

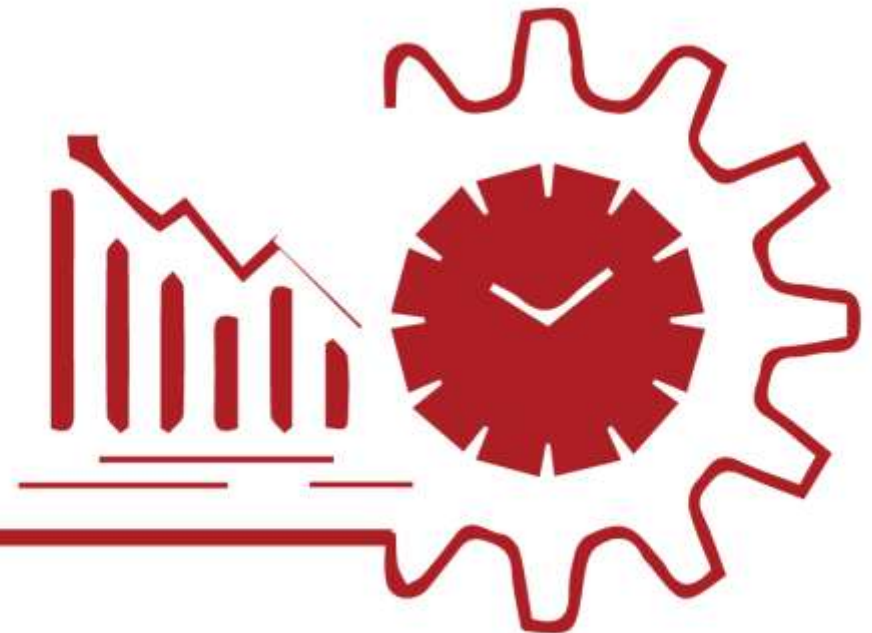
# ELEGANCE TOWER AL KHABEER CAPITAL

RIYADH CITY

AUGUST 2021



## Valuation Report





REF: 2011243  
Date: 15/08/2021  
1M/S Al Khabeer Capital

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

Dear Sir,

With reference to your request and approval dated on May 22, 2021 for valuation service of the office Tower (Elegance Tower) located in Riyadh city, please find hereafter our detailed valuation report including other information related to the mentioned property.

***Issued without prejudice and liabilities***

**WHITE CUBES REAL ESTATE**

**Mr. Essam Al Hussaini – GM- WHITE CUBES KSA**

Member of the Saudi Authority of Accredited Valuers (Taqeem)





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# EXECUTIVE SUMMARY

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## 1.1 EXECUTIVE SUMMARY

|                               |                                                                                                                           |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| <b>Introduction</b>           | We received instructions from the client on 22/05/2021 to implement valuation service for an office tower in Riyadh city. |
| <b>Client</b>                 | For whom this report is being prepared is Al Khabeer Capital, a Saudi company registered under the Saudi law.             |
| <b>Reference No.</b>          | 2011243                                                                                                                   |
| <b>Purpose of Valuation</b>   | Internal Decision-Making Purposes                                                                                         |
| <b>Subject Property</b>       | Office Tower                                                                                                              |
| <b>Property Location</b>      | The property is located in Al Morouj district, Riyadh City.                                                               |
| <b>Title Deed Information</b> | Title Deed No: 393318001500, Title Deed Date: 02/03/1442, Issued from Riyadh Notary                                       |
| <b>Ownership Type</b>         | Freehold (Mortgaged)                                                                                                      |
| <b>Owner</b>                  | شركة أول الملقى العقارية                                                                                                  |
| <b>Land Use</b>               | Commercial Use                                                                                                            |
| <b>Land Area (Sqm)</b>        | Based on the title deed, the land has an area size of 5,695 Sqm                                                           |
| <b>BUA (Sqm)</b>              | Based on the construction permit, the building has a total BUA of 58,163 Sqm                                              |
| <b>GLA (Sqm)</b>              | The total gross leasable area is 24,322 Sqm composed of office.                                                           |
| <b>Vacancy Rate</b>           | Based on the client, the occupancy rate of the project is 100%                                                            |
| <b>Valuation Approach</b>     | Comparable Approach & Depreciated Replacement Cost Approach (DRC) & Discounted Cash Flow Approach (DCF)                   |
| <b>Final Property Value</b>   | 471,270,000 SAR                                                                                                           |
| <b>Valuation Date</b>         | 14/06/2021                                                                                                                |
| <b>Inspection Date</b>        | 27/05/2021                                                                                                                |

# TERMS OF REFERENCE & VALUATION

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1.2 VALUATION REFERENCE

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

1.3 BASIS OF VALUATION

Market Value

Market Value is defined as: -

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

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

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

AN ASSET  
SHOULD  
EXCHANGE

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

ON THE  
VALUATION  
DATE

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

BETWEEN  
WILLING  
BUYER

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



## AND WILLING SELLER

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

## IN AN ARM'S LENGTH TRANSACTION

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

## AFTER PROPER MARKETING

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

## KNOWLEDGEABLY AND PRUDENTLY

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

## AND WITHOUT COMPULSION

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



1.4 CLIENT APPROVAL DATE

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

May 22, 2021.

1.5 INSPECTION DATE

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

May 27, 2021.

1.6 VALUATION DATE

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

June 14, 2021.

1.7 REPORT DATE

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

August 15, 2021.

1.8 OPINION OF VALUE

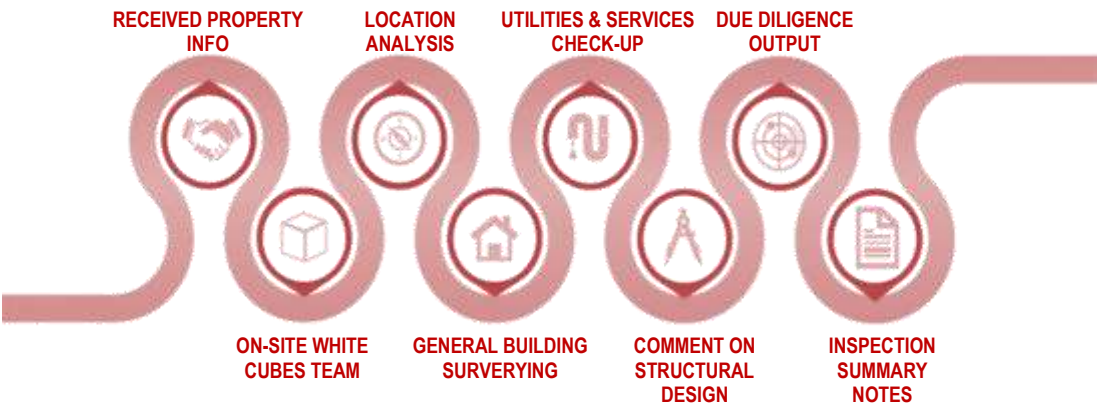
All the outputs will be shown in this report (Values) are based on our best knowledge of the market, documents received from the client (assumed to be correct), market findings and inspection inputs. Yet, the estimated values of the subject property / properties express our opinion of values based on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

