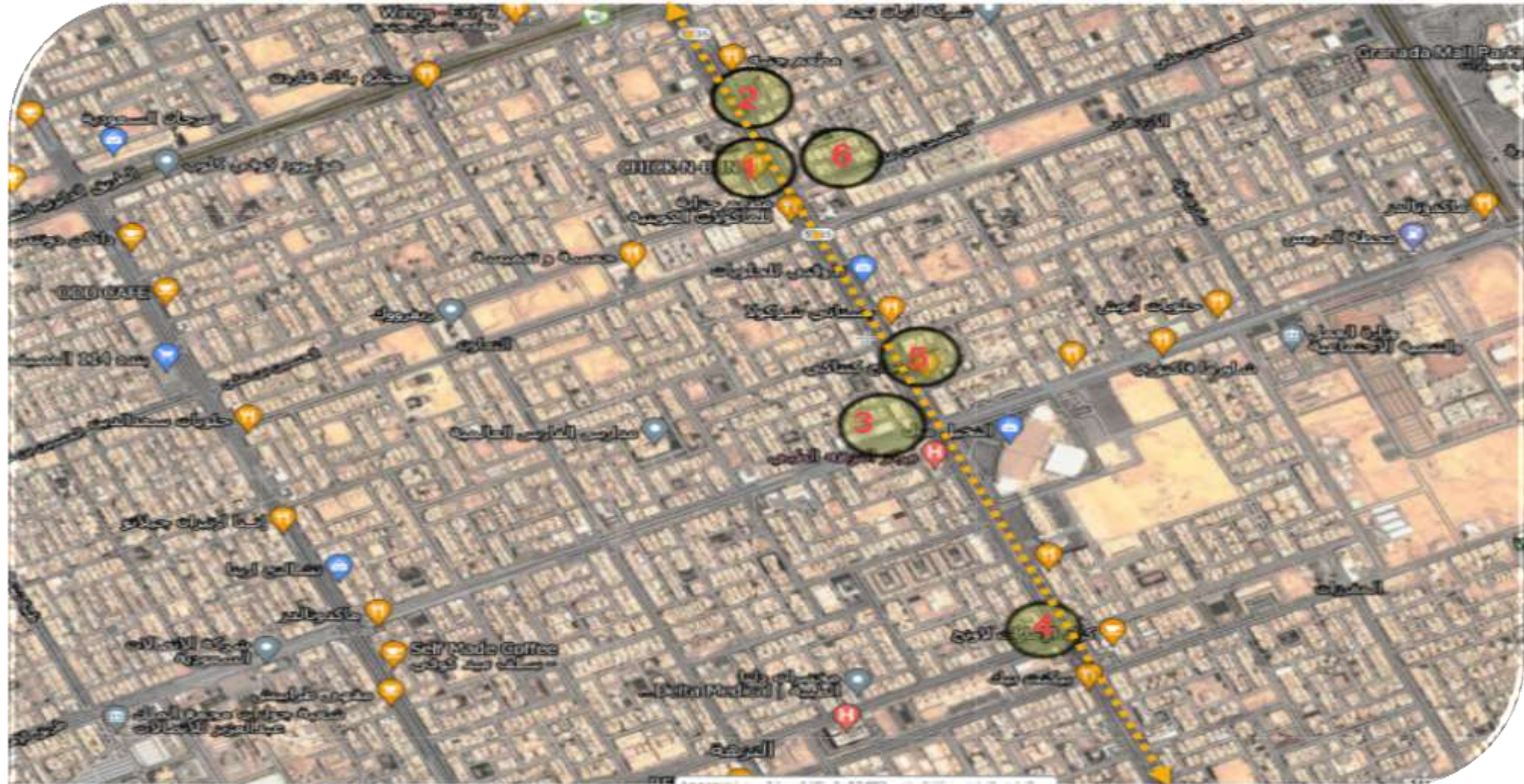
# Photographic survey showing the property



# Photographic survey showing the property



# Image showing similar comparison site

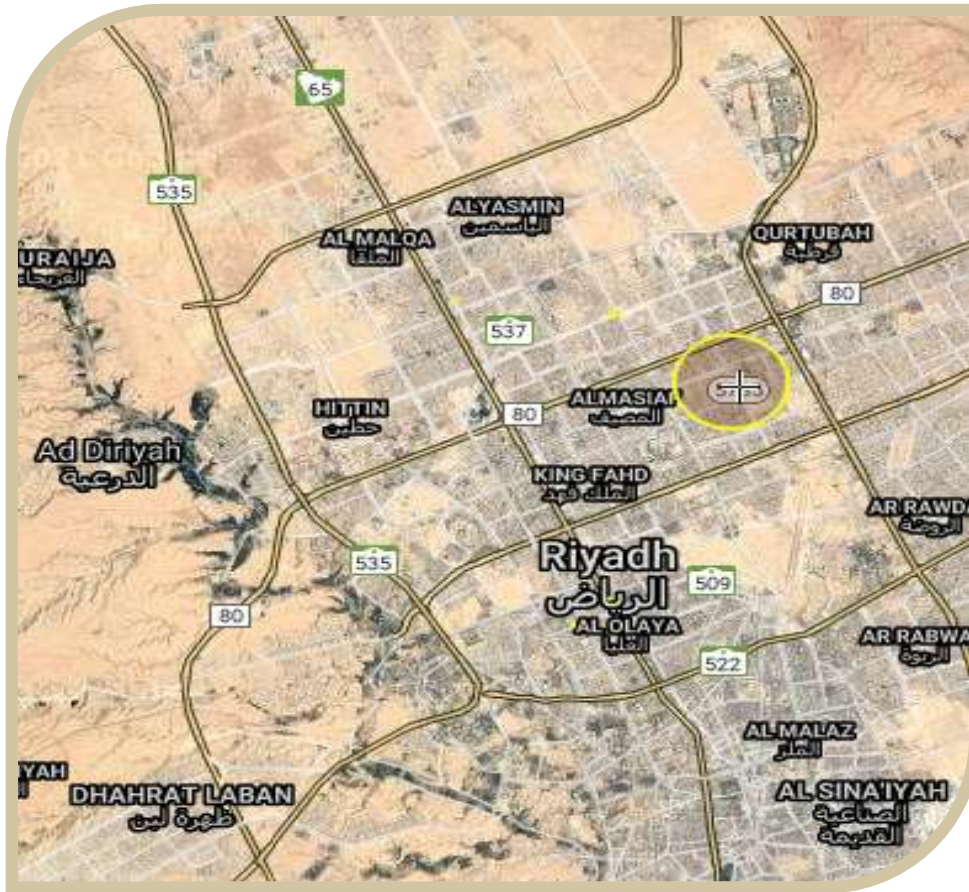


# Image showing the location of the property in the city of Riyadh

## Geographical Coordinates

N 24.77177

E46.71167





# Office Commercial Building Appraisal Report

Riyadh - Al Raed District

(Al Raed Building)





## M/s Riyad REIT Fund (RIYADH REAL ESTATE INCOME CO.)

Thank you for choosing MUMTALKATI APPRAISAL COMPANY and upon your request to appraise an office commercial building (Al Raed Building) located in Riyadh– Al Raed District, we have physically inspected the property and reviewed necessary documents and maps. After conducting a study of the surrounding and adjacent area of the property, we enclose the following report, which provides the necessary data and explains the reasons for reaching the market value of the property.

We studied the documents received from the client (building permit) and they were presumed valid and there were no burdens on them or could affect the valuation process.

In this summary, we have also tried hard to present our opinion about the market value of the property according to the available information provided by the client.

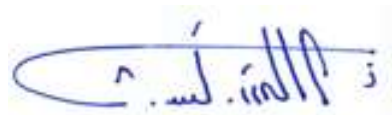
The estimated property is a commercial building with a total land area of 5,000 square meters according to the building permit and with a total building area of 26,951.24 square meters according to the building permit.

Based on the completed study, we estimate the market value of the property under appraisal and its current status on the date of the appraisal and as documented in this Report on 31/12/2023 G.

For an amount of SAR (196,700,000), only one hundred and ninety six million seven hundred thousand Saudi riyals

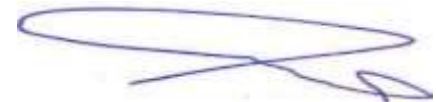
### CEO

Eng. Abdullah bin Ali Al-Showair  
Membership No.: 1210000540



### Chairman

Eng. Ahmed bin Mohammed Ababatain  
Membership No.: 1210000305



Content
Executive Summary
Scope of Work
Appraisal Requirements
Property Data
Appraisal
Calculating the market value
A photographic survey showing the location of the property and its location in the city
Image showing field survey offers
Staff



Appraiser	Report Prepared by: MUMTALKATI APPRAISAL COMPANY holding License No. 808/18/323, dated 11/07/1439 H
Client (Report Author)	RIYADH REAL ESTATE INCOME CO.
Beneficiary (Report User)	RIYADH REAL ESTATE INCOME CO.
Purpose of Appraisal	periodic Report for the Riyad REIT Fund.
Property under appraisal	It is a piece of land on which a commercial office building (Al Raed Building) is constructed
Property Address	Riyadh - Al Raed District - Plan No. (207/k), Plot No. (246)
Plot area	5,000 square meters according to the title deed
Building Surfaces	26,951.24 square meters according to the building permit
Owner Name	RIYADH REAL ESTATE INCOME CO.
Title Deed No.	317807003669
Title Deed Date	11/03/1443 H
Ownership Type	Absolute ownership
Value Basis	Market value
Valuation Standards	International Valuation Standards (IVS) issued in 2022 G
Valuation Method	Income Method (Investment Method)
Inspection Date	10/12/2023 G
Value Effective Date	31/12/2023 G
Valuation Issuance Date	12/03/2024 G

### **3.1 Terms of Reference:**

The Appraisal Report was prepared based on the instructions received from the client (RIYADH REAL ESTATE INCOME CO.) to estimate the market value of the property under appraisal periodic Report for the Riyadh REIT Fund. Accordingly, this Report may not be used for any other purposes. The Appraisal Report has been prepared by MUMTALKATI APPRAISAL COMPANY which is approved by the Saudi Authority for Accredited Valuers (TAQEEM) after examining the property subject of the Report, collecting data and information and analyzing it to form and develop a neutral opinion about the market value of the aforementioned property to fit the purpose that was previously determined and in line with the International Valuation Standards (IVS) issued in 2022 G. The appraiser acknowledges his independence and that there is no conflict of interest with any important parties in the appraisal or assets under appraisal.

### **4.1 Determination of the Property under Appraisal:**

The property is a land on which a commercial office building is constructed in Al Raed District, Riyadh region, King Abdullah Road. According to the building permit, the area of the land is 5,000 square meters.

### **5.1 Purpose of the Appraisal:**

Estimating the absolute ownership value of (Al Raed Building) periodic Report for the Riyadh REIT Fund.

### **6.1 Value Basis Used:**

The appraisal basis depends on the estimate of the property's market value at the appraisal date, on the basis that the property is free of all considerations, restrictive conditions and legal obligations. Accordingly, the concept used in this Report on market value is the concept that was introduced in Standard 104, Paragraph (103) of the International Valuation Standards (IVS): "The market value is the estimated amount for which an asset or liability should be exchanged on the appraisal date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein each of the parties had acted knowledgeably and prudently without coercion."

### **7.1 Appraisal Date:**

The opinion on the value was developed on December 31, 2023 G, while the date of the search and survey (inspection) is December 10, 2022 G, and the Report Issuance Date is March 12, 2024 G. The appraisal reflects our opinion of the value at the appraisal date but property values are subject to fluctuations over time as market conditions may change.

### **8.1 Scope of Appraisal:**

The Scope of Appraisal included research and analysis to develop the Report according to the intended purpose in line with the International Valuation Standards (IVS). The property was examined and inspected from the inside and outside on the property inspection date. In addition, all the necessary data for developing the Report was obtained.

### **9.1 Nature and Source of Information:**

The information contained in the title deeds attached to the property has been relied upon. The municipal, market and economic data provided in this Report is based on various approved sources. We did not review the leases of the property. We only relied on the property information and compared it with market prices, assuming this information is true.

### **10.1 Assumptions and Exceptional Circumstances:**

The appraiser could not environmentally examine the site. Accordingly, it was assumed that the property under appraisal does not contain any hazardous or environmentally polluted materials. Besides, it was assumed that maintenance and operation of offices account for 2% of expenses, based on prevailing conditions in the area where your property is located.



- MUMTALKATI APPRAISAL COMPANY is committed to the confidentiality of the information contained in the Report.
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Scope of Work Items	Explanation
Scope of Research	Field survey of the area of the properties under appraisal and similar properties, and we sought as much as possible to collect and analyze data To produce results that serve this Report and its intended purpose
Nature and Sources of Information	In developing this Report, we relied on the information provided to us by the client, assuming that it is true. We relied on it to produce the outputs of this report. We also relied on a package of information and data of MUMTALKATI APPRAISAL COMPANY, previous appraisal works, the continuous field survey, and management of studies and research in the Company. As far as we know, we think that they are correct.
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Used Standards	International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) for the year 2022 G
Significant Assumptions and Special Assumptions	Our Company does not assume any responsibility for any information received from the customer, which is supposed to be safe and reliable. In addition, our Company does not acknowledge the accuracy or completeness of the available data. Neither did it express its opinion, nor did it offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this Report.

## 1 Scope of Work:



Meeting with the client and determining the scope of work, including the purpose of the appraisal, the value basis, the concerned parties, the appraisal date, and any special or important assumptions, including the clear mandate and the expected outputs.

## 2 Site Inspection and Analysis



Inspecting the property, identifying its characteristics and specifications, and matching documents with reality. Analyzing the location of the property and the uses surrounding the property, while determining the scope of the geographical search and the appropriate activities and projects

## 3 Data Collection and Analysis



Collecting market data (rents, returns, occupancy ratios, maintenance and operating expenses) for income-generating properties. Searching for similar land prices and contractors' costs and analyzing that data to gain knowledge of past and current market trends and future indicators that will be relied upon when applying the appraisal mechanism.

## 4 Application of Appraisal



### Methods:

Based on the scope of work and market analysis, appropriate appraisal methods are determined and all assumptions and inputs are set to carry out financial calculations to identify the market value according to the selected methods.

## 5 Valuation:



The valuation methods used to identify the final market value of the property are reconciled at our final discretion.

## 6 Report Development:



We develop the Appraisal Report according to the scope of work, which includes the data, results and outputs that were produced through the previous work stages





## • Supply and Demand

The higher the demand for real estate and the lower the supply for real estate, the higher the real estate prices, and vice versa. The lower the demand and the higher the supply, the lower the real estate prices. Demand and supply are also influenced by many economic and political factors.

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Availability of services such as schools, universities, shopping malls, entertainment facilities and other services in an area, significantly affecting property prices and the demand is increasing, and evidently affecting the increase in property prices in the region.

