

أبعاد
للتقييم العقاري

Final Valuation Report

V230094

Elegance Office Tower, Al Murooj District, Riyadh

Client / AlKhabeer Capital

18 July 2023

الخبير المالية
Alkhabeer Capital



Introduction



Dear / Alkhabeer Capital

The Subject: Valuation of Elegance Office Tower, Al Murooj District, Riyadh

Please find attached the report as per your request for a property valuation, hoping that the report meets your requirements as requested from us, and complies with the International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) in **2022**, as well as the rules and regulations of the Saudi Authority for Accredited Valuers (TAQEEM). Please do not hesitate to contact us should you have any queries or questions.

Best Regards,

Engineer Ammar Abdulaziz Sindi
Chief Executive Officer

Version Control

Details	Information
Status	Final
Reference Number	V230094
Proposal Reference Number	P230167

Registration Certificate



Table of Contents



أبجد
للتقييم العقاري

Executive Summary

4

- Summary of the Report
- General Terms and Conditions

Valuation Terms

7

- Ability to Value
- Subject of Valuation
- Professional Standards
- Valuation Approach
- Basis of Valuation
- Valuation Date
- Inspection Date
- Inspection Limits
- Sources of Information

Disclaimers

9

- Intellectual Property and Re-publishing
- Confidentiality
- Important Assumptions and Special Assumptions
- Report Validity

Site Location Analysis

11

- Public Transport
- Development Project at City Level
- The Property at City Level
- The Property at District Level
- Property Description
- Property Photographs

Property Details

20

- Title Information

Valuation

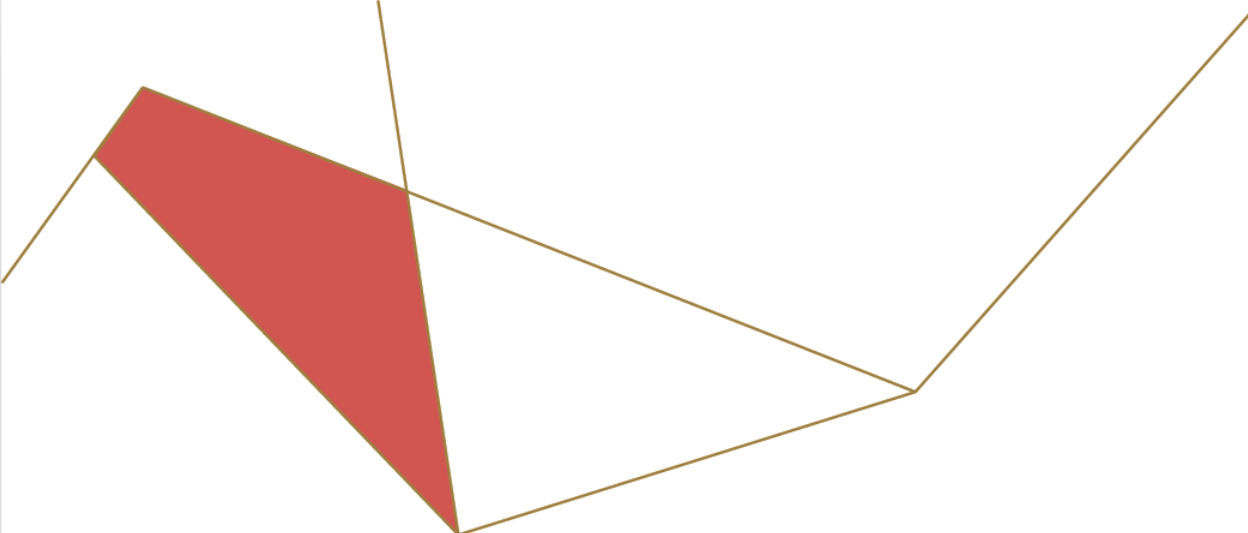
22

- Analysis of Property Risks
- Market Study- Demand and Supply
- Valuation Method
- Income Method of Valuation
- Summary of Value

Appendix

31

- General Terms Used in the Preparation of the Valuation Report
- Property Documents



Executive Summary

- Summary of the Report
- General Terms and Conditions

Executive Summary

Report Summary

- The Subject Property is an office tower located in the Riyadh City Center in Al Murooj District, at the intersection of Olaya Road and King Fahd Road. The area of the land is **5,695** square meters, with a built-up area of **58,163** square meters and a total leasable area of **24,322** square meters.
- The Property comprises **27** floors, **130** meters above sea level, with a direct view of King Abdullah Financial Center. The Tower has two separate entrances. The Tower has several uses, including offices, a restaurant, and a health club. It includes five underground parking levels.
- The Property is located in Al Murooj District, North Central Riyadh, with a direct view of King Abdullah Financial District and easy accessibility.
- Riyadh is the capital of the Kingdom of Saudi Arabia. It is the largest Saudi city and one of the largest cities in the region, with a population of **6.9** million in **1440/2018**.

Property Information

Site Details	Information
District	Al Murooj
Use	Office
Tenure	Restricted Ownership
Number of Title Deed	393318001500
Land Area (m2)	5,695 m²
Total Built-Up Area (m2)	58,163 m²
Owner	Awal AlMalga Real Estate Company

Valuation Summary

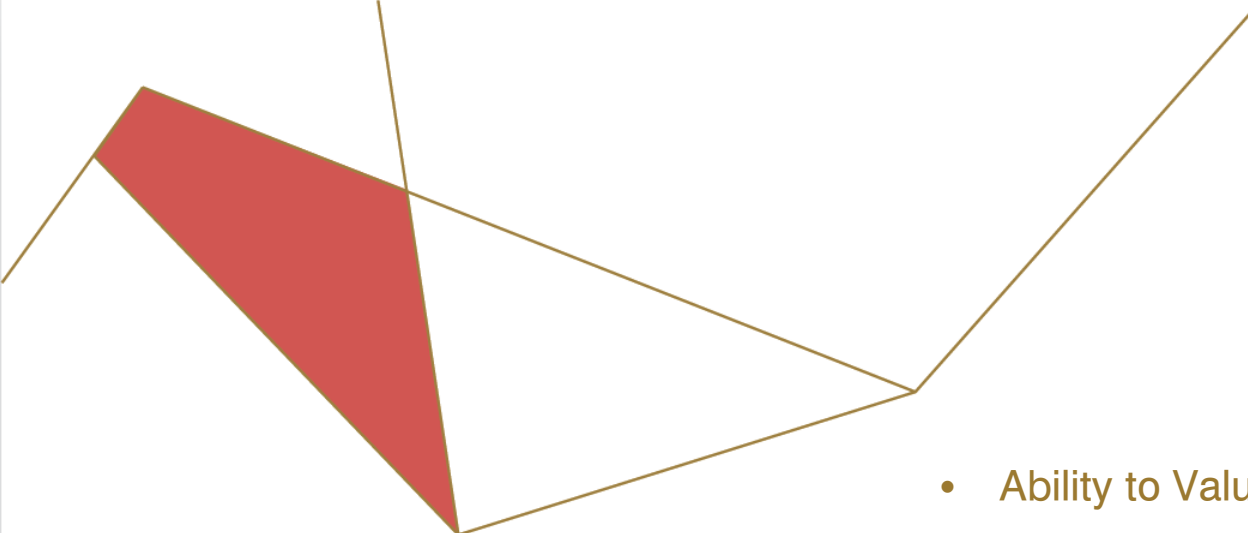
Details	Information
Purpose of Valuation	Financial Statements
Other independent Users	Fund Manager and Investors – Report Reviewers
Report Type	Narrative report
Date of Approval	29 May 2023
Date of Inspection	12 June 2023
Date of Valuation	30 June 2023
Basis of Value	Fair Value
Valuation Hypothesis	Current Use
Valuation Approach	Income Approach
Currency	Saudi Arabian Riyal (SAR)
Property's fair value	475,700,000

Executive Summary

Terms and Conditions



- The property was valued in accordance with the International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) in 2022, as well as the rules and regulations of the Saudi Authority for Accredited Valuers (TAQEEM).
- This report and the valuation were made in accordance with the terms and limitations presented in this report.
- The valuation report is prepared in accordance with the instructions received from M/S Alkhabeer Capital, referred to herein as the ("Client"), to assess the fair value of the described property for the purpose of providing a periodic valuation of the assets of REIT Fund.
- Abaad Real Estate Valuation Company is confident that this report meets the Client's requirements and is in accordance with the Client's instructions. Moreover, the information contained in this report are confidential. The report is issue for the Client's only.
- The responsibility of Abaad Real Estate Valuation Company is limited to the report and the information contained herein. The Client shall be responsible for requesting the valuation of the property and the legal consequences arising therefrom.
- The values assessed in this report are for the subject property. Any distribution of the value(s) to the parts of the property applies only as stated in, and for the purposes of, the report. Those values shall not be used for any other purposes, as they may not prove to be true if the purpose of the valuation and the report is changed.
- This report is prepared based on information collected, received or analyzed according to best practices to reach the valuation. Any material comments in the report affecting value are usually referred to.
- The property is inspected Visually. In this case, the technical negative aspects of the property, if any, are referred to. The property was not inspected structurally, and non-visible defects were noted. Therefore, this report should be understood as a valuation report and not a structural survey.
- In the event any information is found to be untrue in the future and mentioned inadvertently and unintentionally in the report beyond control, the value stated in this report may change and the valuer shall be reverted to for reconsideration of the value.
- This report is issue neutrally without any conflict of interest of personal gain factors.
- This valuation report can be considered true only if stamped by the company and signed by the accredited valuers.



