

WHITE CUBES
VALUATION & ADVISORY SERVICES

TAHA CORP.
REAL ESTATE CONSULTING SERVICES

VALUATION REPORT

PORTFOLIO OF 11 PROPERTIES

SEDCO CAPITAL

SEVERAL CITIES

DECEMBER 2019

REAL ESTATE

VALUATION





REF: WCRE-19-402-1
Date: 20/01/2020
M/S SEDCO CAPITAL
Attn Mr. Mohamed W. Binmahfooz

Land Line: +966 2 690 6653
Email: mbinmahfooz@sedcocapital.com

Subject: Valuation Report for SEDCO REIT Fund of 11 properties located in different Cities, Saudi Arabia.

Dear Sir,

With reference to your request and approval dated on January 19, 2020 for valuation service of the 11 different properties located in several cities, please find hereafter our detailed valuation report including other information related to the mentioned property.

Issued without prejudice and liabilities

WHITE CUBES REAL ESTATE

Dr. Mohammad Taha – CEO WHITE CUBES GLOBAL

Mr. Essam Al Hussaini – GM- WHITE CUBES KSA

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INTRODUCTION

This section is to express disclosures, disclaimers and general statements about the limitations of the valuation procedures.



WHITE CUBES
VALUATION & ADVISORY SERVICES



1.1 INSTRUCTION

We have received instruction from SEDCO CAPITAL dated on January 19, 2020 to proceed with the valuation service for 11 properties in several cities in Saudi Arabia as follows:

| Property Name | Land Area (Sqm) | City |
|----------------------------|-----------------|--------|
| Burj Al Hayat | 1,494.75 | Riyadh |
| Hukair Time | 5,155.52 | Dammam |
| Jazeera Compound | 20,758.00 | Riyadh |
| Khalideyah Business Center | 7,903.00 | Jeddah |
| Panda Jeddah | 13,685.85 | Jeddah |
| Panda Rayan | 18,144.80 | Dammam |
| Panda Riyadh | 23,604.00 | Riyadh |
| Public Prosecution | 4,767.25 | Jeddah |
| Rawdah Business Center | 2,462.50 | Jeddah |
| Saudi Faransi Bank | 5,191.44 | Dammam |
| Ajdan Walk | 16,697.00 | Khobar |

1.3 INTEREST TO BE VALUED

We are instructed that the Subject Property should be valued as freehold, free from any encumbrances or third-party interests. We have not made any investigation on the title and have assumed that any such investigation would not identify any discrepancies in ownership.

1.5 INDEPENDENT CONSULTANT

An External Valuer is defined in the RICS Standards as; *“A valuer who, together with any associates, has no material links with the client company or the subject of the assignment.”*

We confirm that we are an independent contractor for the subject service, and nothing contained in this agreement shall be construed as constituting any relationship with the client other than that of client and independent contractor, or as creating any employment relationship whatsoever between the client & White Cubes staff. We also confirm that we have no conflict of interest to the client's property.

1.2 CLIENT

The client to whom this report is prepared is SEDCO CAPITAL, a company working under the Saudi law and regulations.

| | |
|-----------------------|-----------------------|
| Client Name | SEDCO CAPITAL |
| Domain | Investment Firm |
| Location | KSA, Jeddah |
| Contact Person | Mohamed W. Binmahfooz |
| Contact No. | +966 2 690 6653 |

1.4 STATUS OF CONSULTANT / VALUER

We confirm that the Valuer / Consultant has no material connection or involvement with the subject of the valuation or with the Client and can provide an objective and unbiased valuation. We confirm the Valuer is competent to undertake the valuation assignment and has sufficient skills and knowledge of the respective market to undertake the valuation.



1.6 STRUCTURAL STABILITY (IF ANY)

Our scope of service does not include any technical testing of structure for stability and strength measurements. However, and in case of any visually observed and noted deficiencies within the structure, we will note them in our report and to be reflect in the estimation of value.

1.8 VALUATION STANDARDS

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Royal Institution of Chartered Surveyors (RICS) Valuation Standards (2014 edition) and Rules of Conduct for members. In addition to recently published International Valuation Standards issued by IVSC (International Valuation Standards Council) and applied by TAQEEM (Saudi Authority for Accredited Valuers).

1.9 PURPOSE OF VALUATION

The client requested to know the current market value of the subject property for Real Estate Statement Trust (REIT) Purposes.

| | | |
|----------------------|---------------------------------------|-----------------------------|
| Acquisition Purposes | Selling Purposes | Private Fund Raising |
| Public Fund Raising | Real Estate Investment Trust (REIT) ✓ | Internal Decision Making |
| Insurance Purposes | Liquidation Purposes | Distribution of inheritance |
| Financing Purposes | Court Disputes | Partnership Purposes |

Therefore, and according to the valuation purpose, and as requested by the client, we will adapt the valuation methodologies of **The Income Approach & The Discounted Cash flow (DCF) Method.**



1.10 CLIENT APPROVAL DATE

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

January 19, 2020.

1.11 INSPECTION DATE

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

November 27, 2019.

1.12 VALUATION DATE

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

December 31, 2019.

1.13 REPORT DATE

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

January 20, 2020.

1.14 INSPECTION ROLE

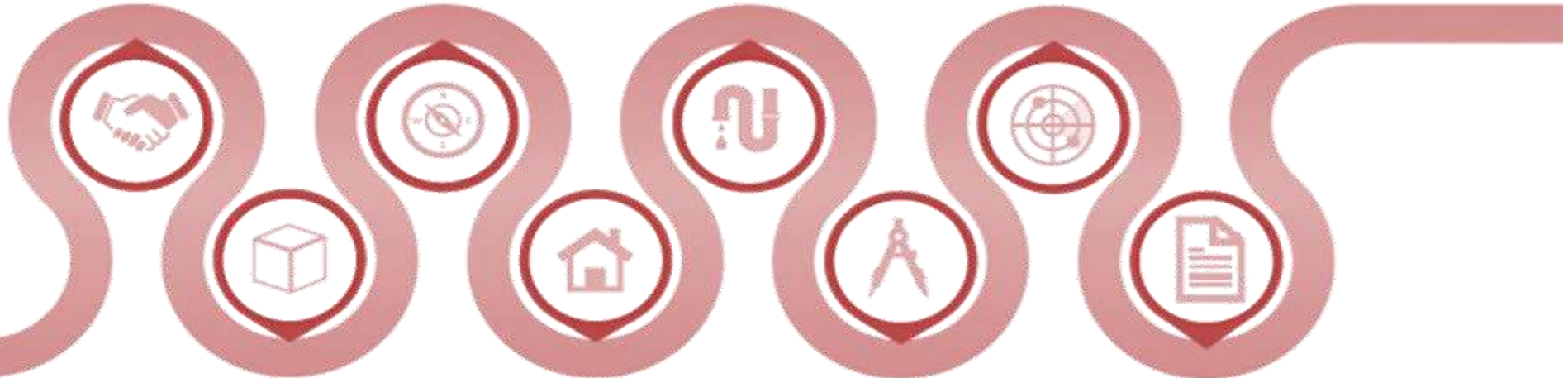
A visit to a property or inspection of an asset, to examine it and obtain relevant information, in order to express a professional opinion of its value. We hereby confirm that we have inspected the subject property / Asset at the date of inspection. Our inspection procedure covers only the surface /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

RECEIVED PROPERTY INFO

LOCATION ANALYSIS

UTILITIES & SERVICES CHECK-UP

DUE DILIGENCE OUTPUT



ON-SITE WHITE CUBES TEAM

GENERAL BUILDING SURVEYING

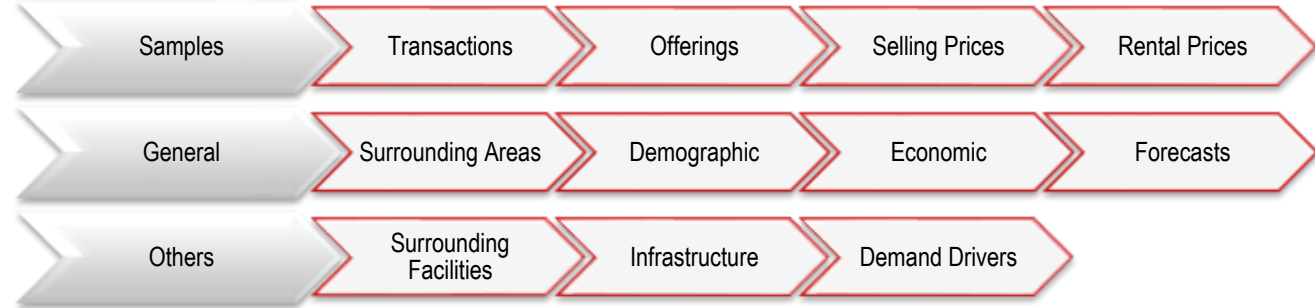
COMMENT ON STRUCTURAL DESIGN

INSPECTION SUMMARY NOTES



1.15 MARKET SURVEY

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



1.16 REPORT CURRENCY

This report is using the currency of Saudi Arabian Riyals (SAR)



1.17 INSURANCE

We have not been provided with any insurance policy for the subject property.

1.18 LEGAL NOTICES

We are not aware of nor have we been informed of any legal notices served on the property, outstanding or pending in the courts of law.

| | No Issues | Issues Noted | We have not been informed |
|--|-----------|--------------|---------------------------|
| Court Disputes | ----- | ----- | ✓ |
| Un Authorized Documents | ----- | ----- | ✓ |
| Conflict with Municipality Regulations and Law | ----- | ----- | ✓ |
| Mortgage and financing issues | ----- | ----- | ✓ |



1.19 INFORMATION SOURCE

For the purpose of this report, it is assumed that the written and verbal information provided to us by the Client is up to date, complete and correct. White Cubes has furthermore undertaken further research with respect to, but not limited to, general price levels of lands; occupancies, lease and daily active most known recent market activities. In addition, we have relied on the following sources in the valuation process.

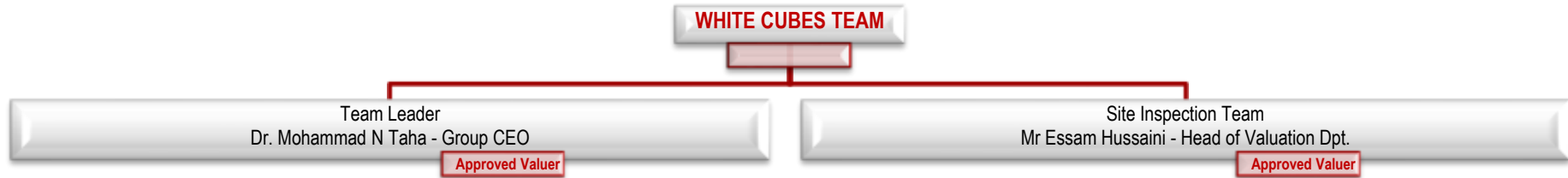
- Market Survey done by our team
- Site inspection done by our team
- Local Real Estate Agents





1.20 KNOWLEDGE & SKILLS

We confirm that the undersigned valuer(s) undertaking this instruction are suitably qualified and have the appropriate knowledge and skills to undertake this instruction. Even so, the valuer(s) acknowledge the significant assistance provided by the:



1.21 OUR ACCREDITED VALUERS IN TAQEEM

Our main accredited Valuers and officially authorized by White Cubes Real Estate to sign on any document published by us are as per the following:

- 1 Dr. Mohammad N Taha – Partner – CEO
License Number 1220000263
- 2 Mr. Essam M. Hussaini – Owner – Head of Valuation Team
License Number 1210000474

| Valuer Name | Completed Courses in Taqeeem | | | | | | | | | | | | | | | |
|-----------------------|------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| | 101 | 102 | 103 | 104 | 105 | 106 | 107 | 108 | 109 | 110 | 111 | 112 | 113 | 114 | 115 | 116 |
| Dr. Mohammad N Taha | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr. Essam M. Hussaini | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |



1.22 VALUATION COMPLIANCE

The valuation has been prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Professional Standards (January 2014 Edition) and the International Valuation Standards Council (IVSC) International Valuations Standards (2014 Edition). It should be further noted that this valuation is undertaken in compliance with generally accepted valuation concepts, principles and definitions as promulgated in the IVSC International Valuation Standards (IVS) as set out in the IVS General Standards, IVS Asset Standards, and IVS Valuation Applications.

1.23 VALUATION STANDARDS

The valuation approach done into this report took into consideration the valuation standards approved by the following associations.

- TAQEEM (Saudi Authority of Accredited Valuers).
- RICS (Royal Institution of chartered Surveyors)
- IACVA (International Association of Certified Valuers & Analysts)
- IVSC (International Valuation Standards Council)
- ARV (Arabic Academy of Valuation)

1.24 BASIS OF VALUATION

Market Value

Market Value is defined as: -

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

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

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

**AN ASSET
SHOULD
EXCHANGE**

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

**ON THE
VALUATION
DATE**

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

**BETWEEN
WILLING
BUYER**

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

**AND
WILLING
SELLER**

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

**IN AN ARM'S
LENGTH
TRANSACTION**

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

**AFTER
PROPER
MARKETING**

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



**KNOWLEDGEABLY
AND
PRUDENTLY**

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

**AND
WITHOUT
COMPULSION**

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

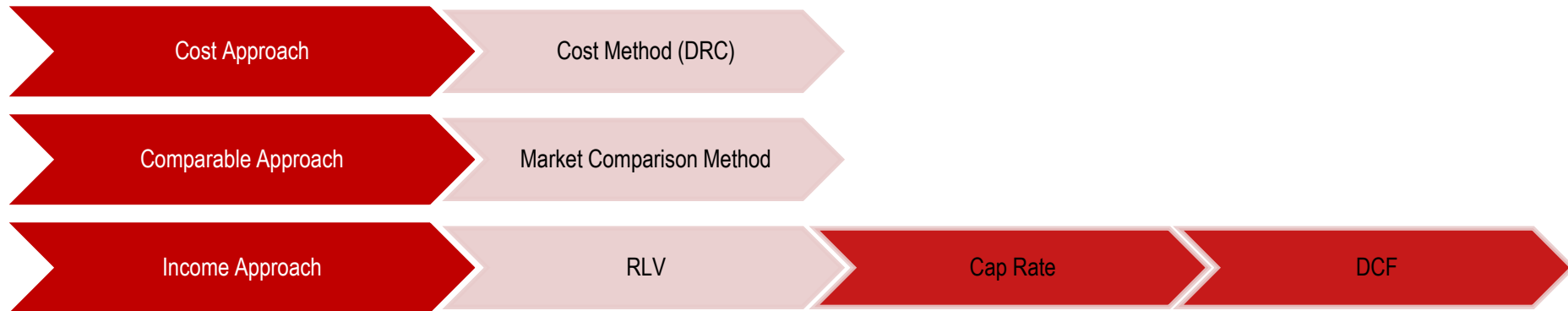
FACTORS INFLUENCING MARKET VALUE





1.25 VALUATION APPROACH

According to the International Valuation Standard Council (IVSC), and according to the TAQEEM valuation principles, there are 3 main types of real estate valuation Approach as follows:



DEPRECIATED REPLACEMENT COST (DRC)

A cost approach is a real estate valuation method that surmises that the price someone should pay for a piece of property should not exceed what someone would have to pay to build an equivalent building. In cost approach pricing, the market price for the property is equivalent to the cost of land plus cost of construction, less depreciation. It is often most accurate for market value when the property is new. Generally, the cost approach considers what the land, devoid of any structures, would cost, then adds the cost of building the structures, then depreciation is subtracted. The cost approach is most often used for public buildings, such as schools and churches, because it is difficult to find recently sold comparable properties in the local market, and public buildings do not earn income, so the income approach cannot be used, either. A property that already has improvements will usually contribute a certain amount of value to the site, but improvements can also lower property value if the site's potential buyers wish to use the property for another use that would entail removing some of the improvements to the current site. The cost approach is best used when improvements are new and there is adequate pricing information to value the property components. The cost approach may be less desirable if there are no recent sales of vacant land for which to compare, since the major method of valuing vacant lands is to use the sales comparison approach, or when construction costs are not readily available. The cost approach method includes:

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



COMPARABLE METHOD

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

CAPITALIZATION METHOD (CAP RATE)

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

The appraiser calculates the income according to the following steps:

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

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

DISCOUNTED CASH FLOW (DCF)

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



RESIDUAL LAND VALUE (RLV)

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

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

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





1.26 DISCLOSING CONFLICT OF INTEREST

We would like to bring to your attention the following:

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

| If Yes | | Remarks |
|---------------|----------|---------|
| Client | Date | |
| SEDCO CAPITAL | May 2019 | ----- |
| ----- | ----- | ----- |
| ----- | ----- | ----- |

1.27 CONFIDENTIALITY

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

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



1.28 ENVIRONMENTAL MATTERS

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

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

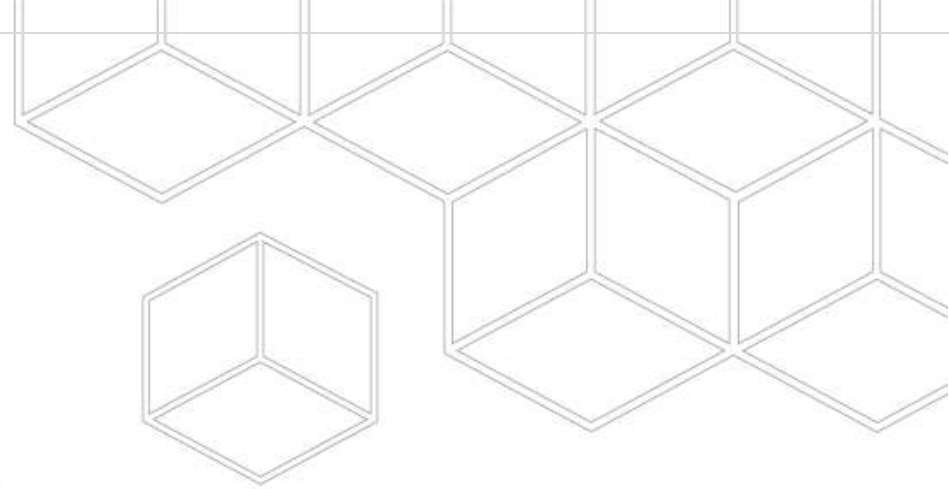
We have not carried out any investigation into past or present uses, either of the properties or of any neighboring land, to establish whether there is any contamination or potential for contamination to the subject properties from the use or site and have therefore assumed that none exists.

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

PROPERTY INFO

This section indicates full description of the subject property / properties that contains the legal document info, location, components, status, condition and many other elements.

BURJ ALHAYAT



WHITE CUBES
VALUATION & ADVISORY SERVICES



2.1 PROPERTY DESCRIPTION (BURJ AL HAYAT)

The subject property is a commercial-residential project located in AlMathar district, Riyadh city, has a total land area of 1,494.75 Sqm, a total BUA of 6,574.00 Sqm, composed of basement, ground floor, mezzanine and 5 upper and open on 3 sides from the north, south and east where all the infrastructure facilities such as water, electricity, sewage and telecommunication are available in the surrounding and connected to the subject property.

| Land | |
|-----------------------------------|--|
| Land Use | Commercial-Residential |
| Number of Streets | 3 |
| General Land Shape | Regular |
| Direct View on the Main Road | No |
| Direct View on an internal Street | Kaab Ibn Malik Street |
| Land Status | Constructed |
| Infrastructural Facilities | |
| Water | Available and Connected to the subject property |
| Electricity | Available and Connected to the subject property |
| Sewage | Available and Connected to the subject property |
| Telecommunication | Available and Connected to the subject property |
| Building | |
| Building Condition | Constructed |
| External Elevation | Good |
| Finishing | Good |
| Overall Building Condition | Good |
| Building Components | Good |





2.2 TITLE DEED & OWNERSHIP

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

| | |
|--------------------------|--|
| City | Riyadh |
| District | AlMathar |
| T.D Type | Electronic |
| T.D Number | 910104046943 |
| T.D Date | 17/09/1440H. D |
| T.D Value | ----- |
| Date of Last Transaction | 17/09/1440 H. D |
| Issue from | Riyadh Notary |
| Land Area | 1,494.75 |
| Plot No. | N/A |
| Block No. | 9 |
| Layout No. | 1376 |
| Owner | Saudi Economic and Development Company |
| Ownership Type | Freehold |
| Limitation of Document | Mortgaged to Al Rajhi Banking Investment Co. |
| Boundaries | |
| North | Unnamed Street (10m Width / 46m Length) |
| South | Unnamed Street (20m Width / 53.65m Length) |
| East | Kaab Ibn Malik Street (15m Width / 30m Length) |
| West | Private Property (30.96 Length) |
| Notes | The client has provided us with copy of the Title Deed which was assumed to be correct and authentic. It is not in our scope to run legal diagnosis on any legal document. Yet, we have noted a mortgage transaction on the subject title deed which we advise to the noted in any future decision making. |





2.3 CONSTRUCTION & BUILDINGS

The subject property is a commercial-residential building composed of basement, ground floor, mezzanine and 5 upper floors. The Client has provided us with a copy of the Construction Permit issued by Riyadh Municipality with the below details:

| Subject Property | |
|--------------------------|-------------------------------|
| Construction Permit Type | Commercial-Residential Permit |
| Property Type | Commercial-Residential |
| Construction Permit No. | 152/2/2/27 |
| Construction Permit Date | 13/04/1419 AH |
| Permit Expiry Date | 13/04/1422 AH |

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

The construction permit shows the maximum allowed BUA approved by the city municipality. Yet, the actual constructed BUA may vary. Therefore, if the client did not provide us with copy of the approved AS Build Drawings, then our valuation will be based on the provided construction permit.

In case the client did not provide us with any copy of legal documents that shows the total BUA, then we will estimate the BUA using our team skills combined by the city's municipality rules and regulations

| Description | Area (Sqm) | Use |
|------------------------|-----------------|-------------|
| Basement | 1,486 | Parking |
| Ground Floor | 889 | Commercial |
| Mezzanine | 449 | Residential |
| First Floor | 750 | Residential |
| Typical Floors | 3,000 | Residential |
| Total BUA (Sqm) | 6,574.00 | |

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



2.4 LEASING CONTRACT

The client has provided us with a rent contract related to the leasing contract of the subject property. The contract is an agreement between the First Party (Saudi Economic and Development Company) and the Second Party (Dar AIMasarat Company). The contract involves the Second Party renting the subject property for 10 years, from 10/12/2014 to 09/12/2024. The following shows an annual rent payment related to the leasing of the subject property:

| Year | Annual Payment (SAR) |
|----------|----------------------|
| 1 | 3,200,000 |
| 2 | 3,200,000 |
| 3 | 3,200,000 |
| 4 | 3,400,000 |
| 5 | 3,400,000 |
| 6 – 2019 | 3,400,000 |
| 7 | 3,600,000 |
| 8 | 3,600,000 |
| 9 | 3,600,000 |
| 10 | 3,600,000 |

2.5 LAND SPECS

The subject property (Land Only) has the following criteria:

| | | | |
|---|--|--|--|
| <p>Current Land Status</p> <p>Vacant -----</p> <p>Constructed <input checked="" type="checkbox"/></p> <p>Under Construction -----</p> <p>Excavated -----</p> <p>Raw Land -----</p> | <p>Current Land Use</p> <p>Commercial <input checked="" type="checkbox"/></p> <p>Industrial -----</p> <p>Residential <input checked="" type="checkbox"/></p> <p>Agricultural -----</p> <p>Mix Use -----</p> | <p>Current Land Grading</p> <p>Graded <input checked="" type="checkbox"/></p> <p>Semi-Graded -----</p> <p>Mountain -----</p> <p>Valley -----</p> <p>Slope -----</p> | <p>Current Surrounding Property</p> <p>Commercial <input checked="" type="checkbox"/></p> <p>Industrial -----</p> <p>Residential <input checked="" type="checkbox"/></p> <p>Retail -----</p> <p>Mix Use -----</p> |
|---|--|--|--|

INFRASTRUCTURE FACILITIES

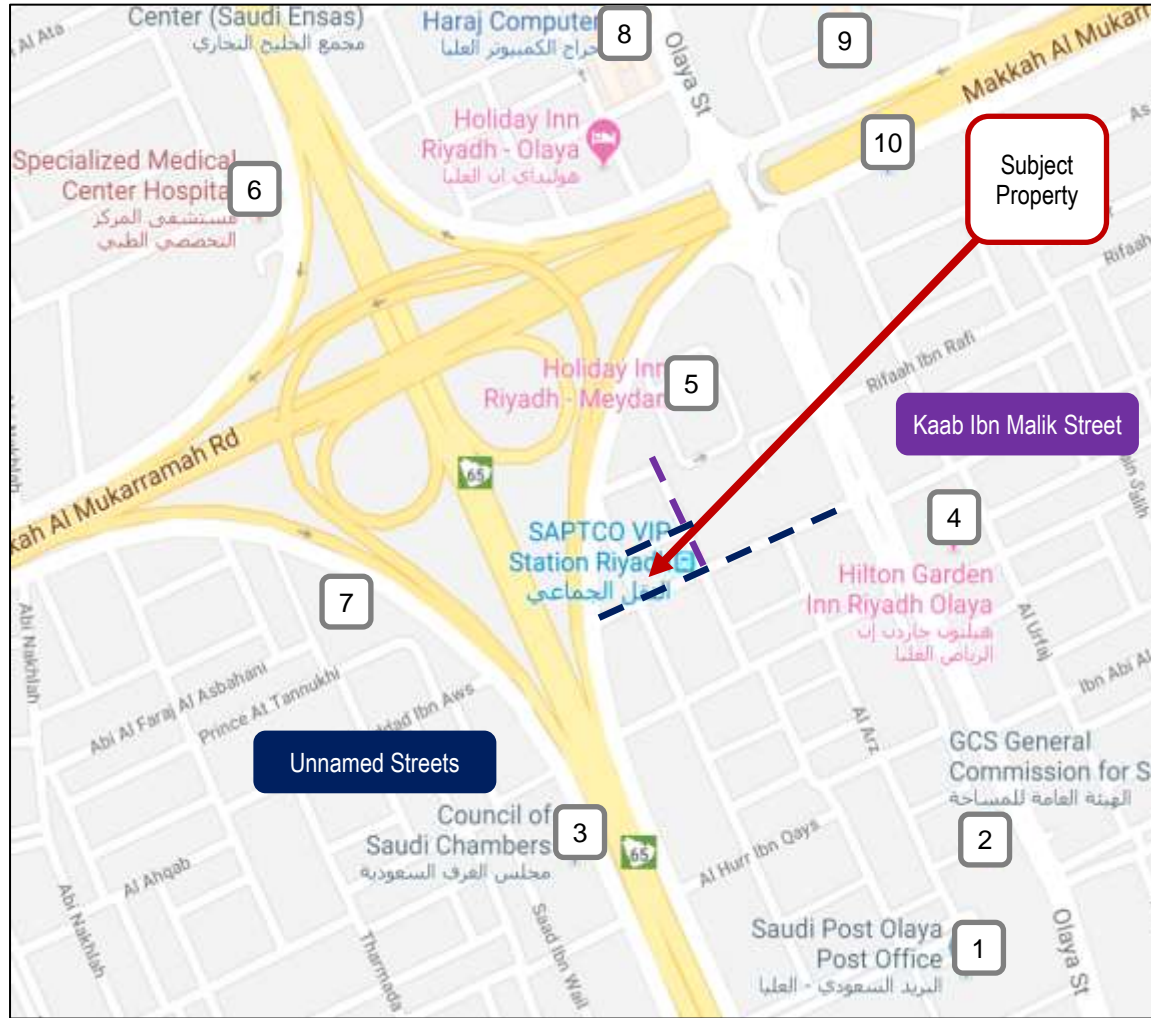
| | Available in the surrounding | Connected to the property |
|--------------------|------------------------------|---------------------------|
| Water | ✓ | ✓ |
| Electricity | ✓ | ✓ |
| Tele-Communication | ✓ | ✓ |
| Sewage | ✓ | ✓ |

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



2.6 LOCATION

The subject property is located in Al Mathar district, Riyadh City and can be accessed through the following main streets as shown in the map below.



ACCESS TO SUBJECT PROPERTY

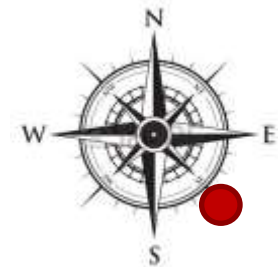
The subject property can be accessed through the following roads:

| | |
|-------------|-----------------------|
| North Side: | Unnamed Street |
| South Side: | Unnamed Street |
| East Side: | Kaab Ibn Malik Street |

LANDMARKS

- 1- Saudi Post Olaya Post Office (0.5 Kilometres)
- 2- GCS General Commission for Survey (0.45 Kilometres)
- 3- Council of Saudi Chambers (0.35 Kilometres)
- 4- Hilton Garden Inn Riyadh Olaya (0.3 Kilometres)
- 5- Holiday Inn Riyadh - Meydan (0.15 Kilometres)
- 6- Specialized Medical Center Hospital (0.5 Kilometres)
- 7- Zamil Group Holding Company (0.25 Kilometres)
- 8- Haraj Computer (0.45 Kilometres)
- 9- Halib Wahil Traditional Saudi Cuisine (0.5 Kilometres)
- 10- Samsung Service Center (0.4 Kilometres)

Location of the subject property according to the City Center





2.7 PHOTO RECORD





2.8 DOCUMENTS RECIEVED

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

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

2.9 GENERAL ASSUMPTIONS

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



2.10 SWOT ANALYSIS

| | |
|---|---|
| Strength <ul style="list-style-type: none"> - Open on 3 sides. - Located in the city centre. - Close to the main road (King Fahed Branch Road). | Weakness <ul style="list-style-type: none"> - None |
| Opportunities <ul style="list-style-type: none"> - High demand on the property type. | Threats <ul style="list-style-type: none"> - Potential similar projects in the same area. |

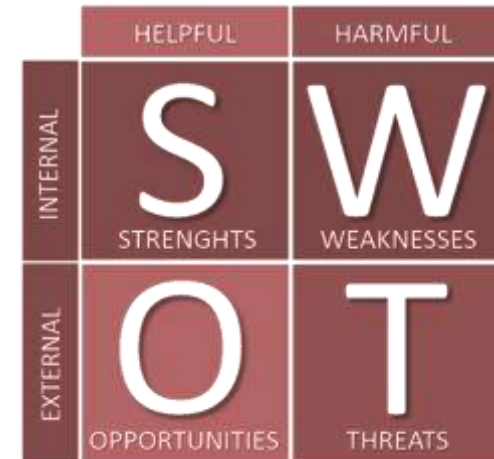
The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

2.11 SECTOR BRIEF

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



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





Overall Sector Performance

From 2018 to 2019



Future Expectations



Overall Sector Stability

From 2018 to 2019



Future Expectations



Values of Lands Related to The Sector

From 2018 to 2019



Future Expectations



Sector rental Income

From 2018 to 2019



Future Expectations



Sector Demand

From 2018 to 2019

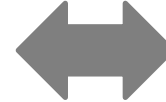


Future Expectations



Investors' Appetite

From 2018 to 2019



Future Expectations



Sector's occupancy ratios

From 2018 to 2019

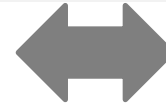


Future Expectations



Sectors Positive Changes

From 2018 to 2019



Future Expectations



White Cubes Team's Analysis



2.12 RISK ANALYSIS

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

Sector Analysis

Risk Category- 16 Risk Points - Medium Risk

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

Land Analysis

Risk Category- 8 Risk Points - Minimal Risk

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

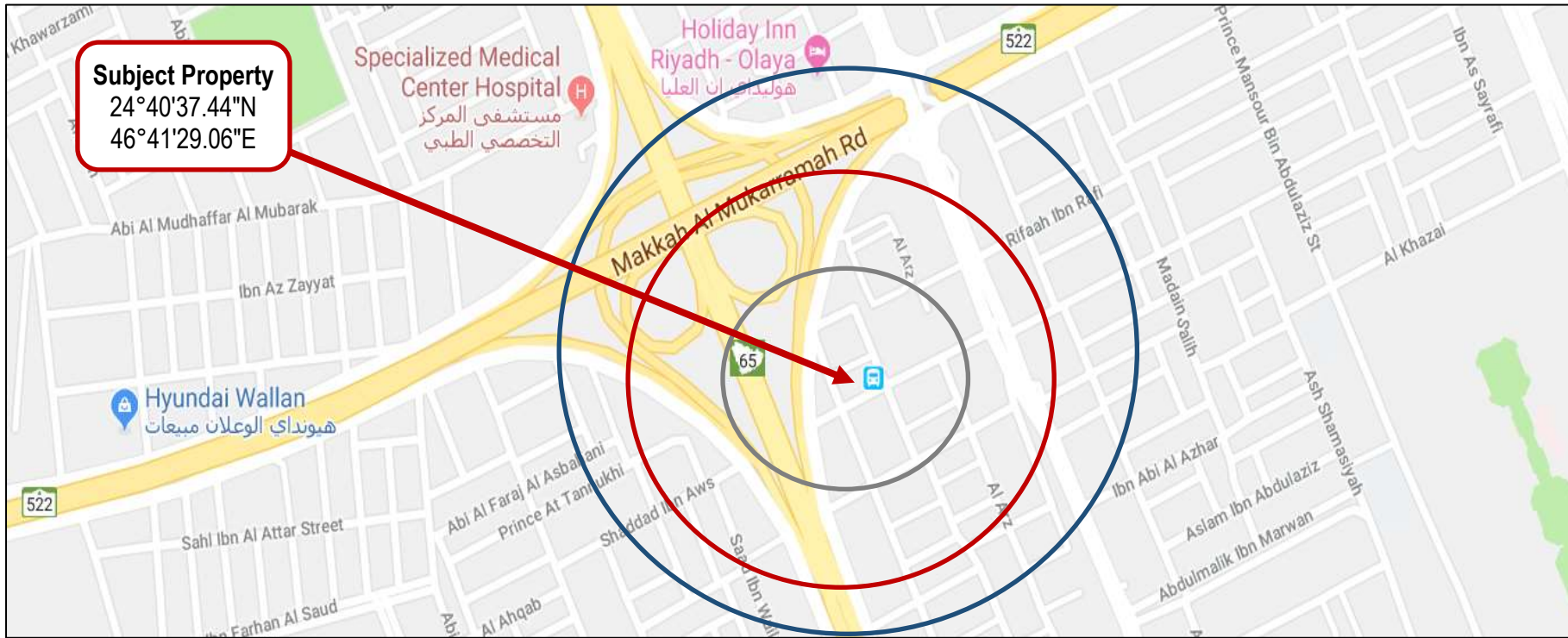
Property Analysis

Risk Category- 5 Risk Points - Minimal Risk



2.13 INPUT EVALUATION PROCESS

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



- This research boundary refers to the areas surrounding the subject property directly
- This research boundary refers to the areas adjacent to the subject property
- This research boundary refers to a wider area of research in the absence of information surrounding the subject property



2.14 INCOME APPROACH – LEASING CONTRACT

| REVENUES | | | | | |
|--------------------------------|----------------|---|-------------|--------------------------|-------------------------|
| | Quantity | | Revenues | | |
| Unit Type | Total GLA | No of Units | SAR / Sqm | SAR / Unit | Total Revenues |
| Hospitality Project | | The subject property is Fully leased to 1 Company | | | SAR 3,400,000 |
| ----- | 0 | 0 | SAR 0 | SAR 0 | SAR 0 |
| ----- | 0 | 0 | SAR 0 | SAR 0 | SAR 0 |
| Total Revenues | | | | | SAR 3,400,000 |
| EXPENSES | | | | | |
| Unit Type | Management | Utilities | Maintenance | Others | Total Expenses |
| Hospitality Project | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| ----- | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| ----- | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| NET OPERATING INCOME | | | | | |
| Unit Type | Total Revenues | Total Expenses | | NOI | |
| Hospitality Project | SAR 3,400,000 | 0.00% | | SAR 3,400,000 | |
| ----- | SAR 0 | 0.00% | | SAR 0 | |
| ----- | SAR 0 | 0.00% | | SAR 0 | |
| Total | | | | SAR 3,400,000 | |
| Total Property Revenues | | | | | SAR 3,400,000 |
| Total Property Expenses | | | | | SAR 0 |
| Net Operating Income | | | | | SAR 3,400,000.00 |
| Net Operating Income | Cap Rate | Property Value | | Rounded Value | |
| SAR 3,400,000.00 | 8.00% | 42,500,000.00 SAR | | 42,500,000.00 SAR | |

The subject property is rented to one company. The used rates per unit types were based on the market average rental rates for comparable properties and in the surrounding areas of the subject property. As for the Operational and management expenses, is the responsibility of the tenants. The used Cap Rate is estimated based on the current market rates, recent similar transaction, economic risk, real estate sector risk, etc.....