1.9 PURPOSE OF VALUATION

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

1.10 INSPECTION ROLE

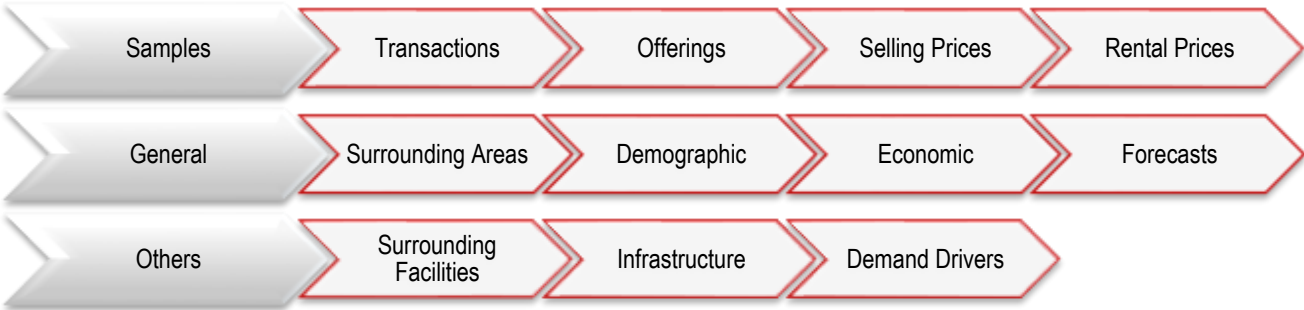
A visit to a property or inspection of an asset, to examine it and obtain relevant information, in order to express a professional opinion of its value. We hereby confirm that we have inspected the subject property / Asset at the date of inspection. Our inspection procedure covers only the surface /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





1.11 MARKET SURVEY

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



# PROPERTY DETAILS

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1.12 PROPERTY & LOCATION DESCRIPTION

|                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Property Description | The subject property is an office Tower (Elegance Tower) located in Al Morouj district, Riyadh city with direct view on King Fahed Road. Based on the copy of the title deed and the construction permit provided by the client, the project has a total land area of 5,695 Sqm and a total BUA of 58,163 Sqm and composed of 5 basements, a ground floor and 23 upper floors. Yet, the client informed us that the actual project BUA is 62,362 Sqm and that it consists of 27 floors. As per the site inspection done by our team, the tower's and has a regular shape and open from three sides with a direct view on 3 internal streets, where all infrastructural facilities such as water, electricity, sewage and telecommunication are available in the surroundings and connected to the subject property. |
| Location Description | The property being valued is an office tower located in Al Morouj district Riyadh City.<br>The property is bordered from the north by a Private Property<br>The property is bordered from the south by an Internal Street<br>The Property is bordered from the east by an Internal Street<br>The property is bordered to the west by an Internal Street                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Ease of Access       | Based on the current location of the subject property, the access level is high, since it is located on King Fahd Road.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| The Main Landmarks   | The subject property is surrounded by a number of major landmarks such as the General Authority for Zakat & Income Tax, Administrative Courte of Appeal, etc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