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Undoubtedly low economic conditions affect the real estate market and real estate prices, causing a recession and lower prices. In the case of a recovery in the economic situation of the country and stability of per capita income, in this case prices will increase as there will be stability in the material condition of individuals, making them able to purchase or lease properties.

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The better the condition of the property, the more it affects the increase in the price of the property. For example, if you compare a property in good condition with another property with similar characteristics, the latter may be distinguished by a larger area with poor condition, you will find preference, of course, for the first property with the best condition.

The political situation directly affects the country's economic conditions, which obviously affects real estate prices. Therefore, the deterioration of the country's political conditions causes instability in the real estate market. Some areas have inflated real estate prices, while prices decrease in other places.



Land Data					
City	District	Ground Level	Property Type	Area	Ownership Type
Riyadh	Al Raed	Level	Commercial Office	5000 square meters	Absolute ownership
Title Deed No.	Title Deed Date	Notary Public	Overall Site	Plot No.	Organization Chart No.
317807003669	11/03/1443 H	Riyadh	Within the range	246	207/k

Borders and Lengths		
Direction	Length (m)	Border:
North	50	80-m street
South	50	20-m street
East	100	Plot No. 247
West	100	Plot No. 245



Property Data			
Building Type	Building Condition and Finishes	Building Vacancy	Building Use
Concrete	Excellent	Not vacant	Commercial Office
Property Age	Building Completeness	AC Type	Number of Floors
New	Complete	Central	6 floors
Basement	Ground Floor	Mezzanine	Identical Floors
3	1	0	5
Services in Building			
Elevators	Alarm and Fire Systems	Safety and Security	Electric Generators
Available	Available	Available	Available
Services and Facilities available in the property area			
Electricity	Water	Telephone	Sewage
Available	Available	Available	Available

To estimate the market value based on the valuation purpose and the nature of the property, the Income Method (Investment Method) (Income Capitalization) will be relied upon as the main method of valuation of the property under appraisal. The main purpose of constructing a commercial building is to generate income from renting offices.

## 4.1 Income Method

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Some comparisons have been taken and analyzed as a reflection of the market and comparisons are:

Sr.	District	City	Property Type	Area in Square Meters	Rental Price Per Meter (SAR)	Total price in SAR	Offer Type / Bidding/ Minimum	Coordinates	Notes
1	Al Muhammadiyah	Riyadh	Office	120	500	60,000	Rental Offer / Minimum	24.725925, 46.652578	---
2	Al Muhammadiyah	Riyadh	Offices	800	500	400,000	Rental Offer / Minimum	24.7234579, 46.652429	---
3	Al Muhammadiyah	Riyadh	Office	85	600	51,000	Rental Offer / Minimum	24.7242092, 46.6454914	---
4	Al Muhammadiyah	Riyadh	Office	95	700	66,500	Rental Offer / Minimum	24.7004769, 46.7553127	---



## Property Revenue

The property revenues were estimated according to the total income provided by the client. It was assumed to be correct and with a vacancy rate of 0% according to the attached data from the client and the market data analysis. The estimated total income according to the contract is SAR 14,755,000.00.

## Vacancy Rate

Through survey and inspection works, the average occupancy in this area is about 95% (i.e. vacancy rate is 5%), assuming that the contract is leased under one contract for the entire property. Vacancies are assumed to be 0%.

## Operational and capital expenditures

Operational expenses are the expenses related to renting and maintaining the property, and capital expenses are the expenses incurred by the owner for the restoration and development of the property in order to maintain it in an appropriate condition to generate the appropriate annual income.

Operating expenses account for 10- 20% for similar projects in the surrounding area. They include costs for common services expenses, cleaning and maintenance building, and security management and monitoring expenses. In terms of property appraisal, operating and capital expenditures are estimated at 0%.

of the actual rental income, since all expenses are charged to the tenant, and the property is under one contract.

## Capitalization Rate

The capitalization rate is a rate used to convert income into value and it is used in estimating the redemption value of the property. There is more than one way to derive the capitalization rate. Each of these methods depends on using the recent past as a means of predicting the future. In this Report, the capitalization rate was estimated by the market extraction method, according to REIT funds that are similar to the property under appraisal, in the property area at the time of appraisal. It is 7.5%

# Calculation of value by Investment Method (Income Capitalization)

Income Method (Investment Method)		
Item	Amount in SAR	Unit
Total Gross Income	14,755,000	SAR/ per Annum
Vacancy Rate	0%	Percentage
Total income after deducting the vacancy rate	0	SAR/ per Annum
Total Effective Income	14,755,000	SAR/ per Annum
Percentage of operating and maintenance expenses	0.00%	Percentage
Operating and maintenance expenses	0.00	SAR/ per Annum
Net income after deducting operating expenses	14,755,000	SAR/ per Annum
Capitalization Rate	7.50%	Percentage
Final Market Value of the Property	196,733,333	SAR
<b>Final Market Value of the Property after Rounding</b>	<b>196,700,000</b>	SAR

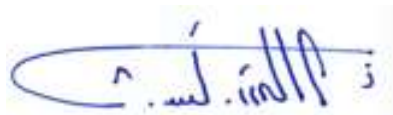
Based on the Income Method (Investment Method) (Income Capitalization) to get to the value, then the final value of the property can be determined as follows:

<b>Final Value in Numbers</b>	SAR 196,700,000
<b>Final Value in Writing</b>	Only one hundred and eighty-four million four hundred and forty thousand Saudi riyals

### Report Approval

CEO

Eng. Abdullah bin Ali Al-Showair  
Membership No.: 1210000540



### Chairman

Eng. Ahmed bin Mohammed Ababatain  
Membership No.: 1210000305



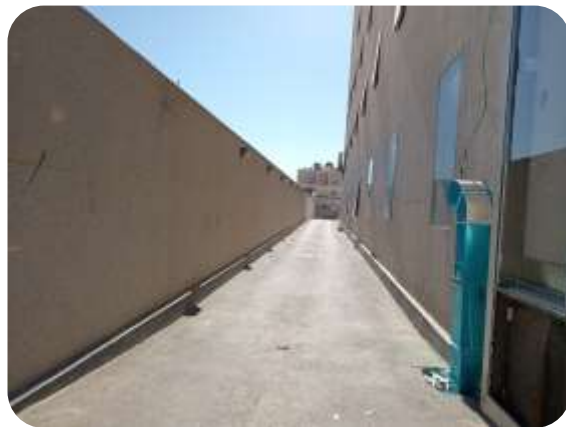


Description	Name	Membership Category	Membership No.
Chairman	Eng. Ahmed Mohammed Ababatain	Primary - Fellow	1210000305
CEO	Eng. Abdullah Ali Al-Showaier	Primary - Fellow	1210000540

# Photographic survey showing the property



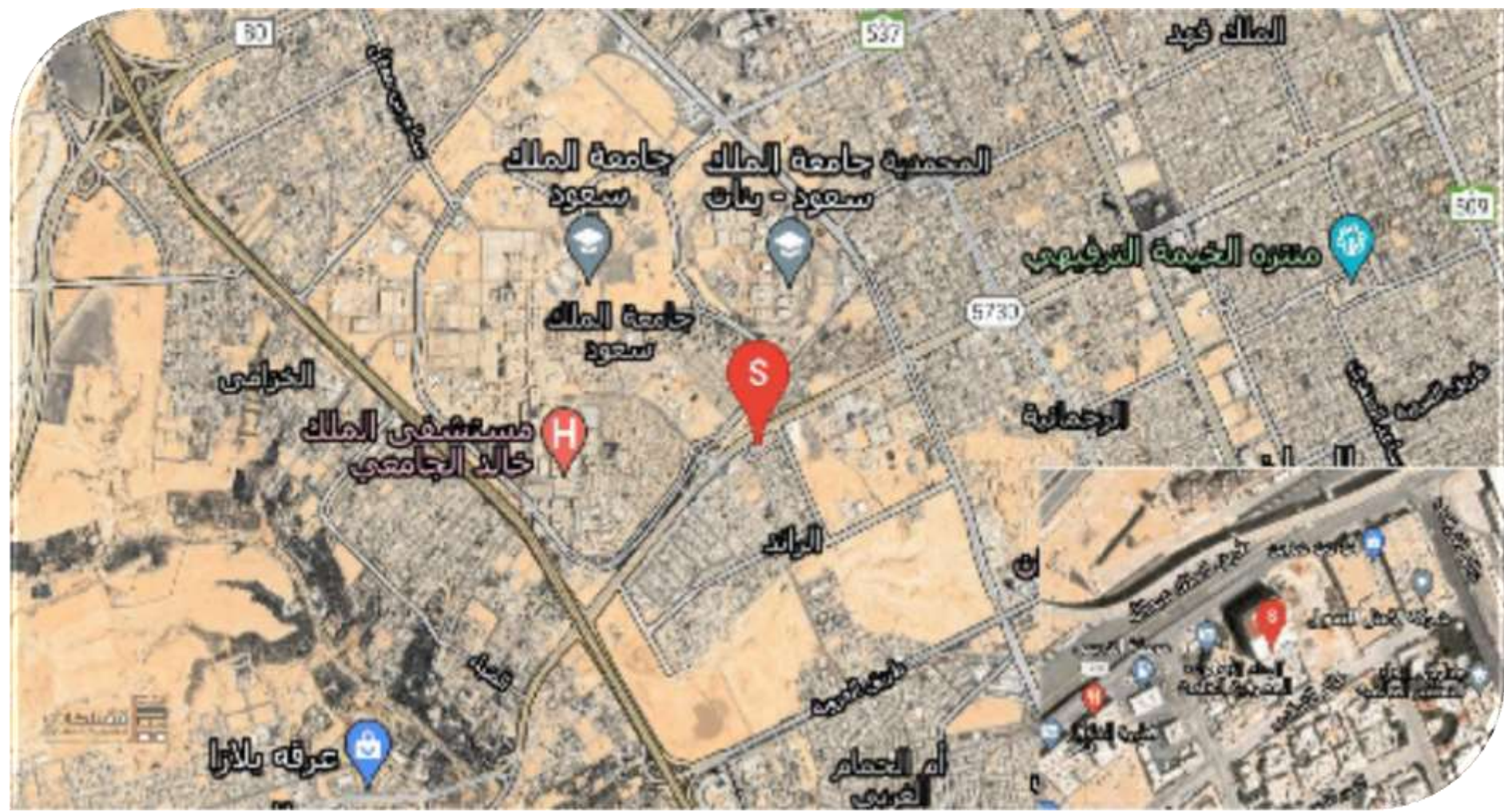
# Photographic survey showing the property



# Photographic survey showing the property



# Image showing similar comparison site



# Image showing the location of the property in the city of Riyadh



Geographical Coordinates	
N 24.714861	E46.636109





## Properties located in Eastern Region



## M/s Riyad REIT Fund (RIYADH REAL ESTATE INCOME CO.)

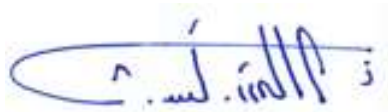
As you approved MUMTALKATI APPRAISAL COMPANY for valuation of the real estate properties within Saudi Arabia in Riyadh, Jeddah, Dammam and Al Khobar, our team has completed the task after inspection of the assets and taking into account all elements affecting value. Based on the International Standards adopted and the professional assets of the valuation process, we seek to identify the real estate value which is fit for the purpose for which the Appraisal Report was developed. This Report is a reliable testimony of the purpose for which this appraisal task was carried out, noting that this Report is an integral unit that should not be divided.

### Reference data:

Applicant (Client)	RIYADH REAL ESTATE INCOME CO.	
Beneficiary (Report User)	RIYADH REAL ESTATE INCOME CO.	
Appraisal Purpose:	The Client (RIYADH REAL ESTATE INCOME CO.) commissioned MUMTALKATI APPRAISAL COMPANY to value assets subject matter of the Report to estimate the value of properties pursuant to International Valuation Standards for the year 2022 for the purpose of periodic Report for the Riyad REIT Fund.	
Inspection Date	Value Effective Date	Reports Issuance Dates:
10/12/2023 G	31/12/2023 G	12/03/2024 G

CEO

Eng. Abdullah bin Ali Al-Showair  
Membership No.: 1210000540



Chairman

Eng. Ahmed bin Mohammed Ababatain  
Membership No.: 1210000305





# Real Estate Properties located in the City of Dammam

Sr.	City	District	Property Name	Property Type	Area of Land (m2)
1	Dammam	Al Shati	Alshatea Towers	Office, Commercial, and Residential	6300
2	Al Khobar	Al Yarmouk	Ascott Corniche Al Khobar	Tower (Hotel)	2784



# Office Residential Building Appraisal Report

Dammam - Al Shati District

(Alshatea Towers)



## M/s Riyad REIT Fund (RIYADH REAL ESTATE INCOME CO.)

Thank you for choosing MUMTALKATI APPRAISAL COMPANY and upon your request to appraise a commercial, residential office building (Alshatea Towers) located in Dammam - Al Shati District, we have physically inspected the property and reviewed necessary documents and maps. After conducting a study of the surrounding and adjacent area of the property, we enclose the following report, which provides the necessary data and explains the reasons for reaching the market value of the property.

We studied the documents received from the client (the title deed and the building permit) and they were presumed valid and there were no burdens on them or could affect the valuation process.

In this summary, we have also tried hard to present our opinion about the market value of the property according to the available information provided by the client.

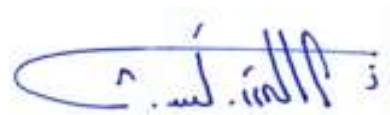
The estimated property is a commercial and residential building with a total land area of 6,300.00 square meters according to the title deed and with a total building area of 15,434.00 square meters according to the building permit

Based on the completed study, we estimate the market value of the property under appraisal and its current status on the date of the appraisal and as documented in this Report on 31/12/2023 G.