Valuation Terms

- Ability to Value
- Subject of Valuation
- Professional Standards
- Valuation Approach
- Basis of Valuation
- Valuation Date
- Inspection Date
- Inspection Limits
- Sources of Information

Valuation Conditions

Ability to Valuate:

- Abaad Real Estate Valuation Company employs professional staff capable of providing valuation of this type of assets. It also has the requisite competence to assess the fair value by the required date.

Subject of Valuation:

- The subject of the valuation is the assessment of the Fair Value of Elegance Office Tower, Al Murooj District, Riyadh, for Financial Statements Purposes.

Professional Standards:

- The valuation exercise was carried out in compliance with the International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC) in 2022, as well as the rules and regulations of the Saudi Authority for Accredited Valuers (TAQEEM), and based on recognized procedures and professional used in valuation of real estate properties, which rely on analysis, comparison, and direct inspect of each property, as well searching to the extent possible for positive and negative effects and characteristics of the subject property.

Valuation Approach:

- The approach used in valuation is the income approach.

Basis of Valuation:

- Our valuation will be presented on the basis of fair value, which is defined in accordance with the International Valuation Standards (IVS) in 2022 as follows:
- International Accounting Standard No. (13) defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Valuation Date

- We confirm that the valuation was carried out on 30 June 2023.

Inspection Date:

- We confirm that the inspection was carried out on 12 June 2023.

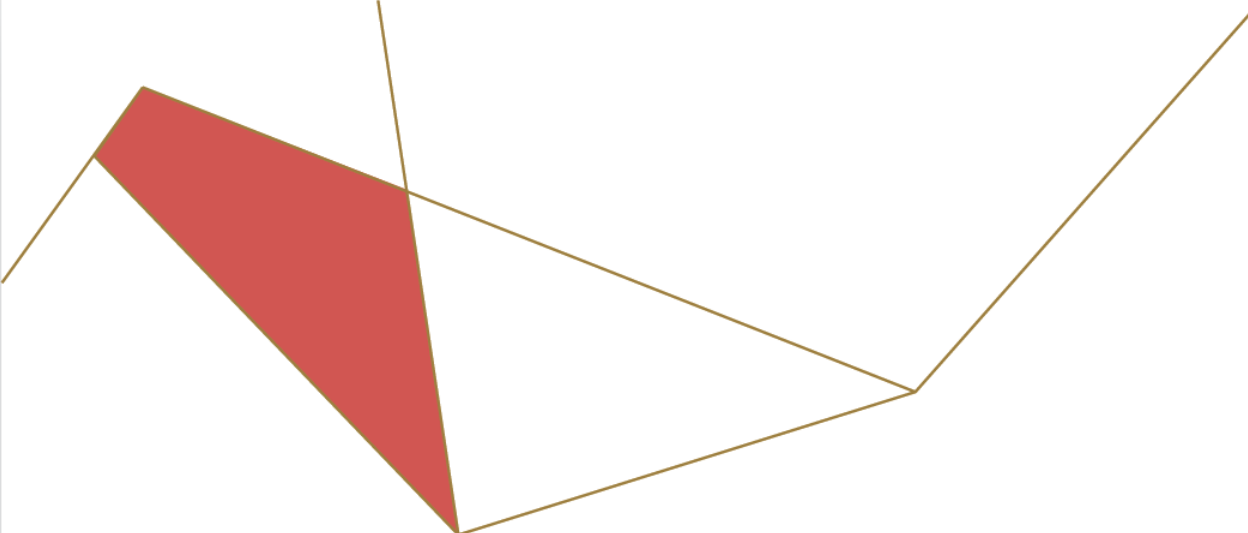
Sources of Information:

- In the preparation of the valuation report, we have relied on a set of resources, information and office and field data which we believe are commensurate with the purpose and timing of the valuation. We have also relied on the set of data provided by the Client related to the subject property, and which will clearly affect the output of this report. Therefore, any change or error in the data will render this report as incomplete, and the valuer shall be reverted to.

The Following Documents Were Reviewed:

- Title deed
- Lease agreements and details
- Approved Masterplan
- Property Sale Contract
- Property Lease Contract / Ministry of Transport Contract
- Handover report to the Ministry's Contractor / Projected Costs Report.

We therefore assume that the information is correct and that there is nothing to contradict or conflict with them. The report is issued on this basis and we disclaim any liability for anything to the contrary.



Disclosure

- Intellectual Property and Re-publishing
- Confidentiality
- Important Assumptions and Special Assumptions
- Report Validity

Disclaimers



Intellectual Property and Re-Publishing

- This report is issued for personal use only, and for the professional advisors, for the specific purpose referred to therein.
- Abaad Real Estate Valuation Company may not be held liable to any third party for all or part of the contents of the report.

Confidentiality

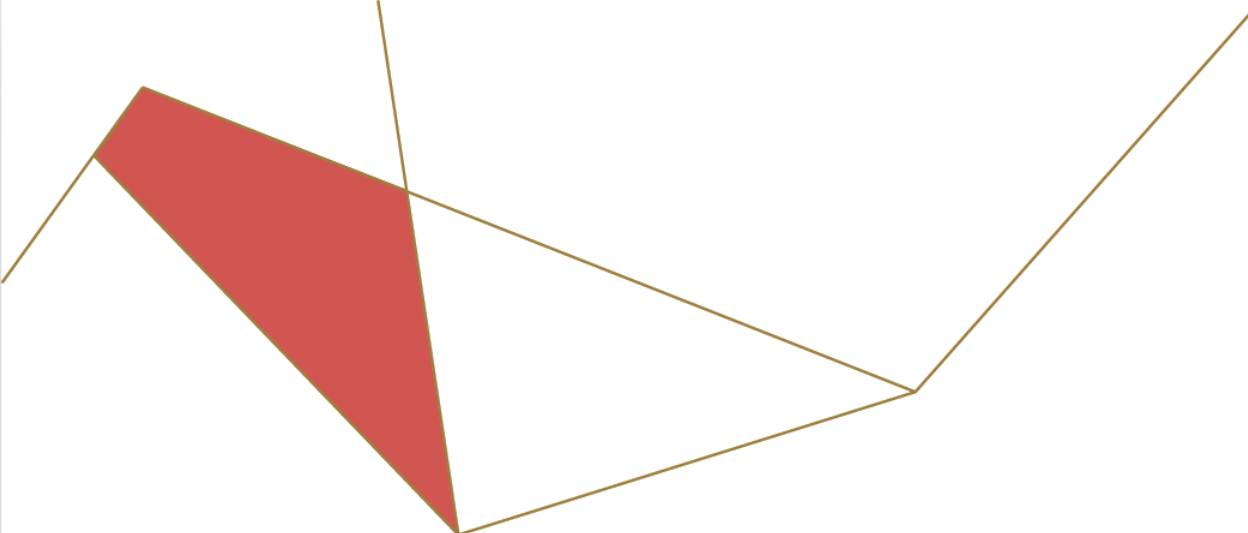
- This report is prepared upon special request and for an advisory purpose. We therefore understand that it is of utmost importance to the originator of the request to safeguard the confidentiality of the contents and output of this report. We are committed to this and the Client's information will not be used in anything other than this report. The Client's information is considered to be proprietary to its owner and to the users specified in this report, and may not be reviewed by any third party.

Important Assumptions and Special Assumptions

- According to the definition of the International Valuation Standards "Important Assumptions and special assumptions must be reasonable and relevant having regard to the purpose for which the valuation is required, and may be accepted as fact in the context of the valuation exercises without verification or validation in a specific manner. Moreover, they are matters which are accepted when stated. Such
- No important assumptions or any special assumptions were applied.

Report Validity

- This report is valid for 120 days from Valuation Date unless something changed in the real estate market that affects the value of the property, such as government decisions.