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

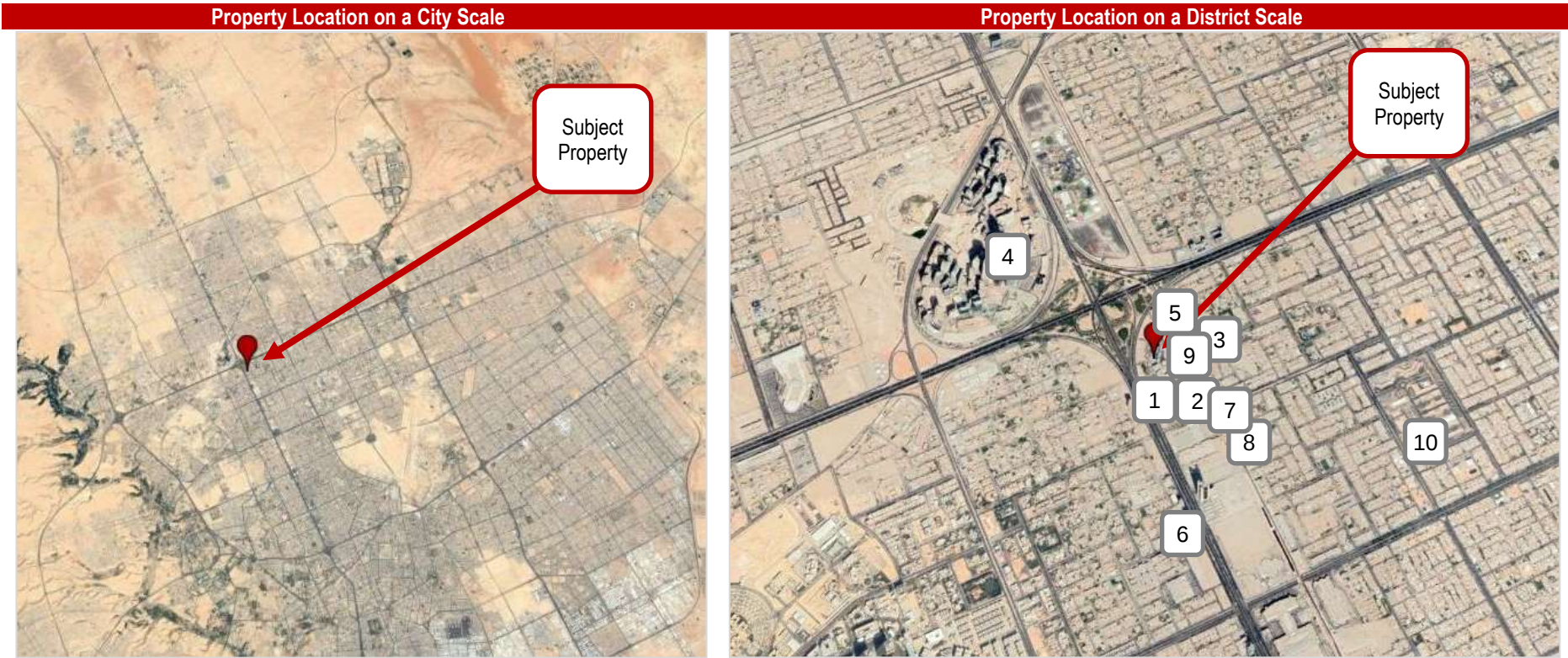
1.13 INFRASTRUCTURE FACILITIES

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



**1.14 LOCATION**

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

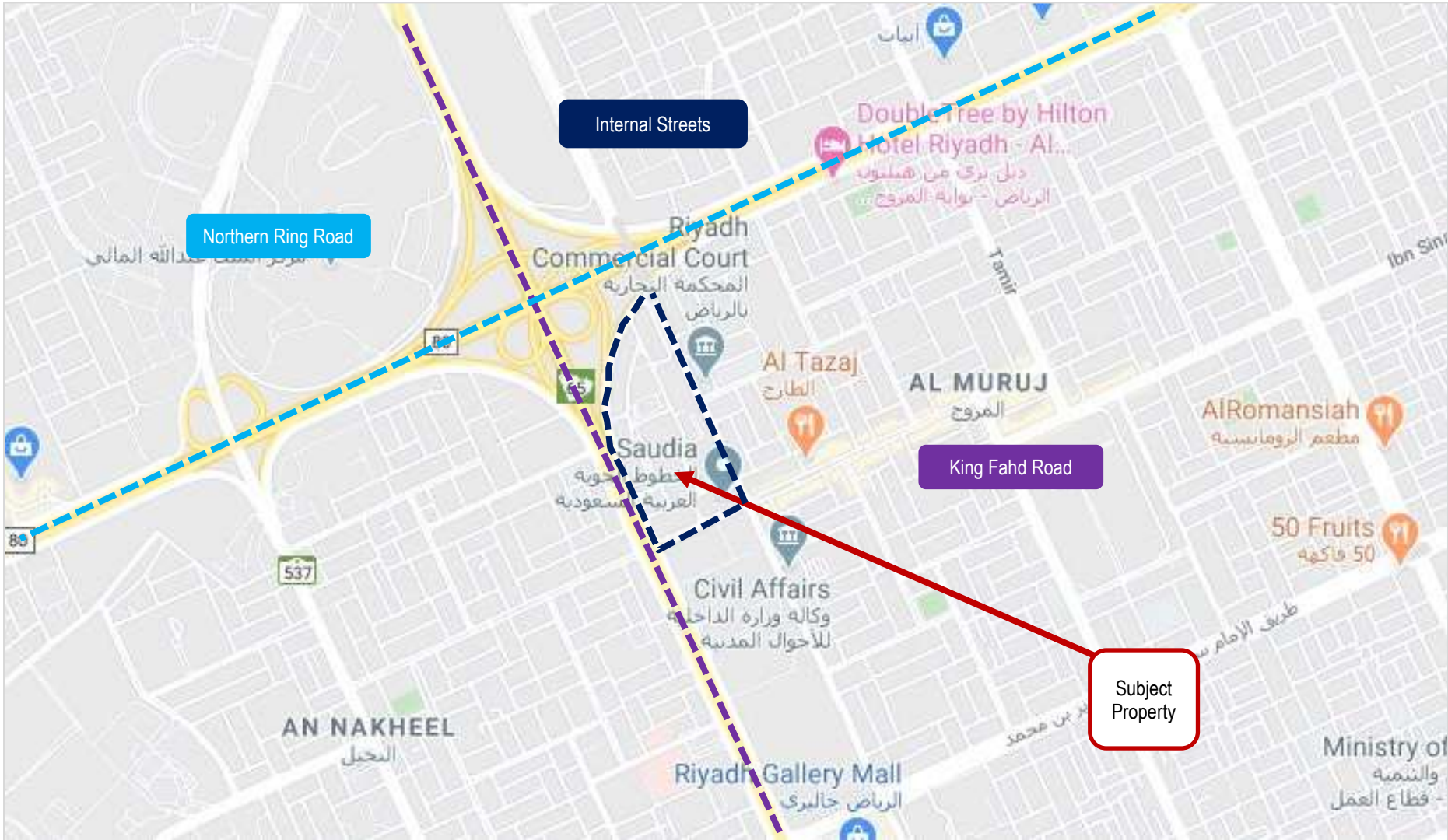


| Surrounding Landmarks                                        |                                                                  |
|--------------------------------------------------------------|------------------------------------------------------------------|
| 1- General Authority for Zakat & Tax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



1.15 PROPERTY ACCESS

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





1.16 TITLE DEED & OWNERSHIP

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

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

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

1.17 CONSTRUCTION & BUILDINGS

The building permit indicates the maximum permissible BUA approved by the city municipality. However, the actual area may differ from the area mentioned in the building permit. Therefore, if the customer did not provide us with a copy of the approved plans, the valuation will be done based on the building permit provided by the customer. In the event that the customer does not provide us with a copy of the legal documents that show the total building surfaces, we will value them using the skills of our team along with the municipality's laws and regulations, and therefore the building surfaces will be estimated only roughly.

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



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

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

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

1.18 INSURANCE

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

1.19 PROPERTY ACTUAL RENTAL RATES

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



## 1.20 GROSS LEASABLE AREAS

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

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

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

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





1.21 LAYOUTS

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

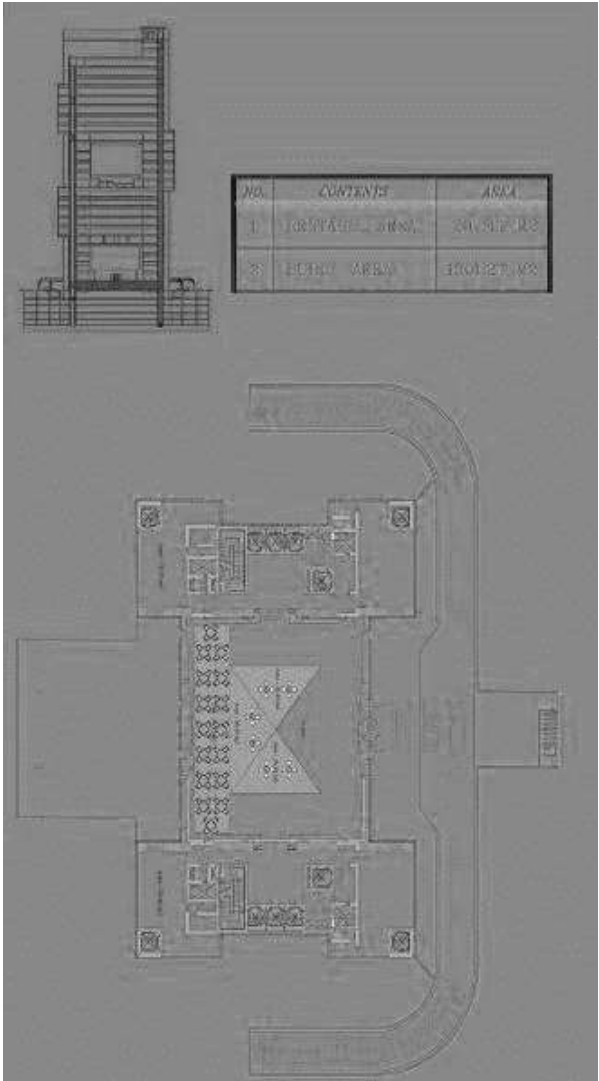
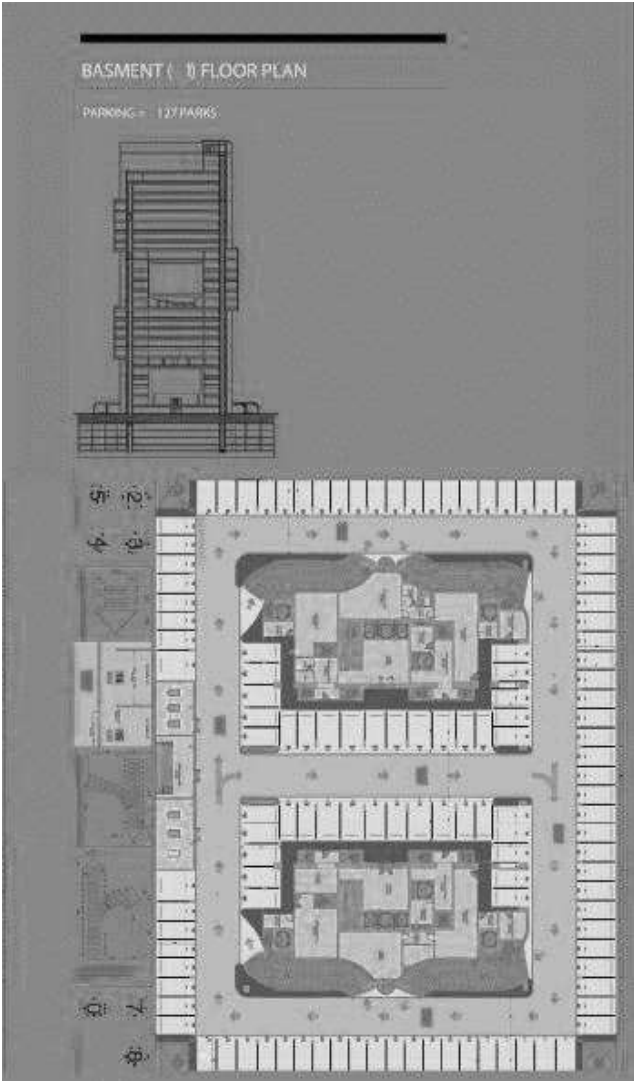
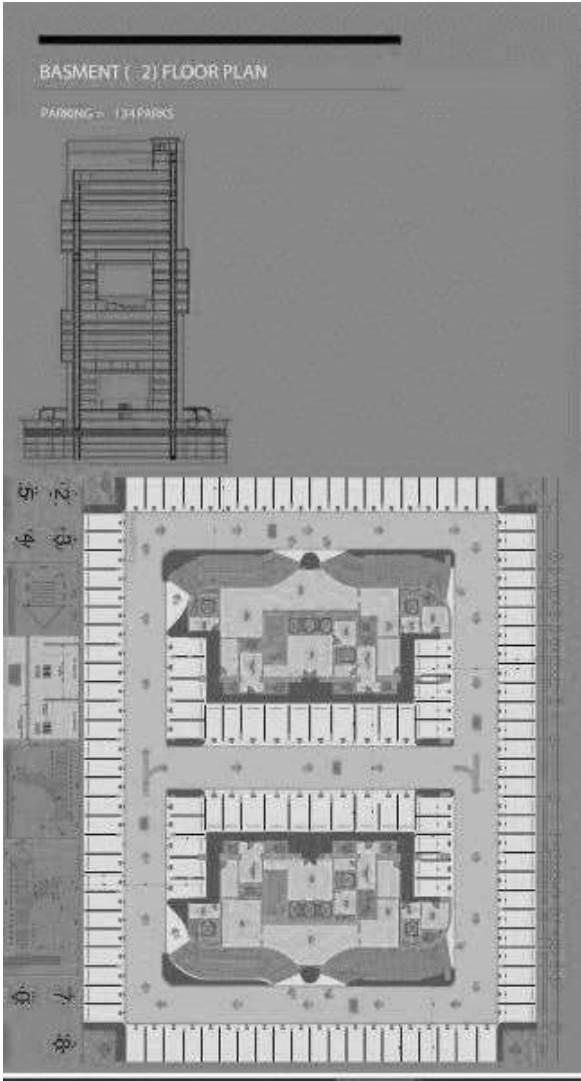
| Basement (5) | Basement (4) | Basement (3) |
|--------------|--------------|--------------|
|              |              |              |