For an amount of SAR (90,755,000), only ninety million seven hundred fifty-five thousand

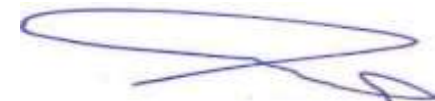
### CEO

Eng. Abdullah bin Ali Al-Showair  
Membership No.: 1210000540



### Chairman

Eng. Ahmed bin Mohammed Ababatain  
Membership No.: 1210000305



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A photographic survey showing the location of the property and its location in the city
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Appraiser	Report Prepared by: MUMTALKATI APPRAISAL COMPANY holding License No. 808/18/323, dated 11/07/1439 H
Client (Report Author)	RIYADH REAL ESTATE INCOME CO.
Beneficiary (Report User)	RIYADH REAL ESTATE INCOME CO.
Purpose of Appraisal	periodic Report for the Riyad REIT Fund.
Property under appraisal	It is a piece of land on which a commercial, residential office building (Alshatea Towers) is constructed
Property Address	Dammam - Al Shati District - Plan No. (337/1), Plot No. (577-578-579-580)
Plot area	6,300.00 square meters according to the title deed
Building Surfaces	15,434.00 square meters according to the building permit
Owner Name	RIYADH REAL ESTATE INCOME CO.
Title Deed No.	730113019278
Title Deed Date	30/01/1443 H
Ownership Type	Absolute ownership
Value Basis	Market value
Valuation Standards	International Valuation Standards (IVS) issued in 2022 G
Valuation Method	Income Method (Investment Method)
Inspection Date	10/12/2023 G
Value Effective Date	31/12/2023 G
Valuation Issuance Date	12/03/2024 G

### **3.1 Terms of Reference:**

The Appraisal Report was prepared based on the instructions received from the client (RIYADH REAL ESTATE INCOME CO.) to estimate the market value of the property under appraisal periodic Report for the Riyad REIT Fund. Accordingly, this Report may not be used for any other purposes. The Appraisal Report has been prepared by MUMTALKATI APPRAISAL COMPANY which is approved by the Saudi Authority for Accredited Valuers (TAQEEM) after examining the property subject of the Report, collecting data and information and analyzing it to form and develop a neutral opinion about the market value of the aforementioned property to fit the purpose that was previously determined and in line with the International Valuation Standards (IVS) issued in 2022 G. The appraiser acknowledges his independence and that there is no conflict of interest with any important parties in the appraisal or assets under appraisal.

### **4.1 Determination of the Property under Appraisal:**

The property is a land on which a commercial and residential office building is constructed in Dammam region, Prince Mohammad Bin Fahd Road. According to the title deed, the area of the land is 6,300.00 square meters.

### **5.1 Purpose of the Appraisal:**

Estimating the absolute ownership value of the building (Alshatea Towers) periodic Report for the Riyad REIT Fund.

### **6.1 Value Basis Used:**

The appraisal basis depends on the estimate of the property's market value at the appraisal date, on the basis that the property is free of all considerations, restrictive conditions and legal obligations. Accordingly, the concept used in this Report on market value is the concept that was introduced in Standard 104, Paragraph (103) of the International Valuation Standards (IVS): "The market value is the estimated amount for which an asset or liability should be exchanged on the appraisal date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein each of the parties had acted knowledgeably and prudently without coercion."



### **7.1 Appraisal Date:**

The opinion on the value was developed on December 31, 2023 G, while the date of the search and survey (inspection) is December 10, 2023 G, and the Report Issuance Date is March 12, 2024 G. The appraisal reflects our opinion of the value at the appraisal date but property values are subject to fluctuations over time as market conditions may change.

### **8.1 Scope of Appraisal:**

The Scope of Appraisal included research and analysis to develop the Report according to the intended purpose in line with the International Valuation Standards (IVS). The property was examined and inspected from the inside and outside on the property inspection date. In addition, all the necessary data for developing the Report was obtained.

### **9.1 Nature and Source of Information:**

The information contained in the title deeds attached to the property has been relied upon. The municipal, market and economic data provided in this Report is based on various approved sources. We did not review the leases of the property. We only relied on the property information and compared it with market prices, assuming this information is true.

### **10.1 Assumptions and Exceptional Circumstances:**

The appraiser could not environmentally examine the site. Accordingly, it was assumed that the property under appraisal does not contain any hazardous or environmentally polluted materials. Besides, it was assumed that maintenance and operation of offices account for 40%. Hotels account for 38%, based on prevailing conditions in the area where your property is located.

- MUMTALKATI APPRAISAL COMPANY is committed to the confidentiality of the information contained in the Report.
- This valuation is linked to the market value estimate under the current circumstances.
- The Report is prepared for the purpose of the client and the users of the report. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof in any document, statement, circular, or any means of communication except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY. We authorize the fund manager to publish this Report on its website, Tadawul's website and CMA website. In addition, we do not accept any responsibility whatsoever to any other party.
- The property was inspected outwardly, and it was not structurally inspected. Besides, no apparent defects were noticed, unless they were mentioned in the Report.
- All documents submitted by the client are at the responsibility of the client. MUMTALKATI APPRAISAL COMPANY bears no responsibility for the documents related to this property. The documents were assumed to be valid and free from any legal obligations or any obstacles, unless they were mentioned in the documents or authorized by the appraisal applicant. Furthermore, the company also does not acknowledge the accuracy or completeness of the available data. Sometimes assumptions are made, according to the market situation in the event of lack of information. It therefore does not express its opinion and has not made any kind of assurance of the accuracy or completeness of the data except as clearly indicated in this Report.
- Appraisal was made pursuant to the International Standards issued by the Saudi Authority for Accredited Valuers (TAQEEM) in 2022 G.
- Duration of this appraisal is three months from the date on which this Report is developed.





Scope of Work Items	Explanation
Scope of Research	Field survey of the area of the properties under appraisal and similar properties, and we sought as much as possible to collect and analyze data To produce results that serve this Report and its intended purpose
Nature and Sources of Information	In developing this Report, we relied on the information provided to us by the client, assuming that it is true. We relied on it to produce the outputs of this report. We also relied on a package of information and data of MUMTALKATI APPRAISAL COMPANY, previous appraisal works, the continuous field survey, and management of studies and research in the Company. As far as we know, we think that they are correct.
Report Type	The Report is integrated and contains an integrated explanation of all appraisal works, including steps, data, information, accounts, etc.
Report Usage Limitations	The Report is prepared for the purpose of the client. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY.
Used Standards	International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) for the year 2022 G
Significant Assumptions and Special Assumptions	Our Company does not assume any responsibility for any information received from the customer, which is supposed to be safe and reliable. In addition, our Company does not acknowledge the accuracy or completeness of the available data. Neither did it express its opinion, nor did it offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this Report.



## 1 Scope of Work:



Meeting with the client and determining the scope of work, including the purpose of the appraisal, the value basis, the concerned parties, the appraisal date, and any special or important assumptions, including the clear mandate and the expected outputs.

## 2 Site Inspection and Analysis



Inspecting the property, identifying its characteristics and specifications, and matching documents with reality. Analyzing the location of the property and the uses surrounding the property, while determining the scope of the geographical search and the appropriate activities and projects

## 3 Data Collection and Analysis



Collecting market data (rents, returns, occupancy ratios, maintenance and operating expenses) for income-generating properties. Searching for similar land prices and contractors' costs and analyzing that data to gain knowledge of past and current market trends and future indicators that will be relied upon when applying the appraisal mechanism.

## 4 Application of Appraisal



### Methods:

Based on the scope of work and market analysis, appropriate appraisal methods are determined and all assumptions and inputs are set to carry out financial calculations to identify the market value according to the selected methods.

## 5 Valuation:



The valuation methods used to identify the final market value of the property are reconciled at our final discretion.

## 6 Report Development:



We develop the Appraisal Report according to the scope of work, which includes the data, results and outputs that were produced through the previous work stages

## • Supply and Demand

The higher the demand for real estate and the lower the supply for real estate, the higher the real estate prices, and vice versa. The lower the demand and the higher the supply, the lower the real estate prices. Demand and supply are also influenced by many economic and political factors.

## • Availability of Services

Availability of services such as schools, universities, shopping malls, entertainment facilities and other services in an area, significantly affecting property prices and the demand is increasing, and evidently affecting the increase in property prices in the region.

## • Economic Situation

Undoubtedly low economic conditions affect the real estate market and real estate prices, causing a recession and lower prices. In the case of a recovery in the economic situation of the country and stability of per capita income, in this case prices will increase as there will be stability in the material condition of individuals, making them able to purchase or lease properties.

## • Condition of the Property

The better the condition of the property, the more it affects the increase in the price of the property. For example, if you compare a property in good condition with another property with similar characteristics, the latter may be distinguished by a larger area with poor condition, you will find preference, of course, for the first property with the best condition.

## • Political Situation

The political situation directly affects the country's economic conditions, which obviously affects real estate prices. Therefore, the deterioration of the country's political conditions causes instability in the real estate market. Some areas have inflated real estate prices, while prices decrease in other places.



Land Data					
City	District	Ground Level	Property Type	Area	Ownership Type
Dammam	Al Shati	Level	Office, Commercial, and Residential	6,300.00 square meters	Absolute ownership
Title Deed No.	Title Deed Date	Notary Public	Overall Site	Plot No.	Organization Chart No.
730113019278	30/01/1443 H	Dammam	Within the range	(577-578-579-580)	1/337

Borders and Lengths		
Direction	Length (m)	Border:
North	90	Plots No. 582-581
South	90	8-m street
East	70	18-m street
West	70	40-m street



Property Data			
Building Type	Building Condition and Finishes	Building Vacancy	Building Use
Concrete	Excellent	There are vacancies	Commercial and Residential
Property Age	Building Completeness	AC Type	Number of Floors
7 Years	Complete	Central	7 floors
Basement	Ground Floor	Mezzanine	Identical Floors
3	1	1	5

Services in Building			
Elevators	Alarm and Fire Systems	Safety and Security	Electric Generators
Available	Available	Available	Available

Services and Facilities available in the property area			
Electricity	Water	Telephone	Sewage
Available	Available	Available	Available



To estimate the market value based on the valuation purpose and the nature of the property, the Income Method (Investment Method) (Income Capitalization) will be relied upon as the main method of valuation of the property under appraisal. The main purpose of constructing a commercial building is to generate income from renting offices, showrooms, and hotel rooms.

## 4.1 Income Method

The Income Method provides an indication of value by converting future cash flows into a single present value

### Investment Method

The Investment Method is directly related to the operating income of the property. It applies to investment properties, where the net present value of the property is estimated based on the income generated after deducting operating and maintenance expenses and other expenses.

## 4.2 Field Survey and Income Analysis

The prices of lands, offices, and showrooms greatly affect the development of real estate and the different uses of lands. They are one of the main factors in determining the percentage of annual financial return for various uses. They further affect many other urban planning aspects, such as building regulations, including building heights and setbacks. In addition, it is very difficult to collect data based on the market reality as it is difficult to gather information accurately in the Saudi market.

Some comparisons have been taken and analyzed as a reflection of the market and comparisons are:

# Graphic Survey Offers

Sr.	District	City	Property Type	Area in Square Meters	Rental Price Per Meter (SAR)	Total price in SAR	Offer Type / Bidding/ Minimum	Coordinates	Notes
1	Al Shati Al Sharqi	Dammam	Showroom	232.00	560.34	130000.00	Rental Offer / Minimum	26.47932 50.126222	--
2	Al Shati Al Gharbi	Dammam	Showroom	550.00	1000.00	550000.00	Rental Offer / Minimum	26.461169 50.120846	--
3	Al Shati Al Sharqi	Dammam	Showroom	813.00	799.51	650000.00	Rental Offer / Minimum	26.456568 50.128620	--
4	Al Shati Al Sharqi	Dammam	Tulip Dammam for Hotel Suites	60.00	260.00		Rental Offer / Minimum	26.485038 50.127884	Nightly Rate (Junior Suite)
6	Al Shati Al Sharqi	Dammam	Boudl Al Shatea	55.00	525.00		Rental Offer / Minimum	26.454764 50.120963	Nightly Rate (Full studio)
7	Al Shati Al Sharqi	Dammam	Misk Hotel Suites	65.00	700.00		Rental Offer / Minimum	26.454913 50.125241	Misk Suite



## Property Revenue

The property revenues were estimated according to the total income provided by the client. It was assumed to be correct and with a vacancy rate of 5% according to the attached data from the client and the market data analysis. The estimated total income according to the contract is SAR 8,582,685.

## Vacancy Rate

Through survey and inspection works, the average occupancy in this area is about 95% (i.e. vacancy rate is 5%). After reviewing the market and the property area, it was found that vacancies are estimated at 5%.

## Operational and capital expenditures

Operational expenses are the expenses related to renting and maintaining the property, and capital expenses are the expenses incurred by the owner for the restoration and development of the property in order to maintain it in an appropriate condition to generate the appropriate annual income.

Operating expenses account for 10- 20% for similar projects in the surrounding area. They include costs for common services expenses, cleaning and maintenance of the building, and security management and monitoring expenses. In terms of property appraisal, operating and capital expenditures are estimated at 10% of actual rental income.

## Capitalization Rate

The capitalization rate is a rate used to convert income into value and it is used in estimating the redemption value of the property. There is more than one way to derive the capitalization rate. Each of these methods depends on using the recent past as a means of predicting the future.

In this Report, the capitalization rate was estimated by the market extraction method, according to REIT funds that are similar to the property under appraisal, in the property area at the time of appraisal. It is 8%



# Calculation of value by Investment Method (Income Capitalization)

Income Method (Investment Method)		
Item	Amount in SAR	Unit
Total Gross Income	8,491,635.00	SAR/ per Annum
Vacancy Rate	5%	Percentage
Total income after deducting the vacancy rate	424,581.75	SAR/ per Annum
Total Effective Income	8,067,053.25	SAR/ per Annum
Percentage of operating and maintenance expenses	10%	Percentage
Operating and maintenance expenses	806,705.33	SAR/ per Annum
Net income after deducting operating expenses	7,260,347.93	SAR/ per Annum
Capitalization Rate	8.00%	Percentage
Final Market Value of the Property	90,754,349.06	SAR
<b>Final Market Value of the Property after Rounding</b>	<b>90,755,000</b>	SAR

Based on the Income Method (Investment Method) (Income Capitalization) to get to the value, then the final value of the property can be determined as follows:

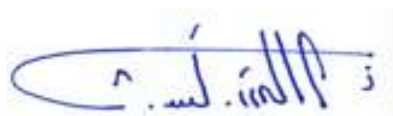
Final Value in Numbers	SAR 90,755,000
Final Value in Writing	Only ninety million seven hundred fifty-five thousand

### Report Approval

CEO

Eng. Abdullah bin Ali Al-Showair

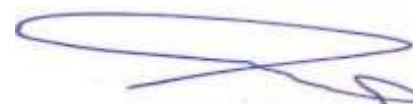
Membership No.: 1210000540



### Chairman

Eng. Ahmed bin Mohammed Ababatain

Membership No.: 1210000305



Description	Name	Membership Category	Membership No.
Chairman	Eng. Ahmed Mohammed Ababatain	Primary - Fellow	1210000305
CEO	Eng. Abdullah Ali Al-Showaier	Primary - Fellow	1210000540