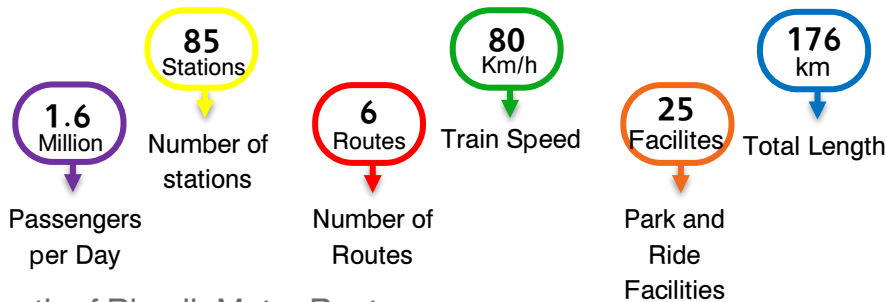
Site Location Analysis

- Public Transport
- Development Projects at City Level
- The Property at City Level
- The Property at District Level
- Property Description
- Property Photographs

Site Location Analysis

Public Transport – Riyadh Metro

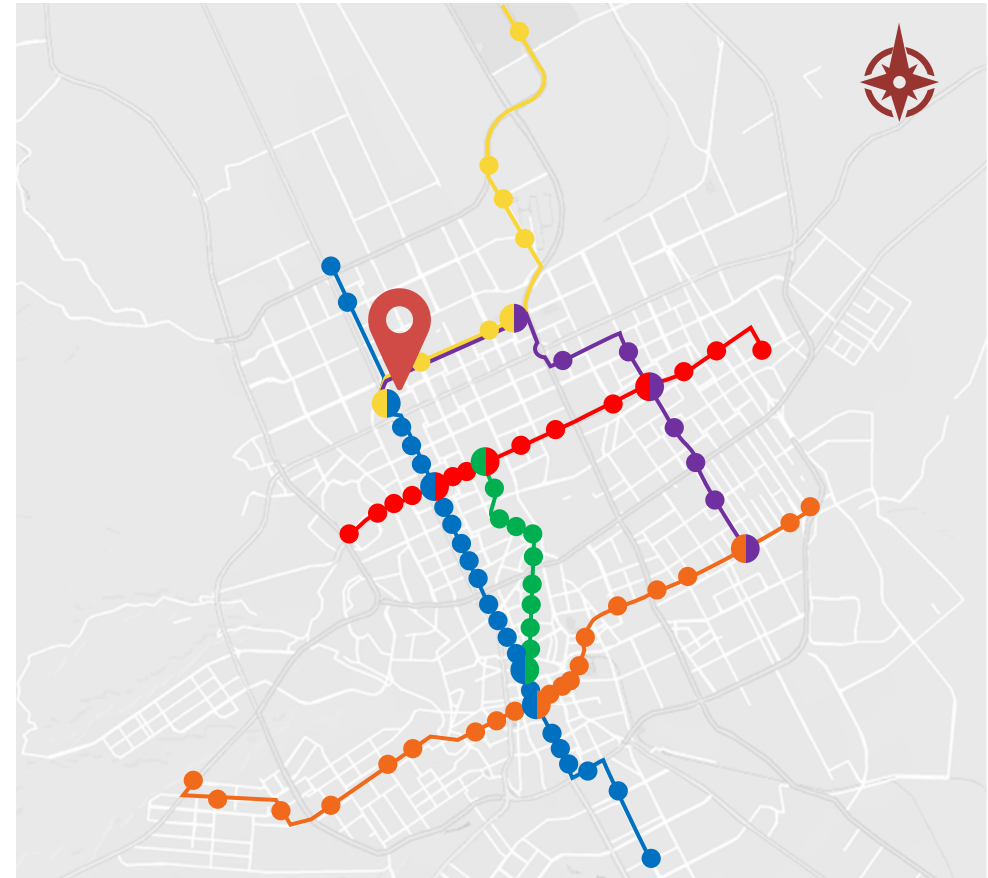
- Metro Riyadh is a high-speed transport system. It is currently under construction. It is one of the largest infrastructure projects in the City of Riyadh.
- The Metro is design as a world class transport system, including **756** metro cars, **85** stations, six metro lines and a network spanning **176** kilometers.
- The construction of the metro system has resulted in several road closures which affected traffic in various parts of the city.



Length of Riyadh Metro Routes

Route	Route Length (Km)
First Route (Blue)	38.0
Second Route (Red)	25.3
Third Route (Orange)	40.7
Fourth Route (Yellow)	29.6
Fifth Route (Green)	12.9
Sixth Route (Purple)	29.5

Riyadh Metro Route Map:



Site Location Analysis

Development Projects at City Level



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The Royal Commission for the City of Riyadh carries out many programs and development projects which are strategic in nature with multiple objectives and dimensions and different requirements for execution over time.

هيئة تطوير
بوابة الدرعية



Between the architectural, cultural, economic and social features and the environmental development requirements of Wadi Hanifa, it provides a model for the development of the oasis.

The program adopted the principle of integration with the City of Riyadh, making Diriya a world class cultural, tourism and promotional suburb.

Riyadh Art Project



Includes the performance of over 1000 artworks by local and international artists in front of audiences in the various parts of the City of Riyadh, as part of 10 programs covering residential neighborhoods, public parks, natural promenades, public squares, public transport stations, bridges, pedestrian crossings, city entrances and all tourism destinations of the city.

Riyadh Boulevard



Extends 135 kilometers, penetrating the City of Riyadh to connect Wadi Hanifa in the west of the City with Wadi Al Sulay in its east. It includes sports, cultural, recreational and environmental activities, including bicycle tracks, horse tracks, pedestrian sidewalks, a number of gates, stations and rest areas for bikers and hikers. Along the Boulevard inside the City and at Wadi Hanifa and Wadi Al Sulay, recreational services are provided to bikers and hikers, including coffee shops and diverse retail outlets.

Green Riyadh



The program aims at planting over 7.5 million trees in all parts of the city, including public parks, community parks, promenades, mosques, schools, academic, health and public installations and facilities, green belts along the spans of public utility lines, in addition to King Khalid International Airport, a roads and streets network, in addition to public transport routes, car parking spaces, vacant lands, valleys and river tributaries.

King Salman Park:



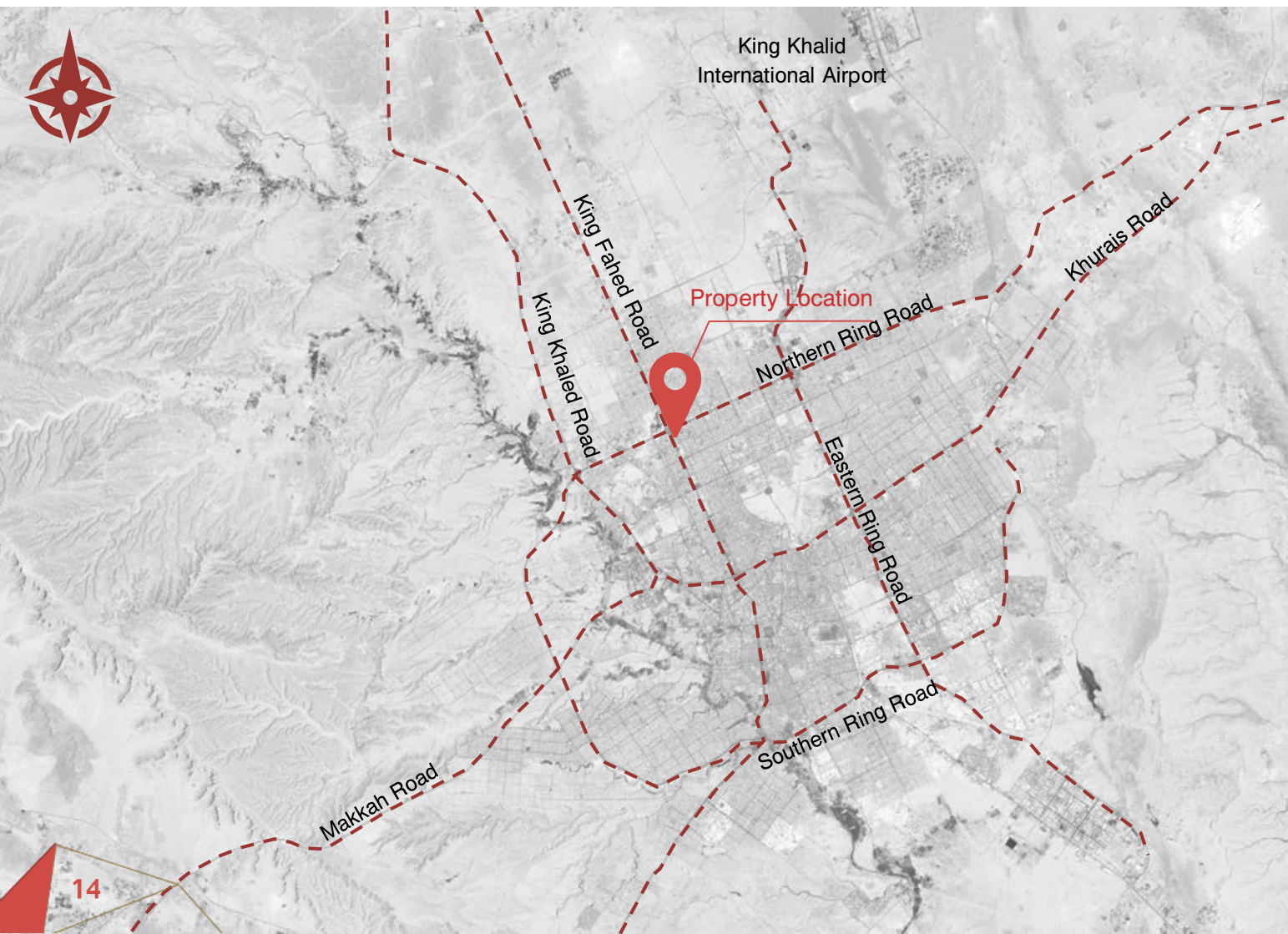
The largest city park in the World with an area exceeding 13 square kilometers. It is considered to be an environmental, cultural, sports and recreational project which contributes to the changing lifestyle in the city.