2.15 DISCOUNTED CASH FLOW

| Cash Flow | | 2019 0 | 2020 1 | 2021 2 | 2022 3 | 2023 4 | 2024 5 | 2025 6 | 2026 7 | 2027 8 | 2028 9 | 2029 10 |
|--|--------------|------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Expected Revenues | | | | | | | | | | | | |
| Total (SAR) | SAR | 3,400,000 | 3,600,000 | 3,600,000 | 3,600,000 | 3,600,000 | 3,780,000 | 3,780,000 | 3,780,000 | 3,969,000 | 3,969,000 | 3,969,000 |
| Overall Revenues | | 3,400,000 | 3,600,000 | 3,600,000 | 3,600,000 | 3,600,000 | 3,780,000 | 3,780,000 | 3,780,000 | 3,969,000 | 3,969,000 | 3,969,000 |
| Vacancy Rates | | | | | | | | | | | | |
| Vacancy Rates | 0.0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Expenses | | | | | | | | | | | | |
| Others | 0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Overall Expenses | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NOI | | 3,400,000 | 3,600,000 | 3,600,000 | 3,600,000 | 3,600,000 | 3,780,000 | 3,780,000 | 3,780,000 | 3,969,000 | 3,969,000 | 3,969,000 |
| Terminal Value @ -----> | 8.0% | | | | | | | | | | | 49,612,500 |
| Discount Rate | 9.50% | 1.00 | 0.91 | 0.83 | 0.76 | 0.70 | 0.64 | 0.58 | 0.53 | 0.48 | 0.44 | 0.40 |
| Present Value | | 3,400,000 | 3,287,671 | 3,002,439 | 2,741,954 | 2,504,067 | 2,401,161 | 2,192,841 | 2,002,594 | 1,920,296 | 1,753,695 | 21,620,895 |
| Market Rate / Net Present Value | | | | | | | | | | | | 46,827,614 |
| Discount Rate | | | | | | | | | | | | |
| Discount Rate | 7.50% | 8.50% | 9.50% | 10.5% | 11.5% | | | | | | | |
| Market Value | 53,111,285 | 49,827,869 | 46,827,614 | 44,082,669 | 41,568,196 | | | | | | | |

1. The client has provided us with the total actual revenues of the subject property.
2. In the DCF method we have relied on the leasing contracts of the actual rents, and we have applied 5% increase every 3 years for the same units in case of renewal.

2.16 SUBJECT PROPERTY VALUE

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

Property Value: 42,500,000 SAR
Only Forty-Two Million and Five Hundred Thousand Saudi Riyals

PROPERTY INFO

This section indicates full description of the subject property / properties that contains the legal document info, location, components, status, condition and many other elements.

HUKAIR TIME





3.1 PROPERTY DESCRIPTION (HUKAIR TIME)

The subject property is a commercial project located in Dammam city, has a total land area of 5,155.52 Sqm, a total BUA of 3,326.00 Sqm, composed of 2 ground floors and mezzanine and open on 3 sides from the north, south and east where all the infrastructure facilities such as water, electricity, sewage and telecommunication are available in the surrounding and connected to the subject property.

| Land | |
|-----------------------------------|--|
| Land Use | Commercial |
| Number of Streets | 3 |
| General Land Shape | Regular |
| Direct View on the Main Road | Al Ashriah Road |
| Direct View on an internal Street | Unnamed Street |
| Land Status | Constructed |
| Infrastructural Facilities | |
| Water | Available and Connected to the subject property |
| Electricity | Available and Connected to the subject property |
| Sewage | Available and Connected to the subject property |
| Telecommunication | Available and Connected to the subject property |
| Building | |
| Building Condition | Constructed |
| External Elevation | Good |
| Finishing | Good |
| Overall Building Condition | Good |
| Building Components | Good |





3.2 TITLE DEED & OWNERSHIP

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

| | |
|--------------------------|--|
| City | Dammam |
| District | Al Badi |
| T.D Type | Electronic |
| T.D Number | 330107029073 |
| T.D Date | 07/02/1440 H. D |
| T.D Value | ----- |
| Date of Last Transaction | 07/02/1440 H. D |
| Issue from | Dammam Notary |
| Land Area | 5,155.52 |
| Plot No. | 3 & 4 |
| Block No. | 1 |
| Layout No. | 1/337 |
| Owner | Saudi Economic and Development Company |
| Ownership Type | Freehold |
| Limitation of Document | None |
| Boundaries | |
| North | Unnamed Street (18m Width / 74m Length) |
| South | Al Ashriah Road (60m Width / 74m Length) |
| East | Unnamed Street (18m Width / 70m Length) |
| West | Private Property (70 Length) |
| Notes | The client has provided us with copy of the Title Deed which was assumed to be correct and authentic. It is not in our scope to run legal diagnosis on any legal document. Yet, we have noted a mortgage transaction on the subject title deed which we advise to the noted in any future decision making. |





3.3 CONSTRUCTION & BUILDINGS

The subject property is a retail center which was constructed this year composed of ground floor and mezzanine. The Client has provided us with a copy of the Construction Permit issued by Eastern Province Municipality with the below details:

| Subject Property | |
|--------------------------|---------------|
| Construction Permit Type | New Building |
| Property Type | Commercial |
| Construction Permit No. | 0/2437/000237 |
| Construction Permit Date | 16/03/1437 AH |
| Permit Expiry Date | 16/03/1440 AH |

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

The construction permit shows the maximum allowed BUA approved by the city municipality. Yet, the actual constructed BUA may vary. Therefore, if the client did not provide us with copy of the approved AS Build Drawings, then our valuation will be based on the provided construction permit.

In case the client did not provide us with any copy of legal documents that shows the total BUA, then we will estimate the BUA using our team skills combined by the city's municipality rules and regulations

| Description | No. Units | Area (Sqm) | Use |
|------------------------|-----------|-----------------|------------|
| Ground Floor | 10 | 2,247.00 | Commercial |
| Ground Floor | ----- | 529.00 | Services |
| Mezzanine | ----- | 550.00 | Commercial |
| ----- | ----- | ----- | ----- |
| ----- | ----- | ----- | ----- |
| ----- | ----- | ----- | ----- |
| Total BUA (Sqm) | | 3,326.00 | |

As per the information provided by the client, there is no basement in the building and the total BUA 3,326.00

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



3.4 LEASING CONTRACT

The client has provided us with a rent contract related to the leasing contract of the subject property. The contract is an agreement between the First Party (Saudi Economic and Development Company for Real Estate Funds) and the Second Party (Al-Hokair Group Co). The contract involves the Second Party renting the subject property for 20 years, from 01/03/2017 to 01/03/2037. The following shows an annual rent payment related to the leasing contract of the subject property:

| Year | Annual Payment (SAR) |
|--------------|----------------------|
| 1 | 2,200,000 |
| 2 | 2,200,000 |
| 3 - 2019 | 2,200,000 |
| 4 | 2,200,000 |
| 5 | 2,200,000 |
| 6 | 2,200,000 |
| 7 | 2,200,000 |
| 8 | 2,200,000 |
| 9 | 2,200,000 |
| 10 | 2,200,000 |
| 11 | 2,500,000 |
| 12 | 2,500,000 |
| 13 | 2,500,000 |
| 14 | 2,500,000 |
| 15 | 2,500,000 |
| 16 | 2,500,000 |
| 17 | 2,500,000 |
| 18 | 2,500,000 |
| 19 | 2,500,000 |
| 20 | 2,500,000 |
| TOTAL | 47,000,000 |





3.5 LAND SPECS

The subject property (Land Only) has the following criteria:

| Current Land Status | |
|---------------------|---------|
| Vacant | ----- |
| Constructed | ----- ✓ |
| Under Construction | ----- |
| Excavated | ----- |
| Raw Land | ----- |

| Current Land Use | |
|------------------|---------|
| Commercial | ----- ✓ |
| Industrial | ----- |
| Residential | ----- |
| Agricultural | ----- |
| Mix Use | ----- |

| Current Land Grading | |
|----------------------|---------|
| Graded | ----- ✓ |
| Semi-Graded | ----- |
| Mountain | ----- |
| Valley | ----- |
| Slope | ----- |

| Current Surrounding Property | |
|------------------------------|---------|
| Commercial | ----- ✓ |
| Industrial | ----- |
| Residential | ----- ✓ |
| Retail | ----- |
| Mix Use | ----- |

3.6 INFRASTRUTURE FACILITIES

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

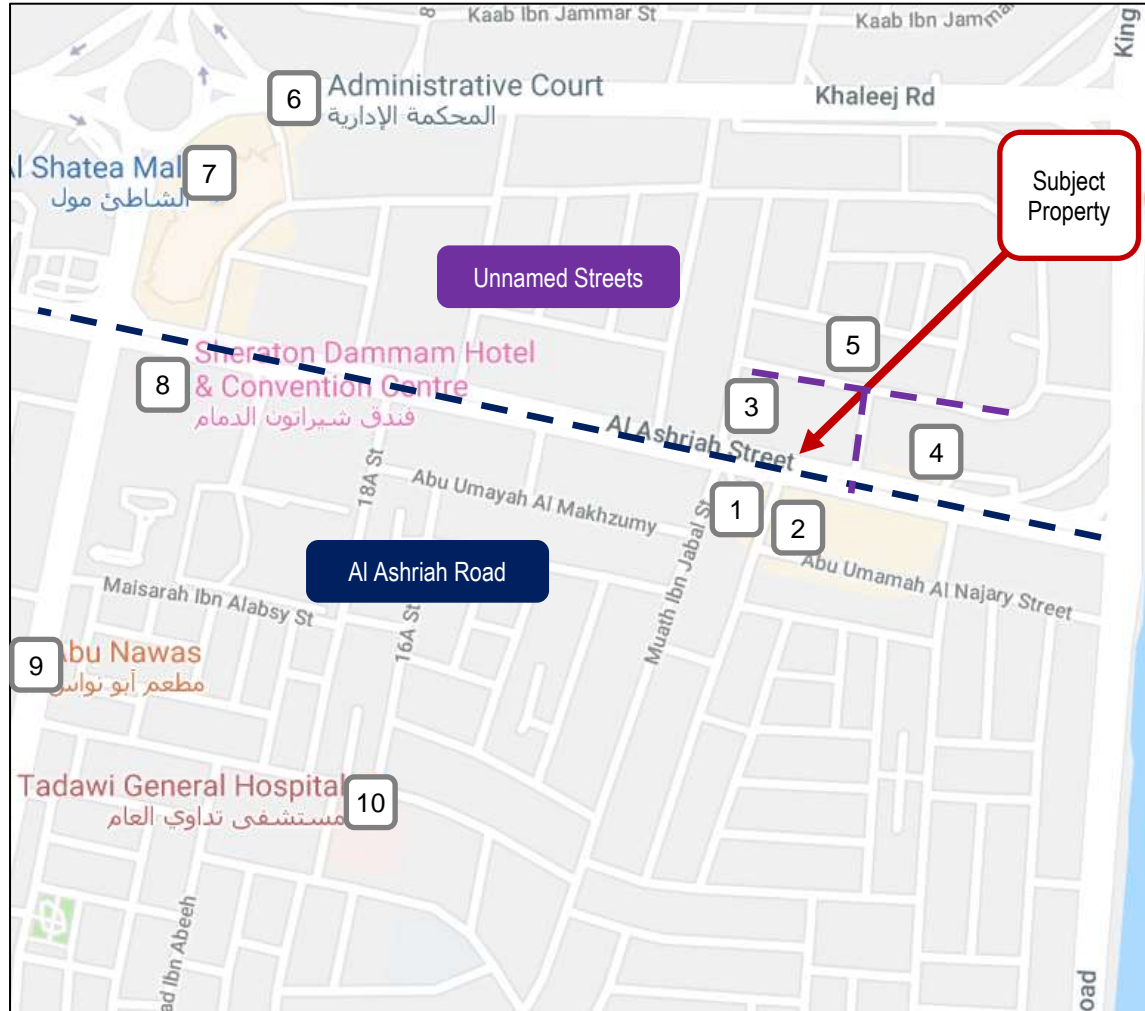
All the infrastructural facilities are available in the surroundings and connected to the subject property.





3.7 LOCATION

The subject property located in Al Badi district, Dammam City and can be accessed through the following main streets as shown in the map below.



ACCESS TO SUBJECT PROPERTY

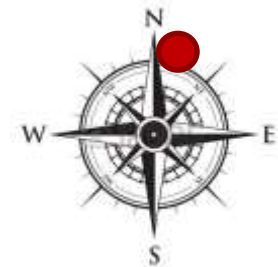
The subject property can be accessed through the following roads:

| | |
|-------------|-------------------|
| North Side: | Unnamed Street |
| South Side: | Al Ashriah Street |
| East Side: | Unnamed Street |

LANDMARKS

- 1- PARK COFFEE (0.15 Kilometres)
- 2- Fuddruckers (0.15 Kilometres)
- 3- Reality Suits (0.1 Kilometres)
- 4- Al-Dawaa Pharmacy (0.1 Kilometres)
- 5- Stars City Hotel Apartments (0.1 Kilometres)
- 6- Administrative Court (0.7 Kilometres)
- 7- Al Shatea Mall (0.8 Kilometres)
- 8- Sheraton Dammam Hotel (0.8 Kilometres)
- 9- Abu Nawas Restaurant (1.00 Kilometres)
- 10- Tadawi General Hospital (0.75 Kilometres)

Location of the subject property according to the City Center





3.8 PHOTO RECORD





3.9 DOCUMENTS RECIEVED

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

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

3.10 GENERAL ASSUMPTIONS

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



3.11 SWOT ANALYSIS

| | |
|--|--|
| <p>Strength</p> <ul style="list-style-type: none"> - Open on 3 sides. - Direct view on the main road (Al Ashriah Road). - Surrounded by several landmarks. - Newly constructed. | <p>Weakness</p> <ul style="list-style-type: none"> - None |
| <p>Opportunities</p> <ul style="list-style-type: none"> - High demand on the property type. | <p>Threats</p> <ul style="list-style-type: none"> - Potential similar projects in the same area. |

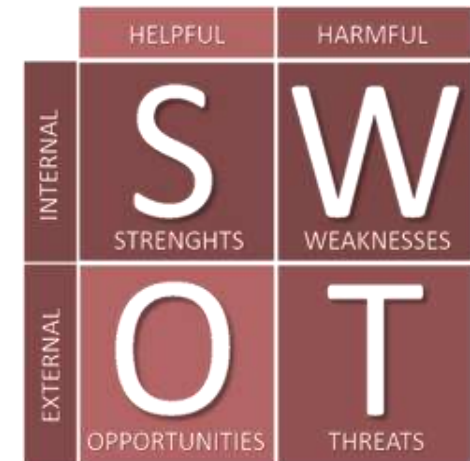
The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

3.12 SECTOR BRIEF

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



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





Overall Sector Performance

From 2018 to 2019



Future Expectations



Overall Sector Stability

From 2018 to 2019



Future Expectations



Values of Lands Related to The Sector

From 2018 to 2019

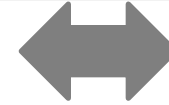


Future Expectations



Sector rental Income

From 2018 to 2019



Future Expectations



Sector Demand

From 2018 to 2019

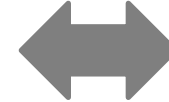


Future Expectations



Investors' Appetite

From 2018 to 2019

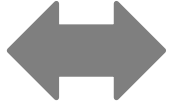


Future Expectations



Sector's occupancy ratios

From 2018 to 2019

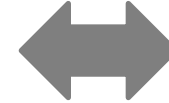


Future Expectations

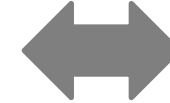


Sectors Positive Changes

From 2018 to 2019



Future Expectations



White Cubes Team's Analysis



3.13 RISK ANALYSIS

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

Risk Category 17 Risk Points - Medium Risk

Sector Analysis

Risk Category- 17 Risk Points - Medium Risk

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

Risk Category 9 Risk Points – Minimal Risk

Land Analysis

Risk Category- 9 Risk Points - Minimal Risk

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

Risk Category 5 Risk Points - Minimal Risk

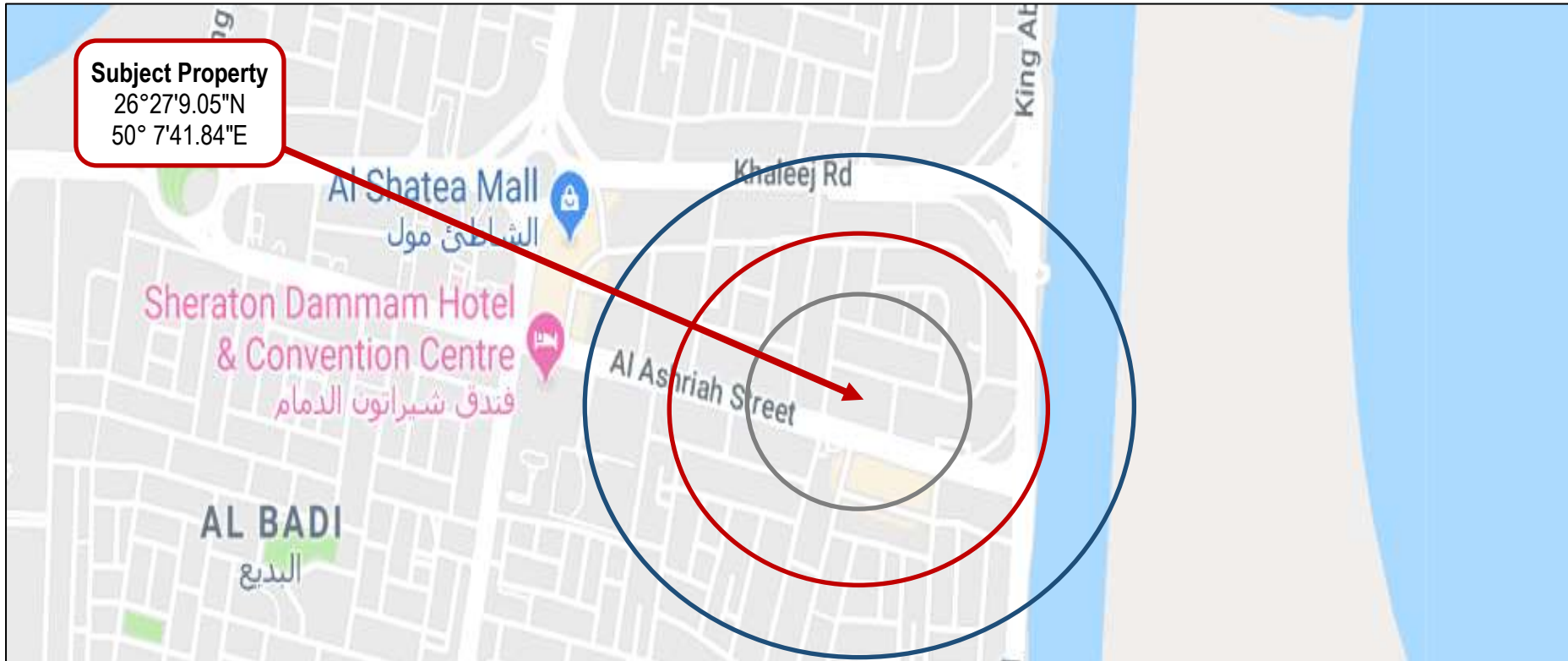
Property Analysis

Risk Category- 5 Risk Points – Minimal Risk



3.14 INPUT EVALUATION PROCESS

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



- This research boundary refers to the areas surrounding the subject property directly
- This research boundary refers to the areas adjacent to the subject property
- This research boundary refers to a wider area of research in the absence of information surrounding the subject property



3.15 INCOME APPROACH – LEASING CONTRACT

| REVENUES | | | | | | |
|--------------------------------|----------------|--|--------------------------|------------|-------------------------|----------------------|
| Unit Type | Quantity | | Revenues | | | Total Revenues |
| | Total GLA | No of Units | SAR / Sqm | SAR / Unit | | |
| Strip Mall | | The subject property is Fully leased to 1 Tenant | | | | SAR 2,200,000 |
| ----- | 0 | 0 | SAR 0 | SAR 0 | | SAR 0 |
| ----- | 0 | 0 | SAR 0 | SAR 0 | | SAR 0 |
| | | | | | Total Revenues | SAR 2,200,000 |
| EXPENSES | | | | | | |
| Unit Type | Management | Utilities | Maintenance | Others | Total Expenses | |
| Strip Mall | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | |
| ----- | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | |
| ----- | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | |
| NET OPERATING INCOME | | | | | | |
| Unit Type | Total Revenues | Total Expenses | NOI | | | |
| Strip Mall | SAR 2,200,000 | 0.00% | SAR 2,200,000 | | | |
| ----- | SAR 0 | 0.00% | SAR 0 | | | |
| ----- | SAR 0 | 0.00% | SAR 0 | | | |
| | | | | | Total | SAR 2,200,000 |
| Total Property Revenues | | | | | SAR 2,200,000 | |
| Total Property Expenses | | | | | SAR 0 | |
| Net Operating Income | | | | | SAR 2,200,000.00 | |
| Net Operating Income | Cap Rate | Property Value | Rounded Value | | | |
| SAR 2,200,000.00 | 6.15% | 35,772,357.72 SAR | 35,800,000.00 SAR | | | |

The subject property is rented to one company. The used rates per unit types were based on the market average rental rates for comparable properties and in the surrounding areas of the subject property. As for the Operational and management fees, the tenant is responsible for its coverage. The used Cap Rate is estimated based on the current market rates, recent similar transaction, economic risk, real estate sector risk, etc.....



3.16 DISCOUNTED CASH FLOW

| Cash Flow | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---------------------------------|------------|------------|------------|------------|------------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| Increase Revision | | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 14% | 0% | 0% |
| Expected Revenues | | | | | | | | | | | | |
| Total (SAR) | SAR | 2,200,000 | 2,200,000 | 2,200,000 | 2,200,000 | 2,200,000 | 2,200,000 | 2,200,000 | 2,200,000 | 2,500,000 | 2,500,000 | 2,500,000 |
| Overall Revenues | | 2,200,000 | 2,200,000 | 2,200,000 | 2,200,000 | 2,200,000 | 2,200,000 | 2,200,000 | 2,200,000 | 2,500,000 | 2,500,000 | 2,500,000 |
| Vacancy Rates | | | | | | | | | | | | |
| Vacany Rates | 0.0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Expenses | | | | | | | | | | | | |
| Manegment | 0.0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Utilities | 0.0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Others | 0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Overall Expenses | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NOI | | 2,200,000 | 2,200,000 | 2,200,000 | 2,200,000 | 2,200,000 | 2,200,000 | 2,200,000 | 2,200,000 | 2,500,000 | 2,500,000 | 2,500,000 |
| Terminal Value @ -----> | 6.15% | | | | | | | | | | | 40,650,407 |
| Discount Rate | 8.00% | 1.00 | 0.93 | 0.86 | 0.79 | 0.74 | 0.68 | 0.63 | 0.58 | 0.54 | 0.50 | 0.46 |
| Present Value | | 2,200,000 | 2,037,037 | 1,886,145 | 1,746,431 | 1,617,066 | 1,497,283 | 1,386,373 | 1,283,679 | 1,350,672 | 1,250,622 | 19,986,987 |
| Market Rate / Net Present Value | | | | | | | | | | | | 36,242,296 |
| Discount Rate | | | | | | | | | | | | |
| Discount Rate | 6.00% | 7.00% | 8.00% | 9.0% | 10.0% | | | | | | | |
| Market Value | 41,624,478 | 38,806,772 | 36,242,296 | 33,905,429 | 31,773,384 | | | | | | | |

3.17 SUBJECT PROPERTY VALUE

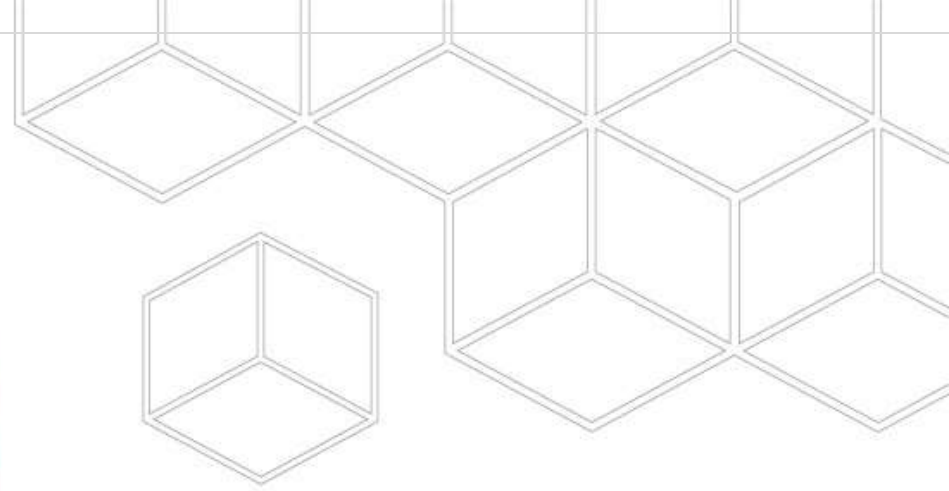
We are of an opinion that the total market value of the subject property taking into consideration the purpose of valuation by using the Income Approach is:

Property Value: **35,800,000 SAR**
 Only Thirty-Five Million and Eight Hundred Thousand Saudi Riyals

PROPERTY INFO

This section indicates full description of the subject property / properties that contains the legal document info, location, components, status, condition and many other elements.

JAZEERA COMPOUND





4.1 PROPERTY DESCRIPTION (JAZEERA COMPOUND)

The subject property is a residential project located Al Sulaymaniyah District in Riyadh city. The compound has a total land area of 20,758 Sqm and a total NLA of 7,447 Sqm, composed of 52 residential units and 3 commercial units, open on 4 sides where all the infrastructure facilities such as water, electricity, sewage and telecommunication are available in the surrounding and connected to the subject property.

| Land | |
|-----------------------------------|--|
| Land Use | Residential |
| Number of Streets | 4 |
| General Land Shape | Regular |
| Direct View on the Main Road | No |
| Direct View on an internal Street | Ahmad Al Mawatiqi Street |
| Land Status | Constructed |
| Infrastructural Facilities | |
| Water | Available and Connected to the subject property |
| Electricity | Available and Connected to the subject property |
| Sewage | Available and Connected to the subject property |
| Telecommunication | Available and Connected to the subject property |
| Building | |
| Building Condition | Constructed |
| External Elevation | Good |
| Finishing | Good |
| Overall Building Condition | Good |
| Building Components | Good |





4.2 TITLE DEED & OWNERSHIP

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

| | |
|---------------------------------|--|
| City | Riyadh |
| District | Al Sulaymaniyah |
| T.D Type | Electronic |
| T.D Number | 310117046169 |
| T.D Date | 17/09/1440 H. D |
| T.D Value | ----- |
| Date of Last Transaction | 17/09/1440 H. D |
| Issue from | Riyadh Notary |
| Land Area | 20,758 |
| Plot No. | 68 / 69 |
| Block No. | N/A |
| Layout No. | 897 |
| Owner | Saudi Economic and Development Company |
| Ownership Type | Freehold |
| Limitation of Document | Mortgaged to Al Rajhi Banking Investment Co. |
| Boundaries | |
| North | Al Mughirah Street (10m Width / 194m Length) |
| South | Ahmad Al Mawaqiti Street (12m Width / 194m Length) |
| East | Mujashi Ibn Masoud Street (15m Width / 107m Length) |
| West | Unnamed Street (12m Width / 107m Length) |
| Notes | The client has provided us with copy of the Title Deed which was assumed to be correct and authentic. It is not in our scope to run legal diagnosis on any legal document. Yet, we have noted a mortgage transaction on the subject title deed which we advise to the noted in any future decision making. |





4.3 NLA DETAILS

The Client has not provided us with a copy of the Construction Permit; however, we were provided by the following project components:

| Building Type | No of Units | Total NLA |
|---|-------------|--------------|
| VILLAS | | |
| 5 BR VIP with Swimming pool | 2 | 648 |
| 5 BR Duplex | 2 | 420 |
| 4 BR Villa | 5 | 1,388 |
| 4 BR Duplex | 2 | 412 |
| 3 BR Villa | 13 | 2,080 |
| 3 BR Duplex | 2 | 256 |
| APARTMENTS | | |
| 2 BR Apt with Garden | 4 | 532 |
| 2 BR Apt | 6 | 661 |
| 1 BR Apt | 16 | 802 |
| SERVICE BUILDINGS & AMNETIES | | |
| Caffe | 1 | 147 |
| Recreation Room | 1 | 49 |
| Boxing | 1 | 52 |
| TOTAL | 55 | 7,447 |





4.4 OPERATIONAL CONTRACT

The subject property has an operational contract between the client (**SAUDI ECONOMIC AND DEVELOPMENT SECURITEIS FOR REAL ESTATE FUND**) and **ALMAHMAL FACILITIES SERVICES COMPANY**. As remuneration for the performance of the Services, in compliance with the terms and conditions of this Contract, **ALMAHMAL FACILITIES SERVICES COMPANY** shall be entitled to receive the following:

| | Services | Monthly Cost (in Saudi Riyals) |
|---|---|--------------------------------|
| 1 | Property Management Services: 5% charges from the Total collection Per Month | |
| 2 | Operation & Maintenance Services | 26,500 |
| 3 | Janitorial & Housekeeping Services | 18,500 |
| 4 | Security & Safety Services | 47,500 |
| 5 | Landscaping Services | 17,000 |
| 6 | Driver Services | 10,043 |
| 7 | Pest Control | 5,500 |
| 8 | Spare Parts/ Consumables and Materials | 25,000 |
| 9 | Service Charges | 2,100 |
| | Sub-Total Monthly Amount | 152,143 |





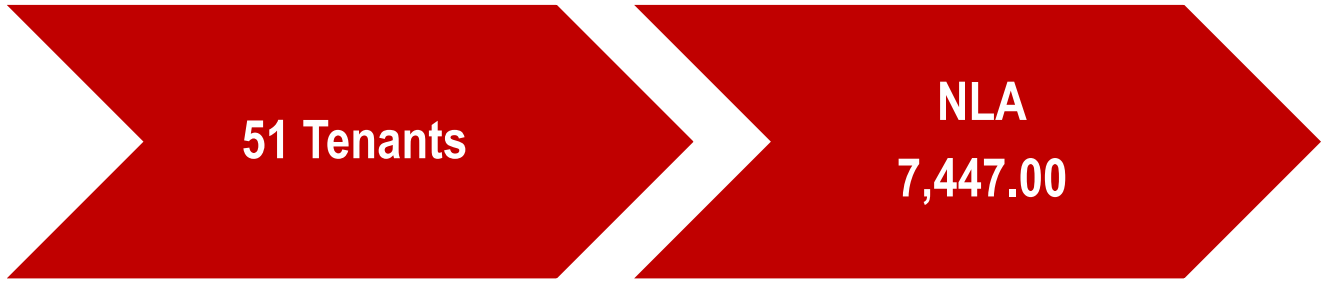
4.5 TENANT LIST

We were provided by the Client the Tenant List of the subject property:

| Level/Suite | Use | NLA |
|-------------|-----------------------------|-----|
| 1 | 5 BR VIP with Swimming pool | 324 |
| 2 | 5 BR VIP with Swimming pool | 324 |
| 3 | 3 BR Villa | 160 |
| 4 | 3 BR Villa | 160 |
| 5-A | 2 BR Apt with Garden | 133 |
| 5-B | 2 BR Apt with Garden | 133 |
| 5-C | 2 BR Apt | 133 |
| 5-D | 2 BR Apt | 133 |
| 6 | 3 BR Villa | 160 |
| 7 | 3 BR Villa | 160 |
| 8 | 3 BR Villa | 160 |
| 9 | 3 BR Villa | 160 |
| 10 | 4 BR Villa | 307 |
| 11 | 4 BR Villa | 307 |
| 12 | 3 BR Villa | 160 |
| 13 | 4 BR Villa | 160 |
| 14 | 3 BR Villa | 160 |
| 15-A | 2 BR Apt with Garden | 133 |
| 15-B | 2 BR Apt with Garden | 133 |
| 15-C | 2 BR Apt | 133 |
| 15-D | 2 BR Apt | 133 |
| 16 | 4 BR Villa | 307 |
| 17 | 4 BR Villa | 307 |
| 18 | 3 BR Villa | 160 |
| 19 | 3 BR Villa | 160 |
| 20 | 3 BR Villa | 160 |
| 21 | 5 BR Duplex | 210 |
| 23 | 4 BR Duplex | 206 |
| 24 | 3 BR Duplex | 128 |
| 25 | 3 BR Duplex | 128 |
| 26 | 5 BR Duplex | 210 |
| 28 | 4 BR Duplex | 206 |
| 29 | 3 BR Villa | 160 |
| 30 | 3 BR Villa | 160 |



| Level/Suite | Use | NLA |
|--------------|-----------------|--------------|
| 31 | 1 BR Apt | 76 |
| 32 | 1 BR Apt | 53 |
| 33 | 1 BR Apt | 53 |
| 34 | 1 BR Apt | 76 |
| 35 | 1 BR Apt | 53 |
| 36 | 1 BR Apt | 53 |
| 37 | 1 BR Apt | 45 |
| 38 | 2 BR Apt | 65 |
| 39 | 1 BR Apt | 45 |
| 40 | 1 BR Apt | 45 |
| 41 | 1 BR Apt | 45 |
| 42 | 1 BR Apt | 45 |
| 43 | 1 BR Apt | 45 |
| 44 | 2 BR Apt | 64 |
| 45 | 1 BR Apt | 41 |
| 46 | 1 BR Apt | 41 |
| 47 | 1 BR Apt | 41 |
| 48 | 1 BR Apt | 45 |
| 49 | Caffe | 147 |
| 50 | recreation room | 49 |
| 51 | boxing room | 52 |
| Total | | 7,447 |