# Photographic survey showing the property



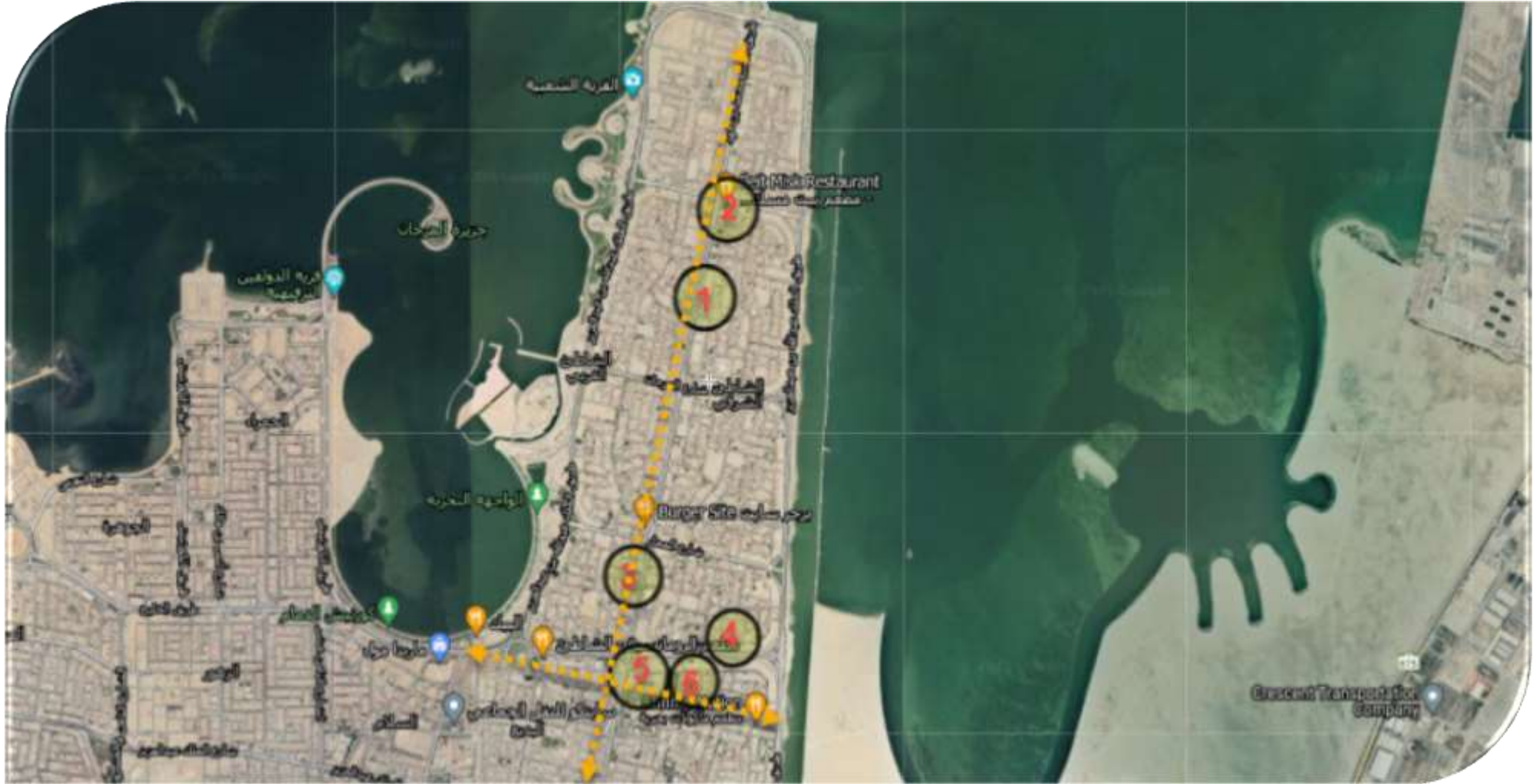
# Photographic survey showing the property



# Photographic survey showing the property



# Image showing similar comparison site

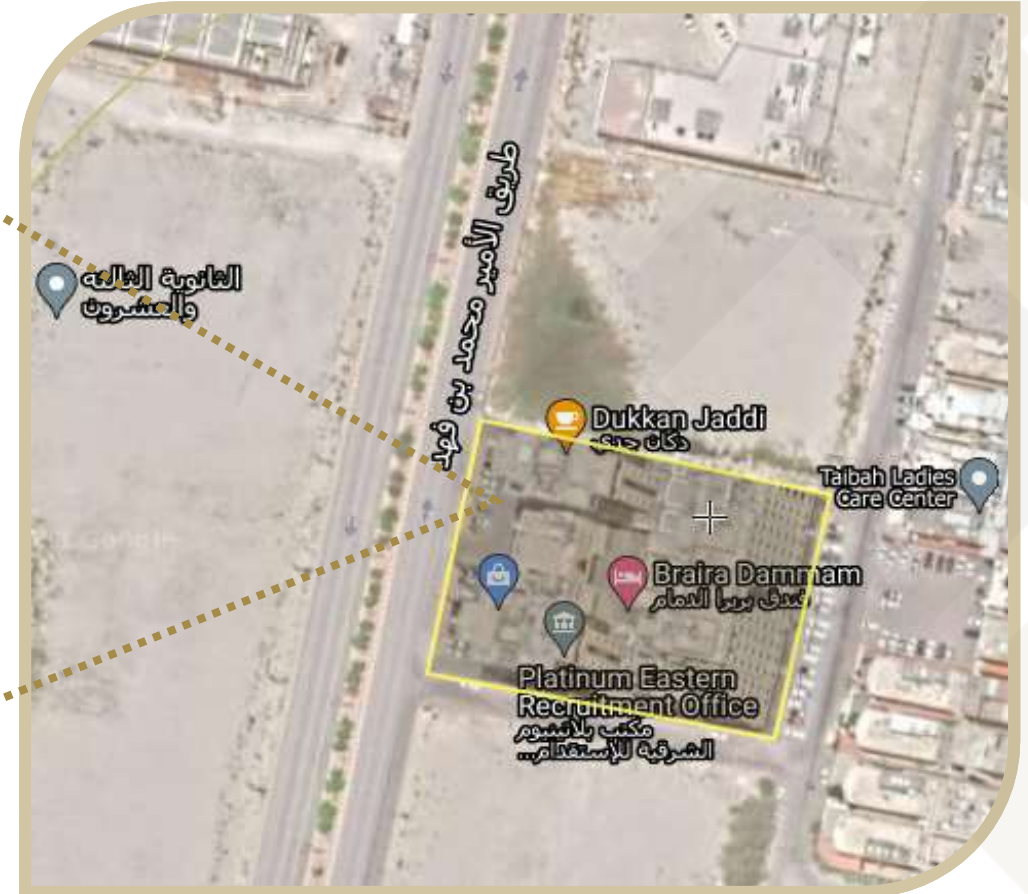


# Image showing the location of the property in the city of Dammam

## Geographical Coordinates

N 24.77177

E46.71167







# Commercial and Residential Office Building Appraisal Report

Al Khobar - Alyarmuk District  
(Ascott Corniche Al Khobar)



## M/s Riyad REIT Fund (RIYADH REAL ESTATE INCOME CO.)

Thank you for choosing MUMTALKATI APPRAISAL COMPANY and upon your request to appraise a commercial, residential office building (Ascott Corniche Al Khobar) located in Al Khobar - Alyarmuk District, we have physically inspected the property and reviewed necessary documents and maps. After conducting a study of the surrounding and adjacent area of the property, we enclose the following report, which provides the necessary data and explains the reasons for reaching the market value of the property.

We studied the documents received from the client (the title deed and the building permit) and they were presumed valid and there were no burdens on them or could affect the valuation process.

In this summary, we have also tried hard to present our opinion about the market value of the property according to the available information provided by the client.

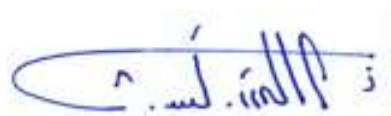
The estimated property is a commercial and residential building with a total land area of 2,784.00 square meters according to the title deed and with a total building area of 24,192.22 square meters, according to the building permit.

Based on the completed study, we estimate the market value of the property under appraisal and its current status on the date of the appraisal and as documented in this Report on 31/12/2023 G.

For an amount of SAR (228,000,000), only two hundred twenty-eight million


### CEO

Eng. Abdullah bin Ali Al-Showair  
Membership No.: 1210000540



### Chairman

Eng. Ahmed bin Mohammed Ababatain  
Membership No.: 1210000305



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Staff



Appraiser	Report Prepared by: MUMTALKATI APPRAISAL COMPANY holding License No. 808/18/323, dated 11/07/1439 H
Client (Report Author)	RIYADH REAL ESTATE INCOME CO.
Beneficiary (Report User)	RIYADH REAL ESTATE INCOME CO.
Purpose of Appraisal	periodic Report for the Riyadh REIT Fund.
Property under appraisal	It is a piece of land on which a commercial, residential office building (Ascott Corniche Al Khobar) is constructed
Property Address	Al Khobar - Alyarmuk District - Plan No. (2/78), Plot No. (281-282)
Plot area	2,784.00 square meters according to the title deed
Building Surfaces	24,192.22 square meters according to the building permit
Owner Name	RIYADH REAL ESTATE INCOME CO.
Title Deed No.	330210007397
Title Deed Date	30/01/1443 H
Ownership Type	Absolute ownership
Value Basis	Market value
Valuation Standards	International Valuation Standards (IVS) issued in 2022 G
Valuation Method	Income Method (DCF Method)
Inspection Date	10/12/2023 G
Value Effective Date	31/12/2023 G
Valuation Issuance Date	12/03/2024 G

### **3.1 Terms of Reference:**

The Appraisal Report was prepared based on the instructions received from the client (RIYADH REAL ESTATE INCOME CO.) to estimate the market value of the property under appraisal periodic Report for the Riyadh REIT Fund. Accordingly, this Report may not be used for any other purposes. The Appraisal Report has been prepared by MUMTALKATI APPRAISAL COMPANY which is approved by the Saudi Authority for Accredited Valuers (TAQEEM) after examining the property subject of the Report, collecting data and information and analyzing it to form and develop a neutral opinion about the market value of the aforementioned property to fit the purpose that was previously determined and in line with the International Valuation Standards (IVS) issued in 2022 G. The appraiser acknowledges his independence and that there is no conflict of interest with any important parties in the appraisal or assets under appraisal.

### **4.1 Determination of the Property under Appraisal:**

The property is a land on which a commercial and residential office building is constructed in Al Khobar region, Prince Turki Road. According to the title deed, the area of the land is 2,784.00 square meters.

### **5.1 Purpose of the Appraisal:**

Estimating the absolute ownership value of the building (Ascott Corniche Al Khobar) periodic Report for the Riyadh REIT Fund.

### **6.1 Value Basis Used:**

The appraisal basis depends on the estimate of the property's market value at the appraisal date, on the basis that the property is free of all considerations, restrictive conditions and legal obligations. Accordingly, the concept used in this Report on market value is the concept that was introduced in Standard 104, Paragraph (103) of the International Valuation Standards (IVS): "The market value is the estimated amount for which an asset or liability should be exchanged on the appraisal date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein each of the parties had acted knowledgeably and prudently without coercion."

### **7.1 Appraisal Date:**

The opinion on the value was developed on December 31, 2023 G, while the date of the search and survey (inspection) is December 10, 2022 G, and the Report Issuance Date is March 12, 2024 G. The appraisal reflects our opinion of the value at the appraisal date but property values are subject to fluctuations over time as market conditions may change.

### **8.1 Scope of Appraisal:**

The Scope of Appraisal included research and analysis to develop the Report according to the intended purpose in line with the International Valuation Standards (IVS). The property was examined and inspected from the inside and outside on the property inspection date. In addition, all the necessary data for developing the Report was obtained.

### **9.1 Nature and Source of Information:**

The information contained in the title deeds attached to the property has been relied upon. The municipal, market and economic data provided in this Report is based on various approved sources. We did not review the leases of the property. We only relied on the property information and compared it with market prices, assuming this information is true.

### **10.1 Assumptions and Exceptional Circumstances:**

The appraiser could not environmentally examine the site. Accordingly, it was assumed that the property under appraisal does not contain any hazardous or environmentally polluted materials. Besides, it was assumed that maintenance and operation of offices and showrooms account for 2% of the expenses, and 38% of hotels based on prevailing conditions in the area where your property is located.



- MUMTALKATI APPRAISAL COMPANY is committed to the confidentiality of the information contained in the Report.
- This valuation is linked to the market value estimate under the current circumstances.
- The Report is prepared for the purpose of the client and the users of the report. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof in any document, statement, circular, or any means of communication except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY. We authorize the fund manager to publish this Report on its website, Tadawul's website and CMA website. In addition, we do not accept any responsibility whatsoever to any other party.
- The property was inspected outwardly, and it was not structurally inspected. Besides, no apparent defects were noticed, unless they were mentioned in the Report.
- All documents submitted by the client are at the responsibility of the client. MUMTALKATI APPRAISAL COMPANY bears no responsibility for the documents related to this property. The documents were assumed to be valid and free from any legal obligations or any obstacles, unless they were mentioned in the documents or authorized by the appraisal applicant. Furthermore, the company also does not acknowledge the accuracy or completeness of the available data. Sometimes assumptions are made, according to the market situation in the event of lack of information. It therefore does not express its opinion and has not made any kind of assurance of the accuracy or completeness of the data except as clearly indicated in this Report.
- Appraisal was made pursuant to the International Standards issued by the Saudi Authority for Accredited Valuers (TAQEEM) in 2022 G.
- Duration of this appraisal is three months from the date on which this Report is developed.

Scope of Work Items	Explanation
Scope of Research	Field survey of the area of the properties under appraisal and similar properties, and we sought as much as possible to collect and analyze data To produce results that serve this Report and its intended purpose
Nature and Sources of Information	In developing this Report, we relied on the information provided to us by the client, assuming that it is true. We relied on it to produce the outputs of this report. We also relied on a package of information and data of MUMTALKATI APPRAISAL COMPANY, previous appraisal works, the continuous field survey, and management of studies and research in the Company. As far as we know, we think that they are correct.
Report Type	The Report is integrated and contains an integrated explanation of all appraisal works, including steps, data, information, accounts, etc.
Report Usage Limitations	The Report is prepared for the purpose of the client. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY.
Used Standards	International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) for the year 2022 G
Significant Assumptions and Special Assumptions	Our Company does not assume any responsibility for any information received from the customer, which is supposed to be safe and reliable. In addition, our Company does not acknowledge the accuracy or completeness of the available data. Neither did it express its opinion, nor did it offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this Report.



## 1 Scope of Work:



Meeting with the client and determining the scope of work, including the purpose of the appraisal, the value basis, the concerned parties, the appraisal date, and any special or important assumptions, including the clear mandate and the expected outputs.

## 2 Site Inspection and Analysis



Inspecting the property, identifying its characteristics and specifications, and matching documents with reality. Analyzing the location of the property and the uses surrounding the property, while determining the scope of the geographical search and the appropriate activities and projects

## 3 Data Collection and Analysis



Collecting market data (rents, returns, occupancy ratios, maintenance and operating expenses) for income-generating properties. Searching for similar land prices and contractors' costs and analyzing that data to gain knowledge of past and current market trends and future indicators that will be relied upon when applying the appraisal mechanism.