Basement (2)

Basement (1)

Lower Ground Plan

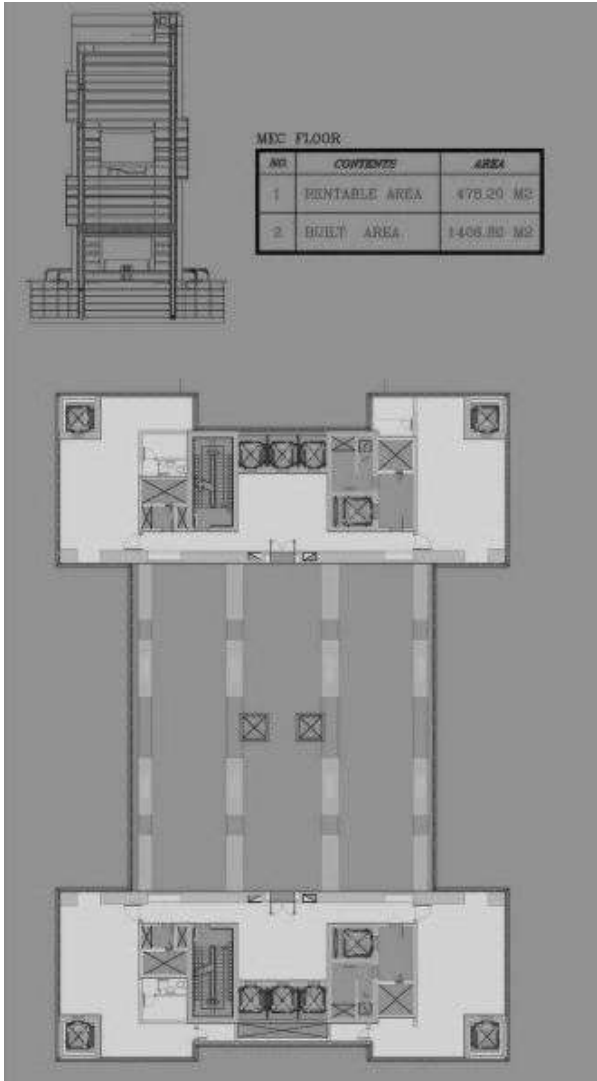
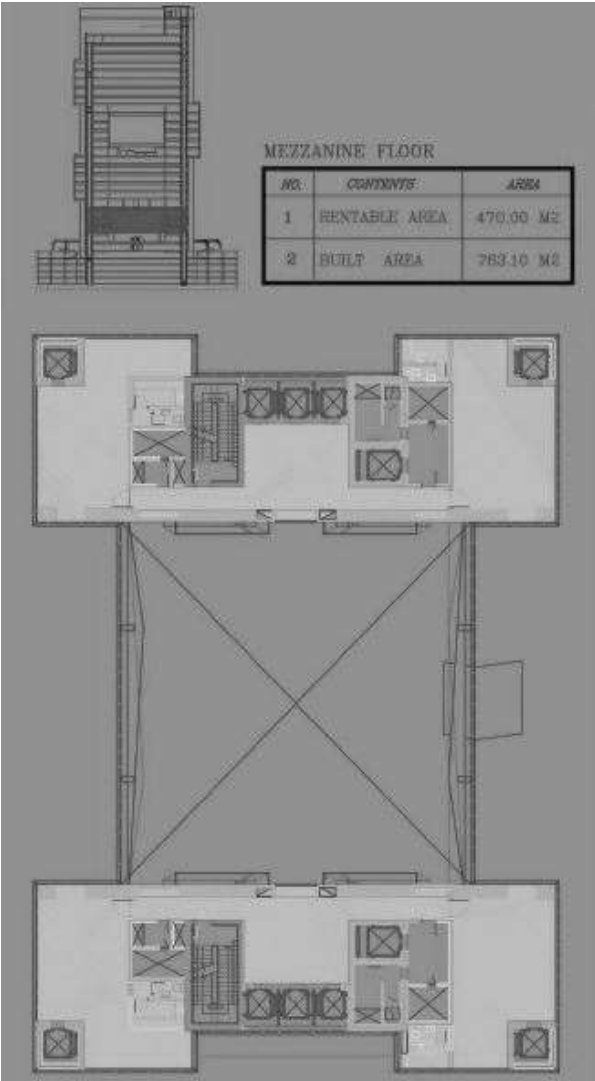
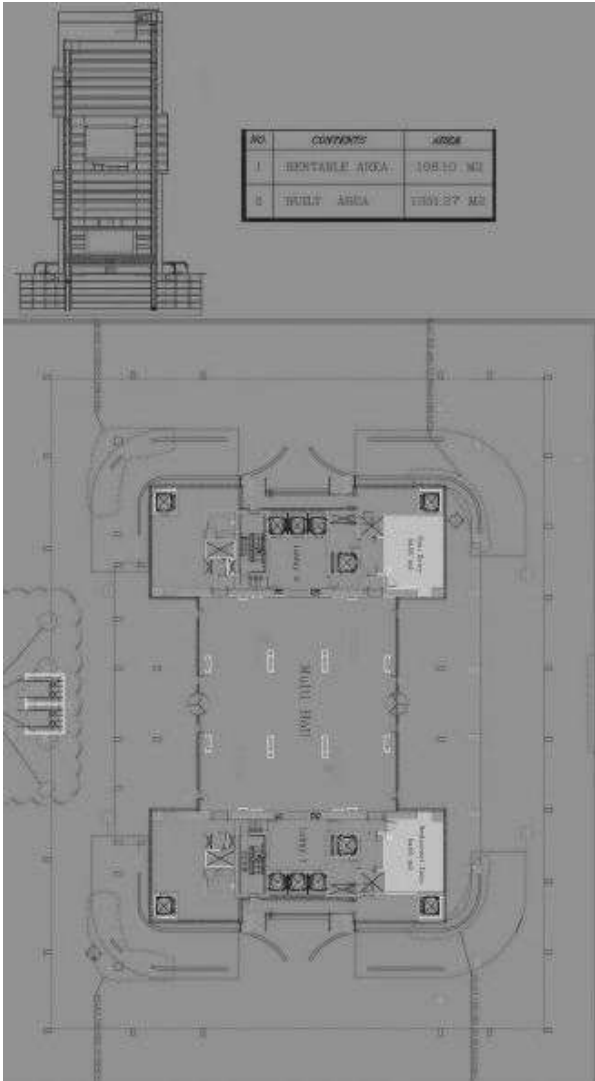