Site Location Analysis

The Property at City Level



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The subject property is located in Riyadh, the Capital of the Kingdom of Saudi Arabia, and the largest of its cities. Riyadh is the largest Saudi city, with a total population of 6.9 million in 2021.

Riyadh is one of the largest Arabic cities in terms of area. The developed area of the city is around 1,913 square kilometers.

Riyadh is witnessing significant infrastructure and public transport development, with the Riyadh Metro Project and the Public Transport Project currently in progress.

The Subject property is approximately 8 km from King Abdullah Financial District and about 30.4 km from King Khalid International Airport in Al Murooj district in Riyadh.

Site Location Analysis

The Property at District Level



The property is located in Al-Morouj district, bordered to the north by the Northern Ring Road, then Al-Ghadeer District, to the south by Imam Saud Road, then King Fahd District, to the east by King Abdulaziz Road, then to Al-Masif District, and to the west by King Fahd Road, then Al-Nakhil District.

The area surrounding the property can be reached from several important roads, including the Northern Ring Road, King Abdullah Road, and King Fahd Road.

The property has a regular shape, and it has direct access to King Fahd Road.

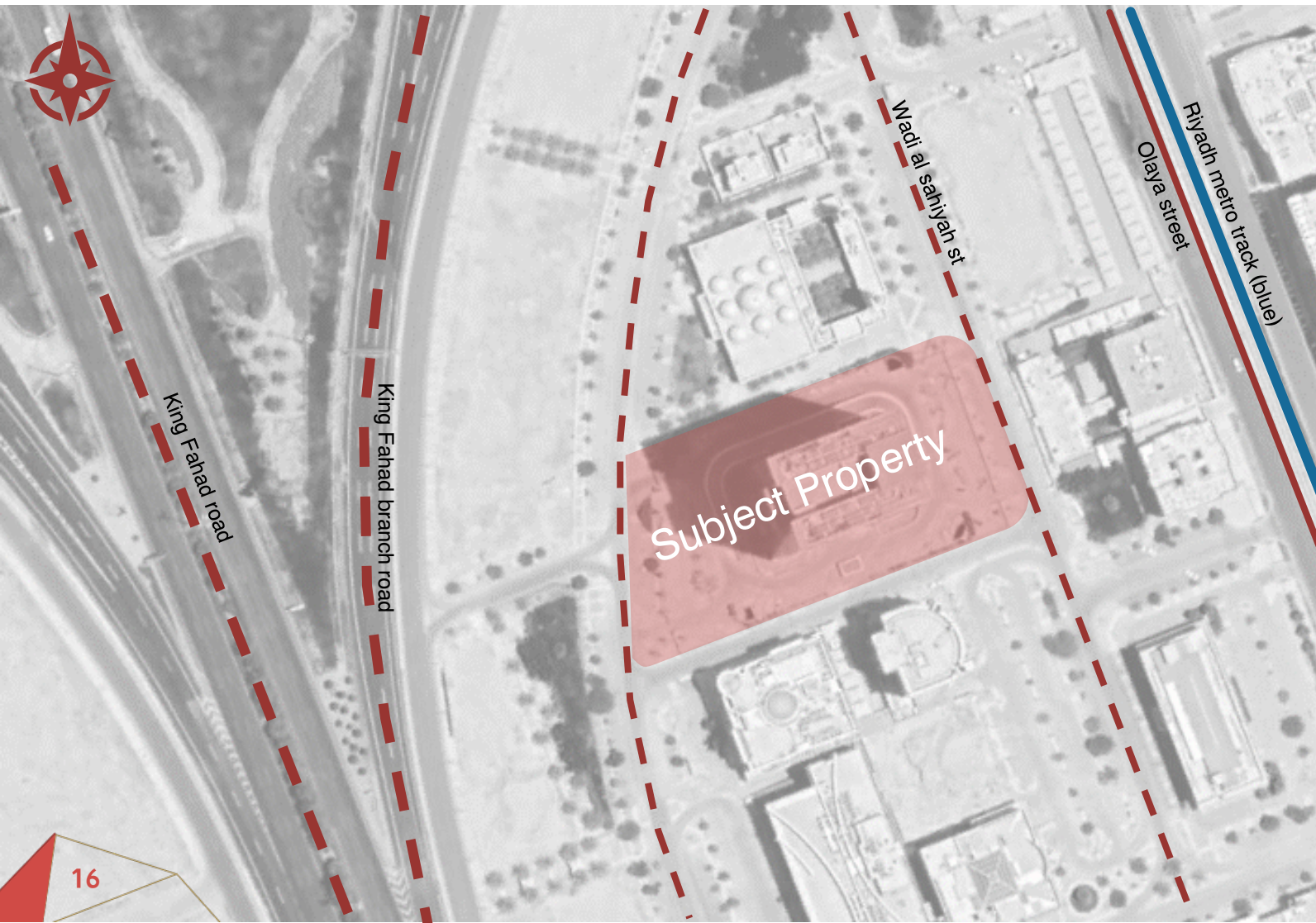
The Riyadh Metro Road (blue) passes through Al-Morouj neighborhood, which connects the neighborhoods of north and south of Riyadh, passing through the King Abdullah Financial District.

Site Location Analysis

Property Description



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The Subject Property is an office tower, consisting of 27 floors and 5 underground floors, the land area is 5,695 square meters, the total built-up area is 58,163 square meters, and the total leasable area is 24,322 square meters.

Finishings of the external facades are made of glass, and the internal finishings of the entrances and common spaces are of marble and porcelain, while the rest of the spaces are basic finishes (bone) and the units are finished according to the tenant's specifications.

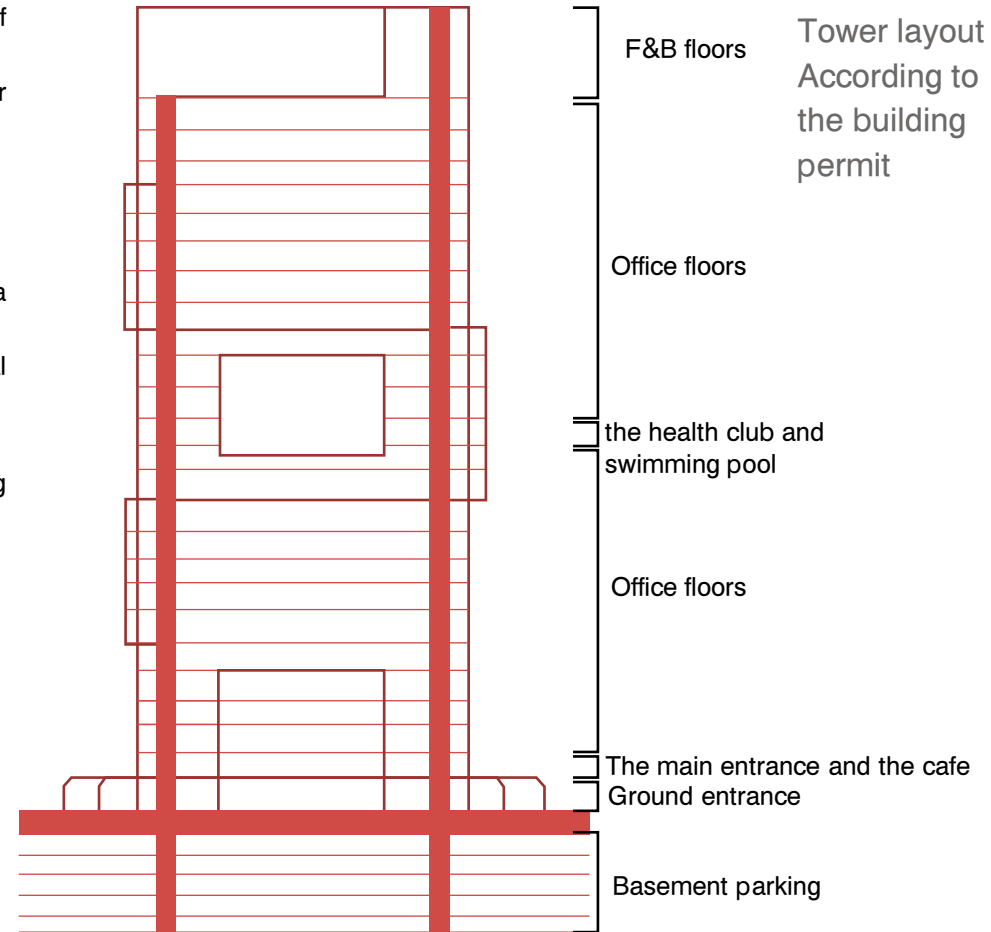
The lower positions accommodate 720 positions.