## 4 Application of Appraisal



### Methods:

Based on the scope of work and market analysis, appropriate appraisal methods are determined and all assumptions and inputs are set to carry out financial calculations to identify the market value according to the selected methods.

## 5 Valuation:



The valuation methods used to identify the final market value of the property are reconciled at our final discretion.

## 6 Report Development:



We develop the Appraisal Report according to the scope of work, which includes the data, results and outputs that were produced through the previous work stages

## • Supply and Demand

The higher the demand for real estate and the lower the supply for real estate, the higher the real estate prices, and vice versa. The lower the demand and the higher the supply, the lower the real estate prices. Demand and supply are also influenced by many economic and political factors.

## • Availability of Services

Availability of services such as schools, universities, shopping malls, entertainment facilities and other services in an area, significantly affecting property prices and the demand is increasing, and evidently affecting the increase in property prices in the region.

## • Economic Situation

Undoubtedly low economic conditions affect the real estate market and real estate prices, causing a recession and lower prices. In the case of a recovery in the economic situation of the country and stability of per capita income, in this case prices will increase as there will be stability in the material condition of individuals, making them able to purchase or lease properties.

## • Condition of the Property

The better the condition of the property, the more it affects the increase in the price of the property. For example, if you compare a property in good condition with another property with similar characteristics, the latter may be distinguished by a larger area with poor condition, you will find preference, of course, for the first property with the best condition.

## • Political Situation

The political situation directly affects the country's economic conditions, which obviously affects real estate prices. Therefore, the deterioration of the country's political conditions causes instability in the real estate market. Some areas have inflated real estate prices, while prices decrease in other places.



## Land Data

City	District	Ground Level	Property Type	Area	Ownership Type
Al Khobar	Al Yarmouk	Level	Office, Commercial, and Residential	2,784.00 square meters	Absolute ownership
Title Deed No.	Title Deed Date	Notary Public	Overall Site	Plot No.	Organization Chart No.
330210007397	30/01/1443 H	Dammam	Within the range	281-282	2/78

## Borders and Lengths

Direction	Length (m)	Border:
North	40	20-m street
South	40	Plot No. 283
East	70	Prince Turki Street with a width of 45 m
West	70	10-m street

Property Data			
Building Type	Building Condition and Finishes	Building Vacancy	Building Use
Concrete	Excellent	Vacant Position	Commercial and Residential Office
Property Age	Building Completeness	AC Type	Number of Floors
4 Years	Complete	Central	16 floors
Basement	Ground Floor	Mezzanine	Identical Floors
2	1	1	14
Services in Building			
Elevators	Alarm and Fire Systems	Safety and Security	Electric Generators
Available	Available	Available	Available
Services and Facilities available in the property area			
Electricity	Water	Telephone	Sewage
Available	Available	Available	Available

To estimate the market value based on the valuation purpose and the nature of the property, the Income Method (DCF Method) will be relied upon as the main method of valuation of the property under appraisal. The main purpose of constructing a commercial building is to generate income from renting offices, showrooms and hotel rooms.

## 4.1 Income Method

The Income Method provides an indication of value by converting future cash flows into a single present value

### Discounted cash flow (DCF) method

It is a property appraisal method that is dependent on knowing the future income that is due for a property.

## 4.2 Field Survey and Income Analysis

The prices of lands, offices, and showrooms greatly affect the development of real estate and the different uses of lands. They are one of the main factors in determining the percentage of annual financial return for various uses. They further affect many other urban planning aspects, such as building regulations, including building heights and setbacks. In addition, it is very difficult to collect data based on the market reality as it is difficult to gather information accurately in the Saudi market.

Some comparisons have been taken and analyzed as a reflection of the market and comparisons are:

# Graphic Survey Offers

Sr.	District	City	Property Type	Area in Square Meters	Nightly Rate	Number of Stars	Offer Type	Coordinates	Notes
1	Corniche	Al Khobar	Hotel	32	26.315936 50.223494	560	4	Rental Offer / Minimum	26.315936 50.223494
2	Al Yarmouk	Al Khobar	Hotel	40	26.322045 50.216549	650	5	Rental Offer / Minimum	26.322045 50.216549
3	Al-Bandariya	Al Khobar	Hotel	40	26.303720 50.210995	504	5	Rental Offer / Minimum	26.303720 50.210995
4	Al Khobar Al Shamalia	Al Khobar	Hotel	28	26.300187 50.2209991	510	4	Rental Offer / Minimum	26.300187 50.2209991
5	Corniche	Al Khobar	Hotel	34	26.301697 50.223777	777	5	Rental Offer / Minimum	26.301697 50.223777

# Table showing DCF Method:

DCF Method Assumptions	
Hotel and Showroom Expense Rate (Operational and Capital)	30%
Hotel vacancy rate (40% from year one to year three) (35% from the fourth to the fifth year)	35% - 40%
Vacancy Rate for Showrooms and Offices	-
Cash flow period	5 years
Discount Rate	8.5%
The growth rate is variable in the second and fourth year	3%
Capitalization Rate	8.0%



## Property Revenue

The real estate revenues are estimated according to the total income stated by the client, and it was assumed to be correct. The occupancy rate is 70% for hotels in the first year, 50% in the second year, and 40% for the rest of the years. As for offices and showrooms, it is 0% according to data stated by the client and the market data analysis. The estimated total income for showrooms and offices is SAR 330,000.00.

## Vacancy Rate

Through survey and inspection works, the average hotel occupancy in this area is about 60%, (i.e. vacancy rate is 40%). The number of rooms is 172 rooms.

## Operational and capital expenditures

Operational expenses are the expenses related to renting and maintaining the property, and capital expenses are the expenses incurred by the owner for the restoration and development of the property in order to maintain it in an appropriate condition to generate the appropriate annual income.

Operating expenses for similar properties account for 40% for similar projects in the surrounding area. They include costs for common services expenses, cleaning and maintenance of the building, and security management and monitoring expenses. In terms of property appraisal, operating and capital expenditures are estimated at 30% of actual rental income.

## Capitalization Rate

The capitalization rate is a rate used to convert income into value and it is used in estimating the redemption value of the property. There is more than one way to derive the capitalization rate. Each of these methods depends on using the recent past as a means of predicting the future. In this Report, the capitalization rate was estimated by the market extraction method, according to REIT funds that are similar to the property under appraisal, in the property area at the time of appraisal. It is 8%



# Table showing DCF Method:

Cash Inflows	Net Area for Rent	Total Rent (square meters)	Years					Redemption Value		
			2022	2023	2024	2025	2026		2027	
			0	1	2	3	4		5	
Growth Rate			0%	0%	3%	0%	3%	0%		
Number of Rooms		0.00	0	39,363,060	40,543,952	40,543,952	41,760,270	41,760,270		
Less Vacancy Rate				45%	40%	40%	40%	35%		
				17,713,377	16,217,581	16,217,581	16,704,108	14,616,095		
Showrooms + offices		200	1,650.00	0	330,000	339,900	339,900	350,097	350,097	
Less Vacancy Rate				0%	0%	0%	0%	0%		
				0	0	0	0	0		
<b>Total Rental Income</b>			0	39,693,060	40,883,852	40,883,852	42,110,367	42,110,367		
			0	17,713,377	16,217,581	16,217,581	16,704,108	14,616,095		
<b>Actual Total Income</b>			0	21,979,683	24,666,271	24,666,271	25,406,259	27,494,273		
Less Expense Rate (Operational and Capital)		30.0%	0	6,593,905	7,399,881	7,399,881	7,621,878	8,248,282		
<b>Building Net Operating Income (NOI)</b>			0	15,385,778	17,266,390	17,266,390	17,784,381	19,245,991		
Building Redemption Value									240,574,886	
Net Cash Flow (NCF)			0	15,385,778	17,266,390	17,266,390	17,784,381	19,245,991	240,574,886	
Discount coefficient			1	0.9217	0.8495	0.7829	0.7216	0.6650	0.6650	
Present Value of Cash Flows			0	14,180,441	14,667,026	13,517,996	12,832,752	12,799,458	159,993,227	
<b>Building Net Present Value (NPV)</b>									227,990,901	
<b>Final Value of the Property</b>									<b>228,000,000</b>	

Based on the Income Method (DCF Method) to get to the value, then the final value of the property can be determined as follows:

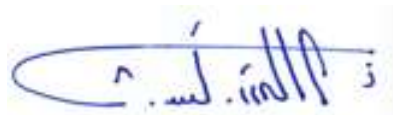
<b>Final Value in Numbers</b>	SAR 228,000,000
<b>Final Value in Writing</b>	Only two hundred twenty-eight million

### Report Approval

CEO

Eng. Abdullah bin Ali Al-Showair

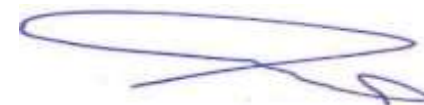
Membership No.: 1210000540



### Chairman

Eng. Ahmed bin Mohammed Ababatain

Membership No.: 1210000305



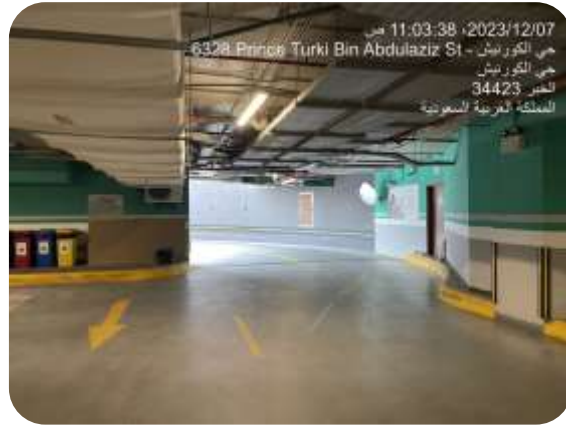
Description	Name	Membership Category	Membership No.
Chairman	Eng. Ahmed Mohammed Ababatain	Primary - Fellow	1210000305
CEO	Eng. Abdullah Ali Al-Showaier	Primary - Fellow	1210000540



# Photographic survey showing the property



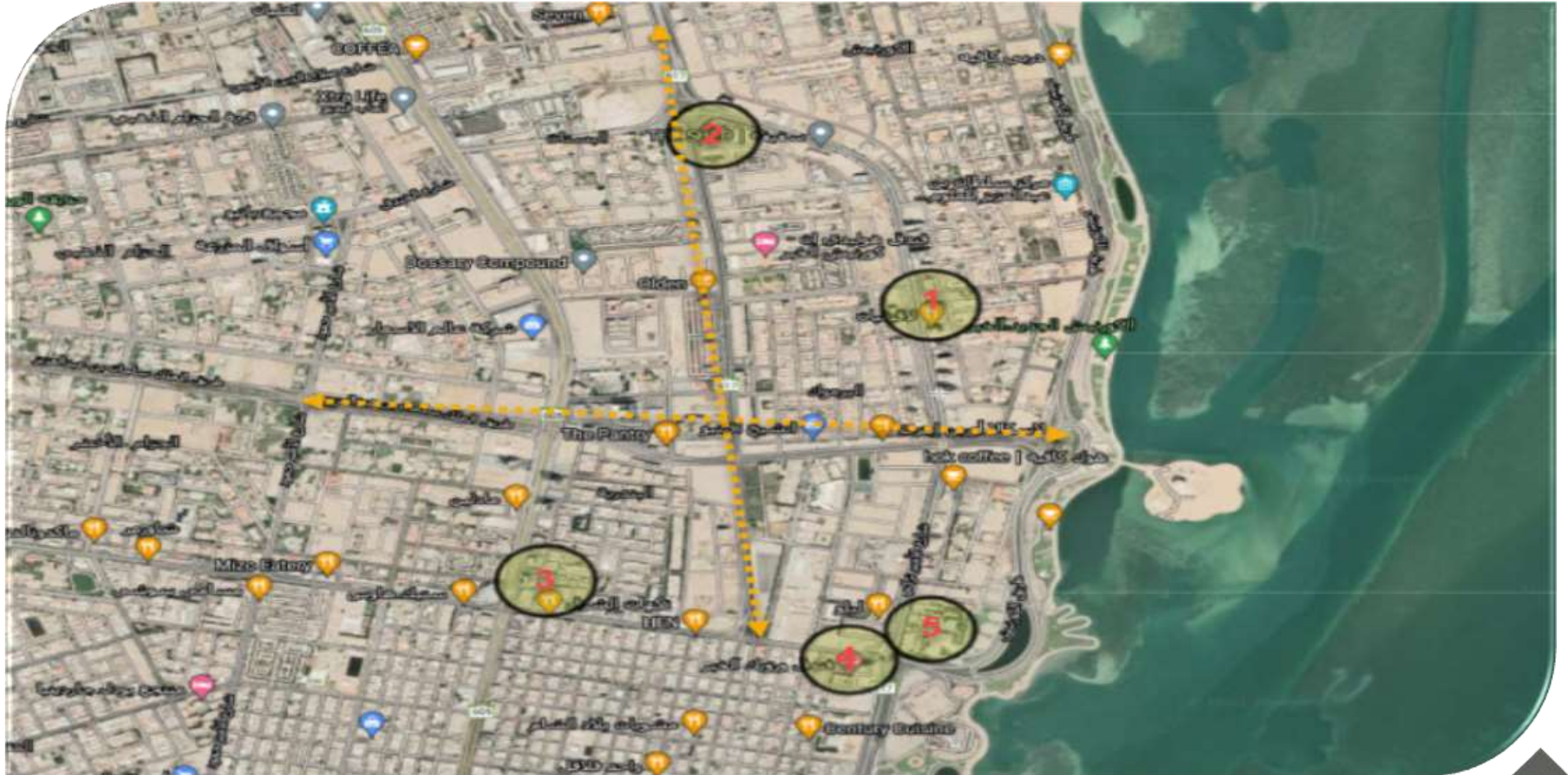
# Photographic survey showing the property



# Photographic survey showing the property



# Image showing similar comparison site



# Image showing the location of the property in the city of Al Khobar

## Geographical Coordinates

N 26.31163

E50.22315







## Properties located in Jeddah



## M/s Riyad REIT Fund (RIYADH REAL ESTATE INCOME CO.)

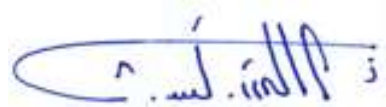
As you approved MUMTALKATI APPRAISAL COMPANY for valuation of the real estate properties within Saudi Arabia in Riyadh, Jeddah, Dammam and Al Khobar, our team has completed the task after inspection of the assets and taking into account all elements affecting value. Based on the International Standards adopted and the professional assets of the valuation process, we seek to identify the real estate value which is fit for the purpose for which the Appraisal Report was developed. This Report is a reliable testimony of the purpose for which this appraisal task was carried out, noting that this Report is an integral unit that should not be divided.