4.6 LAND SPECS

The subject property (Land Only) has the following criteria:

| Current Land Status | |
|---------------------|---------|
| Vacant | ----- |
| Constructed | ----- ✓ |
| Under Construction | ----- |
| Excavated | ----- |
| Raw Land | ----- |

| Current Land Use | |
|------------------|---------|
| Commercial | ----- |
| Industrial | ----- |
| Residential | ----- ✓ |
| Agricultural | ----- |
| Mix Use | ----- |

| Current Land Grading | |
|----------------------|---------|
| Graded | ----- ✓ |
| Semi-Graded | ----- |
| Mountain | ----- |
| Valley | ----- |
| Slope | ----- |

| Current Surrounding Property | |
|------------------------------|---------|
| Commercial | ----- ✓ |
| Industrial | ----- |
| Residential | ----- ✓ |
| Retail | ----- |
| Mix Use | ----- |

4.7 INFRASTRUCTURE FACILITIES

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

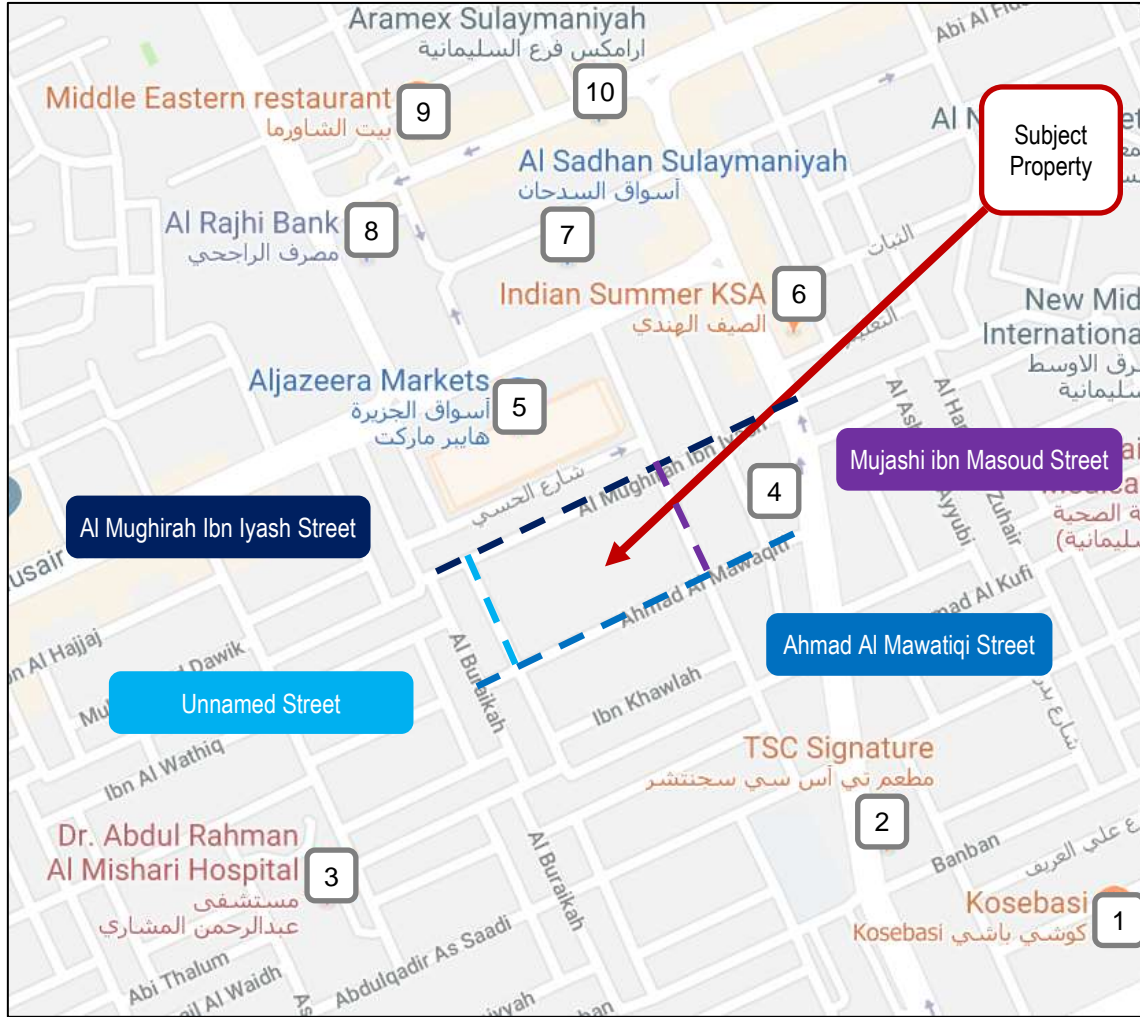
All the infrastructural facilities are available in the surroundings and connected to the subject property.





4.8 LOCATION

The subject property is located in Al Sulaymaniyah district, Riyadh City and can be accessed through the following main streets as shown in the map below.



ACCESS TO SUBJECT PROPERTY

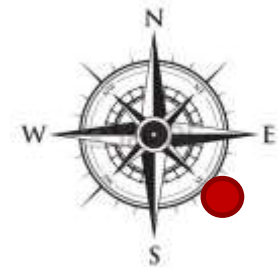
The subject property can be accessed through the following roads:

| | |
|-------------|------------------------------|
| North Side: | Al Mughirah Ibn Iyash Street |
| South Side: | Ahmad Al Mawatiqi Street |
| East Side: | Mujashi ibn Masoud Street |
| West Side: | Unnamed Street |

LANDMARKS

- 1- Kosebasi Restaurant (0.65 Kilometres)
- 2- TSC Signature Restaurant (0.4 Kilometres)
- 3- Dr. Abdul Rahman al Mishari Hospital (0.4 Kilometres)
- 4- Britain Cafe (0.2 Kilometres)
- 5- Aljazeera Markets (0.15 Kilometres)
- 6- Indian Summer KSA (0.3 Kilometres)
- 7- Al Sadhan Sulaymaniyah (0.3 Kilometres)
- 8- Al Rajhi Bank (0.35 Kilometres)
- 9- Middle Eastern Restaurant (0.45 Kilometres)
- 10- Aramex Sulaymaniyah (0.4 Kilometres)

Location of the subject property according to the City Center





4.9 PHOTO RECORD





4.10 DOCUMENTS RECEIVED

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

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

4.11 GENERAL ASSUMPTIONS

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



4.12 SWOT ANALYSIS

| | |
|---|--|
| Strength <ul style="list-style-type: none"> - Open on 4 sides. - Close to the main roads (Musa Ibn Nusair Road & Abdullah Ibn Suleiman Al Hamadan). | Weakness <ul style="list-style-type: none"> - None |
| Opportunities <ul style="list-style-type: none"> - High demand on such retail project. | Threats <ul style="list-style-type: none"> - Potential similar projects in the same area. |

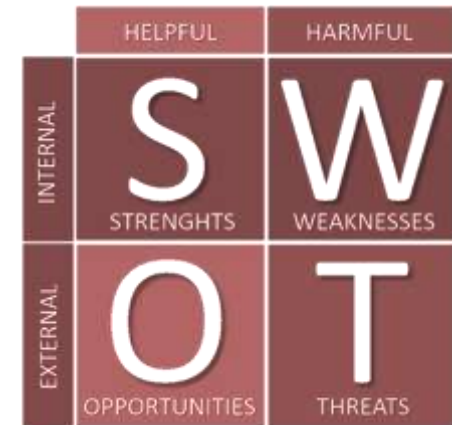
The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

4.13 SECTOR BRIEF

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



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





Overall Sector Performance

From 2018 to 2019



Future Expectations



Overall Sector Stability

From 2018 to 2019



Future Expectations



Values of Lands Related to The Sector

From 2018 to 2019

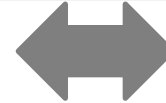


Future Expectations



Sector rental Income

From 2018 to 2019



Future Expectations



Sector Demand

From 2018 to 2019

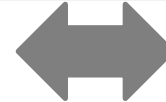


Future Expectations



Investors' Appetite

From 2018 to 2019



Future Expectations



Sector's occupancy ratios

From 2018 to 2019

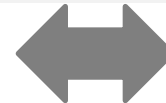


Future Expectations



Sectors Positive Changes

From 2018 to 2019



Future Expectations



White Cubes Team's Analysis



4.14 RISK ANALYSIS

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

Risk Category 17 Risk Points - Medium Risk

Sector Analysis

Risk Category- 17 Risk Points - Medium Risk

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

Risk Category 6 Risk Points – Minimal Risk

Land Analysis

Risk Category- 6 Risk Points - Minimal Risk

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

Risk Category 6 Risk Points - Minimal Risk

Property Analysis

Risk Category- 6 Risk Points - Medium Risk



4.15 RESIDENTIAL UNITS RENTAL RATES

RESIDENTIAL UNITS

The table below shows each of the different residential unit types with their minimum, average and maximum SAR/Sqm, which we have found through our site inspection as well as our market research.

| Unit Type | MIN | AV | MAX |
|-----------------------------|-------|-------|-------|
| 1 BR Apartment | 1,250 | 1,500 | 1,750 |
| 2 BR Apartment | 1,000 | 1,200 | 1,400 |
| 2 BR Apartment with Garden | 1,150 | 1,350 | 1,500 |
| 3 BR Duplex | 1,000 | 1,200 | 1,400 |
| 3 BR Villa | 850 | 1,050 | 1,250 |
| 4 BR Duplex | 800 | 1,000 | 1,250 |
| 4 BR Villa | 750 | 900 | 1,100 |
| 5 BR Duplex | 650 | 850 | 1,000 |
| 5 BR VIP with Swimming Pool | 500 | 700 | 900 |

EXPECTED REVENUES – RESIDENTIAL UNITS

For our valuation we have used the Average SAR/Sqm, which we found through our market research for both Residential Units as well as the Commercial Units. The tables below illustrate the following:

| Unit Type | No of Units | Total NLA | SAR/ Sqm | Total Revenues |
|-----------------------------|-------------|--------------|----------|------------------|
| 1 BR Apartment | 16 | 802 | 1,500 | 1,203,000 |
| 2 BR Apartment | 6 | 661 | 1,200 | 793,200 |
| 2 BR Apartment with Garden | 4 | 532 | 1,350 | 718,200 |
| 3 BR Duplex | 2 | 256 | 1,200 | 295,000 |
| 3 BR Villa | 13 | 2,080 | 1,050 | 2,184,000 |
| 4 BR Duplex | 2 | 412 | 1,000 | 147,000 |
| 4 BR Villa | 5 | 1,388 | 900 | 1,249,200 |
| 5 BR Duplex | 2 | 420 | 850 | 357,000 |
| 5 BR VIP with Swimming Pool | 2 | 648 | 700 | 453,600 |
| Total | 52 | 7,199 | | 7,400,200 |



4.16 COMMERCIAL UNITS RENTAL RATES

The table below shows each of the different commercial unit types with their minimum, average and maximum SAR/Sqm, which we have found through our site inspection as well as our market research.

| Unit Type | MIN | AV | MAX |
|-------------|-----|-----|-----|
| Caffe | 500 | 700 | 900 |
| Recreation | 250 | 500 | 750 |
| Boxing Room | 250 | 500 | 750 |

For our valuation we have used the Average SAR/Sqm, which we found through our market research for both Residential Units as well as the Commercial Units. The tables below illustrate the following:

| Unit Type | No Of Units | Total NLA | SAR/ Sqm | Total Revenues |
|--------------|-------------|------------|----------|----------------|
| Caffe | 1 | 147 | 700 | 102,900 |
| Recreation | 1 | 49 | 500 | 24,500 |
| Boxing Room | 1 | 52 | 500 | 26,000 |
| Total | 3 | 248 | | 153,400 |

4.17 SUMMARY OF EXPECTED REVENUES

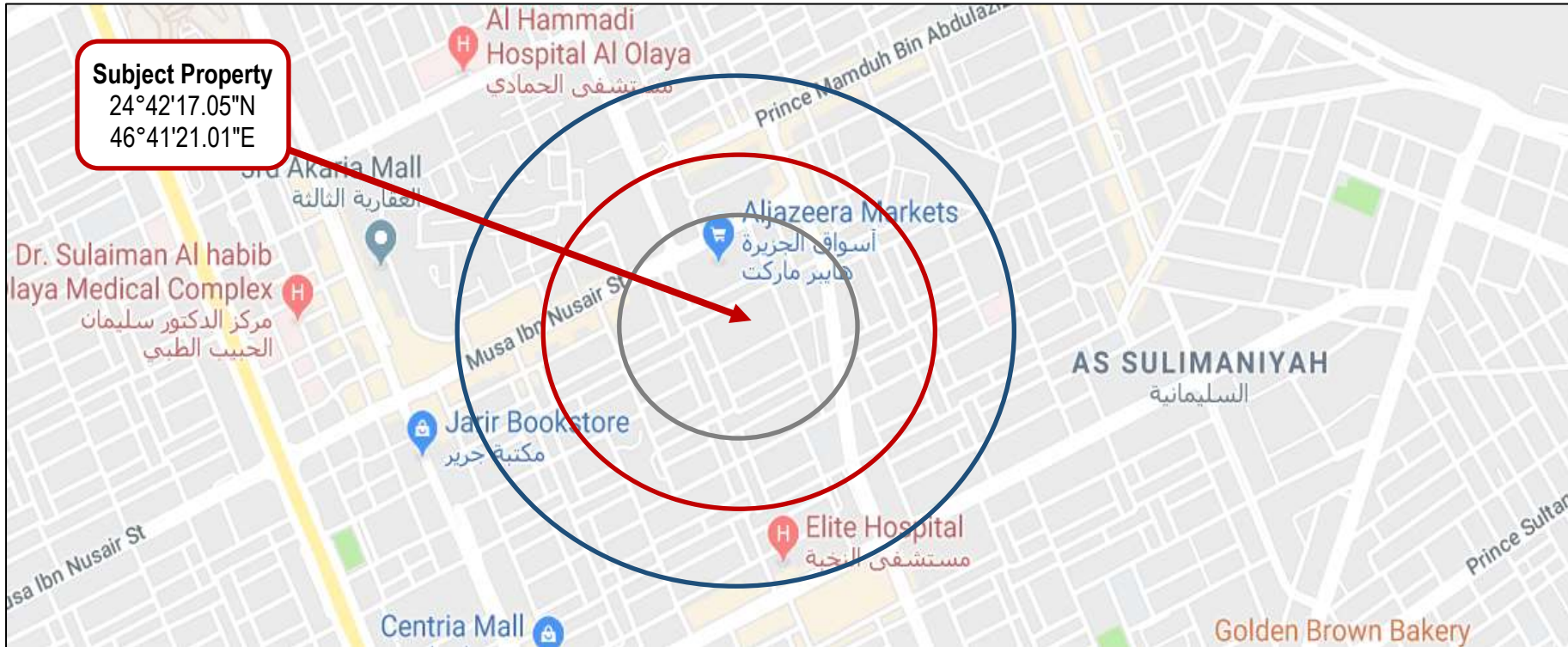
| Unit Type | No Of Units | Total NLA | Total Revenues |
|-------------------|-------------|--------------|------------------|
| Residential Units | 52 | 7,199 | 7,400,200 |
| Commercial Units | 3 | 248 | 153,400 |
| Total | 55 | 7,447 | 7,553,600 |

The table above shows the estimated revenues of the subject property based on the market research and previously mentioned reports in this report. We have used 1,900,000 SAR as OPEX as informed by the client



4.18 INPUT EVALUATION PROCESS

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



- This research boundary refers to the areas surrounding the subject property directly
- This research boundary refers to the areas adjacent to the subject property
- This research boundary refers to a wider area of research in the absence of information surrounding the subject property



4.19 DISCOUNTED CASH FLOW

| | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|-------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Increase Revision | | 0% | 0% | 0% | 5% | 0% | 0% | 5% | 0% | 0% | 5% | 5% |
| Expected Revenues | | | | | | | | | | | | |
| Residential Units | SAR | 7,677,400 | 7,677,400 | 7,677,400 | 8,061,270 | 8,061,270 | 8,061,270 | 8,464,334 | 8,464,334 | 8,464,334 | 8,887,550 | 9,331,928 |
| Commercial Units | SAR | 153,400 | 153,400 | 153,400 | 161,070 | 161,070 | 161,070 | 169,124 | 169,124 | 169,124 | 177,580 | 186,459 |
| Overall Revenues | | 7,830,800 | 7,830,800 | 7,830,800 | 8,222,340 | 8,222,340 | 8,222,340 | 8,633,457 | 8,633,457 | 8,633,457 | 9,065,130 | 9,518,386 |
| Occupancy Rates | | | | | | | | | | | | |
| Residential Units | | | | | | | | | | | | |
| Occupancy Rate | | 75.0% | 75.0% | 75.0% | 85.0% | 85.0% | 85.0% | 90.0% | 90.0% | 90.0% | 95.0% | 95.0% |
| Net Revenues | | 5,758,050 | 5,758,050 | 5,758,050 | 6,852,080 | 6,852,080 | 6,852,080 | 7,617,900 | 7,617,900 | 7,617,900 | 8,443,173 | 8,865,331 |
| Commercial Units | | | | | | | | | | | | |
| Occupancy Rate | | 85.0% | 85.0% | 90.0% | 90.0% | 90.0% | 90.0% | 90.0% | 90.0% | 90.0% | 90.0% | 90.0% |
| Net Revenues | | 130,390 | 130,390 | 138,060 | 144,963 | 144,963 | 144,963 | 152,211 | 152,211 | 152,211 | 159,822 | 167,813 |
| Overall Net Revenues | | 5,888,441 | 5,888,441 | 5,896,111 | 6,997,043 | 6,997,043 | 6,997,043 | 7,770,112 | 7,770,112 | 7,770,112 | 8,602,995 | 9,033,145 |
| Expenses | | | | | | | | | | | | |
| OPEX | Fix | 1,900,000 | 1,900,000 | 1,900,000 | 1,900,000 | 1,900,000 | 1,900,000 | 1,900,000 | 1,900,000 | 1,900,000 | 1,900,000 | 1,900,000 |
| Collection Fees | 5% | 391,540 | 391,540 | 391,540 | 411,117 | 411,117 | 411,117 | 431,673 | 431,673 | 431,673 | 453,256 | 475,919 |
| Overall Expenses | | 2,291,540 | 2,291,540 | 2,291,540 | 2,311,117 | 2,311,117 | 2,311,117 | 2,331,673 | 2,331,673 | 2,331,673 | 2,353,256 | 2,375,919 |
| NOI | | 3,596,901 | 3,596,901 | 3,604,571 | 4,685,926 | 4,685,926 | 4,685,926 | 5,438,439 | 5,438,439 | 5,438,439 | 6,249,739 | 6,657,226 |
| Terminal Value @ -----> | 7.0% | | | | | | | | | | | 95,103,224 |
| Discount Rate | 9.00% | 1.00 | 0.92 | 0.84 | 0.77 | 0.71 | 0.65 | 0.60 | 0.55 | 0.50 | 0.46 | 0.42 |
| Present Value | | 3,596,901 | 3,299,909 | 3,033,895 | 3,618,395 | 3,319,628 | 3,045,531 | 3,242,764 | 2,975,013 | 2,729,369 | 2,877,553 | 42,984,714 |
| Market Rate / Net Present Value | | | | | | | | | | | | 74,723,672 |
| Discount Rate | | | | | | | | | | | | |
| Discount Rate | | 7.00% | | 8.00% | | 9.00% | | 10.0% | | 11.0% | | |
| Market Value | | 86,153,012 | | 80,170,840 | | 74,723,672 | | 69,757,810 | | 65,225,439 | | |
| Rounded Value | | | | | | 74,720,000 | | | | | | |

4.20 SUBJECT PROPERTY VALUE

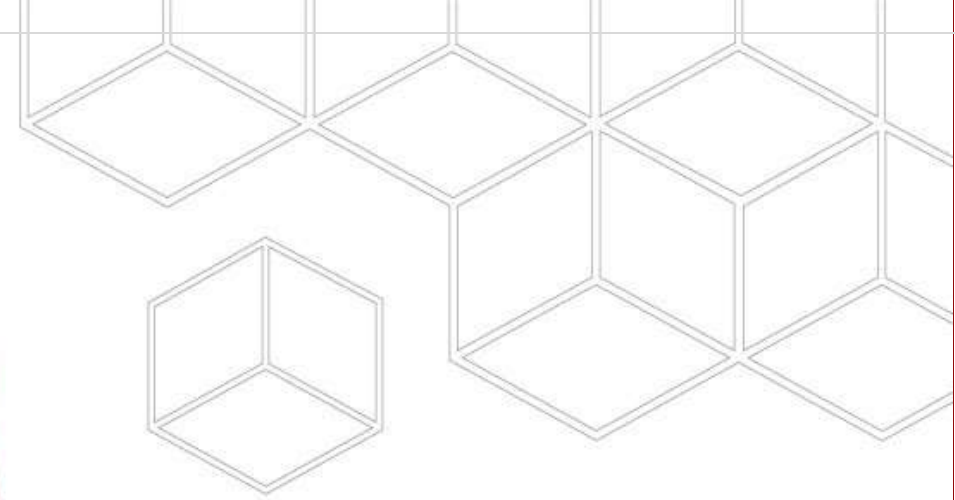
We are of an opinion that the total market value of the subject property taking into consideration the purpose of valuation by using the DCF Approach is:

Property Value: 74,720,000 SAR
Seventy-Four Million and Seven Hundred Twenty Thousand Saudi Riyals.

PROPERTY INFO

This section indicates full description of the subject property / properties that contains the legal document info, location, components, status, condition and many other elements.

KHALIDYAH BUSINESS CENTER





5.1 PROPERTY DESCRIPTION (KHALIDIYAH BUISNESS CENTER)

The subject property is a retail and offices center which is newly constructed, located in Khalideyah District in Jeddah city, has a total land area of 7,903.00 Sqm, a total BUA of 24,876.51 Sqm, composed of ground floor, Mezzanine and 4 upper floors open on 3 sides from the north, south and east where all the infrastructure facilities such as water, electricity, sewage and telecommunication are available in the surrounding and connected to the subject property.

| Land | |
|-----------------------------------|--|
| Land Use | Commercial |
| Number of Streets | 3 |
| General Land Shape | Regular |
| Direct View on the Main Road | Prince Sultan Road. |
| Direct View on an internal Street | Buhur As Shuara Street |
| Land Status | Constructed |
| Infrastructural Facilities | |
| Water | Available and Connected to the subject property |
| Electricity | Available and Connected to the subject property |
| wage | Available and Connected to the subject property |
| Telecommunication | Available and Connected to the subject property |
| Building | |
| Building Condition | Constructed |
| External Elevation | Good |
| Finishing | Good |
| Overall Building Condition | Good |
| Building Components | Good |





5.2 TITLE DEED & OWNERSHIP

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

| | |
|--------------------------|--|
| City | Jeddah |
| District | Khalideyah |
| T.D Type | Electronic |
| T.D Number | 520204005172 |
| T.D Date | 24/02/1433 H. D |
| T.D Value | ----- |
| Date of Last Transaction | 24/02/1433 H. D |
| Issue from | Jeddah Notary |
| Land Area | 7,903 |
| Plot No. | 9 |
| Block No. | N/A |
| Layout No. | 448/ب/ت |
| Owner | Saudi Economic and Development Company |
| Ownership Type | Freehold |
| Limitation of Document | None |
| Boundaries | |
| North | Buhur As Shuara Street (32m Width / 85m Length) |
| South | Qaryat Miskah Street (12m Width / 87m Length) |
| East | Prince Sultan Road Street (32m Width / 80m Length) |
| West | Plot No. 1 & 3 & 5 & 7 (88m Length) |
| Notes | The client has provided us with copy of the Title Deed which was assumed to be correct and authentic. It is not in our scope to run legal diagnosis on any legal document. Yet, we have noted a mortgage transaction on the subject title deed which we advise to the noted in any future decision making. |





5.3 CONSTRUCTION & BUILDING

The subject property is a retail center which is new constructed composed of ground floor, mezzanine, 4 upper floors and annex. The Client has provided us with a copy of the Construction Permit issued by Jeddah Municipality with the below details:

| Subject Property | |
|--------------------------|-------------------------|
| Construction Permit Type | Addition & Modification |
| Property Type | Commercial |
| Construction Permit No. | 4000175528 |
| Construction Permit Date | 08/07/1439 AH |
| Permit Expiry Date | 07/07/1441 AH |

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

The construction permit shows the maximum allowed BUA approved by the city municipality. Yet, the actual constructed BUA may vary. Therefore, if the client did not provide us with copy of the approved AS Build Drawings, then our valuation will be based on the provided construction permit.

In case the client did not provide us with any copy of legal documents that shows the total BUA, then we will estimate the BUA using our team skills combined by the city's municipality rules and regulations

| Description | No. Units | Area (Sqm) | Use |
|------------------------|-----------|------------------|--------------------|
| Ground Floor | 9 | 5,277.29 | Commercial & Other |
| Mezzanine | 0 | 1,836.8 | Other |
| First Floor | 9 | 4,578.97 | Commercial & Other |
| Second Floor | 17 | 5,221.22 | Commercial & Other |
| Third Floor | 17 | 3,384.42 | Commercial |
| Fourth Floor | 17 | 3,384.42 | Commercial |
| Annex | 6 | 1,193.39 | Commercial |
| Fences (L.M) | 88 | ----- | Fences |
| Total BUA (Sqm) | 75 | 24,876.51 | |

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



5.4 OPERATIONAL CONTRACT

The subject property has an operational contract between the First Party (Saudi Economic and Development Company), the Second Party (Al Mahmal Facilities Services Company) and the Third Party (Saqifat AISafa Development & Marketing Realtors). The First Party has given the Third-Party Administrational Management of the subject property. The First Party has instructed the Second Party to perform operational services on the subject property. As remuneration for the performance of the Services, in compliance with the terms and conditions of this Contract, the Second Party shall be entitled to receive the following:

| | Services | Annual (in Saudi Riyals) |
|---|--|--------------------------|
| 1 | Operation & Maintenance Services | 120,000 |
| 2 | Janitorial & Housekeeping Services | 334,800 |
| 3 | Security & Safety Services | 249,000 |
| 4 | Operation & Maintenance Service of Elevators | 48,000 |
| 5 | Operation & Maintenance Service of Fire Safety | 18,000 |
| 6 | Service Charges | 9,600 |
| | Annual Amount | 779,400 |

5.5 TENANT LIST & PROJECT COMPONENTS

We were provided by the client the List of Tenants and is as follows:

| Tenant | Unit/Office Number | Use | NLA |
|----------------------------|--------------------|--------|-----|
| Vacant | 1 | Retail | 596 |
| Vacant | 2 | Retail | 599 |
| Mohammad Munassir Al Esayi | 3 | Retail | 530 |
| Vacant | 4 | Retail | 566 |
| Mobily | 5 | Retail | 563 |
| Mobily | 6 | Retail | 563 |
| Ambassador Food | 7 | Retail | 566 |
| Hasaad Food | 8 | Retail | 530 |
| TARFEEH | 9 | Retail | 587 |
| TARFEEH | 10 | Retail | 587 |
| Vacant | 101 | office | 194 |
| Vacant | 102 | office | 198 |
| Vacant | 103 | office | 168 |
| Vacant | 104 | office | 161 |
| NCB Takaful | 105 | office | 159 |



| Tenant | Unit/Office Number | Use | NLA |
|------------------------|--------------------|--------|-----|
| NCB Takaful | 106 | office | 159 |
| NCB Takaful | 107 | office | 161 |
| NCB Takaful | 108 | office | 168 |
| NCB Takaful | 109 | office | 184 |
| NCB Takaful | 110 | office | 184 |
| NCB Takaful | 111 | office | 145 |
| NCB Takaful | 112 | office | 142 |
| Vacant | 113 | office | 142 |
| Vacant | 114 | office | 145 |
| Vacant | 115 | office | 145 |
| Vacant | 116 | office | 142 |
| Lonsdale | 117 | office | 142 |
| Lonsdale | 118 | office | 145 |
| UMA | 201 | office | 194 |
| UMA | 202 | office | 198 |
| UMA | 203 | office | 168 |
| Dar Al Eithiman | 204 | office | 161 |
| Dar Al Eithiman | 205 | office | 159 |
| Dar Al Eithiman | 206 | office | 159 |
| Dar Al Eithiman | 207 | office | 161 |
| Dar Al Eithiman | 208 | office | 168 |
| Dar Al Eithiman | 209 | office | 184 |
| Dar Al Eithiman | 210 | office | 184 |
| UMA | 211 | office | 145 |
| Dar Al Eithiman | 212 | office | 142 |
| UMA | 213 | office | 142 |
| UMA | 214 | office | 145 |
| UMA | 215 | office | 145 |
| UMA | 216 | office | 142 |
| UMA | 217 | office | 142 |
| UMA | 218 | office | 145 |
| Wael Al Eissa Law Firm | 301 | office | 194 |
| Al Mahmal Trading Co. | 302 | office | 198 |
| Tam Co | 303 | office | 168 |
| Al Mahmal Trading Co. | 304 | office | 161 |
| Vacant | 305 | office | 159 |
| Dur Real Estate | 306 | office | 159 |
| Vacant | 307 | office | 161 |
| Vacant | 308 | office | 168 |



| Tenant | Unit/Office Number | Use | NLA |
|-----------------------|--------------------|--------|---------------|
| Al Romaih Company | 309 | office | 184 |
| Al Romaih Company | 310 | office | 184 |
| Al Romaih Company | 311 | office | 145 |
| Al Romaih Company | 312 | office | 142 |
| Al Mahmal Trading Co. | 313 | office | 142 |
| Al Mahmal Trading Co. | 314 | office | 145 |
| Al Mahmal Trading Co. | 315 | office | 145 |
| Tazweed | 316 | office | 142 |
| Al Mahmal Trading Co. | 317 | office | 142 |
| Al Mahmal Trading Co. | 318 | office | 145 |
| Bonn Coffee | 358 | ATM | 30 |
| TOTAL | | | 14,369 |

5.6 LAND SPECS

The subject property (Land Only) has the following criteria:

Current Land Status

| | |
|--------------------|---------|
| Vacant | ----- |
| Constructed | ----- ✓ |
| Under Construction | ----- |
| Excavated | ----- |
| Raw Land | ----- |

Current Land Use

| | |
|--------------|---------|
| Commercial | ----- ✓ |
| Industrial | ----- |
| Residential | ----- |
| Agricultural | ----- |
| Mix Use | ----- |

Current Land Grading

| | |
|-------------|---------|
| Graded | ----- ✓ |
| Semi-Graded | ----- |
| Mountain | ----- |
| Valley | ----- |
| Slope | ----- |

Current Surrounding Property

| | |
|-------------|---------|
| Commercial | ----- ✓ |
| Industrial | ----- |
| Residential | ----- ✓ |
| Retail | ----- |
| Mix Use | ----- |

5.7 INFRASTRUTURE FACILITIES

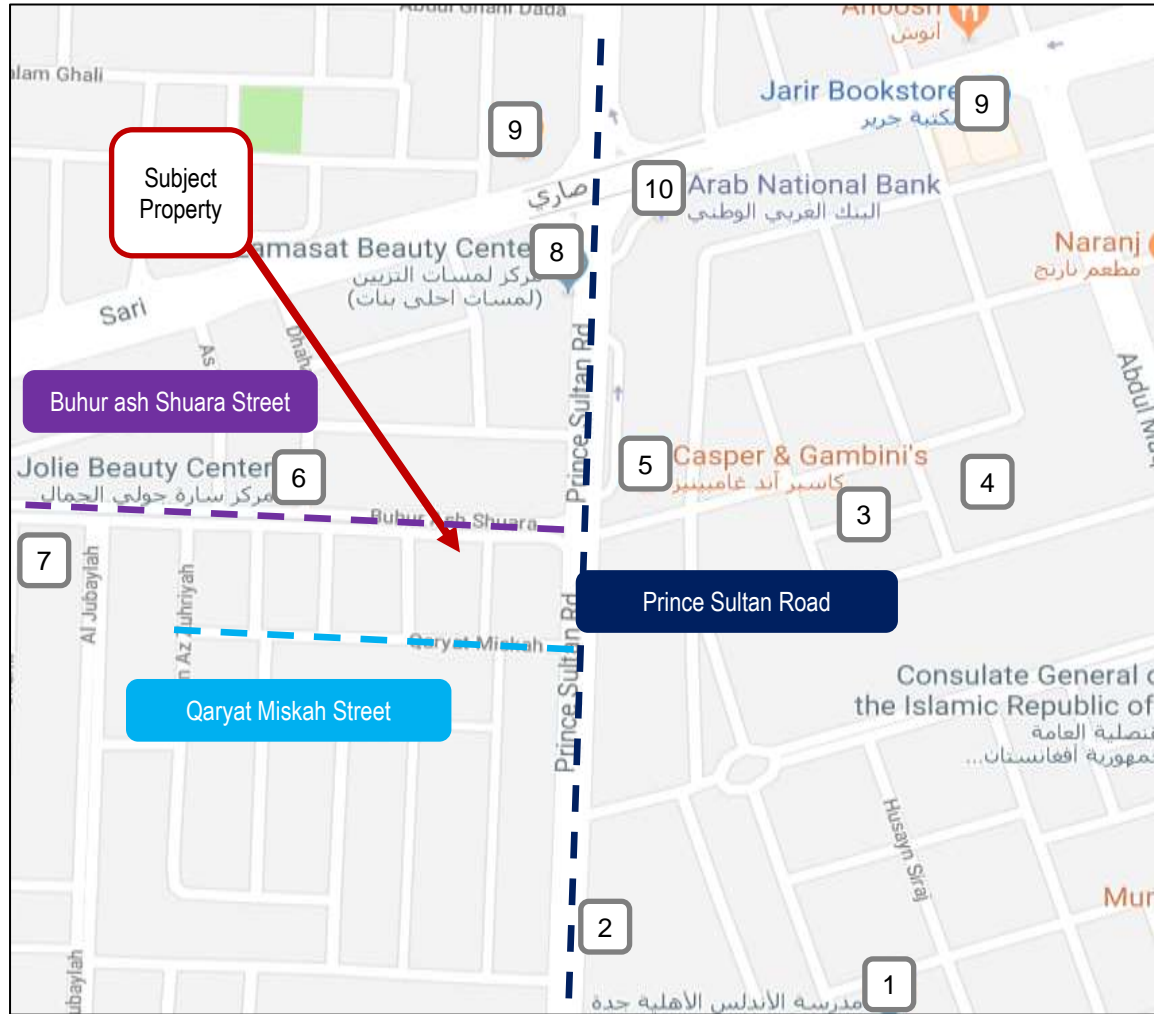
| | Available in the surrounding | Connected to the property |
|--------------------|------------------------------|---------------------------|
| Water | ----- ✓ | ----- ✓ |
| Electricity | ----- ✓ | ----- ✓ |
| Tele-Communication | ----- ✓ | ----- ✓ |
| Sewage | ----- ✓ | ----- ✓ |

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



5.8 LOCATION

The subject property located in Al Khaldia district, Jeddah city and can be accessed through the following main streets as shown in the map below.