The age of the Property is 5.5 years (on construction work)

Site Location Analysis

Property Description

- The Property is an office tower with **27** floors above the ground and **5** floors of underground parkings with a total built up area of **58,163** square meters.
- The tower includes an area designated for the use of a café and an entire floor dedicated to a health club and a swimming pool at a height of **50** meters.
- The floor space varies between **827-1,665** square meters
- Underground parking can accommodate up to **720** cars.
- The front of the tower has four interactive screens.
- The main entrance contains a space designated for the reception in addition to a space designated for a café.
- The tower has **12** electric elevators divided into **6** main elevators, **4** external panoramic elevators, a service elevator and a civil defense elevator.
- The tower contains a helipad.
- The tower is equipped with central communication systems, a fire fighting system and an integrated monitoring system.
- The tower is equipped with a central air conditioning system.
- The tower contains **4** interactive screens.
- The building's construction was completed and it's currently operational.



Site Location Analysis

Property Description



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Details of the Leasable Areas:

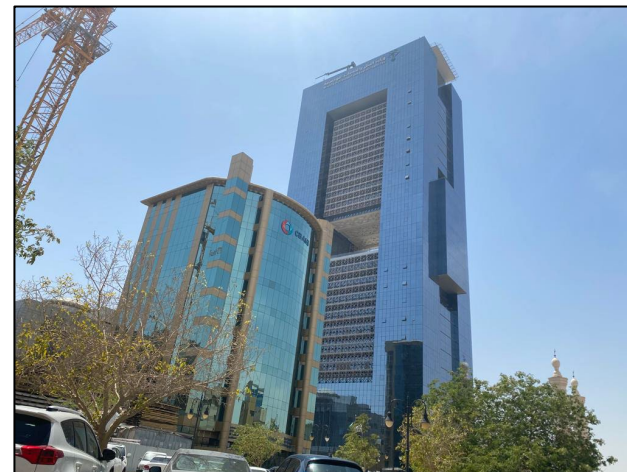
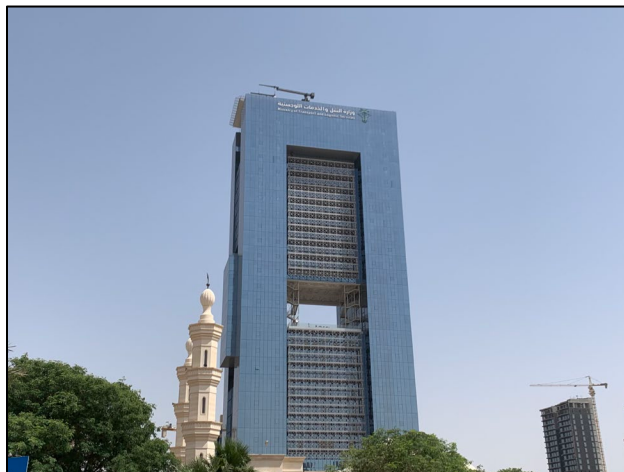
Floor	Use	Number of Floors	Leasable Area
Basement	Parking Spaces + storage	5	809.01
Lower Entrance	Entrance of the Restaurant and the Health Club	1	108.10
Upper Entrance	Reception + Cafe	1	207.47
Mezzanine	-	3	1,410.18
Service Floor	-	1	478.20
Floors 6-10	Offices	5	5,696.00
Service Floor	Health Club	1	1,136.05
Service Floor	Swimming Pool	1	1,064.00
Floors 13-15	Offices	3	1,614.36
Floors 16-21	Offices	6	6,835.20
Floors 22-23	Offices	2	2,158.90
Floor 24	Offices	1	1,051.72
Floor 25	Restaurant	1	1,336.10
Floor 26	Restaurant	1	417.10
Total		32	24,322

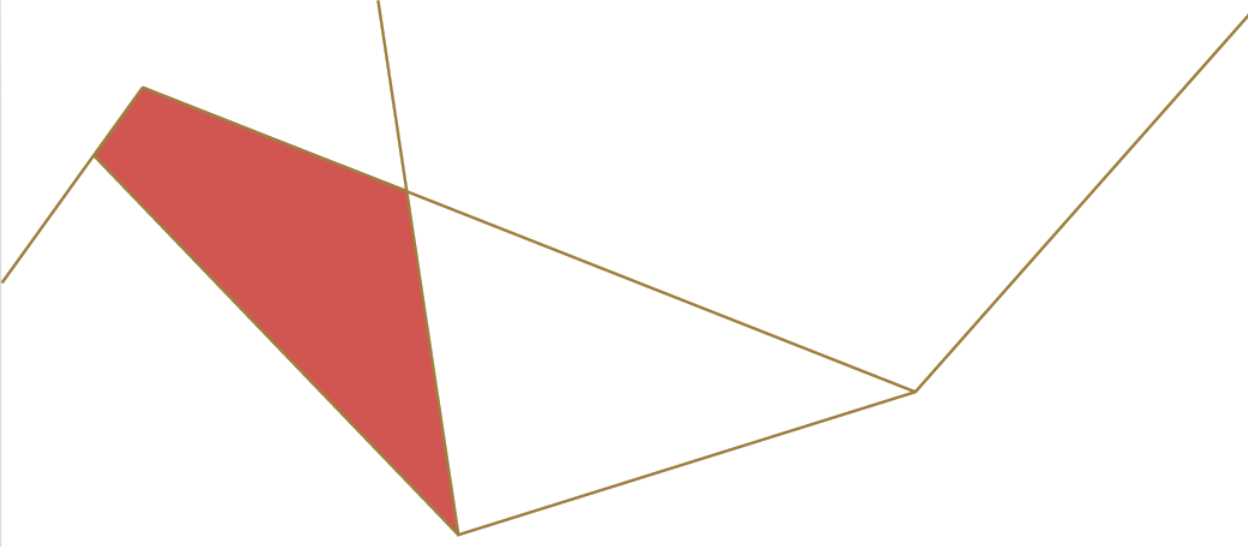
Site Location Analysis

Property Description



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Property Details

- Title Information

Tenure

Property Information

Property Details (Freehold Details)

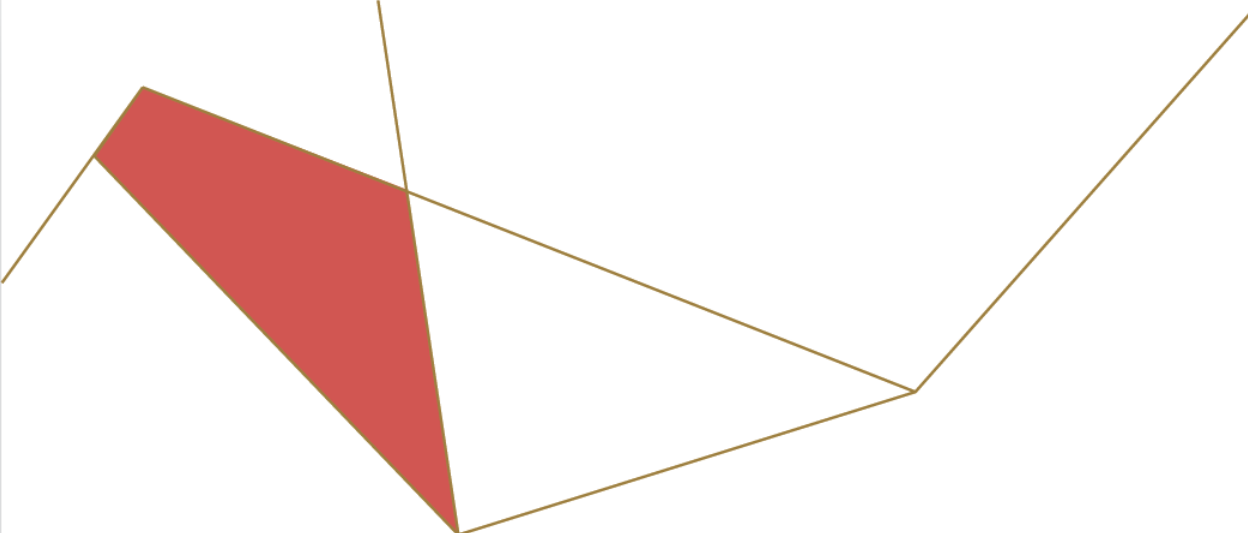
ID	Description
Owner	Awal Al Malqa Real Estate Company
Property Name	Elegance Office Tower
Plot No.	25-26-27-28
Sub-Division	2593
District	Al Murooj
Street Name	-
Coordinates	46°39.053'E 24°45.468'N
City	Riyadh
Ownership Type	Restricted Ownership
Title Deed Info	Deed No. 393318001500
	Deed Date 02/03/1442