Upper Ground Floor Plan

Mezzanine Floor

MEC. Floor Plan

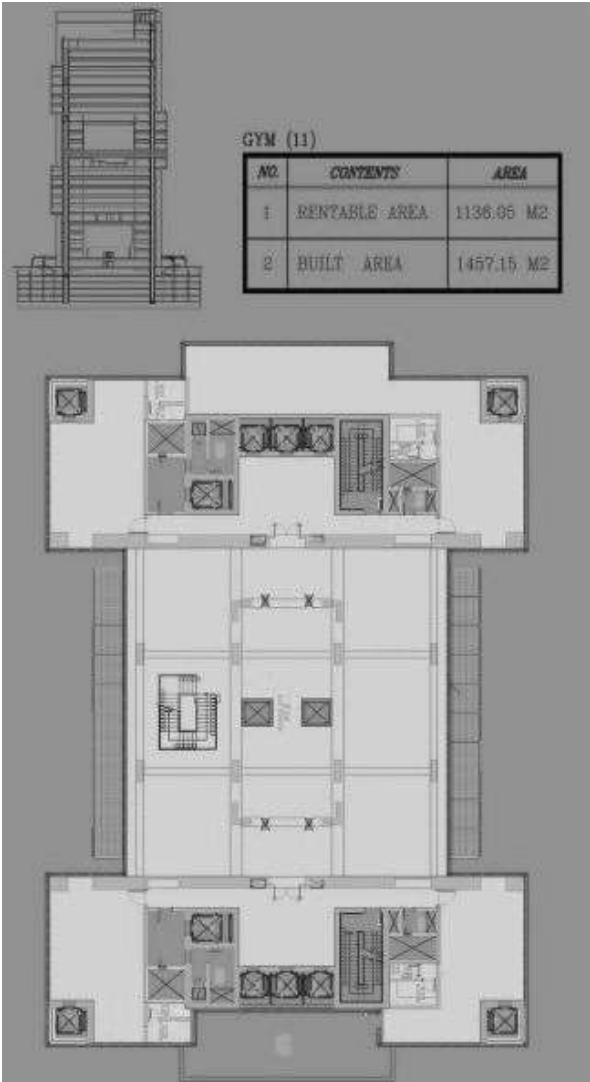
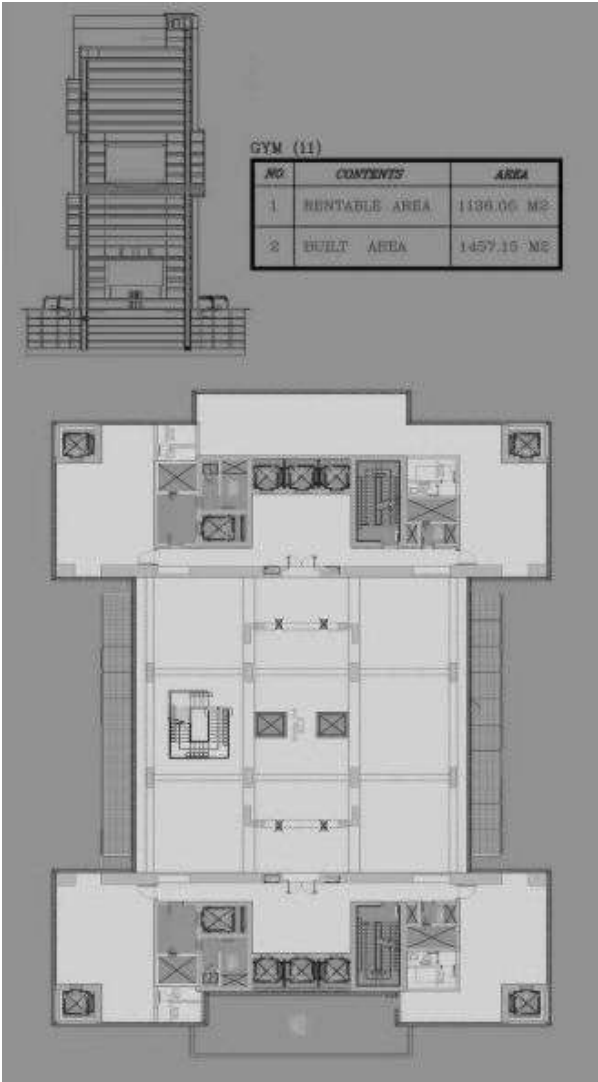
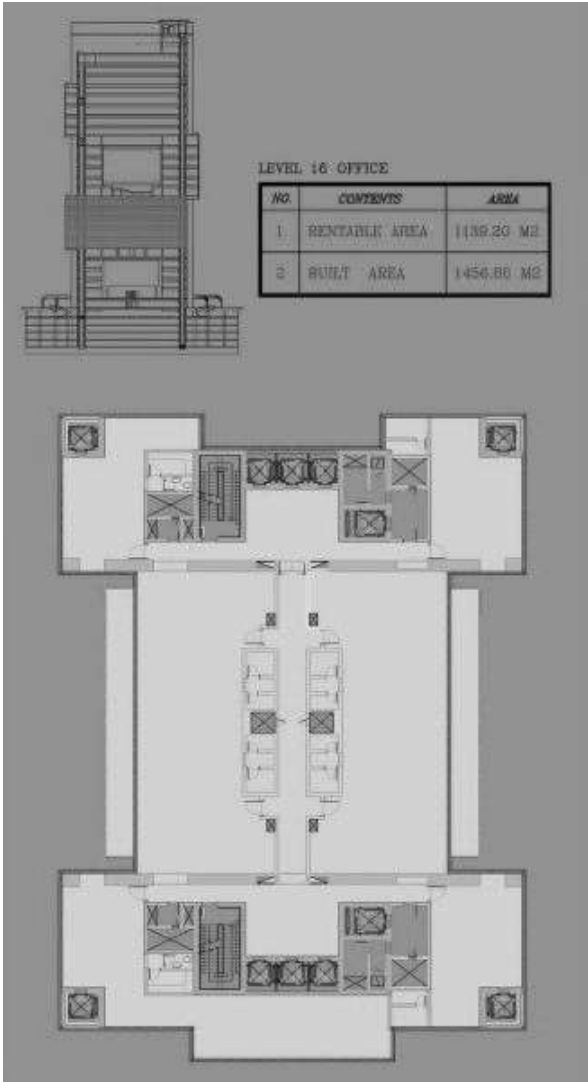




Floor Plan for Typical (6-10)