ACCESS TO SUBJECT PROPERTY

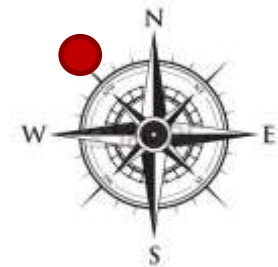
The subject property can be accessed through the following roads:

| | |
|-------------|-------------------------|
| North Side: | Buhur Ash Shuara Street |
| South Side: | Qaryat Miskah Street |
| East Side: | Prince Sultan Road |

LANDMARKS

- 1- Al Andalus School (0.55 Kilometres)
- 2- Le Concheur (0.35 Kilometres)
- 3- Maabar Social Consultancy (0.3 Kilometres)
- 4- Khojah Group (0.4 Kilometres)
- 5- Casper & Gambino's (0.15 Kilometres)
- 6- Jolie Beauty Center (0.2 Kilometres)
- 7- World of Learning International School (0.4 Kilometres)
- 8- Lamasat Beauty Center (0.3 Kilometres)
- 9- The Italian Cuisine Filicori Zecchini (0.45 Kilometres)
- 10- Arab National Bank (0.4 Kilometres)

Location of the subject property according to the City Center





5.9 PHOTO RECORD





5.10 DOCUMENTS RECEIVED

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

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

5.11 GENERAL ASSUMPTIONS

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



5.12 SWOT ANALYSIS

| | |
|---|---|
| <p>Strength</p> <ul style="list-style-type: none"> - Open on 3 sides. - Direct view on the main road (Prince Sultan Road). - Newly constructed. | <p>Weakness</p> <ul style="list-style-type: none"> - None |
| <p>Opportunities</p> <ul style="list-style-type: none"> - Newly constructed. | <p>Threats</p> <ul style="list-style-type: none"> - Upcoming and future competitive projects. |

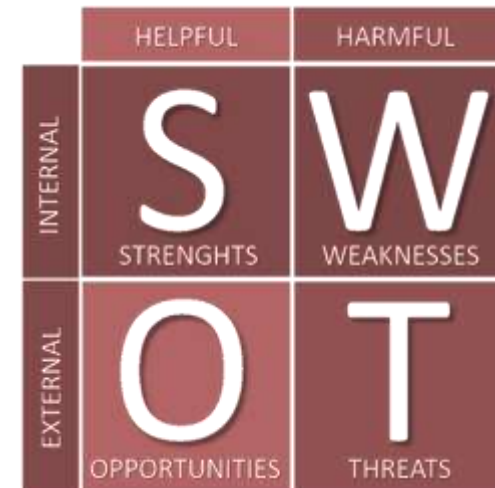
The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

5.13 SECTOR BRIEF

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



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





Overall Sector Performance

From 2018 to 2019



Future Expectations



Overall Sector Stability

From 2018 to 2019



Future Expectations



Values of Lands Related to The Sector

From 2018 to 2019



Future Expectations



Sector rental Income

From 2018 to 2019



Future Expectations



Sector Demand

From 2018 to 2019

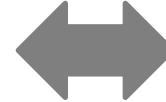


Future Expectations



Investors' Appetite

From 2018 to 2019



Future Expectations



Sector's occupancy ratios

From 2018 to 2019

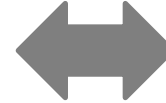


Future Expectations



Sectors Positive Changes

From 2018 to 2019



Future Expectations



White Cubes Team's Analysis



5.14 RISK ANALYSIS

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

Risk Category 17 Risk Points - Medium Risk

Sector Analysis

Risk Category- 17 Risk Points - Medium Risk

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

Risk Category 8 Risk Points – Minimal Risk

Land Analysis

Risk Category- 8 Risk Points - Minimal Risk

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

Risk Category 5 Risk Points - Minimal Risk

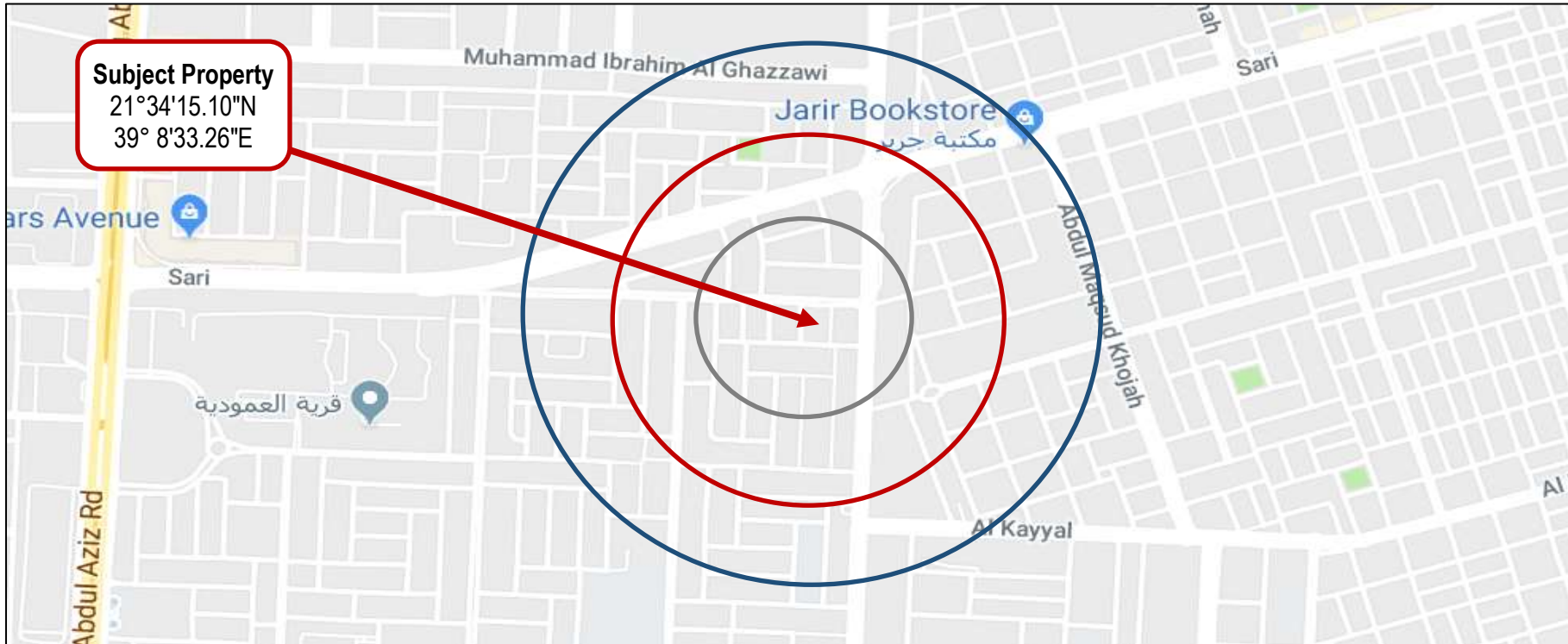
Property Analysis

Risk Category- 5 Risk Points – Minimal Risk



5.15 INPUT EVALUATION PROCESS

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



- This research boundary refers to the areas surrounding the subject property directly
- This research boundary refers to the areas adjacent to the subject property
- This research boundary refers to a wider area of research in the absence of information surrounding the subject property



5.16 DISCOUNTED CASH FLOW

| Cash Flow | | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
|--|----------------------|-------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| Increase Revision | | 0% | 0% | 5% | 0% | 0% | 5% | 0% | 0% | 5% | 0% | 0% |
| Expected Revenues | | | | | | | | | | | | |
| Retail | Sqm | 5,687 | 5,687 | 5,687 | 5,687 | 5,687 | 5,687 | 5,687 | 5,687 | 5,687 | 5,687 | 5,687 |
| Rate (SAR) | SAR | 1,100 | 1,100 | 1,155 | 1,155 | 1,155 | 1,213 | 1,213 | 1,213 | 1,273 | 1,273 | 1,273 |
| Total | SAR | 6,255,700 | 6,255,700 | 6,568,485 | 6,568,485 | 6,568,485 | 6,896,909 | 6,896,909 | 6,896,909 | 7,241,755 | 7,241,755 | 7,241,755 |
| Office | Sqm | 8,652 | 8,652 | 8,652 | 8,652 | 8,652 | 8,652 | 8,652 | 8,652 | 8,652 | 8,652 | 8,652 |
| Rate (SAR) | SAR | 800 | 800 | 840 | 840 | 840 | 882 | 882 | 882 | 926 | 926 | 926 |
| Total | SAR | 6,921,600 | 6,921,600 | 7,267,680 | 7,267,680 | 7,267,680 | 7,631,064 | 7,631,064 | 7,631,064 | 8,012,617 | 8,012,617 | 8,012,617 |
| ATM | Sqm | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 |
| Rate (SAR) | SAR | 5,000 | 5,000 | 5,250 | 5,250 | 5,250 | 5,513 | 5,513 | 5,513 | 5,788 | 5,788 | 5,788 |
| Total | SAR | 150,000 | 150,000 | 157,500 | 157,500 | 157,500 | 165,375 | 165,375 | 165,375 | 173,644 | 173,644 | 173,644 |
| Overall Revenues | | 13,327,300 | 13,327,300 | 13,993,665 | 13,993,665 | 13,993,665 | 14,693,348 | 14,693,348 | 14,693,348 | 15,428,016 | 15,428,016 | 15,428,016 |
| Vacancy Rates | | | | | | | | | | | | |
| Retail | 10.0% | 625,570 | 625,570 | 656,849 | 656,849 | 656,849 | 689,691 | 689,691 | 689,691 | 724,175 | 724,175 | 724,175 |
| Office | 25.0% | 1,730,400 | 1,730,400 | 1,816,920 | 1,816,920 | 1,816,920 | 1,907,766 | 1,907,766 | 1,907,766 | 2,003,154 | 2,003,154 | 2,003,154 |
| ATM | 0.0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | 2,355,970 | 2,355,970 | 2,473,769 | 2,473,769 | 2,473,769 | 2,597,457 | 2,597,457 | 2,597,457 | 2,727,330 | 2,727,330 | 2,727,330 |
| Expenses | | | | | | | | | | | | |
| OPEX | 15.0% | 1,999,095 | 1,999,095 | 2,099,050 | 2,099,050 | 2,099,050 | 2,204,002 | 2,204,002 | 2,204,002 | 2,314,202 | 2,314,202 | 2,314,202 |
| Others | 0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Overall Expenses | | 1,999,095 | 1,999,095 | 2,099,050 | 2,099,050 | 2,099,050 | 2,204,002 | 2,204,002 | 2,204,002 | 2,314,202 | 2,314,202 | 2,314,202 |
| NOI | | 8,972,235 | 8,972,235 | 9,420,847 | 9,420,847 | 9,420,847 | 9,891,889 | 9,891,889 | 9,891,889 | 10,386,484 | 10,386,484 | 10,386,484 |
| Terminal Value @ -----> | 7.5% | | | | | | | | | | | 138,486,447 |
| Discount Rate | 7.00% | 1.00 | 0.93 | 0.87 | 0.82 | 0.76 | 0.71 | 0.67 | 0.62 | 0.58 | 0.54 | 0.51 |
| Present Value | | 8,972,235 | 8,385,266 | 8,228,532 | 7,690,217 | 7,187,119 | 7,052,780 | 6,591,383 | 6,160,171 | 6,045,028 | 5,649,559 | 75,679,449 |
| Market Rate / Net Present Value | | | | | | | | | | | | 147,641,741 |
| | Discount Rate | | | | | | | | | | | |
| Discount Rate | 5.00% | 6.00% | 7.00% | 8.0% | 9.0% | | | | | | | |
| Market Value | 169,233,123 | 157,931,322 | 147,641,741 | 138,261,831 | 129,700,417 | | | | | | | |

5.17 SUBJECT PROPERTY VALUE

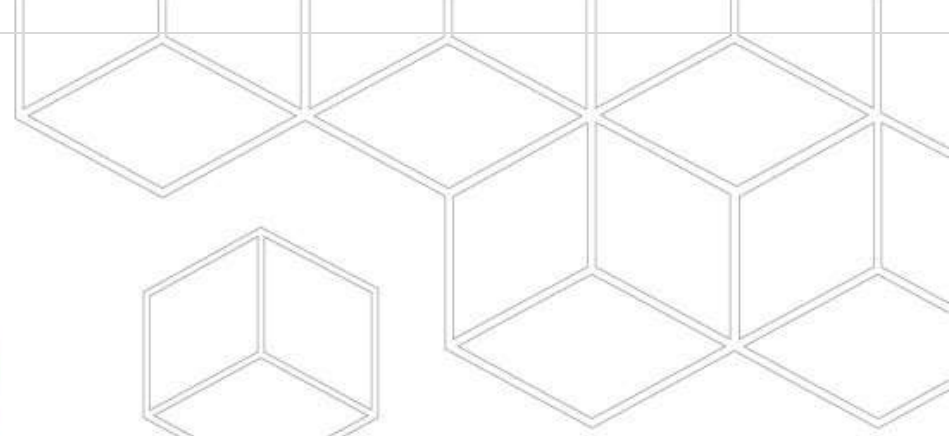
We are of an opinion that the total market value of the subject property taking into consideration the purpose of valuation by using the Discounted Cash Flow Approach is:

Property Value: 147,642,000 SAR
One Hundred Forty-Seven Million and Six Hundred Forty-Two Thousand Saudi Riyals

PROPERTY INFO

This section indicates full description of the subject property / properties that contains the legal document info, location, components, status, condition and many other elements.

PANDA JEDDAH





6.1 PROPERTY DESCRIPTION (PANDA JEDDAH)

The subject property is a commercial project located in Al Hamdaniyah District in Jeddah city, has a total land area of 13,685.85 Sqm, and a total BUA of 5,858 Sqm, composed of basement, ground floor, mezzanine, typical floors and annexes. Panda Jeddah open on 3 sides from the north, south and west where all the infrastructure facilities such as water, electricity, sewage and telecommunication are available in the surrounding and connected to the subject property.

| Land | |
|-----------------------------------|--|
| Land Use | Commercial |
| Number of Streets | 3 |
| General Land Shape | Semi-Regular |
| Direct View on the Main Road | No |
| Direct View on an internal Street | Al Hamdaniyah Street |
| Land Status | Constructed |
| Infrastructural Facilities | |
| Water | Available and Connected to the subject property |
| Electricity | Available and Connected to the subject property |
| Sewage | Available and Connected to the subject property |
| Telecommunication | Available and Connected to the subject property |
| Building | |
| Building Condition | Constructed |
| External Elevation | Good |
| Finishing | Good |
| Overall Building Condition | Good |
| Building Components | Good |





6.2 TITLE DEED & OWNERSHIP

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

| City | Jeddah |
|--------------------------|--|
| District | Al Hamdaniyah |
| T.D Type | Electronic |
| T.D Number | 220206006345 |
| T.D Date | 14/03/1434 H. D |
| T.D Value | 41,055,566 SAR |
| Date of Last Transaction | 14/03/1434 H. D |
| Issue from | Jeddah Notary |
| Land Area | 13,685.85 |
| Plot No. | أ / ب / 2 |
| Block No. | N/A |
| Layout No. | 385/ج/س |
| Owner | Saudi Economic and Development Company |
| Ownership Type | Freehold |
| Limitation of Document | None |
| Boundaries | |
| North | Unnamed Street (30m Width / 74.79m Length) |
| South | Pathway & Plots No. 1277 & 1278 (6m Width / 31.28m Length) |
| East | Parking Area & Unnamed Street (6m + 52m Width / 165.54 m Length) |
| West | Pathway (6m Width / 153.65 Length) |
| Notes | The client has provided us with copy of the Title Deed which was assumed to be correct and authentic. It is not in our scope to run legal diagnosis on any legal document. |





6.3 CONSTRUCTION & BUILDINGS

The subject property is a commercial building which was constructed 4 years ago composed of ground floor. The Client has provided us with a copy of the Construction Permit issued by Jeddah Municipality with the below details:

| Subject Property | |
|--------------------------|-----------------|
| Construction Permit Type | Building Permit |
| Property Type | Commercial |
| Construction Permit No. | 3300416699 |
| Construction Permit Date | 28/06/1433 AH |
| Permit Expiry Date | 28/06/1436 AH |

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

The construction permit shows the maximum allowed BUA approved by the city municipality. Yet, the actual constructed BUA may vary. Therefore, if the client did not provide us with copy of the approved AS Build Drawings, then our valuation will be based on the provided construction permit.

In case the client did not provide us with any copy of legal documents that shows the total BUA, then we will estimate the BUA using our team skills combined by the city's municipality rules and regulations

| Description | No. Units | Area (Sqm) | Use |
|------------------------|-----------|-----------------|-----------------------------|
| Ground Floor | ----- | 5,858.00 | Commercial, Parking & Other |
| ----- | ----- | ----- | ----- |
| ----- | ----- | ----- | ----- |
| ----- | ----- | ----- | ----- |
| ----- | ----- | ----- | ----- |
| ----- | ----- | ----- | ----- |
| Total BUA (Sqm) | | 5,858.00 | |

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



6.4 LEASING CONTRACT

The client has provided us with the leasing contract of the subject property between the First Party (Saudi Economic and Development Company) and the Second Party (Panda Company). The contract involves the Second Party renting the subject property for 15 years, from 09/01/2013 to 08/01/2028. The following shows an annual rent payment related to the leasing contract of the subject property:

| Year | Annual Payment (SAR) |
|--------------|----------------------|
| 1 | 2,483,861.69 |
| 2 | 2,709,667.69 |
| 3 | 2,709,667.69 |
| 4 | 2,709,667.69 |
| 5 | 2,709,667.69 |
| 6 | 2,845,151.07 |
| 7 - 2019 | 2,845,151.07 |
| 8 | 2,845,151.07 |
| 9 | 2,845,151.07 |
| 10 | 2,845,151.07 |
| 11 | 2,988,845.20 |
| 12 | 2,988,845.20 |
| 13 | 2,988,845.20 |
| 14 | 2,988,845.20 |
| 15 | 2,988,845.20 |
| TOTAL | 42,492,514 |





6.5 LAND SPECS

The subject property (Land Only) has the following criteria:

| Current Land Status | |
|---------------------|---------|
| Vacant | ----- |
| Constructed | ----- ✓ |
| Under Construction | ----- |
| Excavated | ----- |
| Raw Land | ----- |

| Current Land Use | |
|------------------|---------|
| Commercial | ----- ✓ |
| Industrial | ----- |
| Residential | ----- |
| Agricultural | ----- |
| Mix Use | ----- |

| Current Land Grading | |
|----------------------|---------|
| Graded | ----- ✓ |
| Semi-Graded | ----- |
| Mountain | ----- |
| Valley | ----- |
| Slope | ----- |

| Current Surrounding Property | |
|------------------------------|---------|
| Commercial | ----- ✓ |
| Industrial | ----- |
| Residential | ----- ✓ |
| Retail | ----- |
| Mix Use | ----- |

6.6 INFRASTRUTURE FACILITIES

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

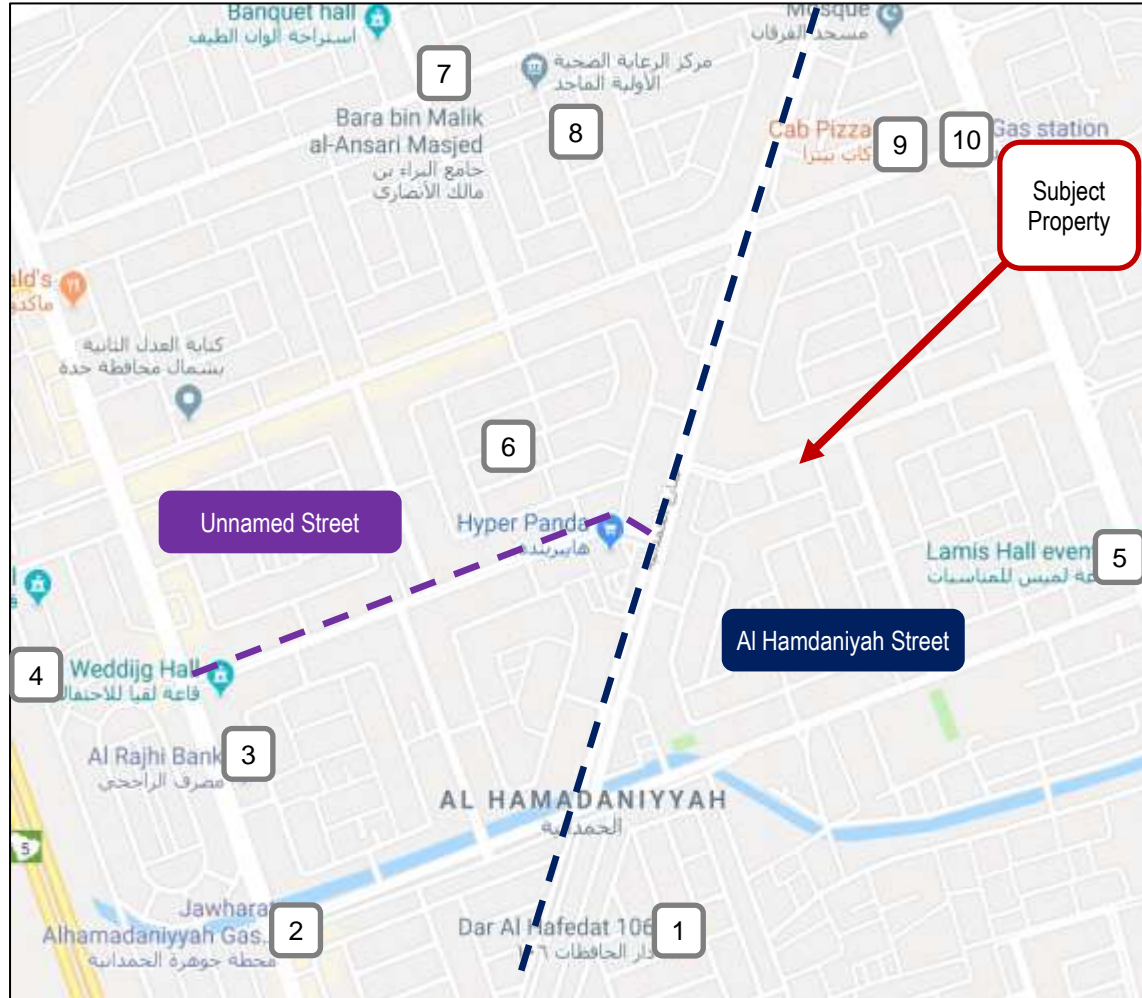
All the infrastructural facilities are available in the surroundings and connected to the subject property.





6.7 LOCATION

The subject property is located in Al Hamdaniyah district, Jeddah City and can be accessed through the following main streets as shown in the map below.



ml

ACCESS TO SUBJECT PROPERTY

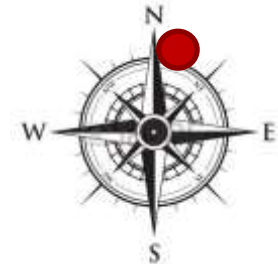
The subject property can be accessed through the following roads:

North Side: Unnamed Street
 East Side: Al Hamdaniyah Street

LAND MARKS

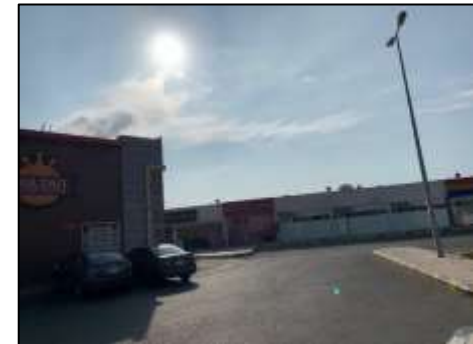
- 1- Dar Al Hafedat (0.9 Kilometres)
- 2- Jawharat Hamdaniyah Gas Station (1.15 Kilometres)
- 3- Al Rajhi Bank (0.95 Kilometres)
- 4- Luqia Wedding Hall (0.95 Kilometres)
- 5- Lamis Hall Events (1.15 Kilometres)
- 6- Perfume Store (0.3 Kilometres)
- 7- Bara Bin Malik Al-Ansari Masjid (0.95 Kilometres)
- 8- Typical First National school (0.89 Kilometres)
- 9- Cab Pizza (1.00 Kilometres)
- 10- Gas Station (1.10 Kilometres)

Location of the subject property according to the City Center





6.8 PHOTO RECORD





6.9 DOCUMENTS RECIEVED

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

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

6.10 GENERAL ASSUMPTIONS

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



6.11 SWOT ANALYSIS

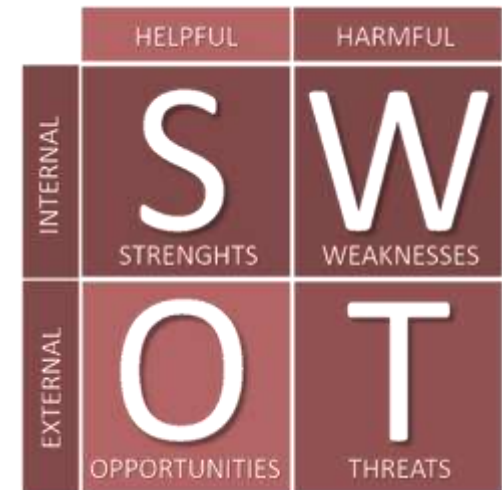
| | |
|---|--|
| Strength <ul style="list-style-type: none"> - Open on 3 sides. - Leased to one tenant. | Weakness <ul style="list-style-type: none"> - None |
| Opportunities <ul style="list-style-type: none"> - Located in high-density residential district. | Threats <ul style="list-style-type: none"> - Several similar projects in the same area. |

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

6.12 SECTOR BRIEF

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

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





Overall Sector Performance

From 2018 to 2019



Future Expectations



Overall Sector Stability

From 2018 to 2019



Future Expectations



Values of Lands Related to The Sector

From 2018 to 2019



Future Expectations



Sector rental Income

From 2018 to 2019



Future Expectations



Sector Demand

From 2018 to 2019

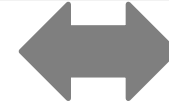


Future Expectations



Investors' Appetite

From 2018 to 2019



Future Expectations



Sector's occupancy ratios

From 2018 to 2019



Future Expectations



Sectors Positive Changes

From 2018 to 2019



Future Expectations



White Cubes Team's Analysis



6.13 RISK ANALYSIS

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

Sector Analysis

Risk Category- 17 Risk Points - Medium Risk

| Risk Factor | Very Low Risk (1) 1-5 | Minimal Risk (2) 6-10 | Medium Risk (3) 11-15 | Elevated Risk (4) 16-20 | Very High Risk (5) 21-25 |
|-----------------------------|-------------------------------------|--------------------------|--------------------------|----------------------------|-----------------------------|
| Access | | | ✓ | | |
| Location | | | ✓ | | |
| Land Shape | | | ✓ | | |
| Surrounding Area facilities | | | ✓ | | |
| Total Risk | 0 | 0 | 12 | 0 | 0 |
| Risk Category | 12 Risk Points – Medium Risk | | | | |

Land Analysis

Risk Category- 12 Risk Points - Medium Risk

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

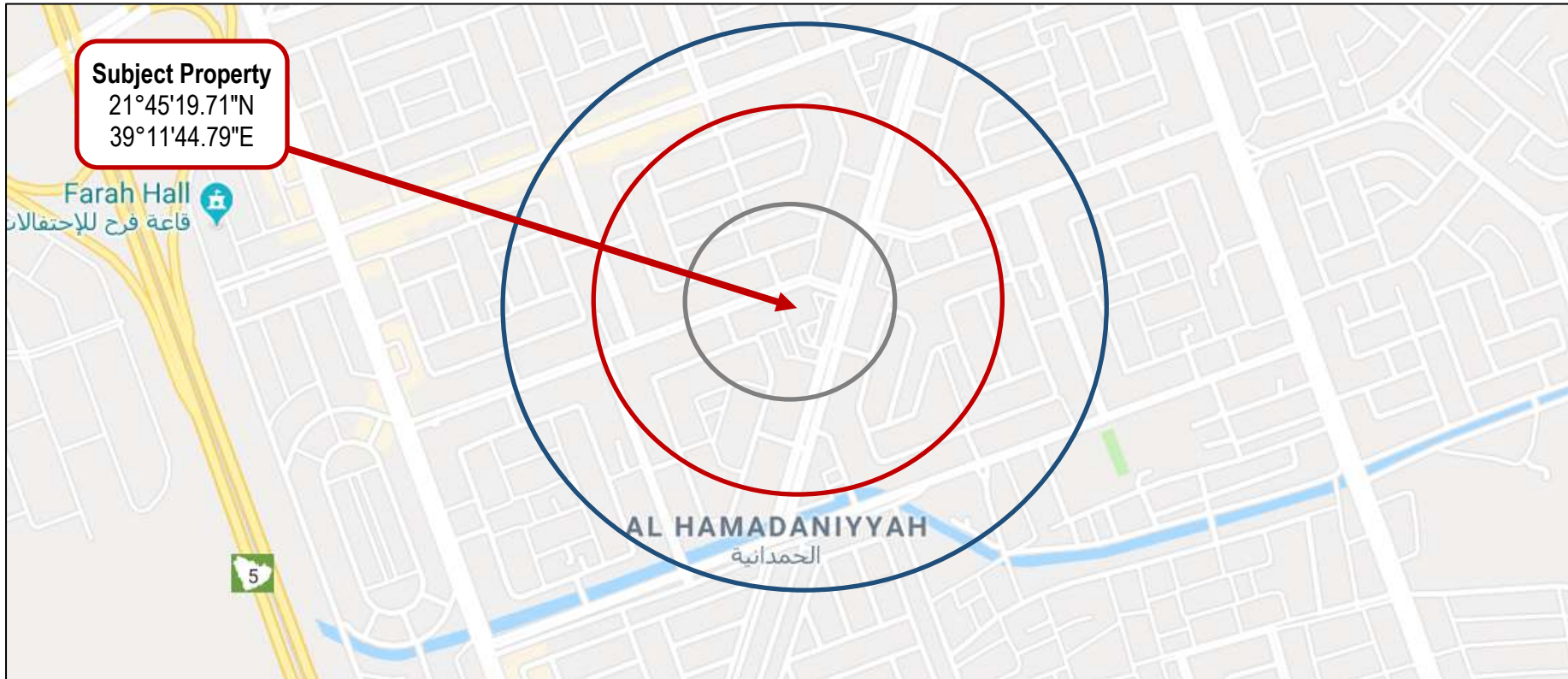
Property Analysis

Risk Category- 6 Risk Points – Minimal Risk



6.14 INPUT EVALUATION PROCESS

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



- This research boundary refers to the areas surrounding the subject property directly
- This research boundary refers to the areas adjacent to the subject property
- This research boundary refers to a wider area of research in the absence of information surrounding the subject property



6.15 INCOME APPROACH – LEASING CONTRACT

| REVENUES | | | | | |
|--------------------------------|----------------|--|---------------|--------------------------|-------------------------|
| | Quantity | | Revenues | | |
| Unit Type | Total GLA | No of Units | SAR / Sqm | SAR / Unit | Total Revenues |
| Commercial Building | | The subject property is leased to one company | | | SAR 2,845,151.07 |
| ----- | 0 | 0 | SAR 0 | SAR 0 | SAR 0 |
| ----- | 0 | 0 | SAR 0 | SAR 0 | SAR 0 |
| Total Revenues | | | | | SAR 2,845,151.07 |
| EXPENSES | | | | | |
| Unit Type | Management | Utilities | Maintenance | Others | Total Expenses |
| Commercial Building | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| ----- | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| ----- | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| NET OPERATING INCOME | | | | | |
| Unit Type | Total Revenues | Total Expenses | NOI | | |
| Commercial Building | SAR 2,845,151 | 0.00% | SAR 2,845,151 | | |
| ----- | SAR 0 | 0.00% | SAR 0 | | |
| ----- | SAR 0 | 0.00% | SAR 0 | | |
| Total | | | | | SAR 2,845,151.07 |
| Total Property Revenues | | | | | SAR 2,845,151.07 |
| Total Property Expenses | | | | | SAR 0 |
| Net Operating Income | | | | | SAR 2,845,151.07 |
| Net Operating Income | Cap Rate | Property Value | | Rounded Value | |
| SAR 2,845,151.07 | 7.00% | 40,645,015.29 SAR | | 40,600,000.00 SAR | |

The subject property is rented to one company. The used rates per unit types were based on the market average rental rates for comparable properties and in the surrounding areas of the subject property.

As for the OPEX rate, which is being paid by the tenant. The current average rent rate of the subject property is 485 SAR/Sqm which is relatively low compared to the market, but very acceptable in the case of a long lease contract.

The used Cap Rate is estimated based on the current market rates, recent similar transaction, economic risk, real estate sector risk, etc.....