### Reference data:

Applicant (Client)	RIYADH REAL ESTATE INCOME CO.	
Beneficiary (Report User)	RIYADH REAL ESTATE INCOME CO.	
Appraisal Purpose:	The Client (RIYADH REAL ESTATE INCOME CO.) commissioned MUMTALKATI APPRAISAL COMPANY to value assets subject matter of the Report to estimate the value of properties pursuant to International Valuation Standards for the year 2022 for the purpose of periodic Report for the Riyad REIT Fund.	
Inspection Date	Value Effective Date	Reports Issuance Dates:
10/12/2023 G	31/12/2023 G	12/03/2024 G

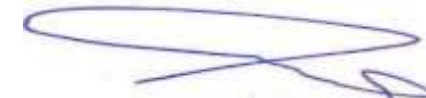
CEO

Eng. Abdullah bin Ali Al-Showair  
Membership No.: 1210000540



Chairman

Eng. Ahmed bin Mohammed Ababatain  
Membership No.: 1210000305



# Real Estate Properties located in the City of Jeddah

Sr.	City	District	Property Name	Property Type	Area of Land (m2)
1	Jeddah	Al Rawdah	Omnia Centre	Office, Commercial, and Residential	10,000
2	Jeddah	Al Andalus	Ascott Hotel Tahlia	Hotel	2,025





# Commercial and Residential Office Building Appraisal Report

Jeddah - Al Rawdah District

(Omnia Centre)



## M/s Riyadh REIT Fund (RIYADH REAL ESTATE INCOME CO.)

Thank you for choosing MUMTALKATI APPRAISAL COMPANY and upon your request to appraise a commercial and residential office building (Omnia Centre) located in Jeddah - Al Rawdah District, we have physically inspected the property and reviewed necessary documents and maps. After conducting a study of the surrounding and adjacent area of the property, we enclose the following report, which provides the necessary data and explains the reasons for reaching the market value of the property.

We studied the documents received from the client (the title deed and the building permit) and they were presumed valid and there were no burdens on them or could affect the valuation process

In this summary, we have also tried hard to present our opinion about the market value of the property according to the available information provided by the client.

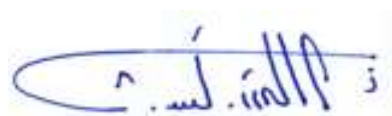
The estimated property is a commercial and residential building with a total land area of 10,000.00 square meters according to the title deed.

Based on the completed study, we estimate the market value of the property under appraisal and its current status on the date of the appraisal and as documented in this Report in 31/12/2023 G.

For an amount of SAR (162,500,000), Only one hundred sixty-two million five hundred thousand

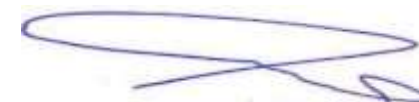
**CEO**

Eng. Abdullah bin Ali Al-Showair  
Membership No.: 1210000540



**Chairman**

Eng. Ahmed bin Mohammed Ababatain  
Membership No.: 1210000305



Content
Executive Summary
Scope of Work
Appraisal Requirements
Property Data
Appraisal
Calculating the market value
A photographic survey showing the location of the property and its location in the city
Image showing field survey offers
Staff

Appraiser	Report Prepared by: MUMTALKATI APPRAISAL COMPANY holding License No. 808/18/323, dated 11/07/1439 H
Client (Report Author)	RIYADH REAL ESTATE INCOME CO.
Beneficiary (Report User)	RIYADH REAL ESTATE INCOME CO.
Purpose of Appraisal	periodic Report for the Riyadh REIT Fund.
Property under appraisal	It is a piece of land on which a commercial and residential office building (Omnia Centre) is constructed
Property Address	Jeddah - Al Rawdah District - Plan No. (N/A), Plot No. (2/1)
Plot area	10,000.00 square meters according to the title deed
Building Surfaces	20,338.57 square meters according to the building permit
Owner Name	RIYADH REAL ESTATE INCOME CO.
Title Deed No.	320217023075
Title Deed Date	25/01/1442 H
Ownership Type	Absolute ownership
Value Basis	Market value
Valuation Standards	International Valuation Standards (IVS) issued in 2022 G
Valuation Method	Income Method (DCF Method)
Inspection Date	10/12/2023 G
Value Effective Date	31/12/2023 G
Valuation Issuance Date	12/03/2024 G



### **3.1 Terms of Reference:**

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### **4.1 Determination of the Property under Appraisal:**

The property is a land on which a commercial and residential office building is constructed in Jeddah region, Prince Saud Al-Faisal Road. According to the title deed, the area of the land is 10,000.00 square meters.

### **5.1 Purpose of the Appraisal:**

Estimating the absolute ownership value of the building (Omnia Centre) periodic Report for the Riyadh REIT Fund.

### **6.1 Value Basis Used:**

The appraisal basis depends on the estimate of the property's market value at the appraisal date, on the basis that the property is free of all considerations, restrictive conditions and legal obligations. Accordingly, the concept used in this Report on market value is the concept that was introduced in Standard 104, Paragraph (103) of the International Valuation Standards (IVS): "The market value is the estimated amount for which an asset or liability should be exchanged on the appraisal date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein each of the parties had acted knowledgeably and prudently without coercion."



### **7.1 Appraisal Date:**

The opinion on the value was developed on December 31, 2023 G, while the date of the search and survey (inspection) is December 10, 2023 G, and the Report Issuance Date is July 2023, 2023 G. The appraisal reflects our opinion of the value at the appraisal date but property values are subject to fluctuations over time as market conditions may change.

### **8.1 Scope of Appraisal:**

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The information contained in the title deeds attached to the property has been relied upon. The municipal, market and economic data provided in this Report is based on various approved sources. We did not review the leases of the property. We only relied on the property information and compared it with market prices, assuming this information is true.

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Meeting with the client and determining the scope of work, including the purpose of the appraisal, the value basis, the concerned parties, the appraisal date, and any special or important assumptions, including the clear mandate and the expected outputs.

## 2 Site Inspection and Analysis



Inspecting the property, identifying its characteristics and specifications, and matching documents with reality. Analyzing the location of the property and the uses surrounding the property, while determining the scope of the geographical search and the appropriate activities and projects

## 3 Data Collection and Analysis



Collecting market data (rents, returns, occupancy ratios, maintenance and operating expenses) for income-generating properties. Searching for similar land prices and contractors' costs and analyzing that data to gain knowledge of past and current market trends and future indicators that will be relied upon when applying the appraisal mechanism.

## 4 Application of Appraisal



### Methods:

Based on the scope of work and market analysis, appropriate appraisal methods are determined and all assumptions and inputs are set to carry out financial calculations to identify the market value according to the selected methods.

## 5 Valuation:



The valuation methods used to identify the final market value of the property are reconciled at our final discretion.

## 6 Report Development:



We develop the Appraisal Report according to the scope of work, which includes the data, results and outputs that were produced through the previous work stages



## • Supply and Demand

The higher the demand for real estate and the lower the supply for real estate, the higher the real estate prices, and vice versa. The lower the demand and the higher the supply, the lower the real estate prices. Demand and supply are also influenced by many economic and political factors.

## • Availability of Services

Availability of services such as schools, universities, shopping malls, entertainment facilities and other services in an area, significantly affecting property prices and the demand is increasing, and evidently affecting the increase in property prices in the region.

## • Economic Situation

Undoubtedly low economic conditions affect the real estate market and real estate prices, causing a recession and lower prices. In the case of a recovery in the economic situation of the country and stability of per capita income, in this case prices will increase as there will be stability in the material condition of individuals, making them able to purchase or lease properties.

## • Condition of the Property

The better the condition of the property, the more it affects the increase in the price of the property. For example, if you compare a property in good condition with another property with similar characteristics, the latter may be distinguished by a larger area with poor condition, you will find preference, of course, for the first property with the best condition.

## • Political Situation

The political situation directly affects the country's economic conditions, which obviously affects real estate prices. Therefore, the deterioration of the country's political conditions causes instability in the real estate market. Some areas have inflated real estate prices, while prices decrease in other places.



Land Data					
City	District	Ground Level	Property Type	Area	Ownership Type
Jeddah	Al Rawdah	Level	Office, Commercial, and Residential	10,000 square meters	Absolute ownership
Title Deed No.	Title Deed Date	Notary Public	Overall Site	Plot No.	Organization Chart No.
320217023075	25/01/1439 H	Jeddah	Within the range	(2/1)	N/A

Borders and Lengths		
Direction	Length (m)	Border:
<b>North</b>	100	12-m street
<b>South</b>	100	12-m street separates it from princely land
<b>East</b>	100	12-m street separates it from the first plot
<b>West</b>	100	12-m street separates it from the princely land, separating it from the third plot

Property Data			
Building Type	Building Condition and Finishes	Building Vacancy	Building Use
Concrete	Excellent	Not vacant	Commercial and Residential Office
Property Age	Building Completeness	AC Type	Number of Floors
14 Years	Complete	Central	5 floors
Basement	Ground Floor	Mezzanine	Identical Floors
1	1	1	3

Services in Building			
Elevators	Alarm and Fire Systems	Safety and Security	Electric Generators
Available	Available	Available	Available

Services and Facilities available in the property area			
Electricity	Water	Telephone	Sewage
Available	Available	Available	Available

To estimate the market value based on the valuation purpose and the nature of the property, the Income Method (DCF Method) will be relied upon as the main method of valuation of the property under appraisal. The main purpose of constructing a commercial building is to generate income from renting offices, showrooms and hotel rooms.

## 4.1 Income Method

The Income Method provides an indication of value by converting future cash flows into a single present value. According to this method, the value of the asset is determined by reference to the value of revenues, cash flows, or cost savings from the asset.

### Discounted cash flow (DCF) method

It is a property appraisal method that is dependent on knowing the future income that is due for a property.

## 4.2 Field Survey and Income Analysis

The prices of lands, offices, and showrooms greatly affect the development of real estate and the different uses of lands. They are one of the main factors in determining the percentage of annual financial return for various uses. They further affect many other urban planning aspects, such as building regulations, including building heights and setbacks. In addition, it is very difficult to collect data based on the market reality as it is difficult to gather information accurately in the Saudi market.

Some comparisons have been taken and analyzed as a reflection of the market and comparisons are:



Sr.	City	District	Property Type	Area in Square Meters	Nightly Rate (SAR)	Total Value (SAR)	Offer Type	Coordinates	Notes
1	Jeddah	Al Rawdah	Showrooms	100	1,300	130,000	Rent / Minimum	21.561835 39.163230	--
2	Jeddah	Al Rawdah	Showrooms	360	972	350,000	Rent / Minimum	21.562060 39.163028	--
3	Jeddah	Al Rawdah	Showrooms	150	1,000	150,000	Rent / Minimum	21.560836 39.159103	--
4	Jeddah	Al Rawdah	Offices	2,700	500	1,350,000	Rent / Minimum	21.561835 39.163230	--
5	Jeddah	Al Rawdah	Offices	95	500	47,500	Rent / Minimum	21.559966 39.155998	--
6	Jeddah	Al Rawdah	Offices	400	650	260,000	Rent / Minimum	21.561742 39.160061	--
7	Jeddah	Al Rawdah	Management Office	450	666	300,000	Rent / Minimum	21.561854 39.163345	--
8	Jeddah	Al Rawdah	Management Office	600	600	360,000	Rent / Minimum	21.562168 39.1633326	--



# Table showing DCF Method:

DCF Method Assumptions	
Hotel and Showroom Expense Rate (Operational and Capital)	7.50%
Vacancy Rate for Apartments	5%
Vacancy Rate for Showrooms and Offices	5%
Cash flow period	5 years
Discount Rate	8%
Growth rate (every three years)	5%
Capitalization Rate	8.0%



## Property Revenue

The property revenues were estimated according to the total income provided by the client. It was assumed to be correct and with a vacancy rate of 5% for all years, as estimated according to the attached data from the client and the market data analysis. The estimated total income according to the contract is SAR 13,149,052.

## Vacancy Rate

Through survey and inspection works, the average occupancy in this area is about 95% (i.e. vacancy rate is 5%), assuming that the contract is a separate contract. Vacancies are assumed to be 10%.

## Operational and capital expenditures    Capitalization Rate

Operational expenses are the expenses related to renting and maintaining the property, and capital expenses are the expenses incurred by the owner for the restoration and development of the property in order to maintain it in an appropriate condition to generate the appropriate annual income.

Operating expenses account for 5% - 15% for similar projects in the surrounding area. They include costs for common services expenses, cleaning and maintenance of the building, and security management and monitoring expenses. In terms of property appraisal, operating and capital expenditures are estimated at 7.5% of actual rental income.

The capitalization rate is a rate used to convert income into value and it is used in estimating the redemption value of the property. There is more than one way to derive the capitalization rate. Each of these methods depends on using the recent past as a means of predicting the future. In this Report, the capitalization rate was estimated by the market extraction method, according to REIT funds that are similar to the property under appraisal, in the property area at the time of appraisal. It is 8%

# Table showing DCF Method:

Cash Inflows	Net Area for Rent	Total Rent (square meters)	السنوات					Redemption Value	
			2022	2023	2024	2025	2026		2027
			0	1	2	3	4		5
Growth Rate			0.0%	0.0%	0.0%	5.0%	5.0%	5.0%	
Showrooms and Offices	4596	1,950.00	0	11,359,052	11,359,052	11,927,005	12,523,355	13,149,523	
Less Vacancy Rate				5.0%	5.0%	5.0%	5.0%	5.0%	
				567,953	567,953	596,350	626,168	657,476	
FLATS	7987	585.31	0	1,790,000	1,790,000	1,879,500	1,973,475	2,072,149	
Less Vacancy Rate				5%	5%	5%	5%	5%	
				89,500	89,500	93,975	98,674	103,607	
Total Rental Income			0	13,149,052	13,149,052	13,806,505	14,496,830	15,221,671	
			0	657,453	657,453	690,325	724,841	761,084	
Actual Total Income			0	12,491,599	12,491,599	13,116,179	13,771,988	14,460,588	
Less Expense Rate (Operating and capital)	7.5%		0	936,870	936,870	983,713	1,032,899	1,084,544	
Building Net Operating Income (NOI)			0	11,554,729	11,554,729	12,132,466	12,739,089	13,376,044	
Building Redemption Value									167,200,546
Net Cash Flow (NCF)			0	11,554,729	11,554,729	12,132,466	12,739,089	13,376,044	167,200,546
Discount coefficient			1	0.9259	0.8573	0.7938	0.7350	0.6806	0.6806
Present Value of Cash Flows			0	10,698,824	9,906,318	9,631,143	9,363,611	9,103,511	113,793,882
Building Net Present Value (NPV)									162,497,288
Final Value of the Property after Rounding									162,500,000

Based on the Income Method (DCF Method) to get to the value, then the final value of the property can be determined as follows:

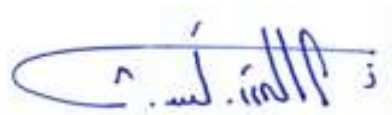
<b>Final Value in Numbers</b>	SAR 162,500,000
<b>Final Value in Writing</b>	Only one hundred sixty-two million five hundred thousand

### Report Approval

CEO

Eng. Abdullah bin Ali Al-Showair

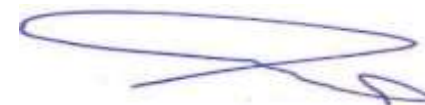
Membership No.: 1210000540



### Chairman

Eng. Ahmed bin Mohammed Ababatain

Membership No.: 1210000305



Description	Name	Membership Category	Membership No.
Chairman	Eng. Ahmed Mohammed Ababatain	Primary - Fellow	1210000305
CEO	Eng. Abdullah Ali Al-Showaier	Primary - Fellow	1210000540

# Photographic survey showing the property



# Photographic survey showing the property





# Photographic survey showing the property



# Image showing similar comparison site

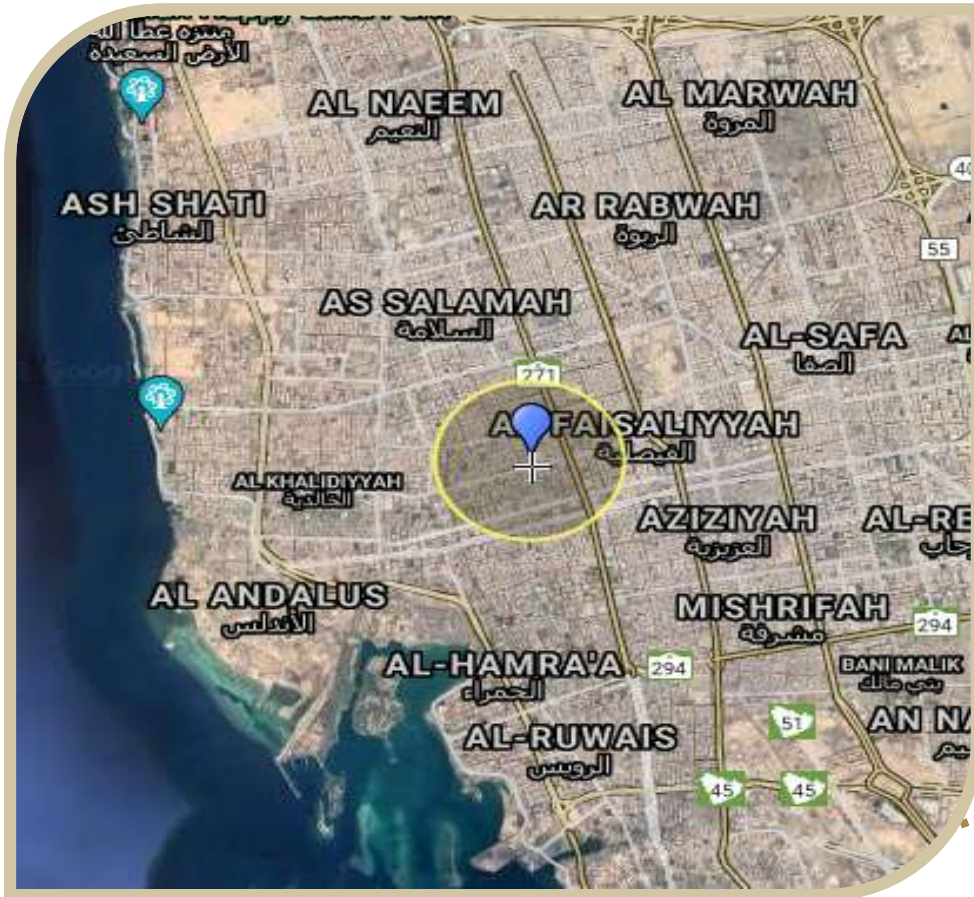


# Image showing the location of the property in the city of Jeddah

## Geographical Coordinates

N 26.31163

E50.22315





# Commercial and Residential Office Building Appraisal Report

Jeddah - Al Andalus District

(Ascott Hotel Tahlia)



## M/s Riyad REIT Fund (RIYADH REAL ESTATE INCOME CO.)

Thank you for choosing MUMTALKATI APPRAISAL COMPANY and upon your request to appraise a commercial and residential office building (Ascott Hotel Tahlia) located in Jeddah - Al Andalus District, we have physically inspected the property and reviewed necessary documents and maps. After conducting a study of the surrounding and adjacent area of the property, we enclose the following report, which provides the necessary data and explains the reasons for reaching the market value of the property.

We studied the documents received from the client (the title deed and the building permit) and they were presumed valid and there were no burdens on them or could affect the valuation process

In this summary, we have also tried hard to present our opinion about the market value of the property according to the available information provided by the client.

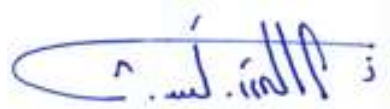
The estimated property is a commercial and residential building with a total land area of 2,025.00 square meters according to the title deed and with a total building area of 20,338.57 according to the permit.

Based on the completed study, we estimate the market value of the property under appraisal and its current status on the date of the appraisal and as documented in this Report in 31/12/2023 G

For an amount of SAR (157,155,000), only one hundred fifty-seven million one hundred fifty-five thousand Saudi riyals

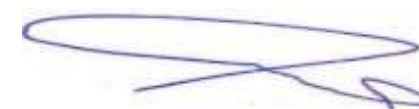
**CEO**

Eng. Abdullah bin Ali Al-Showair  
Membership No.: 1210000540



**Chairman**

Eng. Ahmed bin Mohammed Ababatain  
Membership No.: 1210000305



Content
Executive Summary
Scope of Work
Appraisal Requirements
Property Data
Appraisal
Calculating the market value
A photographic survey showing the location of the property and its location in the city
Image showing field survey offers
Staff



Appraiser	Report Prepared by: MUMTALKATI APPRAISAL COMPANY holding License No. 808/18/323, dated 11/07/1439 H
Client (Report Author)	RIYADH REAL ESTATE INCOME CO.
Beneficiary (Report User)	RIYADH REAL ESTATE INCOME CO.
Purpose of Appraisal	periodic Report for the Riyad REIT Fund.
Property under appraisal	It is a piece of land on which a commercial, residential office building (Ascott Hotel Tahlia) is constructed
Property Address	Jeddah - Al Andalus District - Plan No. (196/ab), Plots No. (15- 16- 18)
Plot area	2,025.00 square meters according to the title deed
Building Surfaces	20,338.57 according to the building permit
Owner Name	RIYADH REAL ESTATE INCOME CO.
Title Deed No.	520220027876
Title Deed Date	25/01/1442 H
Ownership Type	Absolute ownership
Value Basis	Market value
Valuation Standards	International Valuation Standards (IVS) issued in 2022 G
Valuation Method	Income Method (DCF Method)
Inspection Date	10/12/2023 G
Value Effective Date	31/12/2023 G
Valuation Issuance Date	12/03/2024 G



### **3.1 Terms of Reference:**

The Appraisal Report was prepared based on the instructions received from the client (RIYADH REAL ESTATE INCOME CO.) to estimate the market value of the property under appraisal periodic Report for the Riyad REIT Fund. Accordingly, this Report may not be used for any other purposes. The Appraisal Report has been prepared by MUMTALKATI APPRAISAL COMPANY which is approved by the Saudi Authority for Accredited Valuers (TAQEEM) after examining the property subject of the Report, collecting data and information and analyzing it to form and develop a neutral opinion about the market value of the aforementioned property to fit the purpose that was previously determined and in line with the International Valuation Standards (IVS) issued in 2022 G. The appraiser acknowledges his independence and that there is no conflict of interest with any important parties in the appraisal or assets under appraisal.

### **4.1 Determination of the Property under Appraisal:**

The property is a land on which a commercial and residential office building is constructed in Jeddah region, Prince Mohammed bin Abdulaziz Road. According to the title deed, the area of the land is 2,025.00 square meters.

### **5.1 Purpose of the Appraisal:**

Estimating the absolute ownership value of the building (Ascott Hotel Tahlia) periodic Report for the Riyad REIT Fund.

### **6.1 Value Basis Used:**

The appraisal basis depends on the estimate of the property's market value at the appraisal date, on the basis that the property is free of all considerations, restrictive conditions and legal obligations. Accordingly, the concept used in this Report on market value is the concept that was introduced in Standard 104, Paragraph (103) of the International Valuation Standards (IVS): "The market value is the estimated amount for which an asset or liability should be exchanged on the appraisal date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein each of the parties had acted knowledgeably and prudently without coercion."



## **7.1 Appraisal Date:**

The opinion on the value was developed on December 31, 2022 G, while the date of the search and survey (inspection) is December 10, 2023 G, and the Report Issuance Date is March 12, 2024 G. The appraisal reflects our opinion of the value at the appraisal date but property values are subject to fluctuations over time as market conditions may change

## **8.1 Scope of Appraisal:**

The Scope of Appraisal included research and analysis to develop the Report according to the intended purpose in line with the International Valuation Standards (IVS). The property was examined and inspected from the inside and outside on the property inspection date. In addition, all the necessary data for developing the Report was obtained.

## **9.1 Nature and Source of Information:**

The information contained in the title deeds attached to the property has been relied upon. The municipal, market and economic data provided in this Report is based on various approved sources. We did not review the leases of the property. We only relied on the property information and compared it with market prices, assuming this information is true.

## **10.1 Assumptions and Exceptional Circumstances:**

The appraiser could not environmentally examine the site. Accordingly, it was assumed that the property under appraisal does not contain any hazardous or environmentally polluted materials. Besides, it was assumed that maintenance and operation of offices and showrooms account for 2% of the expenses, and 38% of hotels based on prevailing conditions in the area where your property is located.



- MUMTALKATI APPRAISAL COMPANY is committed to the confidentiality of the information contained in the Report.
- This valuation is linked to the market value estimate under the current circumstances.
- The Report is prepared for the purpose of the client and the users of the report. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof in any document, statement, circular, or any means of communication except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY. We authorize the fund manager to publish this Report on its website, Tadawul's website and CMA website. In addition, we do not accept any responsibility whatsoever to any other party.
- The property was inspected outwardly, and it was not structurally inspected. Besides, no apparent defects were noticed, unless they were mentioned in the Report.
- All documents submitted by the client are at the responsibility of the client. MUMTALKATI APPRAISAL COMPANY bears no responsibility for the documents related to this property. The documents were assumed to be valid and free from any legal obligations or any obstacles, unless they were mentioned in the documents or authorized by the appraisal applicant. Furthermore, the company also does not acknowledge the accuracy or completeness of the available data. Sometimes assumptions are made, according to the market situation in the event of lack of information. It therefore does not express its opinion and has not made any kind of assurance of the accuracy or completeness of the data except as clearly indicated in this Report.
- Appraisal was made pursuant to the International Standards issued by the Saudi Authority for Accredited Valuers (TAQEEM) in 2022 G.
- Duration of this appraisal is three months from the date on which this Report is developed.



Scope of Work Items	Explanation
Scope of Research	Field survey of the area of the properties under appraisal and similar properties, and we sought as much as possible to collect and analyze data To produce results that serve this Report and its intended purpose
Nature and Sources of Information	In developing this Report, we relied on the information provided to us by the client, assuming that it is true. We relied on it to produce the outputs of this report. We also relied on a package of information and data of MUMTALKATI APPRAISAL COMPANY, previous appraisal works, the continuous field survey, and management of studies and research in the Company. As far as we know, we think that they are correct.
Report Type	The Report is integrated and contains an integrated explanation of all appraisal works, including steps, data, information, accounts, etc.
Report Usage Limitations	The Report is prepared for the purpose of the client. It may not be used except for the purpose for which it was prepared. Moreover, it should not be distributed or published or part thereof except after obtaining the written approval of MUMTALKATI APPRAISAL COMPANY.
Used Standards	International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) for the year 2022 G
Significant Assumptions and Special Assumptions	Our Company does not assume any responsibility for any information received from the customer, which is supposed to be safe and reliable. In addition, our Company does not acknowledge the accuracy or completeness of the available data. Neither did it express its opinion, nor did it offer any kind of guarantee for the accuracy or completeness of the data except as indicated clearly in this Report.



## 1 Scope of Work:



Meeting with the client and determining the scope of work, including the purpose of the appraisal, the value basis, the concerned parties, the appraisal date, and any special or important assumptions, including the clear mandate and the expected outputs.

## 2 Site Inspection and Analysis



Inspecting the property, identifying its characteristics and specifications, and matching documents with reality. Analyzing the location of the property and the uses surrounding the property, while determining the scope of the geographical search and the appropriate activities and projects

## 3 Data Collection and Analysis



Collecting market data (rents, returns, occupancy ratios, maintenance and operating expenses) for income-generating properties. Searching for similar land prices and contractors' costs and analyzing that data to gain knowledge of past and current market trends and future indicators that will be relied upon when applying the appraisal mechanism.

## 4 Application of Appraisal



### Methods:

Based on the scope of work and market analysis, appropriate appraisal methods are determined and all assumptions and inputs are set to carry out financial calculations to identify the market value according to the selected methods.

## 5 Valuation:



The valuation methods used to identify the final market value of the property are reconciled at our final discretion.

## 6 Report Development:



We develop the Appraisal Report according to the scope of work, which includes the data, results and outputs that were produced through the previous work stages



## • Supply and Demand

The higher the demand for real estate and the lower the supply for real estate, the higher the real estate prices, and vice versa. The lower the demand and the higher the supply, the lower the real estate prices. Demand and supply are also influenced by many economic and political factors.

## • Availability of Services

Availability of services such as schools, universities, shopping malls, entertainment facilities and other services in an area, significantly affecting property prices and the demand is increasing, and evidently affecting the increase in property prices in the region.

## • Economic Situation

Undoubtedly low economic conditions affect the real estate market and real estate prices, causing a recession and lower prices. In the case of a recovery in the economic situation of the country and stability of per capita income, in this case prices will increase as there will be stability in the material condition of individuals, making them able to purchase or lease properties.

## • Condition of the Property

The better the condition of the property, the more it affects the increase in the price of the property. For example, if you compare a property in good condition with another property with similar characteristics, the latter may be distinguished by a larger area with poor condition, you will find preference, of course, for the first property with the best condition.

## • Political Situation

The political situation directly affects the country's economic conditions, which obviously affects real estate prices. Therefore, the deterioration of the country's political conditions causes instability in the real estate market. Some areas have inflated real estate prices, while prices decrease in other places.