Gym

Gym

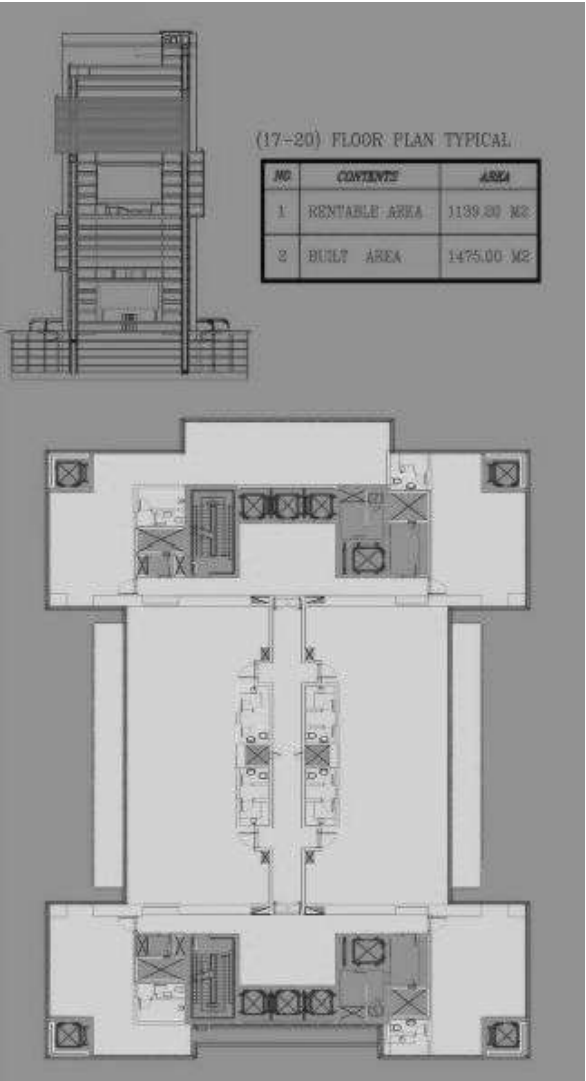
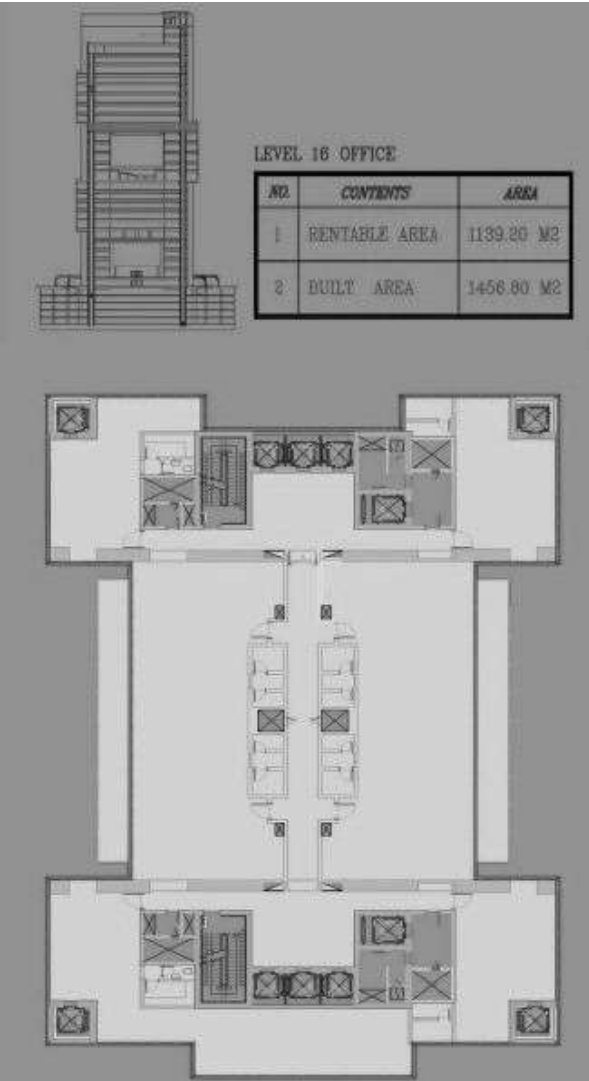




(13-14-15) Floor Plan

Level 16 Office

(17-20) Floor Plan Typical

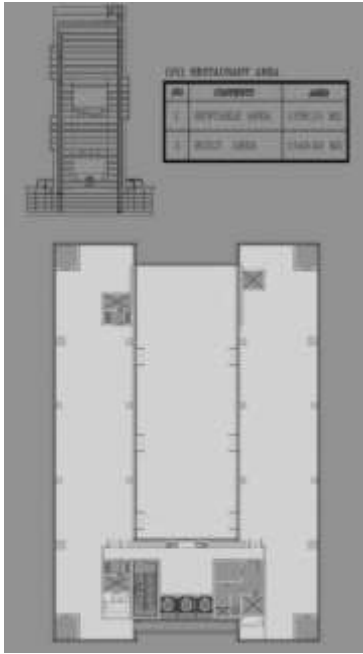
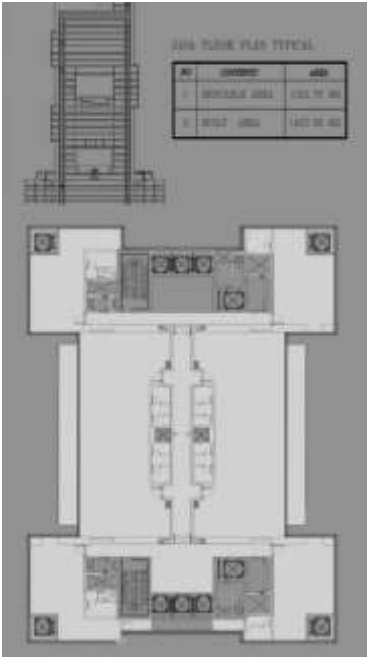
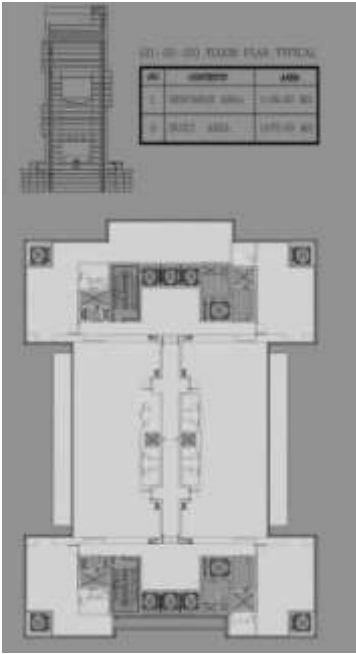




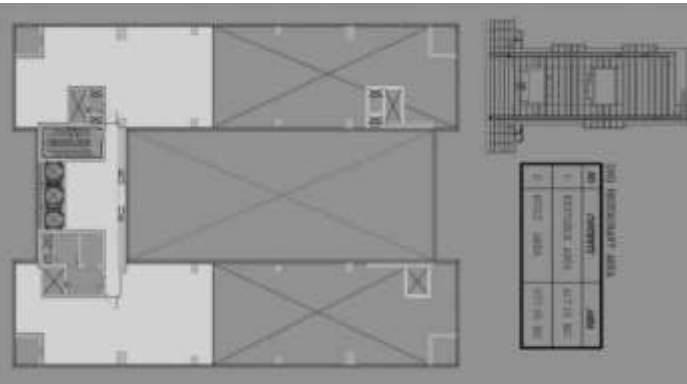
(21-22-23) Floor Plan Typical

(24) Floor Plan Typical

Restaurant Area (25)



Restaurant Area 2 (26)





1.22 PHOTO RECORD



# MARKET INDICATORS

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### 1.23 SAUDI ARABIA ECONOMIC INDICATORS

| Economic Indicator                                             | 2018            | 2019       | 2020          |
|----------------------------------------------------------------|-----------------|------------|---------------|
| GDP (Source: General Authority for Statistics)                 | (Q2) 732,747 Bn | 793.8 Bn   | 700 Bn Q1 (E) |
| GDP Growth (Source: Ministry of Finance)                       | %2.3            | 0.5%       | 2% (E)        |
| Inflation Rate (Source: SAMA)                                  | 2.45%           | -1.22%     | 3.58%         |
| Interest Rates (Source: Trading Economics)                     | 2.75%           | 3%         | 3.57%         |
| Government Revenues (Source: General Authority for Statistics) | 895 Bn          | 978 Bn     | 833 Bn        |
| Government Spending (Source: General Authority for Statistics) | 1,079 Bn        | 1,100 Bn   | 1,068 Bn (E)  |
| Unemployment Rate (Source: General Authority for Statistics)   | 6%              | 5.6%       | 5.86% (E)     |
| Population (Source: General Authority for Statistics)          | 33,413,660      | 34,413,660 | 34,218,169    |