6.16 DISCOUNTED CASH FLOW

| Cash Flow | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---------------------------------|-------|------------|------------|------------|------------|------------|-----------|-----------|-----------|-----------|-----------|------------|
| Increase Revision | | 0% | 0% | 0% | 0% | 5% | 0% | 0% | 0% | 0% | 5% | 0% |
| Expected Revenues | | | | | | | | | | | | |
| Total (SAR) | SAR | 2,845,151 | 2,845,151 | 2,845,151 | 2,845,151 | 2,988,845 | 2,988,845 | 2,988,845 | 2,988,845 | 2,988,845 | 3,138,287 | 3,138,287 |
| Overall Revenues | | 2,845,151 | 2,845,151 | 2,845,151 | 2,845,151 | 2,988,845 | 2,988,845 | 2,988,845 | 2,988,845 | 2,988,845 | 3,138,287 | 3,138,287 |
| Vacancy Rates | | | | | | | | | | | | |
| Vacancy Rates | 0.0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Expenses | | | | | | | | | | | | |
| Manegment | 0.0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Utilities | 0.0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Others | 0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Overall Expenses | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NOI | | 2,845,151 | 2,845,151 | 2,845,151 | 2,845,151 | 2,988,845 | 2,988,845 | 2,988,845 | 2,988,845 | 2,988,845 | 3,138,287 | 3,138,287 |
| Terminal Value @ -----> | 7.0% | | | | | | | | | | | 44,832,678 |
| Discount Rate | 8.50% | 1.00 | 0.92 | 0.85 | 0.78 | 0.72 | 0.67 | 0.61 | 0.56 | 0.52 | 0.48 | 0.44 |
| Present Value | | 2,845,151 | 2,622,259 | 2,416,829 | 2,227,492 | 2,156,674 | 1,987,718 | 1,831,998 | 1,688,477 | 1,556,200 | 1,506,000 | 21,216,858 |
| Market Rate / Net Present Value | | | | | | | | | | | | 42,055,657 |
| Discount Rate | | | | | | | | | | | | |
| Discount Rate | | 6.50% | 7.50% | 8.50% | 9.5% | 10.5% | | | | | | |
| Market Value | | 47,998,815 | 44,890,144 | 42,055,657 | 39,467,946 | 37,102,606 | | | | | | |

6.17 SUBJECT PROPERTY VALUE

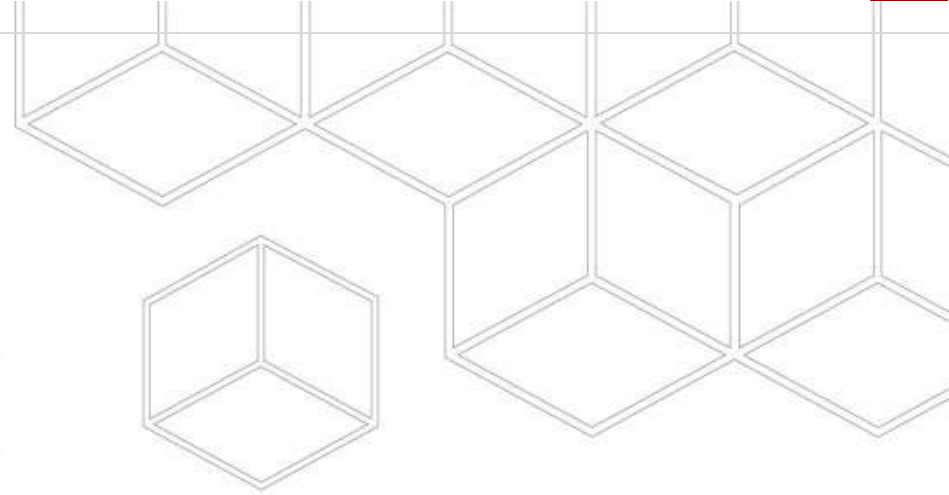
We are of an opinion that the total market value of the subject property taking into consideration the purpose of valuation by using the Income Approach is:

Property Value: **40,600,000 SAR**
 Forty Million and Six Hundred Thousand Saudi Riyals

PROPERTY INFO

This section indicates full description of the subject property / properties that contains the legal document info, location, components, status, condition and many other elements.

PANDA RAYAN





7 PROPERTY DESCRIPTION (PANDA RAYAN)

The subject property is a commercial project located in Al Rayyan District in Dammam city, has a total land area of 18,144.8 Sqm and a total BUA of 9,800 Sqm while open on 4 sides where all the infrastructure facilities such as water, electricity, sewage and telecommunication are available in the surrounding and connected to the subject property.

Land

| | |
|-----------------------------------|---------------------------------------|
| Land Use | Commercial |
| Number of Streets | 4 |
| General Land Shape | Regular |
| Direct View on the Main Road | Al Imam Ali Ibn Abi Talib Road |
| Direct View on an internal Street | Unnamed Street |
| Land Status | Constructed |

Infrastructural Facilities

| | |
|-------------------|--|
| Water | Available and Connected to the subject property |
| Electricity | Available and Connected to the subject property |
| Sewage | Available and Connected to the subject property |
| Telecommunication | Available and Connected to the subject property |

Building

| | |
|----------------------------|--------------------|
| Building Condition | Constructed |
| External Elevation | Good |
| Finishing | Good |
| Overall Building Condition | Good |
| Building Components | Good |





7.1 TITLE DEED & OWNERSHIP

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

| | |
|---------------------------------|--|
| City | Dammam |
| District | Al Rayyan |
| T.D Type | Electronic |
| T.D Number | 530105021904 |
| T.D Date | 07/02/1440 H. D |
| T.D Value | ----- |
| Date of Last Transaction | 07/02/1440 H. D |
| Issue from | Dammam Notary |
| Land Area | 18,144.8 |
| Plot No. | From 119 to 136 |
| Block No. | 7 |
| Layout No. | 832/ ش د |
| Owner | Saudi Economic and Development Company |
| Ownership Type | Freehold |
| Limitation of Document | Mortgaged to Al Rajhi Banking Investment Co. |

Boundaries

| | |
|--------------|---|
| North | Unnamed Street (18m Width / 225m Length) |
| South | Al Imam Ali Ibn Abi Talib Road (30m Width / 229.55m Length) |
| East | Unnamed Street (8m Width / 80m Length) |
| West | Unnamed Street (20m Width / 80.14m Length) |

Notes

The client has provided us with copy of the Title Deed which was assumed to be correct and authentic. It is not in our scope to run legal diagnosis on any legal document. Yet, we have noted a mortgage transaction on the subject title deed which we advise to the noted in any future decision making.





7.2 CONSTRUCTION & BUILDINGS

The subject property is a commercial building which was constructed 5 years ago composed of ground floor. The Client has provided us with a copy of the Construction Permit issued by Dammam Municipality, even though it is not clear in the Construction Permit, the client confirmed to us the following:

| Subject Property | | | |
|--------------------------|--|-----------------|--|
| Construction Permit Type | | Building Permit | The client has provided us with copy of the Title Deed which was assumed to correct and authentic. It is not in our scope to run legal diagnoses to any legal document. The construction permit shows the maximum allowed BUA approved by the city municipality. Yet, the actual constructed BUA may vary. Therefore, if the client did not provide us with copy of the approved AS Build Drawings, then our valuation will be based on the provided construction permit. In case the client did not provide us with any copy of legal documents that shows the total BUA, then we will estimate the BUA using our team skills combined by the city's municipality rules and regulations |
| Property Type | | New Building | |
| Construction Permit No. | | 1433/10286 | |
| Construction Permit Date | | 05/04/1433 AH | |
| Permit Expiry Date | | 05/04/1436 AH | |

| Description | No. Units | Area (Sqm) | Use |
|------------------------|-----------|-----------------|------------|
| Ground Floor | ----- | 9,800.00 | Commercial |
| ----- | ----- | ----- | ----- |
| ----- | ----- | ----- | ----- |
| ----- | ----- | ----- | ----- |
| ----- | ----- | ----- | ----- |
| Total BUA (Sqm) | | 9,800.00 | |

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



7.3 LEASING CONTRACT

The client has provided us with the leasing contract of the subject property between the First Party (Saudi Economic and Development Company for Real Estate Funds) and the Second Party (Panda Company). The contract involves the Second Party renting the subject property for 15 years, from 03/04/2010 to 31/12/2024. The following shows an annual rent payment related to the leasing contract of the subject property:

| Year | Annual Payment (SAR) |
|--------------|----------------------|
| 1 | 3,921,127 |
| 2 | 3,921,127 |
| 3 | 4,182,536 |
| 4 | 4,182,536 |
| 5 | 4,182,536 |
| 6 | 4,705,353 |
| 7 | 4,705,353 |
| 8 | 4,705,353 |
| 9 | 4,966,761 |
| 10 - 2019 | 4,966,761 |
| 11 | 5,228,170 |
| 12 | 5,228,170 |
| 13 | 5,228,170 |
| 14 | 5,228,170 |
| 15 | 5,228,170 |
| TOTAL | 70,580,293 |

Baitek Real Estate Co

Panda Company

15 Years



7.4 LAND SPECS

The subject property (Land Only) has the following criteria:

| Current Land Status | |
|---------------------|---------|
| Vacant | ----- |
| Constructed | ----- ✓ |
| Under Construction | ----- |
| Excavated | ----- |
| Raw Land | ----- |

| Current Land Use | |
|------------------|---------|
| Commercial | ----- ✓ |
| Industrial | ----- |
| Residential | ----- |
| Agricultural | ----- |
| Mix Use | ----- |

| Current Land Grading | |
|----------------------|---------|
| Graded | ----- ✓ |
| Semi-Graded | ----- |
| Mountain | ----- |
| Valley | ----- |
| Slope | ----- |

| Current Surrounding Property | |
|------------------------------|---------|
| Commercial | ----- ✓ |
| Industrial | ----- |
| Residential | ----- ✓ |
| Retail | ----- |
| Mix Use | ----- |

7.5 INFRASTRUTURE FACILITIES

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

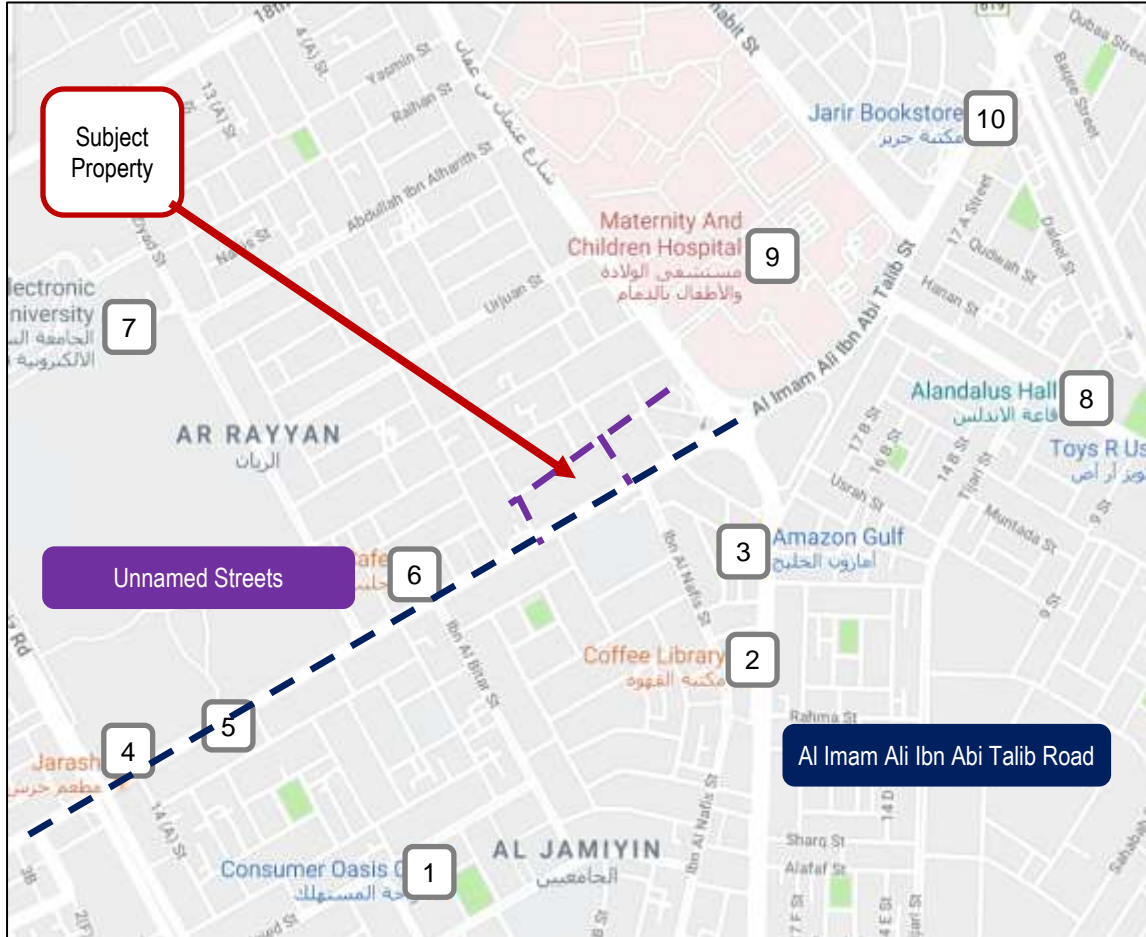
All the infrastructural facilities are available in the surroundings and connected to the subject property.





7.6 LOCATION

The subject property is located in Al Rayyan district, Dammam City and can be accessed through the following main streets as shown in the map below.



ACCESS TO SUBJECT PROPERTY

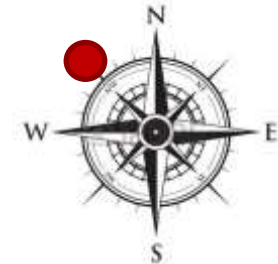
The subject property can be accessed through the following roads:

- North Side: Unnamed Street
- South Side: Al Imam Ali Ibn Abi Talib Road
- East Side: Unnamed Street
- West Side: Unnamed Street

LANDMARKS

- 1- Consumer Oasis (1.00 Kilometres)
- 2- Coffee Library (0.6 Kilometres)
- 3- Amazon Gulf (0.45 Kilometres)
- 4- Jarash Restaurant (1.25 Kilometres)
- 5- Hattan Center Photocopy (1.00 Kilometres)
- 6- Restaurant & Caffee (0.45 Kilometres)
- 7- Saudi Electronic University (1.10 Kilometres)
- 8- Al Andalus Hall (1.15 Kilometres)
- 9- Maternity and Children Hospital (0.65 Kilometres)
- 10- Jarir Bookstore (1.2 Kilometres)

Location of the subject property according to the City Center





7.7 PHOTO RECORD





7.8 DOCUMENTS RECIEVED

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

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

7.9 GENERAL ASSUMPTIONS

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






7.10 SWOT ANALYSIS

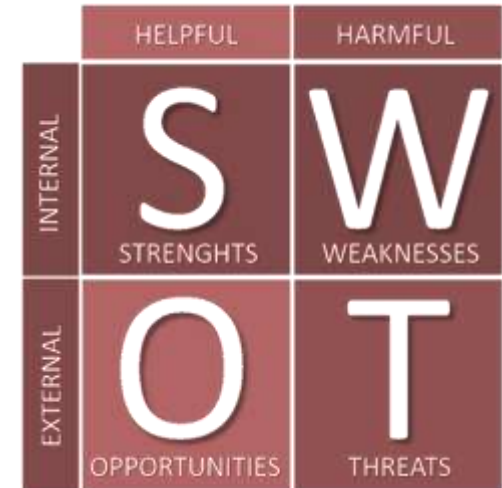
| | |
|---|--|
| <p>Strength</p> <ul style="list-style-type: none"> - Open on 4 sides. - Direct view in main road (Al Imam Ali Ibn Abi Talib Road). | <p>Weakness</p> <ul style="list-style-type: none"> - None |
| <p>Opportunities</p> <ul style="list-style-type: none"> - High demand on the property type. | <p>Threats</p> <ul style="list-style-type: none"> - Several similar projects in the same area. |

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

7.11 SECTOR BRIEF

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

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





Overall Sector Performance

From 2018 to 2019



Future Expectations



Overall Sector Stability

From 2018 to 2019



Future Expectations



Values of Lands Related to The Sector

From 2018 to 2019

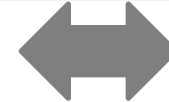


Future Expectations



Sector rental Income

From 2018 to 2019



Future Expectations



Sector Demand

From 2018 to 2019

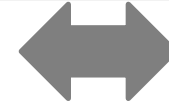


Future Expectations



Investors' Appetite

From 2018 to 2019



Future Expectations



Sector's occupancy ratios

From 2018 to 2019

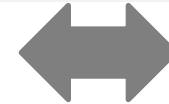


Future Expectations

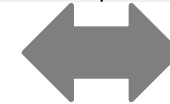


Sectors Positive Changes

From 2018 to 2019



Future Expectations



White Cubes Team's Analysis



7.12 RISK ANALYSIS

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

Sector Analysis

Risk Category- 17 Risk Points - Medium Risk

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

Land Analysis

Risk Category- 8 Risk Points - Minimal Risk

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

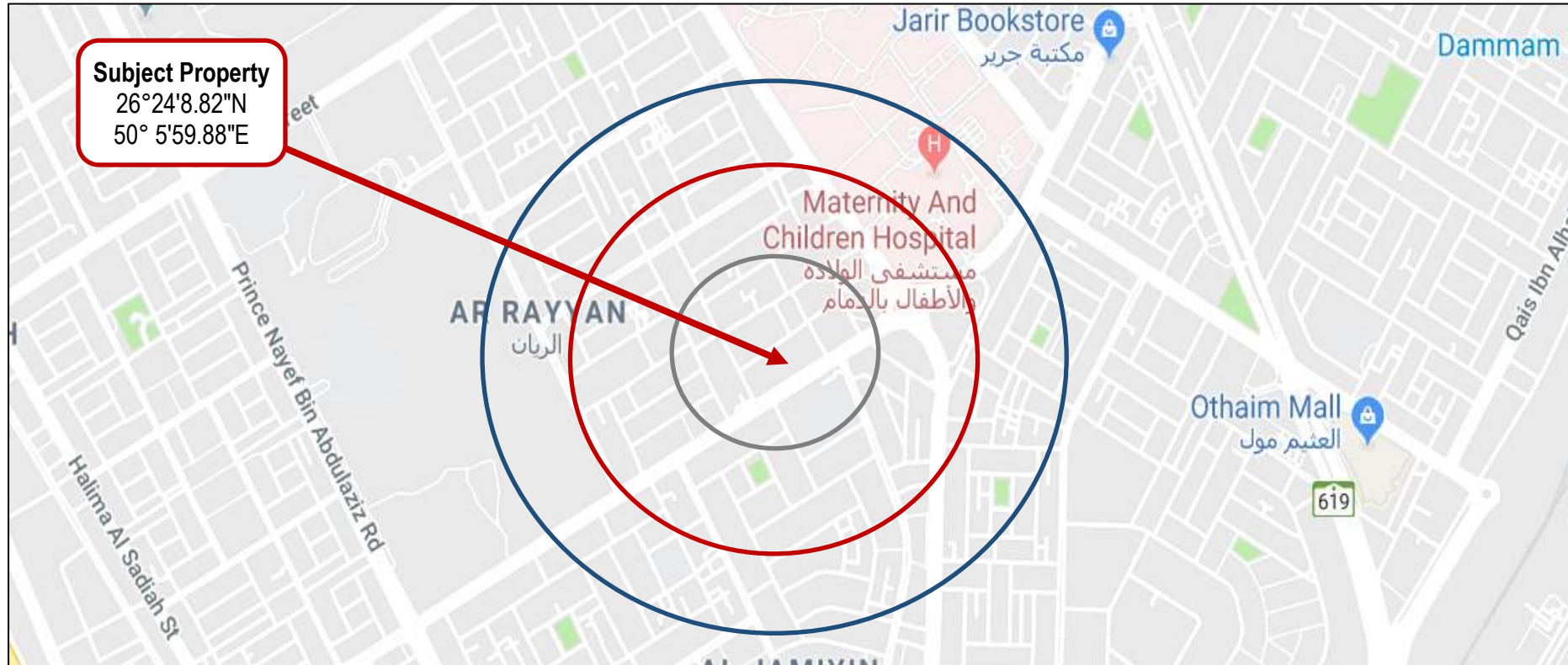
Property Analysis

Risk Category- 6 Risk Points – Minimal Risk



7.13 INPUT EVALUATION PROCESS

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



- This research boundary refers to the areas surrounding the subject property directly
- This research boundary refers to the areas adjacent to the subject property
- This research boundary refers to a wider area of research in the absence of information surrounding the subject property



7.14 INCOME APPROACH – LEASING CONTRACT

| REVENUES | | | | | |
|--------------------------------|----------------|---|---------------|--------------------------|-------------------------|
| | Quantity | | Revenues | | |
| Unit Type | Total GLA | No Of Units | SAR / Sqm | SAR / Unit | Total Revenues |
| Commercial Building | | The subject property is leased to one tenant | | | SAR 4,966,761.00 |
| ----- | 0 | 0 | SAR 0 | SAR 0 | SAR 0 |
| ----- | 0 | 0 | SAR 0 | SAR 0 | SAR 0 |
| Total Revenues | | | | | SAR 4,966,761.00 |
| EXPENSES | | | | | |
| Unit Type | Management | Utilities | Maintenance | Others | Total Expenses |
| Commercial Building | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| ----- | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| ----- | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| NET OPERATING INCOME | | | | | |
| Unit Type | Total Revenues | Total Expenses | NOI | | |
| Commercial Building | SAR 4,966,761 | 0.00% | SAR 4,966,761 | | |
| ----- | SAR 0 | 0.00% | SAR 0 | | |
| ----- | SAR 0 | 0.00% | SAR 0 | | |
| Total | | | | | SAR 4,966,761.00 |
| Total Property Revenues | | | | | SAR 4,966,761.00 |
| Total Property Expenses | | | | | SAR 0 |
| Net Operating Income | | | | | SAR 4,966,761.00 |
| Net Operating Income | Cap Rate | Property Value | | Rounded Value | |
| SAR 4,966,761.00 | 8.00% | 62,084,512.50 SAR | | 62,000,000.00 SAR | |

The subject property is rented to one company. The used rates per unit types were based on the market average rental rates for comparable properties and in the surrounding areas of the subject property.

As for the OPEX rate, which is being paid by the Owner, the expenses were calculated assuming the leasing contract agreement.

The used Cap Rate is estimated based on the current market rates, recent similar transaction, economic risk, real estate sector risk, etc.....



7.15 DISCOUNTED CASH FLOW

| Cash Flow | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---------------------------------|------------|------------|------------|------------|------------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| Increase Revision | | 0% | 5% | 0% | 0% | 0% | 0% | 5% | 0% | 0% | 5% | 0% |
| Expected Revenues | | | | | | | | | | | | |
| Total (SAR) | SAR | 4,966,761 | 5,228,170 | 5,228,170 | 5,228,170 | 5,228,170 | 5,228,170 | 5,489,579 | 5,489,579 | 5,489,579 | 5,764,057 | 5,764,057 |
| Overall Revenues | | 4,966,761 | 5,228,170 | 5,228,170 | 5,228,170 | 5,228,170 | 5,228,170 | 5,489,579 | 5,489,579 | 5,489,579 | 5,764,057 | 5,764,057 |
| Vacancy Rates | | | | | | | | | | | | |
| Vacany Rates | 0.0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Expenses | | | | | | | | | | | | |
| Manegment | 0.0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Utilities | 0.0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Others | 0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Overall Expenses | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NOI | | 4,966,761 | 5,228,170 | 5,228,170 | 5,228,170 | 5,228,170 | 5,228,170 | 5,489,579 | 5,489,579 | 5,489,579 | 5,764,057 | 5,764,057 |
| Terminal Value @ -----> | 8.0% | | | | | | | | | | | 72,050,718 |
| Discount Rate | 9.50% | 1.00 | 0.91 | 0.83 | 0.76 | 0.70 | 0.64 | 0.58 | 0.53 | 0.48 | 0.44 | 0.40 |
| Present Value | | 4,966,761 | 4,774,584 | 4,360,351 | 3,982,056 | 3,636,581 | 3,321,078 | 3,184,596 | 2,908,306 | 2,655,988 | 2,546,837 | 31,399,366 |
| Market Rate / Net Present Value | | | | | | | | | | | | 67,736,504 |
| Discount Rate | | | | | | | | | | | | |
| Discount Rate | 7.50% | 8.50% | 9.50% | 10.5% | 11.5% | | | | | | | |
| Market Value | 76,824,954 | 72,075,775 | 67,736,504 | 63,766,800 | 60,130,683 | | | | | | | |

1. The client has provided us with the total actual revenues of the subject property.
2. In the DCF method we have relied on the leasing contracts of the actual rents, and we have applied 5% increase every 3 years for the same units in case of renewal.

7.16 SUBJECT PROPERTY VALUE

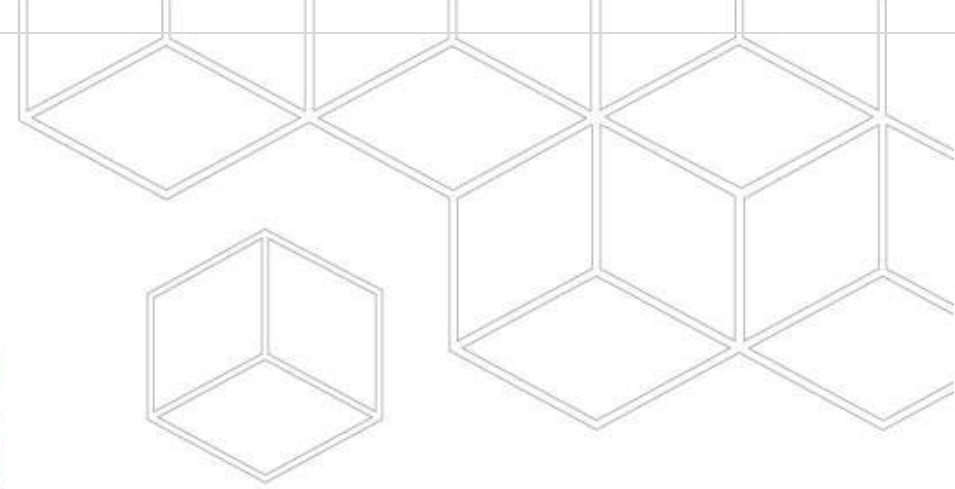
We are of an opinion that the total market value of the subject property taking into consideration the purpose of valuation by using the Income Approach is:

Property Value: 62,000,000 SAR
Only Sixty-Two Million Saudi Riyals

PROPERTY INFO

This section indicates full description of the subject property / properties that contains the legal document info, location, components, status, condition and many other elements.

PANDA RIYADH





8 PROPERTY DESCRIPTION (PANDA RIYADH)

The subject property is a commercial project located in Ishbilila District in Riyadh city, has a total land area of 23,604.00 Sqm, a total BUA of 10,784.00 Sqm, and composed of ground floor and first floor open on 4 sides with a direct view on Ashaikh Jaber Alhamed Alsabah Road where all the infrastructure facilities such as water, electricity, sewage and telecommunication are available in the surrounding and connected to the subject property.

| Land | |
|-----------------------------------|--|
| Land Use | Commercial |
| Number of Streets | 4 |
| General Land Shape | Semi - Regular |
| Direct View on the Main Road | Ashaikh Jaber Alhamed Alsabah Road |
| Direct View on an internal Street | Qalat Al Fustat Street |
| Land Status | Constructed |
| Infrastructural Facilities | |
| Water | Available and Connected to the subject property |
| Electricity | Available and Connected to the subject property |
| Sewage | Available and Connected to the subject property |
| Telecommunication | Available and Connected to the subject property |
| Building | |
| Building Condition | Constructed |
| External Elevation | Good |
| Finishing | Good |
| Overall Building Condition | Good |
| Building Components | Good |





8.1 TITLE DEED & OWNERSHIP

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

| | |
|--------------------------|--|
| City | Riyadh |
| District | Ishbilia |
| T.D Type | Electronic |
| T.D Number | 410111055251 |
| T.D Date | 18/09/1440 H. D |
| T.D Value | ----- |
| Date of Last Transaction | 18/09/1440 H. D |
| Issue from | Riyadh Notary |
| Land Area | 23,604 |
| Plot No. | 3/1/1ج/4 |
| Block No. | N/A |
| Layout No. | N/A |
| Owner | Saudi Economic and Development Company |
| Ownership Type | Freehold |
| Limitation of Document | Mortgaged to Al Rajhi Banking Investment Co. |
| Boundaries | |
| North | Qalat Al Fustat Street (36m Width / 92.04m Length) |
| South | Unnamed Street (20m Width / 125.64m Length) |
| East | Prince Sultan Road Street (30m Width / 219.43m Length) |
| West | Unnamed Street (15m Width / 216.9m Length) |
| Notes | The client has provided us with copy of the Title Deed which was assumed to be correct and authentic. It is not in our scope to run legal diagnosis on any legal document. Yet, we have noted a mortgage transaction on the subject title deed which we advise to the noted in any future decision making. |





8.2 CONSTRUCTION & BUILDINGS

The subject property is a commercial building which was constructed 6 years ago composed of ground floor. The Client has provided us with a copy of the Construction Permit issued by Riyadh Municipality; however, we have been instructed to follow the details given by the client as follows:

| Subject Property | |
|--------------------------|--------------------------|
| Construction Permit Type | Modification of Building |
| Property Type | Commercial |
| Construction Permit No. | 1432/12916 |
| Construction Permit Date | 10/07/1432 AH |
| Permit Expiry Date | 10/07/1435 AH |

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

The construction permit shows the maximum allowed BUA approved by the city municipality. Yet, the actual constructed BUA may vary. Therefore, if the client did not provide us with copy of the approved AS Build Drawings, then our valuation will be based on the provided construction permit.

In case the client did not provide us with any copy of legal documents that shows the total BUA, then we will estimate the BUA using our team skills combined by the city's municipality rules and regulations

| Description | No. Units | Area (Sqm) | Use |
|------------------------|-----------|------------------|------------|
| Ground Floor | - | 10,630.00 | Commercial |
| Mezzanine | - | 154.00 | Commercial |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| Total BUA (Sqm) | | 10,784.00 | |

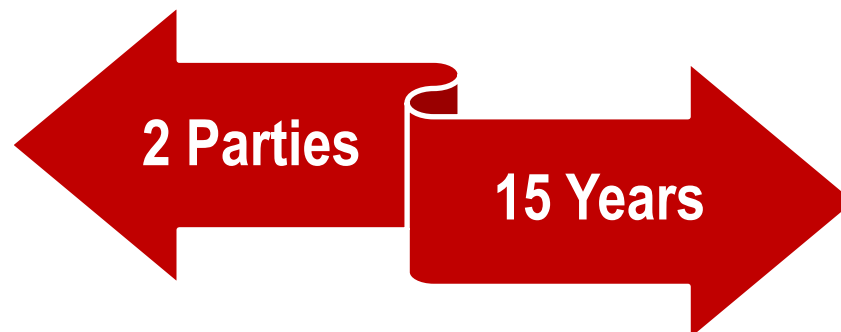
| Source of BUA | | Actual Age of the Property | | Status of the property | |
|---------------------|-------|----------------------------|-------|------------------------|-------|
| Construction Permit | ✓ | Construction Permit | ✓ | Newly Constructed | ----- |
| As Built Drawings | ----- | As Built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



8.3 LEASING CONTRACT

The client has provided us with the leasing contract of the subject property between the First Party (Saudi Economic and Development Company) and the Second Party (Panda Company). The contract involves the Second Party renting the subject property for 15 years, from 15/05/2013 to 14/05/2028. The following shows an annual rent payment related to the leasing contract of the subject property:

| Year | Annual Payment (SAR) |
|--------------|----------------------|
| 1 | 5,083,283 |
| 2 | 5,545,400 |
| 3 | 5,545,400 |
| 4 | 5,545,400 |
| 5 | 5,545,400 |
| 6 | 5,822,670 |
| 7 - 2019 | 5,822,670 |
| 8 | 5,822,670 |
| 9 | 5,822,670 |
| 10 | 5,822,670 |
| 11 | 6,116,250 |
| 12 | 6,116,250 |
| 13 | 6,116,250 |
| 14 | 6,116,250 |
| 15 | 6,116,250 |
| TOTAL | 86,959,483 |





8.4 LAND SPECS

The subject property (Land Only) has the following criteria:

| Current Land Status | |
|---------------------|---------|
| Vacant | ----- |
| Constructed | ----- ✓ |
| Under Construction | ----- |
| Excavated | ----- |
| Raw Land | ----- |

| Current Land Use | |
|------------------|---------|
| Commercial | ----- ✓ |
| Industrial | ----- |
| Residential | ----- |
| Agricultural | ----- |
| Mix Use | ----- |

| Current Land Grading | |
|----------------------|---------|
| Graded | ----- ✓ |
| Semi-Graded | ----- |
| Mountain | ----- |
| Valley | ----- |
| Slope | ----- |

| Current Surrounding Property | |
|------------------------------|---------|
| Commercial | ----- ✓ |
| Industrial | ----- |
| Residential | ----- ✓ |
| Retail | ----- |
| Mix Use | ----- |

8.5 INFRASTRUTURE FACILITIES

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

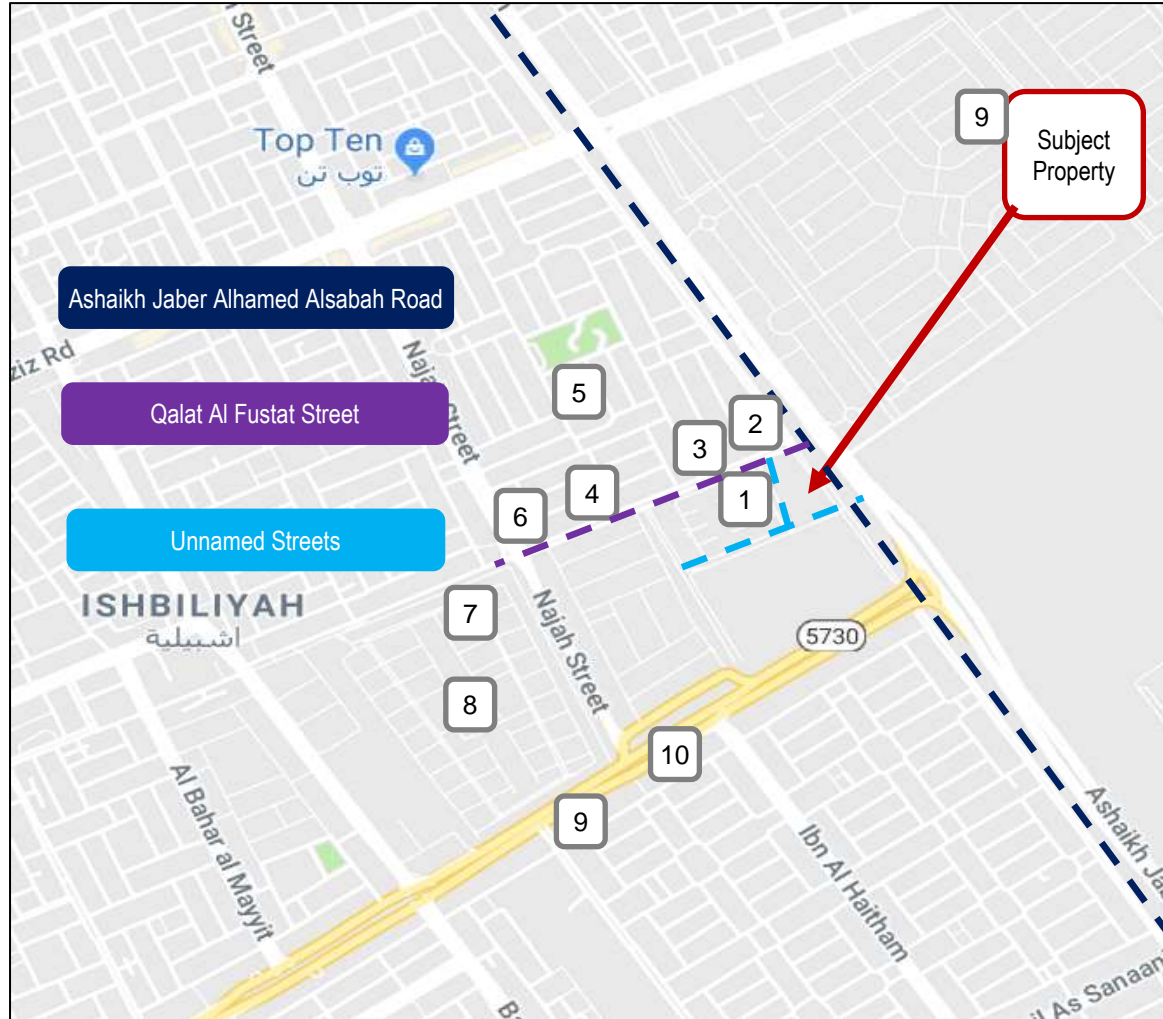
All the infrastructural facilities are available in the surroundings and connected to the subject property.