No legal document has been verified for the subject property under evaluation, which includes planning, ownership, mortgage and some legal matters on which all or part of this report is based and considered reliable. It was assumed that the instrument was valid and binding. The subject property is collateral and pledged to Rajhi Bank.

Dimensions and street widths

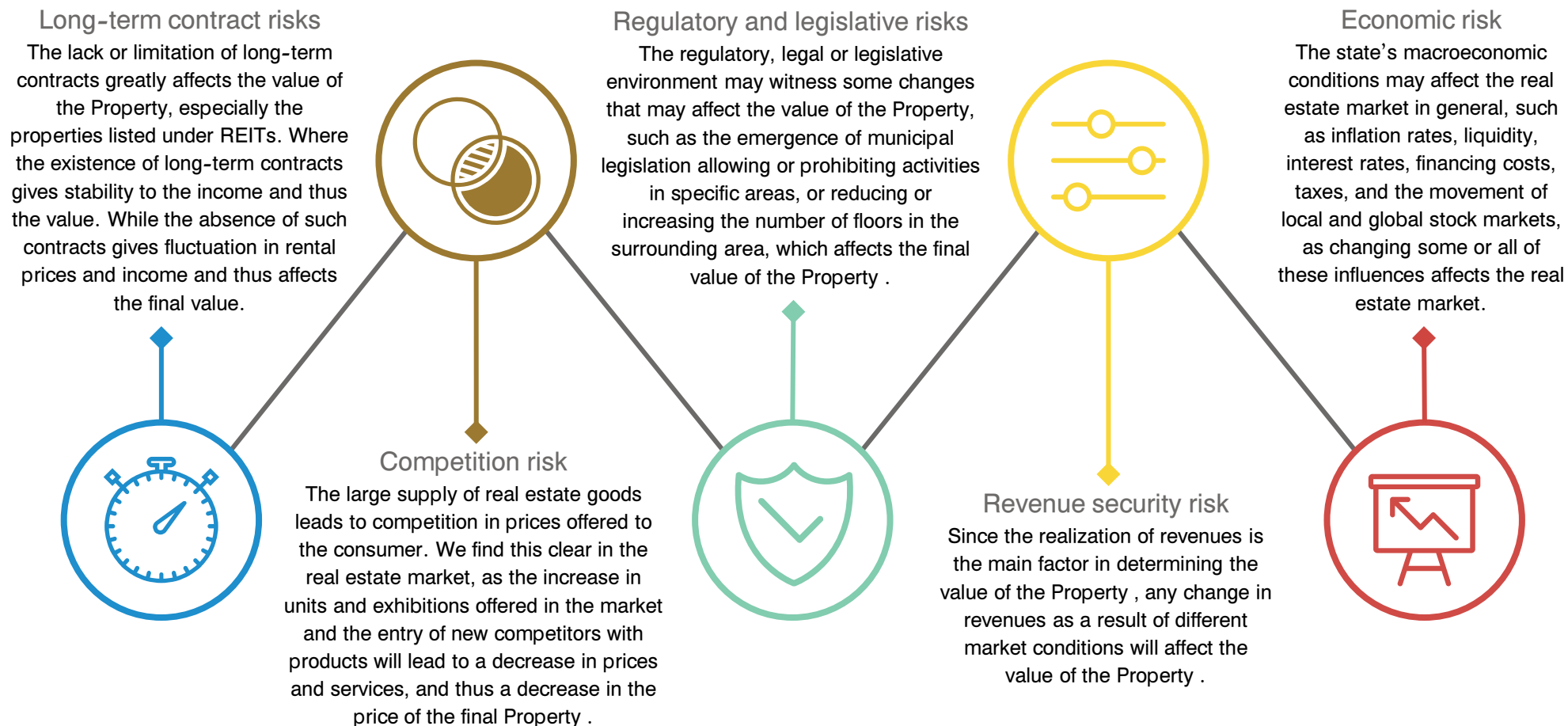
Side	Dimension (m)	Street Name	Type	Width (m)	Frontage (m)
North	85	-	Pedestrian Walkway	10	3
South	85	-	Sidewalk	-	4
East	67	-	Parking Spaces	20	1
West	67	-	Parking Spaces	20	2

- Sources: Title Deed



Valuation

- Analysis of Property Risks
- Market Study-Demand and Supply
- Valuation Approach
- Valuation Using the Income Method
- Summary of Value



Office

- In the first three months of **2023**, around **50,000** sq. m. of office gross leasable area (GLA) was delivered in Riyadh and Jeddah collectively. This brought the total existing stock to approximately **4.9** million sq. m. in the capital and **1.2** million sq. m. in Jeddah. Over the remainder of this year, an additional **61,000** sq. m. and **583,000** sq. m. of office GLA is scheduled to enter the market in Jeddah and Riyadh, respectively.
- In the capital, the supply and demand dynamics have further shifted the tide towards landlords, and they are expected to continue to remain bullish in order to capitalize on the strong demand. Additionally, corporates have been expanding towards the north, where office offerings come with better accessibility and parking. There is tight availability of good quality office space in the market. Indeed, the average market-wide vacancy in Riyadh dropped to **1%** in **Q1 2023**. As a result, average Grade A rents increased by **19%** year-on-year (Y-o-Y) to reach **SAR 1,764** per sq. m. per annum during the same period.
- In Jeddah however, the office market is exhibiting signs of softening. That said, well managed, single owned quality office spaces are highly sought after. Consequently, average Grade A rents rose by **15%** Y-o-Y to reach **SAR 1,199** per sq. m. per annum in the first quarter of **2023**. Broadly, market-wide demand is being led by local companies and family businesses relocating to newer areas towards the north and west. Accordingly, the citywide average vacancy stood at **8%** in **Q1 2023**.
- The office market in the Kingdom is expected to sustain its positive momentum. As Riyadh is being positioned as the new commercial nerve center, we expect more efforts towards substantially improving the infrastructure of the capital, to cater to its increasing popularity.

Source of Info: JLI

Residential

- Riyadh witnessed the completion of close to **7,800** residential units in **Q1 2023**, pushing up the total stock to **1.4** million residential units. Over the same period, **4,400** units were handed over in Jeddah to bring the city's residential inventory to **864,000** units. In the remaining months of this year, **45,000** units are planned to be delivered across the two cities combined.
- Several government-backed projects were launched in recent months to support the growing residential sector, such as the first phase of Al Arous in Jeddah, Al Fursan, and the second phase of Khuzum in the capital. One of the biggest announcements has been the launch of New Murabba in Riyadh, which aims to be one of the world's largest downtowns. All these announcements are reflective of strong pent-up demand and the government's continued confidence in the long-term growth of the residential sector in the Kingdom.
- The government has introduced several measures to expedite home ownership among Saudi nationals and boost the residential sector. Demand has been increasing, and I expect to continue to trend up. In a recent announcement, **100** million sq. m. of land was allocated to the residential sector in the capital and other cities to control the increase in land and residential prices. Undeniably, in the first quarter of **2023**, average sale prices and rents in Riyadh increased by **7%** and **2%**, Y-o-Y, respectively. On the same basis, in Jeddah, average sale prices increased by **11%** annually, and average rents climbed by **9%**.
- Overall, there has been a structural shift in the market, and demand for apartments has been outpacing villas, with sale prices registering an annual growth of **6%** in the capital and **17%** in Jeddah, in **Q1 2023**. Over the same period, rents for apartments grew by **4%** in Riyadh and **13%** in Jeddah.