## Land Data

City	District	Ground Level	Property Type	Area	Ownership Type
Jeddah	Al Andalus	Level	Office, Commercial, and Residential	2,025 square meters	Absolute ownership
Title Deed No.	Title Deed Date	Notary Public	Overall Site	Plot No.	Organization Chart No.
420210009936	09/02/1436 H	Jeddah	Within the range	(15- 16- 18)	196/b

## Borders and Lengths

Direction	Length (m)	Border:
<b>North</b>	25	40-m street Tahlia
<b>South</b>	25	Plot No. 20
<b>East</b>	81	Plot No. 17- 14
<b>West</b>	81	20-m street

Property Data			
Building Type	Building Condition and Finishes	Building Vacancy	Building Use
Concrete	Excellent	Not vacant	Commercial and Residential Office
Property Age	Building Completeness	AC Type	Number of Floors
7 Years	Complete	Central	14 Floors
Basement	Ground Floor	Mezzanine	Identical Floors
1	1	1	12

Services in Building			
Elevators	Alarm and Fire Systems	Safety and Security	Electric Generators
Available	Available	Available	Available

Services and Facilities available in the property area			
Electricity	Water	Telephone	Sewage
Available	Available	Available	Available



To estimate the market value based on the valuation purpose and the nature of the property, the Income Method (DCF Method) will be relied upon as the main method of valuation of the property under appraisal. The main purpose of constructing a commercial building is to generate income from renting offices, showrooms and hotel rooms.

## 4.1 Income Method

The Income Method provides an indication of value by converting future cash flows into a single present value

### Discounted cash flow (DCF) method

It is a property appraisal method that is dependent on knowing the future income that is due for a property.

## 4.2 Field Survey and Income Analysis

The prices of lands, offices, and showrooms greatly affect the development of real estate and the different uses of lands. They are one of the main factors in determining the percentage of annual financial return for various uses. They further affect many other urban planning aspects, such as building regulations, including building heights and setbacks. In addition, it is very difficult to collect data based on the market reality as it is difficult to gather information accurately in the Saudi market.

Some comparisons have been taken and analyzed as a reflection of the market and comparisons are:





Sr.	City	District	Property Type	Area in Square Meters	Nightly Rate (SAR)	Total Value (SAR)	Offer Type	Coordinates	Notes
1	Jeddah	Al Andalus	Ibis Jeddah City Center	Hotel	55	560	--	--	3
2	Jeddah	Al Andalus	Novotel Tahlia	Hotel	36	440	--	--	4
3	Jeddah	Al Andalus	--	Showrooms	143	--	2,343	335,000	--
4	Jeddah	Al Andalus	--	Showrooms	180	--	1,639	295,000	--
5	Jeddah	Al Andalus	--	Showrooms	300	--	1,500	450,000	--
6	Jeddah	Al Andalus	--	Showrooms	180	--	1666	300,000	--
7	Jeddah	Al Andalus	--	Showrooms	280	--	1535	280,000	--



# Table showing DCF Method:

DCF Method Assumptions	
Hotel and Showroom Expense Rate (Operational and Capital)	0%
Hotel Vacancy Rate	0%
Vacancy Rate for Showrooms and Offices	5%
Cash flow period	5 years
Discount Rate	8.0%
Growth rate (from the third year)	3%
Capitalization Rate	8.0%



## Property Revenue

The property revenues were estimated according to the total income provided by the client. It was assumed to be correct and with a vacancy rate of 0% according to the attached data from the client and the market data analysis. The estimated total income according to the contract is SAR 11,800,000.00.

## Vacancy Rate

Through survey and inspection works, the average occupancy in this area is about 95% (i.e. vacancy rate is 5%), assuming that the contract is leased under one contract for the entire property. Vacancies are assumed to be 5%.

## Operational and capital expenditures Capitalization Rate

Operational expenses are the expenses related to renting and maintaining the property, and capital expenses are the expenses incurred by the owner for the restoration and development of the property in order to maintain it in an appropriate condition to generate the appropriate annual income. Operating expenses account for 10-20% for similar projects in the surrounding area. They include costs for common services expenses, cleaning and maintenance of the building, and security management and monitoring expenses. In terms of property appraisal, operating and capital expenditures are estimated at 0% of actual rental income, since all expenses are charged to the tenant, and the property is under one contract.

The capitalization rate is a rate used to convert income into value and it is used in estimating the redemption value of the property. There is more than one way to derive the capitalization rate. Each of these methods depends on using the recent past as a means of predicting the future.

In this Report, the capitalization rate was estimated by the market extraction method, according to REIT funds that are similar to the property under appraisal, in the property area at the time of appraisal. It is 8%

# Table showing DCF Method:

Cash Inflows	Net Area for Rent	Total Rent (square meters)	Years					Redemption Value	
			2022	2023	2024	2025	2026		2027
			0	1	2	3	4		5
Growth Rate			0.0%	0.0%	0.0%	3.0%	3.0%	3.0%	
Rental Area of the Hotel	13,365.00	0.00	0	10,000,000	10,000,000	10,300,000	10,609,000	10,927,270	
Less Vacancy Rate				0%	0%	0%	0%	0%	
				0	0	0	0	0	
Showrooms and Offices	13365	134.68	0	1,800,000	1,800,000	1,854,000	1,909,620	1,966,909	
Less Vacancy Rate				5%	5%	5%	5%	5%	
				90,000	90,000	92,700	95,481	98,345	
<b>Total Rental Income</b>			0	11,800,000	11,800,000	12,154,000	12,518,620	12,894,179	
			0	90,000	90,000	92,700	95,481	98,345	
<b>Actual Total Income</b>			0	11,710,000	11,710,000	12,061,300	12,423,139	12,795,833	
Less Expense Rate (Operational and Capital)		0%	0	0	0	0	0	0	
Building Net Operating Income (NOI)			0	11,710,000	11,710,000	12,061,300	12,423,139	12,795,833	
Building Redemption Value									159,947,915
Net Cash Flow (NCF)			0	11,710,000	11,710,000	12,061,300	12,423,139	12,795,833	159,947,915
Discount coefficient			1	0.9259	0.8573	0.7938	0.7350	0.6806	0.6806
Present Value of Cash Flows			0	10,842,593	10,039,438	9,574,649	9,131,378	8,708,629	108,857,863
<b>Building Net Present Value (NPV)</b>									157,154,549
<b>Final Value of the Property after Rounding</b>									<b>157,155,000</b>

Based on the Income Method (DCF Method) to get to the value, then the final value of the property can be determined as follows:

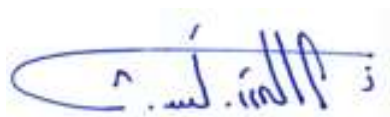
<b>Final Value in Numbers</b>	SAR 157,155,000
<b>Final Value in Writing</b>	Only one hundred fifty-seven million one hundred fifty-five thousand Saudi riyals

### Report Approval

CEO

Eng. Abdullah bin Ali Al-Showair

Membership No.: 1210000540



### Chairman

Eng. Ahmed bin Mohammed Ababatain

Membership No.: 1210000305



Description	Name	Membership Category	Membership No.
Chairman	Eng. Ahmed Mohammed Ababatain	Primary - Fellow	1210000305
CEO	Eng. Abdullah Ali Al-Showaier	Primary - Fellow	1210000540



# Photographic survey showing the property

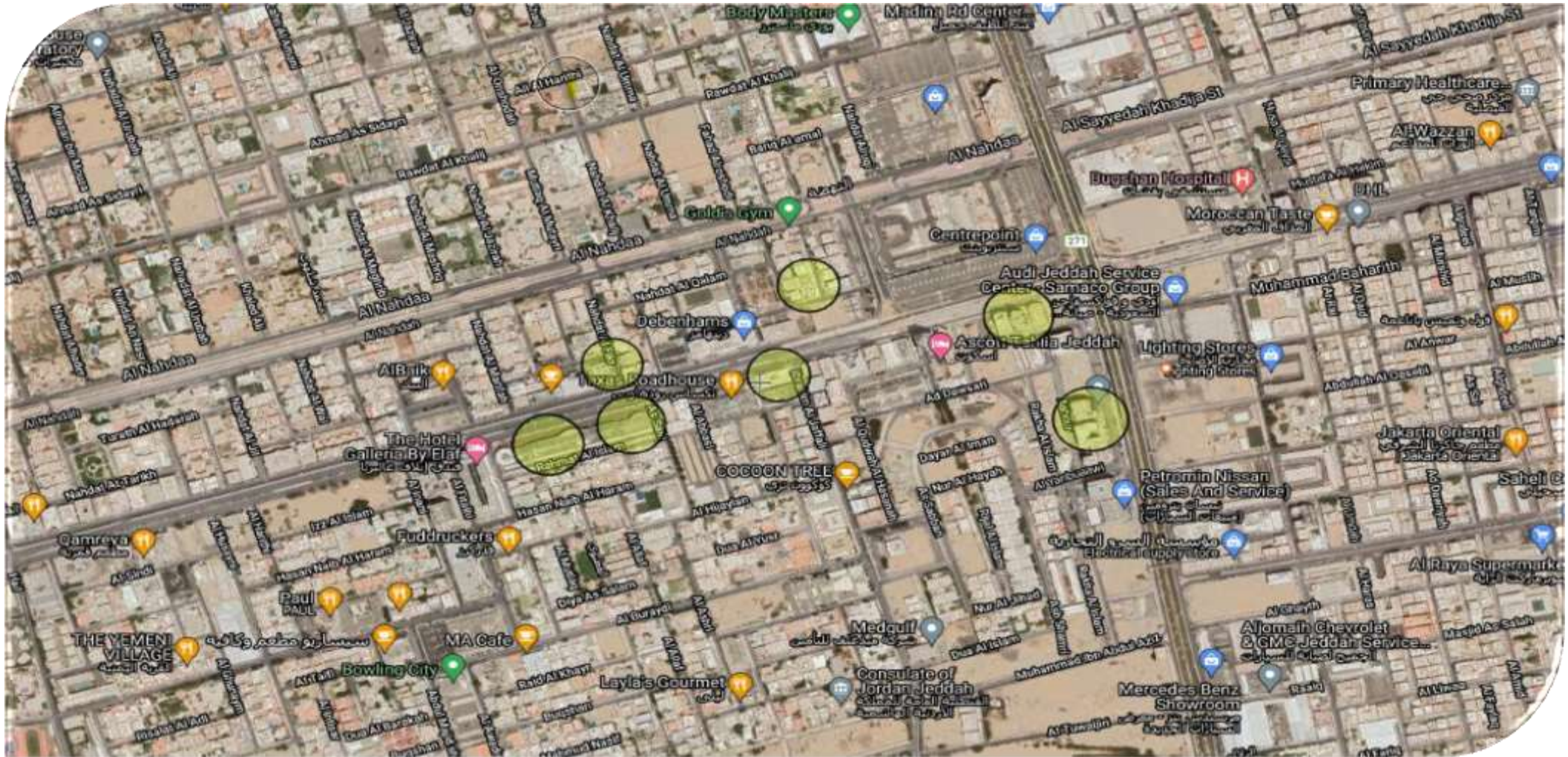


# Photographic survey showing the property





# Image showing similar comparison site

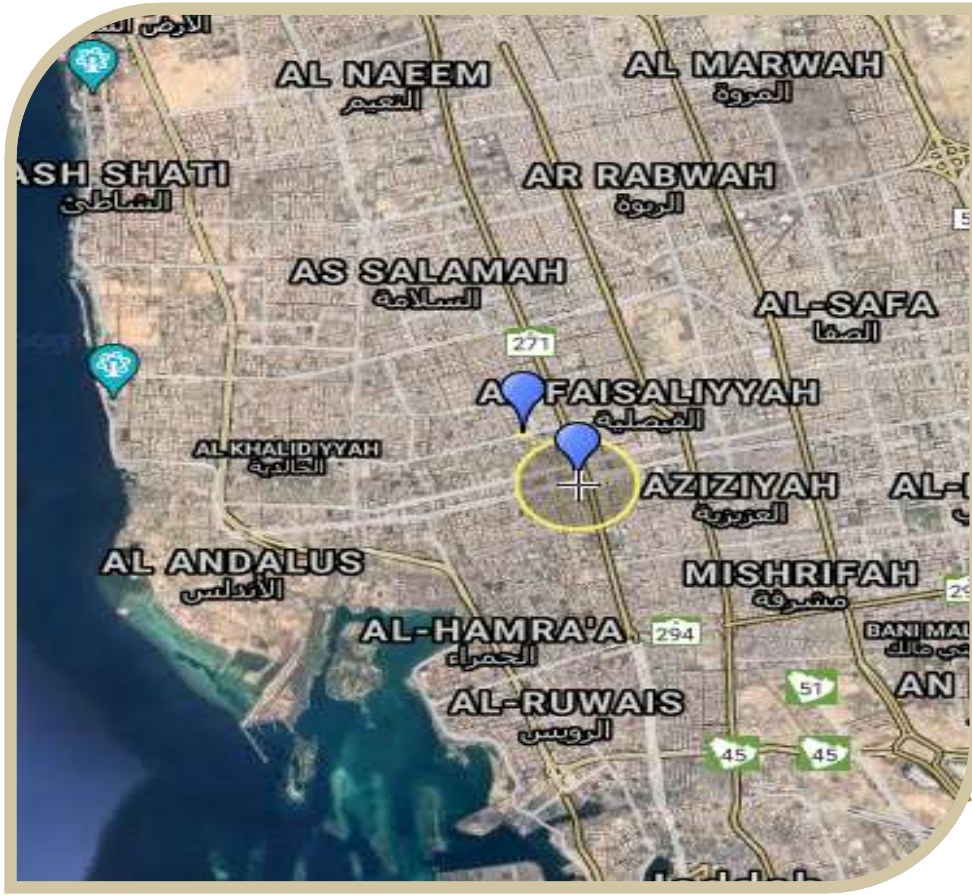



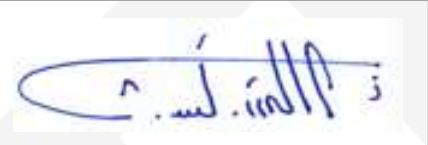
# Image showing the location of the property in the city of Jeddah

## Geographical Coordinates

N 21.55511

E39.17240



Name	Membership Category	Membership number – Real Estate Branch	Signature
Eng. Ahmed bin Mohammed Ababatain	Primary - Fellow	1210000305	
Eng. Abdullah bin Ali Al-Showaier	Primary - Fellow	1210000540	



## Conclusion

**At the end of the Report, we would like to assure you that:**

- Analyses and conclusions are limited only to the assumptions and circumstances disclosed.
- Appraisers of MUMTALKATI APPRAISAL COMPANY have no interest in the appraisal process.
- Appraisers have all necessary qualifications to develop this Report.
- The work team has the necessary experience in this type of appraisal.
- The sites have been inspected by MUMTALKATI APPRAISAL COMPANY team. We are confident that we have conducted the appraisal in accordance with the International Valuation Standards (IVS).

In case of any inquiries, we hope that you would contact us through one of the addresses below.