8.6 LOCATION

The subject property is located in Ishbilia district, Riyadh City and can be accessed through the following main streets as shown in the map below.



ACCESS TO SUBJECT PROPERTY

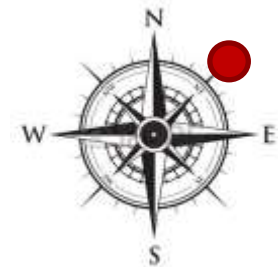
The subject property can be accessed through the following roads:

| | |
|-------------|------------------------------------|
| North Side: | Qalat Al Fustat Street |
| South Side: | Unnamed Street |
| East Side: | Ashaikh Jaber Alhamed Alsabah Road |
| West Side: | Unnamed Street |

LANDMARKS

- 1- KSB Compound (0.2 Kilometres)
- 2- Saied Al Shohadaa Mosque (0.2 Kilometres)
- 3- Reem 46sr Twoleen Plaza Hotel (0.2 Kilometres)
- 4- Rana for Fast Food (0.4Kilometres)
- 5- Civil School (0.15 Kilometres)
- 6- Falafel Pick (0.2 Kilometres)
- 7- Ishbilia Kindergarten (0.4 Kilometres)
- 8- Ishbilia Compound (0.3 Kilometres)
- 9- Jarir Bookstore (0.45 Kilometres)
- 10- Parmavy (0.4 Kilometres)

Location of the subject property according to the City Center





8.7 PHOTO RECORD





8.8 DOCUMENTS RECIEVED

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

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

8.9 GENERAL ASSUMPTIONS

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



8.10 SWOT ANALYSIS

| | |
|---|--|
| <p>Strength</p> <ul style="list-style-type: none"> - Open on 4 sides. - Direct view on the main road (Ashaikh Jaber Alhamed Alsabah Road). | <p>Weakness</p> <ul style="list-style-type: none"> - The project has semi-regular land shape. |
| <p>Opportunities</p> <ul style="list-style-type: none"> - High demand on the property type. | <p>Threats</p> <ul style="list-style-type: none"> - Several similar projects in the same area. |

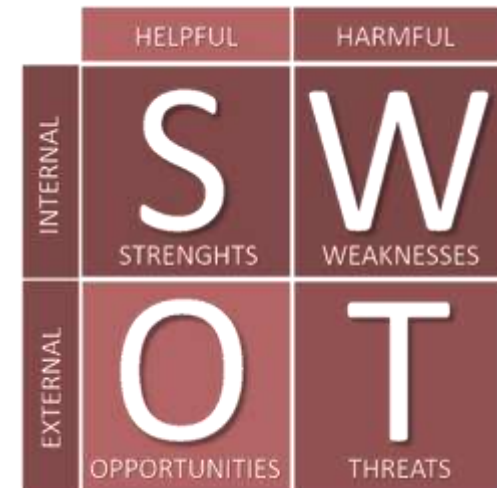
The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

8.11 SECTOR BRIEF

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



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





Overall Sector Performance

From 2018 to 2019



Future Expectations



Overall Sector Stability

From 2018 to 2019



Future Expectations

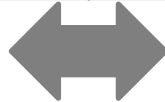


Values of Lands Related to The Sector

From 2018 to 2019

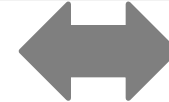


Future Expectations



Sector rental Income

From 2018 to 2019



Future Expectations



Sector Demand

From 2018 to 2019

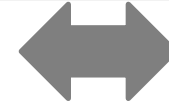


Future Expectations



Investors' Appetite

From 2018 to 2019



Future Expectations



Sector's occupancy ratios

From 2018 to 2019

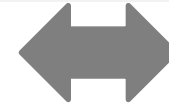


Future Expectations

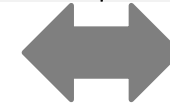


Sectors Positive Changes

From 2018 to 2019



Future Expectations



White Cubes Team's Analysis



8.12 RISK ANALYSIS

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

Risk Category 17 Risk Points - Medium Risk

Sector Analysis

Risk Category- 17 Risk Points - Medium Risk

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

Risk Category 10 Risk Points – Minimal Risk

Land Analysis

Risk Category- 10 Risk Points - Minimal Risk

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

Risk Category 6 Risk Points - Minimal Risk

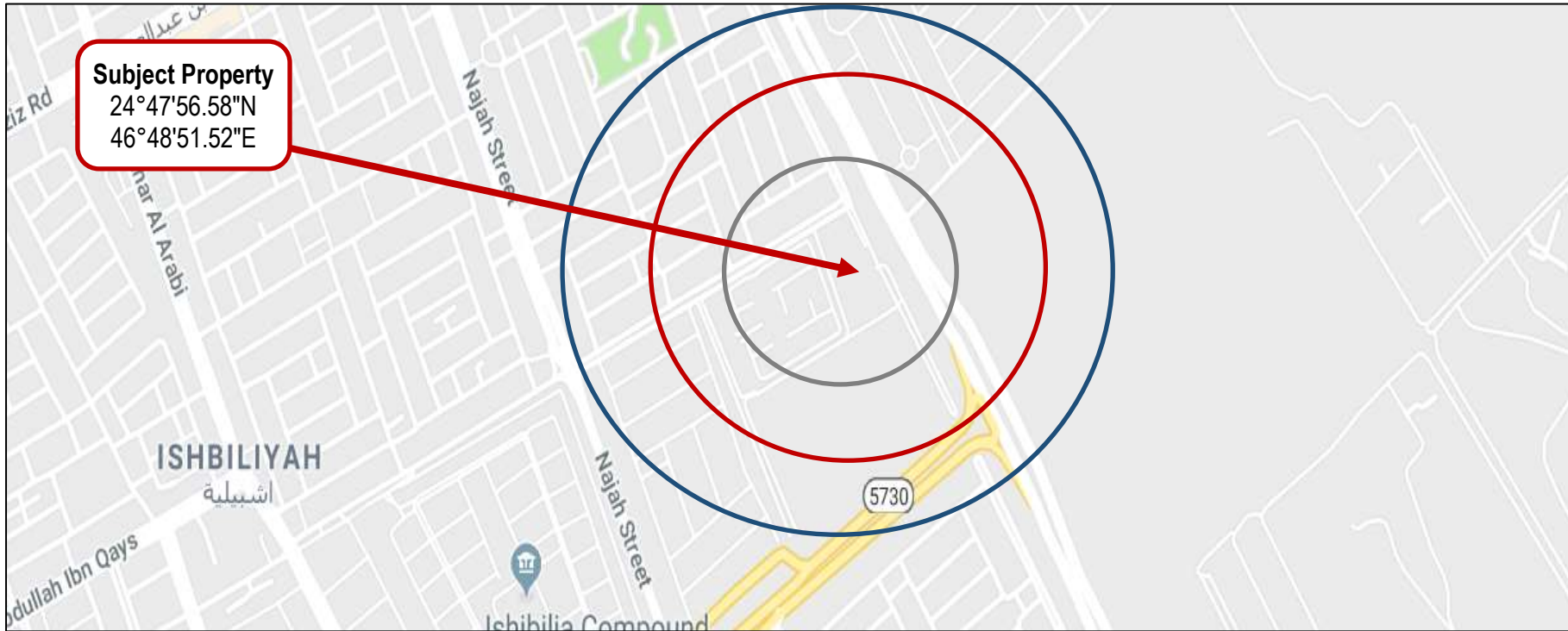
Property Analysis

Risk Category- 6 Risk Points – Minimal Risk



8.13 INPUT EVALUATION PROCESS

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



- This research boundary refers to the areas surrounding the subject property directly
- This research boundary refers to the areas adjacent to the subject property
- This research boundary refers to a wider area of research in the absence of information surrounding the subject property



8.14 INCOME APPROACH – LEASING CONTRACT

| REVENUES | | | | | |
|--------------------------------|----------------|---|---------------|--------------------------|-------------------------|
| | Quantity | | Revenues | | |
| Unit Type | Total GLA | No Of Units | SAR / Sqm | SAR / Unit | Total Revenues |
| Commercial Building | | The subject property is leased to one tenant | | | SAR 5,822,670.00 |
| ----- | 0 | 0 | SAR 0 | SAR 0 | SAR 0 |
| ----- | 0 | 0 | SAR 0 | SAR 0 | SAR 0 |
| Total Revenues | | | | | SAR 5,822,670.00 |
| EXPENSES | | | | | |
| Unit Type | Management | Utilities | Maintenance | Others | Total Expenses |
| Commercial Building | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| ----- | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| ----- | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| NET OPERATING INCOME | | | | | |
| Unit Type | Total Revenues | Total Expenses | NOI | | |
| Commercial Building | SAR 5,822,670 | 0.00% | SAR 5,822,670 | | |
| ----- | SAR 0 | 0.00% | SAR 0 | | |
| ----- | SAR 0 | 0.00% | SAR 0 | | |
| Total | | | | | SAR 5,822,670.00 |
| Total Property Revenues | | | | | SAR 5,822,670.00 |
| Total Property Expenses | | | | | SAR 0 |
| Net Operating Income | | | | | SAR 5,822,670.00 |
| Net Operating Income | Cap Rate | Property Value | | Rounded Value | |
| SAR 5,822,670.00 | 7.00% | 83,181,000.00 SAR | | 83,200,000.00 SAR | |

The subject property is rented to one company. The used rates per unit types were based on the market average rental rates for comparable properties and in the surrounding areas of the subject property.

As for the OPEX rate, which is being paid by the Owner, the expenses were calculated assuming the leasing contract agreement.

The used Cap Rate is estimated based on the current market rates, recent similar transaction, economic risk, real estate sector risk, etc.....



8.15 DISCOUNTED CASH FLOW

| Cash Flow | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---------------------------------|------------|------------|------------|------------|------------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| Increase Revision | | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 5% | 0% |
| Expected Revenues | | | | | | | | | | | | |
| Total (SAR) | SAR | 5,822,670 | 5,822,670 | 5,822,670 | 5,822,670 | 6,116,250 | 6,116,250 | 6,116,250 | 6,116,250 | 6,116,250 | 6,422,063 | 6,422,063 |
| Overall Revenues | | 5,822,670 | 5,822,670 | 5,822,670 | 5,822,670 | 6,116,250 | 6,116,250 | 6,116,250 | 6,116,250 | 6,116,250 | 6,422,063 | 6,422,063 |
| Vacancy Rates | | | | | | | | | | | | |
| Vacany Rates | 0.0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Expenses | | | | | | | | | | | | |
| Manegment | 0.0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Utilities | 0.0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Others | 0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Overall Expenses | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NOI | | 5,822,670 | 5,822,670 | 5,822,670 | 5,822,670 | 6,116,250 | 6,116,250 | 6,116,250 | 6,116,250 | 6,116,250 | 6,422,063 | 6,422,063 |
| Terminal Value @ -----> | 7.0% | | | | | | | | | | | 91,743,750 |
| Discount Rate | 8.50% | 1.00 | 0.92 | 0.85 | 0.78 | 0.72 | 0.67 | 0.61 | 0.56 | 0.52 | 0.48 | 0.44 |
| Present Value | | 5,822,670 | 5,366,516 | 4,946,098 | 4,558,615 | 4,413,329 | 4,067,584 | 3,748,925 | 3,455,231 | 3,184,545 | 3,081,817 | 43,417,307 |
| Market Rate / Net Present Value | | | | | | | | | | | | 86,062,637 |
| Discount Rate | | | | | | | | | | | | |
| Discount Rate | 6.50% | 7.50% | 8.50% | 9.5% | 10.5% | | | | | | | |
| Market Value | 98,224,516 | 91,863,038 | 86,062,637 | 80,767,231 | 75,926,877 | | | | | | | |

1. The client has provided us with the total actual revenues of the subject property.
2. In the DCF method we have relied on the leasing contracts of the actual rents, and we have applied 5% increase every 3 years for the same units in case of renewal.

8.16 SUBJECT PROPERTY VALUE

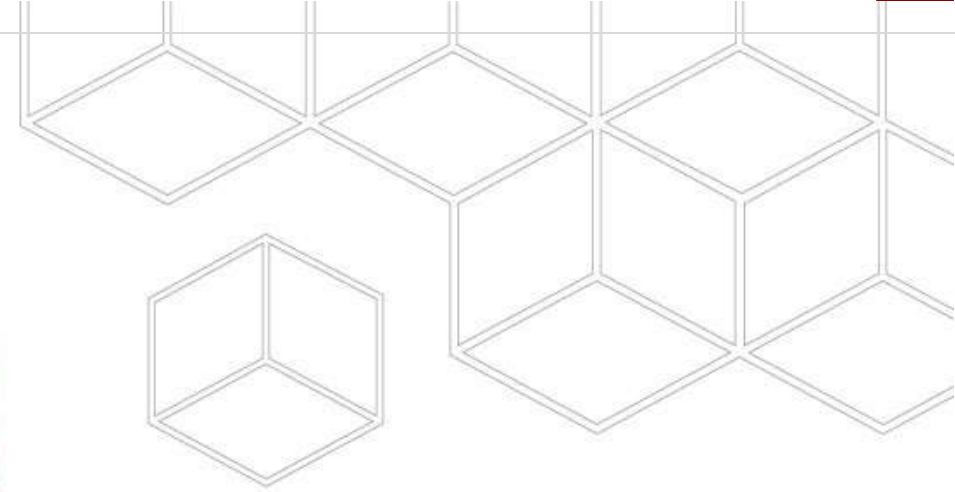
We are of an opinion that the total market value of the subject property taking into consideration the purpose of valuation by using the Income Approach is:

Property Value: 83,200,000 SAR
Only Eighty-Three Million and Two Hundred Thousand Saudi Riyals

PROPERTY INFO

This section indicates full description of the subject property / properties that contains the legal document info, location, components, status, condition and many other elements.

PUBLIC PROSECUTION





9 PROPERTY DESCRIPTION (PUBLIC PROSECUTION)

The subject property is a commercial project located in Al Rayan District in Jeddah city, has a total land area of 4,767.25 Sqm, a total BUA of 19,342.10 Sqm, composed of a basement, ground floor and 5 upper floors and open from 2 sides from the east and west with a direct view on Al Rahmaniya Road where all the infrastructure facilities such as water, electricity, sewage and telecommunication are available in the surrounding and connected to the subject property.

Land

| | |
|-----------------------------------|--------------------------|
| Land Use | Commercial |
| Number of Streets | 2 |
| General Land Shape | Regular |
| Direct View on the Main Road | Al Rahmaniya Road |
| Direct View on an internal Street | Unnamed Street |
| Land Status | Constructed |

Infrastructural Facilities

| | |
|-------------------|--|
| Water | Available and Connected to the subject property |
| Electricity | Available and Connected to the subject property |
| Sewage | Available and Connected to the subject property |
| Telecommunication | Available and Connected to the subject property |

Building

| | |
|----------------------------|--------------------|
| Building Condition | Constructed |
| External Elevation | Good |
| Finishing | Good |
| Overall Building Condition | Good |
| Building Components | Good |





9.1 TITLE DEED & OWNERSHIP

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

| | |
|--------------------------|--|
| City | Jeddah |
| District | AL Rayan |
| T.D Type | Electronic |
| T.D Number | 720223019231 |
| T.D Date | 12/11/1439 H. D |
| T.D Value | ----- |
| Date of Last Transaction | 12/11/1439 H. D |
| Issue from | Jeddah Notary |
| Land Area | 4,767.25 |
| Plot No. | 623 & 624 & 625 |
| Block No. | N/A |
| Layout No. | ج/416 |
| Owner | Saudi Economic and Development Company |
| Ownership Type | Freehold |
| Limitation of Document | Mortgaged to Al Rajhi Banking Investment |
| Boundaries | |
| North | Private Properties No. 626 & 628 (95.44m Length) |
| South | Private Properties No. 621 & 622 & Electricity Room |
| East | Unnamed Street (16m Width / 50m Length) |
| West | Al Rahmaniyah Road (25m Width / 48.5 Length) |
| Notes | The client has provided us with copy of the Title Deed which was assumed to be correct and authentic. It is not in our scope to run legal diagnosis on any legal document. Yet, we have noted a mortgage transaction on the subject title deed which we advise to the noted in any future decision making. |





9.2 CONSTRUCTION & BUILDINGS

The subject property is a commercial building which was constructed 4 years ago composed of basement, ground floor, 5 upper floors and typical floors. The Client has provided us with a copy of the Construction Permit issued by Jeddah Municipality with the below details:

| Subject Property | |
|--------------------------|-------------------------|
| Construction Permit Type | Addition & Modification |
| Property Type | Commercial |
| Construction Permit No. | 3300432619 |
| Construction Permit Date | 16/12/1434 AH |
| Permit Expiry Date | 16/12/1437 AH |

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

The construction permit shows the maximum allowed BUA approved by the city municipality. Yet, the actual constructed BUA may vary. Therefore, if the client did not provide us with copy of the approved AS Build Drawings, then our valuation will be based on the provided construction permit.

In case the client did not provide us with any copy of legal documents that shows the total BUA, then we will estimate the BUA using our team skills combined by the city's municipality rules and regulations

| Description | No. Units | Area (Sqm) | Use |
|------------------------|-----------|------------------|--------------------|
| Basement | ----- | 4,767.29 | Commercial & Other |
| Ground Floor | 10 | 2,000.65 | Commercial & Other |
| First Floor | 12 | 2,108.89 | Commercial |
| Second Floor | 12 | 2,185.35 | Commercial |
| Third Floor | 12 | 2,185.35 | Commercial |
| Fourth Floor | 12 | 2,185.35 | Commercial |
| Typical Floor | 20 | 3,909.22 | Commercial |
| Total BUA (Sqm) | 78 | 19,344.10 | |

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



9.3 OPERATIONAL CONTRACT

The subject property has an operational contract between the First Party (Saudi Economic and Development Company) and the Second Party (Masaken AlAtlaa Contracting Company). The First Party has instructed the Second Party to perform operational services on the subject property. As remuneration for the performance of the Services, in compliance with the terms and conditions of this Contract, the Second Party shall be entitled to receive the following:

| Services | Annual Cost (in Saudi Riyals) |
|----------------------------------|-------------------------------|
| Operation & Maintenance Services | 335,000 |
| TOTAL | 335,000 |

9.4 LEASING CONTRACT

The client has informed us that the leasing contract of the subject property between the First Party (Public Prosecution Department of Jeddah) and the Second Party (Saudi Economic and Development Company) is under renewal and it will be for another 3 years with the same annual payment and the same previous conditions. The following shows an annual rent payment related to the information provided to us by the client:

| Year | Annual Payment (SAR) |
|--------------|----------------------|
| 1 - 2019 | 5,500,000 |
| 2 | 5,500,000 |
| 3 | 5,500,000 |
| TOTAL | 16,500,000 |

**Public Prosecution
Department of Jeddah**

SEDCO Capital

3 Years



9.5 LAND SPECS

The subject property (Land Only) has the following criteria:

| Current Land Status | |
|---------------------|---------|
| Vacant | ----- |
| Constructed | ----- ✓ |
| Under Construction | ----- |
| Excavated | ----- |
| Raw Land | ----- |

| Current Land Use | |
|------------------|---------|
| Commercial | ----- ✓ |
| Industrial | ----- |
| Residential | ----- |
| Agricultural | ----- |
| Mix Use | ----- |

| Current Land Grading | |
|----------------------|---------|
| Graded | ----- ✓ |
| Semi-Graded | ----- |
| Mountain | ----- |
| Valley | ----- |
| Slope | ----- |

| Current Surrounding Property | |
|------------------------------|---------|
| Commercial | ----- ✓ |
| Industrial | ----- |
| Residential | ----- ✓ |
| Retail | ----- |
| Mix Use | ----- |

9.6 INFRASTRUTURE FACILITIES

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

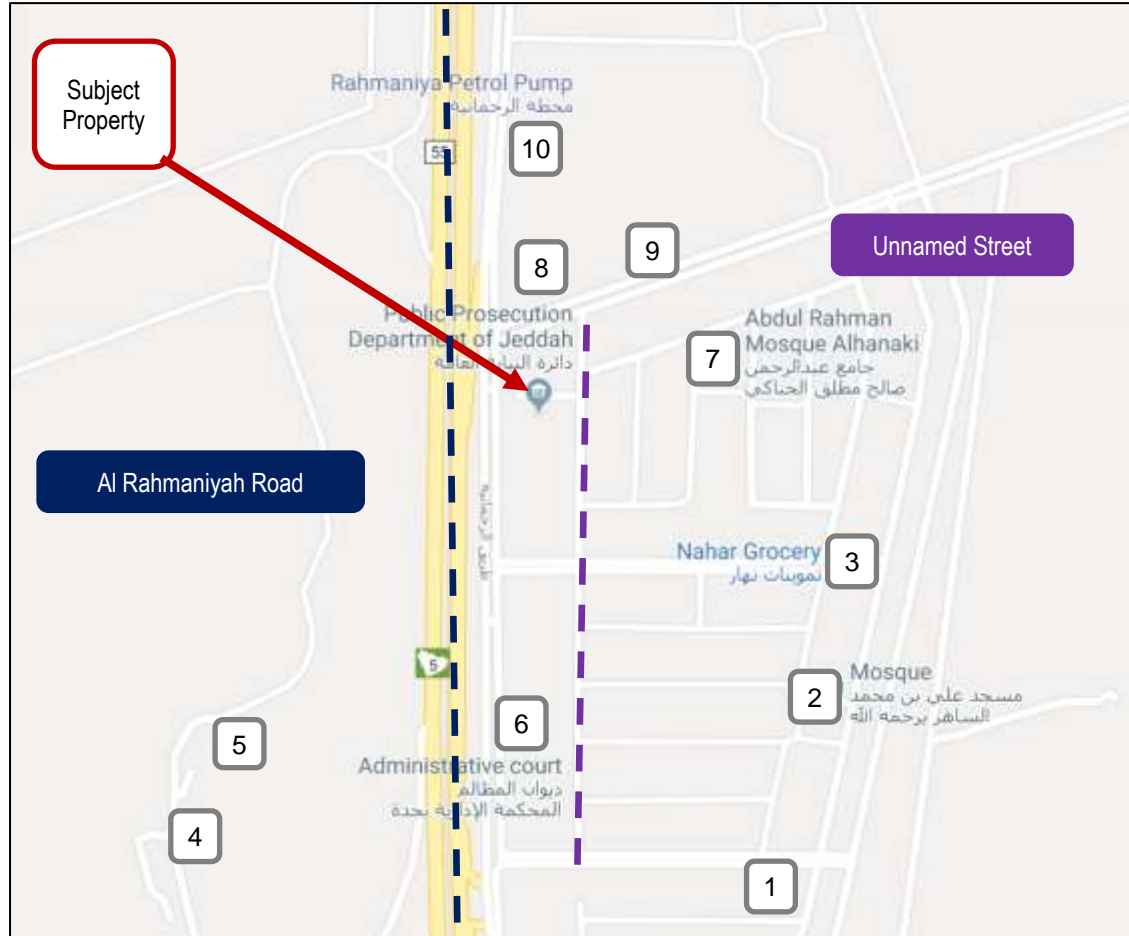
All the infrastructural facilities are available in the surroundings and connected to the subject property.





9.7 LOCATION

The subject property is located in Al Rayyan district, Jeddah City and can be accessed through the following main streets as shown in the map below.



ACCESS TO SUBJECT PROPERTY

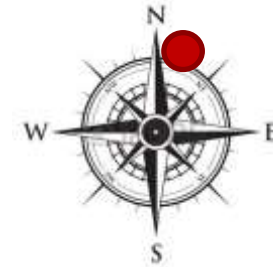
The subject property can be accessed through the following roads:

East Side: Unnamed Street
 West Side: Al Rahmaniya Road

LANDMARKS

- 1- For Ladies Cafe Shop (0.7 Kilometres)
- 2- Ali Bin Mohammad Al Sahir Mosque (0.5 Kilometres)
- 3- Nahar Grocery (0.45 Kilometres)
- 4- Kaia Muruj Office (0.8 Kilometres)
- 5- KAIA Substation (0.65 Kilometres)
- 6- Administrative Court (0.45 Kilometres)
- 7- Abdul Rahman Mosque Alhanaki (0.2 Kilometres)
- 8- Rapid access Jeddah Depot (0.2 Kilometres)
- 9- Fast Lane Car maintenance Center (0.3 Kilometres)
- 10- Rahmaniya Petrol Pump (0.35 Kilometres)

Location of the subject property according to the City Center





9.8 PHOTO RECORD





9.9 DOCUMENTS RECIEVED

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

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

9.10 GENERAL ASSUMPTIONS

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



9.11 SWOT ANALYSIS

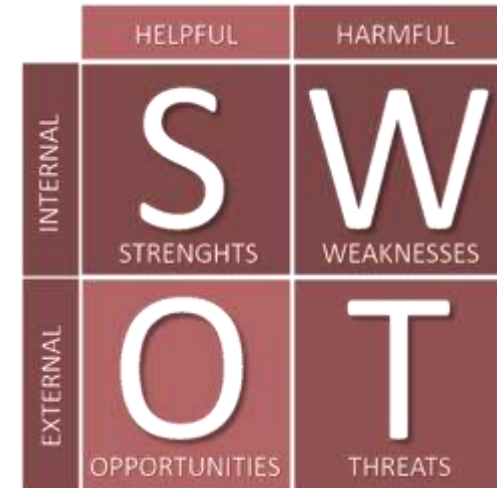
| | |
|---|--|
| <p>Strength</p> <ul style="list-style-type: none"> - Direct view in main road (Al Rahmanyah Road). - Parking is available. | <p>Weakness</p> <ul style="list-style-type: none"> - None |
| <p>Opportunities</p> <ul style="list-style-type: none"> - None. | <p>Threats</p> <ul style="list-style-type: none"> - Existing or potential similar projects |

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

9.12 SECTOR BRIEF

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

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





Overall Sector Performance

From 2018 to 2019



Future Expectations



Overall Sector Stability

From 2018 to 2019



Future Expectations



Values of Lands Related to The Sector

From 2018 to 2019

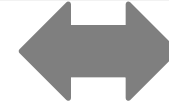


Future Expectations



Sector rental Income

From 2018 to 2019



Future Expectations



Sector Demand

From 2018 to 2019

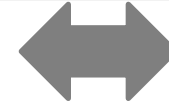


Future Expectations



Investors' Appetite

From 2018 to 2019



Future Expectations



Sector's occupancy ratios

From 2018 to 2019

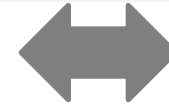


Future Expectations

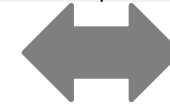


Sectors Positive Changes

From 2018 to 2019



Future Expectations



White Cubes Team's Analysis



9.13 RISK ANALYSIS

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

Sector Analysis

Risk Category- 17 Risk Points - Medium Risk

| Risk Factor | Very Low Risk (1) 1-5 | Minimal Risk (2) 6-10 | Medium Risk (3) 11-15 | Elevated Risk (4) 16-20 | Very High Risk (5) 21-25 |
|---|--------------------------|--------------------------|--------------------------|----------------------------|-----------------------------|
| Access | | | ✓ | | |
| Location | | | ✓ | | |
| Land Shape | | | ✓ | | |
| Surrounding Area facilities | | | ✓ | | |
| Total Risk | 0 | 0 | 12 | 0 | 0 |
| Risk Category 12 Risk Points – Medium Risk | | | | | |

Land Analysis

Risk Category- 12 Risk Points - Medium Risk

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

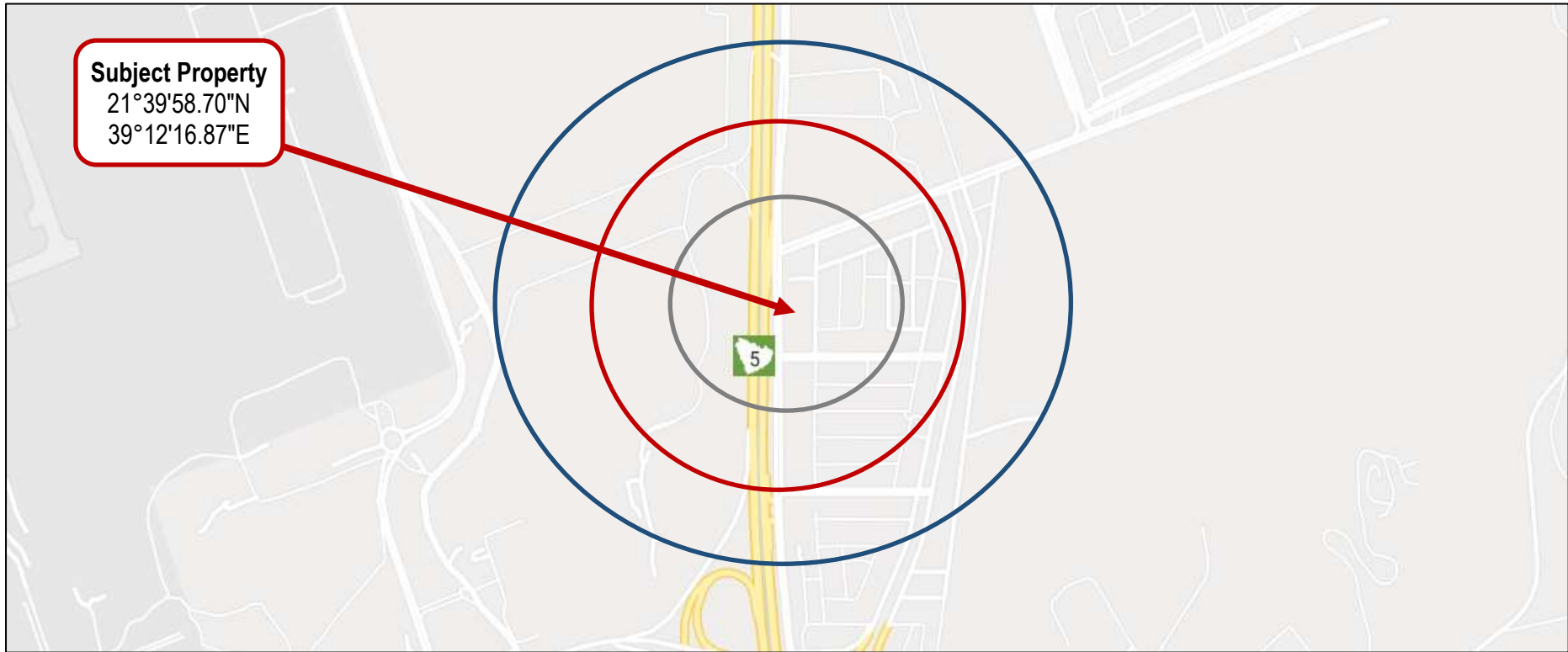
Property Analysis

Risk Category- 6 Risk Points – Minimal Risk



9.14 INPUT EVALUATION PROCESS

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



- This research boundary refers to the areas surrounding the subject property directly
- This research boundary refers to the areas adjacent to the subject property
- This research boundary refers to a wider area of research in the absence of information surrounding the subject property



9.15 INCOME APPROACH – LEASING CONTRACT

| REVENUES | | | | | | |
|--------------------------------|----------------|-------------------|--------------------------|--|------------|-------------------------|
| Unit Type | Quantity | No Of Units | SAR / Sqm | Revenues | SAR / Unit | Total Revenues |
| Commercial Building | | | | The subject property is leased to one company | | SAR 5,500,000.00 |
| ----- | 0 | 0 | SAR 0 | | SAR 0 | SAR 0 |
| ----- | 0 | 0 | SAR 0 | | SAR 0 | SAR 0 |
| Total Revenues | | | | | | SAR 5,500,000.00 |
| EXPENSES | | | | | | |
| Unit Type | Management | Utilities | Maintenance | | Others | Total Expenses |
| Commercial Building | SAR 0 | SAR 0 | SAR 335,000.00 | | SAR 0 | SAR 335,000.00 |
| ----- | SAR 0 | SAR 0 | SAR 0 | | SAR 0 | SAR 0.00 |
| ----- | SAR 0 | SAR 0 | SAR 0 | | SAR 0 | SAR 0.00 |
| Total Expenses | | | | | | SAR 335,000.00 |
| NET OPERATING INCOME | | | | | | |
| Unit Type | Total Revenues | Total Expenses | NOI | | | |
| Commercial Building | SAR 5,500,000 | SAR 335,000.00 | SAR 5,165,000 | | | |
| ----- | SAR 0 | SAR 0.0 | SAR 0 | | | |
| ----- | SAR 0 | SAR 0 | SAR 0 | | | |
| Total | | | | | | SAR 5,165,000.00 |
| Total Property Revenues | | | | | | SAR 5,500,000.00 |
| Total Property Expenses | | | | | | SAR 335,000 |
| Net Operating Income | | | | | | SAR 5,165,000.00 |
| Net Operating Income | Cap Rate | Property Value | Rounded Value | | | |
| SAR 5,165,000.00 | 7.30% | 70,753,424.66 SAR | 71,000,000.00 SAR | | | |

The subject property is rented to one company. The used rates per unit types were based on the market average rental rates for comparable properties and in the surrounding areas of the subject property.

As for the OPEX rate, which is being paid by the Owner, the expenses were calculated assuming the leasing contract agreement and the operation contract.

The used Cap Rate is estimated based on the current market rates, recent similar transaction, economic risk, real estate sector risk, etc.....