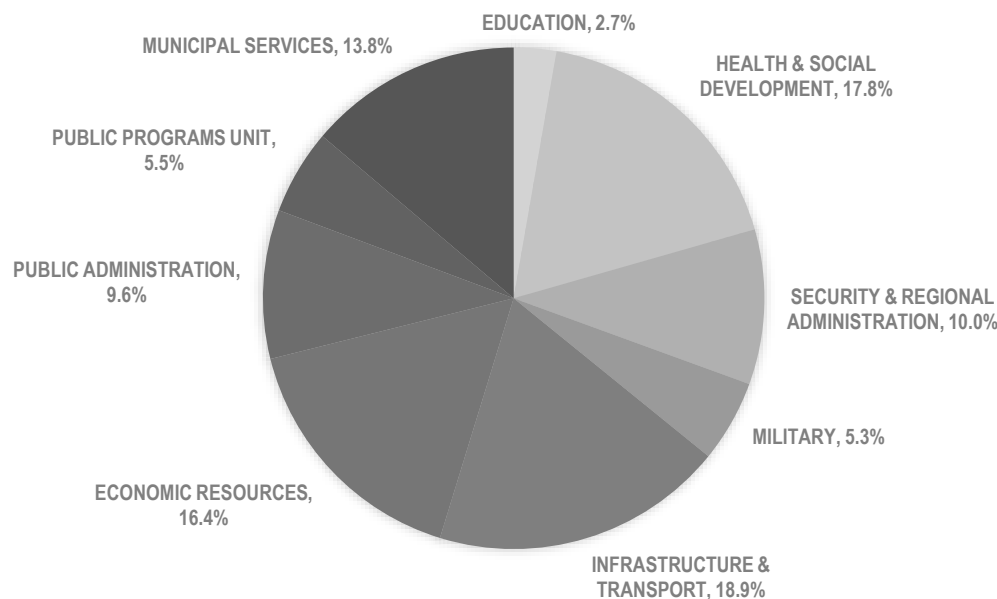
### 1.24 BUDGET ALLOCATION FOR 2020

|                          |            |
|--------------------------|------------|
| Public Administration    | 28 SAR bn  |
| Military                 | 182 SAR bn |
| Security & Regional Adm. | 102 SAR bn |

|                      |            |
|----------------------|------------|
| Municipal Services   | 54 SAR bn  |
| Education            | 193 SAR bn |
| Health & Social Dev. | 167 SAR bn |

|                            |            |
|----------------------------|------------|
| Economic Resources         | 98 SAR bn  |
| Infrastructure & Transport | 56 SAR bn  |
| General Items              | 141 SAR bn |

Source: Ministry of Economy





1.25 SWOT ANALYSIS

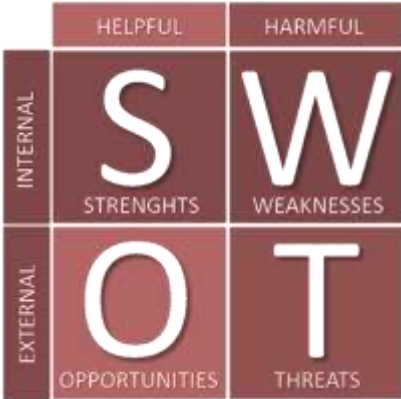
|                                                                                                                                                                                                                                                                                                           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

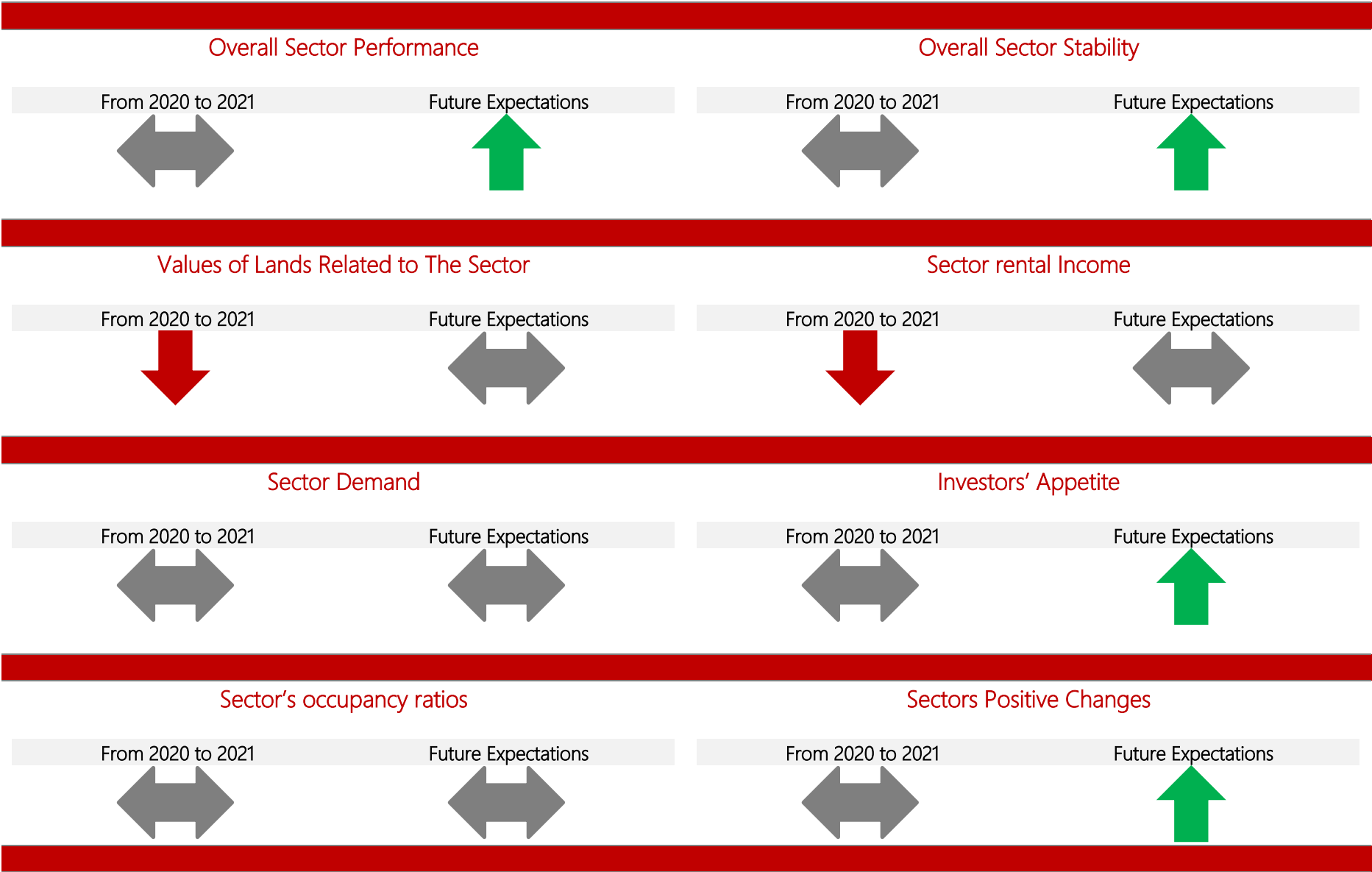
The strength and weakness points mentioned above are considered as an indicator only, where no full market study was conducted in this matter. Yet, all the mentioned points are based only on the site inspection of the subject property.