Source of Info: JLI

Retail

- In Q1 2023, there were two retail developments completed in Riyadh, adding approximately 84,000 sq. m. of retail space and increasing the total supply to 3.4 million sq. m. Over the same period, Jeddah's retail stock increased by roughly 46,000 sq. m. to 1.8 million sq. m. In the remaining nine months of this year, 478,000 sq. m. of retail floorspace is scheduled to enter the market in Jeddah and about 105,000 sq. m. in Riyadh. With the retail market softening in Jeddah, we continue to be cautious about completing future projects on schedule.
- Overall, strip retail and smaller community centers have been performing better than larger super regional malls. The majority of the inquiries were for smaller spaces, particularly in Jeddah, where enquired spaces ranged between 8 to 120 sq. m. Additionally, tenants displayed a preference for corner locations with high visibility on the street, and outdoor seating areas have become very important for F&B (Food and Beverage) retailers due to their increasing popularity among consumers. In line with this trend, several malls have started to establish a separate F&B area located outside of the malls to attract tenants and increase footfall in their developments.
- F&B and entertainment segments have been the key footfall generators with increased focus on experiential retail. Moreover, landlords in the capital are trying to attract new market entrants who do not have a local presence in the country. In contrast, landlords in Jeddah are being more cautious and are seeking well-known brands to avoid risks associated with new market entrants.
- Looking at the rental performance, in annual terms, rents for super regional and regional malls increased by 11% and 8%, respectively, in Riyadh in the first quarter of this year. On the same basis, rents in Jeddah fell on average by 6% across super regional malls and remained stable for regional malls, signaling slowing market conditions in the city.

Source of Info: JII

Hospitality

- There were no new hotel developments completed in the capital in Q1 2023, keeping the total stock stable at 21,000 keys. During the same period, Jeddah saw the delivery of 300 keys, increasing the total existing supply to 16,000 keys. An additional 3,000 keys are scheduled to enter the market in 2023 in both cities combined. Of this, around 2,000 keys are expected to enter Riyadh, and the remaining 1,000 keys are in Jeddah.
- As part of its efforts to increase tourism in the Kingdom and reach the target of 100 million visits a year by 2030, the government recently launched a new national airline, Riyadh Air, which will have its hub at Riyadh's King Salman International Airport. Additionally, a new stop-over (transit) visa was also announced for passengers traveling using existing national airlines, Saudia and Flynas. All these initiatives are going to boost the hospitality industry and help position Saudi Arabia as a global tourism destination in the long run.
- The Saudi market is currently going through a cultural shift, where new entertainment venues are being created, and global events are being hosted to establish its presence on the global tourism map. Looking at the growth prospects of the hotel industry, the majority of the operators who already have a presence in the country are planning to aggressively expand their offerings in the Kingdom and increase the volume of rooms under their portfolios. That said, owners of hospitality developments, are seeking to attract new unique operators.
- As a result, the hospitality sector performed strongly in the first quarter of 2023. Riyadh's occupancy rate rose to 76%, and the average daily rate (ADR) increased to USD 212 for YT February 2023, compared to the same period last year. On the same basis, Jeddah's occupancy rate reached 54% and ADR was recorded at USD 147. The Saudi hospitality market is expected to sustain its positive drive and improve further.

Source of Info: JII

Valuation Methods Used

- When selecting the best approach to assess the value of the Subject Property, we have taken into consideration the information provided by the Client, the current condition of the Property and our own analysis of the local market conditions. When determining the fair value of the Subject Property, we have used the following methods and approaches:

Income Approach (Discounted Cash Flows)

- The income method provides an indicator of the value by converting the future cash flows into a single present value. According to this method, the value of the asset is determined using the value of revenues or cash flows or cost savings from the asset. The discount rate is usually reached by analyzing the suitable market and development transactions. We are also in communication with real estate agents and local investors to gauge the sensitivity of the figures.

Key Assumptions in the Discounted Cash Flow Method:

Cap Rate .

- A cap rate of 7.0% is applied.

Inflation Rate.

- In respect of the cash flow of the project, an inflation rate of 2.80% is applied.

Discount Rate

- Based on our understanding of similar properties in the area of the Property, and taking into consideration the site features, area, uses, terrain and supply and demand, we have applied a discount rate of 9.80%.

Valuation

Comparable Sites

Raden Center

Retail



64 Showrooms

Offices



54 Offices

Street



Olya Street

Price for Offices



1,500 SAR/Sqm

District



Al Morooj

Total GLA



15,613 Sqm

Parking



351 Cars

Distance from Subject Site



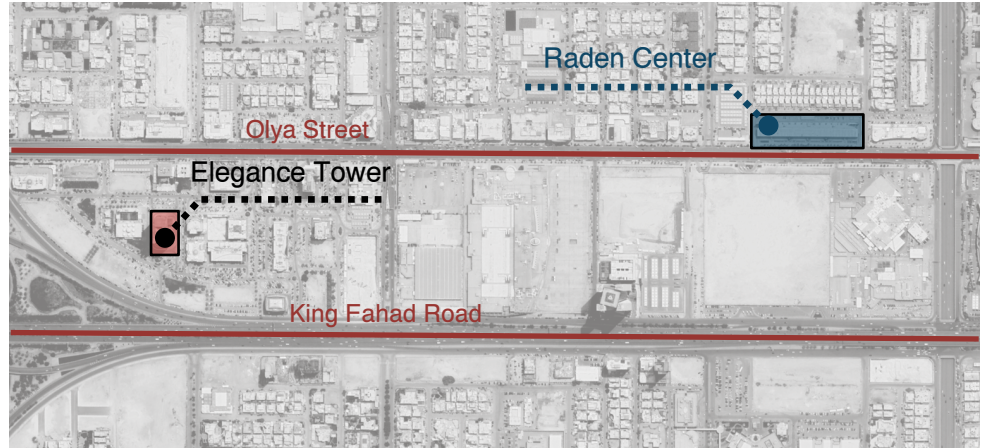
1,500 M



رادن سنتر
RADEN CENTER

Information Source(Field Research)

Location



About Raden Center

- Ground & first floor terrace areas, panorama elevators, escalators, 351 parking spaces including 227 underground, new modern design, fire alarm system for the whole building, and flexible spaces.
- Raden Center is one of the latest Real Estate commercial projects.
- Commercial and office building with a unique design and concept.
- Beautiful view and amazing outdoor seating areas.
- Provides perfect and comfortable environment for relaxing and enjoyment.

The building has four floors including ground. The ground and first floors contains retail, second and third contain offices.

Average Rent Price

- According to the client's information, the tower's total annual income is **30,000,000 SAR** for five years, starting from the date of the acquisition. On the previous page of this report, after studying Raden center, we analyzed the prices and made calculations and adjustments to reach the average rental value per Sqm. The following table shows the rental prices after the end date of the contracts as follows:

Type	Average Lease Rate (SAR/Sqm)
Offices	1,600
Health Club	850
Warehouses	250

Leasable Areas.

Type	GLA (Sqm)
Offices	21,259
Health Club	2,254
Warehouses	809
Gross Leasable Area (sqm)	24,322

Total Income 100% Occupancy.

Type	Income (SAR)
Offices	34,014,848
Health Club	1,915,985
Warehouses	202,253
Total Income	36,133,086

Valuation

Valuation Using the Income Method



As a result of the prior information, cash flows were calculated to reach the value of the subject property. The contract between Alkhabeer Capital and Al Saedan Company was taken into consideration for the remaining period of 2.5 Years. After that, the rental was assumed in accordance with market rates.

Inflation Rate: Discounted cash flows are calculated at an annual inflation rate of **2.8%** per annum by taking the average rate of inflation in the domestic product of the Kingdom of Saudi Arabia for the past **12** years as per the Central Bank of Saudi Arabia.

Discount rate: Based on our understanding of similar properties in the real estate area, and taking into account the characteristics of the location, area, use, supply and demand, we applied a discount rate of **9.80%**.

Rate of return on capital: The rate of return is calculated according to the location of the property and the type of construction, as well as the field and office research for similar rates of return to the property under valuation, and according to our understanding of the real estate market in the Kingdom, a rate of **7.00%** has been reached.