9.16 DISCOUNTED CASH FLOW

| Cash Flow | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---------------------------------|-------|------------|------------|------------|------------|------------|-----------|-----------|-----------|-----------|-----------|------------|
| Increase Revision | | 0% | 0% | 0% | 5% | 0% | 0% | 5% | 0% | 0% | 5% | 0% |
| Expected Revenues | | | | | | | | | | | | |
| Total (SAR) | SAR | 5,500,000 | 5,500,000 | 5,500,000 | 5,775,000 | 5,775,000 | 5,775,000 | 6,063,750 | 6,063,750 | 6,063,750 | 6,366,938 | 6,366,938 |
| Overall Revenues | | 5,500,000 | 5,500,000 | 5,500,000 | 5,775,000 | 5,775,000 | 5,775,000 | 6,063,750 | 6,063,750 | 6,063,750 | 6,366,938 | 6,366,938 |
| Vacancy Rates | | | | | | | | | | | | |
| Vacancy Rates | 0.0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Expenses | | | | | | | | | | | | |
| Maintenance | 6.1% | 335,000 | 335,000 | 335,000 | 351,750 | 351,750 | 351,750 | 369,338 | 369,338 | 369,338 | 387,804 | 387,804 |
| Utilities | 0.0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Others | 0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Overall Expenses | | 335,000 | 335,000 | 335,000 | 351,750 | 351,750 | 351,750 | 369,338 | 369,338 | 369,338 | 387,804 | 387,804 |
| NOI | | 5,165,000 | 5,165,000 | 5,165,000 | 5,423,250 | 5,423,250 | 5,423,250 | 5,694,413 | 5,694,413 | 5,694,413 | 5,979,133 | 5,979,133 |
| Terminal Value @ -----> | 7.3% | | | | | | | | | | | 81,905,933 |
| Discount Rate | 8.50% | 1.00 | 0.92 | 0.85 | 0.78 | 0.72 | 0.67 | 0.61 | 0.56 | 0.52 | 0.48 | 0.44 |
| Present Value | | 5,165,000 | 4,760,369 | 4,387,437 | 4,245,906 | 3,913,278 | 3,606,708 | 3,490,362 | 3,216,924 | 2,964,907 | 2,869,264 | 38,870,283 |
| Market Rate / Net Present Value | | | | | | | | | | | | 77,490,437 |
| Discount Rate | | | | | | | | | | | | |
| Discount Rate | | 6.50% | 7.50% | 8.50% | 9.5% | 10.5% | | | | | | |
| Market Value | | 88,450,762 | 82,718,023 | 77,490,437 | 72,717,551 | 68,354,434 | | | | | | |

1. The client has provided us with the total actual revenues of the subject property.
2. In the DCF method we have relied on the leasing contracts of the actual rents, and we have applied 5% increase every 3 years for the same units in case of renewal.

9.17 SUBJECT PROPERTY VALUE

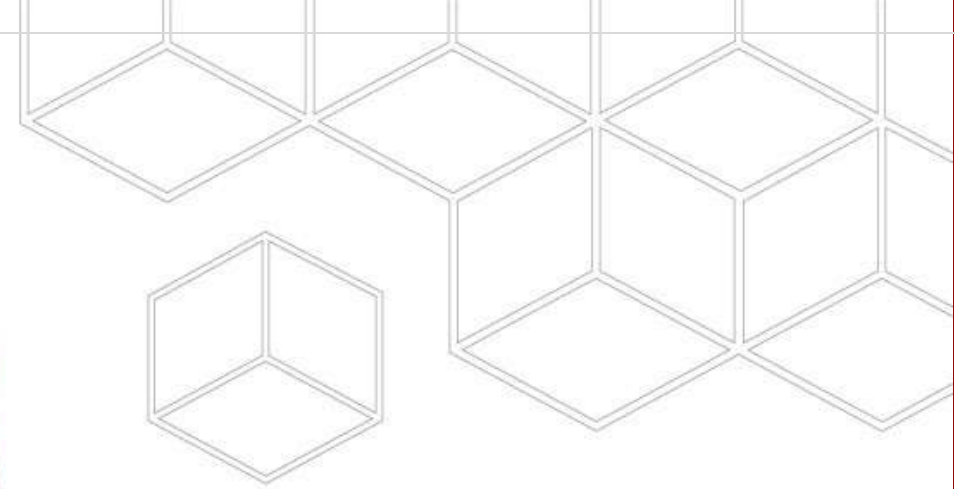
We are of an opinion that the total market value of the subject property taking into consideration the purpose of valuation by using the Income Approach is:

Property Value: 71,000,000 SAR
Only Seventy-One Million Saudi Riyals.

PROPERTY INFO

This section indicates full description of the subject property / properties that contains the legal document info, location, components, status, condition and many other elements.

RAWDAH BUSINESS CENTER



WHITE CUBES
VALUATION & ADVISORY SERVICES



10 PROPERTY DESCRIPTION (RAWDAH BUSINESS CENTER)

The subject property is a commercial project located in Rawdah District in Jeddah city, has a total land area of 2,462.50 Sqm, a total BUA of 15,950.74 Sqm, composed of 2 basements, ground floor, mezzanine, and 4 upper floors, open on 2 sides from the south and west with a direct view on Prince Saud Al Faisal Road where all the infrastructure facilities such as water, electricity, sewage and telecommunication are available in the surrounding and connected to the subject property.

Land

| | |
|-----------------------------------|-----------------------------------|
| Land Use | Commercial |
| Number of Streets | 2 |
| General Land Shape | Regular |
| Direct View on the Main Road | Prince Saud Al Faisal Road |
| Direct View on an internal Street | Ahmad Jamjoum Street |
| Land Status | Constructed |

Infrastructural Facilities

| | |
|-------------------|--|
| Water | Available and Connected to the subject property |
| Electricity | Available and Connected to the subject property |
| Sewage | Available and Connected to the subject property |
| Telecommunication | Available and Connected to the subject property |

Building

| | |
|----------------------------|--------------------|
| Building Condition | Constructed |
| External Elevation | Good |
| Finishing | Good |
| Overall Building Condition | Good |
| Building Components | Good |

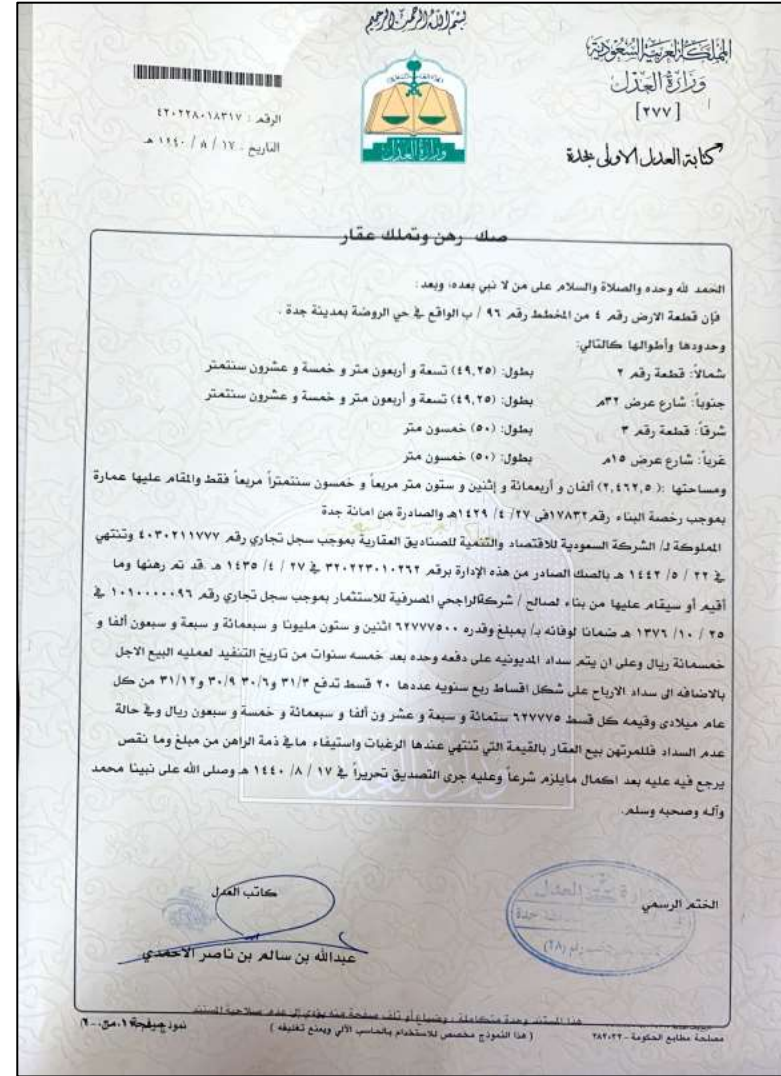




10.1 TITLE DEED & OWNERSHIP

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

| | |
|--------------------------|--|
| City | Jeddah |
| District | Rawdah |
| T.D Type | Electronic |
| T.D Number | 420228018317 |
| T.D Date | 17/08/1440 H. D |
| T.D Value | ----- |
| Date of Last Transaction | 17/08/1440 H. D |
| Issue from | Jeddah Notary |
| Land Area | 2,462.50 |
| Plot No. | 4 |
| Block No. | N/A |
| Layout No. | 96ب |
| Owner | Saudi Economic and Development Company |
| Ownership Type | Freehold |
| Limitation of Document | Mortgaged to Al Rajhi Banking Investment |
| Boundaries | |
| North | Plot No. 2 (49.25 Length) |
| South | Prince Saud Al Faisal road (32m Width / 49.25 m Length) |
| East | Plot No. 3 (50m Length) |
| West | Ahmad Jamjoum Street (15m Width / 50m Length) |
| Notes | The client has provided us with copy of the Title Deed which was assumed to be correct and authentic. It is not in our scope to run legal diagnosis on any legal document. Yet, we have noted a mortgage transaction on the subject title deed which we advise to the noted in any future decision making. |





10.2 CONSTRUCTION & BUILDINGS

The subject property is a retail center which is new constructed composed of 2 basements, ground floor, mezzanine, 4 upper floors and typical floors and 2 annexes. The Client has provided us with a copy of the Construction Permit issued by Jeddah Municipality with the below details:

| Subject Property | |
|--------------------------|-------------------------|
| Construction Permit Type | Addition & Modification |
| Property Type | Commercial |
| Construction Permit No. | 3900025974 |
| Construction Permit Date | 20/04/1439 AH |
| Permit Expiry Date | 20/04/1440 AH |

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

The construction permit shows the maximum allowed BUA approved by the city municipality. Yet, the actual constructed BUA may vary. Therefore, if the client did not provide us with copy of the approved AS Build Drawings, then our valuation will be based on the provided construction permit.

In case the client did not provide us with any copy of legal documents that shows the total BUA, then we will estimate the BUA using our team skills combined by the city's municipality rules and regulations

| Description | No. Units | Area (Sqm) | Use |
|------------------------|-----------|------------------|--------------------|
| Basement | 0 | 2,030 | Other |
| Basement | 0 | 2,030 | Other |
| Ground Floor | 2 | 1,734.74 | Commercial & Other |
| Mezzanine | 2 | 544 | Commercial & Other |
| First Floor | 4 | 1,576 | Commercial & Other |
| Third Floor | 4 | 1,576 | Commercial & Other |
| Fourth Floor | 4 | 1,576 | Commercial & Other |
| Typical Floors | 8 | 3,152 | Commercial & Other |
| Annex | 1 | 866 | Commercial & Other |
| Annex | 0 | 866 | Commercial & Other |
| Total BUA (Sqm) | 25 | 15,950.74 | |

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



10.3 OPERATIONAL CONTRACT

The subject property has an operational contract between the First Party (Saudi Economic and Development Company), the Second Party (Al Mahmal Facilities Services Company) and the Third Party (Saqifat AISafa Development & Marketing Realtors). The First Party has given the Third-Party Administrational Management of the subject property. The First Party has instructed the Second Party to perform operational services on the subject property. As remuneration for the performance of the Services, in compliance with the terms and conditions of this Contract, the Second Party shall be entitled to receive the following:

| | Services | Annual (in Saudi Riyals) |
|---|--|--------------------------|
| 1 | Operation & Maintenance Services | 120,000 |
| 2 | Janitorial & Housekeeping Services | 189,600 |
| 3 | Security & Safety Services | 210,000 |
| 4 | Operation & Maintenance Service of Elevators | 48,000 |
| 5 | Operation & Maintenance Service of Fire Safety | 12,000 |
| 6 | Service Charges | 7,200 |
| | Annual Amount | 586,800 |
| | TOTAL | 5,320,359.50 |

10.4 TENANT LIST

We were provided by the client the List of Tenants and is as follows:

| Tenant | Unit/Office Number | Use | NLA |
|-------------------------------------|--------------------|--------|-------|
| Robayat | 1 | Retail | 1,046 |
| Vacant | 2 | Retail | 651 |
| Lumar | 3 | Retail | 770 |
| Maha Al Jaffali (Ghandour) | 101 | Office | 529 |
| Maha Al Jaffali (Ghandour) | 102 | Office | 270 |
| Vacant | 103 | Office | 441 |
| Vacant | 201 | Office | 529 |
| Mediterranean Shipping Company | 202 | Office | 270 |
| Mediterranean Shipping Company | 203 | Office | 441 |
| Al Jadda International | 301 | Office | 529 |
| Collaborative Architects + Partners | 302 | Office | 270 |
| Green World | 303 | Office | 441 |
| Mediterranean Shipping Company | 401 | Office | 529 |



| Tenant | Unit/Office Number | Use | NLA |
|----------------------------|--------------------|--------|---------------|
| Vacant | 402 | Office | 270 |
| Jouf Cement Co. | 403 | Office | 441 |
| Anasia | 501 | Office | 529 |
| Bnob for Décor | 502 | Office | 270 |
| Pro Medex | 503 | Office | 441 |
| Vacant | 601 | Office | 529 |
| Ghassan Ahmad Sulaiman Co. | 602 | Office | 270 |
| Ghassan Ahmad Sulaiman Co. | 603 | Office | 441 |
| Vacant | 701 | Retail | 1,106 |
| Vacant | 702 | Retail | 781 |
| TOTAL | | | 11,794 |

10.5 LAND SPECS

The subject property (Land Only) has the following criteria:

Current Land Status

- Vacant -----
- Constructed
- Under Construction -----
- Excavated -----
- Raw Land -----

Current Land Use

- Commercial
- Industrial -----
- Residential -----
- Agricultural -----
- Mix Use -----

Current Land Grading

- Graded
- Semi-Graded -----
- Mountain -----
- Valley -----
- Slope -----

Current Surrounding Property

- Commercial
- Industrial -----
- Residential
- Retail -----
- Mix Use -----

10.6 INFRASTRUTURE FACILITIES

| | Available in the surrounding | Connected to the property |
|--------------------|-------------------------------------|-------------------------------------|
| Water | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Electricity | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Tele-Communication | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Sewage | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

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



10.7 LOCATION

The subject property is located in Rawdah district, Jeddah City and can be accessed through the following main streets as shown in the map below.



ACCESS TO SUBJECT PROPERTY

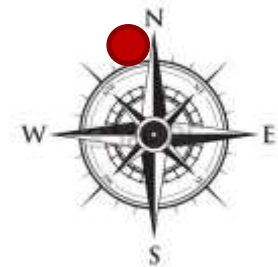
The subject property can be accessed through the following roads:

South Side: Prince Saud Al Faisal Street
 West Side: Unnamed Street

LANDMARKS

- 1- Noura international Pharmacy (0.2 Kilometres)
- 2- Berlitz Language Center Men (0.1 Kilometres)
- 3- Gulf Chinese Restaurant (0.2 Kilometres)
- 4- Ahmad Jamjoum Mosque (0.1 Kilometres)
- 5- Radisson Blu Royal Suite Hotel (0.75 Kilometres)
- 6- Rawdah Soccer Field (0.65 Kilometres)
- 7- Sunset Hotel (0.5 Kilometres)
- 8- Al Yusr Leasing & Finance (0.5 Kilometres)
- 9- Saadeddin Pastry (0.7 Kilometres)
- 10- Consulate of Egypt in Jeddah (0.65 Kilometres)

Location of the subject property according to the City Center





10.8 PHOTO RECORD





10.9 DOCUMENTS RECIEVED

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

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

10.10 GENERAL ASSUMPTIONS

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



10.11 SWOT ANALYSIS

| | |
|--|---|
| Strength <ul style="list-style-type: none"> - Direct view on the main road (Prince Saud Al Faisal Road). - The land has regular land shape. | Weakness <ul style="list-style-type: none"> - None. |
| Opportunities <ul style="list-style-type: none"> - High demand on the property type. - Newly constructed. | Threats <ul style="list-style-type: none"> - Potential similar projects in the same area. |

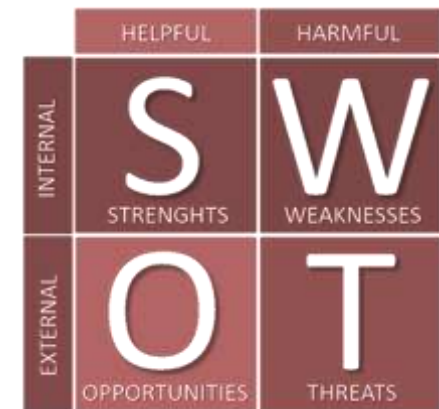
The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

10.12 SECTOR BRIEF

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



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





Overall Sector Performance

From 2018 to 2019



Future Expectations



Overall Sector Stability

From 2018 to 2019



Future Expectations



Values of Lands Related to The Sector

From 2018 to 2019



Future Expectations



Sector rental Income

From 2018 to 2019



Future Expectations



Sector Demand

From 2018 to 2019

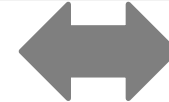


Future Expectations



Investors' Appetite

From 2018 to 2019



Future Expectations



Sector's occupancy ratios

From 2018 to 2019

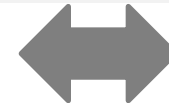


Future Expectations

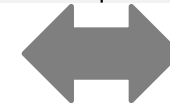


Sectors Positive Changes

From 2018 to 2019



Future Expectations



White Cubes Team's Analysis



10.13 RISK ANALYSIS

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

Sector Analysis

Risk Category- 16 Risk Points - Medium Risk

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

Land Analysis

Risk Category- 8 Risk Points - Minimal Risk

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

Property Analysis

Risk Category- 5 Risk Points – Minimal Risk



10.14 INPUT EVALUATION PROCESS

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



- This research boundary refers to the areas surrounding the subject property directly
- This research boundary refers to the areas adjacent to the subject property
- This research boundary refers to a wider area of research in the absence of information surrounding the subject property



10.15 DISCOUNTED CASH FLOW

| Cash Flow | | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
|--|----------------------|--------------|--------------|-------------|--------------|------------|------------|------------|------------|------------|------------|--------------------|
| | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| Increase Revision | | 0% | 0% | 5% | 0% | 0% | 5% | 0% | 0% | 5% | 0% | 0% |
| Expected Revenues | | | | | | | | | | | | |
| Retail | Sqm | 4,354 | 4,354 | 4,354 | 4,354 | 4,354 | 4,354 | 4,354 | 4,354 | 4,354 | 4,354 | 4,354 |
| Rate (SAR) | SAR | 1,250 | 1,250 | 1,313 | 1,313 | 1,313 | 1,378 | 1,378 | 1,378 | 1,447 | 1,447 | 1,447 |
| Total | SAR | 5,442,500 | 5,442,500 | 5,714,625 | 5,714,625 | 5,714,625 | 6,000,356 | 6,000,356 | 6,000,356 | 6,300,374 | 6,300,374 | 6,300,374 |
| Office | Sqm | 7,440 | 7,440 | 7,440 | 7,440 | 7,440 | 7,440 | 7,440 | 7,440 | 7,440 | 7,440 | 7,440 |
| Rate (SAR) | SAR | 800 | 800 | 840 | 840 | 840 | 882 | 882 | 882 | 926 | 926 | 926 |
| Total | SAR | 5,952,000 | 5,952,000 | 6,249,600 | 6,249,600 | 6,249,600 | 6,562,080 | 6,562,080 | 6,562,080 | 6,890,184 | 6,890,184 | 6,890,184 |
| Overall Revenues | | 11,394,500 | 11,394,500 | 11,964,225 | 11,964,225 | 11,964,225 | 12,562,436 | 12,562,436 | 12,562,436 | 13,190,558 | 13,190,558 | 13,190,558 |
| Vacancy Rates | | | | | | | | | | | | |
| Retail | 10.0% | 544,250 | 544,250 | 571,463 | 571,463 | 571,463 | 600,036 | 600,036 | 600,036 | 630,037 | 630,037 | 630,037 |
| Office | 25.0% | 1,488,000 | 1,488,000 | 1,562,400 | 1,562,400 | 1,562,400 | 1,640,520 | 1,640,520 | 1,640,520 | 1,722,546 | 1,722,546 | 1,722,546 |
| Total | | 2,032,250 | 2,032,250 | 2,133,863 | 2,133,863 | 2,133,863 | 2,240,556 | 2,240,556 | 2,240,556 | 2,352,583 | 2,352,583 | 2,352,583 |
| Expenses | | | | | | | | | | | | |
| OPEX | 15.0% | 1,709,175 | 1,709,175 | 1,794,634 | 1,794,634 | 1,794,634 | 1,884,365 | 1,884,365 | 1,884,365 | 1,978,584 | 1,978,584 | 1,978,584 |
| Others | 0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Overall Expenses | | 1,709,175 | 1,709,175 | 1,794,634 | 1,794,634 | 1,794,634 | 1,884,365 | 1,884,365 | 1,884,365 | 1,978,584 | 1,978,584 | 1,978,584 |
| NOI | | 7,653,075 | 7,653,075 | 8,035,729 | 8,035,729 | 8,035,729 | 8,437,515 | 8,437,515 | 8,437,515 | 8,859,391 | 8,859,391 | 8,859,391 |
| Terminal Value @ -----> | 7.0% | | | | | | | | | | | 126,562,728 |
| Discount Rate | 8.00% | 1.00 | 0.93 | 0.86 | 0.79 | 0.74 | 0.68 | 0.63 | 0.58 | 0.54 | 0.50 | 0.46 |
| Present Value | | 7,653,075 | 7,086,181 | 6,889,342 | 6,379,021 | 5,906,501 | 5,742,431 | 5,317,066 | 4,923,209 | 4,786,453 | 4,431,901 | 62,726,644 |
| Market Rate / Net Present Value | | | | | | | | | | | | 121,841,823 |
| | Discount Rate | | | | | | | | | | | |
| Discount Rate | 6.00% | 7.00% | 8.00% | 9.0% | 10.0% | | | | | | | |
| Market Value | 139,422,632 | 130,223,636 | 121,841,823 | 114,195,063 | 107,210,264 | | | | | | | |

The used Cap Rate is estimated based on the current market rates, recent similar transaction, economic risk, real estate sector risk, etc.....



10.16 INCOME APPROACH – MARKET RATES

| REVENUES | | | | | | |
|--------------------------------|-----------------|-----------------------|---------------------------|----------|------------|-----------------------|
| Unit Type | Quantity | No of Units | SAR / Sqm | Revenues | SAR / Unit | Total Revenues |
| Offices | 7,440 | 0 | 800 | | SAR 0 | SAR 5,952,000 |
| Retail | 4,354 | 0 | SAR 1,250 | | SAR 0 | SAR 5,442,500 |
| ----- | 0 | 0 | SAR 0 | | SAR 0 | SAR 0 |
| Total Revenues | | | | | | SAR 11,394,500 |
| EXPENSES | | | | | | |
| Unit Type | Management | Utilities | Maintenance | | Vacany | Total Expenses |
| Offices | 3.00% | 3.00% | 3.00% | | 5.00% | 14.00% |
| Retail | 3.00% | 3.00% | 3.00% | | 5.00% | 14.00% |
| ----- | 0.00% | 0.00% | 0.00% | | 0.00% | 0.00% |
| NET OPERATING INCOME | | | | | | |
| Unit Type | Total Revenues | Total Expenses | NOI | | | |
| Offices | SAR 5,952,000 | 14.00% | SAR 5,118,720 | | | |
| Retail | SAR 5,442,500 | 14.00% | SAR 4,680,550 | | | |
| ----- | SAR 0 | 0.00% | SAR 0 | | | |
| Total | | | SAR 9,799,270 | | | |
| Total Property Revenues | | | SAR 11,394,500 | | | |
| Total Property Expenses | | | -SAR 1,595,230 | | | |
| Net Operating Income | | | SAR 9,799,270.00 | | | |
| Net Operating Income | Cap Rate | Property Value | Rounded Value | | | |
| SAR 9,799,270.00 | 7.00% | 139,989,571.43 SAR | 139,990,000.00 SAR | | | |

10.17 SUBJECT PROPERTY VALUE

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

Property Value: 121,842,000 SAR
One Hundred Twenty-One Million and Eight Hundred Forty-Two Thousand Saudi Riyals.

PROPERTY INFO

This section indicates full description of the subject property / properties that contains the legal document info, location, components, status, condition and many other elements.

SAUDI FARANSI BANK





11 PROPERTY DESCRIPTION (SAUDI FARANSI BANK)

The subject property is a commercial project located in Al Rayan District in Dammam city. The Property has a total land area of 5,191.44 Sqm, a total BUA of 879 Sqm, and composed of ground floor, first floor, and others, open on 2 sides from the north and south with a direct view on Al Imam Ali Ibn Abi Talib Road where all the infrastructure facilities such as water, electricity, sewage and telecommunication are available in the surrounding and connected to the subject property.

| Land | |
|-----------------------------------|--|
| Land Use | Commercial |
| Number of Streets | 2 |
| General Land Shape | Irregular |
| Direct View on the Main Road | Al Imam Ali Ibn Abi Talib Road |
| Direct View on an internal Street | Unnamed Street |
| Land Status | Constructed |
| Infrastructural Facilities | |
| Water | Available and Connected to the subject property |
| Electricity | Available and Connected to the subject property |
| Sewage | Available and Connected to the subject property |
| Telecommunication | Available and Connected to the subject property |
| Building | |
| Building Condition | Constructed |
| External Elevation | Good |
| Finishing | Good |
| Overall Building Condition | Good |
| Building Components | Good |





11.1 TITLE DEED & OWNERSHIP

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

| | |
|---------------------------------|--|
| City | Dammam |
| District | Al Rayan |
| T.D Type | Electronic |
| T.D Number | 330114008967 |
| T.D Date | 09/06/1440 H. D |
| T.D Value | ----- |
| Date of Last Transaction | 09/06/1440 H. D |
| Issue from | Dammam Notary |
| Land Area | 5,191.44 |
| Plot No. | 108 / 109 / 110 |
| Block No. | 6 |
| Layout No. | 832/ش.د. |
| Owner | Saudi Economic and Development Company |
| Ownership Type | Freehold |
| Limitation of Document | Mortgaged to Al Rajhi banking Investment |
| Boundaries | |
| North | Unnamed Street (18m Width / 28.14m Length) |
| South | Al Imam Ali Ibn Abi Talib Road (30m Width / 96.26m Length) |
| East | Plot No. 105 & 107 (87.63m Length) |
| West | Plot No. 111 & 112 (80m Length) |
| Notes | The client has provided us with copy of the Title Deed which was assumed to be correct and authentic. It is not in our scope to run legal diagnosis on any legal document. Yet, we have noted a mortgage transaction on the subject title deed which we advise to the noted in any future decision making. |





11.2 CONSTRUCTION & BUILDINGS

The subject property is a commercial building which was constructed 12 years ago composed of ground floor, 1 upper floor and fences. The Client has provided us with a copy of the Construction Permit issued by Dammam Municipality with the below details:

| Subject Property | |
|--------------------------|-----------------|
| Construction Permit Type | Building Permit |
| Property Type | New Building |
| Construction Permit No. | 1426/10313 |
| Construction Permit Date | 24/06/1426 AH |
| Permit Expiry Date | 24/06/1429 AH |

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

The construction permit shows the maximum allowed BUA approved by the city municipality. Yet, the actual constructed BUA may vary. Therefore, if the client did not provide us with copy of the approved AS Build Drawings, then our valuation will be based on the provided construction permit.

In case the client did not provide us with any copy of legal documents that shows the total BUA, then we will estimate the BUA using our team skills combined by the city's municipality rules and regulations

| Description | No. Units | Area (Sqm) | Use |
|------------------------|-----------|---------------|---------|
| Ground Floor | 1 | 426 | Bank |
| First Floor | ----- | 453 | Offices |
| ----- | ----- | ----- | ----- |
| ----- | ----- | ----- | ----- |
| ----- | ----- | ----- | ----- |
| ----- | ----- | ----- | ----- |
| Total BUA (Sqm) | 1 | 879.00 | |

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



11.3 LEASING CONTRACT

client has provided us with the leasing contract of the subject property between the First Party (Saudi Economic and Development Company) and the Second Party (Banque Saudi Fransi). The contract involves the Second Party renting the subject property for 10 years, from 01/11/2015. The following shows an annual rent payment related to the concession right of the subject property:

| Year | Annual Payment (SAR) |
|--------------|----------------------|
| 1 | 1,500,000 |
| 2 | 1,500,000 |
| 3 | 1,500,000 |
| 4 | 1,500,000 |
| 5 - 2019 | 1,500,000 |
| 6 | 2,000,000 |
| 7 | 2,000,000 |
| 8 | 2,000,000 |
| 9 | 2,000,000 |
| 10 | 2,000,000 |
| TOTAL | 17,500,000 |

11.4 LAND SPECS

The subject property (Land Only) has the following criteria:

| | | | |
|---|--|--|--|
| <p>Current Land Status</p> <p>Vacant -----</p> <p>Constructed <input checked="" type="checkbox"/></p> <p>Under Construction -----</p> <p>Excavated -----</p> <p>Raw Land -----</p> | <p>Current Land Use</p> <p>Commercial <input checked="" type="checkbox"/></p> <p>Industrial -----</p> <p>Residential -----</p> <p>Agricultural -----</p> <p>Mix Use -----</p> | <p>Current Land Grading</p> <p>Graded <input checked="" type="checkbox"/></p> <p>Semi-Graded -----</p> <p>Mountain -----</p> <p>Valley -----</p> <p>Slope -----</p> | <p>Current Surrounding Property</p> <p>Commercial <input checked="" type="checkbox"/></p> <p>Industrial -----</p> <p>Residential <input checked="" type="checkbox"/></p> <p>Retail -----</p> <p>Mix Use -----</p> |
|---|--|--|--|

11.5 INFRASTRUTURE FACILITIES

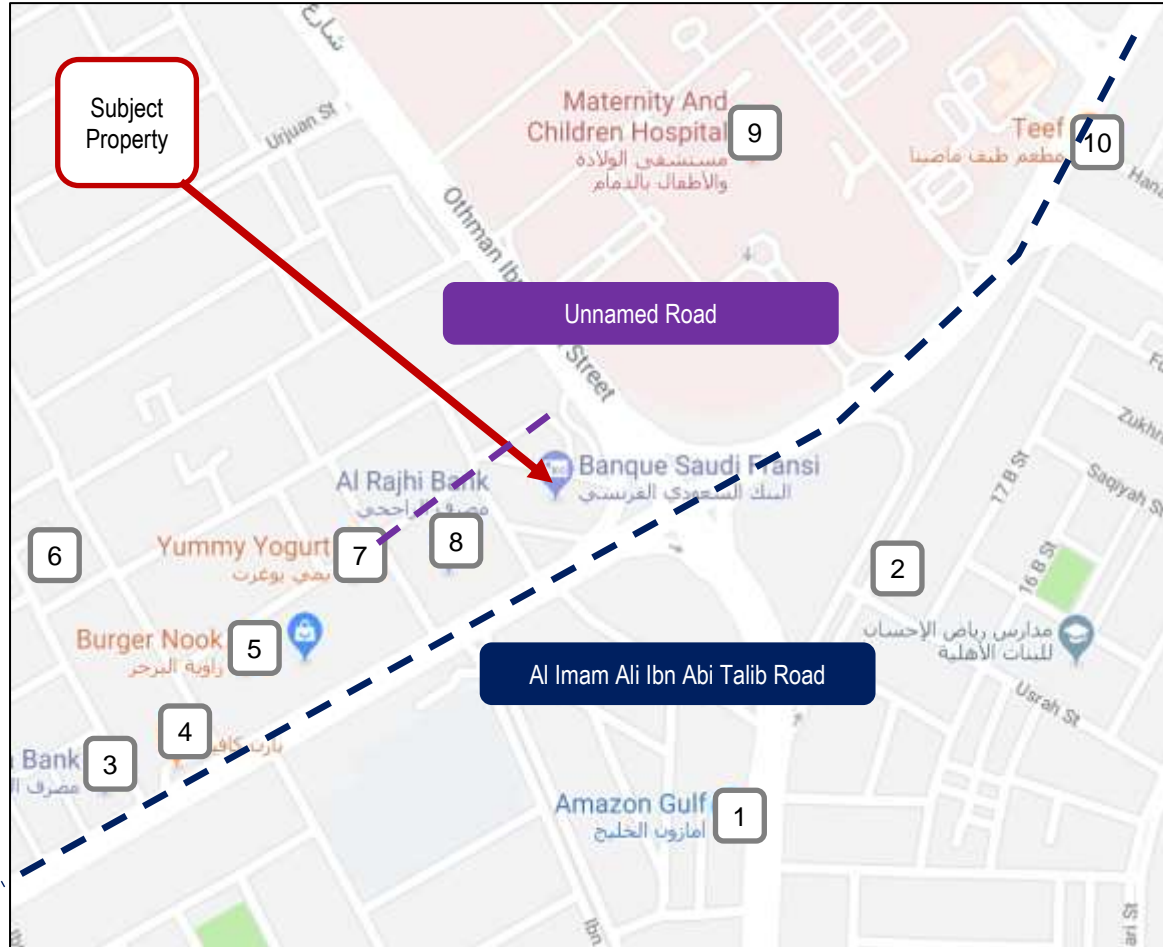
| | Available in the surrounding | Connected to the property |
|--------------------|------------------------------|---------------------------|
| Water | ✓ | ✓ |
| Electricity | ✓ | ✓ |
| Tele-Communication | ✓ | ✓ |
| Sewage | ✓ | ✓ |

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



11.6 LOCATION

The subject property is located in Al Rayyan district, Dammam city and can be accessed through the following main streets as shown in the map below.