1.26 SECTOR BRIEF

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

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





White Cubes Team's Analysis



1.27 RISK ANALYSIS

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

Sector Analysis

Risk Category- 17 Risk  
Points - Medium Risk

| Risk Factor                                | Very Low Risk (1)<br>1-5 | Minimal Risk (2)<br>6-10 | Medium Risk (3)<br>11-15 | Elevated Risk (4)<br>16-20 | Very High Risk (5)<br>21-25 |
|--------------------------------------------|--------------------------|--------------------------|--------------------------|----------------------------|-----------------------------|
| Access                                     |                          | ✓                        |                          |                            |                             |
| Location                                   |                          | ✓                        |                          |                            |                             |
| Land Shape                                 |                          | ✓                        |                          |                            |                             |
| Surrounding Area facilities                |                          |                          | ✓                        |                            |                             |
| Total Risk                                 | 0                        | 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)<br>1-3 | Minimal Risk (2)<br>4-6 | Medium Risk (3)<br>7-9 | Elevated Risk (4)<br>10-12 | Very High Risk (5)<br>13-15 |
|-------------------------------------------|--------------------------|-------------------------|------------------------|----------------------------|-----------------------------|
| Facilities & Amenities                    |                          |                         | ✓                      |                            |                             |
| Management Skills                         |                          | ✓                       |                        |                            |                             |
| Overall Condition                         |                          | ✓                       |                        |                            |                             |
| Total Risk                                | 0                        | 4                       | 3                      | 0                          | 0                           |
| Risk Category 7 Risk Points - Medium Risk |                          |                         |                        |                            |                             |

Property Analysis

Risk Category- 7 Risk  
Points - Medium Risk

# PROPERTY VALUATION

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1.28 DOCUMENTS RECIEVED

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

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

1.29 GENERAL ASSUMPTIONS

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

1.30 LEGAL NOTICES

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



1.31 INFORMATION SOURCE

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

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

1.32 STRUCTURAL EXAMINATION OF BUILDINGS (IF ANY)

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

1.33 VALUATION APPROACH

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

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

COMPARABLE METHOD

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



## DEPRECIATED REPLACEMENT COST (DRC)

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

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

## DISCOUNTED CASH FLOW (DCF)

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

### 1.34 INPUT VALUATION PROCESS

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





Based on the market samples obtained with the assistance of some real estate experts in the region and the inspection made by our team, the average prices for similar properties falls in the range of 16,500 - 17,000 SAR / Sqm with an average of 16,750 SAR / Sqm. When comparing with the results of the analysis of comparisons, we found that the property value falls within the same range and is close to the market average values.

### 1.36 COST APPROACH (DRC)

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

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

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

| LAND                     |            |              |                |                 |                |
|--------------------------|------------|--------------|----------------|-----------------|----------------|
| Land Area                | SAR / Sqm  |              | Total Value    |                 |                |
| 5,695.00                 | SAR 16,800 |              | SAR 95,676,000 |                 |                |
| Building                 |            |              |                |                 |                |
|                          | Unit       | No of Floors |                | Total BUA       |                |
| Underground              | Sqm        | 5            |                | 28,475.00       |                |
| Upper Floors             | Sqm        | 1            |                | 29,688.00       |                |
| Total (SQM)              | 58,163.00  |              |                |                 |                |
| Development Cost         |            |              |                |                 |                |
| Hard Cost - Upper Floors |            |              |                |                 |                |
|                          | Area       | SAR / Sqm    | Total          | Completion Rate | Total Cost     |
| Skeleton & Block         | 29,688.00  | SAR 1,200    | SAR 35,625,600 | 100%            | SAR 35,625,600 |
| Electro Mechanic         | 29,688.00  | SAR 600      | SAR 17,812,800 | 100%            | SAR 17,812,800 |
| Finishing                | 29,688.00  | SAR 1,300    | SAR 38,594,400 | 100%            | SAR 38,594,400 |
| Fit outs & Appliances    | 29,688.00  | SAR 100      | SAR 2,968,800  | 100%            | SAR 2,968,800  |
| Furniture                | 29,688.00  | SAR 0        | SAR 0          | 100%            | SAR 0          |
| Site Improvement         | 5,695.00   | SAR 120      | SAR 683,400    | 100%            | SAR 683,400    |
| Total                    |            |              | SAR 95,685,000 | 100.00%         | SAR 95,685,000 |



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

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

| DEVELOPMENT VALUE      |                        |                                    |                        |
|------------------------|------------------------|------------------------------------|------------------------|
| <b>Total Dev Cost</b>  | <b>SAR 198,940,950</b> | <b>Net Dep Rate</b>                | 2.86%                  |
|                        |                        | <b>Dev Cost After Depreciation</b> | <b>SAR 193,256,923</b> |
| <b>Economic Age</b>    | 35                     | <b>Total Completion Rate</b>       | 100.00%                |
| <b>Annual Dep Rate</b> | 2.86%                  | <b>Developer Profit Rate</b>       | 25.0%                  |
| <b>Actual Age</b>      | 1                      |                                    |                        |
| <b>Total Dep Rate</b>  | 2.86%                  | <b>Dev. Profit Amount</b>          | SAR 48,314,231         |
| <b>Add Appr Rate</b>   | 0.00%                  | <b>Development Value</b>           | <b>SAR 241,571,154</b> |
| <b>Net Dep Rate</b>    | <b>2.86%</b>           |                                    |                        |

The total value of the building is 241,571,154 SAR, which will be added to the value of the land in order to get the full value of the property as follows:

| Total Dev. Value | Land Value     | Total Property Value | Rounded Value   |
|------------------|----------------|----------------------|-----------------|
| SAR 241,571,154  | SAR 95,676,000 | SAR 337,247,154      | SAR 337,200,000 |





**Analysis of comparison of market rents with actual rents**

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

**Analysis of Operating and Maintenance Expenses**

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

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

**Property Operation and Maintenance Expenses**

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

**Market Capitalization Rate Analysis**

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



## The Capitalization Rate Used for the Valuation

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

|                                                                                                                                                                                                                                              |           |                                               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------------------------------------------|
| Minimum capitalization rate                                                                                                                                                                                                                  |           | 7.00%                                         |
| Maximum capitalization rate                                                                                                                                                                                                                  |           | 9.00%                                         |
| Average                                                                                                                                                                                                                                      |           | 8.00%                                         |
| The effect of the property specifications on the property                                                                                                                                                                                    |           |                                               |
| Item                                                                                                                                                                                                                                         | Influence | Notes                                         |
| Ease of access to the property                                                                                                                                                                                                               | -0.25%    | Several major methods                         |
| General condition of the property                                                                                                                                                                                                            | -0.25%    | The Property is still new                     |
| The general location of the property                                                                                                                                                                                                         | -0.25%    | The area is served excellently                |
| Quality and finishes                                                                                                                                                                                                                         | 0.00%     | Average quality finishes                      |
| Project Management Team                                                                                                                                                                                                                      | -0.25%    | Average management and operational team level |
| Services and public facilities                                                                                                                                                                                                               | 0.00%     | Level and availability of services is average |
| Total                                                                                                                                                                                                                                        | -1.00%    |                                               |
| Note: When the effect is negative (-), this reduces the capitalization rate, which increases the value of the property. And when the effect is positive (+), this increases the capitalization rate, which reduces the value of the property |           |                                               |
| Total adjustments on capitalization rate                                                                                                                                                                                                     | -1.00%    |                                               |
| Capitalization rate, according to market averages                                                                                                                                                                                            | 8%        |                                               |
| Estimated capitalization rate of the property valuation                                                                                                                                                                                      | 7.00%     |                                               |

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

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

The estimated capitalization rate for the property, which will be based on the valuation process, is 7%, which will be applied subsequently to the net operating income of the property.

## Estimated the Discount Rate of Cash Flows

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

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



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

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

### 1.38 SUBJECT PROPERTY VALUE IN DIFFERENT APPROACHES

| Methodology         | Subject of Valuation | Value in Numbers | Value in Letters                                                               |
|---------------------|----------------------|------------------|--------------------------------------------------------------------------------|
| <b>DCF Approach</b> | Property             | SAR 471,270,000  | Four Hundred Seventy-One Million and Two Hundred Seventy Thousand Saudi Riyals |
| <b>DRC Approach</b> | Land + Building      | SAR 337,200,000  | Three Hundred Thirty-Seven Million and Two Hundred Thousand Saudi Riyals       |



### 1.39 SUBJECT PROPERTY VALUE

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

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

### 1.40 REPORT USE

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

### 1.41 DISCLAIMER

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

### 1.42 CONCLUSION

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



**Essam Hussaini**  
**Site Inspection Check**

**Member of (Taqeem)**  
**License No. 1210000474**



# GENERAL NOTES

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

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

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

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.



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

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

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

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

# DOCUMENTS COPIES

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## Construction Permit

[illegible]