Summary of Cash Flow Calculations:

Period	1	2	3	4	5	6	7	8	9	10
Annual Occupancy Rate (%)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Gross Projected Income (SAR)	30,000,000	30,000,000	30,000,000	39,463,352	40,475,078	41,486,804	42,498,531	43,510,257	44,521,984	45,533,710
Credit and Vacancy Costs (%)	0.0%	0.0%	0.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Credit and Vacancy Costs (SAR)	0	0	0	3,946,335	4,047,508	4,148,680	4,249,853	4,351,026	4,452,198	4,553,371
Total Income (SAR)	30,000,000	30,000,000	30,000,000	35,517,016	36,427,570	37,338,124	38,248,678	39,159,231	40,069,785	40,980,339
Additional Income Percentage (%)	0%	0%	0%	15%	15%	15%	15%	15%	15%	15%
Gross Additional Income (SAR)	0	0	0	5,327,552	5,464,136	5,600,719	5,737,302	5,873,885	6,010,468	6,147,051
Gross Effective Income (SAR)	30,000,000	30,000,000	30,000,000	40,844,569	41,891,706	42,938,842	43,985,979	45,033,116	46,080,253	47,127,390
Operating Expenses Percentage (%)	0.0%	0.0%	0.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%
Operating Expenses (SAR)	0	0	0	5,309,794	5,445,922	5,582,050	5,718,177	5,854,305	5,990,433	6,126,561
Net Operating Income (SAR)	30,000,000	30,000,000	30,000,000	35,534,775	36,445,784	37,356,793	38,267,802	39,178,811	40,089,820	41,000,829
Exit										585,726,130
Property Value (SAR) (Rounded)	475,700,000									

Valuation

Opinion of Value

Abaad is of the opinion that the Value of the Subject Property as of the date of valuation, based upon assumptions and detail within this report, may be fairly stated as follows:

The fair value of the Property using the income approach as of 30 June 2023 is:

- 475,700,000 SAR (Four Hundred Seventy-Five Million Seven Hundred Thousand Saudi Riyal).



أبعاد
للتقييم العقاري

Signatures

Eng. Ammar Abdulaziz Sindi
Taqeem ID: 1210000219
Fellow Member
Membership Date: 22/12/2015
Real Estate Sector

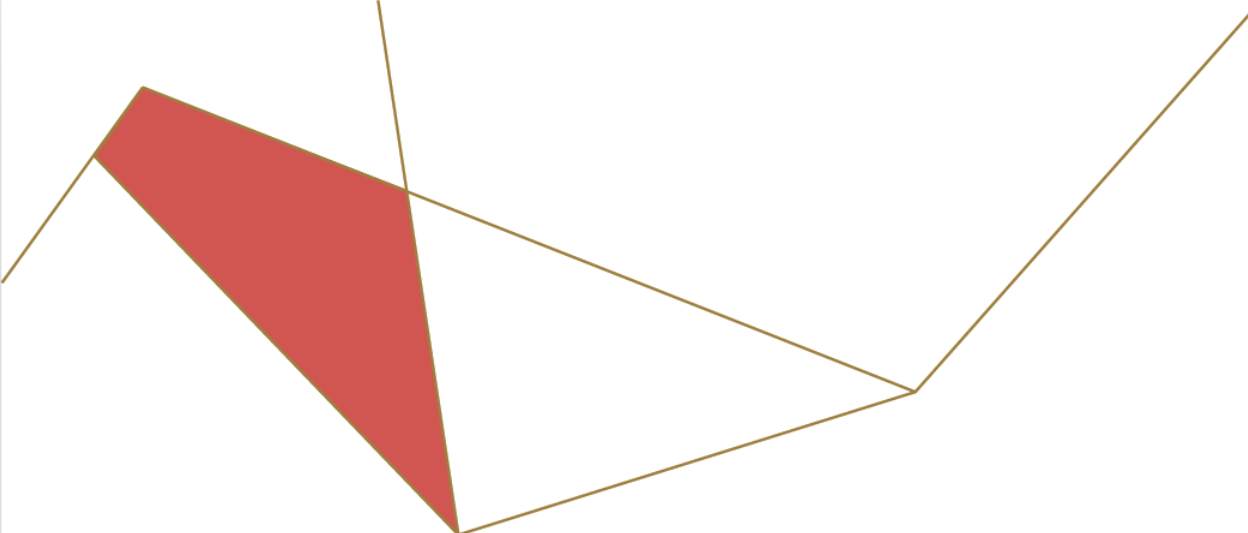
Eng. Ammar Mohamed Qutub
Taqeem ID: 1210000392
Fellow Member
Membership Date: 24/01/2016

Real Estate Sector
Eng. Yousuf Abdullah Khan
Taqeem ID: 1220001989

Provisional Member
Membership Date: 17/09/2020
Real Estate Sector
Company Stamp

Company Name: Abaad & Partner
for Real Estate Valuation
Company No. 11000111
CR No: 4030297686
CL No: 323/18/781





Appendix

- General Terms Used in the Preparation of the Valuation Report
- Property Documents

General Terms Used in the Preparation of the Valuation Report

Authority

Means the Saudi Authority for Accredited Valuers (TAQEEM), the authority concerned with developing requisite guidelines and standards for the valuation of properties, business establishments, equipment, movable property, etc. in accordance with the Accredited Valuers Regulations promulgated by Royal Decree No. (M/43) dated (9/7/1433). Its objective is to develop the valuation profession and improve the qualifications of valuers, as well as to develop and maintain the general rules for Authority membership of various levels with ongoing development of the qualifications of its members to keep abreast of the highest state of the art levels. The (Authority) is a legal entity, not for profit, with an independent budget. It operates under the supervision of the Ministry of Commerce and Investment.

Asset(s)

To facilitate reading of the standards and in order to avoid repetition, the term Asset(s) generally refers to the items which are the subject of the valuation exercise. Unless otherwise provided in the standards, these terms may be taken to mean and include each of the following words: (an asset, group of assets, obligation, group of obligations, or a group of assets and obligations).

Client

The word (Client) refers to the person(s) or entity for which the valuation is carried out, including the external clients (that is when the valuer is contracted with a third party), as well as the internal clients (that is the valuations prepared for the owner).

Legal Jurisdiction

The word (Jurisdiction) refers to the legal and regulatory environment wherein the valuation process is carried out. It includes the laws and regulations issued by

government authorities, such as the district, state and municipality, and the laws issued by certain regulatory entities commensurate with the purpose of the valuation, such as central banks and capital market authorities.

May

The word (May) describes the action which the valuer is required to take into consideration. Matters described as such require the valuer's attention and understanding. The ability to apply these matters in the valuation process depends on the valuer's judgement and professional experience under conditions which are in line with the objectives of the standards.

Shall

The word (Shall) refers to an unconditional responsibility, that is, the valuer must fulfil any responsibilities of this type in all cases and under all circumstances where the condition is applicable.

Participant

The word (Participant) refers to the participants concerned on the basis(es) of the value used in the valuation exercise (see Standard 104 – Basis of Value). The different bases of value require the valuer to take different points of view into consideration, such as the points of view of the market participants, including for example the fair value, the fair value of the International Financial Reporting Standards (IFRS), a certain owner or a prospective buyer, such as the investment value.

Purpose

The word (Purpose) refers to the cause(s) of carrying out the valuation. It includes the general purposes (for example, without limitation) the purposes of the financial reports, tax reports, litigation support, transactions support and support of secured lending decisions.

Appendix

Subject Property Documents



أبعداد
للتقييم العقاري

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

وزارة العدل
ممثل سعود هادي الدوسري
الرياض
ترخيص رقم 39/968

صك رجس

الجدد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد؛
فإن قطعة الأرض رقم 25 و قطعة الأرض رقم 26 و قطعة الأرض رقم 27 و قطعة الأرض رقم 28 من المخطط رقم 2593 بحي المروج بمدينة الرياض وحدودها وأطرافها:
شمالاً: ممر مشاة عرض 10 م بطول 85 خمسة و ثمانون متر جنوباً: رصيف ممر مشاة بطول 85 خمسة و ثمانون متر شرقاً: مواقف يليها شارع 20 م بطول 67 سبعة و ستون متر غرباً: مواقف يليها شارع عرض 20 م بطول 67 سبعة و ستون متر ومساحتها 5695 خمسة آلاف و ستمائة و خمسة و تسعون متر مربعاً المملوكة لشركة أول العقلا التجارية بموجب سجل تجاري رقم 1010893802 بموجب الصك الصادر من الموثقين بالرياض برقم 393194000103 في 27 / 01 / 1442 قد تم رفعها وما أقيم أو سيقيم عليها من بناء أصلي / شركة الراحي للتطوير المحدودة بموجب سجل تجاري رقم 1010158249 شحناً للأغراض بـ 420000000 فقط أرومعة و عثرون مليون ريال سعودي لا غير. تاريخ حلول القسط 1442/03/03 سبب الرهن : أداة ضمان وفي حالة عدم السداد فالمرتكبين بيع المثلار بالقيمة التي تتكفي عندها الرهينة. واستيفاء مائة ثمة الراهن من مبلغ وما نقص يرجع فيه عليه بعد اكتمال مايزلزم شرعاً، وعليه جرى التصديق تحريراً في 02 / 03 / 1442 لا تصلحه، ووصلني الله على نبينا محمد وآله وصحبه وسلم.

الموثق

الختم الرسمي

ممثل سعود هادي الدوسري



Abaad & Partner For Real Estate Valuation Co.

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Riyadh, Kingdom of Saudi Arabia

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