ACCESS TO SUBJECT PROPERTY

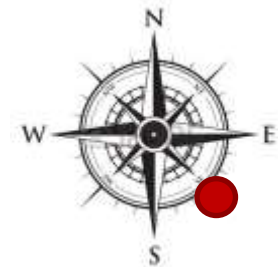
The subject property can be accessed through the following roads:

North Side: Unnamed Street
 South Side: Al Imam Ali Ibn Abi Talib Road

LANDMARKS

- 1- Amazon Gulf (0.4 Kilometres)
- 2- Time Out Cafe (0.35 Kilometres)
- 3- National Commercial Bank (0.65 Kilometres)
- 4- Barn Cafe (0.45 Kilometres)
- 5- Burger Nook (0.35 Kilometres)
- 6- Al Rayyan Garden (0.5 Kilometres)
- 7- Yummy Yogurt (0.2 Kilometres)
- 8- Al Rajhi Bank (0.1 Kilometres)
- 9- Maternity and Children Hospital (0.4 Kilometres)
- 10- Teef Restaurant (0.6 Kilometres)

Location of the subject property according to the City Center





11.7 PHOTO RECORD





11.8 DOCUMENTS RECEIVED

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

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

11.9 GENERAL ASSUMPTIONS

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



11.10 SWOT ANALYSIS

| | |
|---|--|
| Strength - Direct view on the main road (Al Imam Ali Ibn Talib Road). | Weakness - None. |
| Opportunities - High demand on the property type. | Threats - Potential similar projects in the same area. |

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

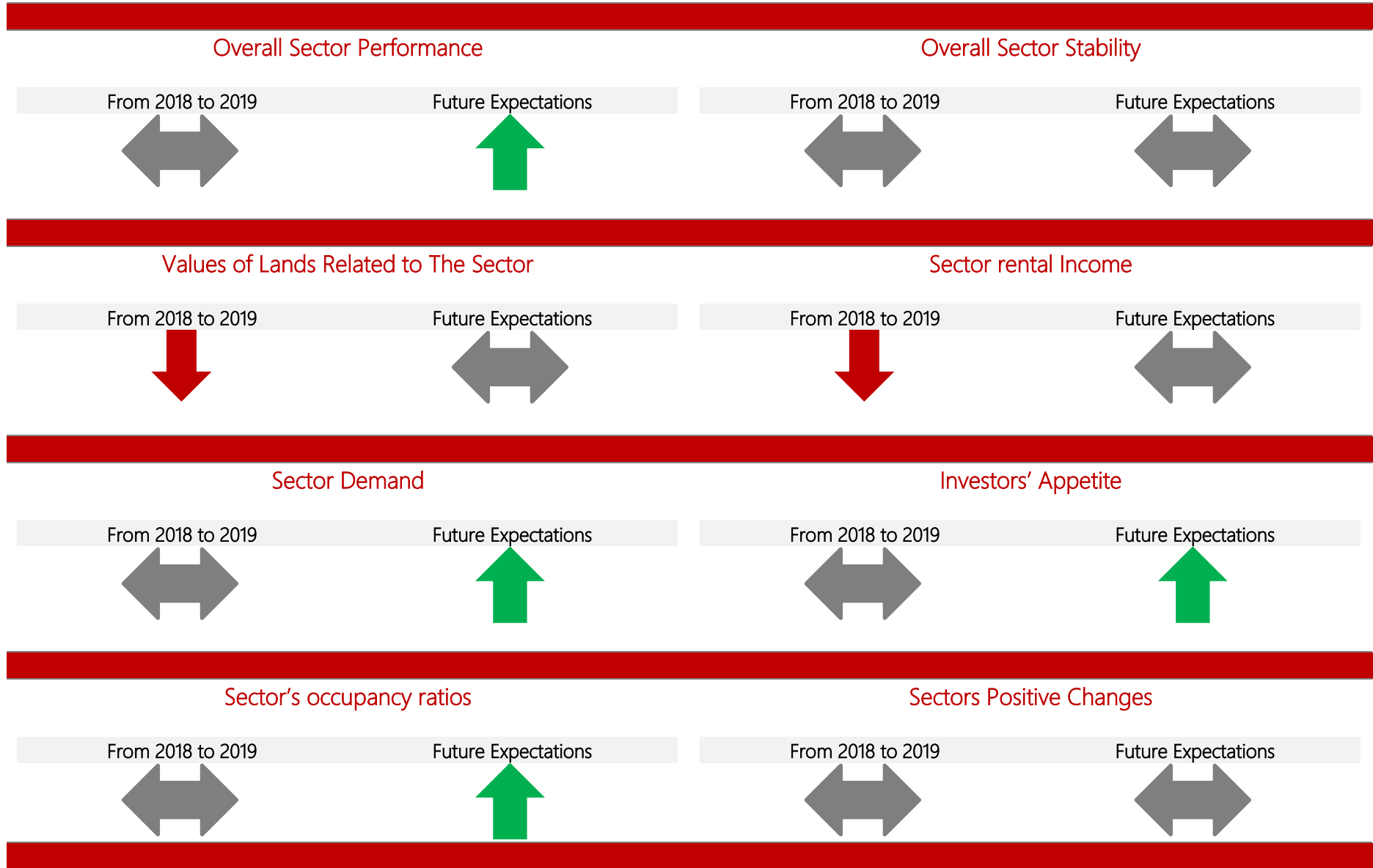
11.11 SECTOR BRIEF

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



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







11.12 RISK ANALYSIS

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

Risk Category 17 Risk Points - Medium Risk

Sector Analysis

Risk Category- 17 Risk Points - Medium Risk

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

Risk Category 9 Risk Points - Minimal Risk

Land Analysis

Risk Category- 9 Risk Points - Minimal Risk

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

Risk Category 5 Risk Points - Minimal Risk

Property Analysis

Risk Category- 5 Risk Points - Minimal Risk



11.13 INPUT EVALUATION PROCESS

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



- This research boundary refers to the areas surrounding the subject property directly
- This research boundary refers to the areas adjacent to the subject property
- This research boundary refers to a wider area of research in the absence of information surrounding the subject property



11.14 INCOME APPROACH – LEASING CONTRACT

| REVENUES | | | | | | |
|-----------------------------|-----------------|-----------------------|-------------|--------------------------|-----------------------|-------------------------|
| Unit Type | Quantity | No of Units | SAR / Sqm | SAR / Unit | Revenues | |
| Commercial Building | Total GLA | | | | | Total Revenues |
| | 0 | 0 | SAR 0 | SAR 0 | | SAR 1,500,000.00 |
| | 0 | 0 | SAR 0 | SAR 0 | | SAR 0 |
| | | | | | | SAR 0 |
| | | | | | Total Revenues | SAR 1,500,000.00 |
| EXPENSES | | | | | | |
| Unit Type | Management | Utilities | Maintenance | Others | Total Expenses | |
| Commercial Building | SAR 0 | SAR 0 | SAR 0 | SAR 0 | | SAR 0.00 |
| | SAR 0 | SAR 0 | SAR 0 | SAR 0 | | SAR 0.00 |
| | SAR 0 | SAR 0 | SAR 0 | SAR 0 | | SAR 0.00 |
| | | | | | Total Expenses | SAR 0.00 |
| NET OPERATING INCOME | | | | | | |
| Unit Type | Total Revenues | Total Expenses | NOI | | | |
| Commercial Building | SAR 1,500,000 | SAR 0.00 | | | | SAR 1,500,000 |
| | SAR 0 | SAR 0.0 | | | | SAR 0 |
| | SAR 0 | SAR 0 | | | | SAR 0 |
| | | | | | Total | SAR 1,500,000.00 |
| | | | | | | SAR 1,500,000.00 |
| | | | | | | SAR 0 |
| | | | | | | SAR 1,500,000.00 |
| Summary | | | | | | |
| Net Operating Income | Cap Rate | Property Value | | Rounded Value | | |
| SAR 1,500,000.00 | 7.00% | 21,428,571.43 SAR | | 21,400,000.00 SAR | | |

The subject property is rented to one company. The used rates per unit types were based on the market average rental rates for comparable properties and in the surrounding areas of the subject property.

As for the OPEX rate, which is being paid by the Owner, the expenses were calculated assuming the leasing contract agreement and the operation contract.

The used Cap Rate is estimated based on the current market rates, recent similar transaction, economic risk, real estate sector risk, etc.....



11.15 DISCOUNTED CASH FLOW (LEASING CONTRACT)

| Cash Flow | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---------------------------------|-------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| Increase Revision | | 0% | 0% | 0% | 0% | 0% | 0% | 5% | 0% | 0% | 5% | 0% |
| Expected Revenues | | | | | | | | | | | | |
| Total (SAR) | SAR | 1,500,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,100,000 | 2,100,000 | 2,100,000 | 2,205,000 | 2,205,000 |
| Overall Revenues | | 1,500,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,100,000 | 2,100,000 | 2,100,000 | 2,205,000 | 2,205,000 |
| Vacancy Rates | | | | | | | | | | | | |
| Vacancy Rates | 0.0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Expenses | | | | | | | | | | | | |
| Manegment | 0.0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Utilities | 0.0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Others | 0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Overall Expenses | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NOI | | 1,500,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,100,000 | 2,100,000 | 2,100,000 | 2,205,000 | 2,205,000 |
| Terminal Value @ -----> | 7.0% | | | | | | | | | | | 31,500,000 |
| Discount Rate | 8.50% | 1.00 | 0.92 | 0.85 | 0.78 | 0.72 | 0.67 | 0.61 | 0.56 | 0.52 | 0.48 | 0.44 |
| Present Value | | 1,500,000 | 1,843,318 | 1,698,911 | 1,565,816 | 1,443,149 | 1,330,091 | 1,287,185 | 1,186,345 | 1,093,406 | 1,058,135 | 14,907,230 |
| Market Rate / Net Present Value | | | | | | | | | | | | 28,913,585 |

| | Discount Rate | | | | |
|---------------|---------------|------------|------------|------------|------------|
| Discount Rate | 6.50% | 7.50% | 8.50% | 9.5% | 10.5% |
| Market Value | 33,077,354 | 30,899,302 | 28,913,585 | 27,100,965 | 25,444,313 |

1. The client has provided us with the total actual revenues of the subject property.
2. In the DCF method we have relied on the leasing contracts of the actual rents, and we have applied 5% increase every 3 years for the same units in case of renewal.



11.16 INCOME APPROACH- MARKET RATES

| REVENUES | | | | | |
|--------------------------------|----------------|-------------------|---------------|--------------------------|-------------------------|
| | Quantity | | Revenues | | |
| Unit Type | Total GLA | No of Units | SAR / Sqm | SAR / Unit | Total Revenues |
| Commercial Building | 879 | 0 | SAR 2,000 | SAR 0 | SAR 1,758,000 |
| ----- | 0 | 0 | SAR 0 | SAR 0 | SAR 0 |
| ----- | 0 | 0 | SAR 0 | SAR 0 | SAR 0 |
| Total Revenues | | | | | SAR 1,758,000 |
| EXPENSES | | | | | |
| Unit Type | Management | Utilities | Maintenance | Vacancy | Total Expenses |
| Commercial Building | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| ----- | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| ----- | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| NET OPERATING INCOME | | | | | |
| Unit Type | Total Revenues | Total Expenses | NOI | | |
| Commercial Building | SAR 1,758,000 | 0.00% | SAR 1,758,000 | | |
| ----- | SAR 0 | 0.00% | SAR 0 | | |
| ----- | SAR 0 | 0.00% | SAR 0 | | |
| Total | | | | | SAR 1,758,000 |
| Total Property Revenues | | | | | SAR 1,758,000 |
| Total Property Expenses | | | | | SAR 0 |
| Net Operating Income | | | | | SAR 1,758,000.00 |
| Net Operating Income | Cap Rate | Property Value | | Rounded Value | |
| SAR 1,758,000.00 | 7.00% | 25,114,285.71 SAR | | 25,100,000.00 SAR | |

11.17 UBJECT PROPERTY VALUE

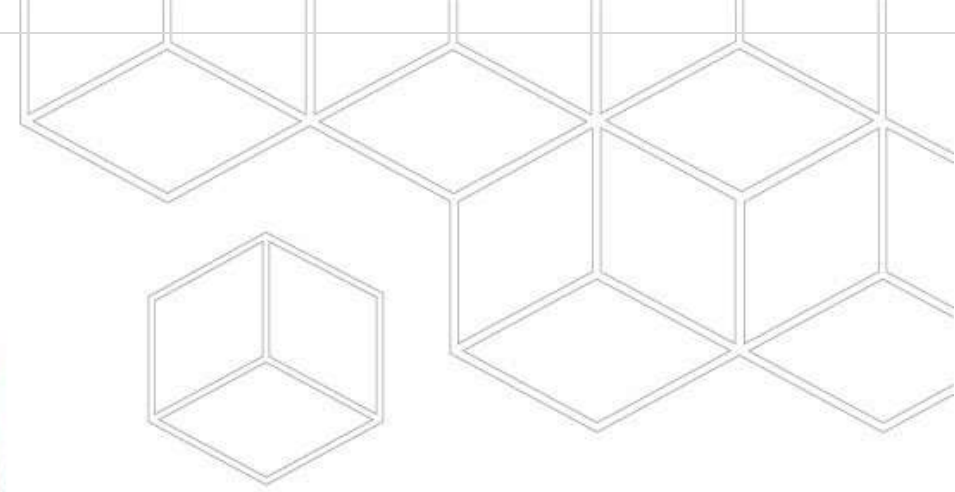
We are of an opinion that the total market value of the subject property taking into consideration the purpose of valuation by using the DCF Approach is:

Property Value: **28,913,585 SAR**
 Rounded Value: **29,000,000 SAR**
 Only Twenty-Nine Million Saudi Riyals.

PROPERTY INFO

This section indicates full description of the subject property / properties that contains the legal document info, location, components, status, condition and many other elements.

AJDAN WALK

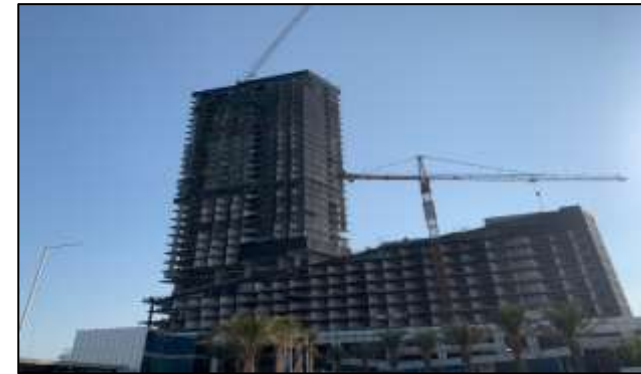




12 PROPERTY DESCRIPTION

The subject property is an under-construction mix use project known as Ajdan Walk, located in north Khobar district in Khobar city, has a total land area of 16,697 Sqm, a total built up area of 32,212.08 Sqm and a total GFA of 11,581 Sqm. It is composed of 11 building and comprising international cafes and restaurants. Yet, Ajdan Walk is open on 4 sides with a direct view on Prince Turkey Street where all the infrastructural facilities such as water, electricity, sewage and telecommunication are available in the surroundings and connected to the subject property.

| Land | |
|-----------------------------------|--|
| Land Use | Mix Use |
| Number of Streets | 4 |
| General Land Shape | Irregular |
| Direct View on the Main Road | Prince Turkey Road |
| Direct View on an internal Street | Unnamed Street |
| Land Status | Constructed |
| Infrastructural Facilities | |
| Water | Available and Connected to the subject property |
| Electricity | Available and Connected to the subject property |
| Sewage | Available and Connected to the subject property |
| Telecommunication | Available and Connected to the subject property |
| Building | |
| Building Condition | Under-Construction |
| External Elevation | Good |
| Finishing | Good |
| Overall Building Condition | Good |
| Building Components | Good |





12.1 TITLE DEED & OWNERSHIP

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

| | |
|---------------------------------|---|
| City | Khobar |
| District | North Khobar |
| T.D Type | Electronic |
| T.D Number | 330208005623 |
| T.D Date | 14/09/1436 H. D |
| T.D Value | N/A |
| Date of Last Transaction | 16/12/1427 H. D |
| Issue from | Khobar Notary |
| Land Area | 16,965.77 |
| Plot No. | 12/4 |
| Block No. | N/A |
| Layout No. | 356/2 |
| Owner | Ajdan for real Estate Development |
| Ownership Type | Freehold |
| Limitation of Document | N/A |
| Boundaries | |
| North | Unnamed Street (20m Width) |
| South | Unnamed Street (20m Width) |
| East | Unnamed Street (20m Width / 111m Length) |
| West | Prince Turki Road (60m Width / 170.5m Length) |

Notes

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





12.2 CONSTRUCTION & BUILDINGS

The subject property is an under-construction project composed of 11 building. The Client has provided us with a copy of the Construction Permit issued by Khobar Municipality with the below details:

| Subject Property | |
|--------------------------|------------|
| Construction Permit Type | New Permit |
| Property Type | Mix use |
| Construction Permit No. | 438/10342 |
| Construction Permit Date | 30/03/1438 |
| Permit Expiry Date | 30/03/1441 |

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

The construction permit shows the maximum allowed BUA approved by the city municipality. Yet, the actual constructed BUA may vary. Therefore, if the client did not provide us with copy of the approved AS Build Drawings, then our valuation will be based on the provided construction permit.

In case the client did not provide us with any copy of legal documents that shows the total BUA, then we will estimate the BUA using our team skills combined by the city's municipality rules and regulations

| Description | No. of Units | Area (sqm) | Use |
|------------------------|--------------|------------------|------------------|
| Basement | Attached | 15,575.4 | Parking |
| Ground Floor | Attached | 27.5 | Electricity Room |
| Ground Floor | 39 | --- | Parking |
| Ground Floor | 3 | 573.15 | Offices |
| First Floor | 3 | 573.15 | Offices |
| Second Floor | 3 | 573.15 | Offices |
| Third Floor | 3 | 573.15 | Offices |
| Others | --- | 92.3 | --- |
| Ground Floor | 46 | 7,308.19 | Showrooms |
| First Floor | Attached | 7,008.39 | Services |
| Others | --- | 1,070 | --- |
| Total BAU (sqm) | | 32,212.08 | |

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



12.3 PROPERTY COMPONENTS

A document presenting the project components with the GFA and GLA of each building was provided by the client with the following details:

| Building No | Units | Total GFA | Total GLA |
|--------------|-----------|---------------|---------------|
| 1 | 1 | 1256 | 1343 |
| 2 | 2 | 1641 | 2176 |
| 3 | 1 | 1438 | 1932 |
| 4 | 5 | 1323 | 1773 |
| 5 | 5 | 690 | 766 |
| 6 | 7 | 1816 | 2107 |
| 7 | 2 | 1200 | 1463 |
| 8 | 1 | 1755 | 1755 |
| 9 | 1 | 253 | 456 |
| 10 | 1 | 127 | 269 |
| 11 | 1 | 82 | 195 |
| Total | 27 | 11,581 | 14,235 |

12.4 PROPERTY PERSPECTIVE

The client provided us with a document showing the project perspectives:





12.5 PROJECT PHASES

The client provided us with a document showing the project phases

| Project Phases | |
|---|--|
| Phase 1 | Phase 2 |
| Ajdan Walk project extend across 16,697 Sqm along the Corniche and is composed of international cafes and restaurants. In addition to several entertainment facilities. | Connecting with a principal boulevard road and cinema complex extending to almost 6,800 Sqm. |





12.6 LAND SPECS

The subject property (Land Only) has the following criteria:

| Current Land Status | |
|---------------------|-------|
| Vacant | ----- |
| Constructed | ----- |
| Under Construction | ✓ |
| Excavated | ----- |
| Raw Land | ----- |

| Current Land Use | |
|------------------|-------|
| Commercial | ✓ |
| Industrial | ----- |
| Residential | ----- |
| Agricultural | ----- |
| Mix Use | ----- |

| Current Land Grading | |
|----------------------|-------|
| Graded | ✓ |
| Semi-Graded | ----- |
| Mountain | ----- |
| Valley | ----- |
| Slope | ----- |

| Current Surrounding Property | |
|------------------------------|-------|
| Commercial | ✓ |
| Industrial | ----- |
| Residential | ✓ |
| Retail | ✓ |
| Mix Use | ✓ |

12.7 INFRASTRUCTURE FACILITIES

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

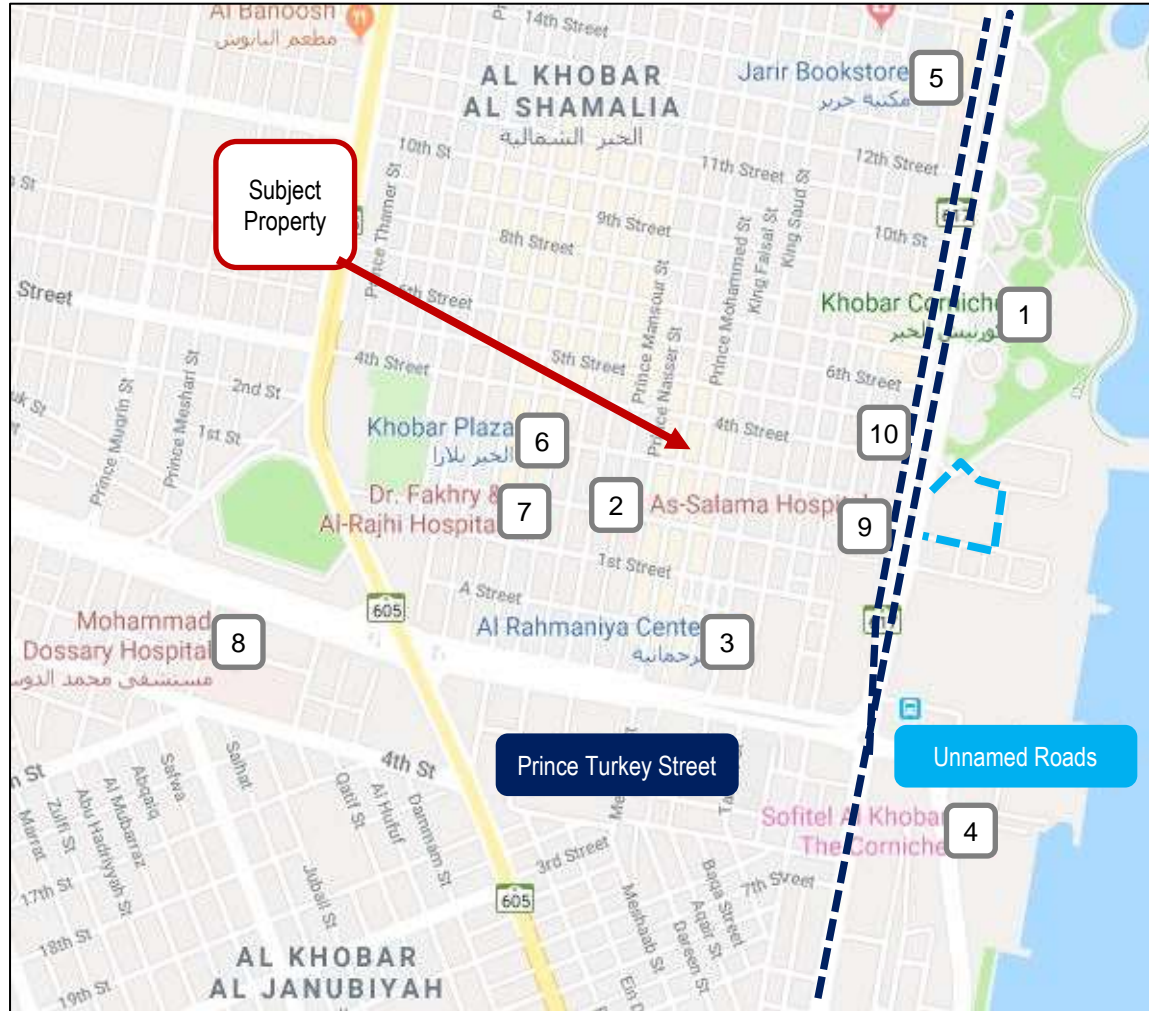
All the infrastructural facilities are available in the surroundings and connected to the subject property.





12.8 LOCATION

The subject property can be accessed through the following main streets as shown in the map below.



ACCESS TO SUBJECT PROPERTY

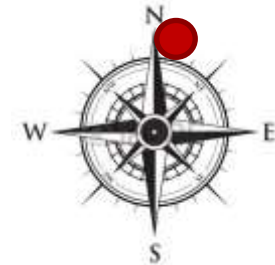
The subject property can be accessed through the following roads:

| | |
|-------------|----------------------|
| North Side: | Unnamed Street |
| South Side: | Unnamed Street |
| East Side: | Unnamed Street |
| West Side: | Princess Turkey Road |

LAND MARKS

- 11- Khobar Corniche (0.5 Kilometres)
- 12- Al Salama Hospital (0.8 Kilometres)
- 13- Al Rahmaniyah Center (0.5 Kilometres)
- 14- Sofitel Al Khobar (0.7 Kilometres)
- 15- Jarir Bookstore (0.7 Kilometres)
- 16- Khobar Plaza (1 Kilometres)
- 17- Dr. Fakhry & Al-Rajhi Hospital (1 Kilometres)
- 18- Mohammad Dossary Hospital (1.5 Kilometres)
- 19- Shrimpy (0.1 Kilometres)
- 20- Al Dawliya (0.2 Kilometres)

Location of the subject property according to the City Center





12.9 PHOTO RECORD







12.10 DOCUMENTS RECEIVED

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

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

12.11 GENERAL ASSUMPTIONS

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



12.12 SWOT ANALYSIS

| | |
|---|---|
| <p>Strength</p> <ul style="list-style-type: none"> - Open on 4 sides. - Direct view on main road (Prince Turki Road). - Direct view on the seashores. - Availability of Parking area. - Very good design. | <p>Weakness</p> <ul style="list-style-type: none"> - The project has irregular land shape. |
| <p>Opportunities</p> <ul style="list-style-type: none"> - High demand on the property type. | <p>Threats</p> <ul style="list-style-type: none"> - Potential upcoming projects in the same area. |

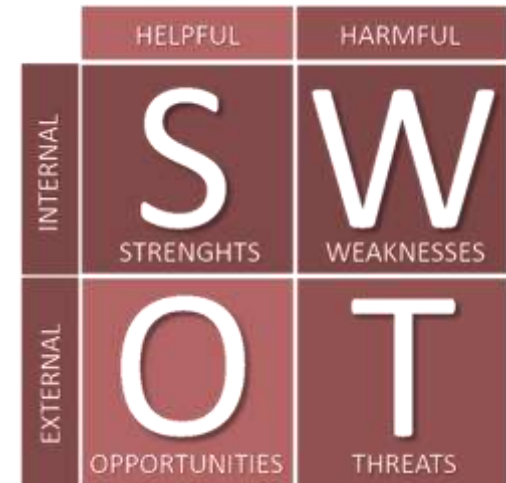
The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

12.13 SECTOR BRIEF

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



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





Overall Sector Performance

From 2018 to 2019



Future Expectations



Overall Sector Stability

From 2018 to 2019



Future Expectations



Values of Lands Related to The Sector

From 2018 to 2019



Future Expectations



Sector rental Income

From 2018 to 2019



Future Expectations



Sector Demand

From 2018 to 2019

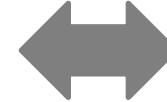


Future Expectations



Investors Appetite

From 2018 to 2019



Future Expectations



Sector's occupancy ratios

From 2018 to 2019

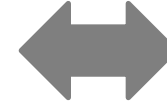


Future Expectations

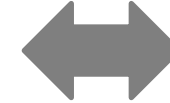


Sectors Positive Changes

From 2018 to 2019



Future Expectations



White Cubes Team's Analysis



12.14 RISK ANALYSIS

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

Sector Analysis

Risk Category- 17 Risk Points - Medium Risk

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

Land Analysis

Risk Category- 10 Risk Points - Minimal Risk

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

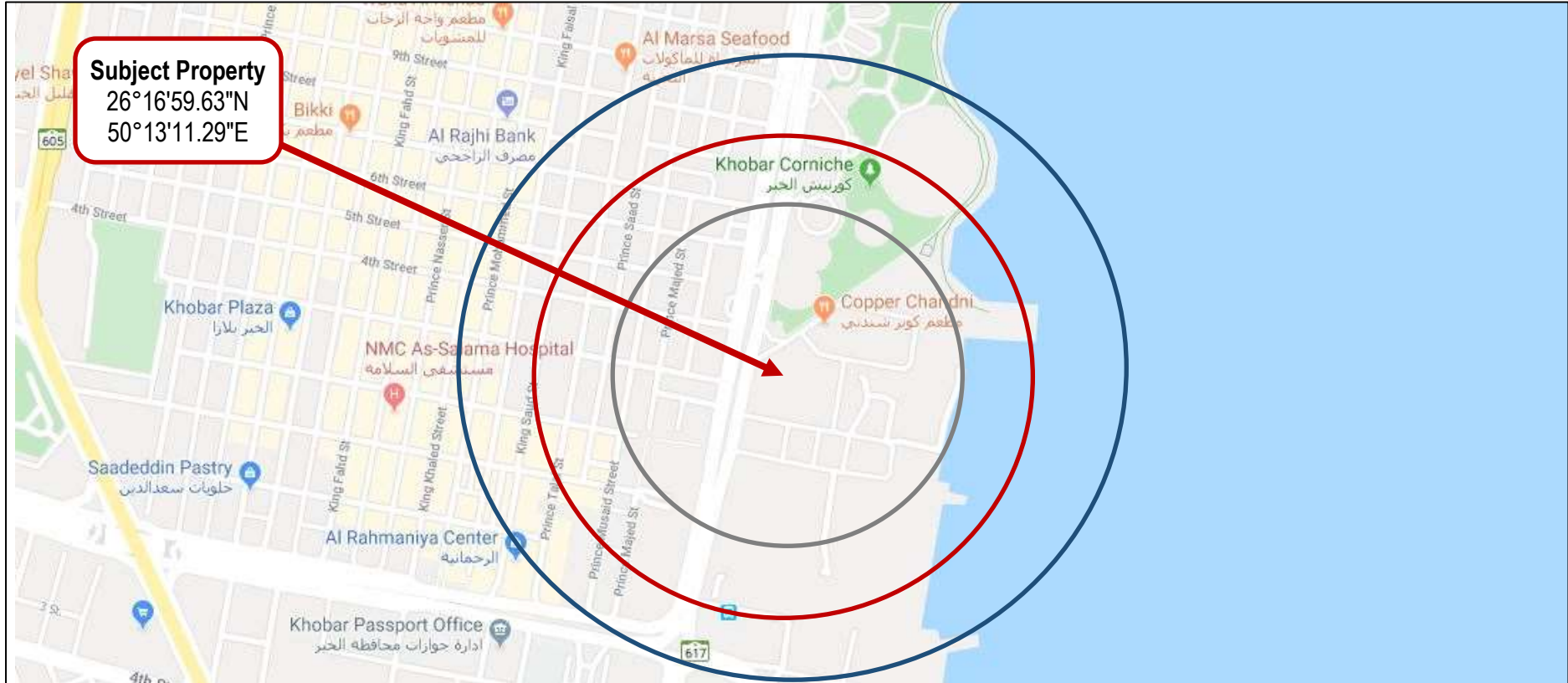
Property Analysis

Risk Category- 7 Risk Points - Medium Risk



12.15 INPUT EVALUATION PROCESS

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



- This research boundary refers to the areas surrounding the subject property directly
- This research boundary refers to the areas adjacent to the subject property
- This research boundary refers to a wider area of research in the absence of information surrounding the subject property



12.16 INCOME APPROACH – LEASING CONTRACT

| REVENUES | | | | | |
|--------------------------------|----------------|--|----------------|---------------------------|--------------------------|
| | Quantity | | Revenues | | |
| Unit Type | Total GLA | No of Units | SAR / Sqm | SAR / Unit | Total Revenues |
| Mix Use Project | | The subject property is fully leased to several tenant | | | SAR 25,000,000 |
| ----- | 0 | 0 | SAR 0 | SAR 0 | SAR 0 |
| ----- | 0 | 0 | SAR 0 | SAR 0 | SAR 0 |
| Total Revenues | | | | | SAR 25,000,000 |
| EXPENSES | | | | | |
| Unit Type | Management | Utilities | Maintenance | Others | Total Expenses |
| Mix Use Project | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| ----- | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| ----- | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| NET OPERATING INCOME | | | | | |
| Unit Type | Total Revenues | Total Expenses | NOI | | |
| Mix Use Project | SAR 25,000,000 | 0.00% | SAR 25,000,000 | | |
| ----- | SAR 0 | 0.00% | SAR 0 | | |
| ----- | SAR 0 | 0.00% | SAR 0 | | |
| Total | | | | | SAR 25,000,000 |
| Total Property Revenues | | | | | SAR 25,000,000 |
| Total Property Expenses | | | | | SAR 0 |
| Net Operating Income | | | | | SAR 25,000,000.00 |
| Net Operating Income | Cap Rate | Property Value | | Rounded Value | |
| SAR 25,000,000.00 | 7.00% | 357,142,857.14 SAR | | 357,000,000.00 SAR | |

- As per the client request and based on the purpose of valuation, we assumed that the subject property is fully operational which we will base our valuation upon.
- The client has informed us that the subject property will be fully leased for 10 years with a triple net amount of 25,000,000 SAR.
- Based on the market survey done by our team, the triple net lease of the subject property is very similar & close to the net operating income generated by similar properties in the surrounding area.



12.17 DISCOUNTED CASH FLOW APPROACH – MARKET RATES

| Cash Flow | | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
|--|--------|-------------------|-------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| Increase Revision | | 0% | 0% | 0% | 5% | 0% | 0% | 0% | 0% | 5% | 0% | 0% |
| Expected Revenues | | | | | | | | | | | | |
| Mix Use | Sqm | 14,235 | 14,235 | 14,235 | 14,235 | 14,235 | 14,235 | 14,235 | 14,235 | 14,235 | 14,235 | 14,235 |
| Rate (SAR) | SAR | 2,200 | 2,200 | 2,200 | 2,310 | 2,310 | 2,310 | 2,310 | 2,310 | 2,426 | 2,426 | 2,426 |
| Total | SAR | 31,317,000 | 31,317,000 | 31,317,000 | 32,882,850 | 32,882,850 | 32,882,850 | 32,882,850 | 32,882,850 | 34,526,993 | 34,526,993 | 34,526,993 |
| Overall Revenues | | 31,317,000 | 31,317,000 | 31,317,000 | 32,882,850 | 32,882,850 | 32,882,850 | 32,882,850 | 32,882,850 | 34,526,993 | 34,526,993 | 34,526,993 |
| Expenses | | | | | | | | | | | | |
| OPEX | 10.0% | 3,131,700 | 3,131,700 | 3,131,700 | 3,288,285 | 3,288,285 | 3,288,285 | 3,288,285 | 3,288,285 | 3,452,699 | 3,452,699 | 3,452,699 |
| Overall Expenses | | 3,131,700 | 3,131,700 | 3,131,700 | 3,288,285 | 3,288,285 | 3,288,285 | 3,288,285 | 3,288,285 | 3,452,699 | 3,452,699 | 3,452,699 |
| NOI | | 28,185,300 | 28,185,300 | 28,185,300 | 29,594,565 | 29,594,565 | 29,594,565 | 29,594,565 | 29,594,565 | 31,074,293 | 31,074,293 | 31,074,293 |
| Terminal Value @ -----> | 7.5% | | | | | | | | | | | 414,323,910 |
| Discount Rate | 10.00% | 1.00 | 0.91 | 0.83 | 0.75 | 0.68 | 0.62 | 0.56 | 0.51 | 0.47 | 0.42 | 0.39 |
| Present Value | | 28,185,300 | 25,623,000 | 23,293,636 | 22,234,835 | 20,213,486 | 18,375,896 | 16,705,360 | 15,186,691 | 14,496,387 | 13,178,534 | 171,720,288 |
| Market Rate / Net Present Value | | | | | | | | | | | | 369,213,415 |
| Discount Rate | | | | | | | | | | | | |
| Discount Rate | | 8.00% | 9.00% | 10.00% | 11.0% | 12.0% | | | | | | |
| Market Value | | 418,391,369 | 392,697,918 | 369,213,415 | 347,721,304 | 328,028,348 | | | | | | |

12.18 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

| Methodology | Value in Numbers | Value in Letters |
|-------------------------|------------------|---|
| Income- Contract | SAR 357,000,000 | Three Hundred Fifty-Seven Million Saudi Riyals |
| DCF- Market | SAR 369,213,000 | Three Hundred Sixty-Nine Million and Two Hundred Thirteen Thousand Saudi Riyals |

12.19 SUBJECT PROPERTY VALUE

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

Property Value: 357,000,000 SAR
Three Hundred Fifty-Seven Million Saudi Riyals.



13 REPORT USE

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

13.1 DISCLAIMER

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

13.2 CONCLUSION

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